

YOLO COUNTY TRANSPORTATION DISTRICT

Audited Financial Statements
and Compliance Reports

June 30, 2021

YOLO COUNTY TRANSPORTATION DISTRICT

Audited Financial Statements
and Compliance Reports

June 30, 2021 and 2020

Audited Financial Statements

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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, 2021 and 2020, 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, 2021 and 2020, 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 March 14, 2022 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

March 14, 2022

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2021 and 2020

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, 2021 and 2020. 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. A micro-transit demonstration pilot for the community of Winters was launched in April, 2020. 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, decreased by approximately \$1.5 million, to \$33.7 million at June 30, 2021 versus \$35.2 million at June 30, 2020.
- June 30, 2021 total net position of \$33.7 million was comprised of \$23 million investment in capital assets, \$0.7 million in State Transit Assistance and other funds restricted for equipment replacement and capital projects, and \$9.7 million of unrestricted net position.
- For every dollar in current liabilities as of June 30, 2021, the District holds \$15.6 in total assets, up from \$11.6 as of June 30, 2020.
- Operating revenues (fares) decreased 22% to \$2.7 million during FY 2020-21 compared to \$3.4 million during FY 2019-20 and \$4.0 million during FY 2018-19. This was primarily due to ongoing ridership impacts related to the COVID-19 pandemic since March 2020, and provision of free fares for youth, which began in September 2019.
- Operating expenses decreased 6% to \$16.0 million during FY 2020-21, primarily due to reduced purchased transportation costs attributable to reduced demand and service levels in response to the COVID-19 pandemic, along with reduced depreciation.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2021 and 2020

The Financial Statements

Under Governmental Accounting Standards Board (GASB) Statement No. 65, the District's basic financial statements include the statement of net position, 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 Statement of Net Position, 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 **Statement of Net Position** 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 Statement of Net Position 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, 2021 and 2020

Statement of Net Position

A summary of the District's Statement of Net Position for fiscal years 2020-21, 2019-20 and 2018-19 is as follows:

	June 30, 2021	June 30, 2020	Increase (Decrease) from 2020 to 2021	June 30, 2019	Increase (Decrease) from 2019 to 2020
Current Assets	\$ 12,164,583	\$ 12,266,644	\$ (102,061)	\$ 10,198,679	\$ 2,067,965
Restricted Cash and Investments	1,556,091	1,175,705	380,386	1,519,677	(343,972)
Other Postemployment Benefits	141,766	144,662	(2,896)		144,662
Capital Assets, Net	23,240,766	25,979,190	(2,738,424)	18,186,464	7,792,726
TOTAL ASSETS	37,103,206	39,566,201	(2,462,995)	29,904,820	9,661,381
Deferred Outflows of Resources	463,813	474,046	(10,233)	560,334	(86,288)
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 37,567,019	\$ 40,040,247	\$ (2,473,228)	\$ 30,465,154	\$ 9,575,093
Current Liabilities	\$ 2,385,324	\$ 3,400,671	\$ (1,015,347)	\$ 1,808,402	\$ 1,592,269
Non-Current Liabilities	1,356,638	1,287,045	69,593	1,285,227	1,818
TOTAL LIABILITIES	3,741,962	4,687,716	(945,754)	3,093,629	1,594,087
Deferred Inflows of Resources	124,720	193,195	(68,475)	100,207	92,988
Net Position					
Investment in Capital Assets	23,240,766	25,979,190	(2,738,424)	18,186,464	7,792,726
Restricted for Equipment Replacement and Capital Projects	515,263	495,487	19,776	1,058,568	(563,081)
Restricted for Capital Purposes - STA	215,316	69,694	145,622	488,707	(419,013)
Unrestricted	9,728,992	8,614,965	1,114,027	7,537,579	1,077,386
TOTAL NET POSITION	33,700,337	35,159,336	(1,458,999)	27,271,318	7,888,018
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 37,567,019	\$ 40,040,247	\$ (2,473,228)	\$ 30,465,154	\$ 9,575,093

District Assets

The \$37.1 million in total assets as of June 30, 2021 represented a \$2.5 million decrease from June 30, 2020, primarily due to depreciation. Total assets as of June 30, 2020 increased \$9.7 million from June 30, 2019, primarily due to the acquisition of eight CNG buses during FY 2019-20.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis
June 30, 2021 and 2020

District Liabilities

The \$2.4 million in current liabilities as of June 30, 2021 represented a decrease of \$1.0 million from June 30, 2020, primarily due to a \$1.3 million decrease in payables, offset by a \$0.3 million increase in unearned revenue related to Low Carbon Transit Operations Program (LCTOP) funds received for projects not yet completed. This was after an increase in current liabilities at June 30, 2020 of \$1.6 million to \$3.4 million, related to an increase in payables.

The increase of \$0.07 million in non-current liabilities during the year ending June 30, 2021 was primarily due to an increase in the net pension liability.

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 Notes H and I for more information about the District's pension and OPEB plans.

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 2020-21, 2019-20 and 2018-19 is as follows:

	Year ending June 30, 2021	Year ending June 30, 2020	Increase (Decrease) from 2020 to 2021	Year ending June 30, 2019	Increase (Decrease) from 2019 to 2020
Operating Revenues	\$ 2,656,266	\$ 3,408,003	\$ (751,737)	\$ 3,959,176	\$ (551,173)
Operating Expenses	15,982,161	17,014,105	(1,031,944)	16,375,502	638,603
Net Loss From Operations	<u>(13,325,895)</u>	<u>(13,606,102)</u>	<u>280,207</u>	<u>(12,416,326)</u>	<u>(1,189,776)</u>
NONOPERATING REVENUES (EXPENSES)					
Federal Transit Administration Grants:					
Operating Grants	6,597,864	3,694,021	2,903,843	3,797,734	(103,713)
Local Transportation Fund and State Transit					
Assistance Allocation	4,526,821	6,397,218	(1,870,397)	6,074,189	323,029
Federal Fuel Excise Tax Refund	195,416	799,125	(603,709)		799,125
Low Carbon Fuel Credits	174,867	130,920	43,947		130,920
Interest Revenue	74,890	176,935	(102,045)	197,763	(20,828)
Compressed Natural Gas Facility Charges	40,069		40,069		
Auxiliary Transportation	11,634	283,339	(271,705)	459,113	(175,774)
State Grants	3,345	264,402	(261,057)	128,581	135,821
Miscellaneous Revenues	59,136	121,565	(62,429)	73,843	47,722
Nonoperating Vehicle Fuel	(40,069)	(203,681)	163,612		
Other Pass-through Grants to Other Governments	(24,000)	(24,000)		(24,000)	
Gain (Loss) on Disposal of Capital Assets	16,274	(82,363)	98,637	(1,399)	(80,964)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>11,636,247</u>	<u>11,557,481</u>	<u>78,766</u>	<u>10,705,824</u>	<u>1,055,338</u>
TOTAL CAPITAL CONTRIBUTIONS	<u>230,649</u>	<u>9,936,639</u>	<u>(9,705,990)</u>	<u>318,878</u>	<u>9,617,761</u>
CHANGE IN NET POSITION	(1,458,999)	7,888,018	(9,347,017)	(1,391,624)	9,279,642
Net Position at Beginning of Year	<u>35,159,336</u>	<u>27,271,318</u>	<u>7,888,018</u>	<u>28,662,942</u>	<u>(1,391,624)</u>
NET POSITION AT END OF YEAR	<u>\$ 33,700,337</u>	<u>\$ 35,159,336</u>	<u>\$ (1,458,999)</u>	<u>\$ 27,271,318</u>	<u>\$ 7,888,018</u>

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2021 and 2020

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 decreased by \$0.8 million to \$2.7 million in FY 2020-21 due to reduced demand as a result of the COVID-19 pandemic. This followed a decrease of \$0.6 million in FY 2019-20, also attributable to the pandemic and to the launch of a program of free fares for youth, which began in 2019.

The special fares include \$1.5 million in FY 2020-21 and \$1.7 million in FY 2019-20 of payments by the Yocha Dehe Wintun Tribe's Cache Creek Casino, supporting service to that location pursuant to a mitigation agreement between the Tribe and Yolo County in effect since 1999. Those payments were reclassified as operating revenues in these financial statements, after being reported as nonoperating revenues in prior financial statements.

Operating Expenses

The District's operating expenses consist of charges for fixed route, paratransit and microtransit operations, administrative expenses, marketing, maintenance expenses, including re-building both transmissions and engines, depreciation, and other operating expenses. The FY 2020-21 decrease of \$1.0 million in operating expenses to \$16.0 million is primarily due to a \$0.6 million reduction in purchased transportation costs related to reduced service as a result of the COVID-19 pandemic, and a \$0.6 million reduction in depreciation expenses. The \$0.6 million increase in operating expenses during FY 2019-20 was primarily due to an increase in depreciation.

In FY 2020-21 and FY 2019-20, \$0.04 million and \$0.2 million respectively of fuel expenses were associated with outside users of the Compressed Natural Gas (CNG) station owned by the District. These expenses were reimbursed. Those reimbursements were reclassified as Non-operating revenues in these financial statements, after being reported as an offset to operating expenses in prior financial statements.

Non-operating Revenues (Expenses)

Non-operating Revenues include operating assistance received from the Federal Transit Administration (FTA), and the State of California, along with federal fuel excise tax refunds, credits for use of low carbon fuels, and reimbursements for the cost of fuel provided to outside users of the District's CNG station, and interest revenue.

The increase of Non-operating Revenues of \$0.08 million to \$11.6 million in FY 2020-21 was comprised of offsetting factors, including:

- \$2.9 million increase in FTA operating grants, from \$3.7 million to \$6.6 million, primarily due to CARES Act funding in response to the COVID-19 pandemic to offset revenue losses.
- \$1.9 million decrease in Local Transportation Fund and State Transit Assistance Allocation, from \$6.4 million to \$4.5 million.
- \$0.6 million reduction in federal fuel excise tax refunds, from \$0.8 million to \$0.2 million, due to the extra prior year refunds received in FY 2019-20 that were not applicable to FY 2020-21.

The increase of Non-operating Revenues of \$1.1 million to \$11.6 million in FY 2019-20 was primarily due to the receipt of \$0.8 million in federal fuel excise tax refunds which were not received in FY 2018-19.

Capital Contributions

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

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2021 and 2020

California Governor's Office of Emergency Services relating to capital for improvements owned by the District. The decline of \$9.7 million in FY 2020-21 to \$0.2 million is because 8 CNG buses were purchased in FY 2019-20, while no vehicles were purchased in FY 2020-21.

Capital Assets

	June 30, 2021	June 30, 2020	Increase (Decrease) from 2020 to 2021	June 30, 2019	Increase (Decrease) from 2019 to 2020
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	43,135,580	43,046,553	\$ 89,027	37,873,837	\$ 5,172,716
Building and improvements	12,218,563	12,218,563		11,171,120	
Total capital assets, being depreciated	55,354,143	55,265,116	89,027	49,044,957	5,172,716
Less accumulated depreciation for:					
Equipment & Transit Vehicles	(25,852,200)	(23,417,978)	(2,434,222)	(25,393,067)	1,975,089
Building and improvements	(6,726,177)	(6,332,948)	(393,229)	(5,930,426)	(402,522)
Total accumulated depreciation	(32,578,377)	(29,750,926)	(2,827,451)	(31,323,493)	1,572,567
Total capital assets being depreciated, net	22,775,766	25,514,190	(2,738,424)	17,721,464	6,745,283
Capital assets, net	\$ 23,240,766	\$ 25,979,190	\$ (2,738,424)	\$ 18,186,464	\$ 6,745,283

During the fiscal year ending June 30, 2021, the District's net investment in capital assets decreased by \$2.7 million to \$23.2 million, due to depreciation of equipment, buildings and improvements. During the year ending June 30, 2020, net investment in capital assets increased \$7.8 million to \$25.9 million, due the purchase of 8 CNG buses and various other equipment.

Economic Factors and the Future

General economic conditions are expected to improve during 2022 as vaccines for COVID are administered, cases have declined and ridership demand is increasing. YCTD has continued its microtransit pilot in Knights Landing, while starting a new pilot in Winters, and is exploring further microtransit expansion.

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 Mimi Koh, Executive Assistant, Yolo County Transportation District, 350 Industrial Way, Woodland, California 95776 or mkoh@yctd.org.

YOLO COUNTY TRANSPORTATION DISTRICT

STATEMENTS OF NET POSITION

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6,353,449	\$ 6,954,740
Due from Other Governments	4,838,832	4,988,908
Accounts Receivable	972,302	322,996
TOTAL CURRENT ASSETS	<u>12,164,583</u>	<u>12,266,644</u>
NONCURRENT ASSETS		
Restricted Cash and Cash Equivalents	1,556,091	1,175,705
Other Postemployment Benefits Asset	141,766	144,662
Capital Assets:		
Nondepreciable	465,000	465,000
Depreciable, Net	<u>22,775,766</u>	<u>25,514,190</u>
Total Capital Assets, Net	<u>23,240,766</u>	<u>25,979,190</u>
TOTAL NONCURRENT ASSETS	<u>24,938,623</u>	<u>27,299,557</u>
TOTAL ASSETS	<u>37,103,206</u>	<u>39,566,201</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension Plan	323,524	370,222
Other Postemployment Benefits Plan	140,289	103,824
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>463,813</u>	<u>474,046</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 37,567,019</u>	<u>\$ 40,040,247</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,058,383	\$ 2,386,044
Accrued Wages	25,921	27,366
Due to Other Governments	207,286	255,060
Unearned Revenue	1,040,828	674,713
Accrued Compensated Absences	52,906	57,488
TOTAL CURRENT LIABILITIES	<u>2,385,324</u>	<u>3,400,671</u>
NONCURRENT LIABILITIES		
Accrued Compensated Absences	28,411	36,602
Net Pension Liability	<u>1,328,227</u>	<u>1,250,443</u>
TOTAL NONCURRENT LIABILITIES	<u>1,356,638</u>	<u>1,287,045</u>
TOTAL LIABILITIES	<u>3,741,962</u>	<u>4,687,716</u>
DEFERRED INFLOWS OF RESOURCES		
Pension Plan	18,579	70,216
Other Postemployment Benefits Plan	106,141	122,979
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>124,720</u>	<u>193,195</u>
NET POSITION		
Investment in Capital Assets	23,240,766	25,979,190
Restricted for Equipment Replacement and Capital Projects	515,263	495,487
Restricted for Capital Purposes - State Transit Assistance	215,316	69,694
Unrestricted	<u>9,728,992</u>	<u>8,614,965</u>
TOTAL NET POSITION	<u>33,700,337</u>	<u>35,159,336</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 37,567,019</u>	<u>\$ 40,040,247</u>

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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
OPERATING REVENUE		
Passenger Fares	\$ 882,753	\$ 1,496,048
Special Fares	1,773,513	1,911,955
TOTAL OPERATING REVENUE	<u>2,656,266</u>	<u>3,408,003</u>
OPERATING EXPENSES		
Purchased Transportation	8,699,088	9,267,371
Salaries and Benefits	1,381,325	1,418,277
Insurance	1,195,226	1,004,643
Vehicle Fuel	940,963	892,117
Other Services and Supplies	938,109	1,036,378
Depreciation	2,827,450	3,395,319
TOTAL OPERATING EXPENSES	<u>15,982,161</u>	<u>17,014,105</u>
NET LOSS FROM OPERATIONS	(13,325,895)	(13,606,102)
NONOPERATING REVENUES (EXPENSES)		
Federal Transit Administration (FTA) Grants:		
Operating Grants	6,597,864	3,694,021
Local Transportation Fund and State Transit Assistance Allocation	4,526,821	6,397,218
Federal Fuel Excise Tax Refund	195,416	799,125
Low Carbon Fuel Credits	174,867	130,920
Interest Revenue	74,890	176,935
Compressed Natural Gas Facility Charges	40,069	
Auxiliary Transportation	11,634	283,339
State Grants	3,345	264,402
Miscellaneous Revenues	59,136	121,565
Nonoperating Vehicle Fuel	(40,069)	(203,681)
Other Pass-through Grants to Other Governments	(24,000)	(24,000)
Gain (Loss) on Disposal of Capital Assets	16,274	(82,363)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>11,636,247</u>	<u>11,557,481</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,689,648)	(2,048,621)
CAPITAL CONTRIBUTIONS		
State Transit Assistance	170,298	334,091
State of Good Repair	60,351	
Federal Transit Administration		4,733,820
Tribe		119,890
Other Capital Revenue		4,748,838
TOTAL CAPITAL CONTRIBUTIONS	<u>230,649</u>	<u>9,936,639</u>
CHANGE IN NET POSITION	(1,458,999)	7,888,018
Net Position at Beginning of Year	<u>35,159,336</u>	<u>27,271,318</u>
NET POSITION AT END OF YEAR	<u>\$ 33,700,337</u>	<u>\$ 35,159,336</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts From Customers	\$ 2,638,715	\$ 3,479,089
Cash Paid to Suppliers for Goods and Services	(13,149,219)	(11,880,634)
Cash Paid to Employees for Services	(1,373,105)	(1,372,495)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(11,883,609)</u>	<u>(9,774,040)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Grants and Subsidies	10,924,559	10,318,533
Pass-through Payments	(24,000)	(22,391)
Other Income	(322,994)	168,846
Internal Receipts (Payments)		(1,609)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>10,577,565</u>	<u>10,463,379</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions Received	1,079,952	5,015,345
Acquisition of Capital Assets	(89,027)	(5,657,174)
Proceeds From Sale of Capital Assets	19,324	19,361
NET CASH (USED FOR) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,010,249</u>	<u>(622,468)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Pooled Investments	74,890	176,935
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>74,890</u>	<u>176,935</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(220,905)	243,806
Cash and Cash Equivalents at Beginning of Year	<u>8,130,445</u>	<u>7,886,639</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 7,909,540</u></u>	<u><u>\$ 8,130,445</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET		
Cash and Cash Equivalents	\$ 6,353,449	\$ 6,954,740
Restricted Cash and Cash Equivalents	<u>1,556,091</u>	<u>1,175,705</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 7,909,540</u></u>	<u><u>\$ 8,130,445</u></u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Net Loss From Operations	\$ (13,325,895)	\$ (13,606,102)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:		
Depreciation	2,827,450	3,395,319
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable and Due from Other Governments	(17,950)	69,089
Deferred Outflows of Resources - OPEB Plan	(36,465)	58,310
Deferred Outflows of Resources - Pension Plan	46,698	27,978
Accounts Payable and Due to Other Governments	(1,375,434)	321,872
Accrued Wages	(1,445)	4,634
Accrued Compensated Absences	(12,773)	(30)
Net OPEB Asset/Liability	2,896	(219,449)
Net Pension Liability	77,784	81,351
Deferred Inflows of Resources - OPEB Plan	(16,838)	109,695
Deferred Inflows of Resources - Pension Plan	(51,637)	(16,707)
NET CASH USED FOR OPERATING ACTIVITIES	<u><u>\$ (11,883,609)</u></u>	<u><u>\$ (9,774,040)</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITY		
Capital assets donated	\$ -	\$ 4,588,202
Capital asset acquisitions on accounts payable	\$ -	\$ 1,047,443

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

YOLO COUNTY TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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 provides Paratransit Service for residents in Woodland, Davis, and West Sacramento to comply with the Americans with Disabilities Act. The District also provides on-demand microtransit service to the communities of Knights Landing and Winters. 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 statement of net position. 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, 2021 and 2020

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, 2021 and 2020 represents mainly Low Carbon Transit Operations Program funds held for future projects that would be returned to the state if not spent.

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 Emergency Services 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 no longer reports STA as restricted for capital purposes unless claimed for capital purposes and not spent.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

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. These reclassifications had no effect on total assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position or change in net position.

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:

	2021	2020
Cash and cash equivalents	\$ 6,353,449	\$ 6,954,740
Restricted cash and equivalents	1,556,091	1,175,705
Total cash and investments	\$ 7,909,540	\$ 8,130,445

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

	2021	2020
Cash on hand	\$ 400	\$ 400
Deposits with financial institutions	299,760	117,163
Investment in Yolo County Pooled Investment Fund	7,609,380	8,012,882
Total cash and investments	\$ 7,909,540	\$ 8,130,445

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

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, 2021 and 2020, the weighted average maturity of the investments contained in the County of Yolo investment pool was approximately 408 and 416 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 financial institutions 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, 2021 and 2020

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

At June 30, 2021 and 2020, the carrying amount of the District’s deposits was \$299,760 and \$117,163 and the balance in financial institutions was \$285,768 and \$116,986, respectively. Of the balance in financial institutions, \$250,000 was insured by the Federal Deposit Insurance Corporation (FDIC) and \$35,768 was uninsured at June 30, 2021. The entire balance in financial institutions was insured by the FDIC at June 30, 2020.

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:

	2021	2020
LCTOP	\$ 1,040,828	\$ 680,218
Capital reserves	457,387	442,652
Governor's Office of Emergency Services	45,877	45,289
Proceeds from Federal Transit Administration Funded Capital Assets	11,999	
County grant - Madison Bus Stop		7,546
	\$ 1,556,091	\$ 1,175,705
Total restricted cash and cash equivalents		

At June 30, 2021 and 2020, the District accumulated \$457,387 and \$442,652 of LTF revenue from its member agencies from TDA allocations that is restricted for equipment replacement and capital purposes because it was claimed from member agencies for that purpose. The District received proceeds from the sale of Federal Transit Administration funded capital assets during the year ended June 30, 2021 that are restricted for future asset purchases. See Note J for additional information on restrictions related to unexpended LCTOP and Governor’s Office of Homeland Security state grant funds.

NOTE D – DUE FROM OTHER GOVERNMENTS

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

	2021	2020
Federal Transit Administration grants	\$ 3,569,914	\$ 3,283,609
California Department of Transportation	446,389	299,921
SACOG - State Transit Assistance	243,597	245,992
Sacramento Regional Transit District	240,214	27,818
Internal Revenue Service - fuel tax rebate	195,416	940,019
University of California, Davis	97,794	
Electrify America		185,511
Other	45,508	6,038
	\$ 4,838,832	\$ 4,988,908
Total due from other governments		

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE E – CAPITAL ASSETS

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

Fixed Route Service	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021
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	41,497,875	\$ 89,027		41,586,902
Buildings and improvements	12,218,563			12,218,563
Total capital assets, being depreciated	53,716,438	89,027		53,805,465
Less accumulated depreciation for:				
Equipment and transit vehicles	(22,711,358)	(2,193,764)		(24,905,122)
Buildings and improvements	(6,332,948)	(393,229)		(6,726,177)
Total accumulated depreciation	(29,044,306)	(2,586,993)		(31,631,299)
Total capital assets being depreciated, net	24,672,132	(2,497,966)		22,174,166
Capital assets, net	<u>\$ 25,137,132</u>	<u>\$ (2,497,966)</u>	<u>\$ -</u>	<u>\$ 22,639,166</u>
ADA Paratransit Service				
Capital assets, being depreciated:				
Equipment and transit vehicles	\$ 1,548,678			\$ 1,548,678
Total capital assets, being depreciated	1,548,678			1,548,678
Less accumulated depreciation for:				
Equipment and transit vehicles	(706,620)	\$ (240,457)		(947,078)
Total accumulated depreciation	(706,620)	(240,457)		(947,078)
Capital assets, net	<u>\$ 842,058</u>	<u>\$ (240,457)</u>	<u>\$ -</u>	<u>\$ 601,600</u>
Total capital assets, net	<u>\$ 25,979,190</u>	<u>\$ (2,738,423)</u>	<u>\$ -</u>	<u>\$ 23,240,766</u>

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE E – CAPITAL ASSETS (Continued)

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

NOTE F – COMPENSATED ABSENCES

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

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due within one year
Compensated absences	\$ 94,090	\$ 48,444	\$ (61,217)	\$ 81,317	\$ 52,906
	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

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

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, 2021 and 2020, 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:

	2021	2020
Fare revenues	\$ 2,656,266	\$ 3,408,003
Other local funds:		
Interest Revenue	74,890	176,935
Auxilliary Transportation	11,634	283,339
Compressed Natural Gas Facility Charges	40,069	
Miscellaneous Revenues	59,136	121,565
Proceeds from sales of capital assets	16,274	22,411
Total local funds	202,003	604,250
Total Fare Revenue and Local Support	\$ 2,858,269	\$ 4,012,253
Operating expenses	\$ 15,982,161	\$ 17,217,786
Less allowable exclusions:		
Depreciation	(2,827,450)	(3,395,319)
Net operating expenses	\$ 13,154,711	\$ 13,822,467
Fare revenue ratio	21.73%	29.03%

The District met its minimum required fare revenue ratio for the years ended June 30, 2021 and 2020. Note that the 2020 calculation was revised to separate federal and state fuel excise tax and low carbon fuel credits from miscellaneous revenue.

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
- PEPRA 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 PEPRA 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.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE H – PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2021 and 2020, are summarized as follows:

	2021		2020	
	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%	6.750%	8.000%	6.250%
Required employer contribution rates	12.361%	7.732%	11.432%	6.985%

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

In addition to the contribution rates above, the District contributed unfunded liability (UAL) payments to CalPERS of \$108,092 and \$96,254 during the years ended June 30, 2021 and 2020, respectively.

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, 2021 and 2020, the employer contributions recognized as part of pension expense were \$180,897 and \$179,921, 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:

	2021	2020
	Proportionate Share of Net	Proportionate Share of Net
	<u>Pension Liability</u>	<u>Pension Liability</u>
Net pension liability	<u>\$ 1,328,227</u>	<u>\$ 1,250,443</u>

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, 2020 and 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2019 and 2018 rolled forward to June 30, 2020 and 2019 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:

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE H – PENSION PLAN (Continued)

Proportion - June 30, 2020	0.03123%	
Proportion - June 30, 2021	0.03149%	
Change - increase	0.00026%	
Proportion - June 30, 2019		0.03102%
Proportion - June 30, 2020		0.03123%
Change - increase		0.00021%

During the years ended June 30, 2021 and 2020, the District recognized pension expense of \$253,742 and \$272,546 respectively. At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 180,897		\$ 179,921	
Differences between actual and expected experience	68,447		86,848	\$ (6,729)
Changes in assumptions		\$ (9,473)	59,627	(21,137)
Differences between the employer's contributions and the employer's proportionate share of contributions	24,349		28,738	
Change in employer's proportion	10,374	(9,106)	15,088	(20,488)
Net differences between projected and actual earnings on plan investments	39,457			(21,862)
Total	\$ 323,524	\$ (18,579)	\$ 370,222	\$ (70,216)

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	2021	2020
2020		\$ 108,979
2021	\$ 23,867	(8,260)
2022	47,246	14,948
2023	34,009	4,418
2024	18,926	
	\$ 124,048	\$ 120,085

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE H – PENSION PLAN (Continued)

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:

	2021	2020
Valuation date	June 30, 2019	June 30, 2018
Measurement date	June 30, 2020	June 30, 2019
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⁾	.4% -8.5%	.4% -8.5%
Mortality	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.

The underlying mortality assumptions were developed using CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP2016. Mortality at the June 30, 2020 and 2019 measurement dates was based on the results of the December 2017 CalPERS experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Change of Assumptions: During the year ended June 30, 2020, the demographic assumptions and inflation rate were changed in accordance with the CalPERS study and Review of Actuarial Assumptions in December 2017.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% in the June 30, 2020 and 2019 accounting valuations used for the years ended June 30, 2021 and 2020. 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 7.15% discount used was appropriate and the use of the municipal bond rate calculation was 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.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE H – PENSION PLAN (Continued)

Asset Class	2021			2020		
	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%
Fixed income	28.0%	1.00%	2.62%	28.0%	1.00%	2.62%
Inflation assets	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 assets	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	<u>100.0%</u>			<u>100.0%</u>		

(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:

	2021	2020
1% decrease	6.15%	6.15%
Net pension liability	\$ 1,992,939	\$ 1,874,043
Current discount rate	7.15%	7.15%
Net pension liability	\$ 1,328,227	\$ 1,250,443
1% increase	8.15%	8.15%
Net pension liability	\$ 778,996	\$ 735,706

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, 2021 and 2020, 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.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

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.

In December 2021 the District changed its contribution method for non-management employees so that it will be indexed to the cost of the plans instead of the maximum coverage amounts described above. The change is effective February 1, 2022.

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

	2021	2020
Inactive employees or beneficiaries currently receiving benefit payments	3	3
Inactive employees entitled to but not receiving benefits	2	2
Active employees	10	10
Total	15	15

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, 2021 and 2020 were \$93,267 and \$83,559 and consisted of direct payments of insurance premiums of \$21,898 and \$14,977, implied subsidy payments of \$13,815 and \$20,348 and contributions to CERBT of \$57,554 and \$48,234, for a total of \$13,815 and \$83,559, respectively.

Net OPEB Liability: The District’s net OPEB liability at June 30, 2021 and 2020 was measured as of June 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by a bi-annual actuarial valuation as of June 30, 2019.

Actuarial Assumptions: The total OPEB liability at the June 30, 2020 and 2019 measurement date was determined using the following actuarial assumptions:

	2021	2020
Valuation date	June 30, 2019	June 30, 2019
Measurement date	June 30, 2020	June 30, 2019
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate for accounting purposes	7.00%	7.00%
Inflation	2.50%	2.50%
Aggregate salary increases	3.00%	3.00%
Demographic actuarial assumptions	Derived using CalPERS 2017 Experience Study	Derived using CalPERS 2017 Experience Study
Mortality improvement	MacLeod Watts Scale 2018 applied generationally	MacLeod Watts Scale 2018 applied generationally
Healthcare cost trend rates	5.4% initially, trending down to 4.0% in 2076 and later	5.4% initially, trending down to 4.0% in 2076 and later
Participation rate assumption	100%	100%

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Changes in actuarial assumptions included the following: assumed mortality, termination, and retirement rates were updated to the CalPERS 2017 experience study from the 2014 experience study. The inflation rate decreased from 2.75% to 2.50%, salary increases decreased from 3.25% to 3.00%, the assumed future increases change to monthly benefit caps and there were 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:

Investment Class	2021				2020			
	Years 1-10		Years 11+		Years 1-10		Years 11+	
	1-10 Year		11+ Year		1-10 Year		11+ Year	
	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%	5.98%
Fixed income	25.00%	1.10%	25.00%	2.62%	25.00%	1.10%	25.00%	2.62%
Global Real Estate (REITs)	8.00%	3.20%	8.00%	5.00%	8.00%	3.20%	8.00%	5.00%
Treasury Inflation Protected Securities	5.00%	0.25%	5.00%	1.46%	5.00%	0.25%	5.00%	1.46%
Commodities	3.00%	1.50%	3.00%	2.87%	3.00%	1.50%	3.00%	2.87%
Total	100.00%		100.00%		100.00%		100.00%	

Discount Rate: The accounting discount rate used to measure the total OPEB liability was 7.00% at the June 30, 2020 and 2019 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:

	2021			2020		
	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	\$ 850,801	\$ 995,463	\$ (144,662)	\$ 909,102	\$ 834,315	\$ 74,787
Changes for the year:						
Service cost	58,602		58,602	43,073		43,073
Interest	62,422		62,422	65,631		65,631
Contributions - employer		83,559	(83,559)		138,178	(138,178)
Plan experience				(134,011)		(134,011)
Changes in assumptions				(3,816)		(3,816)
Net investment income		35,056	(35,056)		52,327	(52,327)
Benefit payments	(35,325)	(35,325)		(29,178)	(29,178)	
Administrative expense		(487)	487		(179)	179
Net changes	85,699	82,803	2,896	(58,301)	161,148	(219,449)
Balance at June 30	\$ 936,500	\$ 1,078,266	\$ (141,766)	\$ 850,801	\$ 995,463	\$ (144,662)

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

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:

	2021			2020		
	Current			Current		
	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Net OPEB liability (asset)	\$ (4,022)	\$ (141,766)	\$ (253,412)	\$ (20,217)	\$ (144,662)	\$ (245,576)

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:

	2021			2020		
	Current			Current		
	Healthcare Cost			Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase	1% Decrease	Trend Rates	1% Increase
Net OPEB liability (asset)	\$ (274,055)	\$ (141,766)	\$ 25,943	\$ (264,845)	\$ (144,662)	\$ 7,700

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.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the years ended June 30, 2021 and 2020, the District recognized OPEB expense of \$42,860 and \$32,115 respectively. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

	2021		2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 93,267		\$ 83,559	
Differences between actual and expected experience		\$ (103,203)		\$ (118,607)
Changes in assumptions	16,574	(2,938)	20,265	(3,377)
Net differences between projected and actual earnings on OPEB plan investments	30,448			(995)
Total	<u>\$ 140,289</u>	<u>\$ (106,141)</u>	<u>\$ 103,824</u>	<u>\$ (122,979)</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. The recognition period for the remaining amounts 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 June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Year Ended June 30	2021	2020
2021		\$ (14,557)
2022	\$ (7,296)	(14,556)
2023	(3,054)	(10,314)
2024	(2,916)	(10,176)
2025	(4,894)	(12,152)
2026	(14,033)	
Thereafter	(26,926)	(40,959)
	\$ (59,119)	\$ (102,714)

Payable to the OPEB Plan: There was no payable to the OPEB plan at June 30, 2021 and 2020.

NOTE J – OTHER STATE GRANT PROGRAMS

California Governor’s Office of Emergency Services: Included in the \$19.925 billion Proposition 1B State general obligation bonds was \$1 billion set aside for Transit System Safety, Security & Disaster Response projects. The California Governor’s Office of Emergency Services (Cal OES) has been charged with administering these funds for capital projects that provide increased protection against a security and safety threat, and for capital expenditures to increase the capacity of transit operations, including waterborne transit operators, to develop disaster response transportation systems that can move people, goods and emergency personnel and equipment in the aftermath of a disaster impairing the mobility of goods, people and equipment. The District received funds from the Proposition 1B California Transit Assistance Fund.

The District did not receive any funds during the years ended June 30, 2021 and 2020. Unspent funds represent facility safety and security program funds (camera equipment to be installed on buses).

Qualifying expenses must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance. As of June 30, funds received and expended were verified in the course of the audit as follows:

	2021	2020
Unexpended proceeds, beginning of year	\$ 45,289	\$ 64,453
Interest earnings	588	5,721
Apollo Video Camera System adjustment		13,227
Expenses incurred:		
Bus Shelters		(38,112)
Unexpended proceeds, end of year	\$ 45,877	\$ 45,289

Low Carbon Transit Operations Program (LCTOP): The LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. The program is administered by Caltrans in coordination with Air Resource Board (ARB) and the State Controller’s Office (SCO).

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE J – OTHER STATE GRANT PROGRAMS (Continued)

The District received \$349,582 and \$345,372 during the years ended June 30, 2021 and 2020 for zero emission electric buses. As of June 30, LCTOP funds received and expended were verified in the course of the audit as follows:

	2021	2020
Unexpended proceeds, beginning of year	\$ 680,218	\$ 465,622
Revenue received	349,582	345,372
Interest earnings	11,028	17,746
Expenses incurred:		
Connect card program administrative costs		(148,522)
	\$ 1,040,828	\$ 680,218
Unexpended proceeds, end of year		

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 \$2 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 \$23,000,000 for liability coverage, \$24,900,000 for vehicle physical damage for a total of \$25 million for liability and \$25 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, 2021, the CalTIP confidence level remains at 90%. Settled claims resulting from all risks have not exceeded the District’s commercial insurance coverage. Reductions in insurance coverage in the past three years include a reduction of total pooled and private insurance limits for the liability program from \$40 million to \$25 million during 2021 and a reduction in the private excess coverage for vehicle physical damage of \$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.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE M – COMMITMENTS AND CONTINGENCIES (Continued)

Contract Commitments: On July 19, 2018, the District entered into a seven-year agreement with Transdev to provide transit services. Contract amendment number 1 was approved in March 2020 due to the impact of the coronavirus (COVID-19) pandemic to allow Transdev to pay its employees even if they were not able to provide transit services to the District due to the service changes from the pandemic. The District used a Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act grant to fund the costs incurred under the contract amendment in the amount of \$772,340 for the year ended June 30, 2021 and \$17,419 to date during the year ended June 30, 2022.

The amounts payable to Transdev for the period of August 1, 2018 through July 31, 2025 was originally not exceed \$71,555,394 and was revised to \$66,048,898 under contract amendment number 2 approved in November 2021 using current service levels. The remaining balance of the contract at June 30, 2021 under contract amendment number 2 using current service levels was \$28,955,212 and the remaining balance at June 30, 2020 under the original contract was \$53,427,323. 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 \$52,612,280 under contract amendment number 2 using current service levels.

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.

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 and charges a user fee for fuel charges. 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 \$74,735 and \$31,487 for the years ended June 30, 2021 and 2020, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

YOLO COUNTY TRANSPORTATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2021

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

	June 30, 2021	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	0.03149%	0.03123%	0.03102%	0.03066%	0.03082%	0.03277%	0.03100%
Proportionate share of the net pension liability	\$ 1,328,227	\$ 1,250,443	\$ 1,169,092	\$ 1,208,539	\$ 1,070,526	\$ 899,146	\$ 766,359
Covered - employee payroll for measurement period	\$ 833,828	\$ 835,543	\$ 868,639	\$ 829,909	\$ 688,885	\$ 629,657	\$ 623,001
Proportionate share of the net pension liability as percentage of covered payroll	159.29%	149.66%	134.59%	145.62%	155.40%	142.80%	123.01%
Plan fiduciary net position	\$ 3,666,769	\$ 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	73.41%	73.03%	73.77%	70.88%	71.98%	74.98%	76.39%
Notes to Schedule:							
Changes in assumptions:							
Discount rate changes in accounting valuation	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

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

	June 30, 2021	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)	\$ 180,897	\$ 179,921	\$ 155,826	\$ 149,656	\$ 138,557	\$ 123,865	\$ 134,229
Contributions in relation to the actuarially determined contributions	(180,897)	(179,921)	(155,826)	(149,656)	(138,557)	(123,865)	(134,229)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered - employee payroll for employer's fiscal year	\$ 800,368	\$ 833,828	\$ 835,543	\$ 868,639	\$ 829,909	\$ 688,885	\$ 629,657
Contributions as a percentage of covered - employee payroll	22.60%	21.58%	18.65%	17.23%	16.70%	17.98%	21.32%
Notes to Schedule:							
Valuation date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Valuation date:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
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			
Inflation	2.500%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases				Varies depending on entry age and service			
Investment rate of return and discount rate	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age				50-67 Years. Probabilities of retirement are based on the most recent CalPERS Experience Study			
Mortality				Most recent CalPERS Experience Study			

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, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 58,602	\$ 43,073	\$ 39,508	\$ 38,264
Interest	62,422	65,631	60,354	55,162
Differences between expected and actual experience		(134,011)		
Changes in assumptions		(3,816)	27,647	
Benefit payments	(35,325)	(29,178)	(22,747)	(23,359)
Net change in total OPEB liability	85,699	(58,301)	104,762	70,067
Total OPEB liability - beginning	850,801	909,102	804,340	734,273
Total OPEB liability - ending (a)	<u>\$ 936,500</u>	<u>\$ 850,801</u>	<u>\$ 909,102</u>	<u>\$ 804,340</u>
Plan fiduciary net position				
Contributions - employer	\$ 83,559	\$ 138,178	\$ 108,591	\$ 50,008
Net investment income	35,056	52,327	54,185	44,697
Benefit payments	(35,325)	(29,178)	(22,747)	(23,359)
Investment Experience				21,219
Administrative expenses	(487)	(179)	(1,293)	(337)
Net change in plan fiduciary net position	82,803	161,148	138,736	92,228
Plan fiduciary net position - beginning	995,463	834,315	695,579	603,351
Plan fiduciary net position - ending (b)	<u>\$ 1,078,266</u>	<u>\$ 995,463</u>	<u>\$ 834,315</u>	<u>\$ 695,579</u>
Net OPEB liability (asset) - ending (a)-(b)	<u>\$ (141,766)</u>	<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>115.14%</u>	<u>117.00%</u>	<u>91.77%</u>	<u>86.48%</u>
Covered-employee payroll - measurement period	<u>\$ 875,236</u>	<u>\$ 873,424</u>	<u>\$ 871,734</u>	<u>\$ 873,200</u>
Net OPEB liability as percentage of covered-employee payroll	<u>-16.20%</u>	<u>-16.56%</u>	<u>8.58%</u>	<u>12.46%</u>
Notes to schedule:				
Valuation date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Benefit changes	None	None	None	None
Changes in assumptions - discount rate change	7.00%	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, 2021

	2021	2020	2019	2018
Actuarially determined contribution - employer fiscal year	\$ 92,089	\$ 83,559	\$ 80,978	\$ 79,191
Contributions in relation to the actuarially determined contributions	(93,267)	(83,559)	(138,178)	(108,591)
Contribution deficiency (excess)	<u>\$ (1,178)</u>	<u>\$ -</u>	<u>\$ (57,200)</u>	<u>\$ (29,400)</u>
Covered-employee payroll - employer fiscal year	\$ 880,557	\$ 875,236	\$ 873,424	\$ 871,734
Contributions as a percentage of covered-employee payroll	10.59%	9.55%	15.82%	12.46%

Notes to Schedule:

Valuation date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	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 - actuarially determined contributions	5.75%	5.75%	5.75%	5.75%
Discount rate - accounting	7.00%	7.00%	7.00%	7.25%
Inflation	2.50%	2.75%	2.75%	2.75%
Salary increases	3.00%	3.25%	3.25%	3.25%
Retirement age	50 to 75 years			
Mortality	Latest CalPERS Experience Study			
Mortality improvement - MacLeod Watts Scale Generationally	2018	2017	2017	2017
Healthcare trend rates	5.4% initially, trending down to 4.0%	5.4% initially, trending down to 4.0%	7.5% initially, trending down to 5.0%	
Participation assumption	100%	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 STATEMENT OF NET POSITION

June 30, 2021

	Fixed Route Service	ADA Paratransit Service	Total	Eliminating Entries	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 6,353,449		\$ 6,353,449		\$ 6,353,449
Due from Other Governments	4,237,681	\$ 601,151	4,838,832		4,838,832
Due from ADA Paratransit Service	285,178		285,178	\$ (285,178)	
Accounts Receivable	822,583	149,719	972,302		972,302
TOTAL CURRENT ASSETS	11,698,891	750,870	12,449,761	(285,178)	12,164,583
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents	1,529,556	26,535	1,556,091		1,556,091
Other Postemployment Benefits Asset	141,766		141,766		141,766
Capital Assets:					
Nondepreciable	465,000		465,000		465,000
Depreciable, Net	22,174,166	601,600	22,775,766		22,775,766
Total Capital Assets, Net	22,639,166	601,600	23,240,766		23,240,766
TOTAL NONCURRENT ASSETS	24,310,488	628,135	24,938,623		24,938,623
TOTAL ASSETS	36,009,379	1,379,005	37,388,384	(285,178)	37,103,206
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan	323,524		323,524		323,524
Other Postemployment Benefits Plan	140,289		140,289		140,289
TOTAL DEFERRED OUTFLOWS OF RESOURCES	463,813		463,813		463,813
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 36,473,192	\$ 1,379,005	\$ 37,852,197	\$ (285,178)	\$ 37,567,019
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	\$ 899,912	\$ 158,471	\$ 1,058,383		\$ 1,058,383
Accrued Wages	25,921		25,921		25,921
Due to Other Governments	176,580	30,706	207,286		207,286
Unearned Revenue	1,040,828		1,040,828		1,040,828
Due to Fixed Route Service		285,178	285,178	\$ (285,178)	
Accrued Compensated Absences	52,906		52,906		52,906
TOTAL CURRENT LIABILITIES	2,196,147	474,355	2,670,502	(285,178)	2,385,324
NONCURRENT LIABILITIES					
Accrued Compensated Absences	28,411		28,411		28,411
Net Pension Liability	1,328,227		1,328,227		1,328,227
TOTAL NONCURRENT LIABILITIES	1,356,638		1,356,638		1,356,638
TOTAL LIABILITIES	3,552,785	474,355	4,027,140	(285,178)	3,741,962
DEFERRED INFLOWS OF RESOURCES					
Pension Plan	18,579		18,579		18,579
Other Postemployment Benefits Plan	106,141		106,141		106,141
TOTAL DEFERRED INFLOWS OF RESOURCES	124,720		124,720		124,720
NET POSITION					
Investment in Capital Assets	22,639,166	601,600	23,240,766		23,240,766
Restricted for Equipment Replacement and Capital Projects	488,728	26,535	515,263		515,263
Restricted for Capital Purposes - State Transit Assistance	215,316		215,316		215,316
Unrestricted	9,452,477	276,515	9,728,992		9,728,992
TOTAL NET POSITION	32,795,687	904,650	33,700,337		33,700,337
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 36,473,192	\$ 1,379,005	\$ 37,852,197	\$ (285,178)	\$ 37,567,019

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING STATEMENT OF NET POSITION

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 SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended June 30, 2021

	Fixed Route Service	ADA Paratransit Service	Total
OPERATING REVENUE			
Passenger Fares	\$ 859,673	\$ 23,080	\$ 882,753
Special Fares	1,701,323	72,190	1,773,513
TOTAL OPERATING REVENUE	2,560,996	95,270	2,656,266
OPERATING EXPENSES			
Purchased Transportation	7,451,314	1,247,774	8,699,088
Salaries and Benefits	1,183,191	198,134	1,381,325
Insurance	880,662	314,564	1,195,226
Vehicle Fuel	858,583	82,380	940,963
Other Services and Supplies	749,606	188,503	938,109
Depreciation	2,586,993	240,457	2,827,450
TOTAL OPERATING EXPENSES	13,710,349	2,271,812	15,982,161
NET LOSS FROM OPERATIONS	(11,149,353)	(2,176,542)	(13,325,895)
NONOPERATING REVENUES (EXPENSES)			
Federal Transit Administration (FTA) Grants:			
Operating Grants	5,903,364	694,500	6,597,864
Local Transportation Fund and State Transit Assistance Allocation	3,210,430	1,316,391	4,526,821
Federal Fuel Excise Tax Refund	195,416		195,416
Low Carbon Fuel Credits	174,867		174,867
Interest Revenue	75,418	(528)	74,890
Compressed Natural Gas Facility Charges	40,069		40,069
Auxiliary Transportation	11,634		11,634
State Grants	3,345		3,345
Miscellaneous Revenues	59,136		59,136
Cost of Fuel Sales to External Parties	(40,069)		(40,069)
Other Pass-through Grants to Other Governments	(24,000)		(24,000)
Gain (Loss) on Disposal of Capital Assets	14,999	1,275	16,274
TOTAL NONOPERATING REVENUES (EXPENSES)	9,624,609	2,011,638	11,636,247
NET LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,524,744)	(164,904)	(1,689,648)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
State Transit Assistance	170,298		170,298
State of Good Repair	60,351		60,351
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	230,649		230,649
CHANGE IN NET POSITION	(1,294,095)	(164,904)	(1,458,999)
Net Position at Beginning of Year	34,089,782	1,069,554	35,159,336
NET POSITION AT END OF YEAR	\$ 32,795,687	\$ 904,650	\$ 33,700,337

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	1,753,644	158,311	1,911,955
TOTAL OPERATING REVENUE	3,221,051	186,952	3,408,003
OPERATING EXPENSES			
Purchased Transportation	7,996,030	1,271,341	9,267,371
Salaries and Benefits	1,418,277		1,418,277
Insurance	870,239	134,404	1,004,643
Vehicle Fuel	783,809	108,308	892,117
Other Services and Supplies	915,259	121,119	1,036,378
Depreciation	3,196,823	198,496	3,395,319
TOTAL OPERATING EXPENSES	15,180,437	1,833,668	17,014,105
NET LOSS FROM OPERATIONS	(11,959,386)	(1,646,716)	(13,606,102)
NONOPERATING REVENUES (EXPENSES)			
Federal Transit Administration Grants:			
Operating Grants	3,274,143	419,878	3,694,021
Local Transportation Fund and State Transit			
Assistance Allocation	5,411,831	985,387	6,397,218
Federal Fuel Excise Tax Refund	799,125		799,125
Low Carbon Fuel Credits	130,920		130,920
Interest Revenue	176,370	565	176,935
Auxiliary Transportation	283,339		283,339
State Grants	264,402		264,402
Miscellaneous Revenues	121,565		121,565
Cost of Fuel Sales to External Parties	(203,681)		(203,681)
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)	10,151,340	1,406,141	11,557,481
NET (LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(1,808,046)	(240,575)	(2,048,621)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
State Transit Assistance	334,091		334,091
Federal Transit Administration Grant	4,494,040	239,780	4,733,820
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 CASH FLOWS

For the Year Ended June 30, 2021

	Fixed Route Service	ADA Paratransit Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Customers	\$ 2,542,812	\$ 95,903	\$ 2,638,715
Cash Paid to Suppliers for Goods and Services	(11,317,228)	(1,831,991)	(13,149,219)
Cash Paid to Employees for Services	(1,174,971)	(198,134)	(1,373,105)
NET CASH USED FOR OPERATING ACTIVITIES	<u>(9,949,387)</u>	<u>(1,934,222)</u>	<u>(11,883,609)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants and Subsidies	9,117,139	1,807,420	10,924,559
Pass-through Payments	(24,000)		(24,000)
Other Income	(322,994)		(322,994)
Internal Receipts (Payments)	(56,217)	56,217	
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>8,713,928</u>	<u>1,863,637</u>	<u>10,577,565</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions Received	1,009,839	70,113	1,079,952
Acquisition of Capital Assets	(89,027)		(89,027)
Proceeds From Sale of Capital Assets	18,049	1,275	19,324
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>938,861</u>	<u>71,388</u>	<u>1,010,249</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Pooled Investments	75,418	(528)	74,890
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>75,418</u>	<u>(528)</u>	<u>74,890</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(221,180)	275	(220,905)
Cash and Cash Equivalents at Beginning of Year	<u>8,104,185</u>	<u>26,260</u>	<u>8,130,445</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,883,005</u>	<u>\$ 26,535</u>	<u>\$ 7,909,540</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET			
Cash and Cash Equivalents	\$ 6,353,449		\$ 6,353,449
Restricted Cash and Cash Equivalents	1,529,556	\$ 26,535	1,556,091
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 7,883,005</u>	<u>\$ 26,535</u>	<u>\$ 7,909,540</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:			
Net Loss From Operations	\$ (11,149,353)	\$ (2,176,542)	\$ (13,325,895)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:			
Depreciation	2,586,993	240,457	2,827,450
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivable and Due from Other Governments	(18,583)	633	(17,950)
Deferred Outflows of Resources - OPEB Plan	(36,465)		(36,465)
Deferred Outflows of Resources - Pension Plan	46,698		46,698
Accounts Payable and Due to Other Governments	(1,376,664)	1,230	(1,375,434)
Accrued Wages	(1,445)		(1,445)
Accrued Compensated Absences	(12,773)		(12,773)
Net OPEB Asset/Liability	2,896		2,896
Net Pension Liability	77,784		77,784
Deferred Inflows of Resources - OPEB Plan	(16,838)		(16,838)
Deferred Inflows of Resources - Pension Plan	(51,637)		(51,637)
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (9,949,387)</u>	<u>\$ (1,934,222)</u>	<u>\$ (11,883,609)</u>

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	\$ 3,297,817	\$ 181,272	\$ 3,479,089
Cash Paid to Suppliers for Goods and Services	(10,312,434)	(1,568,200)	(11,880,634)
Cash Paid to Employees for Services	(1,372,495)		(1,372,495)
NET CASH USED FOR OPERATING ACTIVITIES	(8,387,112)	(1,386,928)	(9,774,040)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants and Subsidies	8,743,546	1,574,987	10,318,533
Pass-through Payments	(24,000)	1,609	(22,391)
Other Income	168,846		168,846
Internal Receipts (Payments)	(1,609)		(1,609)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	8,886,783	1,576,596	10,463,379
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 FOR 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
DECREASE 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	\$ 8,104,185	\$ 26,260	\$ 8,130,445
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	\$ 8,104,185	\$ 26,260	\$ 8,130,445
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:			
Net Loss From Operations	\$ (11,959,386)	\$ (1,646,716)	\$ (13,606,102)
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 Asset/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	\$ (8,387,112)	\$ (1,386,928)	\$ (9,774,040)

COMPLIANCE REPORTS



550 Howe Avenue, Suite 210
Sacramento, California 95825
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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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2022.

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) as a basis for designing 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 financial statements. 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 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

To the Board of Directors
Yolo County Transportation District

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, the TDA or other state grant program requirements that is reported as finding 2021-001 in the accompanying schedule of findings and questioned costs.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

March 14, 2022



550 Howe Avenue, Suite 210
Sacramento, California 95825

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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, 2021. 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 the 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, 2021.

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

To the Board of Directors
Yolo County Transportation District

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2021-001 to be a significant deficiency.

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

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

Richardson & Company, LLP

March 14, 2022

YOLO COUNTY TRANSPORTATION DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

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? | No |
| 3. Noncompliance material to financial statements noted? | None noted |

Federal Awards

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| 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:

Federal Assistance Listing (AL) Number
20.507

Name of Federal Program
Federal Transit Formula Grants

- | | |
|---|-----------|
| 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, 2021

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2021-001 – Significant Deficiency – Compliance and Other Matters

See Finding 2021-001 under CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT below.

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

Finding 2021-001 – Significant Deficiency – Internal Control Over Compliance

AL No: 20.507

Federal Grantor: U.S. Department of Transportation, Federal Transit Administration, Federal Transit Formula Grants - Direct Award

Award Nos.: CA-2020-223-00

Condition: The grant expenses reported on the Schedule of Expenditures of Federal Awards (SEFA) excluded grant accrual adjustments for a major program award, excluded two federal grants, and had grant award numbers that did not agree to the grant agreements.

Criteria: 2 CFR Part 200, Subpart F (Uniform Guidance) Section 200.502 states, “The auditee should prepare a Schedule of Expenditures of Federal Awards for the period covered by the auditee’s financial statements.” Internal controls over the SEFA should be in place ensure accrual basis expenses incurred under the federal program are properly reported as expenses on the SEFA and are properly reported as revenue in the financial statements prior to the start of the single audit.

Cause: Expenses reported on the SEFA were not fully reconciled to all federal revenue accounts in the general ledger.

Effect: Adjustments were needed to properly report expenses on the SEFA and federal revenues in the financial statements. If expenses are not properly reported on the SEFA prior to the start of the single audit, the auditor could omit expenses from testing, which would result in the District's single audit not complying with audit standards.

Recommendation: We recommend the District reconcile grant expenses in the general ledger to the SEFA and revenue in the financial statements and have a second member of management review the general ledger detail, grant agreements and other information used to prepare the SEFA prior to the start of the audit in the future.

View of Responsible Officials and Planned Corrective Action: Management’s response and planned corrective action is included at the end of this report.

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, 2021

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing (AL) Number	Pass-through Entity Identifying Number	Program or Award Amount	Expenses
U.S. Department of Transportation, Federal Transit Administration				
Direct Award				
Federal Transit Formula Grants - Direct Award				
CARES Act Operating Assistance and Planning	20.507		\$ 11,009,254	\$ 3,896,115
Operating Assistance & Preventive Maintenance, Rt. 42 "Y" Shuttle	20.507		3,896,698	1,515,806
Operating Assistance and Preventive Maintenance	20.507		3,621,262	390,778
Total Direct Awards			<u>18,527,214</u>	<u>5,802,699</u>
Passed-through the Sacramento Regional Transit District				
Federal Transit Formula Grants				
UC Davis Med Center Shuttle Ops	20.507	CA-2019-157-00	1,500,000	164,574
Total Federal Transit Formula Grants			<u>20,027,214</u>	<u>5,967,273</u>
Passed through the California Department of Transportation, Division of Rail & Mass Transportation				
Formula Grants for Rural Areas and Tribal Transit Program				
Rural Operating Assistance	20.509	64BO20-01462	148,329	148,329
Operating Assistance CARES Act Phase 2	20.509	64VO20-01356	298,060	298,060
Total Formula Grants for Rural Areas and Tribal Transit Program			<u>446,389</u>	<u>446,389</u>
Total U.S. Department of Transportation, Federal Transit Administration			<u>20,473,603</u>	<u>6,413,662</u>
U.S. Department of Transportation, Federal Highway Administration				
Passed-through the Sacramento Area Council of Governments				
Highway Planning and Construction				
Civic Lab Year 1 Pilot Project	20.205	SA1819108	132,795	57,202
Total U.S. Department of Transportation, Federal Highway Administration			<u>132,795</u>	<u>57,202</u>
Total U.S. Department of Transportation			<u>20,606,398</u>	<u>6,470,864</u>
U.S. Department of the Treasury				
Passed-through the County of Yolo				
Coronavirus Relief Fund				
CARES Transit Assistance	21.019	None	127,000	127,000
Total passed through the County of Yolo			<u>127,000</u>	<u>127,000</u>
TOTAL FEDERAL AWARDS			<u>\$ 20,733,398</u>	<u>\$ 6,597,864</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, 2021

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, 2021. 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 did not allocate any indirect costs to its federal programs.

NOTE D – SUBRECIPIENTS

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



City of Davis – City of West Sacramento – City of Winters
City of Woodland – County of Yolo
EX Officio – Caltrans District 3 – University of California,
Davis

**Yolo County Transportation
District**

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March 2, 2022

TO: Richardson & Company LLP
FROM: Autumn Bernstein, Executive Director
SUBJECT: Yolo County Transportation District (YCTD)
FY 2020-21 Single Audit Management Response and Corrective Action Plan

Finding: 2021-001

Federal Grantor: US Department of Transportation, Federal Transit Administration, Federal Transit Formula Grants - Direct Award, Award No: CA-2020-223-00

Finding: The grant expenses reported on the Schedule of Expenditures of Federal Awards (SEFA) excluded grant accrual adjustments for a major program award, excluded two federal grants, and had grant award numbers that did not agree to the grant agreements.

Auditor Recommendation: We recommend the District reconcile grant expenses in the general ledger to the SEFA and revenue in the financial statements and have a second member of management review the general ledger detail, grant agreements and other information used to prepare the SEFA prior to the start of the audit in the future.

YCTD Contact Person Responsible for the Corrective Action: Autumn Bernstein, Executive Director, Abernstein@yctd.org.

Management Response and Corrective Action Plan: YCTD concurs with the finding and recommendation. YCTD has designated a financial staff member to reconcile grant expenses in the general ledger to the SEFA. The Deputy Director, Finance and Administration position will be tasked with reviewing the general ledger detail, grant agreements, and other information used to prepare the SEFA prior to the start of future financial audits. The Deputy Director, Finance and Administration position is currently vacant but is anticipated to be filled prior to the preparation of the FY 2021-22 single audit materials. If the position is not filled at the time of FY 2021-22 single audit preparation, the Deputy Director, Operations will be responsible for reviewing YCTD’s SEFA and underlying ledger and grant information prior to submission of the SEFA to auditors. These assignments are effective immediately are anticipated to support submission of the YCTD FY 2021-22 SEFA to auditors by 10/31/22.

Sincerely,

Autumn Bernstein
Executive Director