

# *YCIPTA*



## **Yuma County Intergovernmental Public Transportation Authority**

**Yuma, Arizona**

**Annual Comprehensive Financial Report  
For Fiscal Year Ending June 30, 2022**

Prepared by YCIPTA Financial Department

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY**  
**Annual Comprehensive Financial Report**  
**Year Ended June 30, 2022**  
**TABLE OF CONTENTS**

**Introductory Section:**

Transmittal Letter.....	1
Organizational Chart.....	8
List of Principal Officials .....	9

**Financial Section:**

Independent Auditors Report .....	13
Management's Discussion and Analysis .....	16-20
(Required Supplementary Information)	
Basic Financial Statements	
Statement of Net Position.....	22
Statement of Revenues, Expenses, and Changes in Net Position.....	23
Statement of Cash Flows .....	24
Notes to the Financial Statements.....	25-38
Required Supplementary Information.....	39-42
Schedule of Contributions .....	40-41
Schedule of the Proportionate Share of the Net Pension Liabilities .....	40-41
Notes to RSI .....	42

**Statistical Section:**

Financial Trends:

Net Position by Component.....	44
Change in Net Position.....	45
Revenues .....	46
Expenses.....	47

Revenue Capacity:

Ridership Data.....48

Fare Structure.....49

Demographic and Economic Information:

Principal Employers & Population Data .....50

Capital Asset .....51

Operating Information:

YCAT Existing Network .....52

Yuma County Incorporated and Unincorporated Areas.....53

**Single Audit Section:**

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* .....57-58

Report on Compliance for Each Major Federal Program; Report on Internal  
Control Over Compliance; and Report on Schedule Of Expenditures of  
Federal Awards Required by the Uniform Guidance .....59-62

Schedule of Expenditures of Federal Awards .....63

Notes to the Schedule of Expenditures of Federal Awards .....64

Schedule of Findings and Questioned Costs .....65-67

Auditee Response

Cover Letter.....68

Corrective Action Plan .....69

Summary Schedule of Prior Audit Findings .....70

## **INTRODUCTORY SECTION**

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## Yuma County Intergovernmental Public Transportation Authority

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March 28, 2023

Honorable Chairman and Members of the Board  
Yuma County Intergovernmental Public Transportation Authority  
Yuma, Arizona, 85365

Honorable Members,

In accordance with state and local statutes, the Yuma County Intergovernmental Public Transportation Authority (YCIPTA) hereby submits the Annual Comprehensive Financial Report for the year ending June 30, 2022. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Heinfeld, Meech & Co., P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on YCIPTA’s financial statements for the year ended June 30, 2022.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

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**Yuma County Intergovernmental Public Transportation Authority Board Of Directors**  
Jay Simonton - Chairman – City of Yuma, Susan M. Zambrano – Vice Chairman – Arizona Western College  
Eric Holland Sec/Treas– Cocopah Tribe, Richard Marsh – Town of Wellton,  
Brian Golding, Sr.-Quechan Tribe, Ian McGaughey – Yuma County,  
Ralph Valez – City of San Luis, Louie Galaviz- City of Somerton

Shelly Kreger, Transit Director

## **PROFILE OF THE YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY**

Under Arizona Revised Statutes - Title 28 Transportation, an intergovernmental public transportation authority (IPTA) may be organized in any county in Arizona with a population of 200,000 persons or less.

YCIPTA is an IPTA formed on December 13, 2010 by the Yuma County Board of Supervisors to administer, plan, operate and maintain public transit services throughout Yuma County. YCIPTA members include Yuma County, the cities of Yuma, San Luis, Somerton, Town of Wellton, Arizona Western College /Northern Arizona University, and the Cocopah and Quechan Indian Tribes. On September 21, 2010, the Town of Wellton and City of Somerton passed a resolution petitioning the Yuma County Board of Supervisors to form the IPTA.

On October 3 and 20, 2010, respectively, the Cities of San Luis and Yuma passed resolutions asking Yuma County to form the IPTA. On December 6, 2010, Northern Arizona University petitioned Yuma County to join the IPTA. On December 13, 2010, the Yuma County Board of Supervisors held a public hearing and approved the formation of the IPTA. On January 24, 2011, YCIPTA held its first Board of Directors meeting.

On August 16, 2011, Arizona Western College petitioned YCIPTA to become the seventh member agency of the IPTA and was approved by the YCIPTA Board of Directors on August 28, 2011. On October 17, 2011, Cocopah Indian Tribe petitioned YCIPTA to become the eighth member agency of the IPTA and was approved by the YCIPTA Board of Directors on October 28, 2011.

On April 12, 2012, Quechan Indian Tribe petitioned YCIPTA to become the ninth member agency of the IPTA and was approved by the YCIPTA Board of Directors on April 23, 2012. A resolution was passed by the Yuma Metropolitan Planning Organization (YMPO) Executive Board on August 11, 2011 with the intent of transitioning transit operations to YCIPTA in the future. The YMPO Executive Director and YCIPTA Transit Director signed a transfer of services and assets agreement on June 26, 2012, and, as of July 1, 2012, YMPO transferred the ownership and operation of the transit system to YCIPTA.

YCIPTA provides transit service under the YCAT brand, including fixed route, vanpool and YCAT OnCall demand-response bus service throughout Yuma County including the cities of Yuma, San Luis, and Somerton, the Town of Wellton, the Cocopah Indian Reservation, and the Fort Yuma-Quechan Indian Reservation, including the Census-Designated Place (CDP) of Winterhaven across the Colorado River in eastern Imperial County, California. YCAT also serves the unincorporated communities of Gadsden, Fortuna Foothills and Ligurta.

The YCIPTA Board of Directors sets overall policy and direction for the transit system. Nine (9) Board Members represent Yuma County, each municipality, the local community college district, and the two Indian tribes. Each member entity receives one vote on the Board of Directors. When financial contributions are discussed, the Board of Directors opted for a weighted voting structure to ensure that members that pay more into the system have fair representation.

In January 2012, YCAT routes were substantially restructured. This restructuring has been successful in nearly doubling YCAT ridership by the end of 2012.

With the Yuma Regional Transit Study completed by Arizona Department of Transportation (ADOT) and Yuma County, Five Year Short Range Transit Plan completed by ADOT, YCIPTA and YMPO, the formation of YCIPTA, the addition of funding from Arizona Western College, Northern Arizona University, Quechan Indian Tribe and the restoration of funding from the City of Yuma, YCAT is looking to the future for stability and the opportunity to continue to improve services within southwestern Yuma and eastern Imperial Counties. YCIPTA is a focused transportation authority with one goal - to operate transit services efficiently and effectively. New innovations such as a future transit tax, a new maintenance and operations facility and the development of the Yuma Multimodal Transit Center will help grow public transit to new heights in the next several years.

Both demand-response and fixed-route service is administered and funded by YCIPTA and its member agencies, and operated by a private contractor. YCAT Vanpool is operated by Enterprise Leasing of Phoenix, LLC and they own the vans used for this program. YCAT OnCall is operated by the same private contractor as the fixed route service. YCIPTA owns all vehicles for fixed-route and demand response service and leases the East 14th Street maintenance facility.

YCAT's success has also prompted local Native American tribes—the Quechan Tribe of the Fort Yuma Indian Reservation, and the Cocopah Indian Tribe, respectively—to fund and contract with YCIPTA to provide shuttles tailored to tribal needs which are also open to the general public.

Services to the Fortuna Foothills area east of the City of Yuma along I-8, and on Yellow Route 95 from the Mexican border at San Luis, via Somerton and the City of Yuma are continued to run service in order to reduce crowding and improve system on-time performance. Turquoise Route 10 has continued to run to provide intercity service three days per week between Yuma, Fort Yuma Indian Reservation, Winterhaven and El Centro, California.

A Transit Director manages YCIPTA. Support staff includes Three Office Clerks, Transit Operations Manager, and Financial Services Operations Manager. YCIPTA has agreements with Yuma County for financial services and Treasurer.

In addition to fixed route bus and ADA paratransit service, YCIPTA also sponsors and administers the YCAT Vanpool Program. YCAT Vanpool provides branded vehicles to groups of 7-15 commuters qualifying for the service. Vans must originate, terminate, or travel through Yuma County to be eligible for up to a \$300 per month subsidy per vanpool; the vehicles must be branded as YCAT Vanpool through Enterprise Leasing Company of Phoenix, LLC. The vehicles and subsidies are available on a first come, first served basis. As of June 30, 2022, there are 35 vehicles in the vanpool.



**Motto**

See Where It Takes You!

The Mission of YCIPTA describes the main functions of YCIPTA and its role within the Yuma County community. The Mission gives the overall “charge” and purpose of the organization. All YCIPTA activities relate to one or more aspects of the mission statement:

**Mission Statement**

The Yuma County Intergovernmental Public Transportation Authority is committed to mobility solutions that make essential connections possible.

**Vision Statement**

The Yuma County Intergovernmental Public Transportation Authority vision is to be recognized as the leader in mobility solutions that empower and connect the community.

## **ECONOMIC CONDITION AND OUTLOOK**

The Yuma County Intergovernmental Public Transportation Authority's service area centers in Yuma, county seat of Yuma County. Yuma County's population as of the 2020 U.S. Census was 203,881. There are three incorporated cities and one incorporated town in the County. Together these four make up 68% of the County's population.

Primary industry in Yuma County is agriculture, military and tourism. Undisputedly, agriculture is the number one industry for Yuma County. Agriculture produces an estimated \$3.2 billion a year into the Yuma economy. This is due to our rich soil (sediments deposited by the Colorado River over millions of years), progressive farmers (who explore and utilize the latest theories and technology in their fields), sufficient labor (highly skilled and motivated work force) and senior rights to irrigation water.

Lettuce is the largest winter crop in Yuma, but there are over 175 different crops grown in the Yuma area year-round. The list includes alfalfa, Bermuda grass seed, cotton, dates, lemons, melons and wheat. Desert Durum accounts for 95% of wheat grown in Yuma County, and about two-thirds of that is exported to Italy for use in making premium pastas.

The United States Military has been in Yuma for over 150 years. Today, it is the second largest industry in Yuma County as we are home to the Yuma Proving Ground and the Marine Corps Air Station – Yuma.

The U.S. Army first came to the area in 1851, and established Fort Yuma on Indian Hill. The installation overlooked the Yuma Crossing, the aptly named low spot in the Colorado River, and it allowed for the establishment of the town site of what would later become Yuma. In 1864 the Army put up the Quartermaster Depot along the river. From here the Army oversaw the distribution of supplies to soldiers in the West.

MCAS has the F-35, and Yuma Proving Ground is also having the opening of the U.S. Army John F. Kennedy Special Warfare Center and School. The purpose of this facility will allow special forces troops to train for air operations requiring free falls from airplanes. The facility opened in January of 2014 and, at 75 feet tall, is the largest in the world.

Tourism is the third biggest industry in Yuma County. . Direct travel spending in Yuma County in 2021 was \$667.1 That income created 5,810 jobs, generated \$178.6 million in earnings and \$53.1 million in additional taxes, according to the Economic impact of travel prepared for the Arizona Office of Tourism on May 2022.

At the peak of our winter visitor season, February, it is estimated we have about 100,000 visitors. February is the peak of the season as many places on the continent are experiencing some of their coldest temperatures. The City of Yuma's year-round population is about 97,883. Adding another 100,000 is a big seasonal influx of people to the community.

On Interstate 8, more than 9 million vehicles per year (24,657 per day) pass through Yuma. At San Luis, another 2.6 million autos and 46,000 commercial vehicles cross annually. Shoppers from Mexico contribute approximately \$3.5 billion annually to Yuma County. Yuma's annual sales continually show healthy increases compared to other parts of Arizona and the nation.

Yuma County is one of the original four counties designated by the First Territorial Legislature. Much of Yuma County is desert land surrounded by rugged mountains. The valley regions, however, contain an abundance of arable land, which is irrigated with Colorado River water. These valley areas have some of the most fertile soils in the world, having received silt and mineral deposits from Colorado and Gila River floods until the rivers were tamed by an intricate series of dams and canals. Yuma County is bordered by California on the West and Mexico on the South. Living close to the Mexican border offers a great opportunity to experience multi-cultural and international business opportunities.

The Arizona Commerce Authority states that Yuma County has a civilian labor force of 43,858 people, with an unemployment rate of 8.5%.

A recent study, titled "Yuma County, Arizona: Growing Business At The Border," locates Yuma strategically in the Desert Pacific Region. This market area reaches Las Vegas to the North, Albuquerque and El Paso to the East, Mazatlán to the South and takes in the entire Baja peninsula North to Los Angeles, California.

## MAJOR INITIATIVES

- Assisted City of Yuma with RAISE Grant for the Hotel Del Sol Multi Model Transit Center. City of Yuma was awarded the grant.
- Procured six 40ft and two 35ft Gillig buses with CARES funding, estimated delivery February 2022
- Procured one small cutaway with ADOT 5311 funding.
- Continued partnerships with Portable, Practical, Educational Preparation, Inc., AZTEC High School, Western Arizona Council of Governments, Yuma Union High School District, Yuma County Department of Economic Security, Yuma Private Industry Council (YPIC), Arizona Western College (AWC), Imperial County Transportation Commission (ICTC), Quechan Indian Tribe, Cocopah Indian Tribe, and all other member entities.

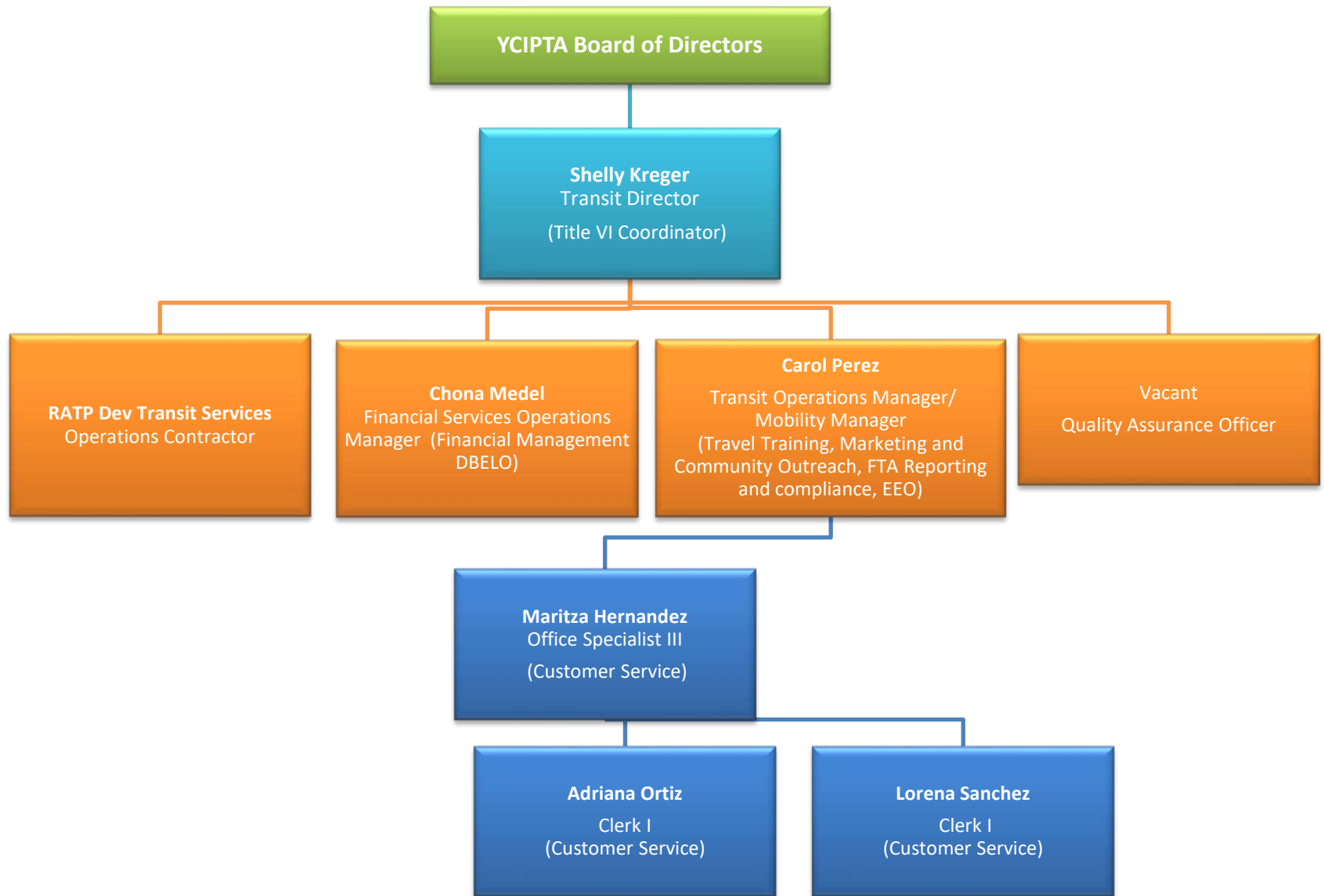
## ACKNOWLEDGMENTS

I extend my thanks and appreciation for the cooperation and assistance provided by the members of the Yuma County Intergovernmental Public Transportation's Board of Directors for their interest and support in conducting the financial operations of YCIPTA in a responsible and progressive manner. Special recognition is also due to YCIPTA's administrative staff especially Chona Medel, Financial Services Operations Manager, Carol Perez, Transit Operations Manager, Lorena Sanchez, Office Clerk II, and Adriana Ortiz, Clerk II. It is their combined effort that enabled the timely issuance of this report and continued provision of a quality transportation service product.

Sincerely,



Shelly Kreger  
Transit Director



YCIPTA Organization Chart FY 2021-22

**YCIPTA Board of Directors for FY21-22**

Name	Board Position	Representing Jurisdiction	Position
Jerry Cabrera	Chairman	City of Somerton	City Administrator
Ralph Velez	Vice Chair	City of San Luis	
Jay Simonton	Treasurer/ Secretary	City of Yuma	City Administrator
Susanna Zambrano	Member	Arizona Western College	Assoc Dean/South County
Richard Marsh	Member	Town of Wellton	Town Manager
Brian Golding Sr.	Member	Quechan Indian Tribe	Director of Economic Development
Susan Thorpe	Member	Yuma County	County Administrator
Eric Holland	Member	Cocopah Tribe	Planning Director
Dr. Michael Sabath	Member	NAU	Assoc Vice President

**YCIPTA Staff**

Shelly Kreger, Transit Director

Chona Medel, Financial Services Operations Manager

Carol Perez, Transit Operations Manager

Adriana Ortiz, Clerk II

Lorena Sanchez, Clerk II

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## **FINANCIAL SECTION**



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## Independent Auditor's Report

Board of Directors  
Yuma County Intergovernmental Public Transportation Authority

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Yuma County Intergovernmental Public Transportation Authority (YCIPTA), as of and for the year ended June 30, 2022, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Yuma County Intergovernmental Public Transportation Authority, as of June 30, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

### ***Change in Accounting Principle***

As described in Note 1, YCIPTA implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Other Matters***

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

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

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2023, on our consideration of Yuma County Intergovernmental Public Transportation Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Yuma County Intergovernmental Public Transportation Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yuma County Intergovernmental Public Transportation Authority's internal control over financial reporting and compliance.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Scottsdale, Arizona  
March 28, 2023

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDING JUNE 30, 2022

The following discussion and analysis of the financial performance of the Yuma County Intergovernmental Public Transportation Authority (YCIPTA) is intended to provide an overview of YCIPTA's financial activities for the fiscal year ended June 30, 2022.

### FINANCIAL HIGHLIGHTS

- Net position, as reported in the statement of net position, totaled \$6.5 million as of June 30, 2022. Total net position increased by \$2.6 million, which is attributable to an increase in federal revenue during the fiscal year.
- For the year ended June 30, 2022, the combined fare box recovery ratio (the measure of the ability to recover operating costs through fare revenue) for YCIPTA was 6%. This calculation is only fare collection and does not include funds received for local match.
- Fixed Route ridership increased by 23 percent, by approximately 52,464 riders, this year. Overall operating revenues increased by \$317,884 (1,195 percent) during the year. Operating expenses increased by \$456,195 (8 percent) during the year.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to YCIPTA's financial statements. YCIPTA's financial statements comprise two components: 1) financial statements and, 2) notes to the financial statements. This report also contains required supplementary information in addition to the financial statements themselves.

**Financial statements.** The financial statements are designed to provide readers with a broad view of YCIPTA's finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all of YCIPTA's assets, liabilities, and deferred outflows and inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of YCIPTA is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how the net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The *statement of cash flows* presents information showing the sources and uses of cash related to operating activities, noncapital financing activities, capital and related financing activities and investing activities. In addition, the statement provides information about significant non-cash investing, capital and financing activities.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDING JUNE 30, 2022

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Since YCIPTA's primary function is to provide transportation services to Yuma County citizens and recover costs through Federal Transit Administration (FTA) grants and passenger fares, the financial statements include only business-type activities.

**Notes to basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

**FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of YCIPTA, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6.5 million at the close of the most recent fiscal year.

The largest portion of YCIPTA's net position reflect the investment in capital assets; there is no related debt. Most of the investment in capital assets is comprised of buses, vans, and other vehicles totaling \$8.9 million. Other investment in capital assets includes land, furniture and equipment, leasehold improvements, and infrastructure, totaling \$2.1 million.

- The balance in unrestricted net position for the fiscal year ended June 30, 2022 was a deficit of \$1.6 million, a decrease of \$374,640 which was attributable to operations for the year ended June 30, 2022. Investments in capital assets increased by \$3.0 million which is attributable to vehicle purchases during the year ending June 30, 2022.

Capital and operating grants were a major portion of the revenue used to fund transit operations for the fiscal year.

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current and other assets	\$ 847,676	\$ 1,570,559
Capital assets (net)	8,092,614	5,096,992
Total assets	<u>8,940,290</u>	<u>6,667,551</u>
Deferred Outflows of Resources	<u>110,921</u>	<u>119,186</u>
Long-term Liabilities	399,443	526,726
Other Liabilities	2,067,339	2,410,281
Total liabilities	<u>2,466,782</u>	<u>2,937,007</u>
Deferred Inflows of Resources	<u>126,632</u>	<u>12,916</u>
Net position:		
Investments in Capital Assets	8,092,614	5,096,992
Unrestricted	<u>(1,634,817)</u>	<u>(1,260,178)</u>
Total net position	<u>\$ 6,457,797</u>	<u>\$ 3,836,814</u>

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDING JUNE 30, 2022

**FINANCIAL ANALYSIS (CONTINUED)**

The following are significant current year transactions that had an impact on the change in net position.

- Operating revenues increased \$317,884 due to waived fare fees in the prior fiscal year as a result of the COVID-19 pandemic.
- Federal revenues increased \$2.0 million as a result of additional federal funding received due to the COVID-19 pandemic.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>
Revenues:		
Operating revenues:		
Fare box revenues	\$ 344,484	\$ 26,600
Non-operating revenues:		
Federal revenue	7,299,733	5,349,553
Member fees	516,739	516,739
Other non-operating revenue	686,067	541,080
Total revenues	<u>8,847,023</u>	<u>6,433,972</u>
Expenses:		
Operating expenses	6,175,366	5,719,171
Nonoperating expense	50,674	77,937
Total expenses	<u>6,226,040</u>	<u>5,797,108</u>
Increase (decrease) in net position	2,620,983	636,864
Net position:		
Beginning of year	<u>3,836,814</u>	<u>3,199,950</u>
End of the year	<u>\$ 6,457,797</u>	<u>\$ 3,836,814</u>

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR YEAR ENDING JUNE 30, 2022

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** YCIPTA’s investment in capital assets net of depreciation as of June 30, 2022 amount to \$8.1 million. This investment in capital assets includes land, leasehold improvements, infrastructure (bus stops), vehicles, and furniture and equipment. Major capital asset events during the current fiscal year included the following:

- YCIPTA purchased eight vehicles for an additional \$3.7 million of capital assets during the fiscal year ended June 30, 2022.
- YCIPTA disposed of \$941,257 of vehicles during the fiscal year ended June 30, 2022.

	<b>CAPITAL ASSETS (Net of depreciation) 2022</b>	<b>CAPITAL ASSETS (Net of depreciation) 2021</b>
Land	\$ 363,880	\$ 363,880
Leasehold improvements	37,736	39,956
Infrastructure	447,660	471,751
Vehicles	6,774,703	3,651,609
Furniture and equipment	468,635	569,798
Total	<u>\$ 8,092,614</u>	<u>\$ 5,096,994</u>

Additional information on YCIPTA’s capital assets can be found in Note 4 to the financial statements.

**Long-term debt** – As of June 30, 2022, the only long-term debt reported was for pension liability. Additional information on YCIPTA’s long term debt can be found in Note 5 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS**

YCIPTA receives 83% of its revenues from the Federal Transit Administration either directly, passed through the Arizona Department of Transportation, or passed through the Quechan Tribe, 6% of its revenues from member organizations, and 7% from contributions of other public entities.

Today, YCAT funding is solely dependent on the ability that its member agencies can contribute. This can result in radical changes to service delivery on a fiscal year-by-fiscal year basis. YCAT today is only able to afford 37,000 revenue vehicle service hours (RVSH) for the fixed route system and 4,000 RVSH for YCAT OnCall. Any growth would require additional contributions from member agencies, which at this time is not available.



YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDING JUNE 30, 2022

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)**

Fixing America's Surface Transportation (FAST) Act provides \$2.6 million in Federal funding to the Yuma Urbanized Area and requires a local match in order to use this funding. YCIPTA only has enough capacity to provide approximately \$1 million in local match funding at this time unless additional eligible local match is found.

Yuma County's population as of the 2020 U.S. Census was 203,881. There are three incorporated cities and one incorporated town in the County. Together these four make up 68% of the County's population.

Primary industry in Yuma County is agriculture, military and tourism. Agriculture is the number one industry for Yuma County. Agriculture produces an estimated \$3.2 billion a year into the Yuma economy. At the peak of our winter visitor season, February, it is estimated we have about 100,000 visitors. February is the peak of the season as many places on the continent are experiencing some of their coldest temperatures. The City of Yuma's year-round population is about 97,883. Adding another 100,000 is a big seasonal influx of people to the community.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of YCIPTA's finances for all those with an interest in the government's finances. If you have questions concerning any of this information provided in this report or need additional financial information, visit our website at [www.ycipta.az.gov](http://www.ycipta.az.gov) or direct inquires to Chona Medel, Financial Services Operations Manager, 2715 E. 14th Street., Yuma, AZ 85365.

## **BASIC FINANCIAL STATEMENTS**

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

**ASSETS**

Current Assets:	
Cash and investments	362,912
Accounts Receivable	484,264
Total Current Assets	847,176
Other Assets	
Noncurrent Asset	500
Total Noncurrent Assets	500
Property and Equipment:	
Land	363,880
Leasehold improvements	75,512
Infrastructure	621,554
Vehicles	8,941,666
Furniture and equipment	1,077,388
Total property and equipment	11,080,000
Less: accumulated depreciation	2,987,386
Total Property and Equipment - Net	8,092,614
<b>TOTAL ASSETS</b>	<b>8,940,290</b>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension plan items	110,921
--------------------	---------

**LIABILITIES**

Current Liabilities	
Accounts payable	630,511
Accrued payroll and related expenses	9,226
Registered Warrants Payable	1,405,161
Compensated absences payable	22,441
Total Current Liabilities	2,067,339
Non Current Liabilities:	
Net pension liability	399,443
<b>TOTAL LIABILITIES</b>	<b>2,466,782</b>

**DEFERRED INFLOWS OF RESOURCES**

Pension plan items	126,632
--------------------	---------

**NET POSITION**

Investments in capital assets	8,092,614
Unrestricted	(1,634,817)
<b>TOTAL NET POSITION</b>	<b>6,457,797</b>

*See accompanying notes to basic financial statements*

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2022**

**OPERATING REVENUE**

Charges for services:	
Farebox revenues	344,484
Total Operating Revenue	344,484

**OPERATING EXPENSES**

Contracted operating services	3,662,639
Non-vehicle repairs	75,854
Vehicles parts and maintenance	15,554
Occupancy	52,800
Other Transit Services	116,748
Administrative and general	646,109
Depreciation	691,368
Fuel costs	581,034
Other operating expenses	333,260
Total Operating Expenses	6,175,366
Operating Income/(Loss)	(5,830,882)

**NON-OPERATING REVENUES (EXPENSES)**

Grant revenue	
Federal Transit Administration	7,299,733
Member fees	516,739
Contributions From Public Entities	611,624
Investment income	611
Greyhound Commissions	3,853
Other revenues	55,600
Pension expense	(36,295)
In-kind revenue	14,379
In-kind expense	(14,379)
Total non-operating revenues (expenses)	8,451,865
Income (loss) before contributions and transfers	2,620,983
Change in net position	2,620,983
Net position - beginning	3,836,814
Net position - ending	6,457,797

*See accompanying notes to basic financial statements*

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 1,193,491
Payments to vendors, contractors and suppliers	(5,145,344)
Payments to employees	<u>(470,772)</u>
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<u>(4,422,625)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Public support funds received	<u>8,234,626</u>
<b>NET CASH PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>8,234,626</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisitions of property and equipment and other capital expenses	<u>(3,686,988)</u>
<b>NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(3,686,988)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received on investments	<u>611</u>
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>	<u>611</u>
<b>Net increase in cash and cash equivalents</b>	125,624
<b>Cash and cash equivalents at beginning of year</b>	<u>237,288</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>\$ 362,912</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (5,830,882)
Adjustments to reconcile operating income (loss) to net cash provided/(used) by operating activities	
Depreciation	691,368
(Increase)/Decrease in:	
Accounts receivable	160
Intergovernmental receivable	848,847
Other assets	(500)
Increase/(Decrease) in:	
Accounts payable	(134,033)
Accrued payroll	(7,225)
Compensated absences	<u>9,640</u>
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<u><u>\$ (4,422,625)</u></u>

*See accompanying notes to basic financial statements*

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Yuma County Intergovernmental Public Transportation Authority (YCIPTA) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2022, YCIPTA implemented the provisions of GASB Statement No. 87, *Leases*. This Statement increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. YCIPTA's analysis of contracts and agreements in effect at the beginning of the fiscal year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

The more significant of the YCIPTA's accounting policies are described below.

**A. Reporting Entity**

YCIPTA is a political subdivision of the State of Arizona which was established on December 13, 2010 to manage the operations of the regional public transit system. Prior to the transition of transit operations from Yuma Metropolitan Planning Organization (YMPO) on July 1, 2012, financial activity for YCIPTA was presented on the financial statements of the YMPO.

The membership of the Board of Directors consists of nine members representing Yuma County, the Cities of Yuma, Somerton and San Luis, the Town of Wellton, Northern Arizona University - Yuma, Arizona Western College, Quechan Indian Tribe, and the Cocopah Indian Tribe. The Board of Directors acts as policy body to administer, plan, operate and maintain public transit services throughout Yuma County. The Board of Directors also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a single political subdivision because it has a separately governing body that is appointed by its member agencies, is legally separate, and is fiscally independent of its member agencies.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Financial Statements**

The Financial Statements (i.e. the statement of net position, the statement of revenues expenses and changes in net position and the statement of cash flows) report information on all of the activities of the primary government.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Financial Statements are reported using the current economic resources measurement focus and the accrual basis of accounting. Revenues and gains are recorded when earned and expenses and losses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period. Unearned revenues arise when resources are received by YCIPTA before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

YCIPTA receives operating revenues primarily from passenger fares and advertising revenues. Non-operating revenues include Federal Transit Administration (FTA) grants, member dues from local cities, towns and tribes, and contributions from other public entities.

YCIPTA operating expenses are primarily contractor costs for operating the transit services along with administrative cost. Non-operating expenses would include Greyhound ticket sales and pension expense.

**D. Cash and cash equivalents**

YCIPTA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**E. Investment Income**

Investment income is composed of interest on bank deposits.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Capital Assets**

Capital assets are defined by YCIPTA as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to use assets are amortized over the shorter of the lease term or the underlying asset's useful life. The estimated useful lives are as follows:

Furniture and equipment	3 - 10 years
Leasehold improvements	5 - 30 years
Vehicles	5 years
Infrastructure	30 years

YCIPTA uses the "full-month" convention where a full month's depreciation is recorded in the month of acquisition, and equal amounts are recorded in each subsequent month over the life of the asset.

**G. Outflows/Inflows of Resources**

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

**H. Use of Restricted/Unrestricted Resources**

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



YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Compensated Absences**

All regular full-time employees of YCIPTA are entitled to paid time off for vacation; personal or family illness or injury; medical and dental appointments; personal business; and holidays not observed by YCIPTA. Annual leave begins to accrue immediately on employment according to the following schedule:

0 to 1 year	24 days per year
2 to 3 years	25 days per year
4 to 9 years	28 days per year
10 to 15 years	31 days per year
16 to 20 years	32 days per year
20 and up	33 days per year
Transit Director	33 days per year

Part-time employees accrue a proportional amount of paid time off, depending on whether they are one-quarter time, one-half time, or three-quarters time. Employees who terminate will be paid for unused paid time off up to 400 hours for benefit eligible employees and 200 hours for employees who are not benefit eligible, at the termination of employment and at the employee's current rate of pay.

The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the statement of net position.

**J. Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. Pensions**

For the purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources and pension expense, information about the pension plan's fiduciary net position 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, 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.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

**Cash** – The captions and amounts of cash and investments on the Statement of Net Position consist of the following:

Petty cash	\$ 350
Cash in bank	<u>76,127</u>
Total	<u>\$ 76,477</u>

*Custodial Credit Risk.* For deposits, custodial credit risk is the risk that in the event of a bank failure, YCIPTA's deposits may not be returned to YCIPTA. YCIPTA currently does not have a deposit policy for custodial credit risk. At June 30, 2022, the carrying amount of the YCIPTA's deposits was \$76,477 and the bank balance was \$133,663. The YCIPTA's deposits were entirely covered by Federal depository insurance.

The Yuma County Treasurer pursues a portfolio management strategy giving highest priority to a) safety of principal; b) sufficient liquidity to meet the needs of the county, its subdivisions and school districts; and then c) return on investments. To accomplish this the Yuma County Treasurer invests with the Arizona State Treasurer.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

**NOTE 2 – CASH AND CASH EQUIVALENTS (CONTINUED)**

Investments must be made in accordance with Arizona Revised Statutes ARS 35-323 which specifies a maximum maturity of five years and lists specific eligible investments. Currently, all county funds are pooled and invested to anticipate the cash flow needs for the county.

The Yuma County Treasurer’s pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant’s position in the Yuma County Treasury investment pool approximates the value of the participants’ shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

At year end YCIPTA’s investments consisted of the following:

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	.12 years	\$286,435

**NOTE 3 – RECEIVABLES – ACCOUNTS AND INTERGOVERNMENTAL**

Accounts receivable consists primarily of amounts due from other governments including amounts relating to grants, member dues, and contributions from public entities. As of June 30, 2022, accounts receivable totaled \$484,264, of which receivables from other governments consisted of the following:

Due from federal government	\$ 483,442
Due from other entities	<u>822</u>
Total Accounts Receivable Due	<u>\$ 484,264</u>

Management considers all accounts receivable at June 30, 2022, to be fully collectible; therefore, no allowance for doubtful accounts was recorded.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

**NOTE 4 – CAPITAL ASSETS**

A summary of capital asset activity for the fiscal year ended June 30, 2022, follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 363,880	\$	\$	\$ 363,880
Total capital assets, not being depreciated	<u>363,880</u>			<u>363,880</u>
Capital assets, being depreciated:				
Leasehold improvements	75,512			75,512
Infrastructure	621,554			621,554
Vehicles	6,195,935	3,686,988	941,257	8,941,666
Furniture and equipment	1,077,388			1,077,388
Total capital assets, being depreciated	<u>7,970,389</u>	<u>3,686,988</u>	<u>941,257</u>	<u>11,080,000</u>
Less accumulated depreciation for:				
Leasehold improvements	(35,556)	(2,220)		(37,776)
Infrastructure	(149,803)	(24,091)		(173,894)
Vehicles	(2,544,326)	(563,894)	(941,257)	(2,166,963)
Furniture and equipment	(507,590)	(101,163)		(608,753)
Total accumulated depreciation	<u>(3,237,275)</u>	<u>(691,368)</u>	<u>(941,257)</u>	<u>(2,987,386)</u>
Total capital assets, being depreciated, net	<u>4,733,114</u>	<u>2,995,620</u>		<u>7,728,734</u>
Total capital assets, net	<u>\$ 5,096,994</u>	<u>\$2,995,620</u>	<u>\$</u>	<u>\$ 8,092,614</u>

Depreciation expense for the fiscal year was \$691,368.

**NOTE 5 – CHANGES IN LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability	\$ 526,726	\$	\$ 127,283	\$ 399,443	\$
Compensated absences payable	12,801	20,036	10,396	22,441	22,441
Total	<u>\$ 539,527</u>	<u>\$ 20,036</u>	<u>\$ 137,679</u>	<u>\$ 421,884</u>	<u>\$ 22,441</u>

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022

**NOTE 6 – ECONOMIC DEPENDENCY**

YCIPTA received 83 percent of its revenues from the Federal Transit Administration either directly, passed through the Arizona Department of Transportation, or passed through Quechan Tribe, 6 percent of its revenues from dues paid by its member organizations, and 7 percent of its revenues in contributions from public entities.

**NOTE 7 – RISK MANAGEMENT**

The Authority was unable to obtain insurance for workers' health at a cost considered to be economically justifiable. Therefore, the Authority joined the Yuma Area Benefits Consortium, together with other entities in the area. The consortium is a public entity risk pool that accounts for the risk financing of certain benefits and losses, for its four member entities. The Authority pays annual premiums based on actuarial estimates of the amounts needed to pay prior and current year claims. The consortium uses reinsurance agreements to reduce its exposure to large losses.

YCIPTA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

YCIPTA carried commercial insurance for all other risks of loss, including property and liability, and workers' compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description.** YCIPTA has been contributing to a cost-sharing multiple-employer defined benefit pension plan; a cost-sharing multiple employers defined benefit health care (OPEB) plan; and a cost-sharing, multiple-employer defined benefit long-term disability (OPEB) plan, all of which are administered by the Arizona State Retirement System (ASRS). The ASRS (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2 and 2.1.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

The ASRS has determined that YCIPTA and its employees qualify to participate in the System.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

**NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the Authority’s financial statements.

**Benefits Provided.** The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefit terms. Retirement benefits are calculated on the basis of age, average monthly compensation, and service credit as follows:

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of Service and age requirement to receive benefit	Sum of years and age equals 80 10 years age 62 5 years age 50* Any years age 65	30 years age 55 25 years age 60 10 years age 62 5 years age 50* Any years age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% of 2.3%
	*with actuarially reduced benefits	

Retirement benefits for members who joined the ASRS prior to September 13, 2013 are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the survivor benefits are determined by the retirement benefit options chosen. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

**NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members’ annual covered payroll and the Authority was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active member’s annual covered payroll. YCIPTA’s contributions to the pension plan for the year ended June 30, 2022 were \$41,597.

**Pension Liability.** The net pension liability was measured as of June 30, 2021. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The District’s proportion of the net liability was based on the District’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

At June 30, 2022, YCIPTA reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2021, YCIPTA’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2020 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 399,443	0.003	0.000

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

**NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Pension Expense and Deferred Outflows/Inflows of Resources.** Yuma County Intergovernmental Public Transportation Authority had deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The YCIPTA’s pension expense for the year ended June 30, 2022, was \$36,295 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 6,089	\$
Changes of assumptions or other inputs	51,991	
Net difference between projected and actual earnings on pension investments		126,557
Changes in proportion and differences between contributions and proportionate share of contributions	11,244	75
Contributions subsequent to the measurement date	41,597	
Total	<u>\$ 110,921</u>	<u>\$ 126,632</u>



YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

**NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Pension Expense and Deferred Outflows/Inflows of Resources (continued).** The deferred outflows resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2023	\$	12,805
2024		1,399
2025		(27,899)
2026		(43,613)

**Actuarial Assumptions.** The significant actuarial assumptions used to measure the total pension liability are as follows:

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

**NOTE 8 – PENSIONS AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**Actuarial Assumptions (continued).** The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0 percent 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. 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.

The ASRS' estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Long Term Expected Geometric Real Rate of Return
Equity	50%	4.90%
Credit	20%	5.20%
Interest rate sensitive bonds	10%	0.70%
Real Estate	20%	5.70%
Total	100%	

**Discount Rate.** The discount rate used to measure the total pension liability was 7.0%. The discount rate was lowered in the roll forward for the year June 30, 2021 from 7.5 percent, which was used for the actuarial assumptions at the valuation date. The projections of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the funding policy of the ASRS Board, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the Retirement Fund's fiduciary net position was projected to be available to make all the projected future benefit payments of current members. Therefore, the long term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2022

**NOTE 8 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The table below presents the net pension liability of the participating employers calculated using the discount rate of 7.0%, as well as what the employers’ net pension liability would be if it were calculated using the discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate at June 30, 2022:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 628,290	\$ 399,443	\$ 208,647

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**NOTE 9 – CURRENT LIABILITY**

At June 30, 2022 YCIPTA had registered warrants of \$1,405,161 with the Yuma County Treasurer.

**REQUIRED SUPPLEMENTARY INFORMATION**

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
ARIZONA STATE RETIREMENT SYSTEM  
LAST EIGHT FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net pension (assets) liability	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension (assets) liability	\$ 399,443	\$ 526,726	\$ 407,433	\$ 429,552
District's covered payroll	\$ 348,279	\$ 341,118	\$ 282,630	\$ 294,706
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	114.69%	154.41%	144.16%	145.76%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%

**SCHEDULE OF PENSION CONTRIBUTIONS  
ARIZONA STATE RETIREMENT SYSTEM  
LAST EIGHT FISCAL YEARS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 41,597	\$ 39,878	\$ 39,058	\$ 31,598
Contributions in relation to the actuarially determined contribution	<u>41,597</u>	<u>39,878</u>	<u>39,058</u>	<u>31,598</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 341,191	\$ 348,279	\$ 341,118	\$ 282,630
Contributions as a percentage of covered payroll	12.19%	11.45%	11.45%	11.18%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

**See accompanying notes to this schedule.**

<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.00%	0.00%	0.00%	0.00%
\$ 392,567	\$ 401,911	\$ 325,962	\$ 282,041
\$ 245,575	\$ 233,092	\$ 188,779	\$ 170,710
159.86%	172.43%	172.67%	165.22%
69.92%	67.06%	68.35%	69.49%

<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
\$ 32,123	\$ 26,473	\$ 25,290	\$ 20,558
<u>32,123</u>	<u>26,473</u>	<u>25,290</u>	<u>20,558</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 294,706	\$ 245,575	\$ 233,092	\$ 188,779
10.90%	10.78%	10.85%	10.89%

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED JUNE 30, 2022

**NOTE 1 – PENSION PLAN SCHEDULES**

**Actuarial Assumptions for Valuations Performed.** The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuations. The actuarial assumptions used are disclosed in the notes to the financial statements.

**Factors that Affect Trends.** The Actuarial assumptions related to funding were selected on the basis of an experience study which was performed for the five-year period ending June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study which recommended changes and those changes were effective as of the June 30, 2020 actuarial valuation. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

## STATISTICAL SECTION

This part of the Yuma County Intergovernmental Public Transportation Authority's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the authority's overall financial health.

<b><u>INDEX</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>44-47</b>

*These schedules contain trend information to help the reader understand how the authority's financial performance and well-being have changed over time.*

<b>Revenue Capacity</b>	<b>48-49</b>
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*These schedules contain information to help the reader assess the authority's most significant local revenue consideration, namely ridership and fare box revenue.*

### **Debt Capacity**

*YCIPTA does not have any outstanding debt so therefore debt capacity information is not presented.*

<b>Demographic and Economic Information</b>	<b>50-51</b>
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*These schedules offer demographic and economic data to help the reader understand the environment within which the authority's financial activities take place.*

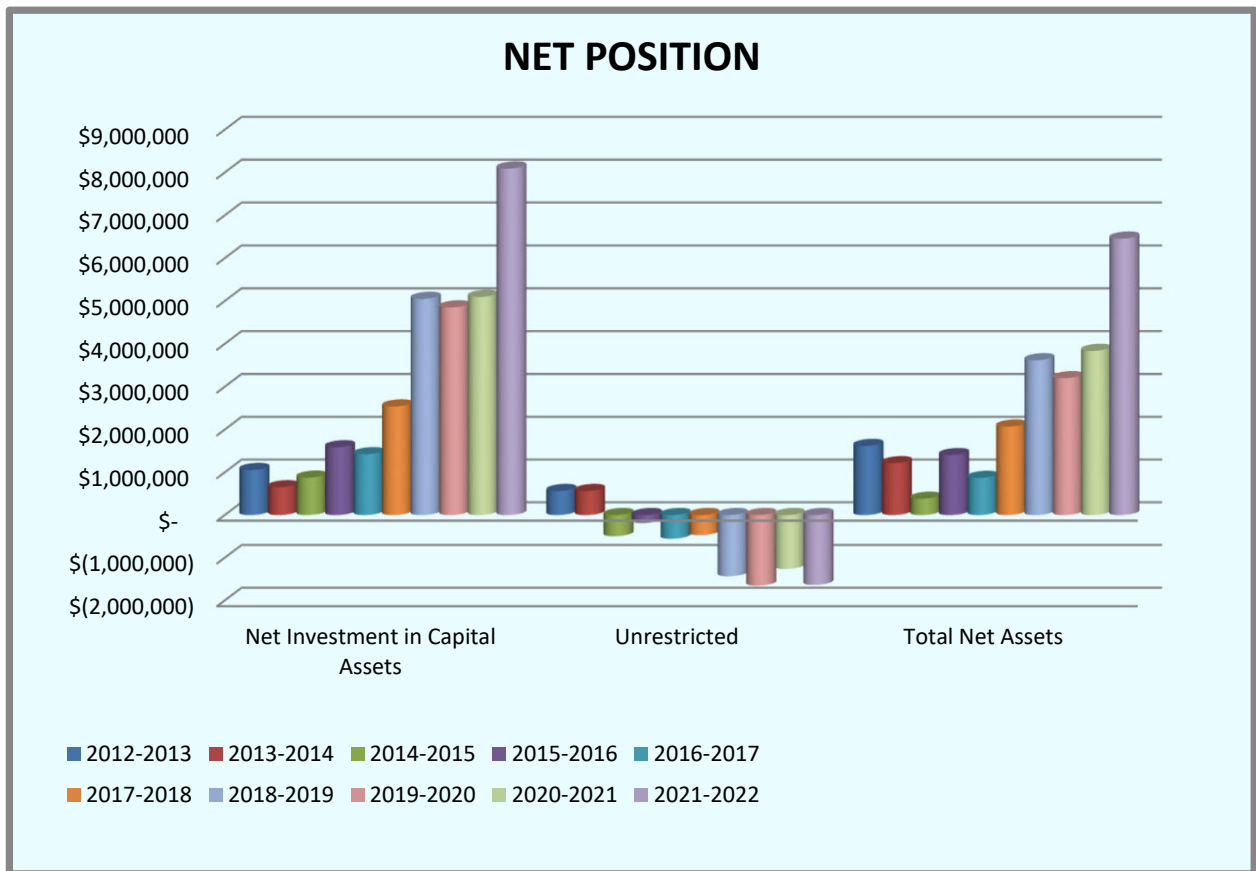
<b>Operation Information</b>	<b>52-53</b>
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*These schedules contain service and infrastructure data to help the reader understand how the information in the authority's financial report relates to the services the authority provides and the activities it performs*



**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
NET POSITION  
LAST TEN FISCAL YEARS**

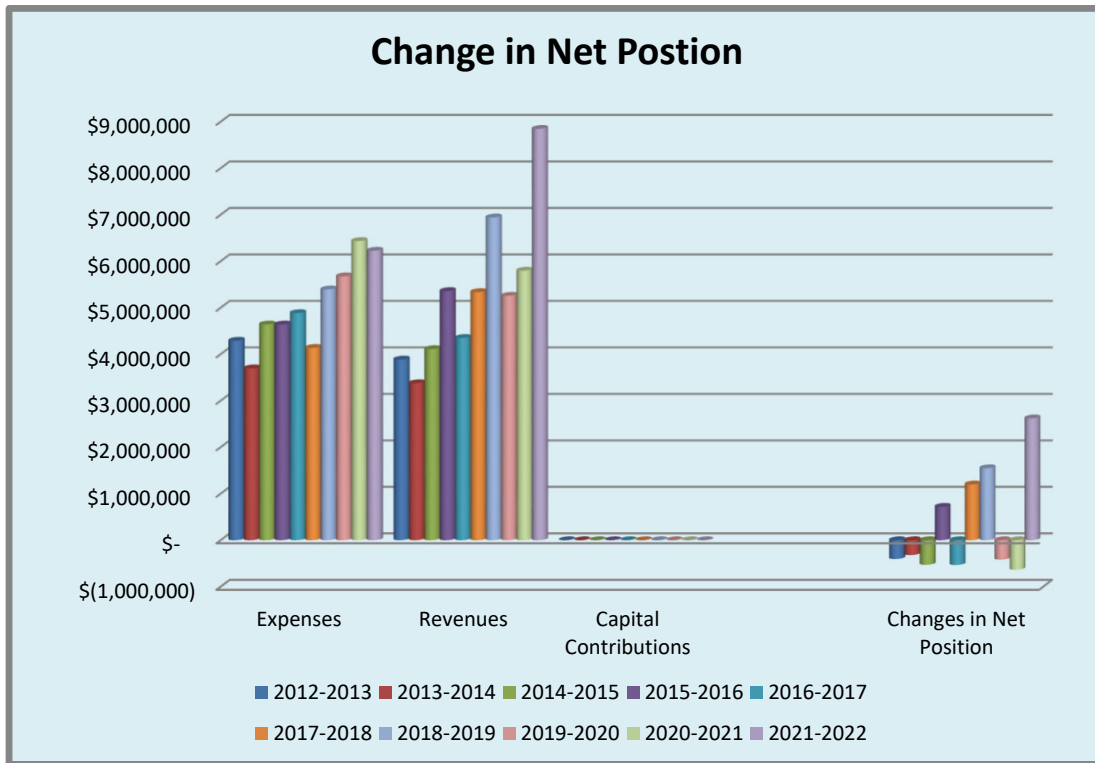
Fiscal Year	Net Investment in		
	Capital Assets	Unrestricted	Total Net Assets
2012-2013	\$ 1,055,241	\$ 562,770	\$ 1,618,011
2013-2014	\$ 650,351	\$ 563,637	\$ 1,213,988
2014-2015	\$ 875,695	\$ (493,787)	\$ 381,908
2015-2016	\$ 1,587,710	\$ (183,652)	\$ 1,404,058
2016-2017	\$ 1,424,242	\$ (553,536)	\$ 870,706
2017-2018	\$ 2,540,226	\$ (470,082)	\$ 2,070,144
2018-2019	\$ 5,050,514	\$ (1,432,207)	\$ 3,618,307
2019-2020	\$ 4,851,944	\$ (1,651,994)	\$ 3,199,950
2020-2021	\$ 5,096,992	\$ (1,260,178)	\$ 3,836,814
2020-2022	\$ 8,092,614	\$ (1,634,817)	\$ 6,457,797



Source: Yuma County Intergovernmental Public Transportation Authority Financial Statements.

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS**

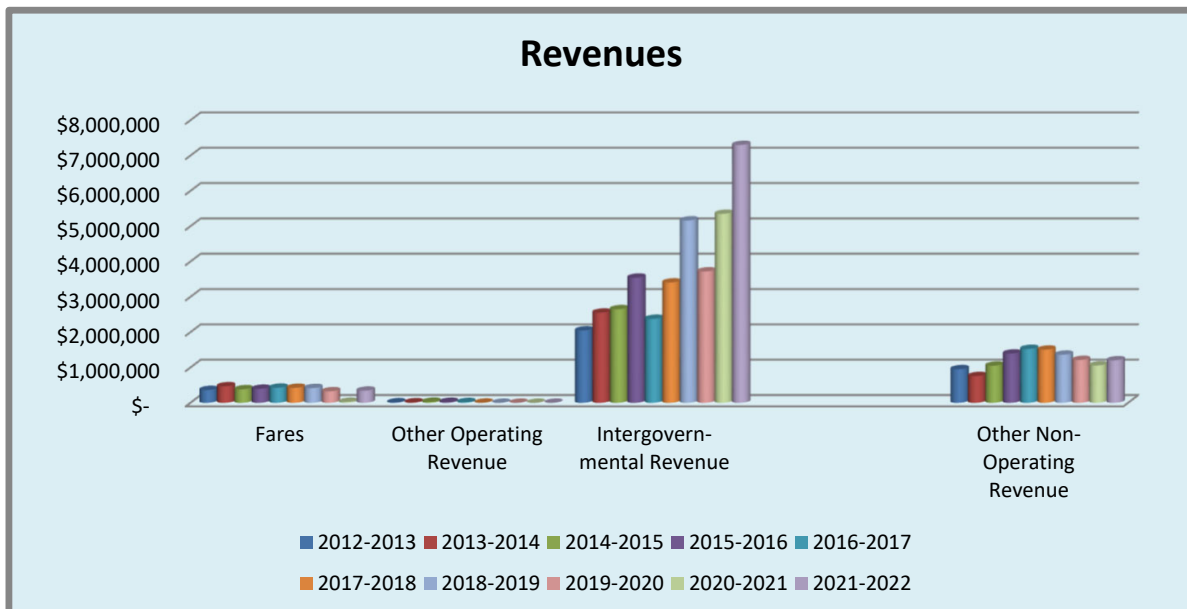
<b>Fiscal Year</b>	<b>Expenses</b>	<b>Revenues</b>	<b>Capital Contributions</b>	<b>Changes in Net Position</b>
2012-2013	\$ 4,290,293	\$ 3,886,270	\$ -	\$ (404,023)
2013-2014	\$ 3,695,987	\$ 3,376,381	\$ -	\$ (319,606)
2014-2015	\$ 4,640,485	\$ 4,110,896	\$ -	\$ (529,589)
2015-2016	\$ 4,640,445	\$ 5,358,547	\$ -	\$ 718,102
2016-2017	\$ 4,884,051	\$ 4,350,699	\$ -	\$ (533,352)
2017-2018	\$ 4,137,303	\$ 5,336,741	\$ -	\$ 1,199,439
2018-2019	\$ 5,394,260	\$ 6,942,422	\$ -	\$ 1,548,162
2019-2020	\$ 5,675,745	\$ 5,257,388	\$ -	\$ (418,357)
2020-2021	\$ 5,797,108	\$ 6,433,972	\$ -	\$ 636,864
2021-2022	\$ 6,226,040	\$ 8,847,023	\$ -	\$ 2,620,983



Source: Yuma County Intergovernmental Public Transportation Authority Financial Statements.

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
REVENUES  
LAST TEN FISCAL YEARS**

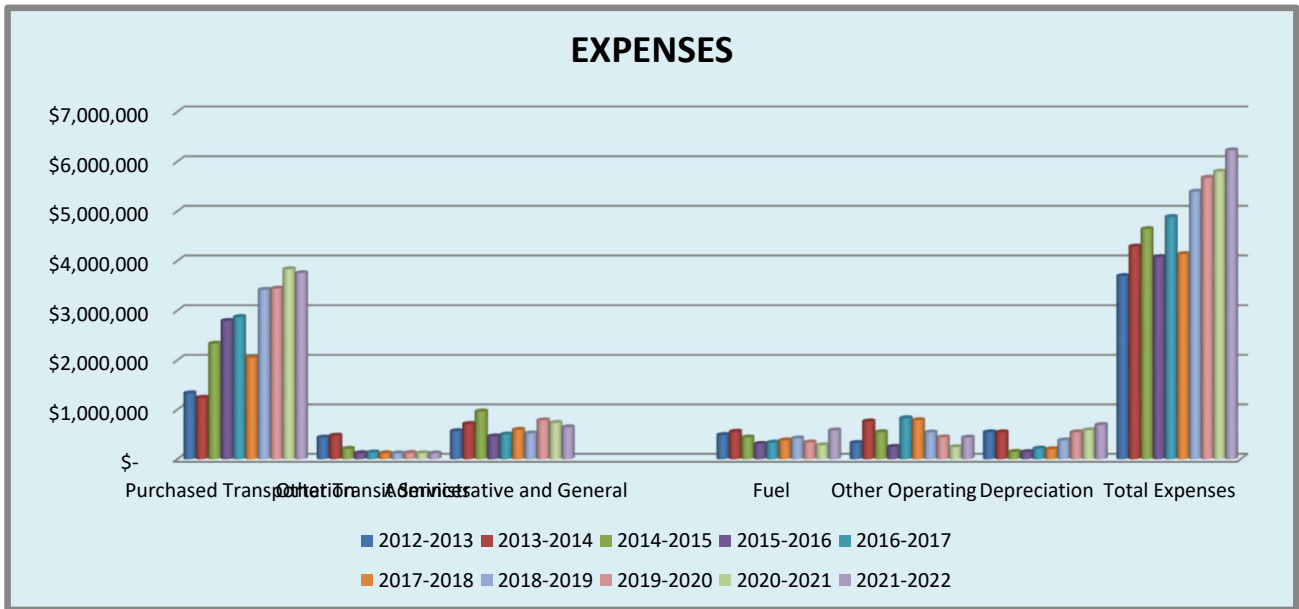
<b>Fiscal Year</b>	<b>Fares</b>	<b>Other Operating Revenue</b>	<b>Intergovernmental Revenue</b>	<b>Other Non-Operating Revenue</b>	<b>Total Revenue</b>
2012-2013	\$ 362,713	\$ 14,497	\$ 2,047,855	\$ 951,316	\$ 3,376,381
2013-2014	\$ 466,965	\$ 13,570	\$ 2,551,482	\$ 756,359	\$ 3,788,376
2014-2015	\$ 382,255	\$ 28,496	\$ 2,649,376	\$ 1,050,769	\$ 4,110,896
2015-2016	\$ 397,011	\$ 25,996	\$ 3,541,584	\$ 1,393,956	\$ 5,358,547
2016-2017	\$ 427,761	\$ 20,598	\$ 2,377,363	\$ 1,524,977	\$ 4,350,699
2017-2018	\$ 423,467	\$ 3,967	\$ 3,405,036	\$ 1,504,272	\$ 5,336,742
2018-2019	\$ 417,874	\$ 794	\$ 5,162,444	\$ 1,361,309	\$ 6,942,421
2019-2020	\$ 326,188	\$ 189	\$ 3,718,541	\$ 1,212,470	\$ 5,257,388
2020-2021	\$ 26,600	\$ -	\$ 5,349,553	\$ 1,057,819	\$ 6,433,972
2021-2022	\$ 344,484	\$ -	\$ 7,299,733	\$ 1,202,806	\$ 8,847,023



Source: Yuma County Intergovernmental Public Transportation Authority Financial Statements.

**YUMA COUNTY INTERGOVERNEMENTAL PUBLIC TRANSPORTATION AUTHORITY  
EXPENSES  
LAST TEN FISCAL YEARS**

Fiscal Year	Purchased Transportation	Other Transit Services	Administrative and General		Fuel	Other Operating	Depreciation	Total Expenses
2012-2013	\$ 1,331,514	\$ 436,177	\$ 565,800	\$ 489,025	\$ 329,135	\$ 544,336	\$ 3,695,987	
2013-2014	\$ 1,241,939	\$ 476,026	\$ 711,944	\$ 554,080	\$ 762,800	\$ 543,504	\$ 4,290,293	
2014-2015	\$ 2,333,624	\$ 209,943	\$ 964,498	\$ 438,335	\$ 545,933	\$ 148,152	\$ 4,640,485	
2015-2016	\$ 2,792,949	\$ 121,767	\$ 460,973	\$ 309,173	\$ 249,404	\$ 143,907	\$ 4,078,173	
2016-2017	\$ 2,871,253	\$ 136,200	\$ 499,163	\$ 335,283	\$ 828,570	\$ 213,582	\$ 4,884,051	
2017-2018	\$ 2,052,558	\$ 120,900	\$ 593,424	\$ 378,616	\$ 788,679	\$ 203,126	\$ 4,137,303	
2018-2019	\$ 3,418,108	\$ 116,880	\$ 519,996	\$ 419,550	\$ 540,617	\$ 379,109	\$ 5,394,260	
2019-2020	\$ 3,443,453	\$ 125,294	\$ 784,041	\$ 338,790	\$ 440,655	\$ 543,511	\$ 5,675,744	
2020-2021	\$ 3,832,988	\$ 121,261	\$ 732,430	\$ 281,664	\$ 242,883	\$ 585,882	\$ 5,797,108	
2021-2022	\$ 3,754,047	\$ 116,748	\$ 646,109	\$ 581,034	\$ 436,734	\$ 691,368	\$ 6,226,040	



Source: Yuma County Intergovernmental Public Transportation Authority Financial Statements.

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
COMPARISON OF SYSTEM RIDERSHIP DATA  
LAST TEN FISCAL YEARS**

Route	2012 - 2013 Ridership	2013 - 2014 Ridership	2014-2015 Ridership	2015-2016 Ridership	2016-2017 Ridership	2017-2018 Ridership	2018-2019 Ridership	2019-2020 Ridership	2020-2021 Ridership	2021-2022 Ridership	Increase or (Decrease)
<b>1</b>	37,339	42,581	4,026								
<b>2</b>	47,909	54,418	44,655	44,306	35,059	37,448	33,783	31,608	18,080	23,406	29%
<b>3</b>	5,196	11,494	9,066	8,773	8,185	6,428	7,796	6,856	5,235	5,787	11%
<b>4</b>	43,165	54,010	64,267	58,639	27,954	47,336	57,815	50,603	25,530	38,014	49%
<b>5</b>	11,597	15,532	16,793	17,042	16,609	18,744	17,158	16,752	13,433	11,849	-12%
<b>6</b>	12,517	8,643	46,107	44,675	44,652	40,635	43,260	38,091	16,484	20,558	25%
<b>6A</b>	4,700	14,246									
<b>7</b>	19,886	20,621									
<b>8</b>	1,831	1,738	1,832	3,552	3,115	2,869	3,637	3,071	2,015	2,395	19%
<b>8A</b>		94									
<b>9</b>	10,892	14,035	16,248	15,587	12,487	11,825	15,743	10,963	2,080	6,354	205%
<b>10</b>	1,026	2,651	5,597	3,070	1,793	1,641	1,884	2,317	2,230	1,599	-28%
<b>13</b>		4,621	202								
<b>95</b>	176,214	214,031	241,263	225,402	230,642	263,088	239,474	216,066	146,513	174,091	19%
<b>Other</b>	5,250	3,233	5,467	3,709	3,023	1,327	3,358	1,039	1	11	1000%
<b>DAR</b>	3,591	7,323									
<b>YCAT OnCall</b>	3,520	7,209	6,124	7,505	8,680	7,933	8,364	7,471	6,489	7,291	12%
<b>YCAT Vanpool</b>	-	53,032	28,372	65,434	74,190	67,622	67,922	68,423	58,784	62,709	7%
	<b>384,633</b>	<b>529,512</b>	<b>490,019</b>	<b>497,694</b>	<b>466,389</b>	<b>506,896</b>	<b>500,194</b>	<b>453,260</b>	<b>296,874</b>	<b>354,064</b>	<b>19%</b>

Source: Yuma County Intergovernmental Public Transportation Authority Annual Performance Report.

Note: Less than ten years of data is presented as the YCIPTA operations began in fiscal year 2013.

**YUMA COUNTY INTERGOVERNEMENTAL PUBLIC TRANSPORTATION AUTHORITY  
FARE STRUCTURE**

<b>Description</b>	<b>Basic</b> -Ages 19-64 years old -Youth ages 5-18 years old withouth student ID	<b>Discount</b> -Seniors age 65 & older -Persons with Disabilities -Medicare Card Holders -ADA Certified -Students ages 5-18 years old with school ID	<b>Express</b> -Commuter routes for all fare categories
One Way	\$2.00	\$1.00	\$5.00
One Way (Using Smart Card)	\$1.75	\$0.75	\$4.00
Day YCATPass	\$5.00 (valued at 2.50 trips)	\$2.50 (valued at 2.50 trips)	\$12.50 (valued at 2.50 trips)
Day YCATPass (Using Smart Card)	\$3.50 (valued at 1.75 trips)	\$1.75 (valued at 1.75 trips)	\$10.00 (valued at 2.50 trips)
10-Ride YCATPass (Using Smart Card)	\$17.50 (valued at \$1.75 per ride)	\$7.50 (valued at 75 cents per ride)	\$45.00 (valued at \$4.50 per ride)
10-Day YCATPass	\$35.00 (valued at \$1.75 per ride)	\$17.50 (valued at \$1.75 per ride)	\$100.00 (valued at \$1.75 per ride)
31-Day YCATPass (Using Smart Card)	\$60.00 (value \$1.50 per ride/20 days/2 trips each)	\$30.00 (value \$0.75 per ride/20 days/2 trips each)	\$150.00 (value \$3.75 per ride/20 days/2 trips each)
Route Deviation Fare on Routes 3, 6, 7, 8 & 10 (in El Centro)	\$2.00	\$2.00	N/A

Source: Yuma County Intergovernmental Public Transportation Authority Annual Performance Report.

**YUMA COUNTY INTERGOVERNEMENTAL PUBLIC TRANSPORTATION AUTHORITY  
DEMOGRAPHIC STATISTICS  
YUMA COUNTY TOP TEN CIVILIAN EMPLOYEES**

<b>Employer</b>	<b>Activity</b>	<b>Employees</b>	<b>% of Population</b>
1. Marine Air Corps Station Yuma	Military	7,112	3%
2. Yuma Proving Ground	Military	2,336	1%
3. Yuma Regional Medical Center	Health	2,575	1%
4. Yuma Elementry School District #1	Education	1,518	1%
5. Yuma County	Government	1,400	1%
6. City of Yuma	Government	1,283	1%
7. Arizona Western College	Education	1,200	1%
8. TRAX International	Government	1,050	1%
9. Yuma Union High School	Education	962	0%
10. U.S. Border Patrol	Government	800	0%

Source: [greateryuma.o](http://greateryuma.o)

According to the Yuma Marine Corps Air Station, they are the busiest air station in the Marine Corps and the third busiest in the Navel service. The MCAS Air Station currently hosts 100 units form U.S. and NATO forces totaling 14,000 personnel. There are also over 2,000 Yuma County residents who work at the Yuma Proving Ground several hundred military personnel assigned to the Yuma Proving Ground, including about several thousands of annual visitors who stay anywhere from a week up to six months depending on the activity.

<b>Community</b>	<b>2020 Population</b>	<b>Area (square miles)</b>	<b>Population Density (persons/square mile)</b>
Yuma County - including cities	203,881	5,514	36
City of Yuma	95,548	120	774
City of San Luis	35,257	32	796
City of Somerton	14,197	7	1,960
Town of Wellton*	3,083	29	107
Fortuna Foothills	29,955	40	748
Cocopah Indian Reservation	1,297	10	82
Arizona	7,151,502	113,594	56
Quechan (Fort Yuma) Indian Res., CA**	2,376	69	32
Winterhaven, CA Census Designated Place	192	0	

\* U.S. Census Buereau & World Poplulation review

**YUMA COUNTY INTERGOVERNEMENTAL PUBLIC TRANSPORTATION AUTHORITY  
CAPITAL ASSET STATISTICS  
LAST TEN YEARS**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>VEHICLES</b>										
NEXTbus Tracking System		24	24	24	24	29	29	29	29	29
Admin/Utility Vehicles	5	5	5	5	5	5	6	8	8	8
El Dorado EZ Rider	2	24	2	2	2	2		0	0	0
New Flyers	4		3	3	3	3	3	3	3	3
Dodge Caravan			2	2	2	2	2	2	2	2
Amerivan	1	1	1					0	0	0
Braunn Entervan	2	2	2	1	1	1	1	1	1	1
Chevy Uplander	2	2	2	2	2	2	2	2	2	2
Chevy El Dorado	9	9	9	9	9	9	9	9	9	9
Ford E350	8	8	8	6	6	6	6	6	6	6
Gillig				2	2	2	7	7	7	15
El Dorado MST II	5	5	5	5	5	5	2	2	2	2
ARBOC Freightliner						4	4	4	4	4
Starcraft Allstar CutAway							2	3	6	6
<b>INFRASTRUCTURE</b>	33	28	35	35	36	36	36	36	46	46
<b>LAND</b>									1	1
<b>FORKLIFT</b>									1	1

Source: YCIPTA Annual Inventory Listing



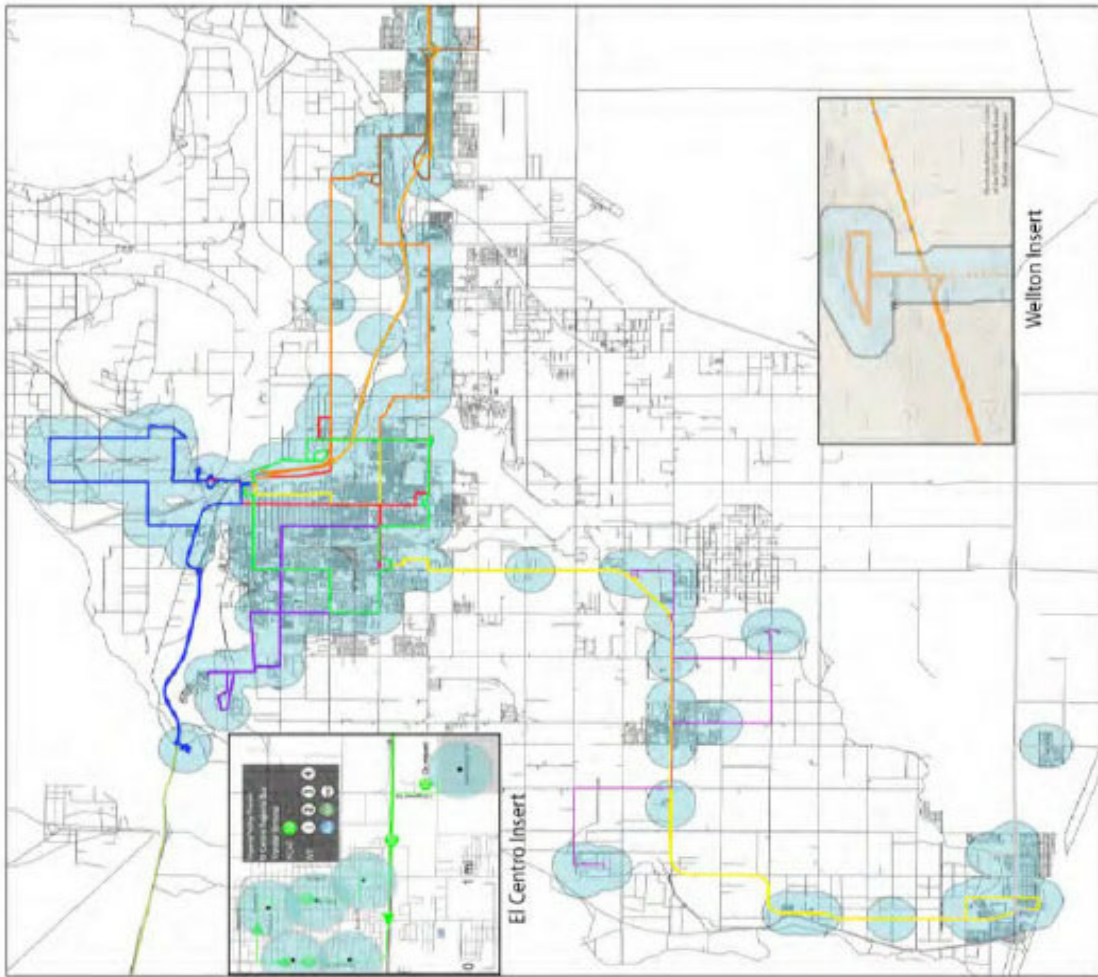
# YCAT Existing Network

Network Coverage, August 2013 Yuma Area  
 Jan 2014, El Centro, Fixed Route Bus Stops only

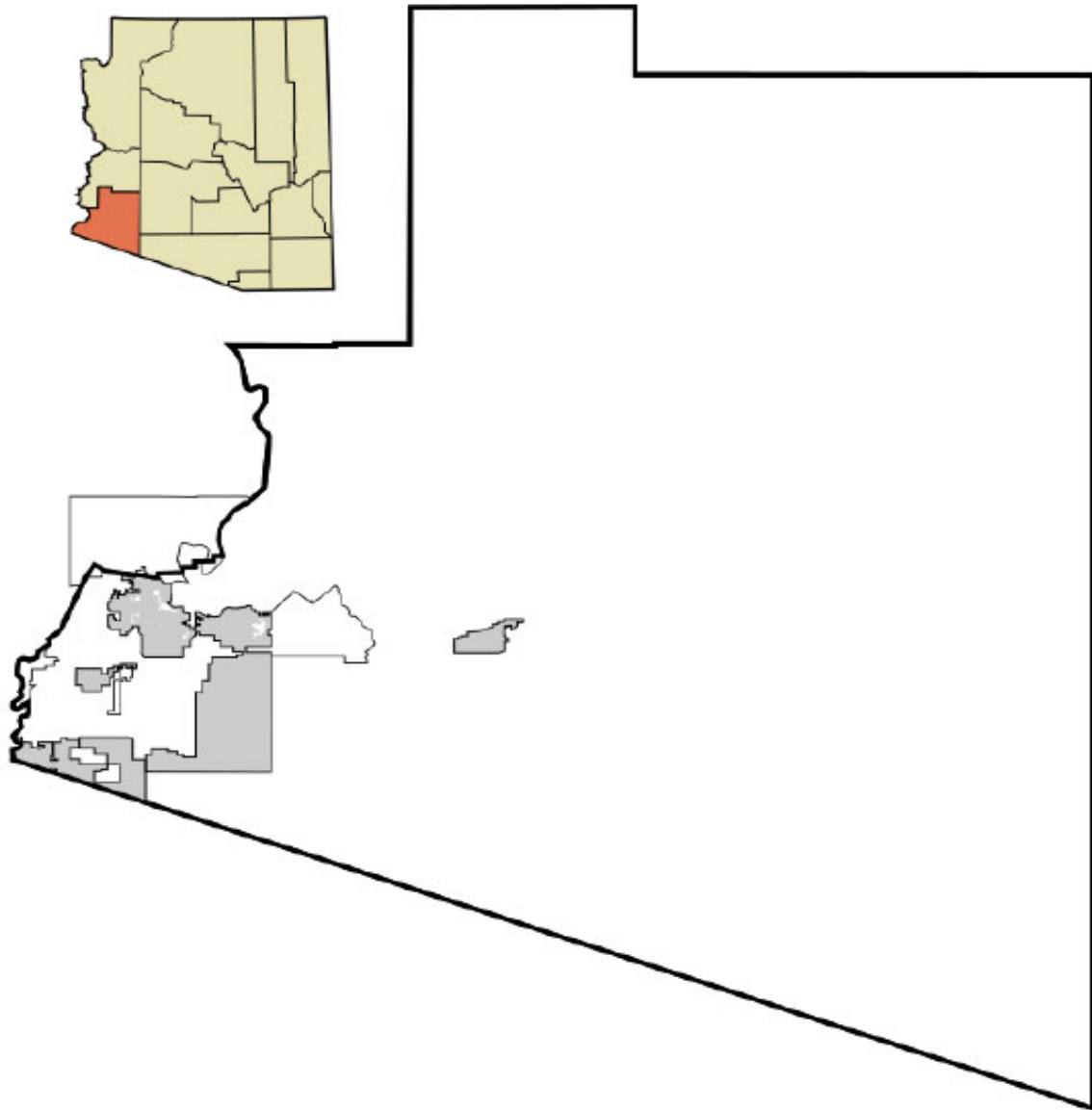
## YCAT Routes

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 95
- 9
- 10

Within 1/2 mile of stop



**Yuma County Incorporated and Unincorporated areas**



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**SINGLE AUDIT SECTION**

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**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**

Independent Auditor's Report

Board of Directors  
Yuma County Intergovernmental Public Transportation Authority

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 of Yuma County Intergovernmental Public Transportation Authority, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Yuma County Intergovernmental Public Transportation Authority's basic financial statements, and have issued our report thereon dated March 28, 2023. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Yuma County Intergovernmental Public Transportation Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Yuma County Intergovernmental Public Transportation Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Yuma County Intergovernmental Public Transportation Authority'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 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 or significant deficiencies may exist that have not been identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Yuma County Intergovernmental Public Transportation Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

### 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* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Scottsdale, Arizona  
March 28, 2023

**Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Directors  
Yuma County Intergovernmental Public Transportation Authority

**Report on Compliance for Each Major Federal Program**

**Opinion on Each Major Federal Program**

We have audited Yuma County Intergovernmental Public Transportation Authority's compliance with the types of compliance requirements identified as subject to the audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Yuma County Intergovernmental Public Transportation Authority's major federal programs for the year ended June 30, 2022. Yuma County Intergovernmental Public Transportation Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Yuma County Intergovernmental Public Transportation Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

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



### ***Responsibilities of Management for Compliance***

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

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

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

### ***Other Matter***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on Yuma County Intergovernmental Public Transportation Authority's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Yuma County Intergovernmental Public Transportation Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs, as item 2022-001, to be a material weakness.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Yuma County Intergovernmental Public Transportation Authority's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. Yuma County Intergovernmental Public Transportation Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the Yuma County Intergovernmental Public Transportation Authority as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Yuma County Intergovernmental Public Transportation Authority's basic financial statements. We issued our report thereon dated March 28, 2023, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Scottsdale, Arizona  
March 28, 2023

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Fiscal Period 7/1/2021 - 6/30/2022**

<i>Federal Awarding Agency/Program Title</i>	<i>Federal CFDA Number</i>	<i>Additional Award Identification (Optional)</i>	<i>Name of Funder Pass-Through Entity</i>	<i>Identifying Number Assigned By Funder Pass-Through Entity</i>	<i>Total Amount Provided to Sub-Recipients</i>	<i>Federal Expenditures</i>	<i>Federal Program Total</i>	<i>Cluster Name</i>	<i>Cluster Total</i>
<b>DEPARTMENT OF TRANSPORTATION</b>									
<i>HIGHWAY PLANNING AND CONSTRUCTION</i>	20.205		QUECHAN INDIAN TRIBE	A13AP00184		\$22,368	\$22,368	HIGHWAY PLANNING AND CONSTRUCTION CLUSTER	\$22,368
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-90-X127			\$214,822	\$220,809	\$5,855,306	FEDERAL TRANSIT CLUSTER	\$5,855,306
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-90-X132				\$19,928	\$5,855,306	FEDERAL TRANSIT CLUSTER	\$5,855,306
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-90-X143				\$46,633	\$5,855,306	FEDERAL TRANSIT CLUSTER	\$5,855,306
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-2018-003-00				\$73,251	\$5,855,306	FEDERAL TRANSIT CLUSTER	\$5,855,306
COVID-19 FEDERAL TRANSIT_FORMULA GRANTS	20.507	COVID-19, AZ-2020-030-00				\$4,328,243	\$5,855,306	FEDERAL TRANSIT CLUSTER	\$5,855,306
FEDERAL TRANSIT_FORMULA GRANTS	20.507	AZ-2019-035				\$660,009	\$5,855,306	FEDERAL TRANSIT CLUSTER	\$5,855,306
COVID-19 FEDERAL TRANSIT_FORMULA GRANTS	20.507	COVID-19, AZ-2021-039				\$506,433	\$5,855,306	FEDERAL TRANSIT CLUSTER	\$5,855,306
<i>COVID-19 FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM</i>	20.509	COVID-19	ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-20-0007-926-T		\$770,697	\$1,540,648	N/A	\$0
<i>COVID-19 FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM</i>	20.509	COVID-19	ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-20-0007-926-T		\$87,643	\$1,540,648	N/A	\$0
<i>FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM</i>	20.509		QUECHAN INDIAN TRIBE	CA-2019-159-00		\$10,170	\$1,540,648	N/A	\$0
<i>FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM</i>	20.509		QUECHAN INDIAN TRIBE	CA-2021-028-00		\$46,819	\$1,540,648	N/A	\$0
<i>COVID-19 FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM</i>	20.509	COVID-19	QUECHAN INDIAN TRIBE	CA-2021-031-00		\$42,997	\$1,540,648	N/A	\$0
<i>FORMULA GRANTS FOR RURAL AREAS AND TRIBAL TRANSIT PROGRAM</i>	20.509		ARIZONA DEPARTMENT OF TRANSPORTATION	GRT-20-0007-926-T		\$582,322	\$1,540,648	N/A	\$0
<i>ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES</i>	20.513		ARIZONA DEPARTMENT OF TRANSPORTATION	AZ-2018-028		\$3,316	\$3,316	TRANSIT SERVICES PROGRAM CLUSTER	\$3,316
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>					\$214,822	\$7,421,638			
<b>TOTAL EXPENDITURE OF FEDERAL AWARDS</b>					\$214,822	\$7,421,638			

**Please Note:**  
*Italicized award lines indicate pass-through funding*

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of the schedule.

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Fiscal Period 7/1/2021 - 6/30/2022**

**Significant Accounting Policies Used in Preparing the SEFA**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Yuma County Intergovernmental Public Transportation Authority under programs of the federal government for the year ended June 30, 2022. The information in the 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 operations of YCIPA, it is not intended to and does not present the financial position, changes in net position or cash flows of YCIPTA. Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**10% De Minimis Cost Rate**

The auditee did not use the de minimis cost rate.

**Assistance Listing Numbers**

The program titles and Assistance Listing numbers were obtained from the federal or pass-through grantor or through sam.gov. If the three-digit Assistance Listing extension is unknown, there is a U followed by a two-digit number in the Assistance Listing extension to identify one or more Federal award lines from that program. The first Federal program with an unknown three-digit extension is indicated with U01 for all award lines associated with that program, the second is U02, etc.

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**Summary of Auditor's Results:**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: No

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

- Significant deficiency(ies) identified: No
- Material weakness(es) identified: Yes

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with §200.516 of Uniform Guidance: Yes

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit Cluster
20.509	Formula Grants For Rural Areas and Tribal Transit Program

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: No

**Findings Related to Financial Statements Reported in Accordance with *Government Auditing Standards*: No**

**Findings and Questioned Costs Related to Federal Awards: Yes**

**Summary Schedule of Prior Audit Findings required to be reported: Yes**

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Finding Number:** 2022-001

**Repeat Finding:** Yes, 2021-001

<u>Program Names/Assistance Listing Titles:</u>	<u>Assistance Listing Numbers:</u>	<u>Federal Award Numbers:</u>	<u>Questioned Costs:</u>
Federal Transit Cluster	20.507	AZ-90-X127 AZ-90-X132 AZ-90-X143 AZ-2018-003-00, AZ-2019-035, AZ-2020-030-00 AZ-2021-039	N/A
Formula Grants For Rural Areas and Tribal Transit Program	20.509	GRT-20-0007-926-T, CA-2019-159-00, CA-2021-028-00, CA-2021-031-00	N/A

**Federal Agency:** Department of Transportation

**Pass-Through Agency:** Arizona Department of Transportation and Quechan Indian Tribe

**Type of Finding:** Noncompliance, Material Weakness

**Compliance Requirements:** Procurement, Suspension, and Debarment

CRITERIA

Non-federal entities other than states, including those operating federal programs as subrecipients of states, must follow the procurement standards set out at 2 CFR §§200.318 through 200.326. They must use their own documented procurement procedures, which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable federal statutes and the procurement requirements identified in 2 CFR part 200. The Board adopted a Policies and Procedures Manual that requires the collection of three quotes for purchases of at least \$3,000 but less than \$100,000 and formal bid procedures for purchases over \$100,000.

CONDITION

YCIPTA did not follow its Board adopted Policies and Procedures Manual or federal regulations.

CAUSE

YCIPTA was operating under an expired contract and did not follow Board-adopted policies.

EFFECT

YCIPTA was not in compliance with the Board adopted Policies and Procedures Manual and federal regulations.

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Finding Number:** 2022-001

CONTEXT

During our review of procurement, the following were noted:

- For one purchase in excess of the federal procurement threshold of \$250,000, YCIPTA did not perform a sealed bid or proposal.
- For one purchase in YCIPTA's quote range, YCIPTA did not obtain or maintain quotes.

The sample was not intended to be, and was not, a statistically valid sample.

RECOMMENDATION

YCIPTA should adhere to its Board adopted Policies and Procedures Manual. When purchases are expected to be in excess of \$100,000, formal procurement methods should be used to ensure the best pricing possible.

VIEWS OF RESPONSIBLE OFFICIALS

See Corrective Action Plan.





## Yuma County Intergovernmental Public Transportation Authority

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2715 East 14<sup>th</sup> Street, Yuma, AZ 85365-1900, Telephone: 928-539-7076  
Fax: 928-783-0309, email: [info@ycipta.az.gov](mailto:info@ycipta.az.gov), Web: [www.yciptaz.gov](http://www.yciptaz.gov)

March 28, 2023

To Whom It May Concern:

The accompanying Corrective Action Plan has been prepared as required by U.S. Office of Management and Budget Uniform Guidance. The name of the contact person responsible for corrective action, the planned corrective action, and the anticipated completion date for each finding included in the current year's Schedule of Findings and Questioned Costs have been provided.

In addition, we have also prepared the accompanying Summary Schedule of Prior Audit Findings which includes the status of audit findings reported in the prior year's audit.

Sincerely,

Shelly Kreger  
Transit Director

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**Yuma County Intergovernmental Public Transportation Authority Board Of Directors**  
Jay Simonton - Chairman – City of Yuma, Susan M. Zambrano – Vice Chairman – Arizona Western College  
Eric Holland Sec/Treas– Cocopah Tribe, Richard Marsh – Town of Wellton,  
Brian Golding, Sr.-Quechan Tribe, Ian McGaughey – Yuma County,  
Ralph Valez – City of San Luis, Louie Galaviz- City of Somerton

Shelly Kreger, Transit Director

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2022**

**Findings and Questioned Costs Related to Federal Awards**

Finding Number: 2022-001, 2021-001

Contact Person: Shelly Kreger, Transit Director

Anticipated Completion Date: July 31, 2023

Planned Correction Action: YCIPTA has implemented with the help of FTA guidance new procurement policies to help assure the procurement process is completed in a thorough and timely manner. All staff had to sign an acknowledgment receipt that they received and read the new policies. YCIPTA has been short staffed to start up the RFP process for the large expense items that have not been procured since last year. YCIPTA had since been able to hire staff to help with the process and anticipates starting with the Fuel Expense as the first procurement to rectify this finding. Additionally, the appraisal that was expected to be completed by July 31, 2022 was not completed. New completion date is also July 31, 2023.

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2022**

**Status of Findings and Questioned Costs Related to Federal Awards**

Finding Number: 2021-001

Status: Partially corrected. YCIPTA did correct the suspension and debarment procedures and did not purchase any real property during fiscal year 2021-22. The anticipated completion date for this finding was not expected to be completed until July 31, 2022. See current year finding 2022-001.

Planned Corrective Action: YCIPTA has implemented with the help of FTA guidance new procurement policies to help assure the procurement process is completed in a thorough and timely manner. All staff had to sign an acknowledgment receipt that they received and read the new policies. YCIPTA has been short staffed to start up the RFP process for the large expense items that have not been procured since last year. YCIPTA had since been able to hire staff to help with the process and anticipates starting with the Fuel Expense as the first procurement to rectify this finding. Additionally, the appraisal that was expected to be completed by July 31, 2022 was not completed. New completion date is also July 31, 2023.