YOLO COUNTY TRANSPORTATION DISTRICT

Audited Financial Statements
and Compliance Reports

June 30, 2019 and 2018

YOLO COUNTY TRANSPORTATION DISTRICT

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and Compliance Reports

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Yolo County Transportation District (the District) as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2019 and 2018, and changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

To the Board of Directors
Yolo County Transportation District

Other Matters

Required Supplementary Information

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

Other Information

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

The supplementary information and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, including the Transportation Development Act and other state grant program guidelines. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Richardson & Company, LLP

February 5, 2020

Management's Discussion and Analysis
June 30, 2019 and 2018

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, 2019 and 2018. This discussion should be read in conjunction with the financial statements and accompanying notes, which follow this section.

Background

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

The primary service of the District is to provide Fixed Route Service through twenty-three fixed routes serving West Sacramento, Woodland, Davis, Capay Valley, the Sacramento International Airport and downtown Sacramento, including local service in Woodland, Winters, and West Sacramento. The District contributes to Unitrans, which provides bus service to U.C. Davis students and residents in Davis. The District also provides Paratransit Service for residents in Woodland, Davis, and West Sacramento to comply with the Americans with Disabilities Act. Transit services are provided under contract with Transdev, formerly Veolia Transportation, Inc., which is in effect through July 29, 2018.

Financial Highlights

- Total net position, the level by which total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources, decreased by approximately $1.4 million, from $28.7 million at June 30, 2018 to $27.3 million at June 30, 2019.
- Year-end total net position of $27.3 million was broken down between $18.2 million investment in capital assets, $1.5 million in restricted for equipment replacement and capital projects, including the State Transit Assistance amount, and $7.5 million of unrestricted net position.
- For every dollar in current liabilities, the District holds $16.5 in total assets, up from $13.2 as of year-end 2018.
- Operating revenues (fares) decreased slightly during FY 2019. This was after fares decreased during FY 2017/18. This was primarily due to a fare increase and an increase in special fares purchases.
- Operating expenses increased 2.0% during FY 2018/19 to $16.4 million. The increase in expenses is primarily due to Purchased Transportation, salaries and benefits, insurance costs, fuel costs and depreciation.

The Financial Statements

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

Description of Basic Financial Statements

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

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

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

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

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

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

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

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

	June 30, 2019	June 30, 2018	Increase (Decrease) from 2018 to 2019	June 30, 2017	Increase (Decrease) from 2017 to 2018
Current Assets	$ 10,198,679	$ 9,735,266	$ 463,413	$ 10,742,060	$ (1,006,794)
Restricted Cash and Investments	1,519,677	1,775,514	(255,837)	1,575,856	199,658
Capital Assets, Net	18,186,464	20,422,548	(2,236,084)	18,545,818	1,876,730
TOTAL ASSETS	29,904,820	31,933,328	(2,028,508)	30,863,734	1,069,594
Deferred Outflows of Resources	560,334	579,043	(18,709)	436,585	142,458
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 30,465,154	$ 32,512,371	$ (2,047,217)	$ 31,300,319	$ 1,212,052
Current Liabilities	$ 1,808,402	$ 2,425,991	$ (617,589)	$ 2,241,282	$ 184,709
Non-Current Liabilities	1,285,227	1,355,965	(70,738)	1,147,106	208,859
TOTAL LIABILITES	3,093,629	3,781,956	(688,327)	3,388,388	393,568
Deferred Inflows of Resources	100,207	67,473	32,734	76,226	(8,753)
Net Position					
Investment in Capital Assets	18,186,464	20,422,548	(2,236,084)	18,545,818	1,876,730
Restricted for Equipment Replacement and Capital Projects	1,058,568	1,554,114	(495,546)	1,396,783	157,331
Restricted for Capital Purposes - STA	488,707	201,676	287,031		201,676
Unrestricted	7,537,579	6,484,604	1,052,975	7,893,104	(1,408,500)
TOTAL NET POSITION	27,271,318	28,662,942	(1,391,624)	27,835,705	827,237
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 30,465,154	$ 32,512,371	$ (2,047,217)	$ 31,300,319	$ 1,212,052

District's Assets

Total assets decreased approximately $2.0 million to $29.9 million at June 30, 2019 from the prior year. Total assets increased approximately $1.1 million to $31.9 million at June 30, 2018. The decrease in total assets in 2018/19 was primarily due to spending down restricted grants and disposals of and depreciation on capital assets, as well as paying down a payable for the purchase of CNG fuel in 2018. The increase in total assets in 2017/18 was primarily due to the purchase of eight fixed route buses for $4.6 million and an increase in restricted cash and investments from unspent grants of $0.2 million, offset by the reduction of due from other governments of $1.1 million due to the timing of grant receipts and $2.7 million of depreciation on capital assets.

District's Liabilities

The decrease in current liabilities of $0.6 million at June 30, 2019 was primarily due to paying down payables to the California Department of General Services for the purchase of natural gas for CNG fuel.

The increase in current liabilities of $0.2 million at June 30, 2018 was primarily due to an increase in payables to the California Department of General Services for the purchase of natural gas for CNG fuel.

The slight decrease of non-current liabilities during the years ending June 30, 2019 was due to slight reductions in the pension and OPEB liabilities. The increase in 2018 was due to an increase in the District's pension plan liability, which was mainly due to lower investment earnings. The District's pension liability was $1.2 million at June 30, 2018 and $1.1 million at June 30, 2017. The District's other postemployment benefit (OPEB) liability also increased slightly at June 30, 2018 due to the liability being recomputed under a new accounting standard, GASB Statement No. 75.

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

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 2018/19, 2017/18 and 2016/17 is as follows:

	Year ending June 30, 2019	Year ending June 30, 2018	Increase (Decrease) from 2018 to 2019	Year ending June 30, 2017	Increase (Decrease) from 2017 to 2018
Operating Revenues	$ 2,202,676	$ 2,398,596	$ (195,920)	$ 2,470,541	$ (71,945)
Operating Expenses	16,375,502	16,056,405	319,097	15,411,995	644,410
Net Loss From Operations	(14,172,826)	(13,657,809)	(515,017)	(12,941,454)	(716,355)
NONOPERATING REVENUES (EXPENSES)					
Local Transportation Fund and State Transit Assistance Allocation	6,074,189	5,625,552	448,637	5,802,204	(176,652)
Federal Transit Administration Grants:					
Operating Grants	3,797,734	1,205,204	2,592,530	2,945,344	(1,740,140)
Pass-through Grants		621,570	(621,570)		621,570
Mitigation Revenue - Tribe	1,756,500	1,671,085	85,415	1,530,404	140,681
Auxiliary Transportation	459,113	469,742	(10,629)	586,734	(116,992)
Interest Revenue	197,763	118,411	79,352	51,105	67,306
State Grants	128,581	64,397	64,184	95,499	(31,102)
Miscellaneous Revenues	73,843	476,030	(402,187)	337,325	138,705
FTA Pass-through Grants to Other Governments		(621,570)	621,570		(621,570)
Other Pass-through Grants to Other Governments	(24,000)	(28,200)	4,200	(24,200)	(4,000)
Gain (Loss) on Disposal of Capital Assets	(1,399)	1,420	(2,819)	(15,389)	16,809
TOTAL NONOPERATING REVENUES (EXPENSES)	12,462,324	9,603,641	2,858,683	11,309,026	(1,705,385)
TOTAL CAPITAL CONTRIBUTIONS	318,878	4,909,327	(4,590,449)	3,983,869	925,458
CHANGE IN NET POSITION	(1,391,624)	855,159	(2,246,783)	2,351,441	(1,496,282)
Net Position at Beginning of Year	28,662,942	27,835,705	827,237	25,484,264	2,351,441
Restatement		(27,922)	27,922		(27,922)
Net Position at Beginning of Year, as restated	28,662,942	27,807,783	855,159	25,484,264	2,323,519
NET POSITION AT END OF YEAR	$ 27,271,318	$ 28,662,942	$(1,391,624)	$ 27,835,705	$ 827,237

Operating Revenues

The District's operating revenue is a combination of passenger fares, made up of cash from the fareboxes and pre-paid fare media, and special fares, which are fares paid for by non-profits and other government agencies. The District's operating revenue in FY 2018/19 and FY 2017/18 decreased slightly due to reduced net fare revenues caused by a fare increase.

Operating Expenses

The District's operating expenses consist of charges for fixed route and paratransit operations, administrative expenses, marketing, maintenance expenses, including re-building both transmissions and engines, and other operating expenses. The slight increase in operating expenses for FY 2018/19 is primarily due to increase in purchased

Non-operating Revenues (Expenses)

The District receives operating assistance from the Federal Transit Administration (FTA) and the State of California. In FY 2018/19, the District received additional support for FY 2017/18 expenses in addition to expenses incurred during FY 2018/19, which resulted in a significant increase in FTA operating assistance. In FY 2017/18, a portion of this funding was passed-through to the Sacramento Area Council of Governments to administer the implementation of a regional connect card program.

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

Miscellaneous revenue through FY 2017/18 was primarily rebates that the District received for using compressed natural gas (CNG) in our buses.

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

Capital contributions consist of grants received by the District from the Federal Transit Administration, Sacramento Area Council of Governments and the State of California, from either the Department of Transportation or the California Emergency Management Agency relating to capital for improvements owned by the District. In FY 2018/19, capital contributions declined significantly as the District only purchased equipment and used pre-existing reserves for those purchases. In FY 2017/18 the District purchased eight compressed natural gas buses for its fixed route services, which was funded largely with FTA grant revenue, State Proposition 1B grant revenue and the new gas tax called "State of Good Repair" revenue.

Capital Assets

	June 30, 2019	June 30, 2018	Increase (Decrease) from 2018 to 2019	June 30, 2017	Increase (Decrease) from 2017 to 2018
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	37,873,837	38,074,406	$ (200,569)	35,523,235	$ 2,551,171
Building and improvements	11,171,120	11,171,120		11,171,120	
Total capital assets, being depreciated	49,044,957	49,245,526	(200,569)	46,694,355	2,551,171
Less accumulated depreciation for:					
Equipment & Transit Vehicles	(25,393,067)	(23,814,057)	(1,579,010)	(23,628,257)	(185,800)
Building and improvements	(5,930,426)	(5,473,921)	(456,505)	(4,985,280)	(488,641)
Total accumulated depreciation	(31,323,493)	(29,287,978)	(2,035,515)	(28,613,537)	(674,441)
Total capital assets being depreciated, net	17,721,464	19,957,548	(2,236,084)	18,080,818	1,876,730
Capital assets, net	$ 18,186,464	$ 20,422,548	$ (2,236,084)	$ 18,545,818	$ 1,876,730

At June 30, 2019, the District's net investment in capital assets decreased $2.2 million to $18.2 million from $20.4 million at the end of FY 2018/19. This was due to the surplus of Apollo video surveillance equipment and various other equipment as well as depreciation, offset by the purchase of connect card equipment, bus shelters and a new Apollo video camera system. At June 30, 2018, the District's net investment in capital assets increased $1.9 million to $20.4 million from $18.5 million at the end of FY 2016/17. Capital asset categories are land, work in progress, equipment & transit vehicles, and buildings & improvements. The increase in capital assets, net in FY 2017/18 was primarily due to the purchase of eight fixed route buses and equipment, offset by depreciation. See note E for more information about capital assets.

Economic Factors and the Future

General economic conditions are expected to continue to improve during 2019. Ridership has decreased during 2018/19 compared to the previous year due to reduced fuel prices and a fare increase. This may continue to affect fare revenue.

Fiscal year 2019/20 budgeted overall operating and planning expenses, are up 3.02% or $463,307, compared to the 2018/19 budget, due to previously agreed to contract rate changes with Transdev, increases in liability insurance, and an added loan servicing payment for the construction of a third skid on the CNG facility. Note that the budget includes 1,000 hours for added service to cover extra trips to the airport during holidays and school breaks, for re-routes anticipated because of ongoing street detours during the construction season, and for other unspecified changes in service.

Restricted cash and current grants will be utilized to fund all capital projects, including the replacement of eight CNG buses.

Requests for Information

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

YOLO COUNTY TRANSPORTATION DISTRICT

BALANCE SHEETS

June 30, 2019 and 2018

	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 6,366,962	$ 7,840,791
Due from Other Governments	3,664,769	1,788,397
Accounts Receivable	166,948	106,078
TOTAL CURRENT ASSETS	10,198,679	9,735,266
NONCURRENT ASSETS		
Restricted Cash and Cash Equivalents:		
Capital Reserves	982,056	951,488
Governor's Office of Homeland Security	64,453	591,907
LCTOP	465,622	224,573
County of Yolo Grant - Madision Bus Stop	7,546	7,546
Total Restricted Assets	1,519,677	1,775,514
Capital Assets:		
Nondepreciable	465,000	465,000
Depreciable, Net	17,721,464	19,957,548
Total Capital Assets, Net	18,186,464	20,422,548
TOTAL NONCURRENT ASSETS	19,706,141	22,198,062
TOTAL ASSETS	29,904,820	31,933,328
DEFERRED OUTFLOWS OF RESOURCES		
Pension Plan	398,200	470,452
Other Postemployment Benefits Plan	162,134	108,591
TOTAL DEFERRED OUTFLOWS OF RESOURCES	560,334	579,043
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 30,465,154	$ 32,512,371
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	$ 990,890	$ 1,724,488
Accrued Wages	22,732	18,095
Due to Other Governments	280,899	410,467
Unearned Revenue	461,109	221,400
Accrued Compensated Absences	52,772	51,541
TOTAL CURRENT LIABILITIES	1,808,402	2,425,991
NONCURRENT LIABILITIES		
Accrued Compensated Absences	41,348	38,665
Net Other Postemployment Benefits Plan Liability	74,787	108,761
Net Pension Liability	1,169,092	1,208,539
TOTAL NONCURRENT LIABILITIES	1,285,227	1,355,965
TOTAL LIABILITIES	3,093,629	3,781,956
DEFERRED INFLOWS OF RESOURCES		
Pension Plan	86,923	50,498
Other Postemployment Benefits Plan	13,284	16,975
TOTAL DEFERRED INFLOWS OF RESOURCES	100,207	67,473
NET POSITION		
Investment in Capital Assets	18,186,464	20,422,548
Restricted for Equipment Replacement and Capital Projects	1,058,568	1,554,114
Restricted for Capital Purposes - State Transit Assistance	488,707	201,676
Unrestricted	7,537,579	6,484,604
TOTAL NET POSITION	27,271,318	28,662,942
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 30,465,154	$ 32,512,371

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, 2019 and 2018

	2019	2018
OPERATING REVENUE		
Passenger Fares	$ 2,126,275	$ 2,326,906
Special Fares	76,401	71,690
TOTAL OPERATING REVENUE	2,202,676	2,398,596
OPERATING EXPENSES		
Purchased Transportation	9,100,826	9,133,886
Salaries and Benefits	1,366,024	1,440,186
Vehicle Fuel	1,258,897	1,257,189
Insurance	971,214	812,747
Other Services and Supplies	812,745	725,483
Depreciation	2,865,796	2,686,914
TOTAL OPERATING EXPENSES	16,375,502	16,056,405
NET LOSS FROM OPERATIONS	(14,172,826)	(13,657,809)
NONOPERATING REVENUES (EXPENSES)		
Local Transportation Fund and State Transit Assistance Allocation	6,074,189	5,625,552
Federal Transit Administration (FTA) Grants:		
Operating Grants	3,797,734	1,205,204
Pass-through Grants		621,570
Mitigation Revenue - Tribe	1,756,500	1,671,085
Auxiliary Transportation	459,113	469,742
Interest Revenue	197,763	118,411
State Grants	128,581	64,397
Miscellaneous Revenues	73,843	476,030
FTA Pass-through Grants to Other Governments		(621,570)
Other Pass-through Grants to Other Governments	(24,000)	(28,200)
Gain (Loss) on Disposal of Capital Assets	(1,399)	1,420
TOTAL NONOPERATING REVENUES (EXPENSES)	12,462,324	9,603,641
NET LOSS BEFORE CAPITAL CONTRIBUTIONS	(1,710,502)	(4,054,168)
CAPITAL CONTRIBUTIONS		
State Transit Assistance	287,031	201,676
Tribe	21,647	
Other Capital Revenue	10,200	
Federal Transit Administration		4,079,270
State Proposition 1B Grant		378,320
State of Good Repair		250,061
TOTAL CAPITAL CONTRIBUTIONS	318,878	4,909,327
CHANGE IN NET POSITION	(1,391,624)	855,159
Net Position at Beginning of Year	28,662,942	27,807,783
NET POSITION AT END OF YEAR	$27,271,318	$28,662,942

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, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts From Customers	$ (210,537)	$ 2,318,401
Cash Paid to Suppliers for Goods and Services	(13,006,848)	(11,779,316)
Cash Paid to Employees for Services	(1,379,451)	(1,418,067)
NET CASH USED FOR OPERATING ACTIVITIES	(14,596,836)	(10,878,982)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating Grants and Subsidies	12,068,274	10,686,305
Pass-through Payments	(24,000)	(649,770)
Other Income	532,951	945,772
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	12,577,225	10,982,307
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES RELATED FINANCING ACTIVITIES		
Capital Contributions Received	723,293	4,552,841
Acquisition of Capital Assets	(634,212)	(4,584,144)
Proceeds From Sale of Capital Assets	3,101	21,920
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	92,182	(9,383)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on Pooled Investments	197,763	118,411
NET CASH PROVIDED BY INVESTING ACTIVITIES	197,763	118,411
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,729,666)	212,353
Cash and Cash Equivalents at Beginning of Year	9,616,305	9,403,952
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,886,639	$ 9,616,305
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET		
Cash and Cash Equivalents	$ 6,366,962	$ 7,840,791
Restricted Cash and Cash Equivalents	1,519,677	1,775,514
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,886,639	$ 9,616,305
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:		
Net Loss From Operations	$ (14,172,826)	$ (13,657,809)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:		
Depreciation	2,865,796	2,686,914
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Receivable and Due from Other Governments	(2,413,213)	(80,195)
Deferred Outflows of Resources - OPEB Plan	(53,543)	(108,591)
Deferred Outflows of Resources - Pension Plan	72,252	(30,013)
Accounts Payable and Due to Other Governments	(863,166)	146,135
Accrued Wages	4,637	(3,362)
Accrued Compensated Absences	3,914	10,832
Net OPEB Liability	(33,974)	55,769
Net Pension Liability	(39,447)	110,091
Deferred Inflows of Resources - OPEB Plan	(3,691)	16,975
Deferred Inflows of Resources - Pension Plan	36,425	(25,728)
NET CASH USED FOR OPERATING ACTIVITIES	$ (14,596,836)	$ (10,878,982)
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITY		
Capital asset acquisitions on accounts payable	$ 135,133	

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The primary service of the District is to provide Fixed Route Service through twenty-three fixed routes serving West Sacramento, Woodland, Davis, Capay Valley, the Sacramento International Airport and downtown Sacramento, including local service in Woodland, Winters, and West Sacramento, and contributes to Unitrans, which provides bus service to U.C. Davis students and residents in Davis. The District also provides Paratransit Service for residents in Woodland, Davis, and West Sacramento to comply with the Americans with Disabilities Act. Transit services are provided under contract with Transdev (formerly Veolia Transportation, Incorporated), which is in effect through July 29, 2018.

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

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

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Unearned Revenue: Amounts reported as unearned revenue consist of funds received by the District before appropriate expenses have been incurred to be able to record the funds as revenue. Amount at June 30, 2019 and 2018 represents Low Carbon Transit Operations Program funds held for future projects.

Restricted Net Position: Restrictions of net position show amounts that are legally restricted for specific uses. The amounts restricted for equipment replacement include TDA revenues restricted in accordance with TDA requirements since amounts are billed in advance of expenses being incurred as well as other restricted cash and cash equivalents described in Note C. Restricted for capital purposes represented State Transit Assistance (STA) revenues restricted for capital projects through June 30, 2015 because the District did not meet required STA efficiency standards necessary to use STA for operating purposes. The District met the efficiency standards for years after 2016 and STA is now available for operations.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

NOTE B – CASH AND CASH EQUIVALENTS

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

	2019	2018
Cash and cash equivalents	$ 6,366,962	$ 7,840,791
Restricted cash and equivalents	1,519,677	1,775,514
Total cash and investments	$ 7,886,639	$ 9,616,305

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

	2019	2018
Cash on hand	$ 400	$ 400
Deposits with financial institutions	217,340	67,709
Investment in Yolo County Pooled Investment Fund	7,668,899	9,548,196
Total cash and investments	$ 7,886,639	$ 9,616,305

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

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

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

The District complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The District will continue to monitor compliance with applicable statues 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, 2019 and 2018, the weighted average maturity of the investments contained in the County of Yolo investment pool was approximately 449 and 499 days, respectively.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Yolo investment pool does not have a rating provided by a nationally recognized statistical rating organization.

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

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

At June 30, 2019 and 2018, the carrying amount of the District's deposits was $217,340 and $67,709 and the balance in financial institutions was $210,544 and $62,392, respectively. All of the balance in financial institutions was insured by the Federal Deposit Insurance Corporation (FDIC) at June 30, 2019 and 2018.

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:

	2019	2018
Capital reserves	$ 982,056	$ 951,488
Governor's Office of Homeland Security	64,453	591,907
LCTOP	465,622	224,573
County grant - Madison Bus Stop	7,546	7,546
Total restricted cash and cash equivalents	$ 1,519,677	$ 1,775,514

Capital Reserves: For the fiscal years ended June 30, 2019 and 2018, the District accumulated $982,056 and $951,488 of LTF revenue from its member agencies from TDA allocations that is restricted for equipment replacement and capital purposes.

NOTE D – DUE FROM OTHER GOVERNMENTS

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

	2019	2018
Federal Transit Administration grants	$ 3,033,001	$ 505,607
SACOG - State Transit Assistance	289,194	201,676
California Department of Transportation	170,371	273,140
Sacramento Regional Transit District	164,962	108,086
Other	7,241	14,386
SACOG - State of Good Repair		250,061
PTMISEA		225,846
Internal Revenue Service - fuel tax rebate		198,262
City of West Sacramento		11,333
Total due from other governments	$ 3,664,769	$ 1,788,397

NOTE E – CAPITAL ASSETS

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

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

NOTE E – CAPITAL ASSETS (Continued)

Fixed Route Service	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
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	33,662,057	$ 4,571,893	$(1,506,572)	36,727,378
Buildings and improvements	11,171,120			11,171,120
Total capital assets, being depreciated	44,833,177	4,571,893	(1,506,572)	47,898,498
Less accumulated depreciation for:				
Equipment and transit vehicles	(22,772,759)	(2,029,750)	1,486,072	(23,316,437)
Buildings and improvements	(4,985,280)	(488,641)		(5,473,921)
Total accumulated depreciation	(27,758,039)	(2,518,391)	1,486,072	(28,790,358)
Total capital assets being depreciated, net	17,075,138	2,053,502	(20,500)	19,108,140
Capital assets, net	$ 17,540,138	$ 2,053,502	$ (20,500)	$ 19,573,140
ADA Paratransit Service				
Capital assets, being depreciated:				
Equipment and transit vehicles	$ 1,861,178	$ 12,251	$ (526,401)	$ 1,347,028
Total capital assets, being depreciated	1,861,178	12,251	(526,401)	1,347,028
Less accumulated depreciation for:				
Equipment and transit vehicles	(855,498)	(168,523)	526,401	(497,620)
Total accumulated depreciation	(855,498)	(168,523)	526,401	(497,620)
Capital assets, net	$ 1,005,680	$ (156,272)	$ -	$ 849,408
Total capital assets, net	$ 18,545,818	$ 1,897,230	$ (20,500)	$ 20,422,548

NOTE F – COMPENSATED ABSENCES

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

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

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018	Due within one year
Compensated absences	$ 79,374	$ 56,184	$ (45,352)	$ 90,206	$ 51,541

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, 2019 and 2018, 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:

	2019	2018
Fare revenues	$ 2,202,676	$ 2,398,596
Other local funds:		
Mitigation Revenue - Tribe	1,756,500	1,671,085
Auxilliary Transportation	459,113	469,742
Interest Revenue	197,763	118,411
Miscellaneous Revenues	73,843	476,030
Proceeds from sale of capital assets	3,101	21,920
Total local funds	2,490,320	2,757,188
Total Fare Revenue and Local Support	$ 4,692,996	$ 5,155,784
Operating expenses	$ 16,375,502	$ 16,056,405
Less allowable exclusions:		
Depreciation	(2,865,796)	(2,686,914)
Net operating expenses	$ 13,509,706	$ 13,369,491
Fare revenue ratio	34.74%	38.56%

NOTE H – PENSION PLAN

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

- Miscellaneous Plan
- PEPRA Miscellaneous Plan

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

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

The Plan's provisions and benefits in effect at June 30, 2019 and 2018, are summarized as follows:

NOTE H – PENSION PLAN (Continued)

	2019		2018	
Hire date	Miscellaneous Rate Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Rate Plan (On or after January 1, 2013)	Miscellaneous Rate Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Rate Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.5% @ 55	2.0% @ 62	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.000%	6.250%	8.000%	6.250%
Required employer contribution rates	10.609%	6.842%	10.110%	6.533%

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

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the years ended June 30, 2019 and 2018, the employer contributions recognized as part of pension expense were $155,826 and $149,656, 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:

	2019 Proportionate Share of Net Pension Liability	2018 Proportionate Share of Net Pension Liability
Total net pension liability	$ 1,169,092	$ 1,208,539

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

Proportion - June 30, 2018	0.03066%	
Proportion - June 30, 2019	0.03102%	
Change - increase (decrease)	0.00036%	
Proportion - June 30, 2017		0.03082%
Proportion - June 30, 2018		0.03066%
Change - increase (decrease)		-0.00016%

NOTE H – PENSION PLAN (Continued)

During the years ended June 30, 2019 and 2018, the District recognized pension expense of $225,056 and $228,074, respectively. At June 30, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 155,826		$ 149,656	
Differences between actual and expected experience	44,856	$ (15,264)	1,396	$ (19,996)
Changes in assumptions	133,280	(32,664)	173,166	(13,204)
Differences between the employer's contributions and the employer's proportionate share of contributions	34,946		38,581	
Change in employer's proportion	23,512	(38,995)	68,490	(17,298)
Net differences between projected and actual earnings on plan investments	5,780		39,163	
Total	$ 398,200	$ (86,923)	$ 470,452	$ (50,498)

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

Fiscal Year Ended June 30	2019	2018
2019		$ 98,407
2020	$ 127,080	118,262
2021	77,729	76,881
2022	(38,840)	(23,252)
2023	(10,518)	
	$ 155,451	$ 270,298

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:

	2019	2018
Valuation date	June 30, 2017	June 30, 2016
Measurement date	June 30, 2018	June 30, 2017
Actuarial cost method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial assumptions:		
Discount rate	7.15%	7.15%
Inflation	2.50%	2.75%
Payroll growth	3.00%	3.00%
Projected salary increase(1)	3.2% - 12.2%	3.2% - 12.2%
Investment rate of return	7.15%	7.375%
Mortality(2)	Derived using CalPERS Membership Data for all Funds	Derived using CalPERS Membership Data for all Funds

(1) Depending on entry age, service and type of employment.
(2) 15 years of mortality improvement - Society of Actuaries Scale 90% of scale MP 2016.

NOTE H – PENSION PLAN (Continued)

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

Discount Rate: The discount rate used to measure the total pension liability was 7.15% at June 30, 2019 and 2018. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the discount was adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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

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

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

	2019			2018		
Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)	New Strategic Allocation	Real Return Years 1 - 10(c)	Real Return Years 11+(d)
Global equity	50.0%	4.80%	5.98%	47.0%	4.90%	5.38%
Global fixed income	28.0%	1.00%	2.62%	19.0%	0.80%	2.27%
Inflation sensitive	0.0%	0.77%	1.81%	6.0%	0.60%	1.39%
Private equity	8.0%	6.30%	7.23%	12.0%	6.60%	6.63%
Real estate	13.0%	3.75%	4.93%	11.0%	2.80%	5.21%
Infrastructure and forestland	0.0%	0.00%	0.00%	3.0%	3.90%	5.36%
Liquidity	1.0%	0.00%	-0.92%	2.0%	-0.40%	-0.90%
Total	100.0%			100.0%		

(a) An expected inflation of 2.0% used for this period.
(b) An expected inflation of 2.92% used for this period.
(c) An expected inflation of 2.5% used for this period.
(d) An expected inflation of 3.0% 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:

NOTE H – PENSION PLAN (Continued)

	2019	2018
1% decrease	6.15%	6.15%
Net pension liability	$ 1,772,073	$ 1,779,343
Current discount rate	7.15%	7.150%
Net pension liability	$ 1,169,092	$ 1,208,539
1% increase	8.15%	8.15%
Net pension liability	$ 671,341	$ 735,789

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, 2019 and 2018, the District had no significant payables to the Plan.

NOTE I – OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN

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

Benefits Provided: The District is required to provide a contribution toward monthly retiree medical premiums for the retiree's lifetime or until coverage is discontinued at a rate of 90% for management employees and 100% for non-management employees, respectively, multiplied by a phase in percentage of 95% during 2018 up to a maximum amount specified in Resolution 2014-05 ranging from $591 for single to $1,536 for family coverage for non-management employees. The benefits do not cease at age 65 when the retiree or spouse is eligible for Medicare. Benefits continue to surviving spouses and dependents. Implied subsidies are valued for community rated plans such as PEMHCA under revised Actuarial Standards of Practice (ASOP) No. 6 released in May 2014.

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

	2019	2018
Inactive employees or beneficiaries currently receiving benefit payments	3	3
Active employees	9	9
Total	12	12

Contributions: The Board of Directors has the authority to establish and amend the contribution requirements of the District and employees under powers granted to it under the California Government Code. The District's current benefits were defined under Board Resolution 2014-05. The required contributions are described above. Employees are not required to contribute to the Plan. The District's contributions during the year ended June 30, 2019 and 2018

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

consisted of direct payments of insurance premiums of $14,835 and $13,553, implied subsidy payments of $14,343 and $9,194 and contributions to CERBT of $109,000 and $85,844, for a total of $138,178 and $108,591, respectively.

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

Actuarial Assumptions: The total OPEB liability at the June 30, 2018 and 2017 measurement date was determined using the following actuarial assumptions:

	2019	2018
Valuation date	June 30, 2017	June 30, 2017
Measurement date	June 30, 2018	June 30, 2017
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	7.00%	7.25%
Inflation	2.75%	2.75%
Aggregate salary increases	3.25%	3.25%
Investment rate of return	7.00%	7.25%
Demographic actuarial assumptions	Derived using CalPERS 1997-2011 Experience Study	Derived using CalPERS 1997-2011 Experience Study
Mortality improvement	MacLeod Watts Scale 2017 applied generationally	MacLeod Watts Scale 2017 applied generationally
Healthcare cost trend rates	7.5% initially, trending down to 5.0% in 2025 and later	7.5% initially, trending down to 5.0% in 2024 and later
Participation rate assumption	100%	100%

The discount rate and investment rate of return at the June 30, 2018 measurement date of 7.00% represents a change of assumption from the 7.25% amount used at the June 20, 2017 measurement date. The healthcare cost trend rates above at the June 30, 2017 measurement date represent a change in assumption from the previous valuation when healthcare cost trend rates of 7.50% for premiums initially trending down to 5% in 2024 years were used.

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:

	2019				2018	
	Years 1-10		Years 11+		Long-term	
Investment Class	Target Allocation	1-10 Year Expected Real Rate of Return	Target Allocation	11+ Year Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Global equity	59.00%	4.80%	59.00%	4.80%	57.00%	4.82%
Fixed income	25.00%	1.10%	25.00%	1.10%	27.00%	1.47%
Global Real Estate (REITs)	8.00%	3.20%	8.00%	3.20%	8.00%	3.76%
Treasury Inflation Protected Securities	5.00%	0.25%	5.00%	0.25%	5.00%	1.29%
Commodities	3.00%	1.50%	3.00%	1.50%	3.00%	0.84%
Total	100.00%		100.00%		100.00%	

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

Discount Rate: The discount rate used to measure the total OPEB liability was 7.00% and 7.25% at the June 30, 2018 and 2017 measurement date, respectively. The projection of cash flows used to determine the discount rate assumed that Agency contributions will continue based upon the current funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability:

	2019			2018		
	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	$ 804,340	$ 695,579	$ 108,761	$ 734,273	$ 603,351	$ 130,922
Changes for the year:						
Service cost	39,508		39,508	38,264		38,264
Interest	60,354		60,354	55,162		55,162
Contributions - employer		108,591	(108,591)		50,008	(50,008)
Net investment income		54,185	(54,185)		65,916	(65,916)
Benefit payments	(22,747)	(22,747)		(23,359)	(23,359)	
Assumption changes	27,647		27,647			
Administrative expense		(1,293)	1,293		(337)	337
Net changes	104,762	138,736	(33,974)	70,067	92,228	(22,161)
Balance at June 30	$ 909,102	$ 834,315	$ 74,787	$ 804,340	$ 695,579	$ 108,761

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of the Agency, as well as what the Agency'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:

	2019			2018		
	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net OPEB liability (asset)	$ 200,639	$ 74,787	$ (27,932)	$ 219,319	$ 108,761	$ 18,321

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

	2019			2018		
	1% Decrease 6.00%	Current Healthcare Cost Trend Rates 7.00%	1% Increase 8.00%	1% Decrease 6.5% Initially	Current Healthcare Cost Trend Rates 7.5% Initially	1% Increase 8.5% Initially
Net OPEB liability (asset)	$ (50,909)	$ 74,787	$ 242,884	$ 2,301	$ 108,761	$ 250,058

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.

NOTE I – OTHER POSTEMPLOYMENT BENEFITS PLAN (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: For the year ended June 30, 2019, the Agency recognized OPEB expense of $46,970. At June 30, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 138,178		$ 108,591	
Differences between actual and expected experience				
Changes in benefit terms				
Changes in assumptions	23,956			
Net differences between projected and actual earnings on OPEB plan investments		$ (13,284)		$ (16,975)
Total	$ 162,134	$ (13,284)	$ 108,591	$ (16,975)

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

Year Ended June 30	2019	2018
2019		$ (4,244)
2020	$ (691)	(4,244)
2021	(691)	(4,244)
2022	(690)	(4,243)
2023	3,552	
2024	3,691	
Thereafter	5,501	
	$ 10,672	$ (16,975)

Payable to the OPEB Plan: There was no payable to the OPEB plan at June 30, 2019 and 2018.

NOTE J – OTHER STATE GRANT PROGRAMS

PTMISEA: In November 2006, California Voters passed a bond measure enacting the Highway Safety, Traffic reduction, Air Quality and Port Security Bond Act of 2006. Of the $19.925 billion of state general obligation bonds authorized, $4 billion was set aside by the State as instructed by statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement.

NOTE J – OTHER STATE GRANT PROGRAMS (Continued)

The District received $225,846 PTMISEA funds for the purchase of CNG and paratransit vehicles during the year ended June 30, 2018. The District did not receive any PTMISEA funds during the year ended June 30, 2019. For the years ended June 30, PTMISEA funds received and expended were verified in the course of the audit as follows:

	2019	2018
Unexpended proceeds, beginning of year		
PTMISEA allocation		$ 225,846
Expenses incurred:		
Compressed natural gas (CNG) buses		(225,846)
Paratransit buses		
Unexpended proceeds	$ -	$ -

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

The District applied for and received $152,474 during the year ended June 30, 2018 and had unspent funds as of June 30, 2014 for OHS approved projects and equipment, which included facility security improvements, wireless access equipment, Route Match/AVL connection equipment and software. The District did not received any funds during year ended June 30, 2019. Unspent funds at June 30, 2019 and 2018 represent facility safety and security program funds (camera equipment to be installed on buses).

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

	2019	2018
Unexpended proceeds, beginning of year	$ 591,907	$ 432,253
Revenue received		152,474
Interest earnings	19,192	7,180
Expenses incurred:		
Apollo Video Camera System	(526,533)	
Bus Shelters	(20,113)	
Unexpended proceeds, end of year	$ 64,453	$ 591,907

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).

NOTE J – OTHER STATE GRANT PROGRAMS (Continued)

The District received $309,231 and $82,931 during the years ended June 30, 2019 for zero emission electric buses and 2018 for connect card equipment, e-lockers, fare reduction program and a West Sacramento Pilot project, respectively. As of June 30, LCTOP funds received and expended were verified in the course of the audit as follows:

	2019	2018
Unexpended proceeds, beginning of year	$ 224,573	$ 179,934
Revenue received	309,231	82,931
Interest earnings	17,047	3,832
Expenses incurred:		
Connect card program administrative costs	(62,075)	(42,124)
West Sacramento pilot program	(23,154)	
Unexpended proceeds, end of year	$ 465,622	$ 224,573

Unspent funds at June 30, 2019 and 2018 are held for the connect card project, e-lockers, zero emission electric buses and a fare reduction program. The District also received an allocation of $345,372 in July 2019 for zero emission electric buses.

NOTE K – INSURANCE COVERAGE

The District participates in the California Transit Indemnity Pool (CalTIP), a public entity risk pool of governmental transit operators within California, for liability (general, automobile, public officials errors and omissions and employment practices) and vehicle physical damage (collision and comprehensive). The District is provided with excess coverage fund for these items through commercial insurance. Loss contingency reserves established by CalTIP are funded by contributions from member agencies. The District pays an annual premium to CalTIP that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting, legal costs, administrative and other costs to operate CalTIP. The District's CalTIP pooled coverage is $10,000,000 for liability and $100,000 for vehicle physical damage coverage for each occurrence. Employment practices liability coverage is through the Employment Risk Management Authority in the amount of $1,000,000. The District also has excess liability coverage through private insurance for an additional $15,000,000 for liability coverage and $29,900,000 for vehicle physical damage for a total of $25,000,000 for liability and $30,000,000 for vehicle physical damage coverage per occurrence. The District has no deductible for its liability policy and a deductible of $500 to $10,000 for the vehicle physical damage policy. The District has excess liability coverage for the employment practices policy of $2,000,000 for each occurrence and a $4,000,000 aggregate limit. The District has a $50,000 deductible for the policy. In the year ended June 30, 2019, the CAlTIP confidence level increased to 90% due to funding a higher retention that was previously covered by commercial insurance. Settled claims resulting from all risks have not exceeded the District's commercial insurance coverage and no reductions in insurance coverage have occurred in the past three years. CalTIP may be contacted at 1750 Creekside Drive, Suite 200, Sacramento, California 95833 or at www.caltiponline.org.

NOTE L – CONCENTRATIONS

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

NOTE M – COMMITMENTS AND CONTINGENCIES

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

Contract Commitments: On July 19, 2018, the District entered into a seven-year agreement with Transdev to provide transit services. The amounts payable to Transdev for the period of August 1, 2018 through July 31, 2025 will not exceed $71,555,394. The remaining balance of the contract at year ended June 30, 2019 was $62,425,535. This agreement, upon approval from the District, may be extended for up to five additional years from August 1, 2025 through July 31, 2030 at an amount not to exceed $60,516,483.

The Board of Directors approved a contract to install a third compressed natural gas skid at the District's facility to provide capacity for growing use of compressed natural gas. The contract commitment was approximately $1,060,000 at June 30, 2019. The project was completed in the last half of 2019.

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

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

NOTE N– RELATED PARTY TRANSACTIONS

The County of Yolo, a member of the Yolo County Transportation District, provides certain legal, accounting, investment and other professional services to the District. Legal services are billed separately and at amounts that will approximately recover the County's full cost of providing such services. Expense for services provided by the County totaled $28,697 and $32,154 for the years ended June 30, 2019 and 2018, respectively.

NOTE O - SUBSEQUENT EVENTS

In January 2019, the District entered into an agreement with Sacramento Regional Transit District (SRTD) and Electrify America, LLC, a subsidiary of Volkswagen. Under the terms of the agreement, Electrify America will provide the funds for 12 40-foot zero emission vehicle (ZEV) buses and related equipment that will be split evenly by the District and SRTD. The cost of the District's buses is expected to be approximately $5,700,000. SRTD will be responsible for the procurement of the buses. Electrify America will design and install charging equipment at both transit properties. The District and SRTD expect to complete this bus purchase during the year ended June 30, 2020. The District and SRTD will operate ZEV bus services between UC Davis in the City of Davis and UC Davis Medical Center in Sacramento along with limited intermittent stops for a cost of approximately $1.62 million per year, which is expected to be funded by a CMAQ grant, operating assistance provided by U.C. Davis and fare revenues.

In February 2019, the Board of Directors authorized the purchase of eight 40-foot Compressed Natural Gas (CNG) fixed route buses with near-zero CNG engines for a total cost of $5,280,000, including related equipment, warranties, training, special tools and services. The District anticipates Federal Transit Administration (FTA) funds and local funds through member agencies of $4,674,384 and $605,616, respectively, will be available to fund the purchase and expects to complete this bus purchase during the year ended June 30, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

YOLO COUNTY TRANSPORTATION DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2019

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

	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability at measurement date	0.03102%	0.03066%	0.03082%	0.03277%	0.03100%
Proportionate share of the net pension liability	$ 1,169,092	$ 1,208,539	$ 1,070,526	$ 899,146	$ 766,359
Covered - employee payroll for measurement period	$ 868,639	$ 872,297	$ 688,885	$ 629,657	$ 623,001
Proportionate share of the net pension liability as percentage of covered payroll	134.59%	138.55%	155.40%	142.80%	123.01%
Plan fiduciary net position	$ 3,288,483	$ 2,941,348	$ 2,750,531	$ 2,694,045	$ 2,478,946
Plan fiduciary net position as a percentage of the total pension liability	73.77%	70.88%	71.98%	74.98%	76.39%

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

	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)	$ 155,826	$ 149,656	$ 138,557	$ 123,865	$ 134,229
Contributions in relation to the actuarially determined contributions	(155,826)	(149,656)	(138,557)	(123,865)	(134,229)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered - employee payroll for employer's fiscal year	$ 835,543	$ 868,639	$ 829,909	$ 688,885	$ 629,657
Contributions as a percentage of covered - employee payroll	18.65%	17.23%	16.70%	17.98%	21.32%
Notes to Schedule:					
Date contribution rates were computed:	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Valuation date:	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Investment rate of return and discount rate used to compute contribution rates	7.375%	7.500%	7.50%	7.50%	7.50%

Methods and assumptions used to determine contribution rates

Actuarial method	Entry age normal cost method
Amortization method	Difference between projected and actual earnings is amortized straight-line over 5 Years. All other amounts are amortized straight-line over average remaining service
Remaining amortization period	Not stated
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	Varies depending on entry age and service.
Retirement age	50-67 years. Probabilities of retirement are based on the 2010 CalPERS Experience Study for the Period 1997 to 2007.
Mortality	CalPERS specific data from April 2014 Actuarial Experience Study for the period 1997 to 2011 that uses 20 years of mortality improvements using Society of Actuaries Scale

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

YOLO COUNTY TRANSPORTATION DISTRICT

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

For the Year Ended June 30, 2019

	2019	2018
Total OPEB liability		
Service cost	$ 39,508	$ 38,264
Interest	60,354	55,162
Differences between expected and actual experience		
Changes in assumptions	27,647	
Changes in benefit terms		
Benefit payments	(22,747)	(23,359)
Net change in total OPEB liability	104,762	70,067
Total OPEB liability - beginning	804,340	734,273
Total OPEB liability - ending (a)	$ 909,102	$ 804,340
Plan fiduciary net position		
Contributions - employer	$ 108,591	$ 50,008
Net investment income	54,185	44,697
Benefit payments	(22,747)	(23,359)
Investment Experience		21,219
Administrative expenses	(1,293)	(337)
Net change in plan fiduciary net position	138,736	92,228
Plan fiduciary net position - beginning	695,579	603,351
Plan fiduciary net position - ending (b)	$ 834,315	$ 695,579
Net OPEB liability - ending (a)-(b)	$ 74,787	$ 108,761
Plan fiduciary net position as a percentage of the total OPEB liability	91.77%	86.48%
Covered-employee payroll - measurement period	$ 871,734	$ 873,200
Net OPEB liability as percentage of covered-employee payroll	8.58%	12.46%
Notes to schedule:		
Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	June 30, 2017
Benefit changes:	None	None
Changes in assumptions - discount rate change:	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, 2019

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

Notes to Schedule:

	2019	2018
Valuation date	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2018	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method	
Amortization method/period	Level percentage of payroll over working lifetime of employees. Period not stated.	
Asset valuation method	Market value	
Discount rate	7.00%	7.25%
Inflation	2.75%	2.75%
Aggregate salary increases	3.25%	3.25%
Investment rate of return	7.00%	7.25%
Retirement age	Retirement age is consistent with Miscellaneous - 2.5%@55 and PEPRA - 2%@62 retirement rates	
Demographic assumptions	Derived using CalPERS 1997-2011 Experience Study	
Mortality improvement	MacLeod Watts Scale 2017 applied generationally	
Healthcare trend rates	7.5% initially, trending down to 5.0%	
Participation assumption	100%	100%

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

SUPPLEMENTARY INFORMATION

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING BALANCE SHEET

June 30, 2019

	Fixed Route Service	ADA Paratransit Service	Total	Eliminating Entries	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
CURRENT ASSETS					
Cash and Cash Equivalents	$ 6,366,962		$ 6,366,962		$ 6,366,962
Due from Other Governments	3,181,330	$ 483,439	3,664,769		3,664,769
Due from ADA Paratransit Service	269,519		269,519	$ (269,519)	
Accounts Receivable	58,203	108,745	166,948		166,948
TOTAL CURRENT ASSETS	9,876,014	592,184	10,468,198	(269,519)	10,198,679
NONCURRENT ASSETS					
Restricted Cash and Cash Equivalents:					
Capital Reserves	956,338	25,718	982,056		982,056
Governor's Office of Homeland Security	64,453		64,453		64,453
LCTOP	465,622		465,622		465,622
County of Yolo Grant - Madision Bus Stop	7,546		7,546		7,546
Total Restricted Assets	1,493,959	25,718	1,519,677		1,519,677
Capital Assets:					
Nondepreciable	465,000		465,000		465,000
Depreciable, Net	17,040,579	680,885	17,721,464		17,721,464
Total Capital Assets, Net	17,505,579	680,885	18,186,464		18,186,464
TOTAL NONCURRENT ASSETS	18,999,538	706,603	19,706,141		19,706,141
TOTAL ASSETS	28,875,552	1,298,787	30,174,339	(269,519)	29,904,820
DEFERRED OUTFLOWS OF RESOURCES					
Pension Plan	398,200		398,200		398,200
Other Postemployment Benefits Plar	162,134		162,134		162,134
TOTAL DEFERRED OUTFLOWS OF RESOURCES	560,334		560,334		560,334
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 29,435,886	$ 1,298,787	$ 30,734,673	$ (269,519)	$ 30,465,154
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
CURRENT LIABILITIES					
Accounts Payable	$ 891,094	$ 99,796	$ 990,890		$ 990,890
Accrued Wages	22,732		22,732		22,732
Due to Other Governments	259,719	21,180	280,899		280,899
Unearned Revenue	461,109		461,109		461,109
Due to Fixed Route Service		269,519	269,519	$ (269,519)	
Accrued Compensated Absences	52,772		52,772		52,772
TOTAL CURRENT LIABILITIES	1,687,426	390,495	2,077,921	(269,519)	1,808,402
NONCURRENT LIABILITIES					
Accrued Compensated Absences	41,348		41,348		41,348
Net Other Postemployment Benefits Plan Liability	74,787		74,787		74,787
Net Pension Liability	1,169,092		1,169,092		1,169,092
TOTAL NONCURRENT LIABIITIES	1,285,227		1,285,227		1,285,227
TOTAL LIABIITIES	2,972,653	390,495	3,363,148	(269,519)	3,093,629
DEFERRED INFLOWS OF RESOURCES					
Pension Plan	86,923		86,923		86,923
Other Postemployment Benefits Plan	13,284		13,284		13,284
TOTAL DEFERRED INFLOWS OF RESOURCES	100,207		100,207		100,207
NET POSITION					
Investment in Capital Assets	17,505,579	680,885	18,186,464		18,186,464
Restricted for Equipment Replacement and Capital Projects	1,032,850	25,718	1,058,568		1,058,568
Restricted for Capital Purposes - State Transit Assistance	488,707		488,707		488,707
Unrestricted	7,335,890	201,689	7,537,579		7,537,579
TOTAL NET POSITION	26,363,026	908,292	27,271,318		27,271,318
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 29,435,886	$ 1,298,787	$ 30,734,673	$ (269,519)	$ 30,465,154

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING BALANCE SHEET

June 30, 2018

	Fixed Route Service	ADA Paratransit Service	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	$ 7,736,197	$ 104,594	$ 7,840,791
Due from Other Governments	1,787,501	896	1,788,397
Accounts Receivable	10,163	95,915	106,078
TOTAL CURRENT ASSETS	9,533,861	201,405	9,735,266
NONCURRENT ASSETS			
Restricted Cash and Cash Equivalents:			
Capital Reserves	926,577	24,911	951,488
Governor's Office of Homeland Security	591,907		591,907
LCTOP	224,573		224,573
County of Yolo Grant - Madison Bus Stop	7,546		7,546
Total Restricted Assets	1,750,603	24,911	1,775,514
Capital Assets:			
Nondepreciable	465,000		465,000
Depreciable, net	19,108,140	849,408	19,957,548
Total Capital Assets, Net	19,573,140	849,408	20,422,548
TOTAL NONCURRENT ASSETS	21,323,743	874,319	22,198,062
TOTAL ASSETS	30,857,604	1,075,724	31,933,328
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan	470,452		470,452
Other Postemployment Benefits Plan	108,591		108,591
TOTAL DEFERRED OUTFLOWS OF RESOURCES	579,043		579,043
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 31,436,647	$ 1,075,724	$ 32,512,371
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION			
CURRENT LIABILITIES			
Accounts Payable	$ 1,503,644	$ 220,844	$ 1,724,488
Accrued Wages	18,095		18,095
Due to Other Governments	385,325	25,142	410,467
Unearned Revenue	221,400		221,400
Accrued Compensated Absences	51,541		51,541
TOTAL CURRENT LIABILITIES	2,180,005	245,986	2,425,991
NONCURRENT LIABILITES			
Accrued Compensated Absences	38,665		38,665
Net Other Postemployment Benefits Liability	108,761		108,761
Net Pension Liability	1,208,539		1,208,539
TOTAL NONCURRENT LIABILITIES	1,355,965		1,355,965
TOTAL LIABIITIES	3,535,970	245,986	3,781,956
DEFERRED INFLOWS OF RESOURCES			
Pension Plan	50,498		50,498
Other Postemployment Benefits Plan	16,975		16,975
TOTAL DEFERRED INFLOWS OF RESOURCES	67,473		67,473
NET POSITION			
Investment in Capital Assets	19,573,140	849,408	20,422,548
Restricted for Equipment Replacement and Capital Projects	1,529,203	24,911	1,554,114
Restricted for Capital Purposes - State Transit Assistance	201,676		201,676
Unrestricted	6,529,185	(44,581)	6,484,604
TOTAL NET POSITION	27,833,204	829,738	28,662,942
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 31,436,647	$ 1,075,724	$ 32,512,371

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2019

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

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Year Ended June 30, 2018

	Fixed Route Service	ADA Paratransit Service	Total
OPERATING REVENUE			
Passenger Fares	$ 2,269,436	$ 57,470	$ 2,326,906
Special Fares	14,145	57,545	71,690
TOTAL OPERATING REVENUE	2,283,581	115,015	2,398,596
OPERATING EXPENSES			
Purchased Transportation	7,855,839	1,278,047	9,133,886
Salaries and Benefits	1,440,186		1,440,186
Vehicle Fuel	1,158,384	98,805	1,257,189
Insurance	688,649	124,098	812,747
Other Services and Supplies	725,483		725,483
Depreciation	2,518,391	168,523	2,686,914
TOTAL OPERATING EXPENSES	14,386,932	1,669,473	16,056,405
NET LOSS FROM OPERATIONS	(12,103,351)	(1,554,458)	(13,657,809)
NONOPERATING REVENUES (EXPENSES)			
Local Transportation Fund and State Transit Assistance Allocation	4,699,560	925,992	5,625,552
Federal Transit Administration Grants:			
Operating Grants	1,121,372	83,832	1,205,204
Pass-through Grants	621,570		621,570
Mitigation Revenue - Tribe	1,589,620	81,465	1,671,085
Auxiliary Transportation	469,742		469,742
Interest Revenue/(Expense)	118,874	(463)	118,411
State Grants	64,397		64,397
Miscellaneous Revenues	476,030		476,030
FTA Pass-through Grants to Other Governments	(621,570)		(621,570)
Other Pass-through Grants to Other Governments	(28,200)		(28,200)
(Loss) Gain on Disposal of Capital Assets	(5,741)	7,161	1,420
TOTAL NONOPERATING REVENUES (EXPENSES)	8,505,654	1,097,987	9,603,641
NET (LOSS) INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(3,597,697)	(456,471)	(4,054,168)
CAPITAL CONTRIBUTIONS AND TRANSFERS			
State Transit Assistance	189,426	12,250	201,676
Federal Transit Administration Grant	4,079,270		4,079,270
State Proposition 1B Grant	378,320		378,320
State of Good Repair	250,061		250,061
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS	4,897,077	12,250	4,909,327
CHANGE IN NET POSITION	1,299,380	(444,221)	855,159
Net Position at Beginning of Year	26,533,824	1,273,959	27,807,783
NET POSITION AT END OF YEAR	$ 27,833,204	$ 829,738	$ 28,662,942

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF CASH FLOWS

For the Year Ended June 30, 2019

	Fixed Route Service	ADA Paratransit Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Customers	$ (324,066)	$ 113,529	$ (210,537)
Cash Paid to Suppliers for Goods and Services	(11,361,497)	(1,645,351)	(13,006,848)
Cash Paid to Employees for Services	(1,379,451)		(1,379,451)
NET CASH USED FOR OPERATING ACTIVITIES	(13,065,014)	(1,531,822)	(14,596,836)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants and Subsidies	10,908,513	1,159,761	12,068,274
Pass-through Payments	(24,000)		(24,000)
Amounts Received (Paid) to Other Funds	(269,519)	269,519	
Other Income	532,951		532,951
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	11,147,945	1,429,280	12,577,225
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions Received	723,293		723,293
Acquisition of Capital Assets	(634,212)		(634,212)
Proceeds From Sale of Capital Assets	3,101		3,101
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	92,182		92,182
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Pooled Investments	199,008	(1,245)	197,763
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	199,008	(1,245)	197,763
DECREASE IN CASH AND CASH EQUIVALENTS	(1,625,879)	(103,787)	(1,729,666)
Cash and Cash Equivalents at Beginning of Year	9,486,800	129,505	9,616,305
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,860,921	$ 25,718	$ 7,886,639
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET			
Cash and Cash Equivalents	$ 6,366,962		$ 6,366,962
Restricted Cash and Cash Equivalents	1,493,959	$ 25,718	1,519,677
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 7,860,921	$ 25,718	$ 7,886,639
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:			
Net Loss From Operations	$ (12,597,491)	$ (1,575,335)	$ (14,172,826)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:			
Depreciation	2,697,273	168,523	2,865,796
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivable and Due from Other Governments	(2,413,213)		(2,413,213)
Deferred Outflows of Resources - OPEB Plan	(53,543)		(53,543)
Deferred Outflows of Resources - Pension Plan	72,252		72,252
Accounts Payable and Due to Other Governments	(738,156)	(125,010)	(863,166)
Accrued Wages	4,637		4,637
Accrued Compensated Absences	3,914		3,914
Net OPEB Liability	(33,974)		(33,974)
Net Pension Liability	(39,447)		(39,447)
Deferred Inflows of Resources - OPEB Plan	(3,691)		(3,691)
Deferred Inflows of Resources - Pension Plan	36,425		36,425
NET CASH USED FOR OPERATING ACTIVITIES	$ (13,065,014)	$ (1,531,822)	$ (14,596,836)

YOLO COUNTY TRANSPORTATION DISTRICT

COMBINING SCHEDULE OF CASH FLOWS

For the Year Ended June 30, 2018

	Fixed Route Service	ADA Paratransit Service	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts From Customers	$ 2,192,750	$ 125,651	$ 2,318,401
Cash Paid to Suppliers for Goods and Services	(10,282,220)	(1,497,096)	(11,779,316)
Cash Paid to Employees for Services	(1,418,067)		(1,418,067)
NET CASH USED FOR OPERATING ACTIVITIES	(9,507,537)	(1,371,445)	(10,878,982)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants and Subsidies	9,269,558	1,416,747	10,686,305
Pass-through Payments	(649,770)		(649,770)
Other Income	945,772		945,772
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	9,565,560	1,416,747	10,982,307
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions Received	4,487,667	65,174	4,552,841
Acquisition of Capital Assets	(4,571,893)	(12,251)	(4,584,144)
Proceeds from Sale of Capital Assets	14,759	7,161	21,920
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(69,467)	60,084	(9,383)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Received on Pooled Investments	118,874	(463)	118,411
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	118,874	(463)	118,411
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	107,430	104,923	212,353
Cash and Cash Equivalents at Beginning of Year	9,379,370	24,582	9,403,952
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 9,486,800	$ 129,505	$ 9,616,305
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING BALANCE SHEET			
Cash and Cash Equivalents	$ 7,736,197	$ 104,594	$ 7,840,791
Restricted Cash and Cash Equivalents	1,750,603	24,911	1,775,514
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 9,486,800	$ 129,505	$ 9,616,305
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES:			
Net Loss From Operations	$ (12,103,351)	$ (1,554,458)	$ (13,657,809)
Adjustments to Reconcile Net Loss from Operations to Net Cash Used for Operating Activities:			
Depreciation	2,518,391	168,523	2,686,914
Changes in Operating Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivable and Due from Other Governments	(90,831)	10,636	(80,195)
Deferred Outflows of Resources - OPEB Plan	(108,591)		(108,591)
Deferred Outflows of Resources - Pension Plan	(33,867)	3,854	(30,013)
Accounts Payable and Due to Other Governments	146,135		146,135
Accrued Wages	(3,362)		(3,362)
Accrued Compensated Absences	10,832		10,832
Net OPEB Liability	55,769		55,769
Net Pension Liability	110,091		110,091
Deferred Inflows of Resources - OPEB Plan	16,975		16,975
Deferred Inflows of Resources - Pension Plan	(25,728)		(25,728)
NET CASH USED FOR OPERATING ACTIVITIES	$ (9,507,537)	$ (1,371,445)	$ (10,878,982)

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), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 5, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters (including Other State Grant Programs)

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our audit was further made to determine that Transportation Development Act (TDA) Funds allocated and received by the District were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6667 of the California Code of Regulations. We also tested the receipt and appropriate expenditures of other state grant funds, as presented in Note J to the financial statements, in accordance with other state grant program statutes and guidelines. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, the TDA or other state grant program requirements.

Purpose of this Report

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

Richardson & Company, LLP

February 5, 2020

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CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal Program

We have audited the Yolo County Transportation District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

To the Board of Directors
Yolo County Transportation District

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

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

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

Richardson & Company, LLP

February 5, 2020

YOLO COUNTY TRANSPORTATION DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued:	Unmodified
2. Internal controls over financial reporting:	
a. Material weaknesses identified	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
3. Noncompliance material to financial statements noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs:	

CFDA Number	Name of Federal Program
20.507	Federal Transit Formula Grants (Urbanized Area Formula Program), Section 5307

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

B. CURRENT YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

None

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

None

D. PRIOR YEAR FINDINGS – FINANCIAL STATEMENT AUDIT

None

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

None

YOLO COUNTY TRANSPORTATION DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Program or Award Amount	Expenditures
U.S. Department of Transportation, Federal Transit Administration - Direct Award				
Federal Transit-Formula Grants, Section 5307	20.507	CA-2017-143-00	$ 3,518,096	$ 629,523
Federal Transit-Formula Grants, Section 5307	20.507	CA-2019-065	750,000	750,000
Federal Transit-Formula Grants, Section 5307	20.507	CA-2019-120-01 (117)	410,642	410,642
Federal Transit-Formula Grants, Section 5307	20.507	CA-2019-120-01 (300)	1,091,359	1,091,359
Federal Transit-Formula Grants, Section 5307	20.507	CA-2019-120-02	482,819	482,819
Federal Transit-Formula Grants, Section 5307	20.507	CA-2019-120-03	1,636,442	298,181
			7,889,358	3,662,524
U.S. Department of Transportation, Federal Transit Passed through the California Department of Transportation, Division of Mass Transportation				
Formula Grants for Rural Areas, Section 5311	20.509	64BO19-00827	135,210	135,210
Total passed through the California Department of Transportation, Division of Mass Transportation			135,210	135,210
TOTAL FEDERAL AWARDS			$ 8,024,568	$ 3,797,734

See accompanying notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2019

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, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the District's operations, it is not intended to be and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST ALLOCATION PLAN

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

NOTE D – SUBRECIPIENTS

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

NOTE E – PRIOR YEAR EXPENSES ON SCHEDULE

The pool of operating expenses claimed under CFDA 20.507 during the year ended June 30, 2019 consisted of 54% of expenses incurred during the year ended June 30, 2019 and 46% of expenses incurred during the year ended June 30, 2018. The Federal Transit Administration approved the reimbursement of expenses incurred during the year ended June 30, 2018 subsequent to the issuance of the prior year single audit report.