

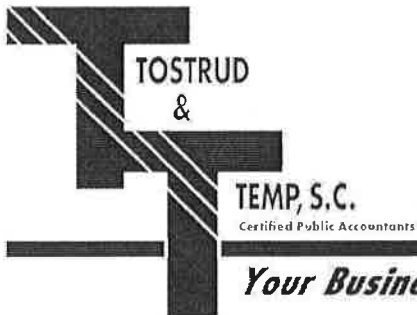
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

DELAWARE, DUBUQUE AND JACKSON COUNTY  
REGIONAL TRANSIT AUTHORITY

June 30, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Delaware, Dubuque and Jackson County Regional Transit Authority ("Regional Transit Authority"), (a nonprofit organization), which are comprised of the statement of financial position as of June 30, 2022 and 2021 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Delaware, Dubuque and Jackson County Regional Transit Authority as of June 30, 2022, and the changes in its net assets and its cash flows for the year 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 Regional Transit Authority 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 opinions.

## ***Responsibilities of Management for the Financial Statement***

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 Regional Transit Authority's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***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 Regional Transit Authority'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 Regional Transit Authority'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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis and is not a required part of the 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 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 financial statements or to the 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 and state awards is fairly stated, in all material respects, in relation to the 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 October 21, 2022, on our consideration of the Regional Transit 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 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 Regional Transit 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 Regional Transit Authority's internal control over financial reporting and compliance.

*Tostud & Temp, S.C.*  
October 21, 2022

FINANCIAL STATEMENTS

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2022 and 2021

<b>ASSETS</b>	2022	2021
<b>CURRENT ASSETS</b>		
Cash	\$ 1,171,147	\$ 994,233
Accounts receivable		
Trade	187,575	158,602
Grants	198,193	294,036
Prepaid expenses	4,105	33,067
Total current assets	1,561,020	1,479,938
<b>PROPERTY AND EQUIPMENT</b>		
Net of accumulated depreciation	2,052,499	2,322,420
Total assets	\$ 3,613,519	\$ 3,802,358
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable		
Trade	\$ 83,209	\$ 27,867
Related party	68,106	63,509
Accrued liabilities		
Payroll and paid time off	52,872	38,260
Payroll taxes and benefits	7,438	2,667
Unearned revenue	800	10,600
Total current liabilities	212,425	142,903
Total liabilities	212,425	142,903
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Board designated	705,653	746,758
Undesignated	2,695,441	2,912,697
Total net assets	3,401,094	3,659,455
Total liabilities and net assets	\$ 3,613,519	\$ 3,802,358

The accompanying notes are an integral part of these statements.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**STATEMENTS OF ACTIVITIES**  
For the years ended June 30, 2022 and 2021

	2022	2021
<b>REVENUE AND OTHER SUPPORT</b>		
Grants and contracts		
Federal grants	\$ 315,922	\$ 760,512
State grants	379,825	336,849
Transportation contracts	1,156,841	672,418
Other local grants	14,575	-
Program fees	29,119	14,115
Contributions	-	676
Replacement capital	5,848	8,336
Gain (loss) on disposal of assets	1,972	4,929
Miscellaneous income	42,743	67,819
Interest	331	459
Total revenue and other support	1,947,176	1,866,113
<b>EXPENSES</b>		
Program services		
Operating	714,695	498,335
Maintenance	743,487	511,635
Volunteers	6,794	3,215
Supporting services		
Management and general	740,561	618,045
Total expenses	2,205,537	1,631,230
Increase (decrease) in net assets	(258,361)	234,883
<b>Net assets at beginning of year</b>	3,659,455	3,424,572
<b>Net assets at end of year</b>	\$ 3,401,094	\$ 3,659,455

Note: All net assets are without donor restrictions.

The accompanying notes are an integral part of these statements.



Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**STATEMENTS OF CASH FLOWS**  
For the years ended June 30, 2022 and 2021

Increase in Cash

	2022	2021
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ (258,361)	\$ 234,883
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	331,724	290,520
Proceeds from sale of equipment	(1,972)	-
Increase (decrease) in cash due to changes in:		
Investments	-	416,573
Accounts receivable	66,870	(271,814)
Accrued interest	-	2,825
Prepaid expenses	28,962	(260)
Accounts payable	59,939	36,594
Accrued liabilities	19,383	9,428
Unearned revenue	(9,800)	10,600
Net cash provided by operating activities	236,745	729,349
<b>Cash flows from capital and investing activities</b>		
Equipment and vehicles purchased	(61,803)	(553,475)
Proceeds from sale/transfer of equipment	1,972	-
Net cash used in investing activities	(59,831)	(553,475)
Net increase in cash	176,914	175,874
Cash at beginning of year	994,233	818,359
Cash at end of year	\$ 1,171,147	\$ 994,233

The accompanying notes are an integral part of these statements.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended June 30, 2022  
(with comparative totals for 2021)

	Program Services			Management and General	Totals	
	Operating	Maintenance	Volunteers		2022	2021
Payroll	\$ 469,259	\$ -	\$ -	\$ -	\$ 469,259	\$ 337,391
Payroll taxes	34,885	-	-	-	34,885	25,929
Employee benefits	46,958	-	-	-	46,958	56,085
Total compensation	<u>551,102</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,102</u>	<u>419,405</u>
Communications	-	8,548	-	-	8,548	7,989
Computer support	-	-	-	26,588	26,588	26,990
Contracted services	157,553	-	-	562,670	720,223	569,381
Education/conferences	-	-	-	3,886	3,886	876
Employee recognition	-	-	-	2,753	2,753	812
Gas/oil	-	175,809	-	-	175,809	78,083
Insurance						
Liability/umbrella	-	50,743	-	-	50,743	48,453
Vehicle	-	104,854	-	-	104,854	69,679
Marketing & recruiting	-	-	-	5,688	5,688	6,265
Meals	-	-	-	-	-	3,215
Professional services	-	-	-	8,540	8,540	7,430
Organization dues	-	-	-	4,724	4,724	2,429
Repair & maintenance						
Facility/general	-	21,751	-	-	21,751	25,674
Vehicle	-	99,503	-	-	99,503	38,664
Rent	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Software support	-	-	-	1,943	1,943	385
Telephone	-	-	-	4,941	4,941	4,627
Transportation	-	-	6,794	-	6,794	-
Utilities	-	13,615	-	-	13,615	9,233
Depreciation	-	265,379	-	66,345	331,724	290,520
Bad debt expense	6,040	-	-	-	6,040	-
Other expenses	-	3,285	-	52,483	55,768	21,120
	<u>163,593</u>	<u>743,487</u>	<u>6,794</u>	<u>740,561</u>	<u>1,654,435</u>	<u>1,211,825</u>
Total expenses	\$ <u>714,695</u>	\$ <u>743,487</u>	\$ <u>6,794</u>	\$ <u>740,561</u>	\$ <u>2,205,537</u>	\$ <u>1,631,230</u>

The accompanying notes are an integral part of this statement.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended June 30, 2021  
(with comparative totals for 2020)

	Program Services			Management and General	Totals	
	Operating	Maintenance	Volunteers		2021	2020
Payroll	\$ 337,391	\$ -	\$ -	\$ -	\$ 337,391	\$ 384,708
Payroll taxes	25,929	-	-	-	25,929	29,493
Employee benefits	56,085	-	-	-	56,085	55,874
Total compensation	<u>419,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>419,405</u>	<u>470,075</u>
Communications	-	7,989	-	-	7,989	8,831
Computer support	-	-	-	26,990	26,990	26,518
Contracted services	78,930	-	-	490,451	569,381	650,964
Education/conferences	-	-	-	876	876	9,492
Employee recognition	-	-	-	812	812	2,375
Gas/oil	-	78,083	-	-	78,083	80,741
Insurance						
Liability/umbrella	-	48,453	-	-	48,453	28,158
Vehicle	-	69,679	-	-	69,679	97,319
Marketing & recruiting	-	-	-	6,265	6,265	3,706
Meals	-	-	3,215	-	3,215	320
Professional services	-	-	-	7,430	7,430	7,485
Organization dues	-	-	-	2,429	2,429	3,766
Repair & maintenance						
Facility/general	-	25,674	-	-	25,674	16,465
Vehicle	-	38,664	-	-	38,664	63,797
Rent	-	-	-	-	-	4,500
Service charges	-	-	-	-	-	-
Software support	-	-	-	385	385	660
Telephone	-	-	-	4,627	4,627	4,867
Transportation	-	-	-	-	-	2,996
Utilities	-	9,233	-	-	9,233	9,440
Depreciation	-	232,416	-	58,104	290,520	258,573
Other expenses	-	1,444	-	19,676	21,120	19,602
	<u>78,930</u>	<u>511,635</u>	<u>3,215</u>	<u>618,045</u>	<u>1,211,825</u>	<u>1,300,575</u>
Total expenses	\$ <u>498,335</u>	\$ <u>511,635</u>	\$ <u>3,215</u>	\$ <u>618,045</u>	\$ <u>1,631,230</u>	\$ <u>1,770,650</u>

The accompanying notes are an integral part of this statement.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa

**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2022 and 2021

**NOTE A - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Delaware, Dubuque and Jackson County Regional Transit Authority ("Regional Transit Authority") was formed to improve, consolidate, and coordinate transportation services in the State of Iowa Planning Area VIII (excluding the city of Dubuque). During the past year, the Regional Transit Authority received significant revenue from contracts for transportation services, as well as, the State of Iowa transit operation assistance grant, U.S. DOT Section 16 Rural Transit Operating Assistance grant, federal capital equipment grants and passenger fares.

**1. Basis of Accounting**

The Regional Transit Authority uses the accrual basis of accounting which recognizes income when earned and expenses when incurred.

**2. Income Tax Status**

The Regional Transit Authority is a nonprofit corporation, exempt from taxation on its income under Section 501(c)(3) of the Internal Revenue Code. The Regional Transit Authority, however, would not be exempt from income taxes on any unrelated business income it may receive.

**3. Depreciation**

Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives principally using the straight-line method.

**4. Capital Assets**

Capital assets are stated at cost. Major expenses for new or used property and upgrades which substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included as income or expense, as appropriate. When assets which were acquired with federal grant assistance are sold, the Regional Transit Authority must remit a portion of the gross sales price equal to the federal participation percentage, net of sales costs, to the federal government.

Depreciation is provided for on the straight-line method over estimated useful service lives of the assets as follows:

	<u>Years</u>
Vehicles and equipment	5
Office furniture	5
Software	3
Solar energy equipment	25
Buildings and improvements	39

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2022 and 2021

**NOTE A - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**  
**- CONTINUED**

**5. Accounts Receivable**

Accounts receivable consist of amounts due on transportation contracts from various agencies. The Regional Transit Authority does not maintain an allowance for estimated uncollectible accounts. The Authority has determined the uncollectible accounts are immaterial and when an account is determined to be uncollectible, it will be deducted from accounts receivable and charged to expense.

**6. Donated Materials and Services**

The Regional Transit Authority records the value of donated goods or services when there is an objective basis available to measure their value. The Regional Transit Authority receives donated services from a variety of unpaid volunteers who assist the Regional Transit Authority in carrying out various transportation services. However, no amounts have been recognized as income or expense in the current year financial statements for these services because they neither create or enhance a nonfinancial asset nor require specialized skills in accordance with professional standards.

During fiscal years end June 30, 2022 and June 30, 2021, \$0 and \$676, respectively, was recognized as donation income.

**7. Cash and Cash Equivalents**

The Regional Transit Authority considers all unrestricted highly liquid investments with an initial maturity of three months or less from the statement of financial position date to be cash equivalents.

**8. Investments**

The Authority has no investments as of June 30, 2022.

**9. Prepaid expenses**

Prepaid expenses at year-end consist of prepaid insurances and contracted software technical support services.

**10. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2022 and 2021

**NOTE A - SUMMARY OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**  
**- CONTINUED**

**11. Compensated Absences**

Employees under contract with the Regional Transit Authority accumulate vacation, sick and holiday hours for subsequent use or for payment upon termination, retirement or death. This paid time off is accumulated at a rate that is based on employment category and years of continuous service. The maximum that can be accrued is 280 hours by a full-time employee or 180 hours by a part-time employee. Upon termination of employment, the Regional Transit Authority pays for any unused hours at the terminated employee's current pay rate. This liability is accrued on the Statement of Financial Position.

**12. Net Assets**

All net assets have been recorded and reported as either with or without donor restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Authority. The Authority's board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and/or grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Authority or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**13. Deferred Revenues/Refundable Advances**

The Authority records grant awards and bus advertising receipts accounted for as exchange transactions as deferred revenues/refundable advances until related services are performed or goods are received, at which time such awards are recognized as revenue.

**14. Cost Allocations**

Certain expenses are attributable to more than one program or supporting function. Depreciation is allocated 75% to program services and 25% to management and general. Contracted services are allocated between operating and management and general based on estimates of time and effort.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2022 and 2021

**NOTE B - CASH AND INVESTMENTS**

The Regional Transit Authority maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Regional Transit Authority has not experienced any losses in such accounts. The Regional Transit Authority believes it is not exposed to any significant credit risk on cash.

Cash as of June 30, 2022, is classified in the accompanying financial statements as follows:

Statement of financial position:

Cash \$ 1,171,147

Cash and investments as of June 30, 2022 consist of the following:

	Carrying Amount	Bank Balance
Demand deposits	\$ 465,494	\$ 470,009
Savings and money market accounts	<u>705,653</u>	<u>705,653</u>
	<u>\$ 1,171,147</u>	<u>\$ 1,175,662</u>

**Investments Authorized by the Authority's Investment Policy**

The Regional Transit Authority is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Regional Transit Authority and the Treasurer of the State of Iowa; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2022, there is no weighted average maturity of the investments.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Regional Transit Authority did not hold any investments in obligations rated by a nationally recognized statistical rating organization during the past fiscal year.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2022 and 2021

**NOTE B - CASH AND INVESTMENTS - CONTINUED**

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party.

The Regional Transit Authority's deposits at June 30, 2022 were entirely covered by FDIC insurance, collateralized with securities or letters of credit held by the Regional Transit Authority or the Regional Transit Authority's agent in the Regional Transit Authority's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Iowa Code. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

**NOTE C - ADMINISTRATIVE CONTRACT**

The East Central Intergovernmental Association (ECIA) has been contracted to provide management services for the Regional Transit Authority. This contract has the option to renew upon the approval of the Board of Directors. The Board of Directors voted to renew this contract effective May 10, 2021 for five years which covers fiscal years ending in 2022, 2023, 2024, 2025, and 2026. Payments to ECIA for the years ended June 30, 2022 and 2021 were \$562,670 and \$490,451, respectively.

**NOTE D - OTHER POST-EMPLOYMENT BENEFITS**

The Regional Transit Authority offers no material post-employment benefits to employees upon separation from service. Employees receive no payments at or after separation from service other than accrued sick and vacation pay which is already accrued in this report. The only post-employment benefit an employee may receive is COBRA continuation of their health insurance, for which the separated employee must pay 100% of their premium.



Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2022 and 2021

**NOTE E - PROPERTY AND EQUIPMENT**

A summary of changes in property and equipment during the current year were as follows:

	Balances 6/30/21	Additions	Removals	Balances 6/30/22
<i>Not depreciated</i>				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Land	277,931	-	-	277,931
<i>Depreciated</i>				
Land improvements	19,538	-	-	19,538
Building	1,536,392	-	-	1,536,392
Building improvements	11,990	-	-	11,990
Equipment	254,356	-	16,576	237,780
Furniture	3,481	-	1,565	1,916
Software	70,663	59,710	-	130,373
Solar	61,696	-	-	61,696
Vehicles	2,244,368	2,093	891	2,245,570
	<u>4,480,415</u>	<u>61,803</u>	<u>19,032</u>	<u>4,523,186</u>
<i>Less accumulated depreciation</i>				
Land improvements	(19,538)	-	-	(19,538)
Building	(419,742)	(39,394)	-	(459,136)
Building improvements	(1,717)	(307)	-	(2,024)
Equipment	(147,843)	(20,941)	(16,576)	(185,360)
Furniture	(3,481)	-	(1,565)	(5,046)
Software	(70,663)	-	-	(70,663)
Solar	(13,984)	(2,468)	-	(16,452)
Vehicles	(1,481,027)	(268,614)	(891)	(1,750,532)
Total accumulated depreciation	<u>(2,157,995)</u>	<u>(331,724)</u>	<u>(19,032)</u>	<u>(2,470,687)</u>
Property and equipment, net	<u>\$ 2,322,420</u>	<u>\$ (269,921)</u>	<u>\$ -</u>	<u>\$ 2,052,499</u>

**NOTE F - NOTES PAYABLE**

The Regional Transit Authority had no notes payable as of June 30, 2022.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2022 and 2021

**NOTE G - EMPLOYEE RETIREMENT PLAN**

All eligible Regional Transit Authority employees may participate in the RTA 401(k) Plan. The Plan is tax qualified under Section 401(k) of the Internal Revenue Code and all contributions, by or on behalf of employees, is tax deferred until time of withdrawal. Contributions are not required, but employees may elect to make voluntary contributions within the prescribed limits of the Internal Revenue Code. The Regional Transit Authority will contribute a matching amount equal to 50% of employee salary deferrals. Employees deferrals up to 10.0% are matched up to 5% by the Regional Transit Authority for the fiscal years ended June 30, 2022 and 2021. The Regional Transit Authority's total payroll for the fiscal years ended June 30, 2022 and 2021 was \$469,259 and \$337,391, respectively. The Regional Transit Authority contributed a matching amount for the fiscal years ended June 30, 2022 and 2021 of \$5,916 and \$4,808, respectively, for the employees who elected to participate.

**NOTE H - RELATED PARTY TRANSACTIONS**

The Regional Transit Authority, related to the East Central Intergovernmental Association (ECIA) through common management, is provided management services and office space, as noted earlier. ECIA also provides employees to perform dispatch services and mobility coordination. Grant funding for the mobility coordinator position ended in fiscal year ended 2021 and the position was funded as part of the Administrative Contract in fiscal year ended 2022. The dispatch staff was reduced from 2 to 1 as the part-time dispatcher retired and was also funded through the Administrative Contract. The dispatchers were furloughed for part of fiscal year 2022 due to Covid-19. Payments to ECIA for these services at and for the years ended June 30, 2022 and 2021, respectively, are as follows.

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 68,106	\$ 63,509
Dispatchers and mobility coordinator	\$ 157,553	\$ 78,929

**NOTE I - BOARD-DESIGNATED NET ASSETS**

The Regional Transit Authority's Board of Directors has designated net assets for capital replacement of \$705,653 and \$746,758 as of June 30, 2022 and June 30, 2021, respectively.

**NOTE J - SUBSEQUENT EVENTS**

The Regional Transit Authority has evaluated for subsequent events through October 21, 2022, the date on which the financial statements were available to be issued. There are no material subsequent events found to report.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2022 and 2021

**NOTE K - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Authority has financial assets of \$1,561,020 as of June 30, 2022, available within one year of the Statement of Financial Position date to meet cash needs for general expenses consisting of cash of \$1,171,147, account and receivables and prepaid expenses of \$389,873. The account receivables are subject to implied restrictions, but are expected to be collected within one year.

	2022	2021
Current assets	\$ 1,561,020	\$ 1,479,938
Less:		
Prepaid expenses	4,105	33,067
Board designated net assets	705,653	746,758
	709,758	779,825
Available financial assets	\$ 851,262	\$ 700,113

SUPPLEMENTAL INFORMATION

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
Year ended June 30, 2022

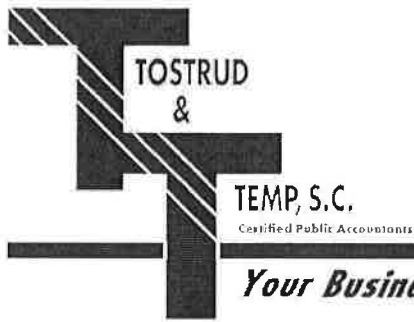
FEDERAL AWARDS	Federal Catalog Number	Program or Award Amount	Receivable at June 30, 2021	Expenditures	Revenue		Receivable at June 30, 2022
					Grantor	Local	
FTA Bus & Bus Facilities Project Award number 2019-007-01-FY19 April 30, 2020 to April 29, 2021	20.526	\$ 80,325	\$ 74,504	\$ -	\$ 74,504	\$ -	\$ -
FTA Bus & Bus Facilities Project Award number 2019-007-00-080-FY18 March 27, 2019 to March 26, 2021	20.526	\$ 77,945	74,504	-	74,504	-	-
FTA Bus & Bus Facilities Project Award number 2019-008-01-FY19 May 26, 2020 to May 25, 2022	20.526	\$ 368,050	117,053	-	117,053	-	-
Administration for Community living Grant Award number Iowa DOT Special Project-SFY21 March 1, 2021 to September 30, 2021	93.630	\$ 20,000	11,285	6,963	18,248	-	-
CARES Act Award number 2020-010-00-FY20 January 20, 2020 to June 30, 2023	20.509	\$ 992,294	16,690	247,286	160,821	-	103,155
Region 8 RTA Regional Coordination - A Technical Solution to Coordinating Regional Transportation, Creating Efficiency in Service Award number IA-2021-007-01 February 23, 2021 to June 30, 2023	20.530	\$ 120,000	-	61,673	-	-	61,673
Total Federal Financial Assistance			\$ 294,036	\$ 315,922	\$ 445,130	\$ -	\$ 164,828
STATE AWARDS	I.D. Number	Program or Award Amount	Receivable at June 30, 2021	Expenditures	Revenue		Receivable at June 30, 2022
					State	Local	
IOWA DEPARTMENT OF TRANSPORTATION State Transit Assistance - Formula Project Award number STA-FORM-080-SFY22 July 1, 2021 to June 30, 2022	N/A	\$ 379,825	-	\$ 379,825	\$ 346,460	\$ -	\$ 33,365
Total Iowa State Assistance			\$ -	\$ 379,825	\$ 346,460	\$ -	\$ 33,365

Note 1: This statement is prepared using the same basis of accounting as the Regional Transit Authority's (RTA) financial statements. The RTA uses the accrual basis of accounting.

Note 2: Federal Indirect Rate: The Association has an indirect cost allocation plan on file in accordance with the *Uniform Guidance*. RTA has elected not to use the 10% de minimis indirect rate.

Note 3: There are no subrecipients of any of the grant awards.

OTHER REPORTS



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*Your Business Safety Net*

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

Board of Directors  
Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa

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 Delaware, Dubuque and Jackson County Regional Transit Authority (a nonprofit organization), which are comprised of the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 21, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Regional Transit Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Regional Transit Authority's internal controls. Accordingly, we do not express an opinion on the effectiveness of the Regional Transit Authority's internal controls.

A *deficiency in internal controls* 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 controls, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Regional Transit Authority'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 determination of financial statement amounts. 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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Regional Transit Authority's internal controls or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Regional Transit Authority's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tostud & Tang, S.C.*

October 21, 2022



Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**SCHEDULE OF FINDINGS AND RESPONSES**  
Year ended June 30, 2022

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Significant deficiency identified?

yes       none reported

Significant deficiency identified

considered to be a material weakness?

yes       no

Noncompliance material to the financial statements?

yes       no

**Section II - Financial Statement Findings**

None

**Section III - Prior-Period Findings**

None