

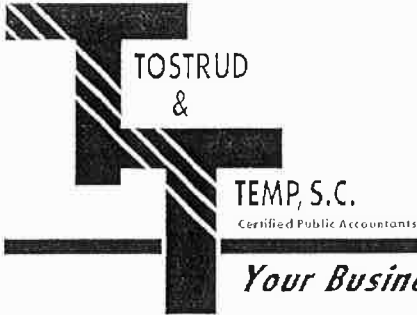
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT

DELAWARE, DUBUQUE AND JACKSON COUNTY  
REGIONAL TRANSIT AUTHORITY

June 30, 2024 and 2023

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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, 2024 and 2023 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, 2024, 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 awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal 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 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 31, 2024, 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.

*Tostrud + Kemp, S.C.*

October 31, 2024

FINANCIAL STATEMENTS

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2024 and 2023

<b>ASSETS</b>	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 922,326	\$ 1,894,187
Investments	725,856	-
Accounts receivable		
Trade	149,817	177,190
Grants	214,702	263,969
Prepaid expenses	<u>9,385</u>	<u>4,105</u>
Total current assets	2,022,086	2,339,451
<b>PROPERTY AND EQUIPMENT</b>		
Net of accumulated depreciation	<u>2,686,765</u>	<u>1,856,662</u>
Total assets	<u>\$ 4,708,851</u>	<u>\$ 4,196,113</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable		
Trade	\$ 123,725	\$ 87,883
Related party	59,201	71,721
Accrued liabilities		
Payroll and paid time off	32,042	36,566
Payroll taxes and benefits	5,521	5,320
Unearned revenue - other	1,800	-
Unearned grant revenue	<u>527</u>	<u>527</u>
Total current liabilities	<u>222,816</u>	<u>202,017</u>
Total liabilities	222,816	202,017
<b>NET ASSETS</b>		
Net assets without donor restrictions		
Board designated	1,351,571	1,316,158
Undesignated	<u>3,134,464</u>	<u>2,677,938</u>
Total net assets	<u>4,486,035</u>	<u>3,994,096</u>
Total liabilities and net assets	<u>\$ 4,708,851</u>	<u>\$ 4,196,113</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, 2024 and 2023

	Without Donor Restrictions 2024	Without Donor Restrictions 2023
<b>REVENUE AND OTHER SUPPORT</b>		
Grants and contracts		
Federal grants	\$ 941,309	\$ 1,207,383
State grants	481,729	394,793
Transportation contracts	1,084,201	1,143,904
Other local grants	26,576	20,577
Program fees	30,629	25,478
Contributions	858	10
Replacement capital	35,412	10,505
Gain (loss) on disposal of assets	5,619	-
Miscellaneous income	16,473	22,979
Interest	377	396
Total revenue and other support	2,623,183	2,826,025
<b>EXPENSES</b>		
Program services		
Operating	863,823	840,998
Maintenance	619,341	678,674
Volunteers	8,104	7,066
Supporting services		
Management and general	639,976	706,285
Total expenses	2,131,244	2,233,023
Increase in net assets	491,939	593,002
<b>Net assets at beginning of year</b>	3,994,096	3,401,094
<b>Net assets at end of year</b>	\$ 4,486,035	\$ 3,994,096

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, 2024 and 2023

	2024	2023
Increase (decrease) in Cash		
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 491,939	\$ 593,002
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	301,384	306,727
Proceeds from sale of equipment	(5,619)	-
Increase (decrease) in cash due to changes in:		
Accounts receivable	76,640	(55,391)
Prepaid expenses	(5,280)	-
Accounts payable	23,322	8,289
Accrued liabilities	(4,323)	(18,424)
Unearned service revenue	1,800	(800)
Unearned grant revenue	-	527
Net cash provided by operating activities	879,863	833,930
<b>Cash flows from capital and investing activities</b>		
Equipment and vehicles purchased	(1,131,487)	(110,890)
Proceeds from sale/transfer of equipment	5,619	-
Net cash used in capital and related investing activities	(1,125,868)	(110,890)
<b>Cash flows from financing and investing activities</b>		
Purchase of investments	(725,856)	-
Net cash used in financing and related investing activities	(725,856)	-
Net increase (decrease) in cash	(971,861)	723,040
<b>Cash at beginning of year</b>	1,894,187	1,171,147
<b>Cash at end of year</b>	\$ 922,326	\$ 1,894,187

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, 2024  
(with comparative totals for 2023)

	Program Services			Management and General	Totals	
	Operating	Maintenance	Volunteers		2024	2023
Payroll	\$ 510,803	\$ -	\$ -	\$ -	\$ 510,803	\$ 535,417
Payroll taxes	39,246	-	-	-	39,246	40,572
Employee benefits	67,589	-	-	-	67,589	56,892
Total compensation	<u>617,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>617,638</u>	<u>632,881</u>
Communications	-	13,338	-	-	13,338	15,284
Contracted services	246,185	-	-	485,018	731,203	763,152
Education/conferences	-	-	-	175	175	8,280
Employee recognition	-	-	-	3,707	3,707	2,487
Gas/oil	-	158,987	-	-	158,987	177,479
Insurance						
Liability/umbrella	-	44,440	-	-	44,440	52,732
Vehicle	-	57,078	-	-	57,078	74,496
Marketing & recruiting	-	-	-	981	981	1,251
Professional services	-	-	-	12,262	12,262	10,915
Organization dues	-	-	-	3,479	3,479	3,710
Repair & maintenance						
Facility/general	-	17,411	-	-	17,411	21,869
Vehicle	-	77,242	-	-	77,242	77,163
Software support	-	-	-	9,485	9,485	5,087
Telephone	-	-	-	4,327	4,327	5,575
Transportation	-	-	8,104	-	8,104	7,066
Utilities	-	9,053	-	-	9,053	13,334
Depreciation	-	241,107	-	60,277	301,384	306,727
Other expenses	-	685	-	60,265	60,950	53,535
	<u>246,185</u>	<u>619,341</u>	<u>8,104</u>	<u>639,976</u>	<u>1,513,606</u>	<u>1,600,142</u>
Total expenses	<u>\$ 863,823</u>	<u>\$ 619,341</u>	<u>\$ 8,104</u>	<u>\$ 639,976</u>	<u>\$ 2,131,244</u>	<u>\$ 2,233,023</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, 2023  
(with comparative totals for 2022)

	Program Services			Management and General	Totals	
	Operating	Maintenance	Volunteers		2023	2022
Payroll	\$ 535,417	\$ -	\$ -	\$ -	\$ 535,417	\$ 469,259
Payroll taxes	40,572	-	-	-	40,572	34,885
Employee benefits	56,892	-	-	-	56,892	46,958
Total compensation	<u>632,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>632,881</u>	<u>551,102</u>
Communications	-	15,284	-	-	15,284	8,548
Computer support	-	-	-	-	-	26,588
Contracted services	208,117	-	-	555,035	763,152	720,223
Education/conferences	-	-	-	8,280	8,280	3,886
Employee recognition	-	-	-	2,487	2,487	2,753
Gas/oil	-	177,479	-	-	177,479	175,809
Insurance						
Liability/umbrella	-	52,732	-	-	52,732	50,743
Vehicle	-	74,496	-	-	74,496	104,854
Marketing & recruiting	-	-	-	1,251	1,251	5,688
Professional services	-	-	-	10,915	10,915	8,540
Organization dues	-	-	-	3,710	3,710	4,724
Repair & maintenance						
Facility/general	-	21,869	-	-	21,869	21,751
Vehicle	-	77,163	-	-	77,163	99,503
Software support	-	-	-	5,087	5,087	1,943
Telephone	-	-	-	5,575	5,575	4,941
Transportation	-	-	7,066	-	7,066	6,794
Utilities	-	13,334	-	-	13,334	13,615
Depreciation	-	245,382	-	61,345	306,727	331,724
Bad debt expense	-	-	-	-	-	6,040
Other expenses	-	935	-	52,600	53,535	55,768
	<u>208,117</u>	<u>678,674</u>	<u>7,066</u>	<u>706,285</u>	<u>1,600,142</u>	<u>1,654,435</u>
Total expenses	\$ <u>840,998</u>	\$ <u>678,674</u>	\$ <u>7,066</u>	\$ <u>706,285</u>	\$ <u>2,233,023</u>	\$ <u>2,205,537</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, 2024 and 2023

**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	4
Furniture and equipment	3-10
Software	3-5
Solar energy equipment	25
Buildings	40
Land and building improvements	5-20

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2024 and 2023

**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, 2024 and June 30, 2023, \$858 and \$10, respectively, was recognized as donation income.

**7. Revenue Recognition**

The Regional Transit Authority recognizes contract revenue, non-contract revenue and fare revenue for transportation services when the service is provided. Prices are specific to a distinct performance obligation and do not consist of multiple transactions. All contracted services and non-contract services revenue received prior to the commencement of the fiscal year are deferred to the applicable period.

The Regional Transit Authority records donated services at the respective fair value of the services received. See above for information relating to contributed nonfinancial assets.

The Regional Transit Authority recognizes grants which are more contribution-like in nature when cash, securities, or other assets (an unconditional promise to give or a notification of a beneficial interest) are received. Conditional promises to give - that is those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. A large portion of the Regional Transit Authority's revenue is driven from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Regional Transit Authority has incurred the expenditures in compliance with specific contract or grant provisions.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
June 30, 2024 and 2023

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

**7. Revenue Recognition - Continued**

Unearned grant revenue is recorded when the Regional Transit Authority has received grant funds that have not yet been spent. Revenue will be recognized as the Regional Transit Authority incurs eligible expenditures. The Regional Transit Authority's unearned grant revenue balances at June 30, 2024 and 2023 were \$527 and \$527, respectively.

Unearned service revenue is recorded on the statement of financial position when clients prepay for services that have not been provided. Revenue will be recorded when rides occur. The Regional Transit Authority's unearned service revenue balances at June 30, 2024 and 2023 were \$1,800 and \$0, respectively.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Revenues that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which contributions are recognized. When a donor restriction expires (that is, when a stipulated time restriction ends, or a purpose restriction is accomplished), donor-restricted net assets are reclassified to net assets without donor restriction and reported in the statement of activities as net assets expended in accordance with donor restrictions.

The accounts receivable balances at June 30, 2024 and 2023 were as follows:

	2024	2023
Accounts receivable		
Trade	\$ 149,817	\$ 177,190
Grants	214,702	263,969
	\$ 364,519	\$ 441,159

**8. 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.

**9. Investments**

The Authority has certificates of deposits in the amount of \$725,856 and \$0 at June 30, 2024 and 2023, respectively, which are recorded at cost, which approximates fair market value.

**10. Prepaid expenses**

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

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2024 and 2023

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

**11. 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.

**12. 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.

**13. 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 may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**14. 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.

**15. Cost Allocations**

Certain expenses are attributable to more than one program or supporting function. Depreciation is allocated 80% to program services and 20% 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, 2024 and 2023

**NOTE B - CASH AND INVESTMENTS**

The Regional Transit Authority maintains cash balances at two financial institutions located in the Dubuque area. At June 30, 2023, \$1,153,969 of the Corporation's deposits were in excess of Federal Deposit Insurance Corporation (FDIC) coverage. There were times during the year that the Corporation's deposits exceeded the FDIC coverage and the Corporation was relying on the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. The Corporation has not experienced any losses in uninsured accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

**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, 2024 and 2023 were \$485,018 and \$555,035, 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, 2024 and 2023

**NOTE E - PROPERTY AND EQUIPMENT**

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

	Balances 6/30/23	Additions	Removals	Balances 6/30/24
<i>Not depreciated</i>				
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	229,208	-	21,670	207,538
Furniture	1,916	-	-	1,916
Software	174,818	-	-	174,818
Solar	61,696	-	-	61,696
Vehicles	2,245,570	1,131,487	291,257	3,085,800
	<u>4,559,059</u>	<u>1,131,487</u>	<u>312,927</u>	<u>5,377,619</u>
Less accumulated depreciation				
Land improvements	(19,538)	-	-	(19,538)
Building	(498,531)	(39,395)	-	(537,926)
Building improvements	(2,331)	(307)	-	(2,638)
Equipment	(160,398)	(13,948)	(21,670)	(195,916)
Furniture	(1,916)	-	-	(1,916)
Software	(38,338)	(34,120)	-	(72,458)
Solar	(18,920)	(2,468)	-	(21,388)
Vehicles	(1,962,425)	(211,146)	(291,257)	(2,464,828)
Total accumulated depreciation	<u>(2,702,397)</u>	<u>(301,384)</u>	<u>(312,927)</u>	<u>(2,690,854)</u>
Property and equipment, net	<u>\$ 1,856,662</u>	<u>\$ 830,103</u>	<u>\$ -</u>	<u>\$ 2,686,765</u>

**NOTE F - NOTES PAYABLE**

The Regional Transit Authority had no notes payable as of June 30, 2024.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2024 and 2023

**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, 2024 and 2023. The Regional Transit Authority's total payroll for the fiscal years ended June 30, 2024 and 2023 was \$510,803 and \$535,417, respectively. The Regional Transit Authority contributed a matching amount for the fiscal years ended June 30, 2024 and 2023 of \$4,002 and \$5,279, 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. Payments to ECIA for these services at and for the years ended June 30, 2024 and 2023, respectively, are as follows.

	2024	2023
Accounts payable	\$ 59,201	\$ 71,721
Dispatchers and mobility coordinator	\$ 179,950	\$ 151,821

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

The Regional Transit Authority's Board of Directors has designated net assets for capital replacement of \$1,351,571 and \$1,316,158 as of June 30, 2024 and June 30, 2023, respectively.

**NOTE J - SUBSEQUENT EVENTS**

The Regional Transit Authority has evaluated for subsequent events through October 31, 2024, the date on which the financial statements were available to be issued. There are no material subsequent events to report.

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**NOTES TO FINANCIAL STATEMENTS - CONTINUED**  
June 30, 2024 and 2023

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

The Authority has financial assets of \$2,022,086 as of June 30, 2024, available within one year of the Statement of Financial Position date to meet cash needs for general expenses consisting of cash and investments of \$1,648,182 and account receivables and prepaid expenses of \$373,904. The account receivables are subject to implied restrictions, but are expected to be collected within one year.

	2024	2023
Current assets	\$ 2,022,086	\$ 2,339,451
Less:		
Prepaid expenses	9,385	4,105
Board designated net assets	1,351,571	1,316,158
	1,360,956	1,320,263
Available financial assets	\$ 661,130	\$ 1,019,188

SUPPLEMENTAL INFORMATION

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
Year ended June 30, 2024

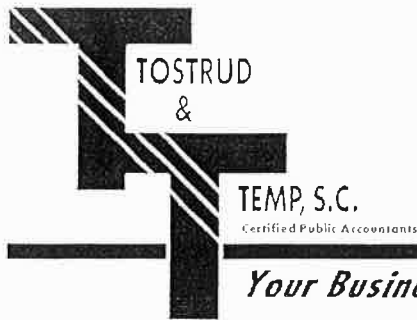
FEDERAL AWARDS	Assistance Listing Number	Program or Award Amount	Receivable at June 30, 2023	Expenditures	Revenue		Receivable (Payable) at at 6/30/2024
					Grantor	Local	
Passed through Iowa Department of Transportation							
FTA Non-Urban Operating Assistance Project Award number 2019-024-02-SFY22 July 1, 2021 through June 30, 2024	20.509	\$ 314,928	\$ 263,969	\$ 39,420	\$ 304,400	\$ -	\$ (1,011)
FTA Non-Urban Operating Assistance Project Award number 2019-024-01-SFY21 July 1, 2020 through November 30, 2024	20.509	\$ 315,363	\$ -	\$ 315,363	\$ 315,363	\$ -	\$ -
FTA Non-Urban Operating Assistance Project Award number 2023-001-00-SFY22 July 1, 2022 through June 30, 2024	20.509	\$ 392,433	\$ -	\$ 392,433	\$ 279,950	\$ -	\$ 112,483
FTA Non-Urban Operating Assistance Project Award number 2023-001-02-SFY24 July 1, 2023 through June 30, 2024	20.509	\$ 399,586	\$ -	\$ 99,225	\$ -	\$ -	\$ 99,225
CARES Act Award number 2020-010-00-FY20 January 20, 2020 to June 30, 2023	20.509	\$ 992,294	(527)	-	-	-	(527)
CARES Act Award number IA-2022-009-01-01-FY21 January 20, 2021 to June 30, 2024	20.509	\$ 36,541	-	36,541	36,541	-	-
Subtotal		2,451,145	263,442	882,982	936,254	-	210,170
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 September 3, 2024	20.530	\$ 120,000	-	58,327	55,333	-	2,994
Total Federal Financial Assistance			\$ 263,442	\$ 941,309	\$ 991,587	\$ -	\$ 213,164
STATE AWARDS	I.D. Number	Program or Award Amount	Receivable at June 30, 2023	Expenditures	Revenue		Receivable at at 6/30/2024
					State	Local	
IOWA DEPARTMENT OF TRANSPORTATION							
State Transit Assistance - Formula Project							
Award number STA-FORM-080-SFY24 July 1, 2023 to June 30, 2024	N/A	\$ 481,729	\$ -	\$ 481,729	\$ 481,729	\$ -	\$ -
Total Iowa State Assistance			\$ -	\$ 481,729	\$ 481,729	\$ -	\$ -

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, 2024, 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 31, 2024.

**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.

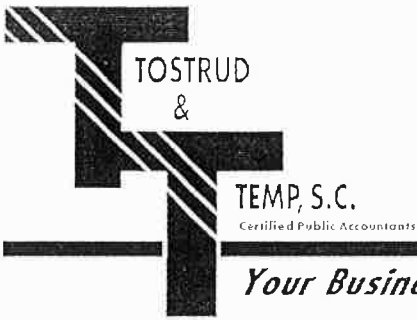
#### **Purpose of this Report**

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.

*Tostred + Tamps, S.C.*

October 31, 2024





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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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Delaware, Dubuque and Jackson County Regional Transit Authority's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Regional Transit Authority's major federal programs for the year ended June 30, 2024. 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.

In our opinion, the Regional Transit Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the Regional Transit Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we

have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Regional Transit Authority's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

## Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Trustad + Tempel, S.C.*

October 31, 2024

Delaware, Dubuque and Jackson County  
Regional Transit Authority  
Dubuque, Iowa  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year ended June 30, 2024

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

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?  yes  no  
Significant deficiency(ies) identified considered to be material weaknesses?  yes  none identified

Noncompliance material to the financial statements?  yes  none identified

Federal Awards

Internal control over compliance:  
Material weakness(es) identified?  yes  no  
Significant deficiency(ies) identified not considered to be material weaknesses?  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 Uniform Guidance  yes  no

Identification of major federal program

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
20.509	Formula Grants for Rural Areas and Tribal Transit Program

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

Auditee qualified as a low-risk auditee?  yes  no

**Section II - Financial Statement Findings**

None

**Section III - Federal Findings and Questioned Costs**

None

**Status of Prior Audit Findings**

There were no prior findings.