

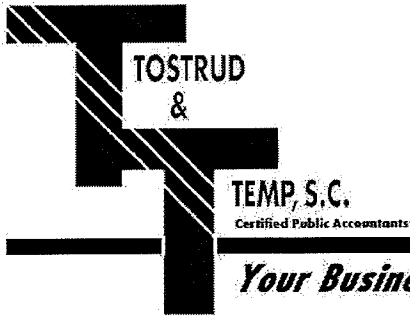
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

DELAWARE, DUBUQUE AND JACKSON COUNTY
REGIONAL TRANSIT AUTHORITY

June 30, 2021 and 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2021 and 2020 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Regional Transit Authority as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Association's basic financial statements. The combining statements and fund financial statements by program are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis 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* ("Uniform Guidance"), and is also not a required part of the basic financial statements.

The schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, these schedules and statements 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 October 26, 2021, 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 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 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.

Trostred & Tempel, S.C.

October 26, 2021

FINANCIAL STATEMENTS

Delaware, Dubuque and Jackson County
Regional Transit Authority
Dubuque, Iowa
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

ASSETS	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 994,233	\$ 818,359
Investments	-	416,572
Accounts receivable		
Trade	158,602	43,686
Grants	294,036	137,138
Accrued interest receivable	-	2,825
Prepaid expenses	<u>33,067</u>	<u>32,807</u>
Total current assets	1,479,938	1,451,387
PROPERTY AND EQUIPMENT		
Net of accumulated depreciation	<u>2,322,420</u>	<u>2,059,466</u>
Total assets	<u>\$ 3,802,358</u>	<u>\$ 3,510,853</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable		
Trade	\$ 27,867	\$ 7,537
Related party	63,509	47,245
Accrued liabilities		
Payroll and paid time off	38,260	30,581
Payroll taxes and benefits	2,667	918
Unearned revenue	<u>10,600</u>	<u>-</u>
Total current liabilities	<u>142,903</u>	<u>86,281</u>
Total liabilities	142,903	86,281
NET ASSETS		
Net assets without donor restrictions		
Board designated	746,758	771,666
Undesignated	<u>2,912,697</u>	<u>2,652,906</u>
Total net assets	<u>3,659,455</u>	<u>3,424,572</u>
Total liabilities and net assets	<u>\$ 3,802,358</u>	<u>\$ 3,510,853</u>

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, 2021 and 2020

	2021	2020
REVENUE AND OTHER SUPPORT		
Grants and contracts		
Federal grants	\$ 760,512	\$ 508,141
State grants	336,849	645,373
Transportation contracts	672,418	794,810
Program fees	14,115	36,474
Contributions	676	14
Replacement capital	8,336	9,426
Gain (loss) on disposal of assets	4,929	-
Miscellaneous income	67,819	34,757
Interest	459	500
Total revenue and other support	1,866,113	2,029,495
 EXPENSES		
Program services		
Operating	498,335	627,936
Maintenance	511,635	512,409
Volunteers	3,215	4,082
Supporting services		
Management and general	618,045	626,223
Total expenses	1,631,230	1,770,650
 Increase in net assets	234,883	258,845
 Net assets at beginning of year	3,424,572	3,165,727
 Net assets at end of year	\$ 3,659,455	\$ 3,424,572

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, 2021 and 2020

	2021	2020
Increase (decrease) in Cash		
Cash flows from operating activities		
Increase (decrease) in net assets	\$ 234,883	\$ 258,845
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	290,520	258,573
Increase (decrease) in cash due to changes in:		
Investments	416,573	(9,318)
Accounts receivable	(271,814)	7,816
Accrued interest	2,825	932
Prepaid expenses	(260)	(31,914)
Accounts payable	36,594	(86,309)
Accrued liabilities	9,428	(9,418)
Unearned revenue	10,600	(1,447)
Net cash provided by operating activities	729,349	387,760
Cash flows from investing activities		
Equipment and vehicles purchased	(553,475)	(439,093)
Proceeds from sale/transfer of equipment	-	-
Net cash used in investing activities	(553,475)	(439,093)
Net increase (decrease) in cash	175,874	(51,333)
Cash at beginning of year	818,359	869,692
Cash at end of year	\$ 994,233	\$ 818,359

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, 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
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2020
(with comparative totals for 2019)

	Program Services			Management and General	Totals	
	Operating	Maintenance	Volunteers		2020	2019
Payroll	\$ 384,708	\$ -	\$ -	\$ -	\$ 384,708	\$ 489,466
Payroll taxes	29,493	-	-	-	29,493	37,079
Employee benefits	55,874	-	-	-	55,874	51,845
Total compensation	<u>470,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>470,075</u>	<u>578,390</u>
Communications	-	8,831	-	-	8,831	18,571
Computer support	-	-	-	26,518	26,518	27,002
Contracted services	157,861	-	-	493,103	650,964	766,893
Education/conferences	-	-	-	9,492	9,492	1,765
Employee recognition	-	-	-	2,375	2,375	1,842
Gas/oil	-	80,741	-	-	80,741	119,145
Insurance						
Liability/umbrella	-	27,392	766	-	28,158	32,622
Vehicle	-	97,319	-	-	97,319	90,391
Marketing & recruiting	-	-	-	3,706	3,706	6,158
Meals	-	-	320	-	320	3,984
Professional services	-	-	-	7,485	7,485	8,313
Organization dues	-	-	-	3,766	3,766	3,511
Repair & maintenance						
Facility/general	-	16,465	-	-	16,465	28,472
Vehicle	-	63,797	-	-	63,797	88,730
Rent	-	-	-	4,500	4,500	18,000
Service charges	-	-	-	-	-	356
Software support	-	-	-	660	660	496
Telephone	-	-	-	4,867	4,867	5,669
Transportation	-	-	2,996	-	2,996	-
Utilities	-	9,440	-	-	9,440	11,089
Depreciation	-	206,858	-	51,715	258,573	248,757
Other expenses	-	1,566	-	18,036	19,602	31,894
	<u>157,861</u>	<u>512,409</u>	<u>4,082</u>	<u>626,223</u>	<u>1,300,575</u>	<u>1,513,660</u>
Total expenses	<u>\$ 627,936</u>	<u>\$ 512,409</u>	<u>\$ 4,082</u>	<u>\$ 626,223</u>	<u>\$ 1,770,650</u>	<u>\$ 2,092,050</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, 2021 and 2020

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, 2021 and 2020

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 year end June 30, 2021, \$676 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, 2021.

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, 2021 and 2020

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, 2021 and 2020

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, 2021, is classified in the accompanying financial statements as follows:

Statement of financial position:

Cash	\$ <u>994,233</u>
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Cash and investments as of June 30, 2021 consist of the following:

	Carrying Amount	Bank Balance
Demand deposits	\$ 247,475	\$ 273,785
Savings and money market accounts	746,758	746,758
	\$ 994,233	\$ 1,020,543

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, 2021, 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, 2021 and 2020

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, 2021 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, 2021 and 2020 were \$490,451 and \$493,103, 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, 2021 and 2020

NOTE E - PROPERTY AND EQUIPMENT

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

	Balances 6/30/20	Additions	Removals	Balances 6/30/21
<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	262,621	-	8,265	254,356
Furniture	3,481	-	-	3,481
Software	70,663	-	-	70,663
Solar	61,696	-	-	61,696
Vehicles	2,061,768	553,475	370,875	2,244,368
	<u>4,306,080</u>	<u>553,475</u>	<u>379,140</u>	<u>4,480,415</u>
<i>Less accumulated depreciation</i>				
Land improvements	(19,047)	(491)	-	(19,538)
Building	(380,347)	(39,395)	-	(419,742)
Building improvements	(1,409)	(308)	-	(1,717)
Equipment	(133,851)	(22,257)	(8,265)	(147,843)
Furniture	(3,481)	-	-	(3,481)
Software	(70,663)	-	-	(70,663)
Solar	(11,517)	(2,467)	-	(13,984)
Vehicles	(1,626,299)	(225,603)	(370,875)	(1,481,027)
Total accumulated depreciation	<u>(2,246,614)</u>	<u>(290,521)</u>	<u>(379,140)</u>	<u>(2,157,995)</u>
Property and equipment, net	<u>\$ 2,059,466</u>	<u>\$ 262,954</u>	<u>\$ -</u>	<u>\$ 2,322,420</u>

NOTE F - NOTES PAYABLE

The Regional Transit Authority had no notes payable as of June 30, 2021.

Delaware, Dubuque and Jackson County
Regional Transit Authority
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2021 and 2020

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, 2021 and 2020. The Regional Transit Authority's total payroll for the fiscal years ended June 30, 2021 and 2020 was \$337,391 and \$384,708, respectively. The Regional Transit Authority contributed a matching amount for the fiscal years ended June 30, 2021 and 2020 of \$4,808 and \$7,833, 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 2020 and the position was funded as part of the Administrative Contract in fiscal year ended 2021. 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 2021 due to Covid-19. Payments to ECIA for these services at and for the years ended June 30, 2021 and 2020, respectively, are as follows.

	2021	2020
Accounts payable	\$ 63,509	\$ 47,245
Dispatchers and mobility coordinator	\$ 78,929	\$ 157,861

NOTE I - BOARD-DESIGNATED NET ASSETS

The Regional Transit Authority's Board of Directors has designated net assets for capital replacement of \$746,758 and \$771,666 as of June 30, 2021 and June 30, 2020, respectively.

NOTE J - SUBSEQUENT EVENTS

The Regional Transit Authority has evaluated for subsequent events through October 26, 2021, 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, 2021 and 2020

NOTE K - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Authority has financial assets of \$1,479,938 as of June 30, 2021, available within one year of the Statement of Financial Position date to meet cash needs for general expenses consisting of cash of \$994,233, account and interest receivables and prepaid expenses of \$485,705. The account receivables are subject to implied restrictions, but are expected to be collected within one year.

	2021	2020
Current assets	\$ 1,479,938	\$ 1,451,387
Less:		
Prepaid expenses	33,067	32,807
Board designated net assets	746,758	771,666
	779,825	804,473
Available financial assets	\$ 700,113	\$ 646,914

SUPPLEMENTAL INFORMATION

Delaware, Dubuque and Jackson County
Regional Transit Authority
Dubuque, Iowa
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year ended June 30, 2021

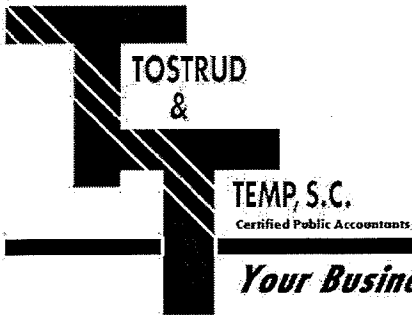
FEDERAL AWARDS	Federal Catalog Number	Program or Award Amount	Receivable at June 30, 2020	Expenditures	Revenue		Receivable at June 30, 2021
					Grantor	Local	
FTA Bus & Bus Facilities Project Award number 2019-008-00-080-FY18 April 8, 2019 to April 7, 2021	20.526	\$ 240,975	-	204,391	204,391	-	-
FTA 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-FY21 March 1, 2021 to September 30, 2021	93.630	\$ 20,000	-	11,285	-	-	11,285
CARES Act Award number 2020-010-00-FY20 January 20, 2020 to June 30, 2023	20.509	\$ 992,294	137,138	278,775	399,223	-	16,690
Total Federal Financial Assistance			\$ 137,138	\$ 760,512	\$ 603,614	\$ -	\$ 294,036
STATE AWARDS	I.D. Number	Program or Award Amount	Receivable at June 30, 2020	Expenditures	Revenue		Receivable at June 30, 2021
					State	Local	
IOWA DEPARTMENT OF TRANSPORTATION State Transit Assistance - Formula Project Award number STA-FORM-080-FY21 July 1, 2020 to June 30, 2021	N/A	\$ 336,849	\$ -	\$ 336,849	\$ 336,849	\$ -	\$ -
Total Iowa State Assistance			\$ -	\$ 336,849	\$ 336,849	\$ -	\$ -

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*.

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

OTHER REPORTS



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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, 2021, 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 26, 2021.

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

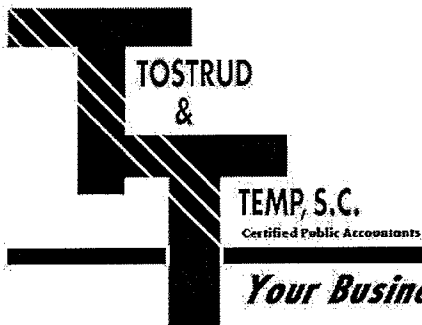
As part of obtaining reasonable assurance about whether the Regional Transit Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a 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.

Trusted & Temp, S.C.

October 26, 2021



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

Report on Compliance for Each Major Federal Program

We have audited the Delaware, Dubuque and Jackson County Regional Transit Authority's (a nonprofit organization) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Regional Transit Authority's major federal programs for the year ended June 30, 2021. The Regional Transit Authority's major federal programs are 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 the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Regional Transit 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 Regional Transit 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 with each major federal program. However, our audit does not provide a legal determination of the Regional Transit Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Regional Transit Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Regional Transit 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 Regional Transit 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 Regional Transit Authority's internal control over compliance.

A deficiency in internal control over compliance 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, 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 the 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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 our testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Roelrud + Temp, S. C.

October 26, 2021

Delaware, Dubuque and Jackson County
Regional Transit Authority
Dubuque, Iowa
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2021

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 X none reported

 Significant deficiency identified
 considered to be a material weakness? ___ yes X no

Noncompliance material to the financial statements? ___ yes X no

Federal Awards

Internal control over compliance:

 Significant deficiency identified? ___ yes X none reported

 Significant deficiency identified
 considered to be a material weakness? ___ yes X no

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 Uniform Guidance? ___ yes X no

Identification of Major Federal Programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.526	FTA Bus and Bus Facilities Project

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

Auditee qualified as a low-risk auditee? ___ yes X no

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None

Section IV - Prior-Period Findings

None