

YOLO COUNTY TRANSPORTATION DISTRICT

Audited Financial Statements
and Compliance Reports

June 30, 2020 and 2019

YOLO COUNTY TRANSPORTATION DISTRICT

Audited Financial Statements and Compliance Reports

June 30, 2020 and 2019

Audited Financial Statements

Independent Auditor's Report	1
Management's Discussion and Analysis	3

Basic Financial Statements

Balance Sheets	10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	13

Required Supplementary Information

Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions to the Pension Plan – Miscellaneous Plan (Unaudited)	31
Schedule of Changes in the Net OPEB Liability and Related Ratios (Unaudited)	32
Schedule of Contributions to the OPEB Plan (Unaudited)	33

Supplementary Information

Combining Balance Sheet	34
Combining Schedule of Revenues, Expenses and Changes in Net Position	36
Combining Schedule of Cash Flows	38

Compliance Reports

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> , the Transportation Development Act and Other State Program Guidelines	40
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	42
Schedule of Findings and Questioned Costs	44
Schedule of Expenditures of Federal Awards	46
Notes to Schedule of Expenditures of Federal Awards	47



550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Yolo County Transportation District
Woodland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Yolo County Transportation District (the District) as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 audits. We conducted our audits 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 State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 District as of June 30, 2020 and 2019, and changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

To the Board of Directors
Yolo County Transportation District

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information and schedule of expenditures of federal awards, as required by the Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and schedule of expenditures of federal 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, the supplementary information and schedule of expenditures of federal awards 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 December 29, 2020 on our consideration of the District'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, including the Transportation Development Act and other state grant program guidelines. 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 District's internal control over financial reporting and compliance.

Richardson & Company, LLP

December 29, 2020

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2020 and 2019

The management of the Yolo County Transportation District (District) is pleased to present the following discussion and analysis that provides an overview of the financial position and activities of the District for the years ended June 30, 2020 and 2019. This discussion should be read in conjunction with the financial statements and accompanying notes, which follow this section.

Background

Until August 1, 1989, the Yolo Transit System and Mini-Transit System were established to meet the transportation needs of the general public in and around the County of Yolo as part of the Yolo County's Enterprise Fund. A Joint Exercise of Powers Agreement was signed between Yolo County and the Cities of Davis, West Sacramento, Winters, and Woodland whereby the District would operate as a Joint Powers Agency, called Yolo County Transit Authority, pursuant to Section 6500 of the California Government Code and would be administratively separated from the County. The Yolo County Transit Authority's operations were separated from the Yolo County Enterprise Fund on August 1, 1989. Effective July 1, 1998, the JPA became the Yolo County Transportation District (District) as a result of the passage of Assembly Bill No. 2420, which established the District as the consolidated transportation services agency and the congestion management agency for Yolo County. The District's mission is to provide alternative transportation to transit dependent individuals and the general public responsive to the needs of jurisdictions in Yolo County, to review and recommend project nominations for Intermodal Surface Transportation Efficiency Act and other funding, and to monitor the Congestion Management Plan. In addition to fare revenues, the District receives funds under the provisions of the Transportation Development Act from the Yolo County Local Transportation Fund and the State Transit Assistance Fund. The District also receives revenue from Federal Transit Administration grants.

The primary service of the District is to provide Fixed Route Service through twenty-three fixed routes serving West Sacramento, Woodland, Davis, Capay Valley, the Sacramento International Airport and downtown Sacramento, including local service in Woodland, Winters, and West Sacramento. The District contributes to Unitrans, which provides bus service to U.C. Davis students and residents in Davis. The District also provides Paratransit Service for residents in Woodland, Davis, and West Sacramento to comply with the Americans with Disabilities Act. Transit services are provided under contract with Transdev Services, Inc., which is in effect through July 31, 2025.

Financial Highlights

- Total net position, the level by which total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources, increased by approximately \$8 million, from \$27.3 million at June 30, 2019 to \$35.1 million at June 30, 2020.
- Year-end total net position of \$35.1 million was broken down between \$26 million investment in capital assets, \$0.5 million in restricted for equipment replacement and capital projects, including the State Transit Assistance amount, and \$8.6 million of unrestricted net position.
- For every dollar in current liabilities, the District holds \$11.6 in total assets, down from \$16.5 as of year-end 2019.
- Operating revenues (fares) decreased significantly during FY 2020. This was after fares decreased during FY 2018/19. This was primarily due to bus ticket fees being waived for the general public when COVID hit in March and a decrease in ridership due to stay at home orders and social distancing regulations.
- Operating expenses increased 5% during FY 2019/20 to \$17.2 million. The increase in expenses is primarily due to Purchased Transportation, salaries and benefits, insurance costs, fuel costs, COVID expenses and depreciation.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2020 and 2019

The Financial Statements

Under Governmental Accounting Standards Board (GASB) Statement No. 65, the District's basic financial statements include the balance sheet, statement of revenues, expenses and changes in net position and statement of cash flows.

Description of Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements: the Balance Sheet, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. The statements are accompanied by footnotes to clarify unique accounting policies and other financial information, and required supplementary information. The assets, liabilities, revenues and expenses of the District are reported on a full-accrual basis.

The **Balance Sheet** presents information on all of the District's assets and deferred outflows of resources, compared to liabilities and deferred inflows of resources, with the difference between the two representing net position (equity). Assets and liabilities are classified as current, restricted or non-current. Changes from one year to the next in total net position as presented on the Balance Sheet are based on the activity presented on the Statement of Revenues, Expenses and Change in Net Position.

The **Statement of Revenues, Expenses and Changes in Net Position** is the District's income statement. Revenues earned and expenses incurred during the year are classified as either "operating" or "non-operating". All revenues and expenses are recognized as soon as the underlying event occurs, regardless of timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in the disbursement or collection of cash during future fiscal years (e.g., the expense associated with the final month of purchased transportation, involving cash outlay beyond the date of the financial statements).

The **Statement of Cash Flows** present the changes in District's cash and cash equivalents during the fiscal year. This statement is prepared using the direct method of cash flow. The statement breaks the sources and uses of District's cash and cash equivalents into four categories:

- Operating activities
- Capital financing activities
- Noncapital financing activities
- Investing activities

The District's routine activities appear in the operating activities while purchases of capital assets are in the capital activities.

The **Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of the District's operations and significant accounting policies as well as clarify unique financial information.

Richardson and Company, LLP, Certified Public Accountants, has performed an independent audit of the financial statements in accordance with auditing standards generally accepted in the United States of America. Their opinion is included in this report.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2020 and 2019

	June 30, 2020	June 30, 2019	Increase (Decrease) from 2019 to 2020	June 30, 2018	Increase (Decrease) from 2018 to 2019
Current Assets	\$ 12,266,644	\$ 10,198,679	\$ 2,067,965	\$ 9,735,266	\$ 463,413
Restricted Cash and Investments	1,175,705	1,519,677	(343,972)	1,775,514	(255,837)
Other Postemployment Benefits	144,662	-	144,662		-
Capital Assets, Net	25,979,190	18,186,464	7,792,726	20,422,548	(2,236,084)
TOTAL ASSETS	39,566,201	29,904,820	9,661,381	31,933,328	(2,028,508)
Deferred Outflows of Resources	474,046	560,334	(86,288)	579,043	(18,709)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 40,040,247	\$ 30,465,154	\$ 9,575,093	\$ 32,512,371	\$ (2,047,217)
Current Liabilities	\$ 3,400,671	\$ 1,808,402	\$ 1,592,269	\$ 2,425,991	\$ (617,589)
Non-Current Liabilities	1,287,045	1,285,227	1,818	1,355,965	(70,738)
TOTAL LIABILITIES	4,687,716	3,093,629	1,594,087	3,781,956	(688,327)
Deferred Inflows of Resources	193,195	100,207	92,988	67,473	32,734
Net Position					
Investment in Capital Assets	25,979,190	18,186,464	7,792,726	20,422,548	(2,236,084)
Restricted for Equipment Replacement and Capital Projects	495,487	1,058,568	(563,081)	1,554,114	(495,546)
Restricted for Capital Purposes - STA	69,694	488,707	(419,013)	201,676	287,031
Unrestricted	8,614,965	7,537,579	1,077,386	6,484,604	1,052,975
TOTAL NET POSITION	35,159,336	27,271,318	7,888,018	28,662,942	(1,391,624)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 40,040,247	\$ 30,465,154	\$ 9,575,093	\$ 32,512,371	\$ (2,047,217)

District's Assets

Total assets increased approximately \$9.6 million to \$39.6 million at June 30, 2020 from the prior year. Total assets decreased approximately \$2.0 million to \$29.9 million at June 30, 2019. The increase in total assets in 2019/20 was primarily due to acquiring capital assets. The decrease in total assets in 2018/19 was primarily due to spending down restricted grants and disposals of and depreciation on capital assets, as well as paying down a payable for the purchase of CNG fuel in 2018.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2020 and 2019

District's Liabilities

The increase in current liabilities of \$1.6 million at June 30, 2020 was primarily due to an increase in payables.

The slight decrease of non-current liabilities during the years ending June 30, 2020 was due to slight reductions in the pension and OPEB liabilities as well as the slight decrease in PY 2019. Pension liability increased \$81,000. OPEB decreased \$75,000 due to Fiduciary Net Position became greater than total OPEB liability in FY 2020.

The District also reported deferred outflows of resources primarily for pension and OPEB contributions after the valuation measurement dates and deferred inflows of resources primarily for the difference between projected and actual investment earnings. See Note H and I for more information about the District's pension and OPEB plans.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2020 and 2019

Statement of Revenues, Expenses, and Changes in Net Position

A summary of the District's Statements of Revenues, Expenses, and Changes in Net Position for fiscal years 2019/20, 2018/19 and 2017/18 is as follows:

	Year ending June 30, 2020	Year ending June 30, 2019	Increase (Decrease) from 2019 to 2020	Year ending June 30, 2018	Increase (Decrease) from 2018 to 2019
Operating Revenues	\$ 1,585,047	\$ 2,202,676	\$ (617,629)	\$ 2,398,596	\$ (195,920)
Operating Expenses	17,217,786	16,375,502	842,284	16,056,405	319,097
Net Loss From Operations	(15,632,739)	(14,172,826)	(1,459,913)	(13,657,809)	(515,017)
NONOPERATING REVENUES (EXPENSES)					
Local Transportation Fund and State Transit Assistance Allocation	6,397,218	6,074,189	323,029	5,625,552	448,637
Federal Transit Administration Grants:					
Operating Grants	3,694,021	3,797,734	(103,713)	1,205,204	2,592,530
Pass-through Grants			-	621,570	(621,570)
Mitigation Revenue - Tribe	1,822,956	1,756,500	66,456	1,671,085	85,415
Auxiliary Transportation	283,339	459,113	(175,774)	469,742	(10,629)
Interest Revenue	176,935	197,763	(20,828)	118,411	79,352
State Grants	264,402	128,581	135,821	64,397	64,184
Miscellaneous Revenues	1,051,610	73,843	977,767	476,030	(402,187)
FTA Pass-through Grants to Other Governments			-	(621,570)	621,570
Other Pass-through Grants to Other Governments	(24,000)	(24,000)	-	(28,200)	4,200
Gain (Loss) on Disposal of Capital Assets	(82,363)	(1,399)	(80,964)	1,420	(2,819)
TOTAL NONOPERATING REVENUES (EXPENSES)	13,584,118	12,462,324	1,121,794	9,603,641	2,858,683
TOTAL CAPITAL CONTRIBUTIONS	9,936,639	318,878	9,617,761	4,909,327	(4,590,449)
CHANGE IN NET POSITION	7,888,018	(1,391,624)	9,279,642	855,159	(2,246,783)
Net Position at Beginning of Year	27,271,318	28,662,942	(1,391,624)	27,835,705	827,237
Restatement			-	(27,922)	27,922
Net Position at Beginning of Year, as restated	27,271,318	28,662,942	(1,391,624)	27,807,783	855,159
NET POSITION AT END OF YEAR	\$ 35,159,336	\$ 27,271,318	\$ 7,888,018	\$ 28,662,942	\$ (1,391,624)

Operating Revenues

The District's operating revenue is a combination of passenger fares, made up of cash from the fareboxes and pre-paid fare media, and special fares, which are fares paid for by non-profits and other government agencies. The District's operating revenue in FY 2019/20 and FY 2018/19 decreased slightly due to reduced net fare revenues caused by decrease in service provided due to COVID and fare increase in FY 2018/19.

Operating Expenses

The District's operating expenses consist of charges for fixed route and paratransit operations, administrative expenses, marketing, maintenance expenses, including re-building both transmissions and engines, and other operating expenses. The increase in operating expenses for FY 2019/20 is primarily due to a \$0.5 million increase in

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2020 and 2019

depreciation. The increase in operating expenses for FY 2018/19 is primarily due to an increase in purchased transportation.

Non-operating Revenues (Expenses)

The District receives operating assistance from the Federal Transit Administration (FTA) and the State of California. In FY 2019/20 the District did not receive additional assistance from the FTA. In FY 2018/19, the District received additional support for FY 2017/18 expenses in addition to expenses incurred during FY 2018/19, which resulted in a significant increase in FTA operating assistance.

Mitigation revenue is funding the District receives from Yocha Dehe Wintun Nation which offsets the cost of the route 215. This is a long-standing partnership that began back in July of 1999.

Miscellaneous revenue through FY 2019/20 is primarily due to the IRS – credits that the District received for using compressed natural gas (CNG) in our buses from 2017-2020. FY 2018/19 was primarily rebates that the District received for using compressed natural gas (CNG) in our buses.

Auxiliary Transportation is mainly the revenue that the District receives from the sale of CNG for vehicles to various other companies or organizations.

Capital contributions consist of grants received by the District from the Federal Transit Administration, Sacramento Area Council of Governments and the State of California, from either the Department of Transportation or the California Emergency Management Agency relating to capital for improvements owned by the District. In FY 2019/20 the District purchased 8 CNG buses for its services. Capital Contributions increased \$9.6 million due to FTA, STA, and donated buses. In FY 2018/19, capital contributions declined significantly as the District only purchased equipment and used pre-existing reserves for those purchases.

Capital Assets

	June 30, 2020	June 30, 2019	Increase (Decrease) from 2019 to 2020	June 30, 2018	Increase (Decrease) from 2018 to 2019
Capital assets, not being depreciated					
Land	\$ 465,000	\$ 465,000		\$ 465,000	
Total capital assets, not being depreciated	465,000	465,000		465,000	
Capital assets, being depreciated					
Equipment & Transit Vehicles	43,046,553	37,873,837	\$ 5,172,716	38,074,406	\$ (200,569)
Building and improvements	12,218,563	11,171,120	1,047,443	11,171,120	
Total capital assets, being depreciated	55,265,116	49,044,957	6,220,159	49,245,526	(200,569)
Less accumulated depreciation for:					
Equipment & Transit Vehicles	(23,417,978)	(25,393,067)	1,975,089	(23,814,057)	(1,579,010)
Building and improvements	(6,332,948)	(5,930,426)	(402,522)	(5,473,921)	(456,505)
Total accumulated depreciation	(29,750,926)	(31,323,493)	1,572,567	(29,287,978)	(2,035,515)
Total capital assets being depreciated, net	25,514,190	17,721,464	7,792,726	19,957,548	(2,236,084)
Capital assets, net	\$ 25,979,190	\$ 18,186,464	\$ 7,792,726	\$ 20,422,548	\$ (2,236,084)

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2020 and 2019

At June 30, 2020, the District's net investment in capital assets increased 7.8 million to \$25.9 million from \$18.2 million at the end of FY 2019/20. This was due to the purchase of 8 CNG buses and various other equipment as well as depreciation. At June 30, 2019, the District's net investment in capital assets decreased \$2.2 million to \$18.2 million from \$20.4 million at the end of FY 2018/19. This was due to the surplus of Apollo video surveillance equipment, bus shelter and a new Apollo video camera system.

Economic Factors and the Future

General economic conditions are expected to improve during 2021 as vaccines for COVID are administered. Ridership has decreased during 2019/20 due to the decrease in riders due to stay at home orders and tele-commuting by many of YCTD riders due to COVID regulations. This may continue to affect fare revenue.

Requests for Information

This financial report is designed to provide a general overview of Yolo County Transportation District's financial position and results of operations. Questions concerning the information provided in this report or requests for additional information should be addressed to Janice Bryan, Deputy Director-Finance, Grants & Procurement, 350 Industrial Way, Woodland, California 95776 or jbryan@yctd.org.

YOLO COUNTY TRANSPORTATION DISTRICT

BALANCE SHEETS

June 30, 2020 and 2019

	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6,954,740	\$ 6,366,962
Due from Other Governments	4,988,908	3,664,769
Accounts Receivable	322,996	166,948
TOTAL CURRENT ASSETS	12,266,644	10,198,679
NONCURRENT ASSETS		
Restricted Cash and Cash Equivalents	1,175,705	1,519,677
Other Postemployment Benefits Asset	144,662	
Capital Assets:		
Nondepreciable	465,000	465,000
Depreciable, Net	25,514,190	17,721,464
Total Capital Assets, Net	25,979,190	18,186,464
TOTAL NONCURRENT ASSETS	27,299,557	19,706,141
TOTAL ASSETS	39,566,201	29,904,820
DEFERRED OUTFLOWS OF RESOURCES		
Pension Plan	370,222	398,200
Other Postemployment Benefits Plan	103,824	162,134
TOTAL DEFERRED OUTFLOWS OF RESOURCES	474,046	560,334
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 40,040,247	\$ 30,465,154
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,386,044	\$ 990,890
Accrued Wages	27,366	22,732
Due to Other Governments	255,060	280,899
Unearned Revenue	674,713	461,109
Accrued Compensated Absences	57,488	52,772
TOTAL CURRENT LIABILITIES	3,400,671	1,808,402
NONCURRENT LIABILITIES		
Accrued Compensated Absences	36,602	41,348
Net Other Postemployment Benefits Plan Liability		74,787
Net Pension Liability	1,250,443	1,169,092
TOTAL NONCURRENT LIABILITIES	1,287,045	1,285,227
TOTAL LIABILITIES	4,687,716	3,093,629
DEFERRED INFLOWS OF RESOURCES		
Pension Plan	70,216	86,923
Other Postemployment Benefits Plan	122,979	13,284
TOTAL DEFERRED INFLOWS OF RESOURCES	193,195	100,207
NET POSITION		
Investment in Capital Assets	25,979,190	18,186,464
Restricted for Equipment Replacement and Capital Projects	495,487	1,058,568
Restricted for Capital Purposes - State Transit Assistance	69,694	488,707
Unrestricted	8,614,965	7,537,579
TOTAL NET POSITION	35,159,336	27,271,318
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 40,040,247	\$ 30,465,154

The accompanying notes are an integral part of these financial statements

YOLO COUNTY TRANSPORTATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUE		
Passenger Fares	\$ 1,496,048	\$ 2,126,275
Special Fares	88,999	76,401
TOTAL OPERATING REVENUE	<u>1,585,047</u>	<u>2,202,676</u>
OPERATING EXPENSES		
Purchased Transportation	9,267,371	9,100,826
Salaries and Benefits	1,418,277	1,366,024
Vehicle Fuel	1,095,798	1,258,897
Insurance	1,004,643	971,214
Other Services and Supplies	1,036,378	812,745
Depreciation	3,395,319	2,865,796
TOTAL OPERATING EXPENSES	<u>17,217,786</u>	<u>16,375,502</u>
NET LOSS FROM OPERATIONS	(15,632,739)	(14,172,826)
NONOPERATING REVENUES (EXPENSES)		
Local Transportation Fund and State Transit Assistance Allocation	6,397,218	6,074,189
Federal Transit Administration (FTA) Grants:		
Operating Grants	3,694,021	3,797,734
Mitigation Revenue - Tribe	1,822,956	1,756,500
Auxiliary Transportation	283,339	459,113
Interest Revenue	176,935	197,763
State Grants	264,402	128,581
Miscellaneous Revenues	1,051,610	73,843
Other Pass-through Grants to Other Governments	(24,000)	(24,000)
Loss on Disposal of Capital Assets	(82,363)	(1,399)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>13,584,118</u>	<u>12,462,324</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(2,048,621)	(1,710,502)
CAPITAL CONTRIBUTIONS		
Federal Transit Administration	4,733,820	
State Transit Assistance	334,091	287,031
Tribe	119,890	21,647
Other Capital Revenue	4,748,838	10,200
TOTAL CAPITAL CONTRIBUTIONS	<u>9,936,639</u>	<u>318,878</u>
CHANGE IN NET POSITION	7,888,018	(1,391,624)
Net Position at Beginning of Year	<u>27,271,318</u>	<u>28,662,942</u>
NET POSITION AT END OF YEAR	<u><u>\$ 35,159,336</u></u>	<u><u>\$ 27,271,318</u></u>

The accompanying notes are an integral part of these financial statements

YOLO COUNTY TRANSPORTATION DISTRICT

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts From Customers	\$ 1,656,133	\$ 2,339,645
Cash Paid to Suppliers for Goods and Services	(12,084,315)	(13,006,848)
Cash Paid to Employees for Services	(1,372,495)	(1,379,451)
NET CASH USED FOR OPERATING ACTIVITIES	(11,800,677)	(12,046,654)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Grants and Subsidies	12,141,489	9,518,092
Pass-through Payments	(24,000)	(24,000)
Other Income	372,527	532,951
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	12,490,016	10,027,043
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions Received	5,015,345	723,293
Acquisition of Capital Assets	(5,657,174)	(634,212)
Proceeds From Sale of Capital Assets	19,361	3,101
NET CASH (USED) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(622,468)	92,182
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Pooled Investments	176,935	197,763
NET CASH PROVIDED BY INVESTING ACTIVITIES	176,935	197,763
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	243,806	(1,729,666)
Cash and Cash Equivalents at Beginning of Year	7,886,639	9,616,305
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 8,130,445	\$ 7,886,639
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET		
Cash and Cash Equivalents	\$ 6,954,740	\$ 6,366,962
Restricted Cash and Cash Equivalents	1,175,705	1,519,677
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 8,130,445	\$ 7,886,639
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Net Loss From Operations	\$ (15,632,739)	\$ (14,172,826)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:		
Depreciation	3,395,319	2,865,796
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable and Due from Other Governments	69,089	136,969
Deferred Outflows of Resources - OPEB Plan	58,310	(53,543)
Deferred Outflows of Resources - Pension Plan	27,978	72,252
Accounts Payable and Due to Other Governments	321,872	(863,166)
Accrued Wages	4,634	4,637
Accrued Compensated Absences	(30)	3,914
Net OPEB Asset/Liability	(219,449)	(33,974)
Net Pension Liability	81,351	(39,447)
Deferred Inflows of Resources - OPEB Plan	109,695	(3,691)
Deferred Inflows of Resources - Pension Plan	(16,707)	36,425
NET CASH USED FOR OPERATING ACTIVITIES	\$ (11,800,677)	\$ (12,046,654)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITY		
Capital assets donated	\$ 4,588,202	
Capital asset acquisitions on accounts payable	\$ 1,047,443	\$ 135,133

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

YOLO COUNTY TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Yolo County Transportation District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting principles of the District are described below.

Description of Reporting Entity: Until August 1, 1989, the Yolo Transit System and Mini-Transit System were established to meet the transportation needs of the general public in and around the County of Yolo as part of the Yolo County's Enterprise Fund. A Joint Exercise of Powers Agreement was signed between Yolo County and the Cities of Davis, West Sacramento, Winters, and Woodland whereby the District would operate as a Joint Powers Agency, called Yolo County Transit Authority, pursuant to Section 6500 of the California Government Code and would be administratively separated from the County. The District's operations were separated from the Yolo County Enterprise Fund on August 1, 1989. Effective July 1, 1998, the District became the Yolo County Transportation District (District) as a result of the passage of Assembly Bill No. 2420, which established the District as the consolidated transportation services agency and the congestion management agency for Yolo County. The District's mission is to provide alternative transportation to transit dependent individuals and the general public responsive to the needs of jurisdictions in Yolo County, to review and recommend project nominations for Intermodal Surface Transportation Efficiency Act and other funding, and to monitor the Congestion Management Plan. In addition to fare revenues, the District receives funds under the provisions of the Transportation Development Act from the Sacramento Area Council of Governments Yolo County Local Transportation Fund and the State Transit Assistance Fund. The District also receives revenue from Federal Transit Administration grants.

The District is a member of the Capitol Corridor Joint Powers Authority (CCJPA). The District is not liable for the liabilities of the CCJPA if it dissolves under the related joint exercise of powers agreement. The financial statements of the CCJPA is available on its website.

The primary service of the District is to provide Fixed Route Service through twenty-three fixed routes serving West Sacramento, Woodland, Davis, Capay Valley, the Sacramento International Airport and downtown Sacramento, including local service in Woodland, Winters, and West Sacramento, and contributes to Unitrans, which provides bus service to U.C. Davis students and residents in Davis. The District also provides Paratransit Service for residents in Woodland, Davis, and West Sacramento to comply with the Americans with Disabilities Act. Transit services are provided under contract with Transdev (formerly Veolia Transportation, Incorporated), which is in effect through July 31, 2025.

Basis of Presentation: The District's resources are allocated to and accounted for in these financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. The unrestricted net position for the enterprise fund represents the net position available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the fund are included on the balance sheet. Net Position is segregated into the investment in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net position.

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. TDA revenues are recorded when all eligibility requirements have been met.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are fares received from passengers for transportation services. Operating expenses for enterprise funds included the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments: For the purposes of reporting cash flows, cash and cash equivalents are defined as those amounts included in the balance sheet captions "Cash and cash equivalents" and "restricted cash and cash equivalents" and consist of amounts held in a bank account and the County of Yolo cash investment pool, which are available on demand.

Capital Assets: All capital assets are valued at historical cost or at estimated historical cost if actual historical cost is not available. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives, which range from three to twenty-five years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Deferred Inflows and Outflows of Resources: In addition to assets and liabilities, the balance sheet will sometimes report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources include amounts deferred related to the District's pension plan under GASB 68 as described in Note H and other postemployment benefits (OPEB) plan under GASB 75 as described in Note I to the financial statements.

Compensated Absences: Unused vacation leave and compensatory time off may be accumulated up to a specified maximum and is paid at the time of termination from District's employment. The District is not obligated to pay for unused sick leave if an employee terminates prior to retirement. Retirees may elect to convert their sick leave to service credit under the District's pension plan with PERS. If the retiree elects not to convert the unused sick leave to PERS service credits, 50% of the hours over 200 hours is payable at termination and is included in the compensated absences liability. The District accrues accumulated unpaid compensated absences when earned by the employee. The cost of vacation and compensating time off is recorded in the period earned.

Unearned Revenue: Amounts reported as unearned revenue consist of funds received by the District before appropriate expenses have been incurred to be able to record the funds as revenue. Amounts at June 30, 2020 and 2019 represents mostly Low Carbon Transit Operations Program funds held for future projects.

Restricted Net Position: Restrictions of net position show amounts that are legally restricted for specific uses. The amounts restricted for equipment replacement include TDA revenues restricted in accordance with TDA requirements since amounts are billed in advance of expenses being incurred. The restricted for equipment replacement and capital projects includes the unexpended proceeds from the Governor's Office Homeland Security as described in Note J. Restricted for capital purposes represented State Transit Assistance (STA) revenues restricted for capital projects through June 30, 2015 because the District did not meet required STA efficiency standards necessary to use STA for operating purposes. The District met the efficiency standards for years after 2016.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits Plan (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. Investments are reported at fair value.

Use of Estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Reclassifications: Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE B – CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents at June 30 is classified in the accompanying financial statements as follows:

	2020	2019
Cash and cash equivalents	\$ 6,954,740	\$ 6,366,962
Restricted cash and equivalents	1,175,705	1,519,677
Total cash and investments	<u>\$ 8,130,445</u>	<u>\$ 7,886,639</u>

Cash and cash equivalents as of June 30 consisted of the following:

	2020	2019
Cash on hand	\$ 400	\$ 400
Deposits with financial institutions	117,163	217,340
Investment in Yolo County Pooled Investment Fund	8,012,882	7,668,899
Total cash and investments	<u>\$ 8,130,445</u>	<u>\$ 7,886,639</u>

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Investment policy: California statutes authorize special districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	None	None
California Municipal Obligations	5 years	None	None
Bankers acceptances	180 days	40%	10%
Commercial Paper - Select Agencies	270 days	25%	10%
Commercial Paper - Other Agencies	270 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Non-negotiable Certificates of Deposit	180 days	None	10%
Repurchase Agreements	90 days	None	10%
Corporate Medium Term Notes	5 years	30%	10%
Mutual Funds/Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Local government investment pools	N/A	None	None

The District complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Interest rate risk: Interest rate risk is the measurement of how changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive the fair value is to changes in market interest rates. As of June 30, 2020 and 2019, the weighted average maturity of the investments contained in the County of Yolo investment pool was approximately 416 and 449 days, respectively.

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 County of Yolo investment pool does not have a rating provided by a nationally recognized statistical rating organization.

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 its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit 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. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Custodial credit risk does not apply to a local government's indirect deposits or investment in securities through the use of government investment pools (such as the County of Yolo investment pool).

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

At June 30, 2020 and 2019, the carrying amount of the District's deposits was \$117,163 and \$217,340 and the balance in financial institutions was \$116,986 and \$210,544, respectively. All of the balance in financial institutions was insured by the Federal Deposit Insurance Corporation (FDIC) at June 30, 2020 and 2019.

Investment in the County of Yolo Investment Pool: The District's cash and cash equivalents is held in the County of Yolo Treasury. The County maintains an investment pool and allocates interest to the various funds based upon the average daily cash balances. Investments held in the County's investment pool are available on demand to the District and are stated at cost, which approximates fair value.

NOTE C – RESTRICTED CASH AND CASH EQUIVALENTS

Restricted cash and cash equivalents as of June 30 consisted of the following:

	2020	2019
Capital reserves	\$ 442,652	\$ 982,056
Governor's Office of Homeland Security	45,289	64,453
LCTOP	680,218	465,622
County grant - Madison Bus Stop	7,546	7,546
	<u>1,175,705</u>	<u>1,519,677</u>
Total restricted cash and cash equivalents	<u>\$ 1,175,705</u>	<u>\$ 1,519,677</u>

Capital Reserves: For the fiscal years ended June 30, 2020 and 2019, the District accumulated \$442,652 and \$982,056 of LTF revenue from its member agencies from TDA allocations that is restricted for equipment replacement and capital purposes.

State Grants: See Note J for additional information on restrictions related to these unexpended state grant funds.

NOTE D – DUE FROM OTHER GOVERNMENTS

The due from other governments consisted of the following at June 30:

	2020	2019
Federal Transit Administration grants	\$ 3,283,609	\$ 3,033,001
SACOG - State Transit Assistance	245,992	289,194
California Department of Transportation	299,921	170,371
Sacramento Regional Transit District	27,818	164,962
Other	6,038	7,241
Internal Revenue Service - fuel tax rebate	940,019	
Electrify America	185,511	
	<u>4,988,908</u>	<u>3,664,769</u>
Total due from other governments	<u>\$ 4,988,908</u>	<u>\$ 3,664,769</u>

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE E – CAPITAL ASSETS

Capital asset activity for the years ended June 30 consisted of the following:

Fixed Route Service	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 465,000			\$ 465,000
Total capital assets, not being depreciated	465,000			465,000
Capital assets, being depreciated:				
Equipment and transit vehicles	36,526,809	\$ 9,885,707	\$ (4,914,641)	41,497,875
Buildings and improvements	11,171,120	1,047,443		12,218,563
Total capital assets, being depreciated	47,697,929	10,933,150	(4,914,641)	53,716,438
Less accumulated depreciation for:				
Equipment and transit vehicles	(24,726,924)	(2,794,301)	4,809,867	(22,711,358)
Buildings and improvements	(5,930,426)	(402,522)		(6,332,948)
Total accumulated depreciation	(30,657,350)	(3,196,823)	4,809,867	(29,044,306)
Total capital assets being depreciated, net	17,040,579	7,736,327	(104,774)	24,672,132
Capital assets, net	\$ 17,505,579	\$ 7,736,327	\$ (104,774)	\$ 25,137,132
ADA Paratransit Service				
Capital assets, being depreciated:				
Equipment and transit vehicles	\$ 1,347,028	\$ 359,669	\$ (158,019)	\$ 1,548,678
Total capital assets, being depreciated	1,347,028	359,669	(158,019)	1,548,678
Less accumulated depreciation for:				
Equipment and transit vehicles	(666,143)	(198,496)	158,019	(706,620)
Total accumulated depreciation	(666,143)	(198,496)	158,019	(706,620)
Capital assets, net	\$ 680,885	\$ 161,173	\$ -	\$ 842,058
Total capital assets, net	\$ 18,186,464	\$ 7,897,500	\$ (104,774)	\$ 25,979,190

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE E – CAPITAL ASSETS (Continued)

Fixed Route Service	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 465,000			\$ 465,000
Total capital assets, not being depreciated	465,000			465,000
Capital assets, being depreciated:				
Equipment and transit vehicles	36,727,378	\$ 634,212	\$ (834,781)	36,526,809
Buildings and improvements	11,171,120			11,171,120
Total capital assets, being depreciated	47,898,498	634,212	(834,781)	47,697,929
Less accumulated depreciation for:				
Equipment and transit vehicles	(23,316,437)	(2,240,768)	830,281	(24,726,924)
Buildings and improvements	(5,473,921)	(456,505)		(5,930,426)
Total accumulated depreciation	(28,790,358)	(2,697,273)	830,281	(30,657,350)
Total capital assets being depreciated, net	19,108,140	(2,063,061)	(4,500)	17,040,579
Capital assets, net	\$ 19,573,140	\$ (2,063,061)	\$ (4,500)	\$ 17,505,579
ADA Paratransit Service				
Capital assets, being depreciated:				
Equipment and transit vehicles	\$ 1,347,028			\$ 1,347,028
Total capital assets, being depreciated	1,347,028	-	-	1,347,028
Less accumulated depreciation for:				
Equipment and transit vehicles	(497,620)	\$ (168,523)		(666,143)
Total accumulated depreciation	(497,620)	(168,523)	-	(666,143)
Capital assets, net	\$ 849,408	\$ (168,523)	\$ -	\$ 680,885
Total capital assets, net	\$ 20,422,548	\$ (2,231,584)	\$ (4,500)	\$ 18,186,464

NOTE F – COMPENSATED ABSENCES

Compensated absences activity for the years ended June 30 consisted of the following:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Due within one year
Compensated absences	\$ 94,120	\$ 57,477	\$ (57,507)	\$ 94,090	\$ 57,488
	Balance July 1, 2018	Additions	Retirements	Balance June 30, 2019	Due within one year
Compensated absences	\$ 90,206	\$ 54,492	\$ (50,578)	\$ 94,120	\$ 52,772

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE G – FARE REVENUE RATIO

The District is required to maintain a fare revenue to operating expense ratio of 15% for the years ending June 30, 2020 and 2019, in accordance with the Transportation Development Act. The fare revenue to operating expenses ratio for the District is calculated as follows for the years ended June 30:

	2020	2019
Fare revenues	\$ 1,585,047	\$ 2,202,676
Other local funds:		
Mitigation Revenue - Tribe	1,822,956	1,756,500
Auxilliary Transportation	283,339	459,113
Interest Revenue	176,935	197,763
Miscellaneous Revenues	1,051,610	73,843
Proceeds from sale of capital assets	22,411	3,101
Total local funds	<u>3,357,251</u>	<u>2,490,320</u>
Total Fare Revenue and Local Support	<u>\$ 4,942,298</u>	<u>\$ 4,692,996</u>
Operating expenses	\$ 17,217,786	\$ 16,375,502
Less allowable exclusions:		
Depreciation	<u>(3,395,319)</u>	<u>(2,865,796)</u>
Net operating expenses	<u>\$ 13,822,467</u>	<u>\$ 13,509,706</u>
Fare revenue ratio	<u>35.76%</u>	<u>34.74%</u>

NOTE H – PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). The District participates in the Miscellaneous Risk Pool and the following rate plans:

- Miscellaneous Plan
- PEPRM Miscellaneous Plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRM Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2020 and 2019, are summarized as follows:

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE H – PENSION PLAN (Continued)

	2020		2019	
	Miscellaneous Rate Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Rate Plan (On or after January 1, 2013)	Miscellaneous Rate Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Rate Plan (On or after January 1, 2013)
Hire date				
Benefit formula (at full retirement)	2.5% @ 55	2.0% @ 62	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.000%	6.250%	8.000%	6.250%
Required employer contribution rates	11.432%	6.985%	10.609%	6.842%

The Miscellaneous Rate Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the years ended June 30, 2020 and 2019, the employer contributions recognized as part of pension expense were \$179,921 and \$155,826, respectively.

Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	2020	2019
	Proportionate Share of Net Pension Liability	Proportionate Share of Net Pension Liability
Net pension liability	\$ 1,250,443	\$ 1,169,092

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019 and 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2018 and 2017 rolled forward to June 30, 2019 and 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, compared to prior year were as follows:

Proportion - June 30, 2019	0.03102%
Proportion - June 30, 2020	0.03123%
Change - increase	0.02000%
Proportion - June 30, 2018	0.03066%
Proportion - June 30, 2019	0.03102%
Change - increase	0.00036%

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE H – PENSION PLAN (Continued)

During the years ended June 30, 2020 and 2019, the District recognized pension expense of \$272,546 and \$225,056 respectively. At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 179,921		\$ 155,826	
Differences between actual and expected experience	86,848	\$ (6,729)	44,856	\$ (15,264)
Changes in assumptions	59,627	(21,137)	133,280	(32,664)
Differences between the employer's contributions and the employer's proportionate share of contributions	28,738		34,946	
Change in employer's proportion	15,088	(20,488)	23,512	(38,995)
Net differences between projected and actual earnings on plan investments		(21,862)	5,780	
Total	<u>\$ 370,222</u>	<u>\$ (70,216)</u>	<u>\$ 398,200</u>	<u>\$ (86,923)</u>

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as net deferred outflows (inflows) of resources related to the Plan will be recognized as pension expense as follows:

Fiscal Year Ended June 30	2020	2019
2020		\$ 127,080
2021	\$ 108,979	77,729
2022	(8,260)	(38,840)
2023	14,948	(10,518)
2024	4,418	
	<u>\$ 120,085</u>	<u>\$ 155,451</u>

Actuarial Assumptions: The total pension liabilities at the measurement date for the Plan used during the years ended June 30 were determined using the following actuarial assumptions:

	2020	2019
Valuation date	June 30, 2018	June 30, 2017
Measurement date	June 30, 2019	June 30, 2018
Actuarial cost method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial assumptions:		
Discount rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll growth	3.00%	3.00%
Projected salary increase ⁽¹⁾	3.2% - 12.2%	3.2% - 12.2%
Mortality ⁽²⁾	Derived using CalPERS Membership Data for all Funds	Derived using CalPERS Membership Data for all Funds

(1) Depending on entry age, service and type of employment.

(2) 15 years of mortality improvement - Society of Actuaries Scale 90% of scale MP 2016.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE H – PENSION PLAN (Continued)

The underlying mortality assumptions and all other actuarial assumptions used were based on the results of the December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website. The discount rate and investment rate of return changes above are changes in assumptions.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% at June 30, 2020 and 2019. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the discount was adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class for the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	2020			2019		
	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global equity	50.0%	4.80%	5.98%	50.0%	4.80%	5.98%
Global fixed income	28.0%	1.00%	2.62%	28.0%	1.00%	2.62%
Inflation sensitive	0.0%	0.77%	1.81%	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%	1.0%	0.00%	-0.92%
Total	100.0%			100.0%		

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District’s proportionate share of the net pension liability, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE H – PENSION PLAN (Continued)

	2020	2019
1% decrease	6.15%	6.15%
Net pension liability	\$ 1,874,043	\$ 1,772,073
Current discount rate	7.15%	7.15%
Net pension liability	\$ 1,250,443	\$ 1,169,092
1% increase	8.15%	8.15%
Net pension liability	\$ 735,706	\$ 671,341

Pension Plan Fiduciary Net Position: Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2020 and 2019, the District had no significant payables to the Plan.

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

Plan Description: The Yolo County Transportation District Retiree Healthcare Plan (“Plan”) is an agent multiple-employer defined benefit healthcare plan that provides OPEB benefits consisting of medical insurance premiums to all employees once they attain 50 years of age (52 for employees hired on or after January 1, 2013), have five years of CalPERS credited service with the District or other agencies or have an approved disability retirement. Benefits are also provided to employees’ surviving spouses and other eligible dependents. The Plan provides healthcare benefits through the California Public Employees’ Retirement system healthcare program (PEMHCA), which invests the Plan’s assets through the California Employers’ Retiree Benefit Trust (CERBT). The CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 to administer retiree healthcare benefits and collectively invest plan assets of all trust members. The CERBT issues publicly available financial statements that can be obtained from the CalPERS website at www.calpers.ca.gov under the Forms and Publications. No other publicly available reports are available for the plan.

Benefits Provided: The District is required to provide a contribution toward monthly retiree medical premiums for the retiree’s lifetime or until coverage is discontinued at a rate of 90% for management employees and 100% for non-management employees, respectively, multiplied by a phase in percentage of 95% up to a maximum amount ranging from \$621 for single to \$1,616 for family coverage for non-management employees. The benefits do not cease at age 65 when the retiree or spouse is eligible for Medicare. Benefits continue to surviving spouses and dependents. Implied subsidies are valued for community rated plans such as PEMHCA under revised Actuarial Standards of Practice (ASOP) No. 6 released in May 2014.

Employees Covered by Benefit Terms: At the measurement date, the following employees were covered by the benefit terms:

	2020	2019
Inactive employees or beneficiaries currently receiving benefit payments	3	3
Inactive employees entitled to but not receiving benefits	2	
Active employees	10	9
Total	15	12

Contributions: The Board of Directors has the authority to establish and amend the contribution requirements of the District and employees under powers granted to it under the California Government Code. The District’s current benefits were defined under Board Resolution 2014-05. The required contributions are described above. Employees are not required to contribute to the Plan. The District’s contributions during the year ended June 30, 2020 and 2019

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE H – PENSION PLAN (Continued)

	2020	2019
1% decrease	6.15%	6.15%
Net pension liability	\$ 1,874,043	\$ 1,772,073
Current discount rate	7.15%	7.15%
Net pension liability	\$ 1,250,443	\$ 1,169,092
1% increase	8.15%	8.15%
Net pension liability	\$ 735,706	\$ 671,341

Pension Plan Fiduciary Net Position: Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At June 30, 2020 and 2019, the District had no significant payables to the Plan.

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

Plan Description: The Yolo County Transportation District Retiree Healthcare Plan (“Plan”) is an agent multiple-employer defined benefit healthcare plan that provides OPEB benefits consisting of medical insurance premiums to all employees once they attain 50 years of age (52 for employees hired on or after January 1, 2013), have five years of CalPERS credited service with the District or other agencies or have an approved disability retirement. Benefits are also provided to employees’ surviving spouses and other eligible dependents. The Plan provides healthcare benefits through the California Public Employees’ Retirement system healthcare program (PEMHCA), which invests the Plan’s assets through the California Employers’ Retiree Benefit Trust (CERBT). The CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 to administer retiree healthcare benefits and collectively invest plan assets of all trust members. The CERBT issues publicly available financial statements that can be obtained from the CalPERS website at www.calpers.ca.gov under the Forms and Publications. No other publicly available reports are available for the plan.

Benefits Provided: The District is required to provide a contribution toward monthly retiree medical premiums for the retiree’s lifetime or until coverage is discontinued at a rate of 90% for management employees and 100% for non-management employees, respectively, multiplied by a phase in percentage of 95% up to a maximum amount ranging from \$621 for single to \$1,616 for family coverage for non-management employees. The benefits do not cease at age 65 when the retiree or spouse is eligible for Medicare. Benefits continue to surviving spouses and dependents. Implied subsidies are valued for community rated plans such as PEMHCA under revised Actuarial Standards of Practice (ASOP) No. 6 released in May 2014.

Employees Covered by Benefit Terms: At the measurement date, the following employees were covered by the benefit terms:

	2020	2019
Inactive employees or beneficiaries currently receiving benefit payments	3	3
Inactive employees entitled to but not receiving benefits	2	
Active employees	10	9
Total	<u>15</u>	<u>12</u>

Contributions: The Board of Directors has the authority to establish and amend the contribution requirements of the District and employees under powers granted to it under the California Government Code. The District’s current benefits were defined under Board Resolution 2014-05. The required contributions are described above. Employees are not required to contribute to the Plan. The District’s contributions during the year ended June 30, 2020 and 2019

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

consisted of direct payments of insurance premiums of \$14,977 and \$14,835, implied subsidy payments of \$20,348 and \$14,343 and contributions to CERBT of \$48,234 and \$109,000, for a total of \$83,559 and \$138,178, respectively.

Net OPEB Liability: The District's net OPEB liability at June 30, 2020 and 2019 was measured as of June 30, 2019 and 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019 and June 30, 2017, respectively.

Actuarial Assumptions: The total OPEB liability at the June 30, 2019 and 2018 measurement date was determined using the following actuarial assumptions:

	2020	2019
Valuation date	June 30, 2019	June 30, 2017
Measurement date	June 30, 2019	June 30, 2018
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	7.00%	7.00%
Inflation	2.50%	2.75%
Aggregate salary increases	3.00%	3.25%
Demographic actuarial assumptions	Derived using CalPERS 2017 Experience Study	Derived using CalPERS 2014 Experience Study
Mortality improvement	MacLeod Watts Scale 2018 applied generationally	MacLeod Watts Scale 2017 applied generationally
Healthcare cost trend rates	5.4% initially, trending down to 4.0% in 2076 and later	7.5% initially, trending down to 5.0% in 2024 and later
Participation rate assumption	100%	100%

Changes in actuarial assumptions included the following: assumed mortality, termination, and retirement rates were updated from those provided in the 2014 experience study report to those provided in the 2017 experience study report of CalPERS, inflation rate was decreased from 2.75% to 2.50%, salary increases were decreased from 3.25% to 3.00%, assumed future increases to monthly benefit caps and updated assumptions regarding dependent coverage.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation) was used and developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class in CERBT Strategy 1 used by the District are summarized in the following table:

	2020				2019			
	Years 1-10		Years 11+		Years 1-10		Years 11+	
Investment Class	Target Allocation	Expected Real Rate of Return	Target Allocation	Expected Real Rate of Return	Target Allocation	Expected Real Rate of Return	Target Allocation	Expected Real Rate of Return
Global equity	59.00%	4.80%	59.00%	5.98%	59.00%	4.80%	59.00%	4.80%
Fixed income	25.00%	1.10%	25.00%	2.62%	25.00%	1.10%	25.00%	1.10%
Global Real Estate (REITs)	8.00%	3.20%	8.00%	5.00%	8.00%	3.20%	8.00%	3.20%
Treasury Inflation Protected Securities	5.00%	0.25%	5.00%	1.46%	5.00%	0.25%	5.00%	0.25%
Commodities	3.00%	1.50%	3.00%	2.87%	3.00%	1.50%	3.00%	1.50%
Total	<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>		<u>100.00%</u>	

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Discount Rate: The discount rate used to measure the total OPEB liability was 7.00% at the June 30, 2019 and 2018 measurement dates, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will continue based upon the current funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability:

	2020			2019		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at July 1	\$ 909,102	\$ 834,315	\$ 74,787	\$ 804,340	\$ 695,579	\$ 108,761
Changes for the year:						
Service cost	43,073		43,073	39,508		39,508
Interest	65,631		65,631	60,354		60,354
Contributions - employer		138,178	(138,178)		108,591	(108,591)
Plan experience	(134,011)		(134,011)			
Assumption changes	(3,816)		(3,816)	27,647		27,647
Net investment income		52,327	(52,327)		54,185	(54,185)
Benefit payments	(29,178)	(29,178)	-	(22,747)	(22,747)	
Administrative expense		(179)	179		(1,293)	1,293
Net changes	(58,301)	161,148	(219,449)	104,762	138,736	(33,974)
Balance at June 30	\$ 850,801	\$ 995,463	\$ (144,662)	\$ 909,102	\$ 834,315	\$ 74,787

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	2020			2019		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net OPEB liability (asset)	\$ (20,217)	\$ (144,662)	\$ (245,576)	\$ 200,639	\$ 74,787	\$ (27,932)

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	2020			2019		
	1% Decrease 6.00%	Current Healthcare Cost Trend Rates 7.00%	1% Increase 8.00%	1% Decrease 6.00%	Current Healthcare Cost Trend Rates 7.00%	1% Increase 8.00%
Net OPEB liability (asset)	\$ (264,845)	\$ (144,662)	\$ 7,700	\$ (50,909)	\$ 74,787	\$ 242,884

OPEB Plan Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended June 30, 2020, the District recognized OPEB expense of \$32,115. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2020		2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 83,559		\$ 138,178	
Differences between actual and expected experience		\$ (118,607)		
Changes in assumptions	20,265	(3,377)	23,956	
Net differences between projected and actual earnings on OPEB plan investments		(995)		\$ (13,284)
Total	<u>\$ 103,824</u>	<u>\$ (122,979)</u>	<u>\$ 162,134</u>	<u>\$ (13,284)</u>

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	2020	2019
2020		\$ (691)
2021	\$ (14,557)	(691)
2022	(14,556)	(690)
2023	(10,314)	3552
2024	(10,176)	3691
2025	(12,152)	
Thereafter	<u>(40,959)</u>	<u>5,501</u>
	<u>\$ (102,714)</u>	<u>\$ 10,672</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. The net difference between expected and actual experience and changes in assumptions are recognized over the expected average remaining service lifetime (EARS), which was 8.70 years at the June 30, 2019 valuation date.

Payable to the OPEB Plan: There was no payable to the OPEB plan at June 30, 2020 and 2019.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE K – INSURANCE COVERAGE

The District participates in the California Transit Indemnity Pool (CalTIP), a public entity risk pool of governmental transit operators within California, for liability (general, automobile, public officials errors and omissions and employment practices) and vehicle physical damage (collision and comprehensive). The District is provided with excess coverage fund for these items through commercial insurance. Loss contingency reserves established by CalTIP are funded by contributions from member agencies. The District pays an annual premium to CalTIP that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting, legal costs, administrative and other costs to operate CalTIP. The District's CalTIP pooled coverage is \$25 million for liability and \$100,000 for vehicle physical damage coverage for each occurrence. Employment practices liability coverage is through the Employment Risk Management Authority in the amount of \$1,000,000. The District also has excess liability coverage through private insurance for an additional \$15,000,000 for liability coverage and \$19,900,000 for vehicle physical damage for a total of \$40 million for liability and \$20 million for vehicle physical damage coverage per occurrence. The District has no deductible for its liability policy and a deductible of \$500 to \$10,000 for the vehicle physical damage policy. The District has excess liability coverage for the employment practices policy of \$2,000,000 for each occurrence and a \$4,000,000 aggregate limit. The District has a \$50,000 deductible for the policy. As of June 30, 2020, the CalTIP confidence level remains at 90%. Settled claims resulting from all risks have not exceeded the District's commercial insurance coverage, and no reductions in insurance coverage have occurred in the past three years, except that the private excess coverage for vehicle physical damage was reduced \$10 million in 2020. CalTIP may be contacted at 1750 Creekside Drive, Suite 200, Sacramento, California 95833 or at www.caltiponline.org.

NOTE L – CONCENTRATIONS

The District receives a substantial amount of its support from a statewide retail sales tax from the Local Transportation Fund created by the Transportation Development Act as well as Federal Transit Administration grants. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the District's activities.

NOTE M – COMMITMENTS AND CONTINGENCIES

Grant Contingency: The District receives funding for specific purposes that are subject to review and audit by the granting agencies funding source. Such audits could result in a request for reimbursement for expenses disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

Contract Commitments: On July 19, 2018, the District entered into a seven-year agreement with Transdev to provide transit services. The amounts payable to Transdev for the period of August 1, 2018 through July 31, 2025 will not exceed \$71,555,394. The remaining balance of the contract at year ended June 30, 2020 was \$52,625,721. This agreement, upon approval from the District, may be extended for up to five additional years from August 1, 2025 through July 31, 2030 at an amount not to exceed \$60,516,483.

Legal Contingencies: The District is party to claims arising in the ordinary course of business. After taking into consideration information furnished by legal counsel to the District as to the current status of the claims to which the District is a party, management is of the opinion that the ultimate aggregate liability represented thereby, if any, will not have a material adverse effect on the financial position or results of operations of the District.

Other: On December 14, 2018, the California Air Resources Board adopted Resolution 18-60 which enacted mandates that beginning January 1, 2026, twenty-five percent of the District's new bus purchases in each calendar year must be zero-emission buses and beginning January 1, 2029 all new District bus purchases must be zero-emission buses. The resolution allows for hardship exemptions.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE M – COMMITMENTS AND CONTINGENCIES (Continued)

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The extent of the impact of COVID-19 on the District's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the citizens of the County of Yolo, all of which are uncertain and cannot be predicted. At this point, the full extent to which COVID-19 may impact the financial condition or results of operations is uncertain. Possible effects could be a loss or reduction of revenue sources.

NOTE N– RELATED PARTY TRANSACTIONS

The County of Yolo, a member of the Yolo County Transportation District, provides certain legal, accounting, investment and other professional services to the District. Legal services are billed separately and at amounts that will approximately recover the County's full cost of providing such services. Expense for services provided by the County totaled \$31,487 and \$28,697 for the years ended June 30, 2020 and 2019, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

YOLO COUNTY TRANSPORTATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2020

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability at measurement date	0.03123%	0.03102%	0.03066%	0.03082%	0.03277%	0.03100%
Proportionate share of the net pension liability	\$ 1,250,443	\$ 1,169,092	\$ 1,208,539	\$ 1,070,526	\$ 899,146	\$ 766,359
Covered - employee payroll for measurement period	\$ 835,543	\$ 868,639	\$ 872,297	\$ 688,885	\$ 629,657	\$ 623,001
Proportionate share of the net pension liability as percentage of covered payroll	149.66%	134.59%	138.55%	155.40%	142.80%	123.01%
Plan fiduciary net position	\$ 3,385,880	\$ 3,288,483	\$ 2,941,348	\$ 2,750,531	\$ 2,694,045	\$ 2,478,946
Plan fiduciary net position as a percentage of the total pension liability	73.03%	73.77%	70.88%	71.98%	74.98%	76.39%
Notes to Schedule:						
Valuation date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Investment rate of return and discount rate used to compute contribution rates	7.15%	7.15%	7.50%	7.50%	7.50%	7.50%

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)
Last 10 Years**

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution during employer's fiscal year (actuarially determined)	\$ 179,921	\$ 155,826	\$ 149,656	\$ 138,557	\$ 123,865	\$ 134,229
Contributions in relation to the actuarially determined contributions	(179,921)	(155,826)	(149,656)	(138,557)	(123,865)	(134,229)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll for employer's fiscal year	\$ 833,828	\$ 835,543	\$ 868,639	\$ 829,909	\$ 688,885	\$ 629,657
Contributions as a percentage of covered - employee payroll	21.58%	18.65%	17.23%	16.70%	17.98%	21.32%
Notes to Schedule:						
Valuation date:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and assumptions used to determine contribution rates:						
Actuarial cost method			Entry age normal cost method			
Amortization method			Level percentage of payroll, closed			
Remaining amortization period			Varies, not more than 30 years			
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases			Varies based on entry age and service			
Payroll growth	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return	7.25% ⁽¹⁾	7.375% ⁽¹⁾	7.50% ⁽¹⁾	7.50% ⁽¹⁾	7.50% ⁽¹⁾	7.50% ⁽¹⁾
Mortality	(3)	(3)	(3)	(2)	(2)	(2)

Notes to Schedule:

⁽¹⁾ Net of administrative expenses, including inflation⁽²⁾ Probabilities of retirement and mortality are based on CalPERS' 2010 Experience Study for the period from 1997 to 2007⁽³⁾ Probabilities of retirement and mortality are based on CalPERS' 2014 Experience Study for the period from 1997 to 2011

Omitted Years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be reported prospectively as they become available.

YOLO COUNTY TRANSPORTATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)

For the Year Ended June 30, 2020

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 43,073	\$ 39,508	\$ 38,264
Interest	65,631	60,354	55,162
Differences between expected and actual experience	(134,011)		
Changes in assumptions	(3,816)	27,647	
Changes in benefit terms			
Benefit payments	(29,178)	(22,747)	(23,359)
Net change in total OPEB liability	(58,301)	104,762	70,067
Total OPEB liability - beginning	909,102	804,340	734,273
Total OPEB liability - ending (a)	<u>\$ 850,801</u>	<u>\$ 909,102</u>	<u>\$ 804,340</u>
Plan fiduciary net position			
Contributions - employer	\$ 138,178	\$ 108,591	\$ 50,008
Net investment income	52,327	54,185	44,697
Benefit payments	(29,178)	(22,747)	(23,359)
Investment Experience			21,219
Administrative expenses	(179)	(1,293)	(337)
Net change in plan fiduciary net position	161,148	138,736	92,228
Plan fiduciary net position - beginning	834,315	695,579	603,351
Plan fiduciary net position - ending (b)	<u>\$ 995,463</u>	<u>\$ 834,315</u>	<u>\$ 695,579</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ (144,662)</u>	<u>\$ 74,787</u>	<u>\$ 108,761</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>117.00%</u>	<u>91.77%</u>	<u>86.48%</u>
Covered-employee payroll - measurement period	<u>\$ 873,424</u>	<u>\$ 871,734</u>	<u>\$ 873,200</u>
Net OPEB liability as percentage of covered-employee payroll	<u>(16.56%)</u>	<u>8.58%</u>	<u>12.46%</u>
Notes to schedule:			
Valuation date	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2019	June 30, 2018	June 30, 2017
Benefit changes:	None	None	None
Changes in assumptions - discount rate change:	7.00%	7.00%	7.25%

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

YOLO COUNTY TRANSPORTATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

For the Year Ended June 30, 2020

	2020	2019	2018
Actuarially determined contribution - employer fiscal year	\$ 83,559	\$ 80,978	\$ 79,191
Contributions in relation to the actuarially determined contributions	(83,559)	(138,178)	(108,591)
Contribution deficiency (excess)	\$ -	\$ (57,200)	\$ (29,400)
Covered-employee payroll - employer fiscal year	\$ 885,278	\$ 873,424	\$ 871,734
Contributions as a percentage of covered-employee payroll	9.44%	15.82%	12.46%

Notes to Schedule:

Valuation date	June 30, 2017	June 30, 2017	June 30, 2017
----------------	---------------	---------------	---------------

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method		
Amortization method/period	Level percentage of payroll, closed 30 years		
Asset valuation method	Market value		
Discount rate	7.00%	7.00%	7.25%
Inflation	2.75%	2.75%	2.75%
Salary increases	3.25%	3.25%	3.25%
Retirement age	50 to 75		
Mortality	CalPERS 2014 Experience Study		
Mortality improvement	MacLeod Watts Scale 2017 applied generationally		
Healthcare trend rates	5.4% initially, trending down to 4.0%	7.5% initially, trending down to 5.0%	
Participation assumption	100%	100%	100%

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SUPPLEMENTARY INFORMATION

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING BALANCE SHEET

June 30, 2020

	Fixed Route Service	ADA Paratransit Service	Total	Eliminating Entries	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 6,954,740		\$ 6,954,740		\$ 6,954,740
Due from Other Governments	4,608,106	\$ 380,802	4,988,908		4,988,908
Due from ADA Paratransit Service	228,961		228,961	\$ (228,961)	
Accounts Receivable	85,653	237,343	322,996		322,996
TOTAL CURRENT ASSETS	11,877,460	618,145	12,495,605	(228,961)	12,266,644
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents	1,149,445	26,260	1,175,705		1,175,705
Other Postemployment Benefits Asset	144,662		144,662		144,662
Capital Assets:					
Nondepreciable	465,000		465,000		465,000
Depreciable, Net	24,672,132	842,058	25,514,190		25,514,190
Total Capital Assets, Net	25,137,132	842,058	25,979,190	-	25,979,190
TOTAL NONCURRENT ASSETS	26,431,239	868,318	27,299,557	-	27,299,557
TOTAL ASSETS	38,308,699	1,486,463	39,795,162	(228,961)	39,566,201
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan	370,222		370,222		370,222
Other Postemployment Benefits Plan	103,824		103,824		103,824
TOTAL DEFERRED OUTFLOWS OF RESOURCES	474,046	-	474,046	-	474,046
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 38,782,745	\$ 1,486,463	\$ 40,269,208	\$ (228,961)	\$ 40,040,247
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	\$ 2,227,039	\$ 159,005	\$ 2,386,044		\$ 2,386,044
Accrued Wages	27,366		27,366		27,366
Due to Other Governments	226,117	28,943	255,060		255,060
Unearned Revenue	674,713		674,713		674,713
Due to Fixed Route Service		228,961	228,961	\$ (228,961)	
Accrued Compensated Absences	57,488		57,488		57,488
TOTAL CURRENT LIABILITIES	3,212,723	416,909	3,629,632	(228,961)	3,400,671
NONCURRENT LIABILITIES					
Accrued Compensated Absences	36,602		36,602		36,602
Net Pension Liability	1,250,443		1,250,443		1,250,443
TOTAL NONCURRENT LIABILITIES	1,287,045	-	1,287,045	-	1,287,045
TOTAL LIABILITIES	4,499,768	416,909	4,916,677	(228,961)	4,687,716
DEFERRED INFLOWS OF RESOURCES					
Pension Plan	70,216		70,216		70,216
Other Postemployment Benefits Plan	122,979		122,979		122,979
TOTAL DEFERRED INFLOWS OF RESOURCES	193,195	-	193,195	-	193,195
NET POSITION					
Investment in Capital Assets	25,137,132	842,058	25,979,190		25,979,190
Restricted for Equipment Replacement and Capital Projects	469,227	26,260	495,487		495,487
Restricted for Capital Purposes - State Transit Assistance	69,694		69,694		69,694
Unrestricted	8,413,729	201,236	8,614,965		8,614,965
TOTAL NET POSITION	34,089,782	1,069,554	35,159,336	-	35,159,336
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 38,782,745	\$ 1,486,463	\$ 40,269,208	\$ (228,961)	\$ 40,040,247

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING BALANCE SHEET

June 30, 2019

	Fixed Route Service	ADA Paratransit Service	Total	Eliminating Entries	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 6,366,962		\$ 6,366,962		\$ 6,366,962
Due from Other Governments	3,181,330	\$ 483,439	3,664,769		3,664,769
Due from ADA Paratransit Service	269,519		269,519	\$ (269,519)	
Accounts Receivable	58,203	108,745	166,948		166,948
TOTAL CURRENT ASSETS	9,876,014	592,184	10,468,198	(269,519)	10,198,679
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents	1,493,959	25,718	1,519,677	-	1,519,677
Capital Assets:					
Nondepreciable	465,000		465,000		465,000
Depreciable, net	17,040,579	680,885	17,721,464		17,721,464
Total Capital Assets, Net	17,505,579	680,885	18,186,464	-	18,186,464
TOTAL NONCURRENT ASSETS	18,999,538	706,603	19,706,141	-	19,706,141
TOTAL ASSETS	28,875,552	1,298,787	30,174,339	(269,519)	29,904,820
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan	398,200		398,200		398,200
Other Postemployment Benefits Plan	162,134		162,134		162,134
TOTAL DEFERRED OUTFLOWS OF RESOURCES	560,334	-	560,334	-	560,334
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$29,435,886	\$ 1,298,787	\$30,734,673	\$ (269,519)	\$30,465,154
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	\$ 891,094	\$ 99,796	\$ 990,890		\$ 990,890
Accrued Wages	22,732		22,732		22,732
Due to Other Governments	259,719	21,180	280,899		280,899
Unearned Revenue	461,109		461,109		461,109
Due to Fixed Route Service		269,519	269,519	\$ (269,519)	
Accrued Compensated Absences	52,772		52,772		52,772
TOTAL CURRENT LIABILITIES	1,687,426	390,495	2,077,921	(269,519)	1,808,402
NONCURRENT LIABILITIES					
Accrued Compensated Absences	41,348		41,348		41,348
Net Other Postemployment Benefits Liability	74,787		74,787		74,787
Net Pension Liability	1,169,092		1,169,092		1,169,092
TOTAL NONCURRENT LIABILITIES	1,285,227	-	1,285,227	-	1,285,227
TOTAL LIABILITIES	2,972,653	390,495	3,363,148	(269,519)	3,093,629
DEFERRED INFLOWS OF RESOURCES					
Pension Plan	86,923		86,923		86,923
Other Postemployment Benefits Plan	13,284		13,284		13,284
TOTAL DEFERRED INFLOWS OF RESOURCES	100,207	-	100,207	-	100,207
NET POSITION					
Investment in Capital Assets	17,505,579	680,885	18,186,464		18,186,464
Restricted for Equipment Replacement and Capital Projects	1,032,850	25,718	1,058,568		1,058,568
Restricted for Capital Purposes - State Transit Assistance	488,707		488,707		488,707
Unrestricted	7,335,890	201,689	7,537,579		7,537,579
TOTAL NET POSITION	26,363,026	908,292	27,271,318	-	27,271,318
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$29,435,886	\$ 1,298,787	\$30,734,673	\$ (269,519)	\$30,465,154

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended June 30, 2020

	Fixed Route Service	ADA Paratransit Service	Total
OPERATING REVENUE			
Passenger Fares	\$ 1,467,407	\$ 28,641	\$ 1,496,048
Special Fares	38,391	50,608	88,999
TOTAL OPERATING REVENUE	1,505,798	79,249	1,585,047
OPERATING EXPENSES			
Purchased Transportation	7,996,030	1,271,341	9,267,371
Salaries and Benefits	1,418,277		1,418,277
Vehicle Fuel	987,490	108,308	1,095,798
Insurance	870,239	134,404	1,004,643
Other Services and Supplies	915,259	121,119	1,036,378
Depreciation	3,196,823	198,496	3,395,319
TOTAL OPERATING EXPENSES	15,384,118	1,833,668	17,217,786
NET LOSS FROM OPERATIONS	(13,878,320)	(1,754,419)	(15,632,739)
NONOPERATING REVENUES (EXPENSES)			
Local Transportation Fund and State Transit			
Assistance Allocation	5,411,831	985,387	6,397,218
Federal Transit Administration (FTA) Grants:			
Operating Grants	3,274,143	419,878	3,694,021
Mitigation Revenue - Tribe	1,715,253	107,703	1,822,956
Auxiliary Transportation	283,339		283,339
Interest Revenue	176,370	565	176,935
State Grants	264,402		264,402
Miscellaneous Revenues	1,051,610		1,051,610
Other Pass-through Grants to Other Governments	(24,000)		(24,000)
(Loss) Gain on Disposal of Capital Assets	(82,674)	311	(82,363)
TOTAL NONOPERATING REVENUES (EXPENSES)	12,070,274	1,513,844	13,584,118
NET LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,808,046)	(240,575)	(2,048,621)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Federal Transit Administration	4,494,040	239,780	4,733,820
State Transit Assistance	334,091		334,091
Tribe		119,890	119,890
Other Capital Revenue	4,748,838		4,748,838
Transfers In (Out)	(42,167)	42,167	
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	9,534,802	401,837	9,936,639
CHANGE IN NET POSITION	7,726,756	161,262	7,888,018
Net Position at Beginning of Year	26,363,026	908,292	27,271,318
NET POSITION AT END OF YEAR	\$ 34,089,782	\$ 1,069,554	\$ 35,159,336

YOLO COUNTY TRANSPORTATION DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended June 30, 2019

	Fixed Route Service	ADA Paratransit Service	Total
OPERATING REVENUE			
Passenger Fares	\$ 2,076,234	\$ 50,041	\$ 2,126,275
Special Fares	12,913	63,488	76,401
TOTAL OPERATING REVENUE	2,089,147	113,529	2,202,676
OPERATING EXPENSES			
Purchased Transportation	7,845,448	1,255,378	9,100,826
Salaries and Benefits	1,366,024		1,366,024
Vehicle Fuel	1,140,735	118,162	1,258,897
Insurance	824,413	146,801	971,214
Other Services and Supplies	812,745		812,745
Depreciation	2,697,273	168,523	2,865,796
TOTAL OPERATING EXPENSES	14,686,638	1,688,864	16,375,502
NET LOSS FROM OPERATIONS	(12,597,491)	(1,575,335)	(14,172,826)
NONOPERATING REVENUES (EXPENSES)			
Local Transportation Fund and State Transit			
Assistance Allocation	5,007,174	1,067,015	6,074,189
Federal Transit Administration Grants:			
Operating Grants	3,314,915	482,819	3,797,734
Mitigation Revenue - Tribe	1,651,205	105,295	1,756,500
Auxiliary Transportation	459,113		459,113
Interest Revenue/(Expense)	199,008	(1,245)	197,763
State Grants	128,581		128,581
Miscellaneous Revenues	73,838	5	73,843
Other Pass-through Grants to Other Governments	(24,000)		(24,000)
Loss on Disposal of Capital Assets	(1,399)		(1,399)
TOTAL NONOPERATING REVENUES (EXPENSES)	10,808,435	1,653,889	12,462,324
NET (LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,789,056)	78,554	(1,710,502)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
State Transit Assistance	287,031		287,031
Tribe	21,647		21,647
Other Capital Revenue	10,200		10,200
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	318,878	-	318,878
CHANGE IN NET POSITION	(1,470,178)	78,554	(1,391,624)
Net Position at Beginning of Year	27,833,204	829,738	28,662,942
NET POSITION AT END OF YEAR	\$ 26,363,026	\$ 908,292	\$ 27,271,318

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF CASH FLOWS

For the Year Ended June 30, 2020

	Fixed Route Service	ADA Paratransit Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Customers	\$ 1,582,564	\$ 73,569	\$ 1,656,133
Cash Paid to Suppliers for Goods and Services	(10,516,115)	(1,568,200)	(12,084,315)
Cash Paid to Employees for Services	(1,372,495)		(1,372,495)
NET CASH USED FOR OPERATING ACTIVITIES	(10,306,046)	(1,494,631)	(11,800,677)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants and Subsidies	10,458,799	1,682,690	12,141,489
Pass-through Payments	(24,000)		(24,000)
Amounts Received (Paid) to Other Funds	(1,609)	1,609	
Other Income	372,527		372,527
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	10,805,717	1,684,299	12,490,016
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions Received	4,845,678	169,667	5,015,345
Acquisition of Capital Assets	(5,297,505)	(359,669)	(5,657,174)
Proceeds From Sale of Capital Assets	19,050	311	19,361
NET CASH (USED) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(432,777)	(189,691)	(622,468)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Pooled Investments	176,370	565	176,935
NET CASH PROVIDED BY INVESTING ACTIVITIES	176,370	565	176,935
INCREASE IN CASH AND CASH EQUIVALENTS	243,264	542	243,806
Cash and Cash Equivalents at Beginning of Year	7,860,921	25,718	7,886,639
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 8,104,185</u>	<u>\$ 26,260</u>	<u>\$ 8,130,445</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET			
Cash and Cash Equivalents	\$ 6,954,740		\$ 6,954,740
Restricted Cash and Cash Equivalents	1,149,445	\$ 26,260	1,175,705
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 8,104,185</u>	<u>\$ 26,260</u>	<u>\$ 8,130,445</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:			
Net Loss From Operations	\$ (13,878,320)	\$ (1,754,419)	\$ (15,632,739)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:			
Depreciation	3,196,823	198,496	3,395,319
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivable and Due from Other Governments	74,769	(5,680)	69,089
Deferred Outflows of Resources - OPEB Plan	58,310		58,310
Deferred Outflows of Resources - Pension Plan	27,978		27,978
Accounts Payable and Due to Other Governments	254,900	66,972	321,872
Accrued Wages	4,634		4,634
Accrued Compensated Absences	(30)		(30)
Net OPEB Liability	(219,449)		(219,449)
Net Pension Liability	81,351		81,351
Deferred Inflows of Resources - OPEB Plan	109,695		109,695
Deferred Inflows of Resources - Pension Plan	(16,707)		(16,707)
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (10,306,046)</u>	<u>\$ (1,494,631)</u>	<u>\$ (11,800,677)</u>

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF CASH FLOWS

For the Year Ended June 30, 2019

	Fixed Route Service	ADA Paratransit Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Customers	\$ 2,226,116	\$ 113,529	\$ 2,339,645
Cash Paid to Suppliers for Goods and Services	(11,361,497)	(1,645,351)	(13,006,848)
Cash Paid to Employees for Services	(1,379,451)		(1,379,451)
NET CASH USED FOR OPERATING ACTIVITIES	(10,514,832)	(1,531,822)	(12,046,654)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants and Subsidies	8,358,331	1,159,761	9,518,092
Pass-through Payments	(24,000)		(24,000)
Other Income	532,951		532,951
Internal Receipts (Payments)	(269,519)	269,519	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	8,597,763	1,429,280	10,027,043
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions Received	723,293		723,293
Acquisition of Capital Assets	(634,212)		(634,212)
Proceeds from Sale of Capital Assets	3,101		3,101
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	92,182		92,182
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Pooled Investments	199,008	(1,245)	197,763
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	199,008	(1,245)	197,763
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,625,879)	(103,787)	(1,729,666)
Cash and Cash Equivalents at Beginning of Year	9,486,800	129,505	9,616,305
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 7,860,921	\$ 25,718	\$ 7,886,639
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET			
Cash and Cash Equivalents	\$ 6,366,962		\$ 6,366,962
Restricted Cash and Cash Equivalents	1,493,959	\$ 25,718	1,519,677
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 7,860,921	\$ 25,718	\$ 7,886,639
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:			
Net Loss From Operations	\$ (12,597,491)	\$ (1,575,335)	\$ (14,172,826)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:			
Depreciation	2,697,273	168,523	2,865,796
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivable and Due from Other Governments	136,969		136,969
Deferred Outflows of Resources - OPEB Plan	(53,543)		(53,543)
Deferred Outflows of Resources - Pension Plan	72,252		72,252
Accounts Payable and Due to Other Governments	(738,156)	(125,010)	(863,166)
Accrued Wages	4,637		4,637
Accrued Compensated Absences	3,914		3,914
Net OPEB Liability	(33,974)		(33,974)
Net Pension Liability	(39,447)		(39,447)
Deferred Inflows of Resources - OPEB Plan	(3,691)		(3,691)
Deferred Inflows of Resources - Pension Plan	36,425		36,425
NET CASH USED FOR OPERATING ACTIVITIES	\$ (10,514,832)	\$ (1,531,822)	\$ (12,046,654)

COMPLIANCE REPORTS



550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*, THE
TRANSPORTATION DEVELOPMENT ACT AND OTHER STATE PROGRAM GUIDELINES

To the Board of Directors
Yolo County Transportation District
Woodland, California

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 Yolo County Transportation District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters (including Other State Grant Programs)

As part of obtaining reasonable assurance about whether the District'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. Our audit was further made to determine that Transportation Development Act (TDA) Funds allocated and received by the District were expended in conformance with the applicable statutes, rules and

To the Board of Directors
Yolo County Transportation District

regulations of the TDA and Section 6667 of the California Code of Regulations. We also tested the receipt and appropriate expenditures of other state grant funds, as presented in Note J to the financial statements, in accordance with other state grant program statutes and guidelines. 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*, the TDA or other state grant program requirements.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*, the TDA and other state grant programs in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

December 29, 2020



550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Yolo County Transportation District
Woodland, California

Report on Compliance for Each Major Federal Program

We have audited the Yolo County Transportation District's (the District) 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 District's major federal programs for year ended June 30, 2020. The District'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of District'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 *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 District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District 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, 2020.

To the Board of Directors
Yolo County Transportation District

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District'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 internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Richardson & Company, LLP

December 29, 2020

YOLO COUNTY TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |

4. Identification of major programs:

CFDA Number

20.507

Name of Federal Program

Federal Transit Formula Grants (Urbanized Area Formula Program), Section 5307

- | | |
|---|-----------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$750,000 |
| 6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.516(a)? | Yes |

YOLO COUNTY TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2020

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

None

C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

D. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

None

E. PRIOR YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

YOLO COUNTY TRANSPORTATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Program or Award Amount	Expenditures
U.S. Department of Transportation, Federal Transit Administration - Direct Award				
Federal Transit-Formula Grants, Section 5307				
Replacement Transit Vehicles	20.507	CA-2019-053	\$ 4,902,791	\$ 4,733,820
Operating Assistance & Preventive Maintenance, Rt. 42 "Y" Shuttle	20.507	CA-2020-223	3,896,698	1,266,967
COVID-19 - CARES Act Operating Assistance and Planning	20.507	CA-2020-173	11,009,254	1,090,672
Operating Assistance and Preventive Maintenance	20.507	CA-2019-120	3,621,262	947,483
Total Direct Awards			<u>23,430,005</u>	<u>8,038,942</u>
U.S. Department of Transportation, Federal Transit Administration Administration passed through the Sacramento Regional Transit District				
Federal Transit-Formula Grants, Section 5307				
UC Davis Med Center Shuttle Ops - Year 1 SacRT	20.507	CA-2019-157	1,500,000	17,483
Total passed through the Sacramento Regional Transit District			<u>1,500,000</u>	<u>17,483</u>
U.S. Department of Transportation, Federal Transit Administration Administration passed through the California Department of Transportation, Division of Mass Transportation				
Formula Grants for Rural Areas, Section 5311				
Rural Operating Assistance	20.509	64BO19-00993	140,361	140,361
COVID-19 CARES Act	20.509	64VO20-01053	155,462	155,462
Total passed through the California Department of Transportation, Division of Mass Transportation			<u>295,823</u>	<u>295,823</u>
U.S. Federal Highway Administration passed through the Sacramento Area Council of Governments				
Highway Planning & Construction				
Civic Lab Year 1 Pilot Project	20.205	SA1819108	132,795	75,593
Total passed through the Sacramento Area Council of Governments			<u>132,795</u>	<u>75,593</u>
TOTAL FEDERAL AWARDS			<u>\$25,358,623</u>	<u>\$ 8,427,841</u>

See accompanying notes to schedule of expenditures of federal awards.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Yolo County Transportation District (the District) under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the District's operations, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenses reported on the Schedule are reported on the accrual basis of accounting. Such expenses are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenses are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST ALLOCATION PLAN

The District does not allocate any indirect costs to its federal programs.

NOTE D – SUBRECIPIENTS

The District did not have any subrecipients of its federal programs.

NOTE E – DONATED PERSONAL PROTECTIVE EQUIPMENT (Unaudited)

The District received a donation of 1,000 face masks from the Federal Transit Administration with an approximate value of \$2,000.