



STATE OF INDIANA
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B57367

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

October 8, 2021

To: The Officials of the Central Indiana Regional Transportation Authority
Central Indiana Regional Transportation Authority
320 N Meridian St, Suite 920
Indianapolis, IN 46204


As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Central Indiana Regional Transportation Authority. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly, in all material respects, the cash and investment balances of the Authority as of December 31, 2020, and its cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the finding included in the report on page 20. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 23.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for the Central Indiana Regional Transportation Authority was prepared in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.


Paul D. Joyce, CPA
State Examiner

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
Marion County, Indiana

FINANCIAL STATEMENT
December 31, 2020

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
Marion County, Indiana

FINANCIAL STATEMENT
December 31, 2020

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CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF OFFICIALS (Unaudited)
December 31, 2020

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	John Seber	01-01-20 to 12-31-20
Treasurer	Larry Hesson	01-01-20 to 12-31-20
President of the Authority Board	Bill Ehret	01-01-20 to 12-31-20

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
Central Indiana Regional Transportation Authority
Marion County, Indiana

Report on the Financial Statement

We have audited the accompanying statement of receipts, disbursements, and cash and investment balances of Central Indiana Regional Transportation Authority (Authority) as of and for the year ended December 31, 2020, and the related notes (the financial statement).

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the Authority prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

(Continued)

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Authority as of December 31, 2020, or changes in net position or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above present fairly, in all material respects, the cash and investment balances of the Authority as of December 31, 2020, and its cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Schedule of Officials, and Supplementary Information Schedules are presented for purposes of additional analysis and are not a required part of the financial statement.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, 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 financial statement as a whole.

The Schedule of Officials and Supplementary Information Schedules have not been subjected to the auditing procedures applied in the audit of the financial statement, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 6, 2021 on our consideration of the Authority'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 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 Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control over financial reporting and compliance.


Crowe LLP

Indianapolis, Indiana
October 6, 2021

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 REGULATORY BASIS

For the Year Ended December 31, 2020

<u>Fund</u>	Cash and Investments <u>01-01-20</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-20</u>
Operating	\$ 333,334	\$ 705,503	\$ 977,421	\$ 61,416
Commuter Connect	179,837	986,249	1,000,003	166,083
FTA Section 5307	(273,494)	306,349	261,642	(228,787)
Plainfield Bus Shelters	29,973	167,896	203,138	(5,269)
Public Mass Transit Funds	<u>47,865</u>	<u>70,147</u>	<u>-</u>	<u>118,012</u>
 Totals	 <u>\$ 317,515</u>	 <u>\$ 2,236,144</u>	 <u>\$ 2,442,204</u>	 <u>\$ 111,455</u>

See Independent Auditor's Report and notes to financial statements.

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENT
December 31, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Central Indiana Regional Transportation Authority (the Authority) was established under the laws of the State of Indiana. The Authority operates under an appointed governing board.

The accompanying financial statement presents the financial information for the Authority.

Basis of Accounting: The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

Cash and Investments: Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Other receipts. Amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Other disbursements. Amounts disbursed for various purposes including, but not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, lease agreements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund (PDIF). This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Authority to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units. Given the limited investment parameters applicable under state statute, certain risks, such as credit, custodial, concentration, and interest rate are not deemed significant. As of the year ended December 31, 2020, the Authority held investments in non-negotiable certificates of deposit.

The Authority held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable.

(Continued)

NOTE 3 - RISK MANAGEMENT

The Authority may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Authority to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

The Authority has purchased insurance to address the risks described above.

NOTE 4 - PENSION PLAN

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Authority authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

(Continued)

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO FINANCIAL STATEMENT
December 31, 2020

NOTE 5 - CASH BALANCE DEFICITS

The financial statement contains the FTA Section 5307 and Plainfield Bus Shelters funds with deficits in cash of \$228,787, and \$5,269 respectively that existed at December 31, 2020. The funds are both entirely funded by reimbursable grants, and the deficits existed due to the timing of the reimbursement occurring after December 31, 2020 for expenses incurred before year-end. The Authority received payment on all amounts owed after year-end.

NOTE 6 - RECENT EVENTS

In March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak to be a global pandemic. COVID-19 has impacted economic activity and financial markets globally. The operations and business results of the Authority could be materially adversely affected. The extent to which the coronavirus may impact business activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

SUPPLEMENTAL SCHEDULES (Unaudited)

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2020

	<u>Operating</u>	<u>Commuter Connect</u>	<u>FTA Section 5307</u>	<u>Plainfield Bus Shelters</u>	<u>Public Mass Transit Funds</u>	<u>Totals</u>
Cash and investments - beginning	\$ 333,334	\$ 179,837	\$ (273,494)	\$ 29,973	\$ 47,865	\$ 317,515
Receipts:						
Intergovernmental receipts	<u>705,503</u>	<u>986,249</u>	<u>306,349</u>	<u>167,896</u>	<u>70,147</u>	<u>2,236,144</u>
Total receipts	<u>705,503</u>	<u>986,249</u>	<u>306,349</u>	<u>167,896</u>	<u>70,147</u>	<u>2,236,144</u>
Disbursements:						
Other disbursements	<u>977,421</u>	<u>1,000,003</u>	<u>261,642</u>	<u>203,138</u>	<u>-</u>	<u>2,442,204</u>
Total disbursements	<u>977,421</u>	<u>1,000,003</u>	<u>261,642</u>	<u>203,138</u>	<u>-</u>	<u>2,442,204</u>
Excess (deficiency) of receipts over disbursements	<u>(271,918)</u>	<u>(13,754)</u>	<u>44,707</u>	<u>(35,242)</u>	<u>70,147</u>	<u>(206,060)</u>
Cash and investments - ending	<u>\$ 61,416</u>	<u>\$ 166,083</u>	<u>\$ (228,787)</u>	<u>\$ (5,269)</u>	<u>\$ 118,012</u>	<u>\$ 111,455</u>

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2020

<u>Government or Enterprise</u>	Accounts <u>Payable</u>	Accounts <u>Receivable</u>
Governmental activities	<u>\$ 124,588</u>	<u>\$ 151,606</u>

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF LEASES AND DEBT
December 31, 2020

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Chamber of Commerce Building Corp.	Office space lease	\$ 10,500	9/1/2019	8/1/2021
Integrity One Solutions	Copier lease	<u>5,253</u>	8/13/2019	10/13/2025
Total governmental activities		<u>15,753</u>		
Total of annual lease payments		<u>\$ 15,753</u>		

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF CAPITAL ASSETS
December 31, 2020

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Machinery, equipment, and vehicles	\$ <u>639</u>
Total capital assets	\$ <u><u>639</u></u>

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
OTHER REPORT
December 31, 2020

The reports presented herein were prepared in addition to another official report prepared for the Authority as listed below:

Indiana State Board of Accounts Compliance Examination of the Central Indiana Regional Transportation Authority.

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts*.

OTHER INFORMATION

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Transportation</u>					
Federal Transit Formula Grants:					
FY2016 Sec 5307 Grant Award – Urbanized Area Formula Grants Commuter Connect	Direct Award	20.507	IN-2016-008-00	\$ -	\$ 848,731
FY 2018 Sec 5307 Grant Award - Urbanized Area Formula Grants Mobility Management/Planning & Public Involvement	Direct Award	20.507	IN-2018-006-00	-	33,718
FY 2019 Sec 5307 - Urbanized Formula Area Grants Plainfield Bus Shelters	Direct Award	20.507	IN-2019-027-00	-	47,696
IN2020020 Mobility Management/Planning & Public involvement	Direct Award	20.507	IN-2020-020-00	-	128,170
IN2020021 Commuter Connect	Direct Award	20.507	IN-2020-021-00	-	94,024
IN2020030 Mobility Management/Planning & Public Involvement	Direct Award	20.507	IN-2020-030-00	-	55,817
Total – Federal Transit Cluster				-	1,208,156
Total – Department of Transportation				-	1,208,156
Total federal awards expended				\$ -	\$ 1,208,156

See accompanying notes to the schedule of expenditure of federal awards.

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Central Indiana Regional Transportation Authority (the "Authority") under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the receipts, disbursements, and cash and investment balances – regulatory basis of the Authority.

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State and Local Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expensed when the reimbursement is received.

NOTE 2 - INDIRECT COST RATE

The Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Those Charged with Governance
Central Indiana Regional Transportation Authority
Marion County, Indiana

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 statement of Central Indiana Regional Transportation Authority ("Authority"), which comprise the statement of receipts, disbursements, and cash and investment balances of the Authority as of and for the year ended December 31, 2020 and the related notes to the financial statement, which collectively comprise the Authority's financial statement, and have issued our report thereon dated October 6, 2021.

Internal Control Over Financial Reporting

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

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

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

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statement is 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.


Crowe LLP

Indianapolis, Indiana
October 6, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Those Charged with Governance
Central Indiana Regional Transportation Authority
Marion County, Indiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

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

(Continued)

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

The Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and management's response and corrective action plan. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.


Crowe LLP

Indianapolis, Indiana
October 6, 2021

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2020

SECTION 1 – SUMMARY OF AUDITORS’ RESULTS:

Financial Statements

Type of auditors report issued Adverse as to GAAP, Unmodified as to regulatory basis

Internal control over financial reporting

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs

Material weakness(es) identified? _____ Yes X No

Significant deficiencies identified not considered to be material weaknesses? X Yes _____ None Reported

Type of auditor’s report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)? X Yes _____ No

Identification of major programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit Formula Grants

Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee? _____ Yes X No

SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

None.

(Continued)

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2020

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2020-001 – ALLOWABLE COST TESTING (Significant Deficiency)
CFDA #20.507 Federal Transit Cluster

Criteria: Management is responsible for maintaining appropriate documentation to substantiate the expenditure of funds in accordance with program requirement.

Condition: We noted 3 expenditures for which management was unable to provide written documentation of proper approval. Additionally, we noted 2 expenditures for which management was unable to provide the supporting invoice.

Context: We selected a sample of 60 expenditures totaling \$311,966 of the total \$1,208,156 expenditures. The three items lacking approval totaled \$4,961. The two items lacking a supporting invoice was \$295.

Questioned Costs: \$295.

Effect: A lack of appropriate supporting documentation or formal review puts the Authority at an increased risk that ineligible expenditures could be incurred.

Cause: The missing documentation identified appears to be the result of ineffective quality control and document retention processes.

Recommendation: We recommend the Authority implement procedures to ensure that all required supporting documentation is maintained and that internal controls are in place to ensure expenditures are being properly reviewed.

Views of Responsible Officials: Management concurs with this finding. See the separate corrective action plan.

CENTRAL INDIANA REGIONAL TRANSPORTATION AUTHORITY
EXIT CONFERENCE
January 1, 2020 to December 31, 2020

The contents of this report were discussed on October 1, 2021 with John Seber, Executive Director, Jennifer Gebhard, Assistant Director, Julie Crossley, Outside Advisor, and Bill Ehret, President of the Authority Board.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS



FINDING 2019-001

Fiscal year in which the finding initially occurred: 2019
Contact Person Responsible for Corrective Action: Julie Crossley
Contact Phone Number: 317-452-1765

Status of Audit Finding:

The Schedule of Expenditures of Federal Awards were compiled from cash account in MIP, but after the move to Quickbooks Online these will be compiled from Expenditures by Vendor Summary report in cash basis and sorted by Fund for the period January 1, 20XX to December 31, 20XX and not compiled from the submitted Echo draws. The Accounting Manager pulls the reports from the monthly Gateway submissions detailing receipts by funds. The Accounting Manager has the Executive Director approve and date the reconciliation between the two reports before the annual SEFA is submitted to Gateway. Approval is completed through e-mail. The Accounting Manager completes the annual SEFA report. This has ensured adequate control measures stay in place for adherence.



FINDING 2019-002

Fiscal year in which the finding initially occurred: 2019
Contact Person Responsible for Corrective Action: Julie Crossley
Contact Phone Number: 317-452-1765

Status of Audit Finding:

CIRTA has revised their contract template to include the vendor of any covered transactions are expected to equal or exceed \$25,000, comply with the minimum vendor compliance requirement for the Procurement and Suspension and Debarment requirement.

CIRTA has also included details acquired from the applicable vendor review utilizing the System for Award Management (SAM) to ensure that said vendors are not suspended or debarred.

The confirmation details/report has been included as part of the complete board package for said contract as part of the approval process.

FINDING 2019-003

Fiscal year in which the finding initially occurred: 2019
Contact Person Responsible for Corrective Action: Julie Crossley
Contact Phone Number: 317-452-1765

Status of Audit Finding:

All adjustments made by the Accounting Manager are reviewed by Executive Director. These adjustment review verifications have been done via e-mail confirmation for each said adjustment to ensure proper review and tracking.

Above finding action put into place after audit completion in 2020.

CIRTA Executive Director *[Signature]* Date 10-1-2021
Resultant Accounting MGR *Julie Crossley* Date 10/1/21



CORRECTIVE ACTION PLAN

Date of corrective plan implementation 10/01/2021

FINDING 2020-001

Contact Person Responsible for Corrective Action: Julie Crossley
Contact Phone Number: 317-452-1765

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

All documentation for expenditures will be sent and stored through Bill.com and will undergo an approval process with management and board members to ensure internal controls are intact.

Approval in Bill.com is recorded and can be supplied as a report at any time. Also, an AP voucher listing all expenditures and related grant assignment, prior to payment, is provided to the Board Members for approval each month.

Anticipated Completion Date: October 1, 2021

CIRTA Executive Director

DATE

10-1-2021

Resultant Accounting Manager

DATE 10/1/2021