

YOLO COUNTY TRANSPORTATION DISTRICT

Audited Financial Statements
and Compliance Reports

June 30, 2024

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YOLO COUNTY TRANSPORTATION DISTRICT

Audited Financial Statements and Compliance Reports

June 30, 2024 and 2023

Audited Financial Statements

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Yolo County Transportation District (the District) and its fiduciary fund as of and for the years ended June 30, 2024 and 2023, 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 respective financial position of the District and its fiduciary fund as of June 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof 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 Opinions

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 opinions.

Emphasis-of-Matter

As discussed in Note P, the accounting method used to recognize State of Good Repair revenue was changed during the year ended June 30, 2024. Our opinion is not modified with respect to this matter.

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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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

To the Board of Directors
Yolo County Transportation District

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025 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 Transportation Development Act and other state program guidelines. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richardson & Company, LLP

March 27, 2025

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2024 and 2023

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, 2024 and 2023. 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, increased by approximately \$0.4 million, to \$32.9 million at June 30, 2024 versus \$32.5 million at June 30, 2023, primarily due to a positive change in net position of \$0.4 million.
- June 30, 2024, total net position of \$32.9 million was comprised of \$19.3 million investment in capital assets, \$2 million of other funds restricted for equipment replacement and capital projects, and \$11.6 million of unrestricted net position.
- For every dollar in current liabilities as of June 30, 2024, the District holds \$3.56 in current assets, up from \$3.02 as of June 30, 2023.
- Operating revenues (regular and special fares and operating support from the Yocha Dehe Wintun Nation) increased slightly to \$3.2 million during FY 2023-24 compared to \$3 million during FY 2022-23, still 20% below the high of \$4.0 million during FY 2018-19, before the COVID-19 pandemic.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2024 and 2023

- Operating expenses increased 17.5% to \$19.7 million during FY 2023-24, compared to \$16.8 million during FY 2022-23, primarily due to increases of \$1.5 million in purchased transportation, \$0.5 million in other services including professional consulting services and \$0.7 million in salaries and benefits.

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.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2024 and 2023

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.

Statement of Net Position

A summary of the District's Statement of Net Position as of June 30, 2024, 2023 and 2022 is as follows:

	June 30, 2024	June 30, 2023 (As Restated)	Increase (Decrease) from 2023 to 2024	June 30, 2022	Increase (Decrease) from 2022 to 2023
Current Assets	\$ 16,635,033	\$ 17,494,910	\$ (859,877)	\$ 12,369,836	\$ 5,125,074
Restricted Cash and Investments	2,246,257	1,909,114	337,143	1,764,805	144,309
Other Postemployment Benefits	112,384	191,609	(79,225)	402,163	(210,554)
Capital Assets, Net	19,303,096	19,492,523	(189,427)	21,234,841	(1,742,318)
TOTAL ASSETS	38,296,770	39,088,156	(791,386)	35,771,645	3,316,511
Deferred Outflows of Resources	1,149,939	985,108	164,831	493,170	491,938
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 39,446,709	\$ 40,073,264	\$ (626,555)	\$ 36,264,815	\$ 3,808,449
Current Liabilities	\$ 4,678,722	\$ 5,801,295	\$ (1,122,573)	\$ 3,418,089	\$ 2,383,206
Non-Current Liabilities	1,644,765	1,524,430	120,335	804,900	719,530
TOTAL LIABILITIES	6,323,487	7,325,725	(1,002,238)	4,222,989	3,102,736
Deferred Inflows of Resources	198,711	236,958	(38,247)	971,873	(734,915)
Net Position					
Investment in Capital Assets	19,030,096	19,217,051	(186,955)	21,234,841	(2,017,790)
Restricted for Capital Expenses	2,056,698	2,307,903	(251,205)	459,561	1,848,342
Restricted for Capital Purposes - STA	-	-	-	393,838	(393,838)
Unrestricted	11,564,717	10,985,627	579,090	8,981,713	2,003,914
TOTAL NET POSITION	32,651,511	32,510,581	140,930	31,069,953	1,440,628
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 39,173,709	\$ 40,073,264	\$ (899,555)	\$ 36,264,815	\$ 3,808,449

District Assets

The \$38.3 million in total assets as of June 30, 2024 represented a \$0.8 million decrease from June 30, 2023, primarily due a decrease in net capital assets of \$0.2 million of the District assets, \$2.9 million decrease in cash and receivables, offset by an increase of \$2.1 million Due from Other Agencies. Total assets as of June 30, 2023 increased \$3.3 million from June 30, 2022, also primarily due to \$2.4 million in depreciation of District Assets, partially offset by \$2.7 million increase in Due from other agencies, a \$2.3 million increase in cash and receivables, and a \$0.4 million increase in the deferred outflow for the CalPERS pension plan, attributable to changes in actuarial assumptions, investment returns, or plan amendments.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2024 and 2023

District Liabilities

The \$4.7 million in current liabilities as of June 30, 2024 represented a decrease of \$1.1 million from June 30, 2023 primarily due to a \$0.7 million decrease in accounts payable, a decrease of \$0.8 million due to other governments, offset by a \$0.3 million increase in unearned revenue received for the Low Carbon Transit Operations Program (LCTOP) for projects not yet completed. The \$0.1 million increase in non-current liabilities during the year was due to an increase in net pension liability as a result of pension plan investment performance. The District also reported \$1.1 million in deferred outflows of resources primarily for pension and OPEB contributions after the valuation measurement dates and a change in assumptions and \$0.2 million in deferred inflows of resources primarily for the change in employer's proportion and the difference between expected and actual experience in assumptions used. 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 2023-24, 2022-23, and 2021-22 is as follows:

	Year ending June 30, 2024	Year ending June 30, 2023 (As Restated)	Increase (Decrease) from 2023 to 2024	Year ending June 30, 2022	Increase (Decrease) from 2022 to 2023
Operating Revenues	\$ 3,212,442	\$ 3,056,123	\$ 156,319	\$ 2,806,098	\$ 250,025
Operating Expenses	19,683,197	16,753,802	2,929,395	15,570,506	1,183,296
Net Loss From Operations	(16,470,755)	(13,697,679)	(2,773,076)	(12,764,408)	(933,271)
NONOPERATING REVENUES (EXPENSES)					
Federal Transit Administration Grants:					
Operating Grants	6,530,584	3,822,349	2,708,235	2,024,345	1,798,004
Local Transportation Fund and State Transit Assistance Allocation	9,488,981	8,560,000	928,981	7,064,622	1,495,378
Federal Fuel Excise Tax Refund	-	-	-	240,674	(240,674)
Low Carbon Fuel Credits	69,544	98,907	(29,363)	74,001	24,906
Investment (Loss) Income	413,398	166,171	247,227	(199,080)	365,251
Auxiliary Transportation	148,376	748,238	(599,862)	411,774	336,464
State Grants	210,963	284,827	(73,864)	-	284,827
Other Nonoperating Revenues	175,619	104,033	71,586	220,146	(116,113)
Nonoperating Vehicle Fuel	(69,559)	(586,971)	517,412	(248,327)	(338,644)
Highway 80 Managed Lanes Project	(424,601)	(109,367)	(315,234)	-	(109,367)
Other Pass-through Grants to Other Governments	(402,200)	(24,000)	(378,200)	(24,000)	-
Return CalOES Revenue to State	-	-	-	(33,755)	33,755
Gain (Loss) on Disposal of Capital Assets	525	(3,650)	4,175	-	(3,650)
TOTAL NONOPERATING REVENUES (EXPENSES)	16,141,630	13,060,537	3,081,093	9,530,400	3,530,137
TOTAL CAPITAL CONTRIBUTIONS	743,055	1,125,985	(382,930)	603,624	522,361
CHANGE IN NET POSITION	413,930	488,843	(74,913)	(2,630,384)	3,119,227
Net Position at Beginning of Year - as Previously Reported	32,510,581	31,069,953	1,440,628	33,700,337	(2,630,384)
Restatement for Change in Accounting Principle - Note P		951,785	(951,785)		951,785
NET POSITION AT END OF YEAR	\$ 32,924,511	\$ 32,510,581	\$ 413,930	\$ 31,069,953	\$ 1,440,628

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2024 and 2023

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 by \$157K to \$3.2 million in FY 2023-24 that represents an increase of \$123K in passenger fares and \$34K in special fares. This followed a slight increase of \$0.3 million during FY 2022-23. While fare revenue has seen modest growth over the past two years, the District continues to focus on restoring service levels based on assessed transit needs. These efforts include ongoing short-range transportation planning, public outreach, and soon, leveraging automatic passenger counter data installed on the buses during FY 2023-24 to improve service planning and ridership analysis.

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 2023-24 increase of \$2.9 million represents increases of \$1.5 million in purchased transportation costs, \$0.6 million in salaries and benefits, \$0.1 million in insurance, and \$0.5 million in other services, including professional consulting costs for planning, information technology, human resources, and financial services. The FY 2022-23 increase of \$1.2 million in operating expenses to \$16.8 million represents an increase of \$0.8 million in purchased transportation costs, \$0.2 million in salary and benefits and \$0.3 million in fuel costs offset by slight decreases in depreciation and insurance costs of \$0.1 million.

Non-operating Revenues (Expenses)

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

The Increase in Non-operating Revenues less Non-operating Expenses of \$3.1 million to \$16.1 million during FY 2023-24 was comprised of offsetting factors, including:

- \$2.7 million increase in FTA operating grant support to \$6.5 million, primarily due to \$0.3 million in National Infrastructure Investments for the Yolo Active Transportation Corridor planning and an increased use of federal CARES Act funding of \$1.6 million and ARP funds of \$1.9 million claimed, partially offset by a decreased use of federal formula funds.
- \$0.9 million increase in Local Transportation Fund and State Transit Assistance Allocation to \$9.5 million, used to partially offset the reduction in one-time COVID-relief funding.
- \$248K change in investment income and a \$216K positive investment fair value adjustment in FY 2023-24, reflect a report by the Yolo County Treasurer indicating that certain pooled fixed-income investments had gained market value due to interest rate changes. This suggests both higher interest earnings and an appreciation in the market value of the District's investments.
- \$0.6 million decrease to \$0.1 million in Auxiliary Transportation-Outside Fuel sales offset by an decrease of \$0.5 million in non-transit related fuel sales reported as a non-operating expense.

YOLO COUNTY TRANSPORTATION DISTRICT

Management's Discussion and Analysis June 30, 2024 and 2023

Capital Contributions

Capital contributions consist of grants received by the District from the Federal Transit Administration, SACOG 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 decrease of \$0.4 million during FY 2023-24 reflects a decrease of \$0.3 million in the State Transportation Act funds and \$0.1 million in federal assistance for capital projects. The FY 2023-24 allocation of \$0.3 million is reported in STA and SGR allocations. This STA capital contribution will be used as the local match requirements for FY 2024-25 capital projects.

Capital Assets

	June 30, 2024	June 30, 2023	Increase (Decrease) from 2023 to 2024	June 30, 2022	Increase (Decrease) from 2022 to 2023
Capital assets, not being depreciated					
Land	\$ 465,000	\$ 465,000	\$ -	\$ 465,000	\$ -
Total capital assets, not being depreciated	465,000	465,000	-	465,000	-
Capital assets, being depreciated					
Equipment & Transit Vehicles - Buses	42,693,185	41,065,499	1,627,686	42,006,582	(941,083)
Equipment & Transit Vehicles - Paratransit & Microtransit Vans	1,576,147	1,568,400	7,747	1,548,678	19,722
Building and improvements	12,218,563	12,218,563	-	12,218,563	-
Total capital assets, being depreciated	56,487,895	54,852,462	1,635,433	55,773,823	(921,361)
Less accumulated depreciation for:					
Equipment & Transit Vehicles - Buses	(28,526,655)	(27,120,149)	(1,406,506)	(26,814,666)	(305,483)
Equipment & Transit Vehicles - Vans	(1,515,201)	(1,427,405)	(87,796)	(1,187,535)	(239,870)
Building and improvements	(7,607,943)	(7,277,385)	(330,558)	(7,001,781)	(275,604)
Total accumulated depreciation	(37,649,799)	(35,824,939)	(1,824,860)	(35,003,982)	(820,957)
Total capital assets being depreciated, net	18,838,096	19,027,523	(189,427)	20,769,841	(1,742,318)
Capital assets, net	<u>\$ 19,303,096</u>	<u>\$ 19,492,523</u>	<u>\$ (189,427)</u>	<u>\$ 21,234,841</u>	<u>\$ (1,742,318)</u>

During the fiscal years ending June 30, 2024, and June 30, 2023, the District's net investment in capital assets decreased by \$0.2 million and \$1.7 million, respectively, due to \$1.8 million in depreciation of fixed route buses, paratransit and microtransit vans, and buildings and improvements offset by a \$1.6 million increase in new equipment and transit buses.

Economic Factors and the Future

As of June 30, 2024, the District faces rising operating costs, fluctuating interest rates, and continued reliance on federal and state funding. While fare revenue has grown modestly, ridership remains uncertain. To support operations through FY 2025-26, the District secured \$3 million from California State Bill 125 for transit operations and capital improvements. Compliance with the California Air Resource Board's zero-emission buses (ZEB) mandate by 2040, presents challenges due to the rising costs and facility upgrades. Looking ahead, the District aims to restore and optimize transit services using data planning, including insights from the Short-Range Transportation Plan and Automatic Passenger Counters.

Requests for Information

This financial report provides a general overview of Yolo County Transportation District's financial position and results of operations. For questions or additional information, contact Janeene Marte, Executive Assistant, at Yolo County Transportation District, 350 Industrial Way, Woodland, California 95776 or JMarte@yctd.org.

YOLO COUNTY TRANSPORTATION DISTRICT

STATEMENTS OF NET POSITION

June 30, 2024 and 2023

	2024	2023 (As restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 8,691,669	\$ 11,792,839
Due from Other Governments	7,395,751	5,303,728
Accounts Receivable	547,613	398,343
TOTAL CURRENT ASSETS	16,635,033	17,494,910
NONCURRENT ASSETS		
Restricted Cash and Cash Equivalents	2,246,257	1,909,114
Other Postemployment Benefits Asset	112,384	191,609
Capital Assets:		
Nondepreciable	465,000	465,000
Depreciable, Net	18,838,096	19,027,523
Total Capital Assets, Net	19,303,096	19,492,523
TOTAL NONCURRENT ASSETS	21,661,737	21,593,246
TOTAL ASSETS	38,296,770	39,088,156
DEFERRED OUTFLOWS OF RESOURCES		
Pension Plan	869,336	772,553
Other Postemployment Benefits Plan	280,603	212,555
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,149,939	985,108
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 39,446,709	\$ 40,073,264
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	\$ 2,409,696	\$ 3,091,243
Accrued Wages	63,330	58,249
Due to Other Governments	359,980	1,142,779
Unearned Revenue	1,766,830	1,452,320
Accrued Compensated Absences	78,886	56,704
TOTAL CURRENT LIABILITIES	4,678,722	5,801,295
NONCURRENT LIABILITIES		
Accrued Compensated Absences	5,948	14,390
Net Pension Liability	1,638,817	1,510,040
TOTAL NONCURRENT LIABILITIES	1,644,765	1,524,430
TOTAL LIABILITIES	6,323,487	7,325,725
DEFERRED INFLOWS OF RESOURCES		
Pension Plan	92,515	151,111
Other Postemployment Benefits Plan	106,196	85,847
TOTAL DEFERRED INFLOWS OF RESOURCES	198,711	236,958
NET POSITION		
Net Investment in Capital Assets	19,303,096	19,217,051
Restricted for capital expenses	2,056,698	2,307,903
Unrestricted	11,564,717	10,985,627
TOTAL NET POSITION	32,924,511	32,510,581
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 39,446,709	\$ 40,073,264

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, 2024 and 2023

	2024	2023 (As restated)
OPERATING REVENUE		
Passenger Fares	\$ 1,088,670	\$ 966,020
Special Fares	2,123,772	2,090,103
TOTAL OPERATING REVENUE	<u>3,212,442</u>	<u>3,056,123</u>
OPERATING EXPENSES		
Purchased Transportation	11,159,651	9,633,642
Salaries and Benefits	2,344,423	1,697,342
Insurance	938,194	809,590
Vehicle Fuel	1,267,966	1,408,709
Other Services and Supplies	1,328,486	831,876
Depreciation	2,644,477	2,372,643
TOTAL OPERATING EXPENSES	<u>19,683,197</u>	<u>16,753,802</u>
NET LOSS FROM OPERATIONS	(16,470,755)	(13,697,679)
NONOPERATING REVENUES (EXPENSES)		
Federal Transit Administration Grants:		
Operating Grants	6,530,584	3,822,349
Local Transportation Fund and State Transit Assistance Allocation	9,488,981	8,560,000
Low Carbon Fuel Credits	69,544	98,907
Investment (Loss) Income	413,398	166,171
Auxiliary Transportation	148,376	748,238
State Grants	210,963	284,827
Other Nonoperating Revenues	175,619	104,033
Nonoperating Vehicle Fuel	(69,559)	(586,971)
Highway 80 Managed Lanes Project	(424,601)	(109,367)
Other Pass-through Grants to Other Governments	(402,200)	(24,000)
Gain (Loss) on Disposal of Capital Assets	525	(3,650)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>16,141,630</u>	<u>13,060,537</u>
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(329,125)	(637,142)
CAPITAL CONTRIBUTIONS		
Federal Transit Administration Grant	397,905	450,941
State Transit Assistance		394,707
State of Good Repair	345,150	280,337
TOTAL CAPITAL CONTRIBUTIONS	<u>743,055</u>	<u>1,125,985</u>
CHANGE IN NET POSITION	413,930	488,843
Net Position at Beginning of Year - as Previously Reported	32,510,581	31,069,953
Restatement for Change in Accounting Principle - Note P		951,785
Net Position at Beginning of Year - as Restated	<u>32,510,581</u>	<u>32,021,738</u>
NET POSITION AT END OF YEAR	<u>\$ 32,924,511</u>	<u>\$ 32,510,581</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, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts From Customers	\$ 4,344,892	\$ 2,033,631
Cash Paid to Suppliers for Goods and Services	(16,158,691)	(11,027,235)
Cash Paid to Employees for Services	(2,320,678)	(1,960,232)
NET CASH USED FOR OPERATING ACTIVITIES	(14,134,477)	(10,953,836)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Grants and Subsidies	16,545,854	12,390,624
Pass-through Payments	(402,200)	(24,000)
Other Income	(948,802)	1,167,746
Other Expenses	(494,160)	(696,338)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	14,700,692	12,838,032
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital Contributions Received	(1,013,643)	733,856
Acquisition of Capital Assets	(2,736,522)	(358,503)
NET CASH (USED) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(3,743,640)	375,353
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Pooled Investments	413,398	166,171
NET CASH PROVIDED BY INVESTING ACTIVITIES	413,398	166,171
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,764,027)	2,425,720
Cash and Cash Equivalents at Beginning of Year	13,701,953	11,276,233
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,937,926</u>	<u>\$ 13,701,953</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET		
Cash and Cash Equivalents	\$ 8,691,669	\$ 11,792,839
Restricted Cash and Cash Equivalents	2,246,257	1,909,114
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 10,937,926</u>	<u>\$ 13,701,953</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Net Loss From Operations	\$ (16,470,755)	\$ (13,697,679)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:		
Depreciation	2,644,477	2,372,643
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable and Due from Other Governments	856,930	(1,259,841)
Deferred Outflows of Resources - OPEB Plan	(68,048)	(44,444)
Deferred Outflows of Resources - Pension Plan	(96,783)	(447,494)
Accounts Payable and Due to Other Governments	(1,188,874)	1,893,931
Accrued Wages	5,081	21,304
Accrued Compensated Absences	13,740	21,364
Net OPEB Asset/Liability	79,225	210,554
Net Pension Liability	128,777	710,741
Deferred Inflows of Resources - OPEB Plan	20,349	(167,657)
Deferred Inflows of Resources - Pension Plan	(58,596)	(567,258)
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (14,134,477)</u>	<u>\$ (10,953,836)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITY		
Change in the fair value of investments	\$ 215,090	\$ (19,963)
Change in capital asset acquisitions on accounts payable	\$ (275,472)	\$ 275,472

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

YOLO COUNTY TRANSPORTATION DISTRICT

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND

June 30, 2024 and 2023

		Yolo Transit Management Association	
		2024	2023
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		\$ 17,122	\$ 5,115
	TOTAL CURRENT ASSETS	17,122	5,115
	TOTAL ASSETS	\$ 17,122	\$ 5,115
LIABILITIES AND NET POSITION			
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable		\$ 3,027	\$ 1,836
	TOTAL CURRENT LIABILITIES	3,027	1,836
NET POSITION			
Restricted for Another Organization		14,095	3,279
	TOTAL NET POSITION	14,095	3,279
	TOTAL LIABILITIES AND NET POSITION	\$ 17,122	\$ 5,115

The accompanying notes are an integral part of these financial statements

YOLO COUNTY TRANSPORTATION DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUND

For the Years Ended June 30, 2024 and 2023

		Yolo Transit Management Association	
		2024	2023
ADDITIONS			
In-kind Contributions		\$ 98,443	\$ 50,490
Membership Fees		20,475	22,350
Interest			1
Miscellaneous		10,045	14,050
	TOTAL ADDITIONS	128,963	86,891
DEDUCTIONS			
Services and Supplies		19,704	90,367
In-kind Administrative Expenses		98,443	50,490
	TOTAL DEDUCTIONS	118,147	140,857
	CHANGE IN NET POSITION	10,816	(53,966)
Net Position at Beginning of Year		3,279	57,245
	NET POSITION AT END OF YEAR	\$ 14,095	\$ 3,279

The accompanying notes are an integral part of these financial statements

YOLO COUNTY TRANSPORTATION DISTRICT

NOTES TO FINANCIAL STATEMENTS

June 30, 2024 and 2023

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 District is also a member of the Capital Area Regional Tolling Authority (CARTA), which was established in January 2024 for the purpose of creating a multi-county entity that will develop and operate toll facilities throughout the region. The debts, liabilities, and obligations of the CARTA will be the debts of the CARTA alone, and the District is not liable for the liabilities of the CARTA. More information of the CARTA is available on its website.

The District provides 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, Winters, Woodland and Yolo. Transit services are provided under contract with Transdev, which is in effect through July 31, 2025.

Basis of Presentation: Separate financial statements are provided for proprietary funds and the fiduciary fund. 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 funds are 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.

The fiduciary fund is a custodial fund used to account for receipts and disbursements of monies held by YCTD on behalf of the Yolo Transportation Management Association (YTMA), a nonprofit entity that promotes innovative solutions to parking, commuting and air quality problems. YTMA reports an in-kind contribution for administration provided by the District. Its main revenue source is membership fees and its main expenses are incentives paid to incentivize and reward commuters who try other means of commuting than single occupant vehicles and commuter choice education.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise funds and fiduciary fund are accounted for using the 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 fiduciary fund-type statement presents additions and deductions in net position.

The District uses the accrual basis of accounting for the proprietary and fiduciary funds. 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. Local Transportation Fund (LTF) and State Transit Assistance (STA) revenue received under the Transportation Development Act (TDA) as well as State of Good Repair (SGR) revenues are recorded when all eligibility requirements have been met.

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 administrative leave 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 recognizes accumulated unpaid compensated absences when earned by the employee.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2024 and 2023 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 capital expenses include LTF, STA and SGR revenues restricted in accordance with program requirements, either due to the amounts being claimed in advance of expenses incurred, STA revenues collected through June 30, 2015 and being restricted for capital projects due to the District not meeting required efficiency standards or due to being accrued when all eligibility requirements have been met and unspent amounts are required to be held for capital purposes. Restricted net position at June 30 is summarized as follows:

	2024	2023
LTF Capital Reserves	\$ 479,427	\$ 456,794
STA Held for Capital Projects		618,987
SGR Held for Capital Projects	1,577,271	1,232,122
	<u>1,577,271</u>	<u>1,232,122</u>
Total Restricted for Capital Expenses	<u>\$ 2,056,698</u>	<u>\$ 2,307,903</u>

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.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

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:

	2024			2023		
	Business-Type Activities	Fiduciary Fund	Total	Business-Type Activities	Fiduciary Fund	Total
Cash and Cash Equivalents	\$ 8,691,669	\$ 17,122	\$ 8,708,791	\$ 11,792,839	\$ 5,115	\$ 11,797,954
Restricted Cash and Equivalents	2,246,257		2,246,257	1,909,114		1,909,114
Total cash and investments	<u>\$ 10,937,926</u>	<u>\$ 17,122</u>	<u>\$ 10,955,048</u>	<u>\$ 13,701,953</u>	<u>\$ 5,115</u>	<u>\$ 13,707,068</u>

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

	2024			2023		
	Business-Type Activities	Fiduciary Fund	Total	Business-Type Activities	Fiduciary Fund	Total
Cash on Hand	\$ 7,486		\$ 7,486	\$ 8,965		\$ 8,965
Deposits with Financial Institutions	3,830,378	\$ 17,122	3,847,500	3,064,910	\$ 5,115	3,070,025
Investment in Yolo County Pooled Investment Fund	7,100,062		7,100,062	10,628,078		10,628,078
Total cash and investments	<u>\$ 10,937,926</u>	<u>\$ 17,122</u>	<u>\$ 10,955,048</u>	<u>\$ 13,701,953</u>	<u>\$ 5,115</u>	<u>\$ 13,707,068</u>

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

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

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, 2024 and 2023, the weighted average maturity of the investments contained in the County of Yolo investment pool was approximately 466 and 460 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).

At June 30, 2024 and 2023, the carrying amount of the District's deposits was \$3,847,500 and \$3,070,025 and the balance in financial institutions was \$3,799,444 and \$1,497,835, respectively. Of the balance in financial institutions, \$267,122 and \$253,210 was insured in 2024 and 2023, respectively, 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:

	2024	2023
LCTOP	\$ 1,766,830	\$ 1,452,320
LTF Capital Reserves	479,427	456,794
Total restricted cash and cash equivalents	<u>\$ 2,246,257</u>	<u>\$ 1,909,114</u>

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE C – RESTRICTED CASH AND CASH EQUIVALENTS (Continued)

At June 30, 2024 and 2023, the District accumulated \$479,427 and \$456,794 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. 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:

	2024	2023 (As restated)
Federal Transit Administration grants	\$ 4,451,058	\$ 1,281,044
SACOG - State of Good Repair	1,577,271	1,232,122
SACOG - State Transit Assistance	791,285	394,687
Sacramento Regional Transit District	187,429	207,973
California Department of Transportation	183,881	200,210
Other	204,827	91,321
City of West Sacramento		1,500,000
City of Woodland		327,839
University of California, Davis		68,532
	<hr/>	<hr/>
Total due from other governments	\$ 7,395,751	\$ 5,303,728

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – CAPITAL ASSETS

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

Fixed Route Service	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024
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	41,065,499	\$ 2,453,303	\$ (825,617)	42,693,185
Buildings and Improvements	12,218,563			12,218,563
Total capital assets, being Depreciated	53,284,062	2,453,303	(825,617)	54,911,748
Less Accumulated Depreciation for:				
Equipment and Transit Vehicles	(27,120,149)	(2,226,123)	819,617	(28,526,655)
Buildings and Improvements	(7,277,385)	(330,558)		(7,607,943)
Total Accumulated Depreciation	(34,397,534)	(2,556,681)	819,617	(36,134,598)
Total Capital assets being Depreciated, Net	18,886,528	(147,033)	(6,000)	18,777,150
Capital Assets, Net	<u>\$ 19,351,528</u>	<u>\$ (147,033)</u>	<u>\$ (6,000)</u>	<u>\$ 19,242,150</u>
ADA Paratransit Service				
Capital Assets, being Depreciated:				
Equipment and Transit Vehicles	\$ 1,568,400	\$ 7,747		\$ 1,576,147
Total Capital Assets, being Depreciated	1,568,400	7,747		1,576,147
Less Accumulated Depreciation for:				
Equipment and Transit Vehicles	(1,427,405)	(87,796)		(1,515,201)
Total Accumulated Depreciation	(1,427,405)	(87,796)		(1,515,201)
Capital Assets, Net	<u>\$ 140,995</u>	<u>\$ (80,049)</u>	<u>\$ -</u>	<u>\$ 60,946</u>
Total Capital Assets, Net	<u>\$ 19,492,523</u>	<u>\$ (227,082)</u>	<u>\$ (6,000)</u>	<u>\$ 19,303,096</u>

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE E – CAPITAL ASSETS (Continued)

Fixed Route Service	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
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	42,006,582	\$ 614,253	\$ (1,555,336)	41,065,499
Buildings and Improvements	12,218,563			12,218,563
Total capital assets, being Depreciated	54,225,145	614,253	(1,555,336)	53,284,062
Less Accumulated Depreciation for:				
Equipment and Transit Vehicles	(26,814,666)	(1,857,169)	1,551,686	(27,120,149)
Buildings and Improvements	(7,001,781)	(275,604)		(7,277,385)
Total Accumulated Depreciation	(33,816,447)	(2,132,773)	1,551,686	(34,397,534)
Total Capital assets being Depreciated, Net	20,408,698	(1,518,520)	(3,650)	18,886,528
Capital Assets, Net	<u>\$ 20,873,698</u>	<u>\$ (1,518,520)</u>	<u>\$ (3,650)</u>	<u>\$ 19,351,528</u>
ADA Paratransit Service				
Capital Assets, being Depreciated:				
Equipment and Transit Vehicles	\$ 1,548,678	\$ 19,722		\$ 1,568,400
Total capital assets, being Depreciated	1,548,678	19,722		1,568,400
Less Accumulated Depreciation for:				
Equipment and Transit Vehicles	(1,187,535)	(239,870)		(1,427,405)
Total Accumulated Depreciation	(1,187,535)	(239,870)		(1,427,405)
Capital Assets, Net	<u>\$ 361,143</u>	<u>\$ (220,148)</u>	<u>\$ -</u>	<u>\$ 140,995</u>
Total Capital Assets, Net	<u>\$ 21,234,841</u>	<u>\$ (1,738,668)</u>	<u>\$ (3,650)</u>	<u>\$ 19,492,523</u>

NOTE F – COMPENSATED ABSENCES

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

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due within one year
Compensated Absences	<u>\$ 71,094</u>	<u>\$ 104,323</u>	<u>\$ (90,583)</u>	<u>\$ 84,834</u>	<u>\$ 78,886</u>
	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due within one year
Compensated Absences	<u>\$ 49,730</u>	<u>\$ 86,861</u>	<u>\$ (65,497)</u>	<u>\$ 71,094</u>	<u>\$ 56,704</u>

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

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, 2024 and 2023, 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:

	2024	2023
Fare Revenues	\$ 3,212,442	\$ 3,056,123
Local Funds:		
Federal Transit Administration Grants	6,530,584	3,822,349
Low Carbon Fuel Credits	69,544	98,907
Investment Income	413,398	166,171
Auxiliary Transportation	148,376	748,238
LCTOP Free Fare Grant	210,963	
Other Nonoperating Revenues	175,619	104,033
Less: Local Funds Passed-through to Other Agencies	(402,200)	(24,000)
Total Local Funds	7,146,284	4,915,698
Total Fare Revenue and Local Funds	<u>\$ 10,358,726</u>	<u>\$ 7,971,821</u>
Operating Expenses	\$ 19,683,197	\$ 16,753,802
Less Allowable Exclusions:		
Depreciation	(2,644,477)	(2,372,643)
Net Operating Expenses	<u>\$ 17,038,720</u>	<u>\$ 14,381,159</u>
Fare Revenue Ratio	<u>60.80%</u>	<u>55.43%</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, 2024 and 2023.

NOTE H – PENSION PLAN

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

- Miscellaneous Plan
- PEPRM Miscellaneous Plan

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

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

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE H – PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

	2024		2023	
	Miscellaneous	PEPRA	Miscellaneous	PEPRA
	Rate Plan	Rate Plan	Rate Plan	Rate Plan
	(Prior to	(On or after	(Prior to	(On or after
Hire Date	January 1, 2013)	January 1, 2013)	January 1, 2013)	January 1, 2013)
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%	7.750%	8.000%	6.750%
Required Employer Contribution Rates	14.060%	7.680%	12.210%	7.470%

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 \$169,925 and \$182,771 during the years ended June 30, 2024 and 2023, 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, 2024 and 2023, the employer contributions recognized as part of pension expense were \$326,785 and \$299,979, 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:

	2024	2023
	Proportionate	Proportionate
	Share of Net	Share of Net
	<u>Pension Liability</u>	<u>Pension Liability</u>
Net Pension Liability	\$ 1,638,817	\$ 1,510,040

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, 2023 and 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2022 and 2021 rolled forward to June 30, 2023 and 2022 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, 2024 and 2023

NOTE H – PENSION PLAN (Continued)

	<u>2024</u>	<u>2023</u>
Proportion - June 30, 2023	0.03227%	
Proportion - June 30, 2024	<u>0.03277%</u>	
Change - Decrease	0.00050%	
Proportion - June 30, 2022		0.04209%
Proportion - June 30, 2023		<u>0.03227%</u>
Change - Decrease		-0.00982%

During the years ended June 30, 2024 and 2023, the District recognized pension expense/(benefit) of \$300,180 and (\$4,031) 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>2024</u>		<u>2023</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to Measurement Date	\$ 326,785		\$ 299,979	
Differences Between Actual and Expected Experience	83,720	\$ (12,987)	30,325	\$ (20,310)
Changes in Assumptions	98,943		154,735	
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	80,079	(3,981)	8,802	(6,322)
Change in Employer's Proportion	14,470	(75,547)	2,113	(124,479)
Net Differences Between Projected and Actual Earnings on Plan Investments	<u>265,339</u>		<u>276,599</u>	
Total	<u>\$ 869,336</u>	<u>\$ (92,515)</u>	<u>\$ 772,553</u>	<u>\$ (151,111)</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>2024</u>	<u>2023</u>
2024		\$ 72,516
2025	\$ 122,418	54,106
2026	93,278	25,661
2027	226,726	169,180
2028	<u>7,614</u>	
	<u>\$ 450,036</u>	<u>\$ 321,463</u>

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

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:

	2024	2023
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	2.80%	2.80%
Projected Salary Increase ⁽¹⁾	0.2% -7.64%	0.2% -7.64%
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 rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 by the Society of Actuaries at the June 30, 2023 and 2022 measurement dates. Mortality at the June 30, 2023 and 2022 measurement dates was based on the 2021 CalPERS experience study, respectively. Further details of the Experience Studies can be found on the CalPERS website under Forms and Publications.

Discount Rate: The discount rate used to measure the total pension liability was 6.90% in the June 30, 2023 and 2022 accounting valuations used for the years ended June 30, 2024 and 2023, respectively. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the discount rates used were 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 long-term market return expectations, as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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, 2024 and 2023

NOTE H – PENSION PLAN (Continued)

Asset Class	2024		2023	
	Assumed Asset Allocation	Real Return Years 1 - 10 ^(a)	Assumed Asset Allocation	Real Return Years 1 - 10 ^(a)
Global Equity - Cap-weighted	30.0%	4.45%	30.0%	4.45%
Global Equity - Non-cap-weighted	12.0%	3.84%	12.0%	3.84%
Private Equity	13.0%	7.28%	13.0%	7.28%
Treasury	5.0%	0.27%	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%	10.0%	1.56%
High Yield	5.0%	2.27%	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%	5.0%	2.48%
Private Debt	5.0%	3.57%	5.0%	3.57%
Real Assets	15.0%	3.21%	15.0%	3.21%
Leverage	-5.0%	-0.59%	-5.0%	-0.59%
Total	100.0%		100.0%	

^(a) An expected inflation of 2.30% 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:

	2024	2023
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 2,492,661	\$ 2,290,166
Current Discount Rate	6.90%	6.90%
Net pension Liability	\$ 1,638,817	\$ 1,510,040
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 936,029	\$ 868,191

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, 2024 and 2023, the District had no significant payables to the Plan.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

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

Benefits Provided: The District is required to provide a contribution toward monthly retiree medical premiums for the retiree’s lifetime or until coverage is discontinued at a rate of 90% for management employees and 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 \$726 to \$1,889 for non-Medicare and \$292 to \$877 for Medicare premiums during the years ended June 30, 2024 and \$667 to \$1,735 for non-Medicare and \$272 to \$1,007 for Medicare premiums during the year ended June 30, 2023. 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:

	2024	2023
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	5	4
Inactive Employees Entitled to but not Receiving Benefits	3	2
Active Employees	13	8
Total	<u>21</u>	<u>14</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, 2024 were \$16,869 and consisted of direct payments of insurance premiums of \$35,339, implied subsidy payments of \$16,869, and less reimbursement from CERBT of \$35,339. The District’s contributions during the year ended June 30, 2023 were \$26,834 and consisted of direct payments of insurance premiums of \$38,927 and implied subsidy payments of \$26,834, less reimbursement from CERBT of \$38,927.

Net OPEB Liability (Asset): The District’s net OPEB liability (asset) at June 30, 2024 and 2023 was measured as of June 30, 2023 and 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by a bi-annual actuarial valuation as of June 30, 2023 and June 30, 2021.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Actuarial Assumptions: The total OPEB liability (asset) at June 30, 2024 and 2023 was determined using the following actuarial assumptions:

	2024	2023
Valuation Date	June 30, 2023	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-age Normal Cost Method	Entry-age Normal Cost Method
Actuarial Assumptions:		
Discount Rate for Accounting Purposes	6.15%	6.15%
Inflation	2.50%	2.50%
Aggregate Salary Increases	3.25%	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 2022 Applied Generationally
Healthcare Cost Trend Rates	Actual in 2024, 9.08% in 2025, Grading Down to 3.9% in 2075	5.8% in 2023, Grading Down to 3.9% in 2076
Participation Rate Assumption	100%	100%

Changes in actuarial assumptions in the June 30, 2023 actuarial valuation included the following: The demographic assumptions were updated from those in the 2017 CalPERS experience study to the 2021 CalPERS experience study. The healthcare trend scale was updated from Getzen Model 2022_b to Getzen Model 2023_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	2024			2023		
	Target Allocation	Years 1-5	Years 6-20	Target Allocation	Years 1-5	Years 6-20
		1-5 Year	6-20 Year		1-5 Year	6-20 Year
		Expected Real	Expected Real		Expected Real	Expected Real
		Rate of Return	Rate of Return		Rate of Return	Rate of Return
Global Equity	49.00%	4.40%	4.50%	49.00%	4.40%	4.50%
Fixed Income	23.00%	-1.00%	2.20%	23.00%	-1.00%	2.20%
Global Real Estate (REITs)	20.00%	3.00%	3.90%	20.00%	3.00%	3.90%
Treasury Inflation						
Protected Securities	5.00%	-1.80%	1.30%	5.00%	-1.80%	1.30%
Commodities	3.00%	0.80%	1.20%	3.00%	0.80%	1.20%
Total	100.00%			100.00%		

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Discount Rate: The accounting discount rate used to measure the total OPEB liability (asset) was 6.15% at the June 30, 2023 and 2022 measurement dates. 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 (asset).

Changes in the Net OPEB Liability (Asset):

	2024			2023		
	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	\$ 1,048,627	\$ 1,240,236	\$ (191,609)	\$ 1,030,128	\$ 1,432,291	\$ (402,163)
Changes for the Year:						
Service Cost	32,621		32,621	31,671		31,671
Interest	64,475		64,475	62,960		62,960
Changes in Benefit Terms						
Contributions - Employer		26,834	(26,834)		76,132	(76,132)
Plan Experience	(42,249)		(42,249)			
Changes in Assumptions	130,485		130,485			
Net Investment Income		79,633	(79,633)		(191,692)	191,692
Benefit Payments	(65,761)	(65,761)		(76,132)	(76,132)	
Administrative Expense		(360)	360		(363)	363
Net Changes	119,571	40,346	79,225	18,499	(192,055)	210,554
Balance at June 30	\$ 1,168,198	\$ 1,280,582	\$ (112,384)	\$ 1,048,627	\$ 1,240,236	\$ (191,609)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability (asset) 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:

	2024			2023		
	Current			Current		
	1% Decrease 5.15%	Discount Rate 6.15%	1% Increase 7.15%	1% Decrease 5.15%	Discount Rate 6.15%	1% Increase 7.15%
Net OPEB Liability (Asset)	\$ 69,342	\$ (112,384)	\$ (260,880)	\$ (47,619)	\$ (191,609)	\$ (309,600)

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) 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:

	2024			2023		
	Current			Current		
	1% Decrease	Healthcare Cost Trend Rates	1% Increase	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability (Asset)	\$ (279,899)	\$ (112,384)	\$ 98,665	\$ (318,819)	\$ (191,609)	\$ (31,843)

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

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources: For the years ended June 30, 2024 and 2023, the District recognized OPEB expense of \$48,522 and \$25,287, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources at June 30:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
contributions Subsequent to Measurement Date	\$ 16,869		\$ 26,834	
Differences Between Actual and Expected Experience		\$ (104,575)		\$ (83,787)
Changes in assumptions	179,731	(1,621)	77,053	(2,060)
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	84,003		108,668	
Total	<u>\$ 280,603</u>	<u>\$ (106,196)</u>	<u>\$ 212,555</u>	<u>\$ (85,847)</u>

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. The recognition period for the remaining amounts differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. The net difference between expected and actual experience and changes in assumptions are recognized over the expected average remaining service lifetime (EARS), which was 10.13 and 8.04 years at June 30, 2024 and 2023 respectively. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	2024	2023
2024		\$ 18,506
2025	\$ 24,325	16,528
2026	15,186	7,389
2027	57,258	49,461
2028	6,061	(1,734)
2029	18,059	
Thereafter	36,649	9,724
	<u>\$ 157,538</u>	<u>\$ 99,874</u>

Payable to the OPEB Plan: There were no payables to the Plan at June 30, 2024 and 2023.

NOTE J – DEFERRED COMPENSATION PLAN

The District offers an Internal Revenue Code Section 457 deferred compensation plan (the 457 Plan) to all employees at their date of hire, which is administered by CalPERS. Benefit terms, including contribution requirements, are established, and may be amended by the Board of Directors. Covered employees are allowed to voluntarily contribute a portion of their pre-tax earnings to the 457 Plan up to the limits specified in the IRC. The District is required to make matching contributions of up to 5% of the Executive Director's includable compensation and may make discretionary contributions to the 457 Plan. Contributions are fully vested when made by the participant and the District. Employee contributions made to the Plan during the years ended June 30, 2024 and 2023 were \$37,918 and \$86,263, respectively. Employer contributions made to the Plan during the years ended June 30, 2024 and 2023 were \$9,600 and \$9,984, respectively.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE K – OTHER STATE GRANT PROGRAMS

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) had previously elected to treat these funds on a cost reimbursement basis but removed the cost reimbursement requirement during the year ended June 30, 2024. See Note P for more information on the impact of this change. SGR funds receivable from and held by SACOG at June 30, 2024 and 2023 were \$1,577,272 and \$1,232,122, respectively. No SGR funds were received or expended during the years ended June 30, 2024 and 2023, respectively.

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 \$462,838 and \$439,053 during the years ended June 30, 2024 and 2023 for zero emission bus procurement and transit fare subsidies, respectively. As of June 30, LCTOP funds received and expended were verified in the course of the audit as follows:

	2024	2023
Unexpended Proceeds, Beginning of Year	\$ 1,452,320	\$ 1,272,396
Revenue Received	462,838	439,053
Investment Earnings	62,605	25,728
Expenses Incurred:		
Fare Replacement	(210,933)	(284,857)
Unexpended Proceeds, End of Year	<u>\$ 1,766,830</u>	<u>\$ 1,452,320</u>

Unexpended LCTOP revenue at June 30, 2024 is for zero emission buses & infrastructure, expansion of Yolobus route 42A/B intercity, and transit fare subsidies.

NOTE L – 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 and \$100,000 for each occurrence for liability vehicle physical damage coverage, respectively. 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 and \$24,900,000 for vehicle physical damage for a total of \$25 million per occurrence each. 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. Settled claims resulting from all risks have not exceeded the District's commercial insurance coverage. Reductions in insurance coverage in the past three years include a reduction of total pooled and private insurance limits for the liability program from \$40 million to \$25 million during 2021. CalTIP may be contacted at 1750 Creekside Drive, Suite 200, Sacramento, California 95833 or at www.caltiponline.org.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE M – 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 N – 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.

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.

Contract Commitments: On July 19, 2018, the District entered into a seven-year agreement with Transdev to provide transit services. The amounts payable to Transdev for the period of August 1, 2018 through July 31, 2025 was originally not to 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, 2024 and 2023 under contract amendment number 2 using current service levels was \$10,487,891 and \$19,852,433, 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.

Other Commitments: 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 District approved a Zero-emission Bus Rollout Plan in June 2024 that indicates the estimated total cost to replace the District's buses, paratransit vehicles and microtransit vehicles will be approximately \$82,650,000 through 2040. In addition, charging infrastructure, energy storage and other improvements will need to be made under the plan.

On May 13, 2024, the Board of Directors approved Resolution 2024-10 to authorize a co-operative agreement with Washington State Department of Enterprise Services for the procurement of three CNG buses for an amount not to exceed \$2,800,000. The procurement will use 5307 federal and SGR funding.

On June 10, 2024, the Board of Directors approved Resolution 2024-11 to authorize an agreement with a consultants for up to \$485,000 to assist on developing a Sustainable Campus Transportation Plan (CTP) for UC Davis. The agreement will use funds from a \$500,000 grant previously awarded by Caltrans for the CTP in June 2023.

NOTE O – 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 \$28,531 and \$26,109 for the years ended June 30, 2024 and 2023, respectively.

YOLO COUNTY TRANSPORTATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024 and 2023

NOTE P – CHANGE IN ACCOUNTING PRINCIPLE

The District was previously required by the Sacramento Area Council of Governments (SACOG) to submit invoices for qualifying expenses before receiving State of Good Repair (SGR) funds. As a result, SACOG created a cost-reimbursement eligibility requirement that must be satisfied before SGR expenditures were incurred by SACOG and the asset recognition criteria for revenue were met by claimants under GASB Statement No. 33. SGR program guidelines allow SGR funds to be disbursed after budgeted project costs are submitted by claimants and approved by both SACOG and Caltrans. Consequently, SACOG removed the cost-reimbursement requirement during fiscal year 2024. As a result of this change, the District will no longer be required to submit claims supported by actual expenses to receive reimbursement. SACOG now disburses the funds when budgeted project costs are approved by SACOG and Caltrans. SACOG will still require recipients to submit a claim for approved projects prior to disbursing the funds, but this is considered a routine requirement that does not affect the timing of the expenditure recognition under GASB Statement No. 33. This change in accounting principle resulted in an increase in the District's net position as of July 1, 2022, and increases in due from other governmental agencies and capital contributions as of and for the year ended June 30, 2023 as follows:

	Due from Other Governments	Net Position Beginning of Year	Capital Contributions	Net Position End of Year
As of and for the Year Ended June 30, 2023 - as Previously Reported	\$ 4,071,606	\$ 31,069,953	\$ 845,648	\$ 31,278,459
Effect of Change in Accounting Principle - accrue State of Good Repair Revenue	1,232,122	951,785	280,337	1,232,122
June 30, 2023 - as Restated	<u>\$ 5,303,728</u>	<u>\$ 32,021,738</u>	<u>\$ 1,125,985</u>	<u>\$ 32,510,581</u>

NOTE Q – CHANGE IN ESTIMATE

During 2024, the District discovered that there were additional federal grants available to claim reimbursement for expenses from fiscal year 2023. As a result, CNG bus re-tanking costs previously funded with STA funds from net position and fiscal year 2023 rural operating assistance costs were claimed for FTA reimbursement and reported as grant revenue in the current year. Due to this change in estimate, FTA Operating Grants revenue increased by \$584,129 and FTA Capital Contributions increased by \$37,596 for the year ending June 30, 2024. See Finding 2024-003 in the schedule of findings and questioned costs that follows for more information.

NOTE R – SUBSEQUENT EVENTS

The District has partnered with Caltrans on the Yolo 80 Managed Lanes Project, which focuses on constructing approximately 17 center-line miles of tolled managed lanes in both directions on Interstate 80 (I-80) and United States 50 (US-50) in Yolo County and portions of Sacramento County to alleviate bottlenecks and address an increasing capacity constraint. In January 2024, the District entered into a Joint Exercise of Powers Agreement to create the Capital Area Regional Tolling Authority with SACOG and Caltrans for the purpose of developing and operating toll facilities throughout the region, including the Yolo 80 Managed Lanes project. The District has been awarded a total of \$2,000,000 of Surface Transportation Block Grant Program funds for and the District has approved a consultant contract not to exceed \$1.77 million for advance planning on the project. In July 2024, the Board of Directors authorized a Capital Project Transfer and Expenditure Contract with Caltrans for the Yolo 80 Managed Lanes Project with \$85.9 million of Infrastructure for Rebuilding America (INFRA) grant funds. The INFRA grant funds were previously awarded to the District by the Federal Highways Administration (FHWA) for the design and construction of the Yolo 80 Managed Lanes Project in the summer of 2021. Because Caltrans is responsible for constructing the project, the transfer of the INFRA grant funds is needed to allow Caltrans to directly invoice FHWA for expenses incurred.

REQUIRED SUPPLEMENTARY INFORMATION

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YOLO COUNTY TRANSPORTATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2024

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

	June 30, 2024	June 30, 2023	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	0.03277%	0.03227%	0.04209%	0.03149%	0.03123%	0.03102%	0.03066%	0.03082%	0.03277%	0.03100%
Proportionate share of the net pension liability	\$ 1,638,817	\$ 1,510,040	\$ 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	\$ 1,283,991	\$ 842,774	\$ 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	127.63%	179.17%	99.87%	159.29%	149.66%	134.59%	145.62%	155.40%	142.80%	123.01%
Plan fiduciary net position	\$ 4,674,463	\$ 4,212,793	\$ 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	74.04%	73.61%	84.32%	73.41%	73.03%	73.77%	70.88%	71.98%	74.98%	76.39%
<u>Notes to Schedule:</u>										
Changes in assumptions:										
Discount rate changes in accounting valuation	6.90%	6.90%	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, 2024	June 30, 2023	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)	\$ 326,785	\$ 299,979	\$ 209,857	\$ 180,897	\$ 179,921	\$ 155,826	\$ 149,656	\$ 138,557	\$ 123,865	\$ 134,229
Contributions in relation to the actuarially determined contributions	(326,785)	(299,979)	(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	\$ 1,508,980	\$ 1,283,991	\$ 842,774	\$ 800,368	\$ 833,828	\$ 835,543	\$ 868,639	\$ 829,909	\$ 688,885	\$ 629,657
Contributions as a percentage of covered - employee payroll	21.66%	23.36%	24.90%	22.60%	21.58%	18.65%	17.23%	16.70%	17.98%	21.32%

Notes to Schedule:

Contributions valuation 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	June 30, 2013	June 30, 2012
Accounting valuation date:	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Accounting measurement date:	June 30, 2023	June 30, 2022	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	2.300%	2.500%	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	6.80%	7.00%	7.00%	7.00%	7.250%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50-67 Years. Probabilities of retirement are based on the most recent CalPERS Experience Study									
Mortality	Most recent CalPERS Experience Study									

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, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 32,621	\$ 31,671	\$ 60,360	\$ 58,602	\$ 43,073	\$ 39,508	\$ 38,264
Interest	64,475	62,960	68,530	62,422	65,631	60,354	55,162
Changes in benefit terms			(74,716)				
Differences between expected and actual experience	(42,249)		(15,164)		(134,011)		
Changes in assumptions	130,485		90,331		(3,816)	27,647	
Benefit payments	(65,761)	(76,132)	(35,713)	(35,325)	(29,178)	(22,747)	(23,359)
Net change in total OPEB liability	119,571	18,499	93,628	85,699	(58,301)	104,762	70,067
Total OPEB liability - beginning	1,048,627	1,030,128	936,500	850,801	909,102	804,340	734,273
Total OPEB liability - ending (a)	<u>\$ 1,168,198</u>	<u>\$ 1,048,627</u>	<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	\$ 26,834	\$ 76,132	\$ 93,267	\$ 83,559	\$ 138,178	\$ 108,591	\$ 50,008
Net investment income	79,633	(191,692)	296,879	35,056	52,327	54,185	44,697
Benefit payments	(65,761)	(76,132)	(35,713)	(35,325)	(29,178)	(22,747)	(23,359)
Investment experience							21,219
Administrative expenses	(360)	(363)	(408)	(487)	(179)	(1,293)	(337)
Net change in plan fiduciary net position	40,346	(192,055)	354,025	82,803	161,148	138,736	92,228
Plan fiduciary net position - beginning	1,240,236	1,432,291	1,078,266	995,463	834,315	695,579	603,351
Plan fiduciary net position - ending (b)	<u>\$ 1,280,582</u>	<u>\$ 1,240,236</u>	<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>\$ (112,384)</u>	<u>\$ (191,609)</u>	<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>109.62%</u>	<u>118.27%</u>	<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>\$ 1,320,178</u>	<u>\$ 1,005,452</u>	<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>-8.51%</u>	<u>-19.06%</u>	<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, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Benefit changes	None	None	None	None	None	None	None
Changes in assumptions - discount rate change	6.15%	6.15%	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, 2024

	2024	2023	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	(16,869)	(26,834)	(76,132)	(93,267)	(83,559)	(138,178)	(108,591)
Contribution deficiency (excess)	<u>\$ (16,869)</u>	<u>\$ (26,834)</u>	<u>\$ (72,316)</u>	<u>\$ (1,178)</u>	<u>\$ -</u>	<u>\$ (57,200)</u>	<u>\$ (29,400)</u>
Covered-employee payroll - employer fiscal year	\$ 1,503,216	\$ 1,320,178	\$ 1,005,452	\$ 880,557	\$ 875,236	\$ 873,424	\$ 871,734
Contributions as a percentage of covered-employee payroll	1.12%	2.03%	7.57%	10.59%	9.55%	15.82%	12.46%

Notes to Schedule:

Valuation date	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2023	June 30, 2022	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 dollar, open			Level percentage of payroll, closed			
Asset valuation method				Market value			
Discount rate - actuarially determined contributions	6.15%	6.15%	6.15%	5.75%	5.75%	5.75%	5.75%
Discount rate - accounting	6.15%	6.15%	7.00%	7.00%	7.00%	7.00%	7.25%
Inflation	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Salary increases	3.25%	3.00%	3.00%	3.00%	3.00%	3.25%	3.25%
Retirement age	50 to 75 years						
Mortality	Latest CalPERS Experience Study						
Mortality improvement - MacLeod Watts Scale Generationally	2022	2022	2022	2018	2017	2017	2017
Healthcare trend rates	9.08% in	5.8% in 2023,	5.8% in 2023,	5.4% initially,	5.4% initially	7.5% initially,	7.5% initially,
	2025, grading	grading down	grading down	trending down	trending down	trending down	trending down
	down to 3.9%	to 3.9%	to 3.9%	to 4.0%	to 4.0%	to 5.0%	to 5.0%
Participation assumption	100%	100%	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.

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SUPPLEMENTARY INFORMATION

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YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING STATEMENT OF NET POSITION

June 30, 2024

	Fixed Route Service	ADA/Paratransit Service	Total	Eliminating Entries	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 8,115,674	\$ 575,995	\$ 8,691,669		\$ 8,691,669
Due from Other Governments	7,361,641	34,110	7,395,751		7,395,751
Due from Other Funds	573,134		573,134	\$ (573,134)	
Accounts Receivable	534,303	13,310	547,613		547,613
TOTAL CURRENT ASSETS	16,584,752	623,415	17,208,167	(573,134)	16,635,033
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents	2,218,476	27,781	2,246,257		2,246,257
Other Postemployment Benefits Asset	112,384		112,384		112,384
Capital Assets:					
Nondepreciable	465,000		465,000		465,000
Depreciable, Net	18,777,150	60,946	18,838,096		18,838,096
Total Capital Assets, Net	19,242,150	60,946	19,303,096		19,303,096
TOTAL NONCURRENT ASSETS	21,573,010	88,727	21,661,737		21,661,737
TOTAL ASSETS	38,157,762	712,142	38,869,904	(573,134)	38,296,770
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan	869,336		869,336		869,336
Other Postemployment Benefits Plan	280,603		280,603		280,603
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,149,939		1,149,939		1,149,939
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 39,307,701	\$ 712,142	\$ 40,019,843	\$ (573,134)	\$ 39,446,709
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	\$ 2,075,797	\$ 333,899	\$ 2,409,696		\$ 2,409,696
Accrued Wages	63,330		63,330		63,330
Due to Other Governments	305,722	54,258	359,980		359,980
Unearned Revenue	1,766,830		1,766,830		1,766,830
Due to Other Funds		573,134	573,134	\$ (573,134)	
Accrued Compensated Absences	78,886		78,886		78,886
TOTAL CURRENT LIABILITIES	4,290,565	961,291	5,251,856	(573,134)	4,678,722
NONCURRENT LIABILITIES					
Accrued Compensated Absences	5,948		5,948		5,948
Net Pension Liability	1,638,817		1,638,817		1,638,817
TOTAL NONCURRENT LIABILITIES	1,644,765		1,644,765		1,644,765
TOTAL LIABILITIES	5,935,330	961,291	6,896,621	(573,134)	6,323,487
DEFERRED INFLOWS OF RESOURCES					
Pension Plan	92,515		92,515		92,515
Other Postemployment Benefits Plan	106,196		106,196		106,196
TOTAL DEFERRED INFLOWS OF RESOURCES	198,711		198,711		198,711
NET POSITION					
Net Investment in Capital Assets	19,242,150	60,946	19,303,096		19,303,096
Restricted for Capital Expenses	2,028,917	27,781	2,056,698		2,056,698
Unrestricted	11,902,593	(337,876)	11,564,717		11,564,717
TOTAL NET POSITION	33,173,660	(249,149)	32,924,511		32,924,511
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 39,307,701	\$ 712,142	\$ 40,019,843	\$ (573,134)	\$ 39,446,709

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING STATEMENT OF NET POSITION

June 30, 2023

	Fixed Route Service (As restated)	ADA/Paratransit Service	Total	Eliminating Entries	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 11,556,063	\$ 236,776	\$ 11,792,839		\$ 11,792,839
Due from Other Governments	4,959,694	344,034	5,303,728		5,303,728
Due from Other Funds	391,303	143,165	534,468	\$ (534,468)	
Accounts Receivable	392,493	5,850	398,343		398,343
TOTAL CURRENT ASSETS	17,299,553	729,825	18,029,378	(534,468)	17,494,910
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents	1,882,575	26,539	1,909,114		1,909,114
Other Postemployment Benefits Asset	191,609		191,609		191,609
Capital Assets:					
Nondepreciable	465,000		465,000		465,000
Depreciable, net	18,886,528	140,995	19,027,523		19,027,523
Total Capital Assets, Net	19,351,528	140,995	19,492,523		19,492,523
TOTAL NONCURRENT ASSETS	21,425,712	167,534	21,593,246		21,593,246
TOTAL ASSETS	38,725,265	897,359	39,622,624	(534,468)	39,088,156
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan	772,553		772,553		772,553
Other Postemployment Benefits Plan	212,555		212,555		212,555
TOTAL DEFERRED OUTFLOWS OF RESOURCES	985,108		985,108		985,108
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 39,710,373</u>	<u>\$ 897,359</u>	<u>\$ 40,607,732</u>	<u>\$ (534,468)</u>	<u>\$ 40,073,264</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	\$ 2,628,453	\$ 462,790	\$ 3,091,243		\$ 3,091,243
Accrued Wages	58,249		58,249		58,249
Due to Other Governments	1,142,779		1,142,779		1,142,779
Unearned Revenue	1,452,320		1,452,320		1,452,320
Due to Other Funds	143,165	391,303	534,468	\$ (534,468)	
Accrued Compensated Absences	56,704		56,704		56,704
TOTAL CURRENT LIABILITIES	5,481,670	854,093	6,335,763	(534,468)	5,801,295
NONCURRENT LIABILITIES					
Accrued Compensated Absences	14,390		14,390		14,390
Net Pension Liability	1,510,040		1,510,040		1,510,040
TOTAL NONCURRENT LIABILITIES	1,524,430		1,524,430		1,524,430
TOTAL LIABILITIES	7,006,100	854,093	7,860,193	(534,468)	7,325,725
DEFERRED INFLOWS OF RESOURCES					
Pension Plan	151,111		151,111		151,111
Other Postemployment Benefits Plan	85,847		85,847		85,847
TOTAL DEFERRED INFLOWS OF RESOURCES	236,958		236,958		236,958
NET POSITION					
Net Investment in Capital Assets	19,076,056	140,995	19,217,051		19,217,051
Restricted for Capital Expenses	2,281,364	26,539	2,307,903		2,307,903
Unrestricted	11,109,895	(124,268)	10,985,627		10,985,627
TOTAL NET POSITION	32,467,315	43,266	32,510,581		32,510,581
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 39,710,373</u>	<u>\$ 897,359</u>	<u>\$ 40,607,732</u>	<u>\$ (534,468)</u>	<u>\$ 40,073,264</u>

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended June 30, 2024

	Fixed Route Service	ADA/Paratransit Service	Total
OPERATING REVENUE			
Passenger Fares	\$ 956,283	\$ 132,387	\$ 1,088,670
Special Fares	1,914,641	209,131	2,123,772
TOTAL OPERATING REVENUE	2,870,924	341,518	3,212,442
OPERATING EXPENSES			
Purchased Transportation	9,338,436	1,821,215	11,159,651
Salaries and Benefits	2,105,666	238,757	2,344,423
Insurance	772,099	166,095	938,194
Vehicle Fuel	1,127,313	140,653	1,267,966
Other Services and Supplies	1,230,522	97,964	1,328,486
Depreciation	2,556,681	87,796	2,644,477
TOTAL OPERATING EXPENSES	17,130,717	2,552,480	19,683,197
NET LOSS FROM OPERATIONS	(14,259,793)	(2,210,962)	(16,470,755)
NONOPERATING REVENUES (EXPENSES)			
Federal Transit Administration Grants:			
Operating Grants	6,530,584		6,530,584
Local Transportation Fund and State Transit			
Assistance Allocation	7,575,981	1,913,000	9,488,981
Low Carbon Fuel Credits	69,544		69,544
Investment Revenue	407,851	5,547	413,398
Auxiliary Transportation	148,376		148,376
State Grants	210,963		210,963
Other Nonoperating Revenues	175,619		175,619
Cost of Fuel Sales to External Parties	(69,559)		(69,559)
Highway 80 Managed Lanes Project	(424,601)		(424,601)
Other Pass-through Grants to Other Governments	(402,200)		(402,200)
Gain (Loss) on Disposal of Capital Assets	525		525
TOTAL NONOPERATING REVENUES (EXPENSES)	14,223,083	1,918,547	16,141,630
NET LOSS BEFORE CAPITAL			
CONTRIBUTIONS AND TRANSFERS	(36,710)	(292,415)	(329,125)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Federal Transit Administration Grant	397,905		397,905
State of Good Repair	345,150		345,150
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	743,055		743,055
CHANGE IN NET POSITION	706,345	(292,415)	413,930
Net Position at Beginning of Year	32,467,315	43,266	32,510,581
NET POSITION AT END OF YEAR	\$ 33,173,660	\$ (249,149)	\$ 32,924,511

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended June 30, 2023

	Fixed Route Service (As restated)	ADA/Paratransit Service	Total
OPERATING REVENUE			
Passenger Fares	\$ 851,050	\$ 114,970	\$ 966,020
Special Fares	1,908,356	181,747	2,090,103
TOTAL OPERATING REVENUE	2,759,406	296,717	3,056,123
OPERATING EXPENSES			
Purchased Transportation	8,004,727	1,628,915	9,633,642
Salaries and Benefits	1,388,132	309,210	1,697,342
Insurance	706,552	103,038	809,590
Vehicle Fuel	1,239,953	168,756	1,408,709
Other Services and Supplies	761,673	70,203	831,876
Depreciation	2,132,773	239,870	2,372,643
TOTAL OPERATING EXPENSES	14,233,810	2,519,992	16,753,802
NET LOSS FROM OPERATIONS	(11,474,404)	(2,223,275)	(13,697,679)
NONOPERATING REVENUES (EXPENSES)			
Federal Transit Administration Grants:			
Operating Grants	3,479,458	342,891	3,822,349
Local Transportation Fund and State Transit			
Assistance Allocation	7,319,000	1,241,000	8,560,000
Low Carbon Fuel Credits	98,907		98,907
Interest Revenue	165,616	555	166,171
Auxiliary Transportation	748,238		748,238
State Grants	284,827		284,827
Other Nonoperating Revenues	104,033		104,033
Cost of Fuel Sales to External Parties	(586,971)		(586,971)
HYW 80 Managed Lines Project Expense	(109,367)		(109,367)
Other Pass-through Grants to Other Governments	(24,000)		(24,000)
(Loss) Gain on Disposal of Capital Assets	(3,650)		(3,650)
TOTAL NONOPERATING REVENUES (EXPENSES)	11,476,091	1,584,446	13,060,537
NET LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,687	(638,829)	(637,142)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Federal Transit Administration Grant	433,039	17,902	450,941
State Transit Assistance	394,707		394,707
State of Good Repair	280,337		280,337
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	1,108,083	17,902	1,125,985
CHANGE IN NET POSITION	1,109,770	(620,927)	488,843
Net Position at Beginning of Year - as Previously Reported	30,405,760	664,193	31,069,953
Restatement for Change in Accounting Principle - Note P	951,785		951,785
Net Position at Beginning of Year - as Restated	31,357,545	664,193	32,021,738
NET POSITION AT END OF YEAR	\$ 32,467,315	\$ 43,266	\$ 32,510,581

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF CASH FLOWS

For the Year Ended June 30, 2024

	Fixed Route Service	ADA/Paratransit Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Customers	\$ 4,016,236	\$ 328,656	\$ 4,344,892
Cash Paid to Suppliers for Goods and Services	(13,858,131)	(2,300,560)	(16,158,691)
Cash Paid to Employees for Services	(2,081,921)	(238,757)	(2,320,678)
NET CASH USED FOR OPERATING ACTIVITIES	(11,923,816)	(2,210,661)	(14,134,477)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants and Subsidies	14,317,528	2,228,326	16,545,854
Pass-through Payments	(402,200)		(402,200)
Other Income	(948,802)		(948,802)
Internal Receipts (Payments)	(324,996)	324,996	
Other Expenses	(494,160)		(494,160)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	12,147,370	2,553,322	14,700,692
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions Received	(1,013,643)		(1,013,643)
Acquisition of Capital Assets	(2,728,775)	(7,747)	(2,736,522)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	(3,735,893)	(7,747)	(3,743,640)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Pooled Investments	407,851	5,547	413,398
NET CASH PROVIDED BY INVESTING ACTIVITIES	407,851	5,547	413,398
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(3,104,488)	340,461	(2,764,027)
Cash and Cash Equivalents at Beginning of Year	13,438,638	263,315	13,701,953
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 10,334,150	\$ 603,776	\$ 10,937,926
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING STATEMENT OF NET POSITION			
Cash and Cash Equivalents	\$ 8,115,674	\$ 575,995	\$ 8,691,669
Restricted Cash and Cash Equivalents	2,218,476	27,781	2,246,257
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 10,334,150	\$ 603,776	\$ 10,937,926
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:			
Net Loss From Operations	\$ (14,259,793)	\$ (2,210,962)	\$ (16,470,755)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:			
Depreciation	2,556,681	87,796	2,644,477
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivable and Due from Other Governments	869,792	(12,862)	856,930
Deferred Outflows of Resources - OPEB Plan	(68,048)		(68,048)
Deferred Outflows of Resources - Pension Plan	(96,783)		(96,783)
Accounts Payable and Due to Other Governments	(1,114,241)	(74,633)	(1,188,874)
Accrued Wages	5,081		5,081
Accrued Compensated Absences	13,740		13,740
Net OPEB Asset/Liability	79,225		79,225
Net Pension Liability	128,777		128,777
Deferred Inflows of Resources - OPEB Plan	20,349		20,349
Deferred Inflows of Resources - Pension Plan	(58,596)		(58,596)
NET CASH USED FOR OPERATING ACTIVITIES	\$ (11,923,816)	\$ (2,210,661)	\$ (14,134,477)

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF CASH FLOWS

For the Year Ended June 30, 2023

	Fixed Route Service	ADA/Paratransit Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Customers	\$ 1,705,926	\$ 327,705	\$ 2,033,631
Cash Paid to Suppliers for Goods and Services	(9,217,471)	(1,809,764)	(11,027,235)
Cash Paid to Employees for Services	(1,651,022)	(309,210)	(1,960,232)
NET CASH USED FOR OPERATING ACTIVITIES	(9,162,567)	(1,791,269)	(10,953,836)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants and Subsidies	11,083,285	1,307,339	12,390,624
Pass-through Payments	(24,000)		(24,000)
Other Income	1,167,746		1,167,746
Internal Receipts (Payments)	(290,693)	290,693	
Other Expenses	(696,338)		(696,338)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	11,240,000	1,598,032	12,838,032
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions Received	715,954	17,902	733,856
Acquisition of Capital Assets	(338,781)	(19,722)	(358,503)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	377,173	(1,820)	375,353
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Pooled Investments	165,616	555	166,171
NET CASH PROVIDED BY INVESTING ACTIVITIES	165,616	555	166,171
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,620,222	(194,502)	2,425,720
Cash and Cash Equivalents at Beginning of Year	10,818,416	457,817	11,276,233
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 13,438,638	\$ 263,315	\$ 13,701,953
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING STATEMENT OF NET POSITION			
Cash and Cash Equivalents	\$ 11,556,063	\$ 236,776	\$ 11,792,839
Restricted Cash and Cash Equivalents	1,882,575	26,539	1,909,114
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 13,438,638	\$ 263,315	\$ 13,701,953
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:			
Net Loss From Operations	\$ (11,474,404)	\$ (2,223,275)	\$ (13,697,679)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:			
Depreciation	2,132,773	239,870	2,372,643
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivable and Due from Other Governments	(1,290,829)	30,988	(1,259,841)
Deferred Outflows of Resources - OPEB Plan	(44,444)		(44,444)
Deferred Outflows of Resources - Pension Plan	(447,494)		(447,494)
Accounts Payable and Due to Other Governments	1,732,783	161,148	1,893,931
Accrued Wages	21,304		21,304
Accrued Compensated Absences	21,364		21,364
Net OPEB Asset/Liability	210,554		210,554
Net Pension Liability	710,741		710,741
Deferred Inflows of Resources - OPEB Plan	(167,657)		(167,657)
Deferred Inflows of Resources - Pension Plan	(567,258)		(567,258)
NET CASH USED FOR OPERATING ACTIVITIES	\$ (9,162,567)	\$ (1,791,269)	\$ (10,953,836)

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 the Yolo County Transportation District (the District), and its fiduciary fund as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 27, 2025.

Report on 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 opinions 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2024-001, that we consider to be a material weakness.

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 K 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, the TDA or other state grant program requirements that are reported as Findings 2024-002, 2024-003 and 2024-004 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 findings 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

March 27, 2025



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
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

Qualified Opinion

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, 2024. 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.

Qualified Opinion on AL 20.507 and 20.526, Federal Transit Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Qualified Opinion

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 qualified 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.

Matters Giving Rise to Qualified Opinion on AL 20.507 and 20.526, Federal Transit Cluster

As described in the accompanying schedule of findings and questioned costs, the District did not comply with requirements regarding AL 20.507 and 20.526, Federal Transit Cluster, described as Finding 2024-003 for Activities Allowed or Unallowed and Allowable Costs/Cost Principles and Finding 2024-004 for Procurement, Suspension & Debarment.

Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to that program.

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 for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the 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.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance 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.

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 certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

To the Board of Directors
Yolo County Transportation District

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2024-003 to be a 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 2024-004 to be a significant deficiency.

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 findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Richardson & Company, LLP

March 27, 2025

YOLO COUNTY TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

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 | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 3. Noncompliance material to financial statements noted? | Yes |

Federal Awards

- | | |
|---|-----------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | Qualified |
| 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:

<u>Federal Assistance Listing (AL) Number</u>	<u>Name of Federal Program</u>
20.507 and 20.526	Federal Transit Cluster

- | | |
|---|-----------|
| 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)? | No |

YOLO COUNTY TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2024

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Finding 2024-001 – Material Weakness

Condition: 22 audit adjustments and closing entries were posted during the audit.

Criteria: 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 (GAAP), 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 error or fraud.

Cause: The District's closing procedures did not identify the adjustments needed.

Effect: Numerous entries were necessary to report the financial statement in accordance with GAAP.

Context: The number of audit adjustments and closing entries declined from 30 to 22. Entries were primarily a result of not fully reconciling federal grant revenues and expenses prior to the start of the audit. We noted differences in the allocation of expenses to a number federal grants that resulted in ineligible costs and the reversal of grant revenues as described in Finding 2024-003 that resulted in changes to grant revenues and due from other governments. Adjustments were also made to true-up the fair value of the investment in the County pool, capital asset restrictions and depreciation, restrictions of cash and cash equivalents and net position, and entry to accrue a reimbursement of OPEB contributions receivable requested from the CERBT trust, and other reclassifications for reporting purposes.

Recommendation: We recommend the District finalize the closing checklist that is currently being developed to ensure all necessary closing entries are identified during the closing period. Implementation of the recommendations communicated in finding 2024-003 will also help reduce the number of audit adjustments related to grant receivables and revenue.

Views of Responsible Officials and Planned Corrective Actions: Management's response and planned corrective action is included in the Corrective Action Plan included at the end of the report.

REPORT ON COMPLIANCE AND OTHER MATTERS

Finding 2024-002

Condition: The District overclaimed LTF operating funds by \$2,412,390 during the year and spent capital funds in excess of the amounts claimed for capital purposes in the current and prior years by \$1,406,562.

Criteria: According to Section 6634 of the California Code of Regulations, no operator shall be eligible to receive moneys during the fiscal year from the LTF and the STA Fund for operating or capital costs in an amount that exceeds its actual costs incurred in the fiscal year less the actual amount of fare revenues and federal grants received during the fiscal year. In addition, once an amount has been claimed for a particular purpose and has been approved by SACOG, the amount is required to be spent for the approved purpose unless an amended allocation is made under Section 6659 of the California Code of Regulations.

Cause: It appears this was largely due to a federal grant programmed for capital asset additions during the year not being approved by the financial statement release date as expected and the STA matching funds necessary to fund the purchase not being fully claimed by the District and approved by SACOG. However, if the federal grant had been approved by the grantor, the District still would not have had enough current year or previously claimed STA funds to use for the local match budgeted since previously claimed STA reported as restricted net position was \$656,583 and STA needed for the budgeted local match was \$1,270,293.

Effect: The District is not in compliance with Section 6634 of the California Code of Regulations and the

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

For the Year Ended June 30, 2024

District has approximately 8 months of operating expenses less depreciation in unrestricted net position, which is in excess of the 3-6 months used as SACOG's rule of thumb as adequate transit operator net position to protect against revenue shortfalls.

Recommendation: We recommend the District discuss the level of unrestricted net position with SACOG to determine whether future LTF or STA claims need to be reduced to use some of the unrestricted net position resulting from overclaimed LTF and STA revenues and claim the remaining amount of STA match needed for the capital purchases made.

Views of Responsible Officials and Planned Corrective Actions: Management's response and planned corrective action is included in the Corrective Action Plan included at the end of the report.

See also findings 2023-003 and 2023-004 described under the CURRENT YEAR FINDINGS – MAJOR FEDERAL AWARDS PROGRAMS AUDIT section of the Schedule of Findings and Questioned Costs below that are considered to be findings for the report on internal control over compliance for the financial statement audit.

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

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM

Finding 2024-003 – Material Weakness

AL No: 20.507

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

Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

Condition: The District's internal controls over compliance requirements did not identify ineligible costs applied to two separate Federal Transit Administration (FTA) grants as follows.

- Section 5307 Grant Award CA-2020-173-01: The District overclaimed Sacramento fixed route operating expenses beyond the amount apportioned for these routes in the grant agreement, resulting in ineligible costs of \$183,848 being charged to the program.

Questioned Costs: \$183,548

- Section 5307 Grant Award CA-2023-122-01: The District overclaimed Woodland fixed route operating expenses beyond the amount apportioned for these routes in the grant agreement, resulting in ineligible costs of \$175,143 being charged to the program.

Questioned Costs: \$175,143.

In addition to these ineligible costs, there were substantial changes to the Schedule of Expenditures of Federal Awards (SEFA) and federal grant revenue reported in the general ledger (GL) during the course of the audit. These changes and issues are as follows.

- There was a total of \$302,813 removed from the SEFA and GL for claims prepared for expenses incurred after the period of performance end date specified in the grant for the relevant project and therefore would have been ineligible if the claim was submitted to the grantor. These claims were prepared for paratransit and microtransit operating assistance.
- There was a total of \$243,823 removed from the SEFA and GL for claims prepared for an FTA direct program grant that is already past the end date of the period of performance and therefore would have been ineligible if the claim was submitted to the grantor. These claims were drafted for Woodland microtransit operating assistance.

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

For the Year Ended June 30, 2024

- There was a total of \$354,429 added to the SEFA for federal grant revenues recorded in the GL but not initially included on the SEFA. These claims are for the Yolo County Bike and Pedestrian Trail Network Planning Project and the Yolo 80 Managed Lanes Tolling Advance Planning project.
- There was a total of \$1,106,389 of expenses reported on the SEFA but not recognized as revenue in the GL for amounts previously overclaimed for ineligible expenses but reclaimed and approved for eligible expenses in the current period.

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: Grant management procedures are not documented and a schedule of all available grants was not prepared by the District to use when reconciling expenses for inclusion on the SEFA and accruing grant revenue. The errors on the SEFA were not captured by the District’s review procedures due to recent staff turnover, lack of documented procedures on grant management, and/or lack of training.

Effect: Expenses were omitted from the SEFA that should have been included and other expenses were included on the SEFA that were not eligible. The SEFA had to be revised for multiple grants over the course of the audit, which delayed the audit testing and major program determination process.

Context: The number of grants has increased since the pandemic due to new pandemic related grants becoming available that delayed the use of the District’s regular federal grants. This caused grants to be combined by grantors with different allowable expenses, areas of service, and periods of performance and caused grants to be extended, causing complexity. The District confirmed that there will be no other federal grants used for reimbursement of the expenses that were removed from the SEFA during the audit.

Recommendation: We recommend the District develop written procedures to allocate expenses to routes and purposes under federal grants that document the timing of the preparation and review of the allocation schedule. A summary tab should be added to the allocation schedule to reconcile amounts for each route/purpose to total operating expenses, preventive maintenance, insurance, communications and other expenses allocated to the population of expenses in the general ledger. We also recommend the District develop a schedule to summarize all approved and pending grants that includes the amounts available under each grant, each route/purpose within each grant, periods of performance for each amount available, the last date to submit invoices, and amounts claimed and still available for each grant by route/purpose. The District should re-evaluate budgets if changes or delays occur to federal grants and ensure a new federal or local funding source is identified and claimed for the expenses. The SEFA should be prepared after expenses are reconciled to the GL at the invoice level by route/purpose and the allocation schedule is thoroughly reviewed. The SEFA should be reviewed by a knowledgeable member of management to ensure completeness and accuracy. We also recommend the District claim expenses more quickly to allow the granting agency time to review and approve the claims before the audit begins. We recommend the District reconcile expenses within 30 days of quarter end and prepare claims within 45 days of quarter end. If the District is unsure about the period of performance dates or other restrictions on a grant, staff should contact the granting agency for clarification. Finally, we recommend the District discuss the overclaimed amounts of \$183,548 and \$175,143 described above with the FTA to determine whether these overclaimed funds must be returned or whether they may be used to claim future expenses.

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.

Finding 2024-004 – Significant Deficiency

AL No: 20.507

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

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

For the Year Ended June 30, 2024

Compliance Requirement: Procurement, Suspension and Debarment.

Condition: The District was unable to provide documentation of the evaluation each proposal received and reason for selection of the winning bid for the procurement of a consulting firm to conduct the site selection study for the Woodland Transit Center project. The District also did not include a Debarment and Suspension clause in the request for proposal or contract and did not require a certificate confirming the contractor was not debarred in the final agreement. The District was not able to find records of the District verifying that the awarded consulting firm is not on the governmentwide exclusions in the System for Award Management (SAM).

Criteria: 2 CFR Part 200 Subpart E (Uniform Guidance) states the following:

- Section 200.318(a) states that “The non-federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or service required under a Federal award or subaward. The non-Federal entity’s documented procurement procedures must conform to the procurement standards identified in Sections 200.317 through 200.327.”
- Section 200.318(i) states that “The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.”
- Section 200.327 states that “The recipient's or subrecipient's contracts must contain the applicable provisions described in Appendix II of this part.” Appendix II(H) includes “Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.”

Cause: The current staff was not able to find procurement documentation prepared before they were hired.

Effect: The District was unable to provide evidence that it was in compliance with the Uniform Guidance requirement to maintain documentation of procurement procedures.

Context: The original procurement for the consulting firm for the Woodland Transit Project was performed in late December 2017 and awarded in January 2018 and then extended during 2024. This procurement precedes the current staff. It was verified the contractor selected was not debarred during the 2024 single audit.

Recommendation: We recommend the District establish a procurement folder on its server with subfolders for each individual procurement where documentation of each procurement is maintained, including advertising of the procurement, requests for proposals, proposals received, analysis of reasons for selecting the winning bid, executed contract, certifications by contractor if not part of the proposal or executed contract, management report to board recommending which bid should be approved, board resolution approving the winning bid and for contracts under \$250,000 a memo or form documenting bids received and reason for selecting the bid, including reasons for not selecting the lowest bid if applicable. We also recommend training be provided to staff that work on procurements of the requirements under Uniform Guidance Section 2 CFR 200.318 to 200.326.

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.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

See findings 2024-003 and 2024-004 above.

YOLO COUNTY TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2024

D. SCHEDULE OF PRIOR YEAR FINDINGS

FINANCIAL STATEMENT AUDIT

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Finding 2023-001 – Material Weakness

Condition: Over 30 audit adjustments and closing entries were posted during the audit.

Criteria: 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 (GAAP), 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 error or fraud.

Cause: The District's closing procedures did not identify the adjustments needed.

Effect: Numerous entries were necessary to report the financial statement in accordance with GAAP.

Context: The District implemented a new accounting system during the year, which resulted in a number of prior year receivables and payables not being reversed. We also noted differences in the allocation of costs to federal grants that resulted in a reversal of grant revenues as described in Finding 2023-002.

Recommendation: We recommend the District use a closing checklist to ensure all necessary closing entries are identified during the closing period, with an emphasis on receivables and payables.

Current Status: Finding 2024-001 is a continuation of this finding.

REPORT ON COMPLIANCE AND OTHER MATTERS

Finding 2023-002

Condition: The District overclaimed LTF operating funds by \$1,351,269 during the year.

Criteria: According to Section 6634 of the California Code of Regulations, no operator shall be eligible to receive moneys during the fiscal year from the LTF and the STA Fund for operating or capital costs in an amount that exceeds its actual costs incurred in the fiscal year less the actual amount of fare revenues and federal grants received during the fiscal year. In addition, once an amount has been claimed for a particular purpose and has been approved by SACOG, the amount is required to be spent for the approved purpose unless an amended allocation is made under Section 6659 of the California Code of Regulations.

Cause: It appears expenses were under budget.

Effect: The amounts over-claimed resulted in excess net position that may need to be used for future expenditures before additional TDA revenues are claimed if requested by SACOG. The District's unrestricted net position exceeds the 3-6 months of operating expenses less depreciation used by SACOG as a rule of thumb as adequate to protect against unexpected expenses or a delay in the receipt of grant revenues.

Recommendation: We recommend the District discuss the level of unrestricted net position with SACOG to determine whether future claims need to be reduced use some of the unrestricted net position resulting from overclaimed LTF and STA revenues.

Current Status: Finding 2024-002 is a continuation of this finding.

YOLO COUNTY TRANSPORTATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2024

MAJOR FEDERAL AWARD PROGRAMS AUDIT

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM

Finding 2023-003 – Material Weakness

AL No: 20.507

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

Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

Condition: The District's internal controls over compliance requirements did not identify ineligible costs applied to four separate Federal Transit Administration (FTA) grants as follows.

- Section 5307 Grant Award CA-2020-173-01: The District overclaimed Route 42 and Woodland fixed route operating expenses that should have been reimbursed by a local match as required by other FTA grants applied to the same routes, resulting in ineligible costs of \$1,073,260 being charged to the program.

Questioned Costs: \$1,073,260.

- Section 5307 Grant Award CA-2022-140-01: The District overclaimed Route 42 expansion fixed route operating expenses that should have been reimbursed by a local match as the wrong federal percentage was applied in the claims, resulting in ineligible costs of \$33,129 being charged to the program.

Questioned Costs: \$33,129.

- Section 5307 Grant Award CA-2022-147-04: The District overclaimed communication expenses for Woodland paratransit operating routes, resulting in ineligible costs of \$12,513 being charged to the program.

Questioned Costs: Ineligible costs were below the \$25,000 floor for questioned costs under 2 CFR Part 200, Subpart F (Uniform Guidance), Section 200.516.

- Section 5307 Grant Awards CA-2022-204-01 and CA-2021-162-03: The District claimed engine overhaul expenses that did not qualify as preventative maintenance costs allowed by the terms and conditions of the grant, resulting in ineligible costs of \$17,902 being charged to the program.

Questioned Costs: Ineligible costs were below the \$25,000 floor for questioned costs under 2 CFR Part 200, Subpart F (Uniform Guidance), Section 200.516.

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: Several federal grants applied to these routes had local match requirements that were not captured by the District's review procedures due to recent staff turnover and lack of documented procedures to track expenses charged to all funding sources combined. Not all paratransit operating expenses were reported and tracked separately in the allocation spreadsheet leading to expenses being double claimed under different grants for different purposes. This is due to the allocation spreadsheet not having a summary page totaling all expenses charged to programs to make sure the total expenses allocated agree to the total population of expenses allocated.

Effect: Expenses were charged to more than one grant when filing claims and ineligible costs were applied, resulting in the overclaimed amounts cited above.

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

For the Year Ended June 30, 2024

Recommendation: We recommend the District develop written procedures for allocating expenses to routes and purposes used to claim expenses under federal grants and to track the different funding sources applied. A summary tab should be added to the allocation 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 allocated to the population of expenses in the general ledger.

Current Status: Finding 2024-003 is a continuation of this finding. The overclaimed revenues were applied to 2024 expenses prior to claiming additional grant funds at the direction of the Federal Transit Administration.

Finding 2023-004 – Material Weakness

AL No: 20.507

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

Compliance Requirement: Procurement, Suspension and Debarment.

Condition: The District was unable to provide documentation that the procurement of the CNG tank replacement project for five Orion buses exceeding the simplified acquisition threshold of \$250,000 was approved by the Board. There is documentation that an invitation for bid (IFB) was released for the project, but only one bid was received and the District awarded the contract to the sole bidder. Missing documentation includes support of the rationale to approve the contract absent evidence of full and open competition. The District was also not able to provide the request for proposal for review.

Criteria: 2 CFR Part 200 Subpart E (Uniform Guidance) states the following:

- Section 200.318(a) states that “The non-federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or service required under a Federal award or subaward. The non-Federal entity’s documented procurement procedures must conform to the procurement standards identified in Sections 200.317 through 200.327.”
- Section 200.318(i) states that “The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.”
- Section 200.320(c) states that “There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply: (1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold...; (2) The item is available only from a single source; (3) The public exigency or emergency for the retirement will not permit a delay resulting from publicizing a competitive solicitation; (4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or (5) After solicitation of a number of sources, competition is determined inadequate.”
- Section 200.324(a) states that “The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.”

Cause: Staff turnover at the District and the need for the project to be completed by a certain date to avoid the buses losing certification led to the lack of adequate records being maintained.

Effect: The District was unable to prove it was in compliance with the Uniform Guidance regarding open competition on procurements.

YOLO COUNTY TRANSPORTATION DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2024

Recommendation: We recommend the District establish a procurement folder on its server with subfolders for each individual procurement where documentation of each procurement is maintained, including advertising of the procurement, requests for proposals, proposals received, analysis of reasons for selecting the winning bid, executed contract, certifications by contractor if not part of proposal or executed contract, management report to board recommending which bid should be approved, board resolution approving the winning bid and for contracts under \$250,000 a memo or form documenting bids received and reason for selecting the bid, including reasons for not selecting the lowest bid if applicable. We also recommend training be provided to staff that work on procurements of the requirements under Uniform Guidance Section 2 CFR 200.318 to 200.326.

Current Status: Finding 2024-004 is a continuation of this finding.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

See findings 2023-003 and 2023-004 above.

YOLO COUNTY TRANSPORTATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2024

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal Assistance Listing (AL) Number	Pass-through Entity Identifying Number	Amount Passed-through to Subrecipients	Program or Award Amount	Expenses
U.S. Department of Transportation, Federal Transit Administration					
Federal Transit Cluster					
Federal Transit Formula Grants - Direct Award					
CARES Act Operating Assistance and Planning	20.507			\$ 11,009,254	\$ 2,382,860
ARP Act Operating Assistance	20.507			3,012,294	1,950,284
Operating Assistance, Route 42 "Y" Shuttle and CNG Bus Re-Tanking	20.507			1,811,000	656,252
Operating Assistance and Preventive Maintenance, Woodland Routes	20.507			1,034,223	4,076
Operating Assistance, Sacramento "Beyond ADA" and City of Woodland					
East Main Street Bus Stop Pads	20.507		\$ 378,200	495,055	378,200
Preventive Maintenance, Woodland Routes	20.507			329,056	92,476
Woodland Transit Center Planning	20.507			120,000	44,249
Total Federal Transit Formula Grants - Direct Awards			378,200	17,810,882	5,508,397
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs - Direct Award					
Automatic Passenger Counters Project	20.526			300,298	181,997
CNG Dispenser Project	20.526			240,000	129,537
Total Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs - Direct Award				540,298	311,534
Total U.S. Department of Transportation, Federal Transit Administration - Direct Awards			378,200	18,351,180	5,819,931
Passed-through the Sacramento Regional Transit District					
Federal Transit Formula Grants					
UC Davis Medical Center Shuttle Operations	20.507	CA-2019-157-00		1,173,468	170,000
Total Federal Transit Formula Grants, Passed-through the Sacramento Regional Transit District				1,173,468	170,000
Total Federal Transit Cluster			378,200	19,524,648	5,989,931
Passed through the California Department of Transportation, Division of					
Rail & Mass Transportation					
Formula Grants for Rural Areas and Tribal Transit Program					
CRRSA Act Rural Operating Assistance	20.509	64RO21-01669		407,159	407,159
ARP Act Operating Assistance	20.509	64TO21-01891		176,970	176,970
Total Formula Grants for Rural Areas and Tribal Transit Program				584,129	584,129
Passed through the California Department of Transportation, Division of					
Rail & Mass Transportation					
Highway Planning and Construction					
Yolo 80 Managed Lanes Tolling Advance Planning	20.205	STPLNI-6195(047)		2,000,000	60,827
Total Highway Planning and Construction				2,000,000	60,827
Total U.S. Department of Transportation, Federal Transit Administration			378,200	22,108,777	6,634,887
U.S. Department of Transportation, Office of the Secretary of Transit					
Passed through the California Department of Transportation, Division of					
Rail & Mass Transportation					
National Infrastructure Investments					
Yolo County Bike and Pedestrian Trail Network Planning Project	20.933	RAISEL-6195(046)		1,200,000	293,602
Total National Infrastructure Investments				1,200,000	293,602
Total U.S. Department of Transportation			378,200	23,308,777	6,928,489
TOTAL FEDERAL AWARDS			\$ 378,200	\$ 23,308,777	\$ 6,928,489

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, 2024

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, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the District's operations, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST ALLOCATION PLAN

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

NOTE D – SUBRECIPIENTS

Amounts passed-through to subrecipients included \$378,200 under Assistance Listing 20.507, which was passed-through to the City of Woodland for the year ending June 30, 2024.

NOTE E – PRIOR YEAR EXPENSES REPORTED ON THE SEFA

The District reported CNG bus re-tanking expenses and rural operating expenses incurred during the year ended June 30, 2023 on the June 30, 2024 SEFA in the amount of \$37,596 and \$584,129 under Assistance Listing Numbers. 20.507 and 20.509, respectively, as the District decided to change the funding sources to use expiring grants.

March 27, 2025

Richardson & Company LLP
550 Howe Avenue, Suite 210
Sacramento, California 95825

**Subject: Yolo County Transportation District (YCTD) FY 2023-2024 Single Audit
Management Response and Corrective Action Plan**

Finding 2024-001 – Material Weakness

Condition: 22 audit adjustments and closing entries were posted during the audit.

Criteria: 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 (GAAP), 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 error or fraud.

Cause: The District's closing procedures did not identify the adjustments needed.

Effect: Numerous entries were necessary to report the financial statement in accordance with GAAP.

Context: The number of audit adjustments and closing entries declined from 30 to 22. Entries were primarily a result of not fully reconciling federal grant revenues and expenses prior to the start of the audit. We noted differences in the allocation of expenses to a number federal grants that resulted in ineligible costs and the reversal of grant revenues as described in Finding 2024-003 that resulted in changes to grant revenues and due from other governments. Adjustments were also made to true-up the fair value of the investment in the County pool, capital asset restrictions and depreciation, restrictions of cash and cash equivalents and net position, and entry to accrue a reimbursement of OPEB contributions receivable requested from the CERBT trust, and other reclassifications for reporting purposes.

Recommendation: We recommend the District finalize the closing checklist that is currently being developed to ensure all necessary closing entries are identified during the closing period. Implementation of the recommendations communicated in finding 2024-003 will also help reduce the number of audit adjustments related to grant receivables and revenue.

2024-001 Views of Responsible Officials and Planned Corrective Actions:

Management agrees with the audit recommendations and is committed to strengthening its financial reporting processes. Staff are working diligently to improve closing procedures by establishing a checklist for all accounting functions to ensure that reconciliations and closing entries are completed accurately and on time. The Board adopted the 2024-2025 annual work

plan for the Finance department, prioritizing policy review, staff training and development, and the enhancement of internal controls.

Responsible Party: Director of Finance & Administration

Implementation Date: Ongoing; full implementation expected by December 31, 2025

Finding 2024-002

Condition: The District overclaimed LTF operating funds by \$2,412,390 during the year and spent capital funds in excess of the amounts claimed for capital purposes in the current and prior years by \$1,406,562.

Criteria: According to Section 6634 of the California Code of Regulations, no operator shall be eligible to receive moneys during the fiscal year from the LTF and the STA Fund for operating or capital costs in an amount that exceeds its actual costs incurred in the fiscal year less the actual amount of fare revenues and federal grants received during the fiscal year. In addition, once an amount has been claimed for a particular purpose and has been approved by SACOG, the amount is required to be spent for the approved purpose unless an amended allocation is made under Section 6659 of the California Code of Regulations.

Cause: It appears this was largely due to a federal grant programmed for capital asset additions during the year not being approved by the financial statement release date as expected and the STA matching funds necessary to fund the purchase not being fully claimed by the District and approved by SACOG. However, if the federal grant had been approved by the grantor, the District still would not have had enough current year or previously claimed STA funds to use for the local match budgeted since previously claimed STA reported as restricted net position was \$656,583 and STA needed for the budgeted local match was \$1,270,293.

Effect: The District is not in compliance with Section 6634 of the California Code of Regulations and the District has approximately 8 months of operating expenses less depreciation in unrestricted net position, which is in excess of the 3-6 months used as SACOG's rule of thumb as adequate transit operator net position to protect against revenue shortfalls.

Recommendation: We recommend the District discuss the level of unrestricted net position with SACOG to determine whether future LTF or STA claims need to be reduced to use some of the unrestricted net position resulting from overclaimed LTF and STA revenues and claim the remaining amount of STA match needed for the capital purchases made.

2024-002 Views of Responsible Officials and Planned Corrective Actions:

Management agrees with the audit recommendations and remains committed to strengthening financial oversight and regulatory compliance. During the fiscal year, staff devoted significant effort to reconciling grant awards, particularly those nearing expiration or unprogrammed. However, the timing of key financial tasks, including the prior year's extended audit fieldwork, resolving the FTA overclaims, the development of the FY 2024-25 budget, and the Federal Triennial review, limited the time to thoroughly evaluate period-of-performance deadlines and the necessary grant amendments to claim FY 2023-24 eligible expenses. While similar audit findings were not fully resolved, staff made significant progress in training and verifying funding availability, collaborating with the Federal Transit Administration (FTA) and the

Sacramento Area Council of Governments (SACOG).

Staff will work with SACOG to address the overclaimed amount and determine any necessary adjustments to future LTF and STA claims. The billing process has also been refined to include a final-quarter cost true-up before submitting the last claim, improving accuracy and the eligibility of requested funds.

Responsible Party: Director of Finance & Administration

Implementation Date: Ongoing; full implementation expected by December 31, 2025

Finding 2024-003 – Material Weakness

AL No: 20.507

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

Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles.

Condition: The District's internal controls over compliance requirements did not identify ineligible costs applied to two separate Federal Transit Administration (FTA) grants as follows.

- Section 5307 Grant Award CA-2020-173-01: The District overclaimed Sacramento fixed route operating expenses beyond the amount apportioned for these routes in the grant agreement, resulting in ineligible costs of \$183,848 being charged to the program.

Questioned Costs: \$183,548

- Section 5307 Grant Award CA-2023-122-01: The District overclaimed Woodland fixed route operating expenses beyond the amount apportioned for these routes in the grant agreement, resulting in ineligible costs of \$175,143 being charged to the program.

Questioned Costs: \$175,143.

In addition to these ineligible costs, there were substantial changes to the Schedule of Expenditures of Federal Awards (SEFA) and federal grant revenue reported in the general ledger (GL) during the course of the audit. These changes and issues are as follows.

- There was a total of \$302,813 removed from the SEFA and GL for claims prepared for expenses incurred after the period of performance end date specified in the grant for the relevant project and therefore would have been ineligible if the claim was submitted to the grantor. These claims were prepared for paratransit and microtransit operating assistance.
- There was a total of \$243,823 removed from the SEFA and GL for claims prepared for an FTA direct program grant that is already past the end date of the period of performance and therefore would have been ineligible if the claim was submitted to the grantor. These claims were drafted for Woodland microtransit operating assistance.

- There was a total of \$354,429 added to the SEFA for federal grant revenues recorded in the GL but not initially included on the SEFA. These claims are for the Yolo County Bike and Pedestrian Trail Network Planning Project and the Yolo 80 Managed Lanes Tolling Advance Planning project.
- There was a total of \$1,106,389 of expenses reported on the SEFA but not recognized as revenue in the GL for amounts previously overclaimed for ineligible expenses but reclaimed and approved for eligible expenses in the current period.

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: Grant management procedures are not documented and a schedule of all available grants was not prepared by the District to use when reconciling expenses for inclusion on the SEFA and accruing grant revenue. The errors on the SEFA were not captured by the District’s review procedures due to recent staff turnover, lack of documented procedures on grant management, and/or lack of training.

Effect: Expenses were omitted from the SEFA that should have been included and other expenses were included on the SEFA that were not eligible. The SEFA had to be revised for multiple grants over the course of the audit, which delayed the audit testing and major program determination process.

Context: The number of grants has increased since the pandemic due to new pandemic related grants becoming available that delayed the use of the District’s regular federal grants. This caused grants to be combined by grantors with different allowable expenses, areas of service, and periods of performance and caused grants to be extended, causing complexity. The District confirmed that there will be no other federal grants used for reimbursement of the expenses that were removed from the SEFA during the audit.

Recommendation: We recommend the District develop written procedures to allocate expenses to routes and purposes under federal grants that document the timing of the preparation and review of the allocation schedule. A summary tab should be added to the allocation schedule to reconcile amounts for each route/purpose to total operating expenses, preventive maintenance, insurance, communications and other expenses allocated to the population of expenses in the general ledger. We also recommend the District develop a schedule to summarize all approved and pending grants that includes the amounts available under each grant, each route/purpose within each grant, periods of performance for each amount available, the last date to submit invoices, and amounts claimed and still available for each grant by route/purpose. The District should re-evaluate budgets if changes or delays occur to federal grants and ensure a new federal or local funding source is identified and claimed for the expenses. The SEFA should be prepared after expenses are reconciled to the GL at the invoice level by route/purpose and the allocation schedule is thoroughly reviewed. The SEFA should be reviewed by a knowledgeable member of management to ensure completeness and accuracy. We also recommend the District claim expenses more quickly to allow the granting agency time to review and approve the claims before the audit begins. We recommend the District reconcile expenses within 30 days of quarter end and prepare claims within 45 days of quarter end. If the

District is unsure about the period of performance dates or other restrictions on a grant, staff should contact the granting agency for clarification. Finally, we recommend the District discuss the overclaimed amounts of \$183,548 and \$175,143 described above with the FTA to determine whether these overclaimed funds must be returned or whether they may be used to claim future expenses.

2024-003 Views of Responsible Officials and Planned Corrective Actions:

Management agrees with the audit recommendations and remains committed to strengthening grant management and financial oversight. This year's challenges in grant reconciliation stemmed from overlapping prior-year FTA claims issues, pending grant amendments, and limited time, as noted in Finding 2024-002. Additionally, the increased complexity of federal grants following the pandemic required adjustments to allocation methods and financial reporting.

To address these issues, staff has refined internal processes, including improving worksheets, enhancing review procedures, and consolidating grant data into a single summary sheet for better tracking. The 2024 FTA Triennial Review acknowledged these improvements, and the corrective action plan was considered sufficient, with recommendations to closely monitor grant activity and update the worksheets as necessary.

Moving forward, staff will continue formalizing procedures for expense allocation, improve reconciliation processes, and ensure grant expenditures align with available funding. Grant tracking will provide a clearer overview of balances, deadlines, and remaining funds. The Finance department also adjusted its billing practices to reconcile expenses earlier in the reporting cycle, allowing sufficient time for review and claim adjustments.

Regarding the overclaimed amounts of \$183,548 and \$175,143, staff will work with the FTA to determine whether repayment is required or if the funds can be applied to future eligible expenses. These efforts will strengthen compliance, improve accuracy in financial reporting, and overall grant management.

Responsible Party: Director of Finance & Administration

Implementation Date: Ongoing; full implementation expected by December 31, 2025

Finding 2024-004 – Significant Deficiency

AL No: 20.507

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

Compliance Requirement: Procurement, Suspension and Debarment.

Condition: The District was unable to provide documentation of the evaluation each proposal received and reason for selection of the winning bid for the procurement of a consulting firm to conduct the site selection study for the Woodland Transit Center project. The District also did not include a Debarment and Suspension clause in the request for proposal or contract and did not require a certificate confirming the contractor was not debarred in the final agreement. The

District was not able to find records of the District verifying that the awarded consulting firm is not on the governmentwide exclusions in the System for Award Management (SAM).

Criteria: 2 CFR Part 200 Subpart E (Uniform Guidance) states the following:

- Section 200.318(a) states that “The non-federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or service required under a Federal award or subaward. The non-Federal entity’s documented procurement procedures must conform to the procurement standards identified in Sections 200.317 through 200.327.”
- Section 200.318(i) states that “The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.”
- Section 200.327 states that “The recipient's or subrecipient's contracts must contain the applicable provisions described in Appendix II of this part.” Appendix II(H) includes “Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.”

Cause: The current staff was not able to find procurement documentation prepared before they were hired.

Effect: The District was unable to provide evidence that it was in compliance with the Uniform Guidance requirement to maintain documentation of procurement procedures.

Context: The original procurement for the consulting firm for the Woodland Transit Project was performed in late December 2017 and awarded in January 2018 and then extended during 2024. This procurement precedes the current staff. It was verified the contractor selected was not debarred during the 2024 single audit.

Recommendation: We recommend the District establish a procurement folder on its server with subfolders for each individual procurement where documentation of each procurement is maintained, including advertising of the procurement, requests for proposals, proposals received, analysis of reasons for selecting the winning bid, executed contract, certifications by contractor if not part of the proposal or executed contract, management report to board recommending which bid should be approved, board resolution approving the winning bid and for contracts under \$250,000 a memo or form documenting bids received and reason for selecting the bid, including reasons for not selecting the lowest bid if applicable. We also recommend training be provided to staff that work on procurements of the requirements under Uniform Guidance Section 2 CFR 200.318 to 200.326.

2024-004 Views of Responsible Officials and Planned Corrective Actions:

Management agrees with the recommendation and has implemented measures to improve procurement recordkeeping and compliance. A structured procurement folders and subfolders system has been established to maintain all relevant documentation. Management is actively working with consultants to update policies and procedures. Staff is scheduled to complete a structured three-session training through GFOA to enhance their understanding of federal procurement regulations and best practices. The District will continue training and development efforts in public procurement, with a particular focus on federal compliance, strengthening internal controls, improving documentation, and ensuring adherence to regulatory requirements

Responsible Party: Director of Finance & Administration and Department Managers

Implementation Date: Ongoing; full implementation expected by June 30, 2025

YCTD Contact Person Responsible for the Correction Actions; Chas Ann Fadrigio.



Chas Ann Fadrigio
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