

**YOLO COUNTY TRANSPORTATION DISTRICT**

Audited Financial Statements  
and Compliance Reports

June 30, 2022

# YOLO COUNTY TRANSPORTATION DISTRICT

## Audited Financial Statements and Compliance Reports

June 30, 2022 and 2021

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the Yolo County Transportation District (the District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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, 2022 and 2021, and the 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.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

To the Board of Directors  
Yolo County Transportation District

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, schedule of changes in the net OPEB liability and related ratios and schedule of contributions to the OPEB Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 accompanying supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of Directors  
Yolo County Transportation District

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2023 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. 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*

February 3, 2023

# YOLO COUNTY TRANSPORTATION DISTRICT

## Management's Discussion and Analysis June 30, 2022 and 2021

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, 2022 and 2021. 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 February, 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, and in Knight's Landing in January, 2021. 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 \$2.6 million, to \$31.1 million at June 30, 2022 versus \$33.7 million at June 30, 2021, primarily due to depreciation of the District's bus fleet and paratransit and microtransit vans.
- June 30, 2022 total net position of 31.1 million was comprised of \$21.2 million investment in capital assets, \$0.9 million in State Transit Assistance and other funds restricted for equipment replacement and capital projects, and \$9.0 million of unrestricted net position.
- For every dollar in current liabilities as of June 30, 2022, the District holds \$3.62 in current assets, down from \$5.10 as of June 30, 2021.
- Operating revenues (regular and special fares and operating support from the Yocha Dehe Wintun Nation) increased slightly to \$2.8 million during FY 2021-22 compared to \$2.7 million during FY 2020-21, still 30% below the high of \$4.0 million during FY 2018-19, before the COVID-19 pandemic.
- Operating expenses decreased 2.6% to \$15.6 million during FY 2021-22, compared to \$16.0 million during FY 2020-21, primarily due to reduced insurance premiums and depreciation.

# YOLO COUNTY TRANSPORTATION DISTRICT

## Management's Discussion and Analysis June 30, 2022 and 2021

### 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, 2022 and 2021

### Statement of Net Position

A summary of the District's Statement of Net Position as of June 30, 2022, 2021 and 2020 is as follows:

	June 30, 2022	June 30, 2021	Increase (Decrease) from 2021 to 2022	June 30, 2020	Increase (Decrease) from 2020 to 2021
Current Assets	\$ 12,369,836	\$ 12,164,583	\$ 205,253	\$ 12,266,644	\$ (102,061)
Restricted Cash and Investments	1,764,805	1,556,091	208,714	1,175,705	380,386
Other Postemployment Benefits	402,163	141,766	260,397	144,662	(2,896)
Capital Assets, Net	21,234,841	23,240,766	(2,005,925)	25,979,190	(2,738,424)
<b>TOTAL ASSETS</b>	<b>35,771,645</b>	<b>37,103,206</b>	<b>(1,331,561)</b>	<b>39,566,201</b>	<b>(2,462,995)</b>
Deferred Outflows of Resources	493,170	463,813	29,357	474,046	(10,233)
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 36,264,815</b>	<b>\$ 37,567,019</b>	<b>\$ (1,302,204)</b>	<b>\$ 40,040,247</b>	<b>\$ (2,473,228)</b>
Current Liabilities	\$ 3,418,089	\$ 2,385,324	\$ 1,032,765	\$ 3,400,671	\$ (1,015,347)
Non-Current Liabilities	804,900	1,356,638	(551,738)	1,287,045	69,593
<b>TOTAL LIABILITIES</b>	<b>4,222,989</b>	<b>3,741,962</b>	<b>481,027</b>	<b>4,687,716</b>	<b>(945,754)</b>
Deferred Inflows of Resources	971,873	124,720	847,153	193,195	(68,475)
Net Position					
Investment in Capital Assets	21,234,841	23,240,766	(2,005,925)	25,979,190	(2,738,424)
Restricted for Equipment Replacement and Capital Projects	459,561	515,263	(55,702)	495,487	19,776
Restricted for Capital Purposes - STA	393,838	215,316	178,522	69,694	145,622
Unrestricted	8,981,713	9,728,992	(747,279)	8,614,965	1,114,027
<b>TOTAL NET POSITION</b>	<b>31,069,953</b>	<b>33,700,337</b>	<b>(2,630,384)</b>	<b>35,159,336</b>	<b>(1,458,999)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 36,264,815</b>	<b>\$ 37,567,019</b>	<b>\$ (1,302,204)</b>	<b>\$ 40,040,247</b>	<b>\$ (2,473,228)</b>

### District Assets

The \$35.8 million in total assets as of June 30, 2022 represented a \$1.3 million decrease from June 30, 2021, primarily due to \$2.4 million depreciation of the District's bus fleet, partially offset by a \$0.4 million increase in cash and receivables, and a \$0.3 million increase in surplus funds in the District's retiree health benefit trust. Total assets as of June 30, 2021 decreased \$2.5 million from June 30, 2020, also primarily due to bus fleet depreciation.



# YOLO COUNTY TRANSPORTATION DISTRICT

## Management's Discussion and Analysis June 30, 2022 and 2021

### District Liabilities

The \$3.4 million in current liabilities as of June 30, 2022 represented an increase of \$1.0 million from June 30, 2021, primarily due to a \$0.6 million increase in accounts payable and \$0.2 million unearned revenue received in Low Carbon Transit Operations Program (LCTOP) funds received for projects not yet completed.

The \$0.6 million decrease in non-current liabilities during the year ending June 30, 2022 was primarily due to a decrease in net pension liability as a result of pension plan investment performance. The District also reported \$0.5 million in deferred outflows of resources primarily for pension and OPEB contributions after the valuation measurement dates and \$1.0 million in 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 2021-22, 2020-21, and 2019-20 is as follows:

	Year ending June 30, 2022	Year ending June 30, 2021	Increase (Decrease) from 2021 to 2022	Year ending June 30, 2020	Increase (Decrease) from 2020 to 2021
Operating Revenues	\$ 2,806,098	\$ 2,656,266	\$ 149,832	\$ 3,408,003	\$ (751,737)
Operating Expenses	15,570,506	15,982,161	(411,655)	17,014,105	(1,031,944)
Net Loss From Operations	(12,764,408)	(13,325,895)	561,487	(13,606,102)	280,207
NONOPERATING REVENUES (EXPENSES)					
Local Transportation Fund and State Transit Assistance Allocation	7,064,622	4,526,821	2,537,801	6,397,218	(1,870,397)
Federal Transit Administration Grants:					
Operating Grants	2,024,345	6,597,864	(4,573,519)	3,694,021	2,903,843
Federal Fuel Excise Tax Refund	240,674	195,416	45,258	799,125	(603,709)
Low Carbon Fuel Credits	263,019	174,867	88,152	130,920	43,947
Compressed Natural Gas Facility Charges	248,327	40,069	208,258	-	40,069
Auxiliary Transportation	163,447	11,634	151,813	283,339	(271,705)
Investment (Loss) Income	(199,080)	74,890	(273,970)	176,935	(102,045)
State Grants	-	3,345	(3,345)	264,402	(261,057)
Other Nonoperating Revenues	31,128	59,136	(28,008)	121,565	(62,429)
Nonoperating Vehicle Fuel	(248,327)	(40,069)	(208,258)	(203,681)	-
Governments	(24,000)	(24,000)	-	(24,000)	-
Return OES Revenue to State	(33,755)		(33,755)	-	-
Gain (Loss) on Disposal of Capital Assets	-	16,274	(16,274)	(82,363)	98,637
TOTAL NONOPERATING REVENUES (EXPENSES)	9,530,400	11,636,247	(2,105,847)	11,557,481	(84,846)
TOTAL CAPITAL CONTRIBUTIONS	603,624	230,649	372,975	9,936,639	(9,705,990)
CHANGE IN NET POSITION	(2,630,384)	(1,458,999)	(1,171,385)	7,888,018	(9,347,017)
Net Position at Beginning of Year	33,700,337	35,159,336	(1,458,999)	27,271,318	7,888,018
NET POSITION AT END OF YEAR	\$ 31,069,953	\$ 33,700,337	\$ (2,630,384)	\$ 35,159,336	\$ (1,458,999)

## YOLO COUNTY TRANSPORTATION DISTRICT

### Management's Discussion and Analysis June 30, 2022 and 2021

#### **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 and the Yocha Dehe Wintun Tribe. The District's operating revenue increased slightly by \$0.1 million to \$2.8 million in FY 2021-22. This followed a decrease \$0.8 million during FY 2020-21 due to reduced demand as a result of the COVID-19 pandemic.

#### **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 2021-22 decrease of \$0.4 million in operating expenses to \$15.6 million is primarily due to an \$0.4 million reduction in depreciation expenses, and an \$0.3 million reduction in insurance premiums, and offset by net increases in purchased transportation, fuel and other operating costs. The FY 2020-21 decrease of \$1.0 million in operating expenses to \$16.0 million was 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.

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 decrease in Non-operating Revenues of \$2.1 million to \$9.5 million during FY 2021-22 was comprised of offsetting factors, including:

- \$4.6 million reduction in FTA operating grant support to \$2.0 million, primarily due to zero federal CARES Act funding claimed during FY 2021-22, versus the use of \$4.2 million in CARES Act funding used in FY 2020-21 to offset COVID-19 pandemic-related revenue losses.
- \$2.5 million increase in Local Transportation Fund and State Transit Assistance Allocation, to \$7.1 million, used to partially offset the reduction in CARES Act funding.
- \$0.3 million change in booked investment income, from \$0.1 million interest earned in FY 2020-21 to a -\$0.2 million investment fair value adjustment, representing a report by the Yolo County Treasurer that certain pooled fixed income investments had lost market value due to interest rate changes. This is a reporting adjustment that does not affect the District's current cash balances held by the Treasurer.

Non-operating Revenues remained steady from FY 2019-20 to 2020-21 at \$11.6 million, primarily due to a \$2.9 million increase in FTA operating grants primarily due to CARES Act funding, offset by a \$1.9 million decrease in LTF and STA allocations and an \$0.6 million reduction in federal fuel tax refunds.

# YOLO COUNTY TRANSPORTATION DISTRICT

## Management's Discussion and Analysis June 30, 2022 and 2021

### 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 California Governor's Office of Emergency Services relating to capital for improvements owned by the District. The increase of \$0.4 million during FY 2021-22 reflects increased State Transportation Act funds and federal funds used toward engine overhauls. The decline of \$9.7 million in FY 2020-21 from the prior year was because 8 CNG buses were purchased in FY 2019-20, while no vehicles were purchased in FY 2020-21 or FY 2021-22.

### Capital Assets

	June 30, 2022	June 30, 2021	Increase (Decrease) from 2021 to 2022	June 30, 2020	Increase (Decrease) from 2020 to 2021
<b>Capital assets, not being depreciated</b>					
Land	\$ 465,000	\$ 465,000	\$ -	\$ 465,000	\$ -
Total capital assets, not being depreciated	465,000	465,000	-	465,000	-
<b>Capital assets, being depreciated</b>					
Equipment & Transit Vehicles - Buses	42,006,582	41,586,902	419,680	41,497,875	89,027
Equipment & Transit Vehicles - Paratransit & Microtransit Vans	1,548,678	1,548,678	-	1,548,678	-
Building and improvements	12,218,563	12,218,563	-	12,218,563	-
Total capital assets, being depreciated	55,773,823	55,354,143	419,680	55,265,116	89,027
<b>Less accumulated depreciation for:</b>					
Equipment & Transit Vehicles - Buses	(26,814,666)	(24,905,122)	(1,909,544)	(22,711,358)	(2,193,764)
Equipment & Transit Vehicles - Vans	(1,187,535)	(947,078)	(240,457)	(706,620)	(240,458)
Building and improvements	(7,001,781)	(6,726,177)	(275,604)	(6,332,948)	(393,229)
Total accumulated depreciation	(35,003,982)	(32,578,377)	(2,425,605)	(29,750,926)	(2,827,451)
<b>Total capital assets being depreciated, net</b>	<u>20,769,841</u>	<u>22,775,766</u>	<u>(2,005,925)</u>	<u>25,514,190</u>	<u>(2,738,424)</u>
<b>Capital assets, net</b>	<u>\$ 21,234,841</u>	<u>\$ 23,240,766</u>	<u>\$ (2,005,925)</u>	<u>\$ 25,979,190</u>	<u>\$ (2,738,424)</u>

During the fiscal years ending June 30, 2022 and June 30, 2021, the District's net investment in capital assets decreased by \$2 million and \$2.7 million, respectively, due to depreciation of fixed route buses, paratransit and microtransit vans, and buildings and improvements.

### Economic Factors and the Future

General economic conditions are expected to improve during 2023 as the COVID pandemic cases have declined and declined and ridership demand is increasing. YCTD has continued its microtransit pilots in Knights Landing and Winters, while planning for new microtransit service in the City of Woodland.

### 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 Heather Cioffi, Executive Assistant, Yolo County Transportation District, 350 Industrial Way, Woodland, California 95776 or [hcioffi@yctd.org](mailto:hcioffi@yctd.org).

## YOLO COUNTY TRANSPORTATION DISTRICT

## STATEMENTS OF NET POSITION

June 30, 2022 and 2021

	2022	2021
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 9,511,428	\$ 6,353,449
Due from Other Governments	2,560,424	4,838,832
Accounts Receivable	297,984	972,302
TOTAL CURRENT ASSETS	12,369,836	12,164,583
NONCURRENT ASSETS		
Restricted Cash and Cash Equivalents	1,764,805	1,556,091
Other Postemployment Benefits Asset	402,163	141,766
Capital Assets:		
Nondepreciable	465,000	465,000
Depreciable, Net	20,769,841	22,775,766
Total Capital Assets, Net	21,234,841	23,240,766
TOTAL NONCURRENT ASSETS	23,401,809	24,938,623
TOTAL ASSETS	35,771,645	37,103,206
DEFERRED OUTFLOWS OF RESOURCES		
Pension Plan	325,059	323,524
Other Postemployment Benefits Plan	168,111	140,289
TOTAL DEFERRED OUTFLOWS OF RESOURCES	493,170	463,813
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 36,264,815	\$ 37,567,019
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 1,705,427	\$ 1,058,383
Accrued Wages	36,945	25,921
Due to Other Governments	359,192	207,286
Unearned Revenue	1,272,396	1,040,828
Accrued Compensated Absences	44,129	52,906
TOTAL CURRENT LIABILITIES	3,418,089	2,385,324
NONCURRENT LIABILITIES		
Accrued Compensated Absences	5,601	28,411
Net Pension Liability	799,299	1,328,227
TOTAL NONCURRENT LIABILITIES	804,900	1,356,638
TOTAL LIABILITIES	4,222,989	3,741,962
DEFERRED INFLOWS OF RESOURCES		
Pension Plan	718,369	18,579
Other Postemployment Benefits Plan	253,504	106,141
TOTAL DEFERRED INFLOWS OF RESOURCES	971,873	124,720
NET POSITION		
Investment in Capital Assets	21,234,841	23,240,766
Restricted for Equipment Replacement and Capital Projects	459,561	515,263
Restricted for Capital Purposes - State Transit Assistance	393,838	215,316
Unrestricted	8,981,713	9,728,992
TOTAL NET POSITION	31,069,953	33,700,337
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 36,264,815	\$ 37,567,019

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, 2022 and 2021

	2022	2021
OPERATING REVENUE		
Passenger Fares	\$ 840,592	\$ 882,753
Special Fares	1,965,506	1,773,513
TOTAL OPERATING REVENUE	<u>2,806,098</u>	<u>2,656,266</u>
OPERATING EXPENSES		
Purchased Transportation	8,838,562	8,699,088
Salaries and Benefits	1,488,663	1,381,325
Insurance	872,019	1,195,226
Vehicle Fuel	957,508	728,375
Other Services and Supplies	988,149	1,150,697
Depreciation	2,425,605	2,827,450
TOTAL OPERATING EXPENSES	<u>15,570,506</u>	<u>15,982,161</u>
NET LOSS FROM OPERATIONS	(12,764,408)	(13,325,895)
NONOPERATING REVENUES (EXPENSES)		
Federal Transit Administration Grants:		
Operating Grants	2,024,345	6,597,864
Local Transportation Fund and State Transit Assistance Allocation	7,064,622	4,526,821
Federal Fuel Excise Tax Refund	240,674	195,416
Low Carbon Fuel Credits	263,019	174,867
Investment (Loss) Income	(199,080)	74,890
Compressed Natural Gas Facility Charges	248,327	40,069
Auxiliary Transportation	163,447	11,634
State Grants		3,345
Other Nonoperating Revenues	31,128	59,136
Nonoperating Vehicle Fuel	(248,327)	(40,069)
Other Pass-through Grants to Other Governments	(24,000)	(24,000)
Return CalOES Revenue to State	(33,755)	
Gain (Loss) on Disposal of Capital Assets		16,274
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>9,530,400</u>	<u>11,636,247</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(3,234,008)	(1,689,648)
CAPITAL CONTRIBUTIONS		
State Transit Assistance	275,466	170,298
State of Good Repair	215,566	60,351
Federal Transit Administration Grant	112,592	
TOTAL CAPITAL CONTRIBUTIONS	<u>603,624</u>	<u>230,649</u>
CHANGE IN NET POSITION	(2,630,384)	(1,458,999)
Net Position at Beginning of Year	<u>33,700,337</u>	<u>35,159,336</u>
NET POSITION AT END OF YEAR	<u>\$ 31,069,953</u>	<u>\$ 33,700,337</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, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Receipts From Customers	\$ 2,736,173	\$ 2,638,715
Cash Paid to Suppliers for Goods and Services	(10,859,842)	(13,149,219)
Cash Paid to Employees for Services	(1,480,755)	(1,373,105)
<b>NET CASH USED FOR OPERATING ACTIVITIES</b>	<b>(9,604,424)</b>	<b>(11,883,609)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Operating Grants and Subsidies	9,644,491	10,924,559
Pass-through Payments	(24,000)	(24,000)
Other Income	3,556,769	(282,925)
Other Expenses	(282,082)	(40,069)
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>12,895,178</b>	<b>10,577,565</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Contributions Received	694,699	1,079,952
Acquisition of Capital Assets	(419,680)	(89,027)
Proceeds From Sale of Capital Assets		19,324
<b>NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>275,019</b>	<b>1,010,249</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received on Pooled Investments	(199,080)	74,890
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>(199,080)</b>	<b>74,890</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,366,693</b>	<b>(220,905)</b>
Cash and Cash Equivalents at Beginning of Year	7,909,540	8,130,445
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 11,276,233</b>	<b>\$ 7,909,540</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET</b>		
Cash and Cash Equivalents	\$ 9,511,428	\$ 6,353,449
Restricted Cash and Cash Equivalents	1,764,805	1,556,091
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 11,276,233</b>	<b>\$ 7,909,540</b>
<b>RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:</b>		
Net Loss From Operations	\$ (12,764,408)	\$ (13,325,895)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:		
Depreciation	2,425,605	2,827,450
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable and Due from Other Governments	(72,479)	(17,950)
Deferred Outflows of Resources - OPEB Plan	(27,822)	(36,465)
Deferred Outflows of Resources - Pension Plan	(1,535)	46,698
Accounts Payable and Due to Other Governments	798,950	(1,375,434)
Accrued Wages	11,024	(1,445)
Accrued Compensated Absences	(31,587)	(12,773)
Net OPEB Asset/Liability	(260,397)	2,896
Net Pension Liability	(528,928)	77,784
Deferred Inflows of Resources - OPEB Plan	147,363	(16,838)
Deferred Inflows of Resources - Pension Plan	699,790	(51,637)
<b>NET CASH USED FOR OPERATING ACTIVITIES</b>	<b>\$ (9,604,424)</b>	<b>\$ (11,883,609)</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITY</b>		
Change in the fair value of investments	\$ (285,238)	\$ -

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

## YOLO COUNTY TRANSPORTATION DISTRICT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

#### 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 February 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, 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 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, 2022 and 2021

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 include 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 assets 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 Statement No. 68 as described in Note H and other postemployment benefits (OPEB) plan under GASB Statement No. 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. Unused administration leave is payable only at retirement. The District is not obligated to pay for unused sick leave if an employee terminates prior to retirement and does not accrue sick leave as part of compensated absences. Retirees may elect to convert their sick leave to service credit under the District's pension plan with CalPERS. 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, 2022 and 2021 represents 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 amount restricted for equipment replacement and capital projects includes the unexpended revenues from the Governor's Office Emergency Services as described in Note J. The amount restricted for capital purposes represented State Transit Assistance (STA) revenues collected through June 30, 2015 that are restricted for capital projects 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, 2022 and 2021

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:

	2022	2021
Cash and cash equivalents	\$ 9,511,428	\$ 6,353,449
Restricted cash and equivalents	1,764,805	1,556,091
Total cash and investments	<u>\$ 11,276,233</u>	<u>\$ 7,909,540</u>

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

	2022	2021
Cash on hand		\$ 400
Deposits with financial institutions	\$ 890,033	299,760
Investment in Yolo County Pooled Investment Fund	10,386,200	7,609,380
Total cash and investments	<u>\$ 11,276,233</u>	<u>\$ 7,909,540</u>

YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

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, 2022 and 2021, the weighted average maturity of the investments contained in the County of Yolo investment pool was approximately 513 and 408 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, 2022 and 2021

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

At June 30, 2022 and 2021, the carrying amount of the District's deposits was \$890,033 and \$299,760 and the balance in financial institutions was \$884,722 and \$285,768, respectively. Of the balance in financial institutions, \$250,000 was insured in 2022 and 2021 by the Federal Deposit Insurance Corporation (FDIC) and the remaining amount was uninsured and collateralized by the pledging financial institution's securities, but not in the name of the District.

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:

	2022	2021
LCTOP	\$ 1,272,396	\$ 1,040,828
Capital reserves	447,885	457,387
Governor's Office of Emergency Services	32,848	45,877
Proceeds from Federal Transit Administration Funded Capital Assets	11,676	11,999
Total restricted cash and cash equivalents	<u>\$ 1,764,805</u>	<u>\$ 1,556,091</u>

At June 30, 2022 and 2021, the District accumulated \$447,885 and \$457,387 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:

	2022	2021
Federal Transit Administration grants	\$ 962,191	\$ 3,569,914
SACOG - State Transit Assistance and State of Good Repair	491,032	243,597
University of California, Davis	320,498	97,794
Sacramento Regional Transit District	325,455	240,214
Internal Revenue Service - fuel/excise tax rebates	240,674	195,416
California Department of Transportation	154,009	446,389
Other	66,565	45,508
Total due from other governments	<u>\$ 2,560,424</u>	<u>\$ 4,838,832</u>

YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

NOTE E – CAPITAL ASSETS

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

<b>Fixed Route Service</b>	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022
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	41,586,902	\$ 419,680		42,006,582
Buildings and improvements	12,218,563			12,218,563
Total capital assets, being depreciated	53,805,465	419,680		54,225,145
Less accumulated depreciation for:				
Equipment and transit vehicles	(24,905,122)	(1,909,544)		(26,814,666)
Buildings and improvements	(6,726,177)	(275,604)		(7,001,781)
Total accumulated depreciation	(31,631,299)	(2,185,148)		(33,816,447)
Total capital assets being depreciated, net	22,174,166	(1,765,468)		20,408,698
Capital assets, net	<u>\$ 22,639,166</u>	<u>\$(1,765,468)</u>	<u>\$ -</u>	<u>\$ 20,873,698</u>
<b>ADA Paratransit Service</b>				
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	(947,078)	\$ (240,457)		(1,187,535)
Total accumulated depreciation	(947,078)	(240,457)		(1,187,535)
Capital assets, net	<u>\$ 601,600</u>	<u>\$ (240,457)</u>	<u>\$ -</u>	<u>\$ 361,143</u>
Total capital assets, net	<u>\$ 23,240,766</u>	<u>\$(2,005,925)</u>	<u>\$ -</u>	<u>\$ 21,234,841</u>

YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

NOTE E – CAPITAL ASSETS (Continued)

<b>Fixed Route Service</b>	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	\$ 25,137,132	\$ (2,497,966)	\$ -	\$ 22,639,166
<b><u>ADA/Paratransit and Microtransit Service</u></b>				
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)	(240,458)		(947,078)
Total accumulated depreciation	(706,620)	(240,458)		(947,078)
Capital assets, net	\$ 842,058	\$ (240,458)	\$ -	\$ 601,600
Total capital assets, net	\$ 25,979,190	\$ (2,738,424)	\$ -	\$ 23,240,766

NOTE F – COMPENSATED ABSENCES

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

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due within one year
Compensated absences	\$ 81,317	\$ 72,347	\$ (103,934)	\$ 49,730	\$ 44,129
	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

YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

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, 2022 and 2021, 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:

	<u>2022</u>	<u>2021</u>
Fare revenues	\$ 2,806,098	\$ 2,656,266
Local funds:		
Federal Transit Administration grants	2,024,345	
Federal fuel excise tax refund	240,674	
Low carbon fuel credits	263,019	
Investment income		74,890
Compressed natural gas facility charges	248,327	40,069
Auxilliary transportation	163,447	11,634
Other nonoperating revenues	31,128	59,136
Proceeds from sales of capital assets		16,274
Total local funds	<u>2,970,940</u>	<u>202,003</u>
Total fare revenue and local funds	<u>\$ 5,777,038</u>	<u>\$ 2,858,269</u>
Operating expenses	\$ 15,570,506	\$ 15,982,161
Less allowable exclusions:		
Depreciation	<u>(2,425,605)</u>	<u>(2,827,450)</u>
Net operating expenses	<u>\$ 13,144,901</u>	<u>\$ 13,154,711</u>
Fare revenue ratio	<u>43.95%</u>	<u>21.73%</u>

Assembly Bill (AB) 149 signed in July 2021 allowed federal fund to be counted as “local funds” in the fare revenue ratio. The District met its minimum required fare revenue ratio for the years ended June 30, 2022 and 2021.

NOTE H – PENSION PLAN

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

- Miscellaneous Plan
- PEPRM Miscellaneous Plan

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

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

YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

NOTE H – PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2022 and 2021, are summarized as follows:

	2022		2021	
	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%	6.750%
Required employer contribution rates	12.200%	7.590%	12.361%	7.732%

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 \$122,817 and \$108,092 during the years ended June 30, 2022 and 2021, 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, 2022 and 2021, the employer contributions recognized as part of pension expense were \$209,857 and \$180,897, 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:

	2022	2021
	Proportionate Share of Net Pension Liability	Proportionate Share of Net Pension Liability
Net pension liability	\$ 799,299	\$ 1,328,227

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, 2021 and 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2020 and 2019 rolled forward to June 30, 2021 and 2020 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, 2022 and 2021

NOTE H – PENSION PLAN (Continued)

	<u>2022</u>	<u>2021</u>
Proportion - June 30, 2021	0.03149%	
Proportion - June 30, 2022	<u>0.04209%</u>	
Change - increase	0.01060%	
Proportion - June 30, 2020		0.03123%
Proportion - June 30, 2021		<u>0.03149%</u>
Change - increase		0.00026%

During the years ended June 30, 2022 and 2021, the District recognized pension expense of \$379,185 and \$253,742 respectively. At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>2022</u>		<u>2021</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 209,857		\$ 180,897	
Differences between actual and expected experience	89,633		68,447	
Changes in assumptions				\$ (9,473)
Differences between the employer's contributions and the employer's proportionate share of contributions	19,491		24,349	
Change in employer's proportion	6,078	\$ (20,624)	10,374	(9,106)
Net differences between projected and actual earnings on plan investments		<u>(697,745)</u>	<u>39,457</u>	
Total	<u>\$ 325,059</u>	<u>\$ (718,369)</u>	<u>\$ 323,524</u>	<u>\$ (18,579)</u>

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

<u>Fiscal Year Ended June 30</u>	<u>2022</u>	<u>2021</u>
2022		\$ 23,867
2023	\$ (118,743)	47,246
2024	(134,429)	34,009
2025	(157,175)	18,926
2026	<u>(192,820)</u>	
	<u>\$ (603,167)</u>	<u>\$ 124,048</u>



YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

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:

	2022	2021
Valuation date	June 30, 2020	June 30, 2019
Measurement date	June 30, 2021	June 30, 2020
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	2.75%	3.00%
Projected salary increase <sup>(1)</sup>	.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, 2021 and 2020 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.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% in the June 30, 2021 and 2020 accounting valuations used for the years ended June 30, 2022 and 2021. 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, 2022 and 2021

NOTE H – PENSION PLAN (Continued)

Asset Class	2022			2021		
	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:

	2022	2021
1% decrease	6.15%	6.15%
Net pension liability	\$1,472,519	\$1,992,939
Current discount rate	7.15%	7.15%
Net pension liability	\$ 799,299	\$1,328,227
1% increase	8.15%	8.15%
Net pension liability	\$ 242,758	\$ 778,996

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, 2022 and 2021, 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](http://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, 2022 and 2021

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 90% of the Western Health Advantage Basic Region 1/Kaiser Medicare Region 1/Kaiser Combination Region 1 premium for non-management up to a maximum amount ranging from \$667 to \$1,735 for non-Medicare and \$272 to \$1,007 for Medicare premiums during the year ended June 30, 2022 and \$621 to \$1,616 during the year ended June 30, 2021 for non-management employees. The benefits do not cease at age 65 when the retiree or spouse is eligible for Medicare. Benefits continue to surviving spouses and dependents. Implied subsidies are valued for community rated plans such as PEMHCA under revised Actuarial Standards of Practice (ASOP) No. 6 released in May 2014.

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

	2022	2021
Inactive employees or beneficiaries currently receiving benefit payments	4	3
Inactive employees entitled to but not receiving benefits	2	2
Active employees	8	10
Total	<u>14</u>	<u>15</u>

**Contributions:** The Board of Directors has the authority to establish and amend the contribution requirements of the District and employees under powers granted to it under the California Government Code. The District's current benefits were defined under Board Resolution 2014-05. The required contributions are described above. Employees are not required to contribute to the Plan. The District's contributions during the year ended June 30, 2022 were \$76,132 and consisted of direct payments of insurance premiums of \$39,937 and implied subsidy payments of \$36,195. The District's contributions during the year ended June 30, 2021 were \$93,267 and consisted of direct payments of insurance premiums of \$21,898, implied subsidy payments of \$13,815 and contributions to CERBT of \$57,554.

**Net OPEB Liability:** The District's net OPEB liability at June 30, 2022 and 2021 was measured as of June 30, 2021 and 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by a bi-annual actuarial valuation as of June 30, 2021 and 2019.

**Actuarial Assumptions:** The total OPEB liability at the June 30, 2021 and 2020 measurement date was determined using the following actuarial assumptions:

	2022	2021
Valuation date	June 30, 2021	June 30, 2019
Measurement date	June 30, 2021	June 30, 2020
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate for accounting purposes	6.15%	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 2022 applied generationally	MacLeod Watts Scale 2018 applied generationally
Healthcare cost trend rates	5.8% in 2023, grading down to 3.9% in 2076	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, 2022 and 2021

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Changes in actuarial assumptions in the June 30, 2021 actuarial valuation included the following: The discount rate for accounting purposes decreased from 7.00% to 6.15% and the discount rate for funding purposes increased from 5.75% to 6.15%, reflecting updated long-term rates of return provided by CalPERS in March 2022. The mortality improvement scale was updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022, reflecting continued updates in available information. The healthcare trend scale was updated from Getzen Model 2019\_b to Getzen Model 2022\_b, as published by the Society of Actuaries.

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	2022			2021		
	Target Allocation	Years 1-5	Years 6-20	Target Allocation	Years 1-10	Years 11+
		1-5 Year	6-20 Year		1-10 Year	11+ Year
		Expected Real Rate of Return	Expected Real Rate of Return		Expected Real Rate of Return	Expected Real Rate of Return
Global equity	49.00%	4.40%	4.50%	59.00%	4.80%	5.98%
Fixed income	23.00%	-1.00%	2.20%	25.00%	1.10%	2.62%
Global Real Estate (REITs)	20.00%	3.00%	3.90%	8.00%	3.20%	5.00%
Treasury Inflation Protected Securities	5.00%	-1.80%	1.30%	5.00%	0.25%	1.46%
Commodities	3.00%	0.80%	1.20%	3.00%	1.50%	2.87%
Total	100.00%			100.00%		

**Discount Rate:** The accounting discount rate used to measure the total OPEB liability was 6.15% and 7.00% at the June 30, 2021 and 2020 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:

	2022			2021		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at July 1	\$ 936,500	\$ 1,078,266	\$ (141,766)	\$ 850,801	\$ 995,463	\$ (144,662)
Changes for the year:						
Service cost	60,360		60,360	58,602		58,602
Interest	68,530		68,530	62,422		62,422
Changes in benefit terms	(74,716)		(74,716)			
Contributions - employer		93,267	(93,267)		83,559	(83,559)
Plan experience	(15,164)		(15,164)			
Changes in assumptions	90,331		90,331			
Net investment income		296,879	(296,879)		35,056	(35,056)
Benefit payments	(35,713)	(35,713)		(35,325)	(35,325)	
Administrative expense		(408)	408		(487)	487
Net changes	93,628	354,025	(260,397)	85,699	82,803	2,896
Balance at June 30	\$ 1,030,128	\$ 1,432,291	\$ (402,163)	\$ 936,500	\$ 1,078,266	\$ (141,766)

YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

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:

	2022			2021		
	Current			Current		
	1% Decrease	Discount Rate	1% Increase	1% Decrease	Discount Rate	1% Increase
	5.15%	6.15%	7.15%	6.00%	7.00%	8.00%
Net OPEB liability (asset)	\$ (263,747)	\$ (402,163)	\$ (515,497)	\$ (4,022)	\$ (141,766)	\$ (253,412)

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:

	2022			2021		
	Current			Current		
	Healthcare Cost			Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase	1% Decrease	Trend Rates	1% Increase
Net OPEB liability (asset)	\$ (527,129)	\$ (402,163)	\$ (245,215)	\$ (274,055)	\$ (141,766)	\$ 25,943

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](http://www.calpers.ca.gov).

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the years ended June 30, 2022 and 2021, the District recognized OPEB expense of \$64,724 and \$42,860, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 76,132		\$ 93,267	
Differences between actual and expected experience		\$ (101,077)		\$ (103,203)
Changes in assumptions	91,979	(2,499)	16,574	(2,938)
Net differences between projected and actual earnings on OPEB plan investments		(149,928)	30,448	
Total	\$ 168,111	\$ (253,504)	\$ 140,289	\$ (106,141)

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 8.04 and 8.70 years at June 30, 2022 and 2021, respectively.. 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, 2022 and 2021

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

<u>Year Ended June 30</u>	<u>2022</u>	<u>2021</u>
2022		\$ (7,296)
2023	\$ (37,585)	(3,054)
2024	(37,447)	(2,916)
2025	(39,425)	(4,894)
2026	(48,564)	(14,033)
2027	(6,494)	
Thereafter	7,990	(26,926)
	<u>\$ (161,525)</u>	<u>\$ (59,119)</u>

Payable to the OPEB Plan: There were no payables to the Plan at June 30, 2022 and 2021.

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 (CalOES) 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.

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. The District did not receive any funds during the years ended June 30, 2022 and 2021. At June 30, 2022 the District recorded a payable to return unspent funds to CalOES.

As of June 30, funds received and expended were verified in the course of the audit as follows:

	<u>2022</u>	<u>2021</u>
Unexpended proceeds, beginning of year	\$ 45,877	\$ 45,289
Investment earnings (loss)	(619)	588
Expenses incurred:		
Bus Shelters	(12,410)	
Unexpended cash and cash equivalents, end of year	32,848	<u>\$ 45,877</u>
Expense for return funds to CalOES	(32,848)	
CalOES funds available at end of year	<u>\$ -</u>	

State of Good Repair: State of Good Repair (SGR) was established by the California Legislature in 2017 by Senate Bill 1. SGR provides public transportation agencies with a consistent and dependable revenue source to invest in the upgrade, repair, and improvement of the transportation infrastructure and improve transportation services. Sacramento Area Council of Governments (SACOG) has elected to treat these funds on a cost reimbursement basis. Unexpended SGR funds held by SACOG at June 30, 2022 and 2021 were \$951,784 and \$891,675, respectively. As of June 30, SGR funds received and expended were verified in the course of the audit as follows:

YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

NOTE J – OTHER STATE GRANT PROGRAMS (Continued)

	<u>2022</u>	<u>2021</u>
Unexpended proceeds, beginning of year	\$ -	\$ -
Revenue received	215,566	60,351
Expenses incurred:		
Bus engine rebuild	(215,058)	
Computer server	<u>(508)</u>	<u>(60,351)</u>
Unexpended proceeds	<u>\$ -</u>	<u>\$ -</u>

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).

The District received \$260,189 and \$349,582 during the years ended June 30, 2022 and 2021 for zero emission electric buses. As of June 30, LCTOP funds received and expended were verified in the course of the audit as follows:

	<u>2022</u>	<u>2021</u>
Unexpended proceeds, beginning of year	\$ 1,040,828	\$ 680,218
Revenue received	260,189	349,582
Investment earnings (loss)	<u>(28,621)</u>	<u>11,028</u>
Unexpended proceeds, end of year	<u>\$ 1,272,396</u>	<u>\$ 1,040,828</u>

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

YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

NOTE K – INSURANCE COVERAGE (Continued)

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](http://www.caltiponline.org).

NOTE L – CONCENTRATIONS

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

NOTE M – COMMITMENTS AND CONTINGENCIES

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

Contract Commitments: On July 19, 2018, the District entered into a seven-year agreement with Transdev to provide transit services. 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 \$17,419 and \$772,340 for the years ended June 30, 2022 and 2021, respectively.

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, 2022 and 2021 under contract amendment number 2 using current service levels was \$19,852,433 and \$28,955,212, respectively. 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.



YOLO COUNTY TRANSPORTATION DISTRICT  
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2022 and 2021

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 \$57,552 and \$74,735 for the years ended June 30, 2022 and 2021, respectively.

NOTE O – SUBSEQUENT EVENTS

On December 12, 2022, the Board of Directors approved negotiating a sole source contract with Trillium for a CNG fuel dispenser for an amount not to exceed \$300,000 due to Trillium's unique understanding of the underground piping, controls and software and to reduce the time the fueling station is nonoperational. The procurement will use Woodland UZA 5339 federal funding.

On December 12, 2022, the Board of Directors approved Resolution 2022-23 authorizing assignment #20-01-0783 from the California Association for Coordinated Transportation (CalACT) to allow use of a procurement conducted for Morongo Basin Transit Authority for the purchase of four wheelchair accessible vans at a cost not to exceed \$636,646 and approved Resolution 2022-24 to approve a contract for the purchase of four Ford Transit Vans with bus doors for an amount not to exceed \$414,964 to serve as the microtransit fleet. Funding includes Woodland UZA 5307 funds and existing STA funding on hand.

## REQUIRED SUPPLEMENTARY INFORMATION

YOLO COUNTY TRANSPORTATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2022

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

	June 30, 2022	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	0.04209%	0.03149%	0.03123%	0.03102%	0.03066%	0.03082%	0.03277%	0.03100%
Proportionate share of the net pension liability	\$ 799,299	\$ 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	\$ 800,368	\$ 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	99.87%	159.29%	149.66%	134.59%	145.62%	155.40%	142.80%	123.01%
Plan fiduciary net position	\$ 4,299,658	\$ 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	84.32%	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%	7.15%	7.65%	7.65%	7.50%

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

	June 30, 2022	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)	\$ 209,857	\$ 180,897	\$ 179,921	\$ 155,826	\$ 149,656	\$ 138,557	\$ 123,865	\$ 134,229
Contributions in relation to the actuarially determined contributions	(209,857)	(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	\$ 842,774	\$ 800,368	\$ 833,828	\$ 835,543	\$ 868,639	\$ 829,909	\$ 688,885	\$ 629,657
Contributions as a percentage of covered - employee payroll	24.90%	22.60%	21.58%	18.65%	17.23%	16.70%	17.98%	21.32%
Notes to Schedule:								
Valuation date:	June 30, 2019	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, 2020	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, 2021	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%	2.500%	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%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age								
Mortality								

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, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 60,360	\$ 58,602	\$ 43,073	\$ 39,508	\$ 38,264
Interest	68,530	62,422	65,631	60,354	55,162
Changes in benefit terms	(74,716)				
Differences between expected and actual experience	(15,164)		(134,011)		
Changes in assumptions	90,331		(3,816)	27,647	
Benefit payments	(35,713)	(35,325)	(29,178)	(22,747)	(23,359)
Net change in total OPEB liability	93,628	85,699	(58,301)	104,762	70,067
Total OPEB liability - beginning	936,500	850,801	909,102	804,340	734,273
Total OPEB liability - ending (a)	<u>\$ 1,030,128</u>	<u>\$ 936,500</u>	<u>\$ 850,801</u>	<u>\$ 909,102</u>	<u>\$ 804,340</u>
Plan fiduciary net position					
Contributions - employer	\$ 93,267	\$ 83,559	\$ 138,178	\$ 108,591	\$ 50,008
Net investment income	296,879	35,056	52,327	54,185	44,697
Benefit payments	(35,713)	(35,325)	(29,178)	(22,747)	(23,359)
Investment experience					21,219
Administrative expenses	(408)	(487)	(179)	(1,293)	(337)
Net change in plan fiduciary net position	354,025	82,803	161,148	138,736	92,228
Plan fiduciary net position - beginning	1,078,266	995,463	834,315	695,579	603,351
Plan fiduciary net position - ending (b)	<u>\$ 1,432,291</u>	<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>\$ (402,163)</u>	<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>139.04%</u>	<u>115.14%</u>	<u>117.00%</u>	<u>91.77%</u>	<u>86.48%</u>
Covered-employee payroll - measurement period	<u>\$ 880,557</u>	<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>-45.67%</u>	<u>-16.20%</u>	<u>-16.56%</u>	<u>8.58%</u>	<u>12.46%</u>
Notes to schedule:					
Valuation date	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Benefit changes	None	None	None	None	None
Changes in assumptions - discount rate change	6.15%	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, 2022

	2022	2021	2020	2019	2018
Actuarially determined contribution - employer fiscal year	\$ 3,816	\$ 92,089	\$ 83,559	\$ 80,978	\$ 79,191
Contributions in relation to the actuarially determined contributions	<u>(76,132)</u>	<u>(93,267)</u>	<u>(83,559)</u>	<u>(138,178)</u>	<u>(108,591)</u>
Contribution deficiency (excess)	<u>\$ (72,316)</u>	<u>\$ (1,178)</u>	<u>\$ -</u>	<u>\$ (57,200)</u>	<u>\$ (29,400)</u>
Covered-employee payroll - employer fiscal year	\$ 1,021,951	\$ 880,557	\$ 875,236	\$ 873,424	\$ 871,734
Contributions as a percentage of covered-employee payroll	7.45%	10.59%	9.55%	15.82%	12.46%

Notes to Schedule:

Valuation date	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2021	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	6.15%	5.75%	5.75%	5.75%	5.75%
Discount rate - accounting	7.00%	7.00%	7.00%	7.00%	7.25%
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%
Salary increases	3.00%	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	2022	2018	2017	2017	2017
Healthcare trend rates	5.8% in 2023, grading down to 3.9%	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%	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, 2022

	Fixed Route Service	ADA/Paratransit and Microtransit Service	Total	Eliminating Entries	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 9,079,595	\$ 431,833	\$ 9,511,428		\$ 9,511,428
Due from Other Governments	2,530,268	30,156	2,560,424		2,560,424
Due from Fixed Route Service		42,555	42,555	\$ (42,555)	
Accounts Receivable	223,820	74,164	297,984		297,984
TOTAL CURRENT ASSETS	11,833,683	578,708	12,412,391	(42,555)	12,369,836
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents	1,738,821	25,984	1,764,805		1,764,805
Other Postemployment Benefits Asset	402,163		402,163		402,163
Capital Assets:					
Nondepreciable	465,000		465,000		465,000
Depreciable, Net	20,408,698	361,143	20,769,841		20,769,841
Total Capital Assets, Net	20,873,698	361,143	21,234,841		21,234,841
TOTAL NONCURRENT ASSETS	23,014,682	387,127	23,401,809		23,401,809
TOTAL ASSETS	34,848,365	965,835	35,814,200	(42,555)	35,771,645
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan	325,059		325,059		325,059
Other Postemployment Benefits Plan	168,111		168,111		168,111
TOTAL DEFERRED OUTFLOWS OF RESOURCES	493,170		493,170		493,170
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 35,341,535	\$ 965,835	\$ 36,307,370	\$ (42,555)	\$ 36,264,815
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	\$ 1,429,433	\$ 275,994	\$ 1,705,427		\$ 1,705,427
Accrued Wages	36,945		36,945		36,945
Due to Other Governments	333,544	25,648	359,192		359,192
Unearned Revenue	1,272,396		1,272,396		1,272,396
Due to ADA Paratransit Service	42,555		42,555	\$ (42,555)	
Accrued Compensated Absences	44,129		44,129		44,129
TOTAL CURRENT LIABILITIES	3,159,002	301,642	3,460,644	(42,555)	3,418,089
NONCURRENT LIABILITIES					
Accrued Compensated Absences	5,601		5,601		5,601
Net Pension Liability	799,299		799,299		799,299
TOTAL NONCURRENT LIABILITIES	804,900		804,900		804,900
TOTAL LIABILITIES	3,963,902	301,642	4,265,544	(42,555)	4,222,989
DEFERRED INFLOWS OF RESOURCES					
Pension Plan	718,369		718,369		718,369
Other Postemployment Benefits Plan	253,504		253,504		253,504
TOTAL DEFERRED INFLOWS OF RESOURCES	971,873		971,873		971,873
NET POSITION					
Investment in Capital Assets	20,873,698	361,143	21,234,841		21,234,841
Restricted for Equipment Replacement and Capital Projects	433,577	25,984	459,561		459,561
Restricted for Capital Purposes - State Transit Assistance	393,838		393,838		393,838
Unrestricted	8,704,647	277,066	8,981,713		8,981,713
TOTAL NET POSITION	30,405,760	664,193	31,069,953		31,069,953
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 35,341,535	\$ 965,835	\$ 36,307,370	\$ (42,555)	\$ 36,264,815

## YOLO COUNTY TRANSPORTATION DISTRICT

## COMBINING STATEMENT OF NET POSITION

June 30, 2021

	Fixed Route Service	ADA/Paratransit and Microtransit 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 Posemployment 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 SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION

For the Year Ended June 30, 2022

	Fixed Route Service	ADA/Paratransit and Microtransit Service	Total
OPERATING REVENUE			
Passenger Fares	\$ 792,969	\$ 47,623	\$ 840,592
Special Fares	1,848,582	116,924	1,965,506
TOTAL OPERATING REVENUE	2,641,551	164,547	2,806,098
OPERATING EXPENSES			
Purchased Transportation	7,319,713	1,518,849	8,838,562
Salaries and Benefits	1,263,221	225,442	1,488,663
Insurance	692,841	179,178	872,019
Vehicle Fuel	827,636	129,872	957,508
Other Services and Supplies	899,544	88,605	988,149
Depreciation	2,185,148	240,457	2,425,605
TOTAL OPERATING EXPENSES	13,188,103	2,382,403	15,570,506
NET LOSS FROM OPERATIONS	(10,546,552)	(2,217,856)	(12,764,408)
NONOPERATING REVENUES (EXPENSES)			
Federal Transit Administration Grants:			
Operating Grants	2,024,345		2,024,345
Local Transportation Fund and State Transit Assistance Allocation	5,078,863	1,985,759	7,064,622
Federal Fuel Excise Tax Refund	240,674		240,674
Low Carbon Fuel Credits	263,019		263,019
Investment Loss	(190,720)	(8,360)	(199,080)
Compressed Natural Gas Facility Charges	248,327		248,327
Auxiliary Transportation	163,447		163,447
Other Nonoperating Revenues	31,128		31,128
Cost of Fuel Sales to External Parties	(248,327)		(248,327)
Other Pass-through Grants to Other Governments	(24,000)		(24,000)
Return of CalOES Revenue to State	(33,755)		(33,755)
TOTAL NONOPERATING REVENUES (EXPENSES)	7,553,001	1,977,399	9,530,400
NET LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(2,993,551)	(240,457)	(3,234,008)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
State Transit Assistance	275,466		275,466
State of Good Repair	215,566		215,566
Federal Transit Administration Grant	112,592		112,592
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	603,624		603,624
CHANGE IN NET POSITION	(2,389,927)	(240,457)	(2,630,384)
Net Position at Beginning of Year	32,795,687	904,650	33,700,337
NET POSITION AT END OF YEAR	\$ 30,405,760	\$ 664,193	\$ 31,069,953

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 and Microtransit 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	645,995	82,380	728,375
Other Services and Supplies	962,194	188,503	1,150,697
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 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
Other Nonoperating 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)
(Loss) Gain 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 CASH FLOWS

For the Year Ended June 30, 2022

	Fixed Route Service	ADA/Paratransit and Microtransit Service	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts From Customers	\$ 2,600,490	\$ 135,683	\$ 2,736,173
Cash Paid to Suppliers for Goods and Services	(9,055,803)	(1,804,039)	(10,859,842)
Cash Paid to Employees for Services	(1,255,313)	(225,442)	(1,480,755)
NET CASH USED FOR OPERATING ACTIVITIES	(7,710,626)	(1,893,798)	(9,604,424)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating Grants and Subsidies	7,103,208	2,541,283	9,644,491
Pass-through Payments	(24,000)		(24,000)
Other Income	3,556,769		3,556,769
Internal Receipts (Payments)	327,733	(327,733)	
Other Expenses	(282,082)		(282,082)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	10,681,628	2,213,550	12,895,178
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital Contributions Received	574,809	119,890	694,699
Acquisition of Capital Assets	(419,680)		(419,680)
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	155,129	119,890	275,019
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received on Pooled Investments	(190,720)	(8,360)	(199,080)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(190,720)	(8,360)	(199,080)
INCREASE IN CASH AND CASH EQUIVALENTS	2,935,411	431,282	3,366,693
Cash and Cash Equivalents at Beginning of Year	7,883,005	26,535	7,909,540
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 10,818,416	\$ 457,817	\$ 11,276,233
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING STATEMENT OF NET POSITION</b>			
Cash and Cash Equivalents	\$ 9,079,595	\$ 431,833	\$ 9,511,428
Restricted Cash and Cash Equivalents	1,738,821	25,984	1,764,805
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 10,818,416	\$ 457,817	\$ 11,276,233
<b>RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:</b>			
Net Loss From Operations	\$ (10,546,552)	\$ (2,217,856)	\$ (12,764,408)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:			
Depreciation	2,185,148	240,457	2,425,605
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivable and Due from Other Governments	(43,615)	(28,864)	(72,479)
Deferred Outflows of Resources - OPEB Plan	(27,822)		(27,822)
Deferred Outflows of Resources - Pension Plan	(1,535)		(1,535)
Accounts Payable and Due to Other Governments	686,485	112,465	798,950
Accrued Wages	11,024		11,024
Accrued Compensated Absences	(31,587)		(31,587)
Net OPEB Asset/Liability	(260,397)		(260,397)
Net Pension Liability	(528,928)		(528,928)
Deferred Inflows of Resources - OPEB Plan	147,363		147,363
Deferred Inflows of Resources - Pension Plan	699,790		699,790
NET CASH USED FOR OPERATING ACTIVITIES	\$ (7,710,626)	\$ (1,893,798)	\$ (9,604,424)

## YOLO COUNTY TRANSPORTATION DISTRICT

## COMBINING SCHEDULE OF CASH FLOWS

For the Year Ended June 30, 2021

	Fixed Route Service	ADA/Paratransit and Microtransit Service	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
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	(9,949,387)	(1,934,222)	(11,883,609)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating Grants and Subsidies	9,117,139	1,807,420	10,924,559
Pass-through Payments	(24,000)		(24,000)
Other Income	(282,925)		(282,925)
Internal Receipts (Payments)	(56,217)	56,217	
Other Expenses	(40,069)		(40,069)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	8,713,928	1,863,637	10,577,565
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
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	938,861	71,388	1,010,249
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Received on Pooled Investments	75,418	(528)	74,890
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	75,418	(528)	74,890
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(221,180)	275	(220,905)
Cash and Cash Equivalents at Beginning of Year	8,104,185	26,260	8,130,445
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 7,883,005	\$ 26,535	\$ 7,909,540
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING STATEMENT OF NET POSITION</b>			
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	\$ 7,883,005	\$ 26,535	\$ 7,909,540
<b>RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:</b>			
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 Government:	(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	\$ (9,949,387)	\$ (1,934,222)	\$ (11,883,609)

## COMPLIANCE REPORTS



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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 Yolo County Transportation District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 3, 2023.

**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.

**Report on 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 Sections 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 2022-001 in the accompanying schedule of findings and questioned costs.

### **District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of financial statements and, accordingly, we express no opinion on the response.

### **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*

February 3, 2023



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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**

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

We have audited the Yolo County Transportation District's, (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. 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.

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, 2022.

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

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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



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

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

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

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

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

### **Report on Internal Control Over Compliance**

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

*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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as finding 2022-001 to be a significant deficiency.

To the Board of Directors  
Yolo County Transportation District

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other 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*

February 3, 2023

YOLO COUNTY TRANSPORTATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2022

**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)? | Yes        |

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       |

**B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT**

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

None

YOLO COUNTY TRANSPORTATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2022

**C. COMPLIANCE AND OTHE MATTERS**

See finding 2022-001 described under the CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT section of the Schedule of Findings and Questioned Costs below.

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

**Finding 2022-001 – 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.:** All awards under Assistance List (AL) Number 20.507

**Condition:** The rate per revenue mile and rate per revenue hour as well as the actual billable hours and billable miles for one route used in the spreadsheet to compute eligible expenses under grant agreements were not consistently updated to agree to the transit contractor bills during the year, which resulted in hours and mileage based fixed costs, fuel, insurance, and communication expenses to be misallocated to eligible routes when calculating expenses eligible for reimbursement. In addition, fare revenues were allocated to routes using different denominators, resulting in a misallocation of fares subtracted from operating costs among routes when determining net expenses eligible for reimbursement. These issues were not identified by the District’s review procedures.

**Criteria:** 2 CFR Part 200, Subpart E (Uniform Guidance) Section 200.303 states that “The nonfederal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.”

**Cause:** The differences in the allocation spreadsheet were not identified by the District’s review procedures due to recent staff turnover and lack of documented procedures to allocate expenses to grant agreements.

**Effect:** Expenses were misallocated to individual routes and purposes, resulting in an overclaim of Woodland preventative maintenance expenses of \$12,268 under grant CA-2020-223-04.

**Context:** The District revised its allocation spreadsheet to use the correct rate per revenue mile, rate per revenue hour as well as the actual billable hours and billable miles during the audit and determined that the eligible expenses claimed for all federal awards was appropriate except for the Woodland preventative maintenance under grant CA-2020-223-04 where it was determined that the claim exceeded the allowable expenses by \$12,268, which is under the questioned cost threshold specified by the Uniform Guidance. The grant extended into the subsequent year and expenses for the year ended June 30, 2023 could be claimed under the grant agreement.

**Recommendation:** We recommend the District develop written procedures for allocating expenses to routes and purposes used to claim expenses under federal grants, including what data should be input into the allocation spreadsheet, the formulas used to allocate each type of expense to routes, which expenses should be allocated to each route and purpose (operating, preventive maintenance, etc.) and which expenses may not be allocated to certain routes and purposes. A summary tab should be added to the spreadsheet to sum amounts for each route computed on separate tabs on the spreadsheet to make it easier to reconcile total operating expenses, preventive maintenance, insurance, communications and other expenses to the general ledger. The District should also contact the FTA to discuss how to address the \$12,268 amount overclaimed.

YOLO COUNTY TRANSPORTATION DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2022

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

**E. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT**

INTERNAL CONTROL OVER COMPLIANCE

See Finding 2021-001 under PRIOR YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS for status of this finding.

**F. PRIOR 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.

**Current Status:** The SEFA was appropriately reconciled to the general ledger and grant claims during the year ended June 30, 2022. This finding is considered corrected.

YOLO COUNTY TRANSPORTATION DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

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				
Federal Transit Formula Grants - Direct Award				
Operating Assistance and Preventive Maintenance	20.507		3,896,698	1,101,656
Operating Assistance and Preventive Maintenance, Route 42 "Y" Shuttle	20.507		1,311,653	206,853
Operating Assistance and Preventive Maintenance, Unitrans Lines				
A and L - Section 5307 American Rescue Plan Act (ARPA)	20.507		488,590	488,590
Total Direct Awards			<u>5,696,941</u>	<u>1,797,099</u>
Passed-through the Sacramento Regional Transit District				
Federal Transit Formula Grants				
UC Davis Medical Center Shuttle Operations	20.507	CA-2019-157-00	1,500,000	185,829
Total Federal Transit Formula Grants			<u>7,196,941</u>	<u>1,982,928</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	64BO21-01747	154,009	154,009
Total Formula Grants for Rural Areas and Tribal Transit Program			<u>154,009</u>	<u>154,009</u>
Total U.S. Department of Transportation, Federal Transit Administration			<u>7,350,950</u>	<u>2,136,937</u>
TOTAL FEDERAL AWARDS			<u>\$ 7,350,950</u>	<u>\$ 2,136,937</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, 2022

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, 2022. 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 elected to use the 10% de minimis cost rate for grant CA-2022-208. Indirect costs were not charged to any other federal grant.

NOTE D – SUBRECIPIENTS

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

NOTE E – REPORT EXPENDITURES RELATING TO PRIOR YEAR

Grant CA-2019-157 includes revenue in the amount of \$6,782 for allowable expenditures that were incurred during the year ended June 30, 2021.

February 16, 2023

**TO:** Richardson & Company LLP  
**FROM:** Leo Levenson, Interim Chief Financial Officer  
**SUBJECT:** Yolo County Transportation District (YCTD)  
FY 2021-22 Single Audit Management Response and Corrective Action Plan

**Finding:** 2022-001

**Federal Grantor:** US Department of Transportation, Federal Transit Administration, Federal Transit Formula Grants, Direct Award, All Award under Assistance List (AL) Number 20.507

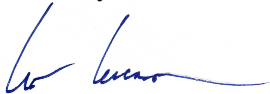
**Effect:** Expenses were misallocated to individual routes and purposes, resulting in an overclaim of Woodland preventative maintenance expenses of \$12,268 under grant CA-2022-204.

**Auditor Recommendation:** We recommend the District develop written procedures for allocating expenses to routes and purposes used to claim expenses under federal grants, including what data should be input into the allocation spreadsheet, the formulas used to allocate each type of expense to routes, which expenses should be allocated to each route and purpose (operating, preventive maintenance, etc.) and which expenses may not be allocated to certain routes and purposes. A summary tab should be added to the spreadsheet to sum amounts for each route computed on separate tabs on the spreadsheet to make it easier to reconcile total operating expenses, preventive maintenance, insurance, communications and other expenses to the general ledger. The District should also contact the FTA to discuss how to address the \$12,268 amount overclaimed.

**YCTD Contact Person Responsible for the Corrective Action:** Leo Levenson, Inteirm CFO,  
[Llevenson@yctd.org](mailto:Llevenson@yctd.org).

**Management Response and Corrective Action Plan:** YCTD concurs with the finding and recommendation. YCTD has already contacted the FTA regional office and followed their guidance on how to return the \$12,268 amount overclaimed. YCTD will formalize new written procedures and summary spreadsheet tabs as recommended by the auditor, with a target date for completion of March 31, 2023.

Sincerely,



Leo Levenson  
Interim Chief Financial Officer