



Regional Transit Authority

FINANCIAL STATEMENTS

December 31, 2024 and 2023

**FINANCIAL SECTION**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Regional Transit Authority (the "RTA"), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the RTA's basic financial statements as listed in the table of contents.

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, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the RTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2024 the RTA adopted new accounting guidance, GASBS No. 101, Compensated Absences, which resulted in a cumulative effect of change in accounting principle to the December 31, 2023 and 2022 net position, respectively. Our opinion is not modified with respect to this matter.

Other Matter – Prior Period Adjustments and Restatement of 2023 Financial Statements

As described in Note 2, the RTA restated its 2023 financial statements related to an accrual of revenue and a reduction in payroll liabilities. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the RTA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the RTA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, on pages 4-12, and the GASB-required pension and OPEB supplementary information, on pages 56-59, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 (the Schedules) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 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 September 29, 2025, 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 RTA's internal control over financial reporting and compliance.

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

Metairie, Louisiana
September 29, 2025

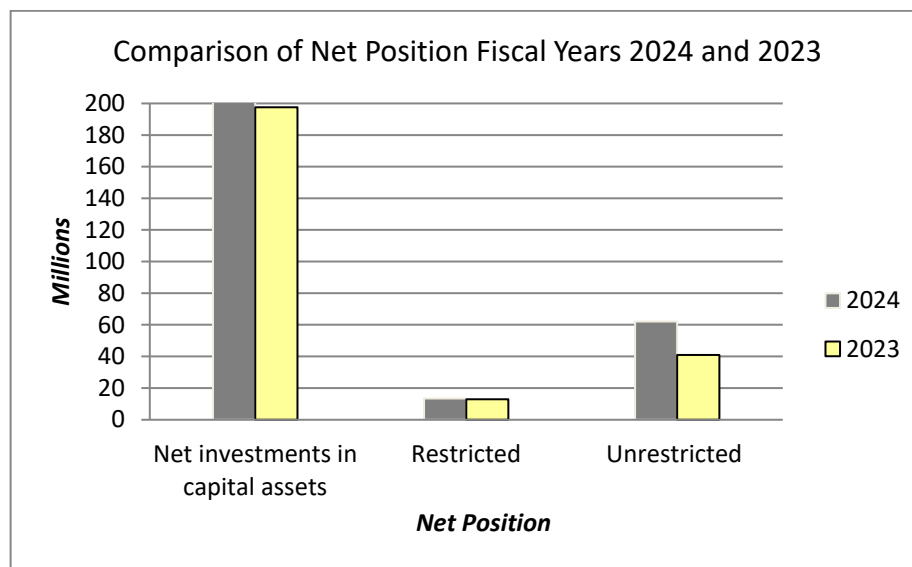
Regional Transit Authority Management's Discussion and Analysis

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, 2024 and 2023. Please read it in conjunction with the RTA's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

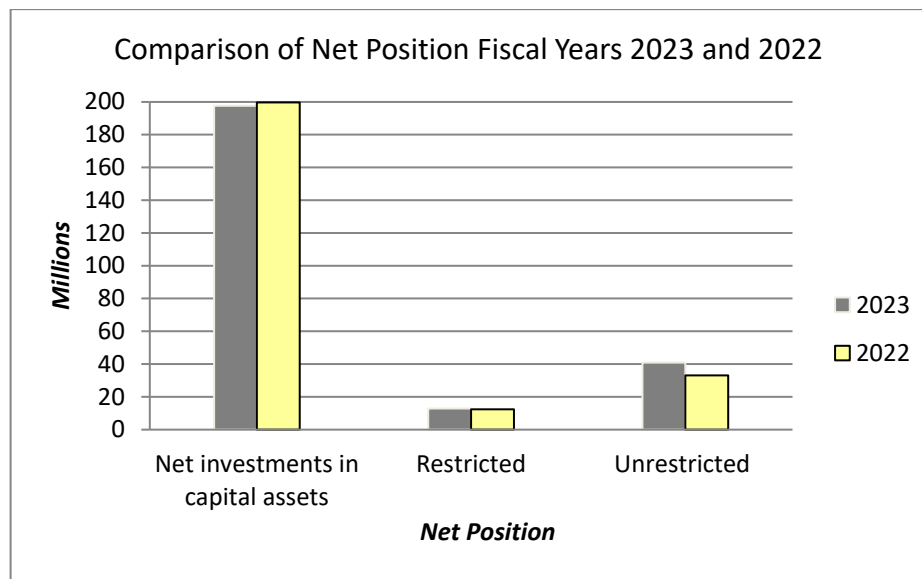
2024

In 2024, the RTA experienced a slight increase in passenger fare revenue as compared to 2023. We continue to experience the benefits of increased pass sales that began with our new fare structure adopted in 2022, coupled with an increase in mobile app users, which continues to grow exponentially. We also entered 1-year pilot program which introduced Zero Fares for Opportunity Youth ages 16-24 funded through the city of New Orleans. The RTA continued its regular operations of the routes that were redesigned in September of 2022. With the implementation of the expanded service, and the addition of 29 new buses put into service in the fall of 2024, the RTA continued to operate full peak service, to meet the public transit needs of customers. This resulted in total transit operating expenses of \$162.6M inclusive of maritime operations, which is an increase of 4.68% from 2023 due to required drydocking of the Levy vessel. The City of New Orleans continued to do well with events and tourism in 2024, however it seems to have leveled off from booms in previous years, as hotel/motel sales tax showed a decrease of 16.55%. Sales tax, however, increased slightly by 0.40%. Overall, our figures still showed that the RTA generated healthy returns, as we ended the year with \$94.3M in sales tax revenues and \$176.4M in total non-operating revenues. The RTA saw the completion of the new Canal Street Ferry Terminal and the Napoleon facility during FY 2024. The agency issued no new debt in 2024, as our credit rating remained positive, allowing capacity for larger capital projects in future years.



2023

In 2023, the RTA experienced a moderate increase in passenger fare revenue as compared to 2022. We continue to experience the benefits of increased pass sales that began with our new fare structure adopted in 2022, coupled with an increase in mobile app users. The RTA continued its regular operations of the routes that were redesigned in September of 2022, with recommendations made from the New Links study. With the implementation of the expanded service, the RTA operated its new peak service, to meet the public transit needs of customers. This resulted in total transit operating expenses of \$155.3M inclusive of maritime operations, which is an increase of from 2022. The City of New Orleans continued to do well with events and tourism in 2023, however the boom that we experienced in the latter part of 2022 leveled off, as general use and hotel/motel sales tax showed a slight decrease of nearly 2%. Overall, our numbers showed that the City generated healthy returns, as we ended the year with \$93.9M in sales tax revenues and \$140.1M in total non-operating revenues. The RTA began several other capital projects in 2023. The agency issued no new debt in 2023, as our credit rating remained positive, allowing capacity for larger capital projects in future years. While we experienced challenges with our fleet in 2023, we were able to initiate the procurement of 29 new buses through government grant funding to assist with replacing our aging fleet. The addition of new buses in 2024 will allow the RTA to continue serving the customers throughout our region.



OVERVIEW OF THE FINANCIAL STATEMENTS

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

Regional Transit Authority Management's Discussion and Analysis

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 2024, the RTA's Net Position increased by \$36.3 million. The increase in the RTA's net position during 2024 is primarily attributed to an increase in grants from the FTA and drawdown of the ARPA funding for vehicles and operating expenses, offset by a \$7.3 million increase in operating expenses. The RTA's total liabilities in 2024 decreased by approximately \$14.7 million compared to total liabilities for 2023. In 2024, the RTA received approximately \$94.3 million in sales tax revenues from the City of New Orleans.

2024 Net Position

The RTA's total net position at December 31, 2024, increased to approximately \$287.7 million, a 14.4% increase from December 2023 (see Table A-1). Total assets increased 6.7% to approximately \$432.0 million and total liabilities decreased 8.7% to approximately \$154.0 million. Restricted assets increased from December 31, 2023, values to \$13.4 million and capital assets increased to \$296.2 million respectively. The unrestricted net position balance increased approximately \$21.1 million from approximately \$40.9 million at December 31, 2023, to approximately \$62.0 million at December 31, 2024.

2023 Net Position

The RTA's total net position at December 31, 2023, increased to approximately \$251.4 million, a 2.6% increase from December 2022 (see Table A-1). Total assets decreased 6.5% to approximately \$405.1 million and total liabilities increased 3.1% to approximately \$168.7 million. Restricted assets increased from December 31, 2022, values to \$12.9 million capital assets decreased to \$288.1 million respectively. The unrestricted net position balance increased approximately \$7.9 million from approximately \$33.0 million at December 31, 2022, to approximately \$40.9 million at December 31, 2023.

Regional Transit Authority
Management's Discussion and Analysis

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

	2024	2023 (restated)	Increase (Decrease)	2022 (restated)
Current assets	\$ 119,868	\$ 104,059	15.2%	\$ 95,919
Restricted assets	13,367	12,917	3.5%	12,497
Capital assets	296,191	288,103	2.8%	292,364
Net pension asset	2,602	-	100.0%	32,419
Total assets	432,028	405,079	6.7%	433,199
Deferred outflow of resources	11,335	16,950	-33.1%	632
Current liabilities	56,889	54,971	3.5%	50,317
Long-term liabilities	97,115	113,748	-14.6%	113,323
Total liabilities	154,004	168,719	-8.7%	163,640
Deferred inflow of resources	1,650	1,911	-13.7%	25,095
Net investment in capital assets	212,324	197,553	7.5%	199,640
Restricted	13,367	12,917	3.5%	12,413
Unrestricted	62,018	40,929	51.5%	33,043
Total net position	\$ 287,709	\$ 251,399	14.4%	\$ 245,096

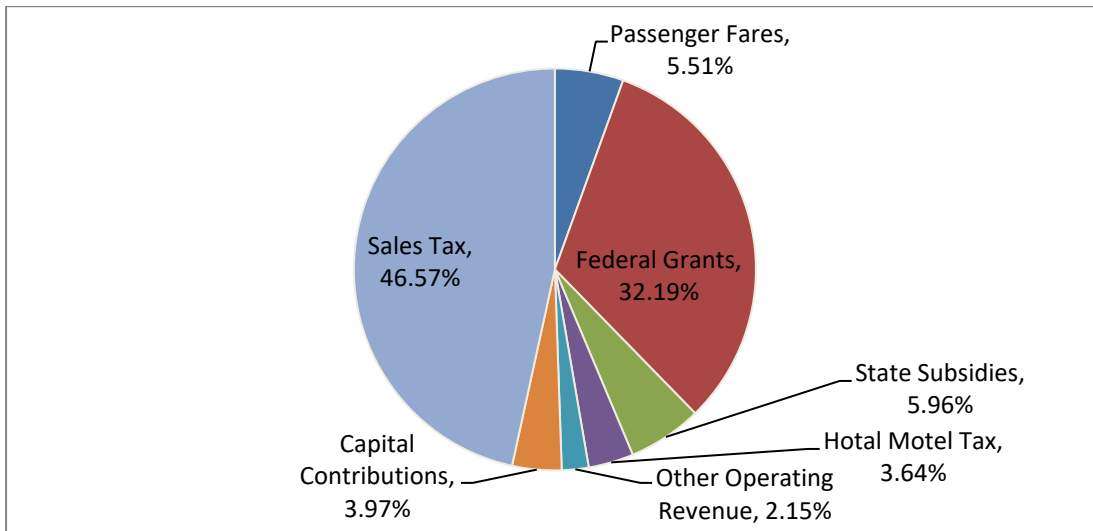
2024 Changes in Net Position

The change in net position for the year ended December 31, 2024, was approximately \$36.3 million or 476.1% more than the year ended December 31, 2023. The RTA's operating revenues increased 3.6% to approximately \$14.4 million, and total operating expenses increased 4.7% to approximately \$162.6 million. The changes in net position are detailed in Table A-2; operating expenses are detailed in Table A-3.

Passenger fare revenues increased 0.9% to approximately \$11.2 million compared to \$11.0 million in 2023. Non-operating revenues increased 25.9% to approximately \$176.4 million. Federal funding in 2024 was \$72.2 million as compared to \$27.8 million in 2023 and State funding decreased to \$12.1 million in 2024 compared to \$12.4 million in 2023.

Regional Transit Authority Management's Discussion and Analysis

2024 Revenue Sources

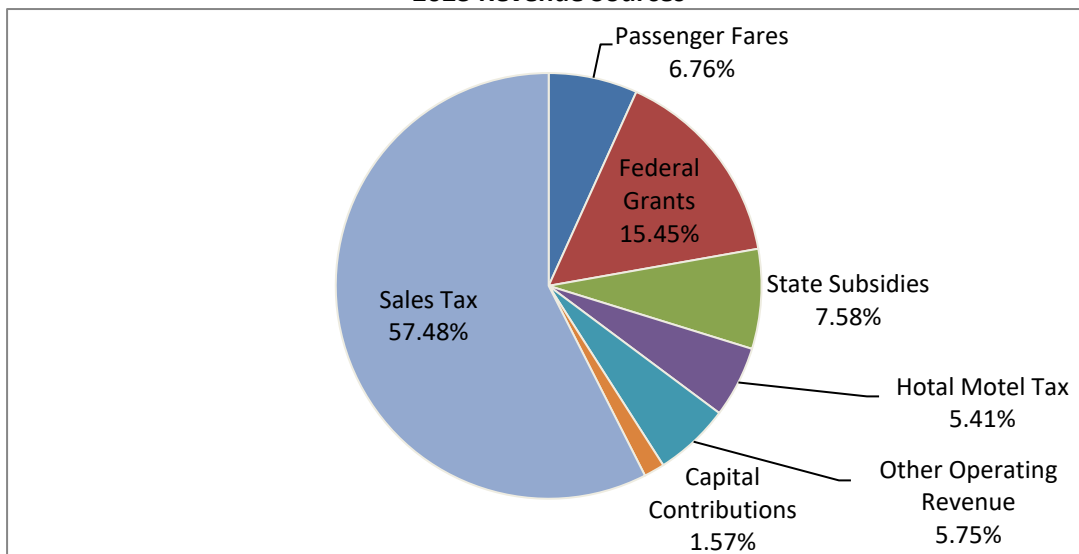


2023 Changes in Net Position

The change in net position for the year ended December 31, 2023, was approximately \$6.3 million or 62.9% less than the year ended December 31, 2022. The RTA's operating revenues increased 2.2% to approximately \$13.9 million, and total operating expenses increased 6.7% to approximately \$155.3 million. The changes in net position are detailed in Table A-2; operating expenses are detailed in Table A-3.

Passenger fare revenues increased 4.7% to approximately \$11.0 million compared to \$10.6 million in 2022. Non-operating revenues increased 4.3% to approximately \$140.1 million. Federal funding in 2023 was \$27.8 million as compared to \$40.5 million in 2022 and State funding increased to \$12.4 million in 2023 compared to \$7.2 million in 2022.

2023 Revenue Sources



Regional Transit Authority Management's Discussion and Analysis

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

	2024	2023 (restated)	Increase (Decrease)	2022 (restated)
Operating Revenues:				
Passenger fares	\$ 11,153	\$ 11,046	0.9%	\$ 10,559
Other	3,266	2,864	14.0%	3,060
Total operating revenues	14,419	13,914	3.6%	13,618
Operating Expenses:				
Operating expenses	137,449	133,356	3.1%	124,029
Depreciation	25,137	21,968	14.4%	21,968
Total operating expenses	162,586	155,324	4.7%	145,540
Operating loss	(148,167)	(141,410)	4.8%	(131,922)
Non-operating revenues-net	176,440	140,150	25.9%	134,403
Capital contributions	8,037	7,563	6.2%	14,496
Change in net position	36,310	6,303	476.0%	16,977
Total net position, beginning of year	251,399	245,096	2.4%	228,119
Total net position, end of year	\$ 287,709	\$ 251,399	14.4%	\$ 245,096

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

	2024	2023 (restated)	Increase (Decrease)	2022 (restated)
Labor and fringe benefits excluding post-retirement benefits	\$ 92,939	\$ 82,440	12.7%	\$ 80,191
Post-retirement benefits	(4,397)	(458)	860.0%	(9,600)
Depreciation	25,137	21,968	14.4%	21,511
Contract services	27,778	22,993	20.8%	21,577
Insurance and self-insured costs	8,842	12,352	(28.4)%	11,135
Materials, fuel, and supplies	9,320	13,503	(31.0)%	11,893
Utilities	1,696	1,570	8.0%	1,739
Taxes, other than payroll	96	275	(65.1)%	397
Leases	226	204	10.8%	162
Miscellaneous	949	477	99.0%	6,232
Total operating expenses	\$ 162,586	\$ 155,324	4.7%	\$ 155,218

Regional Transit Authority Management's Discussion and Analysis

2024 Capital Assets

As of December 31, 2024, the RTA had invested approximately \$767.2 million in capital assets. Net of accumulated depreciation, the RTA's capital assets at December 31, 2024, totaled approximately \$296.2 million. Capital additions for the year ended December 31, 2024, included approximately \$4.9 million in construction in progress, approximately \$1.1 million in furniture, shelters and rail equipment and \$95 thousand in building upgrades and approximately \$28.9 million in transportation vehicles. Additionally, there were approximately \$41.4 million transfers to buildings from CIP and approximately \$2.4 million in transfers into busses, street cars and service vehicles from CIP.

2023 Capital Assets

As of December 31, 2023, the RTA had invested approximately \$733.9 million in capital assets. Net of accumulated depreciation, the RTA's capital assets at December 31, 2023, totaled approximately \$288.1 million. Capital additions for the year ended December 31, 2023, included approximately \$10.5 million in construction in progress, approximately \$6.1 million in furniture, bus shelters and rail equipment and \$141 thousand in building upgrades and approximately \$944 thousand in transportation vehicles.

2024 Debt Administration

During 2024, 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 2024 fiscal year. The RTA was awarded an AA-positive long-term rating by S&P Global Inc. This upgrade from A+ stable to AA-positive primarily reflected outstanding sales tax revenue bonds. S&P Global expressed confidence that rebounded pledged revenues would remain steady, reinforcing robust coverage and liquidity. The rating also mirrored RTA's strong economic fundamentals, supported by a thriving and diverse economy that serves as a dynamic engine for the state. With historically low volatility in nationwide sales taxes, the agency maintained overall strong creditworthiness based on sales tax revenue bonds.

2023 Debt Administration

During 2023, 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 2023 fiscal year. On April 9, 2021, S&P Global Ratings revised their rating from A+ with a negative outlook to A+ stable. 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. This rating has been extended as of July 2022. In September of 2022, S&P Global Ratings upgraded the RTA's bond rating from A+ Stable to A+ Positive.

ECONOMIC FACTORS

The City of New Orleans has seen the signs of flourishing tourism as events returned to the City of New Orleans since 2022. In 2024, the RTA implemented the spending plan for the \$59.8 million of ARPA funds which included the addition of the 29 new buses to replace the aging fleet and several infrastructure projects that will help move forward equitable and reliable transit in the City of New Orleans.

The Rampart Streetcar route reopened in May of 2024 after being closed due to the Hard Rock Hotel collapse in 2019. Management will analyze the impact on this line reopening on operating expenses, ridership and fare revenue events on ridership and revenues.

In 2024 the RTA resumed Labor negotiations with the United Labor Union, Local 100 (ULU), for RTA's administrative personnel. The contract, which is in the final stages of negotiations and review, is anticipated to be ratified before the end of the year, with an effective date of July 1, 2024, and ending on June 30, 2027.

Future Impacts

In 2025, RTA will continue making significant strides in infrastructure and fleet improvements. With a strong credit rating, affirmed by our rating agencies (S&P and Moody's) and no new debt issued in 2024, RTA remains well-positioned for future transit investments.

Capital investment remained a priority in 2024, with the Algiers Ferry Terminal Renovation Project advancing through critical planning, design, and outreach phases. This \$9.8 million project is set to enter procurement in Spring 2025, delivering an updated terminal that enhances the experience for transit riders, ferry operators, and the Algiers community. Several other capital investments are in the planning stage, that we anticipate seeing a move to design and development as we progress through 2025 and 2026.

The City of New Orleans hosted Super Bowl LIX in February of 2025. The RTA has been instrumental in transit planning and reading our fleet, bus stops and technology to assist the city in preparation of increased visitors and transit needs during this time. The City of New Orleans is estimating an additional \$13.8 million in one-time revenue that will be generated by the Super Bowl, resulting in an overall 3.2% increase in other taxes (Sales and Hotel/Motel), for which otherwise were forecasted to remain flat. With the addition of Super Bowl and Mardi Gras revenue directly impacting Sales and Hotel Motel Taxes for the City, the Regional Transit Authority saw an increase in our tax payments from the City during the months of February and March and April of 2025. These tax projections are directly linked to our operating revenue budget for the year 2025, resulting in positive General Use Sales Tax and Hotel Motel Tax for the agency. However, the city is projecting a decrease in General Use sales and hotel motel tax for the remainder of 2025 and for the next 2-3 years as we see a decline in tourism, that will project will negatively impact our sales tax revenue. As a result, RTA is reviewing operational efficiencies and actively working to grow fare and alternative sources of revenue to minimize potential impact.

Regional Transit Authority Management's Discussion and Analysis

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 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.

Regional Transit Authority Statements of Net Position

December 31,	2024	2023
		(Restated)
Assets		
Current assets		
Cash and cash equivalents	\$ 42,699,594	\$ 49,077,396
Accounts receivable, net	71,231,850	50,097,648
Inventories	1,691,745	223,059
Prepaid expenses and other assets	4,244,494	4,661,544
Total current assets	119,867,683	104,059,647
Restricted assets		
Cash and cash equivalents		
2020A and 2020B series bond trustee accounts	11,465,979	11,057,720
2010 series bond trustee accounts	439,527	418,536
Investments		
Self-insurance reserve	1,461,917	1,440,790
Total restricted assets	13,367,423	12,917,046
Noncurrent assets		
Property, buildings, and equipment, net	296,191,032	288,102,629
Net pension asset	2,602,463	-
Total noncurrent assets	298,793,495	288,102,629
Total assets	432,028,601	405,079,322
Deferred Outflows of Resources		
Deferred charges - prepaid bond insurance	259,262	365,238
Pension deferrals	11,075,345	16,509,932
OPEB deferrals	-	75,241
Total deferred outflows of resources	11,334,607	16,950,411
Total assets and deferred outflows of resources	\$ 443,363,208	\$ 422,029,733

(Continued)

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

Regional Transit Authority Statements of Net Position

December 31,	2024	2023
		(Restated)
Liabilities		
Current liabilities (payable from current assets)		
Accounts payable, accrued expenses, and deferred credits	\$ 42,517,995	\$ 37,755,875
Current portion of compensated absences	2,988,517	3,307,676
Current portion of legal and small claims	2,905,459	2,767,149
Current portion of OPEB liability	745,255	859,072
Total current liabilities (payable from current assets)	49,157,226	44,689,772
Current liabilities (payable from restricted assets)		
Current portion of accrued bond interest	1,593,133	1,617,309
Current portion of bonds payable, net	6,139,159	6,094,159
Advanced collection of ferry subsidy	-	2,570,000
Total current liabilities (payable from restricted assets)	7,732,292	10,281,468
Long-term Liabilities		
Compensated absences less current portion	2,267,446	1,881,720
Legal and small claims less current portion	17,420,748	20,161,024
Bonds payable less current portion, net	74,441,866	80,581,025
Net pension liability	-	7,211,970
Total OPEB liability	2,984,712	3,912,457
Total long-term liabilities	97,114,772	113,748,196
Total Liabilities	154,004,290	168,719,436
Deferred Inflows of Resources		
Pension deferrals	-	16,812
Deferred refunding gain	1,649,686	1,894,084
Total deferred inflows of resources	1,649,686	1,910,896
Net Position		
Net investment in capital assets	212,324,019	197,552,817
Restricted	13,367,423	12,917,046
Unrestricted	62,017,790	40,929,538
Total Net Position	\$ 287,709,232	\$ 251,399,401

(Concluded)

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

Regional Transit Authority

Statements of Revenues, Expenditures, and Changes in Net Position

<i>For the years ended December 31,</i>	2024	2023
		(Restated)
Operating revenues		
Passenger fares	\$ 11,153,388	\$ 11,050,373
Advertising	1,538,477	1,473,331
Other	1,727,075	1,390,329
Total operating revenues	14,418,940	13,914,033
Operating expenses		
Labor and fringe benefits excluding post-retirement benefits	92,939,244	82,439,847
Post-retirement benefits	(4,396,658)	(457,839)
Depreciation	25,136,721	21,968,417
Contract services	27,778,357	22,992,758
Insurance and self-insured costs	8,841,967	12,352,148
Materials, fuel, and supplies	9,320,374	13,502,635
Utilities	1,695,620	1,570,201
Taxes, other than payroll	95,624	275,012
Leases	225,958	204,190
Miscellaneous	948,598	476,915
Total operating expenses	162,585,805	155,324,284
Loss from operations	(148,166,865)	(141,410,251)
Nonoperating revenues (expenses)		
Tax revenues		
Sales tax	94,273,581	93,895,348
Hotel/motel tax	7,371,243	8,833,185
Government operating grants		
Federal subsidy	21,424,878	16,684,664
Federal Emergency Management Agency	16,441	1,322,512
State ferry subsidy	10,139,998	10,139,998
State Department of Transportation	1,924,687	2,242,146
Planning and technical study grants	43,724,890	7,229,291
Investment income	1,089,877	1,533,564
Disaster-related expenses	(1,842,610)	-
Interest expense, net	(1,682,710)	(1,731,061)
Total nonoperating revenues	176,440,275	140,149,647
Net profit before capital contributions	28,273,410	(1,260,604)
Capital contributions - federal	6,996,873	2,563,549
Revenues restricted for ferry related improvements		
Capital contributions - nonprofit	1,039,548	-
Capital contributions - City of New Orleans	-	5,000,000
Total capital contributions	8,036,421	7,563,549
Increase in net position	36,309,831	6,302,945
Net position, beginning of year, as previously reported	251,399,401	245,621,603
Accounting changes and error corrections (Note 2)	-	(525,147)
Net position, beginning of year, as restated	251,399,401	245,096,456
Net position, end of year	\$ 287,709,232	\$ 251,399,401

The accompanying notes are an integral part of these statements.

Regional Transit Authority Statements of Cash Flows

<i>For the years ended December 31,</i>	2024	2023
Cash Flows From Operating Activities		
Cash received from operations	\$ 1,255,197	\$ 11,003,509
Cash received from other sources	12,818,014	2,408,329
Cash paid to employees and for related expenses	(93,838,998)	(85,490,550)
Cash paid to suppliers	(35,990,812)	(32,043,337)
Cash paid for insurance, legal claims, and related costs	(11,443,933)	(11,482,598)
Net cash flows used in operating activities	(127,200,532)	(115,604,647)
Cash Flows from Noncapital Financing Activities		
Cash received from sales tax	92,854,992	93,898,279
Cash received from hotel/motel tax	7,209,717	8,823,470
Operating subsidies received from other governments	8,168,299	10,868,471
Net cash flows provided by noncapital financing activities	108,233,008	113,590,220
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(25,551,938)	(10,506,745)
Capital revenues from federal grants	47,284,237	9,038,989
Interest paid	(1,706,886)	(1,995,816)
Deferred refunding gain	(244,398)	-
Repayment of bonds	(5,988,183)	(6,049,158)
Net cash flows used in capital and related financing activities	13,792,832	(9,512,730)
Cash Flows from Investing Activities		
Interest payments received (paid)	(752,733)	1,533,564
Net cash flows provided by investing activities	(752,733)	1,533,564
Net increase (decrease) in cash and cash equivalents	(5,927,425)	(9,993,593)
Cash and cash equivalents, beginning of year	61,994,442	71,988,035
Cash and cash equivalents, end of year	\$ 56,067,017	\$ 61,994,442

(Continued)

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

Regional Transit Authority Statements of Cash Flows

For the years ended December 31,

2024

2023

Reconciliation of Loss from Operations to

Net Cash Used in Operations

Loss from operations	\$	(148,166,865)	\$	(141,410,251)
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Depreciation		25,136,721		21,968,417
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Adjustments to reconcile loss from operations

to net cash used in operations:

Change in pension costs		(4,396,658)		(304,809)
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Change in OPEB costs		(966,321)		(1,042,557)
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Change in accounts receivable		(345,729)		(497,860)
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Change in prepaid assets		417,050		(888,007)
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Change in inventory		(1,468,686)		553,891
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Change in accounts payable and accrued expenses		5,125,355		4,275,091
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Change in compensated absences liability		66,567		871,888
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Change in the provision for legal and small claims liability		(2,601,966)		869,550
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Net Cash Used in Operating Activities	\$	(127,200,532)	\$	(115,604,647)
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Reconciliation to Statements of Net Position

Cash and cash equivalents for cash flow statements include:

Cash	\$	42,699,594	\$	49,077,396
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Restricted assets

Cash

2020A and 2020B series bond trustee accounts		11,465,979		11,057,720
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2010 series bond trustee accounts		439,527		418,536
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Self-insurance reserve		1,461,917		1,440,790
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Total Cash and Cash Equivalents	\$	56,067,017	\$	61,994,442
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(Concluded)

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

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 a Chief Executive Officer 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 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Reporting Entity (Continued)

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.

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.

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 and money market accounts, 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)

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

RTA recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – paid time off (PTO) and sick leave. The liability for compensated absences is reported as incurred in the financial statements. The liability for compensated absences includes salary-related benefits, where applicable. RTA has the following policies relating to PTO and sick leave:

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Compensated Absences (Continued)

Paid Time Off

PTO for all employees (except for executives) is accrued based on length of service and is pro-rated for part-time employees. For administrative employees, no non-executive employee shall accrue PTO more than two times the PTO hours eligible to accrue per years of service. No PTO will be added to an employee's PTO balance once the hour cap is reached. After an employee's PTO balance reaches the cap, the employee will cease to accrue PTO until the balance is reduced below the hour cap. Executives shall receive 25 front-loaded working days of PTO per calendar year, pro-rated according to their date of appointment. Employees are paid for the PTO they have accrued, up to their cap hours, upon termination or resignation of employment.

Vacation

For union employees, each employee who has completed one or more years of continuous service shall be eligible for a vacation in each calendar year and is accrued based on length of service. Employees who are entitled to more than three (3) weeks' vacation with pay in any year shall be permitted to accumulate all vacation in excess of three (3) weeks to which they may be entitled in any year. Any vacation week earned that is banked shall be paid to the employee upon termination of employment by retirement or otherwise at the regular operator's rate in effect at the time vacation was earned.

Sick Leave

All fixed, rail and lift operators shall accrue sick leave, as defined, but do not become eligible to use sick leave until completion of the probationary period. All operators shall accumulate sick leave at the rate of one (1) day per month (eight hours at straight time) per contract year for a total of twelve days per year. Operators employed on or prior to the 15th day of the month will accrue sick leave for the entire month. The sick leave accrual will commence the following month for persons employed after the 15th day of the month. Any unused portion of such twelve (12) days per year shall accumulate to the credit of the operator, and there shall be no limit to the amount of such accumulation. Employees who leave the employ of the Authority except for electing retirement that have 30 years of service with the agency within the bargaining unit or normal retirement, will not be paid accumulated sick leave. On voluntary retirement, the Authority will pay the employee seventy percent (70%) of their accumulated sick leave in a lump sum payment.

For all union classifications other than operators, employees will accumulate paid sick leave days at the rate of one (1) day per month per calendar year for a total of twelve (12) days per year with a maximum accumulation up to 130 days. All employees of other classifications hired prior to December 20, 2020, will have no maximum accumulation on their sick leave.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity (Continued)

Compensated Absences (Continued)

For administrative employees, when an employee reaches the annual maximum PTO balance in any given year, that employee will be credited sick leave at the same rates as PTO outlined above. When and if the employee reduces his/her PTO balance below the annual cap, then PTO will accrue, and sick leave crediting will cease until the cap is reached again. Employees who have an individual sick leave bank are eligible to request paid leave from their own sick leave bank when their PTO has been exhausted. Sick leave is a benefit provided at the discretion of RTA and only in the event of serious illness. Sick leave is not payable to the employee upon separation.

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. 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 former 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.

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.

Pensions

The RTA participates in two defined benefit pension plans as described in Note 8. 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 plan's 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.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 retainage and construction costs payable, 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 “net investment in capital assets”, as described above

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 three months or less from the date of acquisition and restricted cash.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Reclassification

Certain amounts previously reported in the financial statements for the prior year have been reclassified to conform with the current year classifications.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2025 and determined there were no events that occurred that required disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recently Issued and Implemented Accounting Pronouncements

GASB Statement No. 100, *Accounting Changes and Error Corrections* - This Statement establishes accounting and financial reporting requirements for (a) accounting changes and (b) the correction of an error in previously issued financial statements (error correction). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). RTA has implemented this Statement as of and for the year ended December 31, 2024. There were no significant impacts of implementing this Statement other than additional note disclosures at Note 2.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Implemented Accounting Pronouncements (Continued)

GASB Statement No. 101, *Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. RTA has implemented this Statement as of and for the year ended December 31, 2024. The implementation of this standard resulted in a cumulative effect of change in accounting principle of \$106,049 and \$525,146 to the December 31, 2023 and 2022 net position, respectively.

The Governmental Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

GASB Statement No. 102, *Certain Risk Disclosures* - The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

GASB Statement No. 103, *Financial Reporting Model Improvements* - The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued and Implemented Accounting Pronouncements (Continued)

This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, Disclosure of Certain Capital Assets: The objective of this Statement is to establish requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

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

Note 2 – CHANGE IN ACCOUNTING PRINCIPLE AND ERROR CORRECTIONS

RTA’s 2024 financial statements incorporate a change in accounting principle and reflect the correction of errors in previously issued financial statements. GASB Statement No. 100, *Accounting Changes and Error Corrections*, requires disclosure of their nature and effect on amounts reported in the financial statements.

Error Corrections

RTA discovered that \$4,335 of revenue that should have been accrued to the prior fiscal year. As a result, revenues, accounts receivable, and net position were increased by \$4,335 in RTA’s 2023 financial statements. Additionally, payroll liabilities as of December 31, 2023 were overstated by \$2,267,225. RTA has decreased its payroll liabilities and payroll expense and increased its net position by \$2,267,225 in its 2023 financial statements.

Regional Transit Authority
Notes to Financial Statements

Note 2 – CHANGE IN ACCOUNTING PRINCIPLE AND ERROR CORRECTIONS

Implementation of Statement 101

In 2024, RTA implemented GASB Statement No. 101, *Compensated Absences*. The implementation of this Statement requires the restatement of the financial statements of the earliest year presented, which is the financial statements as of and for the year ended December 31, 2023. Therefore, the December 31, 2022 net position has been restated for the cumulative effect of the change in accounting principle. Accordingly, a liability for compensated absences has been recorded in RTA's financial statements totaling \$5,255,963 and \$5,189,396 for the years ended December 31, 2024 and 2023, respectively.

The following table summarizes the restatements and adjustments to RTA's beginning net position and fund balance as a result of the change in accounting principle, change within the financial reporting entity, and error corrections:

12/31/23 net position, as previously reported	\$	249,759,037
Error corrections		2,271,560
Implementation of GASB 101		(631,196)
12/31/23 net position, as restated	\$	251,399,401
12/31/22 net position, as previously reported	\$	245,621,603
Implementation of GASB 101		(525,147)
12/31/22 net position, as restated	\$	245,096,456

Note 3: CASH

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

	2024		2023	
	Restricted	Unrestricted	Restricted	Unrestricted
Cash and cash equivalents	\$13,367,423	\$42,699,594	\$12,917,046	\$49,077,396

As of December 31, 2024 and 2023, \$1,461,917 and \$1,440,790, respectively, of restricted cash was 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 workers' compensation benefits through August 31, 2009 from the RTA and all RTA employees receiving workers' compensation benefits after December 19, 2020. Transdev was responsible for workers' compensation claims from September 1, 2009 until December 19, 2020.

Regional Transit Authority
Notes to Financial Statements

Note 3: CASH (CONTINUED)

Custodial Credit Risk

Actual cash in banks and certificates of deposit as of December 31, 2024 and 2023, for restricted and unrestricted bank accounts, before outstanding checks and reconciling items, were \$59,713,755 and \$64,813,306, respectively. Of the total bank balances at December 31, 2024 and 2023, all amounts were covered by federal depository insurance (\$1,004,648 for 2024 and \$1,254,563 for 2023) or by collateral held in the RTA's name by its agent (\$50,611,964 for 2024 and \$55,932,358 for 2023). Actual cash in money market accounts was \$7,847,143 and \$7,626,309 as of December 31, 2024 and 2023, respectively, and is included in cash and cash equivalents above.

Note 4: ACCOUNTS RECEIVABLE, NET

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

	2024	2023
Sales tax	\$ 18,501,565	\$ 17,082,976
Hotel/motel tax	2,787,200	2,625,674
Federal capital grants	41,065,651	24,102,109
State parish transit	87,179	20,750
State ferry subsidy	7,570,000	14,381,423
Federal Emergency Management Agency	30,626	390,190
Passenger (transpass and visitor)	686,551	379,849
Kenner operating subsidy	-	238,715
Other	673,215	634,188
	71,401,987	59,855,874
Less: allowance for uncollectible amounts	(170,137)	(9,758,226)
	\$ 71,231,850	\$ 50,097,648

Regional Transit Authority
Notes to Financial Statements

Note 5: PROPERTY, BUILDINGS, AND EQUIPMENT

A summary of changes in property, buildings, and equipment at December 31, 2024 is as follows:

	January 1, 2024	Additions/ Transfers	Deletions/ Transfers	December 31, 2024
Land	\$ 6,988,812	\$ -	\$ -	\$ 6,988,812
Buildings	287,222,301	41,497,066	132,020,984	196,698,383
Equipment, primarily transportation vehicles	325,944,965	163,014,478	-	488,959,443
Furniture and fixtures	67,674,194	1,358,402	-	69,032,596
Construction in progress	46,129,312	4,946,928	45,570,766	5,505,474
Total	733,959,584	210,816,874	177,591,750	767,184,708
Accumulated depreciation	(445,856,955)	(25,136,721)	-	(470,993,676)
	\$ 288,102,629	\$ 185,680,153	\$ 177,591,750	\$ 296,191,032

A summary of changes in property, buildings, and equipment at December 31, 2023 is as follows:

	January 1, 2023	Additions	Deletions	December 31, 2023
Land	\$ 6,988,812	\$ -	\$ -	\$ 6,988,812
Buildings	287,080,927	141,374	-	287,222,301
Equipment, primarily transportation vehicles	325,000,851	944,114	-	325,944,965
Furniture and fixtures	61,584,588	6,089,606	-	67,674,194
Construction in progress	35,597,347	10,531,965	-	46,129,312
Total	733,959,584	17,707,059	-	733,959,584
Accumulated depreciation	(423,888,538)	(21,968,417)	-	(445,856,955)
	\$ 288,102,629	\$ (4,261,358)	\$ -	\$ 288,102,629

Depreciation expense for the years ended December 31, 2024 and 2023 totaled \$25,136,721 and \$21,968,417, respectively.

At December 31, 2024, construction in progress additions were primarily related to a ferry boat, facility restoration, and other construction projects. At December 31, 2023, construction in progress additions were primarily related to the ferry terminal upgrade project and various other construction projects.

Regional Transit Authority
Notes to Financial Statements

Note 6: COMPENSATED ABSENCES

The following is a summary of changes in compensated absences at December 31, 2024:

	Balance December 31, 2023 (Restated)	Additions (net)	Reductions (net)	Balance December 31, 2024	Due within one year
Compensated absences	\$ 5,189,396	\$ 66,567	\$ -	\$ 5,255,963	\$ 2,988,517

The following is a summary of changes in compensated absences at December 31, 2023:

	Balance December 31, 2022 (Restated)	Additions (net)	Reductions (net)	Balance December 31, 2023 (Restated)	Due within one year
Compensated absences	\$ 4,317,508	\$ 871,888	\$ -	\$ 5,189,396	\$ 3,307,676

Note 7: LONG-TERM DEBT

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

	2024	2023
2020A Sales Tax Revenue Refunding Bonds, interest rate of approximately 5% on current interest term bonds.	\$ 62,815,000	\$ 62,815,000
2020B Sales Tax Revenue Refunding Bonds, interest rates between .55% and 1.05% on current interest term bonds.	4,335,000	9,170,000
Total debt	67,150,000	71,985,000
Plus: bond premium	13,431,025	14,690,184
Less: current maturities of long-term debt	(6,139,159)	(6,094,159)
Long-term debt plus bond premium less current maturities	\$ 74,441,866	\$ 80,581,025

Note 7: LONG-TERM DEBT (CONTINUED)

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.

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, 2024 was \$67,150,000, of which \$4,880,000 is due in 2025.

Debt Service Requirements

The following represents the debt service requirements for the bond issues as of December 31, 2024:

Year Ending December 31	Series 2020 A&B Bond Principal	Series 2020 A&B Bond Interest
2025	\$ 4,880,000	\$ 3,149,884
2026	4,950,000	2,989,750
2027	5,200,000	2,736,000
2028	5,455,000	2,469,625
2029	5,730,000	2,190,000
2030-2034	33,255,000	6,238,625
2035	7,680,000	192,000
	\$ 67,150,000	\$ 19,965,884

Regional Transit Authority
Notes to Financial Statements

Note 7: LONG-TERM DEBT (CONTINUED)

Balances of the defeased portion of bonds as of December 31, 2024 are as follows:

Bond Issuance	Defeased Balance
2000 Series Sales Tax Revenue Bonds	\$ 405,712
2000A Series Sales Tax Revenue Bonds	9,405,456
2010 Series Sales Tax Revenue Bonds	30,800,000
Debt Service Assistance Loan	6,302,071
	\$ 46,913,239

Changes in Long-term Debt

Long-term debt activity for the year ended December 31, 2024 was as follows:

	January 1, 2024	Additions	Deletions	December 31, 2024	Due Within One Year
2020 A&B Series Sales Tax Refunding Bonds	\$71,985,000	\$ -	\$(4,835,000)	\$67,150,000	\$ 4,880,000
Bond Premium	14,690,184	-	(1,259,159)	13,431,025	1,259,159
	\$86,675,184	\$ -	\$ (6,094,159)	\$80,581,025	\$ 6,139,159

Long-term debt activity for the year ended December 31, 2023 is as follows:

	January 1, 2023	Additions	Deletions	December 31, 2023	Due Within One Year
2020 A&B Series Sales Tax Refunding Bonds	\$76,775,000	\$ -	\$(4,790,000)	\$71,985,000	\$ 4,835,000
Bond Premium	15,949,342	-	(1,259,158)	14,690,184	1,259,159
	\$92,724,342	\$ -	\$ (6,049,158)	\$86,675,184	\$ 6,094,159

Note 8: 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)

During the year ended December 31, 2024, no employees of RTA were active members of LASERS. During the year ended December 31, 2023, one employee of RTA was provided with a pension 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.

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.

Note 8: PENSION PLANS (CONTINUED)

Transit Management of Southeast Louisiana (TMSEL) Retirement Income Plan (Continued)

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

	2024	2023
Inactive employees or beneficiaries currently receiving benefits	1,280	1,290
Inactive employees entitled to but not yet receiving benefits	337	355
Active employees	-	-
	1,617	1,645

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.

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 members 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.

Note 8: PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

LASERS (Continued)

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.

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.

Note 8: PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

LASERS (Continued)

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 retirement age, 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 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.

Note 8: PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

LASERS (Continued)

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

Note 8: PENSION PLANS (CONTINUED)

Benefits Provided (Continued)

TMSEL (Continued)

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 nonamended 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.

Note 8: PENSION PLANS (CONTINUED)

Contributions

LASERS

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.

The rates in effect during the years ending June 30, 2024 and 2023 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate 2024	Employer Contribution Rate 2023
Regular State Employee hired before 7/01/06	Closed	7.5%	41.3%	41.3%
Regular State Employee hired on or after 7/01/06	Closed	8.0%	41.3%	41.3%

The RTA's contractually required composite contribution rate for the period from January 1, 2024 to June 30, 2024 was 41.3%, and for the period from July 1, 2024 to December 31, 2024 was 41.3%, 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 \$0 and \$61,913 for the years ended December 31, 2024 and 2023 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, 2024 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).

Note 8: PENSION PLANS (CONTINUED)

Contributions

TMSEL (Continued)

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.

Pension (Asset) Liability and Pension Expense

LASERS

At December 31, 2024, there was no net pension liability related to LASERS as there were no active employees participating in the plan. At December 31, 2023, the RTA reported a liability of \$495,120 for its proportionate share of the net pension liability of LASERS. The net pension liability was measured as of June 30, 2024 and 2023, 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, 2024 and 2023, the RTA's proportion was 0.000000% and 0.007397%, respectively, which was an decrease of 0.007397% and decrease of 0.007892% from its proportion measured as of June 30, 2023 and 2022, respectively.

For the years ended December 31, 2024 and 2023, the RTA recognized pension expense of \$13,548 and \$74,539, respectively, plus the RTA's amortization of the change in proportionate share and the difference between employer contributions and proportionate share of contributions of \$(511,801) and \$(69,484), respectively.

TMSEL

The RTA's net pension (asset) liability was measured as of December 31, 2023 and 2022, respectively, and the total pension liability used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

Regional Transit Authority
Notes to Financial Statements

Note 8: PENSION PLANS (CONTINUED)

Pension (Asset) Liability and Pension Expense (Continued)

TMSEL (Continued)

The components of the net pension (asset) liability at December 31, 2024 and 2023 for TMSEL were as follows:

	2024	2023
Total pension liability	\$ 152,450,381	\$ 160,708,553
Fiduciary net position	155,052,844	153,991,703
Net pension (asset) liability	\$ (2,602,463)	\$ 6,716,850
Fiduciary net position as a percentage of the total pension liability	101.71%	95.82%

For the years ended December 31, 2024 and 2023, the RTA recognized pension (benefit) expense of \$(3,926,659) and \$(287,911), respectively.

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

At December 31, 2024, 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
TMSEL		
Net difference between projected and actual earnings on pension plan investments	\$ 11,075,345	\$ -
Total TMSEL	\$ 11,075,345	\$ -

Regional Transit Authority
Notes to Financial Statements

Note 8: PENSION PLANS (CONTINUED)

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
(Continued)**

At December 31, 2023, 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	\$ 10,718	\$ -
Net difference between projected and actual earnings on pension plan investments	2,831	-
Changes in proportion and differences between employer contributions and proportion of shared contributions	130	16,812
Employer contributions subsequent to the measurement date	28,001	-
Total LASERS	\$ 41,680	\$ 16,812
	Deferred Outflows of Resources	Deferred Inflows of Resources
TMSEL		
Net difference between projected and actual earnings on pension plan investments	\$ 16,468,252	\$ -
Total TMSEL	\$ 16,468,252	\$ -

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:	TMSEL
2025	\$ 1,566,893
2026	4,357,093
2027	6,795,947
2028	(1,644,588)

Note 8: 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, 2024 and 2023 are as follows:

Valuation Date	June 30, 2024 and 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	2 years
Investment Rate of Return	7.25% per annum for 2024 and 2023
Inflation Rate	2.40% and 2.30% per annum for 2024 and 2023.
Mortality	<p>Non-disabled members – The PubG-2010 Healthy Retiree on a fully generational basis by Mortality Improvement Scale MP-2021 for 2024. The RP-2014 Blue Collar (males/females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018 for 2023.</p> <p>Disabled Members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement for 2024 and 2023.</p>
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2019-2023 and 2014-2018 for 2024 and 2023, respectively) experience study of the System's members.

Regional Transit Authority
Notes to Financial Statements

Note 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

LASERS (Continued)

Salary Increases

For 2024, salary increases were projected based on a 2019-2023 experience study of the System's members. The salary increase ranges for 2024 specific types of members were:

Member Type	Lower Range	Upper Range
Regular	3.3%	14.0%
Judges	2.4%	4.8%
Corrections	4.4%	15.3%
Hazardous Duty	4.4%	15.3%
Wildlife	4.4%	15.3%

For 2023, salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for 2023 specific types of members were:

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%

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.

Note 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

LASERS (Continued)

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 weighing the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation and an adjustment for the effect of rebalancing/diversification. The expected rate of inflation was 2.40% and 2.30% for 2024 and 2023, respectively. The resulting expected long-term nominal rates of return are 8.15% for 2024 and 8.19% for 2023. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2024, and 2023 are summarized in the following table:

Asset Class	2024		2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Target Allocation
Cash	0%	0.76%	1%	0.80%
Domestic equity	34%	4.29%	31%	4.45%
International equity	17%	5.22%	23%	5.44%
Domestic fixed income	3%	2.04%	3%	2.04%
International fixed income	19%	5.24%	18%	5.33%
Alternative investments	27%	8.19%	24%	8.19%
Totals	100%	5.61%	100%	5.75%

Note 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

TMSEL

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2023 and 2022 are as follows:

Valuation date	December 31, 2023, and 2022
Valuation method	Entry age normal actuarial cost method
Inflation	2.50% for 2023 and 2022
Projected salary increases	Not applicable
Investment rate of return	7.00%
Mortality rates	For 2023, PRI-2012 Mortality Tables (sex-specific, annuitant and non-annuitant) with fully generational future mortality improvements projected using the Adjusted Scale MP-2021. For 2022, RP-2014 tables (sex-specific, annuitant and non-annuitant) reflecting both blue- and white-collar data, adjusted backward to the base year (2006) using scale MP-2014. Mortality improvement is projected on a static basis using scale MP-2021.
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 expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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, adding expected inflation and subtracting expected investment expenses and a risk margin.

Note 8: PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

TMSEL (Continued)

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	2024		2023	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.00%	7.50%	35.00%	7.50%
International equity	25.00%	8.50%	25.00%	8.50%
Domestic Bonds	24.00%	2.50%	24.00%	2.50%
Real estate	10.00%	4.50%	10.00%	4.50%
Alternative Assets	4.00%	6.24%	4.00%	6.24%
Cash	2.00%	0.00%	2.00%	0.00%
Totals	100.0%		100.0%	

Discount Rate

LASERS

The discount rate used to measure the total pension liability was 7.25% for the years ended June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. 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 7.00% for the years ended December 31, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed no contributions. 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 8: PENSION PLANS (CONTINUED)

Changes in Net Pension Liability (Asset)

The change in net pension liability (asset) for the TMSEL plan for the year ended December 31, 2024 is as follows:

Change in Net Pension Liability (Asset)	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Service Cost	\$ -	\$ -	\$ -
Interest on total pension liability	10,708,664	-	10,708,664
Net investment income	-	18,395,652	(18,395,652)
Changes of assumptions	(2,386,838)	-	(2,386,838)
Difference between expected and actual experience	(1,124,721)	-	(1,124,721)
Benefit payments, including refunds	(15,455,277)	(15,455,277)	-
Administrative expense	-	(1,879,234)	1,879,234
Net Change	(8,258,172)	1,061,141	(9,319,313)
Net Pension Liability (Asset), Beginning	160,708,553	153,991,703	6,716,850
Net Pension Liability (Asset), Ending	\$ 152,450,381	\$ 155,052,844	\$ (2,602,463)

The change in net pension liability (asset) for the TMSEL plan for the year ended December 31, 2023 is as follows:

Change in Net Pension Liability (Asset)	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Service Cost	\$ -	\$ -	\$ -
Interest on total pension liability	11,209,443	-	11,209,443
Net investment income	-	(28,792,942)	28,792,942
Changes of assumptions	614,356	-	614,356
Difference between expected and actual experience	(3,453,281)	-	(3,453,281)
Benefit payments, including refunds	(15,593,721)	(15,593,721)	-
Administrative expense	-	(1,972,199)	1,972,199
Net Change	(7,223,203)	(46,358,862)	39,135,659
Net Pension Liability (Asset), Beginning	167,931,756	200,350,565	(32,418,809)
Net Pension Liability (Asset), Ending	\$ 160,708,553	\$ 153,991,703	\$ 6,716,850

Note 8: PENSION PLANS (CONTINUED)

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

TMSEL

The following presents the RTA's Net Pension Liability (Asset) for TMSEL calculated using the discount rate of 7.00%, as well as what the Net Pension Liability (Asset) would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease (6.00%)	Current Discount Rate (7.00%)	1.0% Increase (8.00%)
Net pension liability (asset)	\$ 9,312,134	\$ (2,602,463)	\$ (13,000,700)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position in LASERS is available in the separately issued LASERS 2024 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 9: 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 generally accepted accounting principles, no assets or liabilities of the 457 Plan are included in the RTA's financial statements.

Employees can contribute up to \$22,500 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, 2024 and 2023 were \$8,797,562 and \$3,971,321, respectively.

Note 10: OTHER POST EMPLOYMENT RETIREMENT BENEFITS

Plan Description

The Regional Transit Authority provides certain continuing health care and life insurance benefits for its retired employees. The Regional Transit Authority's OPEB 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 dental benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement. This is a closed group of grandfathered participants. Eligibility for retirement when the participant is aged 55 with five years of service, or any age with 30 years of service.

Life insurance coverage is provided to a closed group of retirees (no future retirees will be eligible) and paid by the employer. The employer pays 100% of the cost of the retiree life insurance based on a blended rate for all retirees. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. In-force life insurance amounts are reduced to 65% of the initial value at age 65, 40% at age 70, 30% at age 75, and 20% of the initial value at age 80.

Employees covered by benefit terms – At January 1, 2024, the following employees were covered by the medical benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	396
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	21
<hr/>	
Total	417

Total OPEB Liability

The Regional Transit Authority's total OPEB liability is \$3,729,967 as of the measurement date December 31, 2024, the end of the fiscal year.

Note 10: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

Actuarial Assumptions and other inputs – The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	3.00% annually
Discount rate	3.26% annually (December 31, 2023) 4.08%, annually (December 31, 2024)
Healthcare cost trend rates	Getzen model, initial trend of 6.0%
Mortality rates	RPH-2014 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, 2024 valuation were based on the results of ongoing evaluations of the assumptions from January 1, 2008 to December 31, 2024.

Changes in the Total OPEB Liability

	2024	2023
Balance at January 1,	\$ 4,771,529	\$ 5,895,267
Changes for the year:		
Service cost	270	245
Interest	144,139	204,306
Differences between expected and actual experience	-	(701,802)
Change in assumptions	(479,568)	187,799
Benefit payments and administrative expenses	(706,403)	(814,286)
Net changes	(1,041,562)	(1,123,738)
Balance at December 31,	\$ 3,729,967	\$ 4,771,529

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 (3.08% for 2024 and 2.26% for 2023) or 1-percentage-point higher (5.08% for 2024 and 4.26% for 2023) than the current discount rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
2024 Total OPEB liability	\$ 4,134,002	\$ 3,729,967	\$ 3,408,386
2023 Total OPEB liability	\$ 5,261,608	\$ 4,771,529	\$ 4,387,765

Note 10: OTHER POST EMPLOYMENT RETIREMENT BENEFITS (CONTINUED)

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 (5.0% for 2024 and 4.5% for 2023) or 1-percentage-point higher (7.0% for 2024 and 6.5% for 2023) than the current healthcare trend rates:

	1.0% Decrease	Current Rate	1.0% Increase
2024 Total OPEB liability	\$ 3,507,098	\$ 3,729,967	\$ 4,010,932
2023 Total OPEB liability	\$ 4,498,453	\$ 4,771,529	\$ 5,119,792

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

For the years ended December 31, 2024 and 2023, the Regional Transit Authority recognized OPEB expense of \$335,159 and \$153,032, respectively. At December 31, 2024 and 2023, there were no deferred outflows of resources and deferred inflows of resources related to OPEB.

Note 11: 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 8). The TMSEL Retirement Plan Board of Trustees is responsible for the administration, management, and proper operation of the TMSEL Retirement Plan. 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.

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.

Note 11: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grant Commitments – As of December 31, 2024, 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, 2024 and 2023 totals \$10,431,998 and \$12,229,144 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, 2024 and 2023, RTA received cash reimbursements from FEMA totaling \$16,441 and \$1,322,512, respectively. Included in accounts receivable at December 31, 2024 and 2023 are \$263,266 and \$390,190, respectively of reimbursements due from FEMA.

Contingencies

Regulatory – 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.

Note 12: 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. The RTA is also exposed to various risks of loss related to torts, damage to and destruction of assets, errors and omissions, and injuries to employees. The RTA is self-insured for general liability claims up to between \$500,000 and \$2,000,000 depending on the date of occurrence of the claim. Commercial insurance covers annual claims in excess of up to between \$5,000,000 and \$25,000,000 depending on the date of occurrence of the claim.

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.

Note 12: SELF INSURANCE AND LEGAL CLAIMS (CONTINUED)

At December 31, 2024 and 2023, \$20,326,207 and \$22,928,173 of accrued general liability and small claim estimates were recorded to cover such claims. The long-term portion of this accrual at December 31, 2024 and 2023 was \$17,420,748 and \$20,161,024, 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, 2024. 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 \$13,086,000.

Changes in legal and small claims liability during the years ended December 31, 2024 and 2023 were as follows:

	Beginning of year liability	Current year claims and changes in estimates	Claim payments	Balance at year end
2024	\$ 22,928,173	\$ 1,020,937	\$ (3,622,903)	\$ 20,326,207
2023	\$ 22,058,523	\$ 4,373,288	\$ (3,503,738)	\$ 22,928,173

Note 13: 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 2024 and 2023.

The members of the Board of Commissioners who were paid a per diem for the attendance at board and committee meetings in calendar years 2024 and 2023 are listed below. Some commissioners elect not to receive a per diem.

The amounts paid to each commissioner for the year ended December 31, 2024 were as follows:

2024	Per Diem	Expense Reimbursement	Total
Mark Raymond, Jr.	\$ 75	\$ -	\$ 75
Timolynn Sams	150	-	150
Timothy Coulon	150	-	150
Fred Neal, Jr.	150	333	483
Joseph Ewell Jr.	75	-	75
	\$ 600	\$ 333	\$ 933

Regional Transit Authority
Notes to Financial Statements

Note 13: RELATED PARTIES (CONTINUED)

The amounts paid to each commissioner for the years ended December 31, 2023 were as follows:

2023	Per Diem	Expense Reimbursement	Total
Mark Raymond, Jr.	\$ 1,425	\$ 316	\$ 1,741
Timolynn Sams	900	-	900
Timothy Coulon	2,250	-	2,250
Fred Neal, Jr.	2,550	893	3,443
Joseph Ewell Jr.	2,175	1,035	3,210
Arthur Walton	-	716	716
	\$ 9,300	\$ 2,960	\$ 12,260

REQUIRED SUPPLEMENTARY INFORMATION

Regional Transit Authority

Schedule of Changes in Net Pension (Asset) Liability and Related Ratios

Last Ten Fiscal Years

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

For the years ended December 31, *

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
TOTAL PENSION LIABILITY										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	10,708,664	11,209,443	11,608,326	12,165,651	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	(1,124,721)	(3,453,281)	(767,533)	(1,205,928)	(703,776)	(729,745)	193,679	(26,948)	(648,029)	(2,886,065)
Change of assumptions	(2,386,838)	614,356	(848,840)	2,836,488	(18,735,380)	18,221,638	3,249,732	(3,454,577)	10,254,242	285,567
Benefit payments, including refunds of member contributions	(15,455,277)	(15,593,721)	(15,786,841)	(15,743,306)	(16,175,028)	(16,439,659)	(16,934,533)	(16,756,577)	(16,877,431)	(13,816,843)
Net Change in Total Pension Liability	(8,258,172)	(7,223,203)	(5,794,888)	(1,947,095)	(24,003,827)	13,923,468	(827,213)	(7,481,570)	6,186,599	2,066,525
Total Pension Liability - Beginning	160,708,553	167,931,756	173,726,644	175,673,739	199,677,566	185,754,098	186,581,311	194,062,881	187,876,282	185,809,757
Total Pension Liability - Ending (a)	\$ 152,450,381	\$ 160,708,553	\$ 167,931,756	\$ 173,726,644	\$ 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	18,395,652	(28,792,942)	25,082,227	26,643,349	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	(15,455,277)	(15,593,721)	(15,786,841)	(15,743,306)	(16,175,028)	(16,439,659)	(16,934,533)	(16,756,577)	(16,877,431)	(13,816,843)
Administrative expense	(1,879,234)	(1,972,199)	(1,903,761)	(1,759,271)	(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	1,061,141	(46,358,862)	7,391,625	9,140,772	15,545,976	(24,860,694)	6,536,507	(3,877,234)	(17,446,218)	20,657,363
Plan Fiduciary Net Position - Beginning	153,991,703	200,350,565	192,958,940	183,818,168	168,272,192	193,132,886	186,596,379	190,473,613	207,919,831	187,262,468
Plan Fiduciary Net Position - Ending (b)	\$ 155,052,844	\$ 153,991,703	\$ 200,350,565	\$ 192,958,940	\$ 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)	\$ (2,602,463)	\$ 6,716,850	\$ (32,418,809)	\$ (19,232,296)	\$ (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	101.71%	95.82%	119.30%	111.07%	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	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	N/A	N/A	N/A	N/A

Notes to Schedule:

Changes in Benefits: 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.

<i>Changes in Assumptions:</i>	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Discount Rate				7.00%	7.25%	6.06%	7.25%	7.11%	6.87%	7.50%
Inflation		2.50%	2.30%	2.10%						
	PRI-2012	MP-2021	MP-2020	MP-2019	MP-2018	MP-2017				
Mortality Tables	statutory funding	statutory funding	statutory funding	statutory funding	statutory funding	statutory funding		RP-2000 with	RP-2000 with	
	with Adjusted	mortality	mortality	mortality	mortality	mortality		static projection	static projection	
Mortality Tables	Scale MP-2021	projection scale	projection scale	projection scale	projection scale	projection scale		to 2023 and 2031	to 2022 and 2030	

* 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 Ten Fiscal Years

For the Year Ended June 30,*	RTA's proportion of the net pension liability (asset)	RTA's proportionate share of the net pension liability (asset)	RTA's covered payroll	RTA'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 Employees' Retirement System					
2024	0.000000%	\$ -	\$ 151,739	0.0%	74.6%
2023	0.007397%	\$ 495,120	\$ 167,633	295.00%	68.40%
2022	0.007892%	\$ 596,615	\$ 166,755	358.00%	63.70%
2021	0.007415%	\$ 408,120	\$ 155,400	262.63%	72.78%
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	358.39%	62.70%

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

Regional Transit Authority

Schedule of Contributions

Last Ten Fiscal Years

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)	RTA's covered payroll	Contributions as a percentage of covered payroll
Louisiana State Employees' Retirement System					
2024	\$ -	\$ -	\$ -	\$ -	0.0%
2023	\$ 67,824	\$ 67,824	\$ -	\$ 151,739	44.7%
2022	\$ 67,913	\$ 67,913	\$ -	\$ 167,633	40.5%
2021	\$ 63,369	\$ 63,369	\$ -	\$ 159,415	39.8%
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%
Transit Management of Southeast Louisiana, Inc.					
2024	\$ 4,431,191	\$ -	\$ 4,430,191	N/A	N/A
2023	\$ 2,905,479	\$ -	\$ 2,905,479	N/A	N/A
2022	\$ 3,191,869	\$ -	\$ 3,191,969	N/A	N/A
2021	\$ 6,182,019	\$ -	\$ 6,182,019	N/A	N/A
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.

The investment rate of return was decreased from 7.65% to 7.60% and mortality table for non-disabled members was changed to the RP-2014 Healthy Mortality Table with an MP-2018 Improvement Scale for the valuation dated June 30, 2019.

The investment rate of return was decreased from 7.60% to 7.55%, the inflation rate was decreased from 2.50% to 2.30%, the salary increases changed for the lower range from 2.8%-3.8% to 2.6%-3.6% and the upper range from 5.3% - 14.0% to 5.1% to 13.8% for the valuation dated June 30, 2020.

The investment rate of return was decreased from 7.55% to 7.40% for valuation dated June 30, 2021.

The investment rate of return was decreased from 7.40% to 7.25% for valuation dated June 30, 2022.

Notes to Schedule - TMSEL

Valuation date: December 31, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method Unit Credit, for actuarially determined contributions

Amortization method Level dollar

Remaining amortization period. All new bases are amortized over 15 years

Effective period of 15 years remaining as of January 1, 2021

Asset valuation method Market value of assets

Investment rate of return 7.00%

Inflation 2.50%

Salary increases N/A

Cost of living adjustments N/A

Regional Transit Authority
Schedule of Changes in OPEB Liability and Related Ratios
Last Eight Fiscal Years

<i>For the year ended December 31,</i>	2024	2023	2022	2021	2020	2019	2018	2017
TOTAL OPEB LIABILITY								
Service cost	\$ 270	\$ 245	\$ 11,673	\$ 9,964	\$ 11,083	\$ 8,670	\$ 21,186	\$ 21,186
Interest	144,139	204,306	154,120	148,302	184,706	293,338	313,400	359,248
Change of benefit term	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(701,802)	20,029	1,725,501	215,614	(372,845)	(1,667,222)	1,019,469
Change of assumptions	(479,568)	187,799	(964,410)	(390,104)	410,075	812,187	-	-
Administrative expense	-	(55,757)	(68,172)	(66,744)	(69,503)	(85,031)	(83,782)	(64,584)
Benefit payments, including refunds of member contributions	(706,403)	(758,529)	(733,675)	(941,594)	(1,074,906)	(1,080,202)	(1,011,517)	(1,434,417)
Net Change in Total OPEB Liability	(1,041,562)	(1,123,738)	(1,580,435)	485,325	(322,931)	(423,883)	(2,427,935)	(99,098)
Total OPEB Liability - Beginning	4,771,529	5,895,267	7,475,702	6,990,377	7,313,308	7,737,191	10,165,126	10,264,224
Total OPEB Liability - Ending (a)	\$ 3,729,967	\$ 4,771,529	\$ 5,895,267	\$ 7,475,702	\$ 6,990,377	\$ 7,313,308	\$ 7,737,191	\$ 10,165,126

Covered-employee payroll	\$ 1,608,722	\$ 1,561,866	\$ 2,133,426	\$ 2,071,287	\$ 3,683,463	\$ 3,541,791	N/A	N/A
Total OPEB liability as a percentage of covered-employee payroll	232%	306%	276%	361%	190%	206%	N/A	N/A

Notes to Schedule:

<i>Benefit Changes:</i>	None	None	None	None	None	None	None	None
<i>Changes of Assumptions:</i>								
Discount rate	4.08%	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.50%
Mortality				RP-2014			RP-2000	(94GAR) table
Trend		Getzen model		4.5% to 5.5%				5.5%

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

Regional Transit Authority
Schedule of Changes in Restricted Asset Bond Accounts
For the Year Ended December 31, 2024

The following summarizes the activity in the 2020A and 2020B Series trustee accounts:

	Revenue	Cost of Issuance	Reserve	Debt Service	Total
Beginning Balance - January 1, 2024	\$ 3,769	\$ -	\$ 4,265,888	\$ 6,788,063	\$ 11,057,720
Cash receipts					
Bond Sale		-	-	-	-
Other payments from CNO	5,846,246	-	-	-	5,846,246
Sales Tax Receipts	102,481,778	-	-	-	102,481,778
Interaccount Transfers		-	-	-	-
Transfer for principal and interest	(8,066,268)	-	-	8,066,268	-
Investment income	7,886	-	211,513	168,035	387,434
Total cash receipts	100,269,642	-	211,513	8,234,303	108,715,458
Cash disbursements					
Sales Tax disbursements	94,415,509	-	-	-	94,415,509
Transfers of other payments	5,846,247				5,846,247
Expense payments	-	-	-	8,045,443	8,045,443
Total disbursements	100,261,756	-	-	8,045,443	108,307,199
Ending Balance - December 31, 2024	\$ 11,655	\$ -	\$ 4,477,401	\$ 6,976,923	\$ 11,465,979

Regional Transit Authority
Schedule of Changes in Restricted Asset Bond Accounts
For the Year Ended December 31, 2024

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

	Sales Tax Capital	Debt Service	Total
Beginning Balance - January 1, 2024	\$ (3,198,476)	\$ 3,617,012	\$ 418,536
Cash receipts			
Investment income	-	20,991	20,991
Total cash receipts	-	20,991	20,991
Ending Balance - December 31, 2024	\$ (3,198,476)	\$ 3,638,003	\$ 439,527

Regional Transit Authority
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2024

Agency Head Name: Lona Hankins, Chief Executive Officer

PURPOSE	AMOUNT
Salary	\$ 314,995
Benefits-health insurance	42,361
Benefits-retirement	84,177
Deferred compensation	-
Workers comp	-
Benefits-life insurance	2,514
Benefits-long term disability	-
Benefits-Fica & Medicare	16,332
Car allowance	15,600
Vehicle provided by government	-
Cell phone	540
Dues	-
Vehicle rental	-
Per diem	1,167
Reimbursements	-
Travel	624
Registration fees	-
Conference travel	-
Unvouchered expenses	-
Meetings & conventions	-
Other	15,911
Total	\$ 494,221



REGIONAL TRANSIT AUTHORITY

SINGLE AUDIT REPORTS

DECEMBER 31, 2024



**REPORT**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance for Each Major Program on Internal Control Over Compliance, and on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Regional Transit Authority (the "RTA"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the RTA's basic financial statements and have issued our report thereon dated September 29, 2025.

Report on Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompany schedule of findings and questions costs as item **2024-001** to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with

governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item **2024-002** to be a significant deficiency.

Report on Compliance and Other Matters

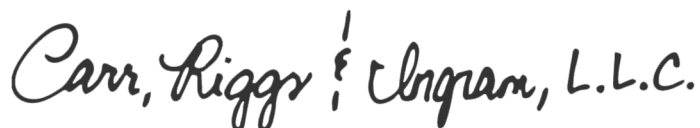
As part of obtaining reasonable assurance about whether the RTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item **2024-003**.

The Regional Transit Authority's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in black ink that reads "Carr, Riggs & Ingram, L.L.C." with a stylized flourish at the end.

September 29, 2025
Metairie, Louisiana



CARR, RIGGS & INGRAM, L.L.C.

Carr, Riggs & Ingram, L.L.C.
3850 North Causeway Boulevard
Suite 1400
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**Independent Auditor's Report on Compliance for Each
Major Program on Internal Control over Compliance and on the
Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Regional Transit Authority's (the "RTA") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the RTA's major federal programs for the year ended December 31, 2024. The RTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the RTA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the RTA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the RTA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the RTA's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

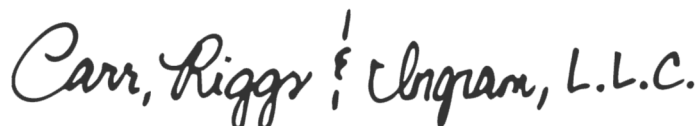
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

We have audited the financial statements of the RTA, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the RTA's basic financial statements. We issued our report thereon dated September 29, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



September 29, 2025
Metairie, Louisiana

Regional Transit Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Identification Number	Pass-Through to Sub-Recipients	Expenditures
U.S. Department of Housing and Urban Development Passed through the State of Louisiana, Division of Administration, Office of Community Development Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii	14.228	B-06-DG-22-00001	\$ - \$	5,000,000
Total U.S. Department of Housing and Urban Development			-	5,000,000
U.S. Department of Transportation Direct Awards - Federal Transit Administration Federal Transit Cluster:				
Federal Transit - Capital Investment Grants	20.500		-	203,055
Federal Transit - Formula Grants	20.507		-	14,124,853
COVID-19 – Federal Transit - Formula Grants	20.507		-	41,498,639
State of Good Repair Grants Program	20.525		-	8,430,868
Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)	20.526		-	3,063,839
Total Federal Transit Cluster			-	67,321,254
Metropolitan Transportation Planning and State and Non- Metropolitan Planning and Research	20.505		-	11,085
Transit Services Programs Cluster			-	
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			29,042
Total U.S. Department of Transportation			-	67,361,388

The accompanying notes are an integral part of this statement.

Regional Transit Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Identification Number	Pass- Through to Sub- Recipients	Expenditures
U.S. Department of Homeland Security Federal Emergency Management Agency, passed through the State of Louisiana, Governor's Office of Homeland Security and Emergency Preparedness Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	DR-1603-LA	-	13,543
Total U.S. Department of Homeland Security			-	13,543
Total Expenditures of Federal Awards			\$ -	\$ 72,374,924

The accompanying notes are an integral part of this statement.

Regional Transit Authority
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2024

Note 1: GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of the federal awards of the Regional Transit Authority (RTA) and is presented on the accrual basis of accounting. The RTA's reporting entity is defined in Note A to the RTA's financial statements for the year ended December 31, 2024. All federal awards received from federal agencies are included on the schedule.

Note 2: BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note A to the RTA's financial statements for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. RTA did not elect to use the de minimis indirect cost rate.

Note 3: LOANS

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

Note 4: FEDERALLY FUNDED INSURANCE

The RTA has no federally funded insurance.

Note 5: NONCASH ASSISTANCE

The RTA did not receive any federal noncash assistance for the year ended December 31, 2024.

Regional Transit Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Type of auditor's report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| d. Significant deficiencies identified not considered to be material weaknesses? | None Noted |
| 3. Any audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |
| 4. The major programs tested for the year ended December 31, 2024 were: | |
| Federal Transit Cluster: | |
| Capital Investment Grants | 20.500 |
| Formula Grants | 20.507 |
| State of Good Repair Grants | 20.525 |
| Bus and Bus Facilities Formula & Discretionary Programs (Bus Program) | 20.526 |
| Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii | 14.228 |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$2,171,248 |
| 6. Auditee qualified as a low-risk auditee? | No |

Regional Transit Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

B. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

2024-001 Material Weakness: Material Adjustments

Criteria: Controls should be in place to ensure all significant balances are properly analyzed and accurately reported prior to the completion of the year-end closing process.

Condition: During the audit of the RTA's financial statements, several material adjustments were identified and recorded including a prior period adjustment identified by the Director of Accounting to reduce payroll liabilities and current year adjustments increasing inventory and related expenses and decreasing grant receivables and related grant revenues. There were also a significant number of adjustments provided by the RTA after the books were closed.

Cause: A formalized timeline for adequate review and reconciliation of account balances is not in place to ensure completeness of accounting records before audit commencement.

Effect: Various account balances required adjustments prior to the completion of the audited financial statements.

Recommendation: We recommend the RTA implement enhanced pre-close review procedures to ensure all significant balances are accurately recorded before the completion of the year-end closing process.

View of Responsible Official: See corrective action plan.

2024-002 Significant Deficiency: Internal Control Over Self-Insurance Case Reserves and Structured Settlements

Criteria: The RTA should maintain internal controls that ensure timely and accurate updates of case reserves, facilitated through effective communication among all parties involved in claims management. This is crucial for accurately reflecting the RTA's financial obligations and ensuring compliance with generally accepted accounting standards and external reporting requirements.

Condition: During the audit, we noted that despite new oversight procedures and controls being put in place, some external attorneys do not regularly communicate updates to the RTA and their third-party administrator (TPA) for claims.

Cause: Some of the external attorneys are not adhering to the new oversight procedures put in place to improve communication between the external attorneys, the TPA for claims and RTA management for cases under litigation.

Effect: As a result, some case reserves are not being adjusted timely, leading to potential misstatements in the reporting of reserve balances.

Regional Transit Authority
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2024

B. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS (CONTINUED)

2024-002 Significant Deficiency: Internal Control Over Self-Insurance Case Reserves and Structured Settlements (Continued)

Recommendation: We recommend that RTA management enforce oversight procedures and controls that were implemented in 2024 and 2025 to ensure timely updates from all attorneys and that the information flows between all parties involved in claims management.

View of Responsible Official: See corrective action plan.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There were no findings related to major federal award programs reported for the year ended December 31, 2024.

D. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

Finding 2024-003 Noncompliance – Timely Submission of Audit Report to Legislative Auditor

Criteria: In accordance with R.S. 24:513, any local auditee that receives public assistance of \$500,000 or more in revenues and other sources in any one fiscal year must be audited annually and the annual audit reporting package must be submitted to the Louisiana Legislative Auditor. The due date for the audit reporting package is six months after the organization's fiscal year end.

Condition: The RTA did not meet the June 30, 2025 deadline for reporting to the Legislative Auditor. The RTA requested and received an extension of time until September 30, 2025 from the Legislative Auditor to file its financial statements.

Cause: Due to continued challenges resulting from the implementation of a new financial reporting and general ledger software system in 2023, the RTA required additional time to close the 2024 books and record the final adjustments to their accounting records.

Effect: The delay in closing the 2024 books resulted in the 2024 audit completion date being delayed.

Recommendation: The RTA should implement a plan to ensure that year-end close out procedures are completed on a timely basis to allow sufficient time for the auditor to complete their procedures and meet future deadlines.

View of Responsible Official: See corrective action plan.

Regional Transit Authority
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024

A. FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS

2023-001 Material Weakness: Preparation of Schedule of Expenditures of Federal Awards and Reconciliation of Grant Revenue

Condition: The SEFA provided for the audit did not contain the correct amounts of federal expenditures supported by the accounting system. Additionally, the grant revenue did not include all amounts due from the awarding agency for expenditures incurred during the fiscal year.

Recommendation: We recommend the RTA review its policies and procedures for identifying, recording and tracking federal expenses and implement tools within the accounting system to properly identify federal expenses in order to prepare an accurate SEFA. The policies and procedures should include capturing all grant revenue for eligible expenses incurred during the fiscal year.

Current status: Partially Resolved. See finding **2024-001** as it relates to adjustments for grant receivables and revenue.

2023-002 Significant Deficiency: Internal Control Over Accrual Process for Accounts Payable

Condition: During our audit of accounts payable, we identified an invoice totaling \$1,238,818 that was not properly accrued as of the end of the year. This omission resulted in the understatement of both liabilities and capital assets in the financial statements.

Recommendation: The RTA should perform a review of payments made after year-end to ensure that all expenses and capital expenditures incurred during the year but not paid are properly accrued and recognized as of the end of the year.

Current status: Resolved.

2023-003 Significant Deficiency: Internal Control Over Self-Insurance Case Reserves and Structured Settlements

Condition: During the audit, we noted that some external attorneys do not regularly communicate updates to the RTA and their third-party administrator (TPA) for claims. In addition, we noted that cases under structured settlement agreements are not receiving the necessary reserve updates as the settlements occur and as payments are being made.

Recommendation: We recommend that RTA management implement a monitoring system to track communication between external attorneys and the TPA, along with regular reporting to management on the status of case reserves and establish oversight responsibilities to ensure timely updates from all attorneys and that the information flows between all parties involved in claims management.

Current Status: Partially Resolved. See finding **2024-002** as it relates to communication with external attorneys.

**Regional Transit Authority
Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2024**

B. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM

There were no findings related to the major federal award program reported for the year ended December 31, 2023.

C. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS

2023-004 Timely Submission of Audit Report to Legislative Auditor (Compliance)

Condition: The RTA did not meet the June 30, 2024 deadline for reporting to the Legislative Auditor. The RTA requested and received an extension of time until October 31, 2024 from the Legislative Auditor to file its financial statements.

Recommendation: The RTA should implement a plan to assure that the financial reporting is completed timely to ensure future reports are issued by June 30th of each year.

Current Status: Not Resolved. See repeat finding **2024-003**.



September 29, 2025

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC
3850 N. Causeway Blvd.
Suite 1400, Two Lakeway Center
Metairie, LA 70002

Correction Action Plan

Dear Sirs and Madams:

Please find the corrective action plan for **Findings to the Financial Statements:**

2024-001- Material Weakness: Material Adjustments

Corrective Action:

The ERP system conversion in 2023 resulted in numerous transactions that required detailed and time-consuming account analysis. As a result, the timeliness of our normal monthly and year-end procedures was affected and led to needed adjustments at year end. The post implementation trouble shooting performed in 2024 and early 2025, along with the delay in audit submission in 2024, caused a delay in the required research, analysis and cleanup of old legacy balances on our books. The account analysis and subsequent cleanup work that was completed this year has since corrected those balances so that the same level of cleanup will not be required in 2025. Additionally, our Grants Director that was hired late 2024 has helped to provide for adequate review and reconciliation of grant revenues and receivables. As a result of these efforts, along with improvements in pre-close review procedures, we expect that this issue will be resolved going forward.

2024-002 -Significant Deficiency: Internal Control Over Self-Insurance, Case Reserves and Structured Settlements



Corrective Action:

Under the leadership of our Chief Legal Officer, the RTA has implemented processes to effectively improve communications between our third-party administrator, attorneys and internal staff. We have implemented structured settlement reporting and a regular review of case reserves. Management will continue to review outstanding claims reports and matters in litigation on a quarterly basis to ensure reserves are as needed and that these matters are being fiscally resolved. As 2025 is our first full year of implementation of these new processes, we feel confident that this matter will be resolved in the upcoming year.

Findings Related to Compliance and Other Matters

2024-003- Timely submission of Audit Report to Legislative Auditor

Corrective Action:

RTA's Oracle ERP system implementation concluded in late 2023. Although the staff has become more familiar with the system and is not conducting accounting functions in two different systems in 2024 and have resumed our normal monthly and year-end accounting close processes; there was a significant amount of cleanup work that was done as a result. Now that the system has been fully implemented, and we have engaged in post implementation troubleshooting, cleanup and improvements in accounting processes because of this change, we fully expect that this issue will be resolved for the 2025 audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gizelle Johnson Banks", written in a cursive style.

Gizelle Johnson Banks
Chief Financial Officer

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To Arthur Walton, Chairman of the Finance Committee
Board of Commissioners
Regional Transit Authority
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2024 through December 31, 2024. Regional Transit Authority (the RTA) management is responsible for those C/C areas identified in the SAUPs.

The RTA has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2024 through December 31, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

1. Obtain and inspect the RTA's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the RTA's operations:
 - i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Results: No exceptions were found as a result of applying the above procedure.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
Results: No exceptions were found as a result of applying the above procedure.

- iii. ***Disbursements***, including processing, reviewing, and approving.
Results: No exceptions were found as a result of applying the above procedure.
- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
Results: No exceptions were found as a result of applying the above procedure.
- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
Results: No exceptions were found as a result of applying the above procedure.
- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Results: No exceptions were found as a result of applying the above procedure.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Results: No exceptions were found as a result of applying the above procedure.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Results: No exceptions were found as a result of applying the above procedure.
- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the RTA's ethics policy.
Results: No exceptions were found as a result of applying the above procedure.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Results: No exceptions were found as a result of applying the above procedure.

- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: No exceptions were found as a result of applying the above procedure.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions were found as a result of applying the above procedure.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Results: No exceptions were found as a result of applying the above procedure.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year and observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds⁹, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Results: No exceptions were found as a result of applying the above procedure.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results: No exceptions were found as a result of applying the above procedure.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: Exception noted. There was no indication of written updates on the progress of resolving prior year audit findings.

3) Bank Reconciliations

- A. Obtain a listing of RTA bank accounts for the fiscal period from management and management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

Ask management to identify the RTA's main operating account. Select the RTA's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Results: Exceptions noted. For 5 of 5 accounts selected, the reconciliation was not prepared within 2 months of the related statement closing date.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated or electronically logged); and

Results: No exceptions were found as a result of applying the above procedure.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of applying the above procedure.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: No exceptions were found as a result of applying the above procedure.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- i. Employees responsible for cash collections do not share cash drawers/registers;

Results: No exceptions were found as a result of applying the above procedure.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

Results: No exceptions were found as a result of applying the above procedure.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

Results: No exceptions were found as a result of applying the above procedure.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results: No exceptions were found as a result of applying the above procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Results: No exceptions were found as a result of applying the above procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

Results: No exceptions were found as a result of applying the above procedure.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Results: No exceptions were found as a result of applying the above procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

Results: No exceptions were found as a result of applying the above procedure.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Results: No exceptions were found as a result of applying the above procedure.

- v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of applying the above procedure.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: No exceptions were found as a result of applying the above procedure.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

Results: No exceptions were found as a result of applying the above procedure.

- ii. At least two employees are involved in processing and approving payments to vendors;

Results: No exceptions were found as a result of applying the above procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

Results: No exceptions were found as a result of applying the above procedure.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

Results: No exceptions were found as a result of applying the above procedure.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Results: No exceptions were found as a result of applying the above procedure.

- C. For each location selected under procedure #5A above, obtain the RTA's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the RTA, and

Results: No exceptions were found as a result of applying the above procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

Results: No exceptions were found as a result of applying the above procedure.

- D. Using the RTA's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the RTA's policy, and (b) approved by the required number of authorized signers per the RTA's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

Results: No exceptions were found as a result of applying the above procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and:

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Results: No exceptions were found as a result of applying the above procedure.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Results: No exceptions were found as a result of applying the above procedure.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: Exceptions noted. For 2 of 50 transactions, written documentation of a business/public purpose was not provided.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Results: No exceptions were found as a result of applying the above procedure.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Results: No exceptions were found as a result of applying the above procedure.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Results: No exceptions were found as a result of applying the above procedure.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were found as a result of applying the above procedure.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete.

Results: No exceptions were found as a result of applying the above procedure.

Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Results: No exceptions were found as a result of applying the above procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

Results: No exceptions were found as a result of applying the above procedure.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Results: No exceptions were found as a result of applying the above procedure.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions were found as a result of applying the above procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: No exceptions were found as a result of applying the above procedure.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Results: No exceptions were found as a result of applying the above procedure.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Results: No exceptions were found as a result of applying the above procedure.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the RTA's cumulative leave records; and

Results: No exceptions were found as a result of applying the above procedure.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

Results: No exceptions were found as a result of applying the above procedure.

- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the RTA's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to RTA policy.

Results: No exceptions were found as a result of applying the above procedure.

- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of applying the above procedure.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Results: No exceptions were found as a result of applying the above procedure.

- ii. Observe whether the RTA maintains documentation which demonstrates that each employee and official were notified of any changes to the RTA's ethics policy during the fiscal period, as applicable.

Results: No exceptions were found as a result of applying the above procedure.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: No exceptions were found as a result of applying the above procedure.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Results: No exceptions were found as a result of applying the above procedure.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: No exceptions were found as a result of applying the above procedure.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the RTA reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the RTA is domiciled as required by R.S. 24:523.

Results: No exceptions were found as a result of applying the above procedure.

- B. Observe that the RTA has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of applying the above procedure.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. Obtain and inspect the RTA’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.

Results: We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the RTA’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Results: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the RTA’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results: We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 - completed the training; and
 - Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Results: We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Results: No exceptions were found as a result of applying the above procedure.

- B. Observe that the RTA has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the RTA's premises if the RTA does not have a website).

Results: No exceptions were found as a result of applying the above procedure.

- C. Obtain the RTA's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

Results: No exceptions were found as a result of applying the above procedure.

- i. Number and percentage of public servants in the agency who have completed the training requirements;

Results: No exceptions were found as a result of applying the above procedure.

- ii. Number of sexual harassment complaints received by the agency;

Results: No exceptions were found as a result of applying the above procedure.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

Results: No exceptions were found as a result of applying the above procedure.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Results: No exceptions were found as a result of applying the above procedure.

- v. Amount of time it took to resolve each complaint.

Results: No exceptions were found as a result of applying the above procedure.

We were engaged by the RTA to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the RTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

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

Metairie, Louisiana
September 29, 2025



September 30, 2025

Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

And

Carr, Riggs & Ingram, LLC
3850 N. Causeway Blvd.
Suite 1400, Two Lakeway Center
Metairie, LA 70002

RE: Management's Response to Statewide Agreed-Upon Procedures
Regional Transit Authority

Dear Sirs and Madams:

Please find the Management Response for Statewide Agreed Upon Procedures relating to Board/Finance Committee, Bank Reconciliations and Credit/Purchase Cards.

2iv.) The Finance Committee reporting will be adjusted going forward to ensure that written updates to audit corrective actions are documented as discussed at each meeting.

3i.) The Regional Transit Authority Bank reconciliations are now up to date and being completed within two months of statement close date.

6c.) The Regional Transit Authority has updated our procurement policy and procedures. We have procedures that allow for the appropriate documentation with stated business purpose to be provided through an automated purchasing card approval system. For any transactions missing receipts, RTA will require a missing receipt statement/affidavit from the end user and may revoke user privileges if procedures or not properly followed.

Sincerely,

A handwritten signature in blue ink, appearing to read "Gizelle Johnson-Banks".

Gizelle Johnson- Banks
Chief Financial Officer