

YCIPTA



Yuma County Intergovernmental Public Transportation Authority

Yuma, Arizona

**Comprehensive Annual Financial Report
For Fiscal Year Ending June 30, 2014**

Prepared by YCIPTA Financial Department

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
Comprehensive Annual Financial Report
Year Ended June 30, 2014
TABLE OF CONTENTS

Introductory Section:

Transmittal Letter.....i

Organizational Chart.....vi

List of Principal Officials.....vii

Financial Section:

Independent Auditors Report.....1-2

Management’s Discussion and Analysis.....3-7
 (Required Supplementary Information)

Basic Financial Statements

 Statement of Net Position.....10

 Statement of Revenues, Expenses,
 and Changes in Fund Net Position.....11

 Statement of Cash Flows.....12

Notes to the Financial Statements.....13-19

Other Supplementary Information

 YCIPTA and Imperial County Transportation Commission Schedule
 Of Fixed Rate, Farebox Revenue and Net Subsidy – TDA.....21-23

Statistical Section:

Financial Trends:

Net Position by Component.....25

Change in Net Position.....26

Revenues.....27

Expenses.....28

Revenue Capacity:

Ridership Data.....29

Fare Structure.....30

Demographic and Economic Information:

Principal Employers.....31

Population Data.....32

Operating Information:

YCAT Existing Network.....33

Yuma County Incorporated and Unincorporated Areas.....34

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*.....35-36

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 OMB Circular A-133.....37-39

Schedule of Expenditures of Federal Awards.....40

Notes to the Schedule of Expenditures of Federal Awards.....41

Schedule of Findings and Questioned Costs.....42-43

Summary Schedule of Prior Audit Findings.....44

INTRODUCTORY SECTION



Yuma County Intergovernmental Public Transportation Authority

2715 East 14th Street, Yuma, AZ 85365-1900, Telephone: 928-539-7076

Fax: 928-783-0309, email: info@ycipta.az.gov, Web: www.yciptaz.gov

October 27, 2014

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 Comprehensive Annual Financial Report for the year ending June 30, 2014. 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 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, 2014.

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.

Yuma County Intergovernmental Public Transportation Authority Board Of Directors

Robert L. Pickels, Chairman - Yuma County, Greg Wilkinson, Vice Chairman - City of Yuma
Dr. Larry Gould - Northern Arizona University, Dr. Glenn Mayle - Arizona Western College,
Ralph Velez - City of San Luis, Richard Watenpaugh – Town of Wellton,
Bill Lee – City of Somerton, Brian Golding, Sr – Quechan Tribe, Paul Soto – Cocopah Tribe
Shelly Kreger, Interim 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, a university 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.

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.

YCAT service was also recently expanded to serve 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 in order to reduce crowding and improve system on-time performance. Local “WelltonCAT” demand response service was also added on Fridays to serve Wellton, Turquoise Route 10 was also added 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 an Administration Assistant, two Office Specialists, two Office Clerks, and Financial Services Operations Manager. YCIPTA has agreements with Yuma County for human resources, financial services, Treasurer and Information Technology support.

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 providing Yuma County with clean, affordable, reliable, efficient and safe public transportation services that aid in economic development, enhance the quality of life and ensures mobility and independence for our community.

Vision Statement

The Yuma County Intergovernmental Public Transportation Authority provides a cost effective public transportation system that improves the environment, air quality and the quality of life for our residents and visitors in the region.

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 YCIPTA's two contractors for the program, Enterprise Rideshare and vRide. The vehicles and subsidies are available on a first come, first served basis. As of June 30, 2014 there are 28 vehicles in the vanpool.

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 2010 U.S. Census was 195,751. 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. On Interstate 8, more than 6.5 million vehicles per year (18,000 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 \$160 million annually to Yuma County. Yuma's annual sales continually show healthy increases compared to other parts of Arizona and the nation.

Yuma County, 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.

According to the Bureau of Labor Statistics the unemployment rate for Yuma County was 27% in June 2014.

From 2000 to 2010, Yuma County has experienced a 22.3% increase in population. Continued growth rates would result in county population increasing from 195,751 residents to a projected 239,451 residents by 2020.

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, Mazatlan to the South and takes in the entire Baja peninsula north to Los Angeles, California.

MAJOR INITIATIVES

- Increased passenger trips from 1,450 to 2,500 an average weekday
- Finalized the Five Year Short Range Transit Plan
- Procured a transit operations and maintenance contract that has a term of 3 years with up to 7 one year options to renew
- Received 4 trolley vehicles from ADOT
- Work is in progress to rehabilitate the New Flyer buses received from Long Beach Transit
- Implemented SARA Rides One Call-One Click Mobility Management Center in partnership with Saguaro Foundation
- Completed the Transit Tax Study
- Worked with Yuma County regarding amending ARS 42-6106
- Installed new bus stop signs with more information about routes, including installing new info posts
- Implemented the Lifeline Transit Pass Program with grants from Arizona Community Foundation Commission
- Redesigned the riders guide into a book format
- Entered into partnerships with WACOG, YCAA, and Yuma County Emergency Management
- Received over two million dollars in grants for operations and capital needs
- Implemented YCATPass smartcard system with Acumen

ACKNOWLEDGMENTS

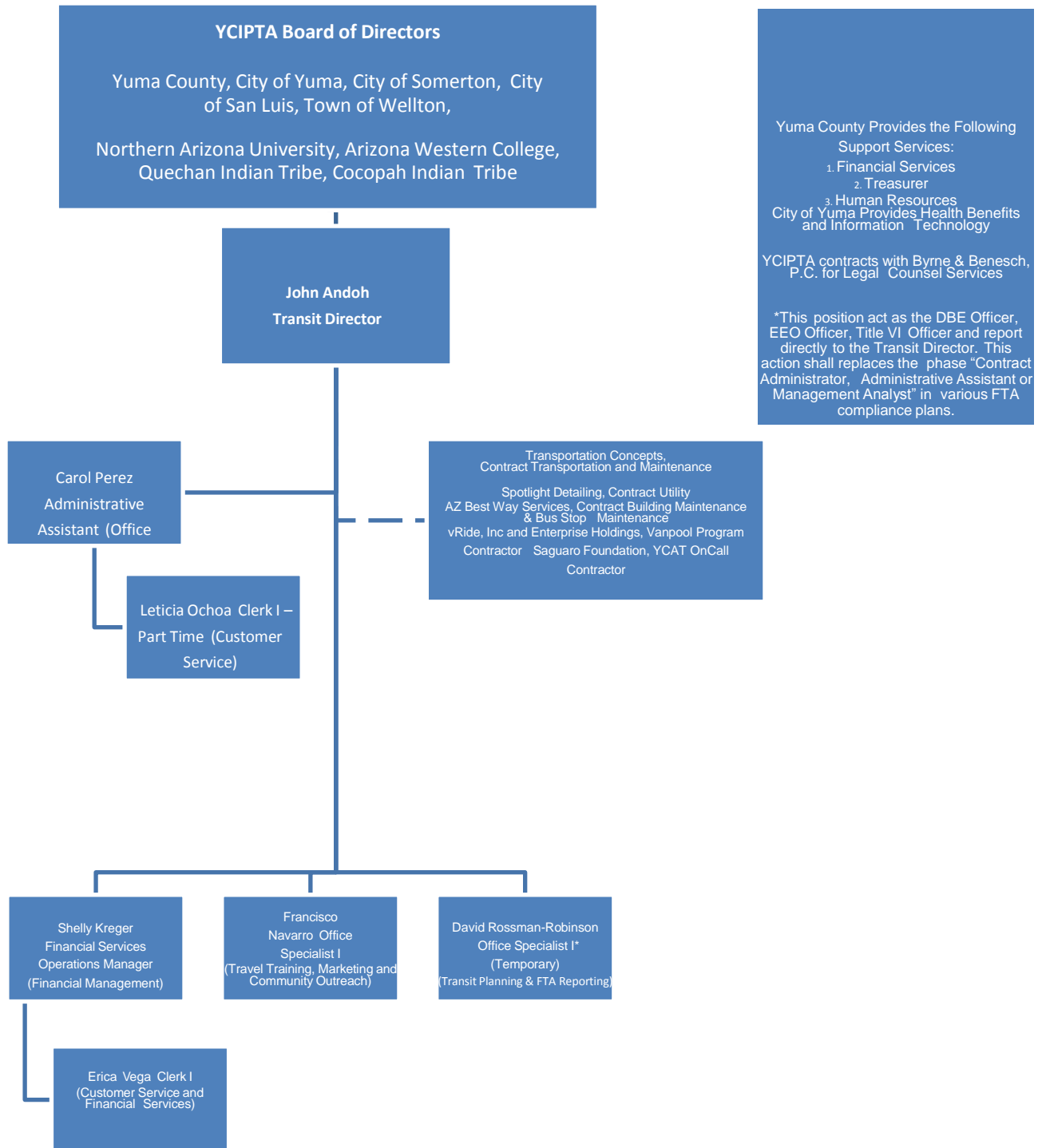
I extend my thanks and appreciation for the cooperation and assistance provided by the members of the Yuma County Intergovernmental Public Transportation's Board of Directors for their interest and support in conducting the financial operations of YCIPTA in a responsible and progressive manner. Special recognition is also due to YCIPTA's administrative staff especially John Andoh, former Transit Director, Carol Perez, Administrative Assistant, Francisco Navarro, Office Specialist I, David Rossman-Robinson, Office Specialist I, Erica Vega, Office Clerk, and Leticia Ochoa, Office Clerk. 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
Interim Transit Director
Financial Services Operations Manager

Yuma County Intergovernmental Public Transportation Authority Organization Chart



YCIPTA Board of Directors

Name	Board Position	Representing Jurisdiction	Position
Robert Pickels	Chairman	Yuma County	County Administrator
Greg Wilkinson	Vice Chairman	City of Yuma	City Administrator
Dr. Larry Gould	Member	Northern Arizona University	Campus Executive Officer
Dr. Glenn Mayle	Member	Arizona Western College	President
Ralph Velez	Member	City of San Luis	City Manager
Bill Lee	Member	City of Somerton	City Manager
Brian Golding, Sr.	Member	Quechan Tribe	Director of Economic Development
Paul Soto	Member	Cocopah Tribe	Planning Director
Richard Watenpaugh	Member	Town of Wellton	Town Manager

YCIPTA Staff

John Andoh, Transit Director

Shelly Kreger, Financial Services Operations Manager

Carol Perez, Administrative Assistant

David Rossman-Robinson, Office Specialist I

Francisco Navarro, Office Specialist I

Erica Vega, Clerk I

Leticia Ochoa, Clerk I

FINANCIAL SECTION

INDEPENDENT AUDITORS REPORT

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, 2014, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yuma County Intergovernmental Public Transportation Authority, as of June 30, 2014, and the change 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The introductory section, statistical section and YCIPTA and Imperial County Transportation Commission Schedule of Fixed Rate, Farebox Revenue and Net Subsidy are presented for purposes of additional analysis and are not a required part of the financial statements.

The YCIPTA and Imperial County Transportation Commission Schedule of Fixed Rate, Farebox Revenue and Net Subsidy is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2014, 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 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 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., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 27, 2014

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDING JUNE 30, 2014

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, 2014.

FINANCIAL HIGHLIGHTS

- Net position, as reported in the statement of net position, totaled \$1,213,988 as of June 30, 2014. Of this amount, \$563,637 was unrestricted as of June 30, 2014. Total net position decreased by \$404,023, which is attributable to operations for the year ended June 30, 2014.
- For the year ended June 30, 2014, the combined fare box recovery ratio (the measure of the ability to recover operating costs through fare revenue) for YCIPTA was 20.2%. This calculation is pure fare collection and does not include funds received for local match.
- Fixed Route ridership increased by 19.3%, or by approximately 91,392 riders, this year. Overall operating revenues increased by \$103,325 (27.4%) during the year. Operating expenses increased by \$594,306 (16.1%) during the year. The increase was primarily due to an increase in fuel expenses, fleet maintenance and purchases of machinery and equipment.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is 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 other 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 and liabilities, with the difference between the two 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* present 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, 2014

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 exceeded liabilities by \$1,213,988 at the close of the most recent fiscal year.

The largest portion of YCIPTA's net position reflect the investment in capital assets, net of related debt. Most of the investment in capital assets is comprised of buses, vans, and other vehicles totaling \$1,015,334. Other investment in capital assets includes furniture and equipment, leasehold improvements, and infrastructure, totaling \$722,857.

The balance in unrestricted net position for the fiscal year ended June 30, 2014 was \$563,637 of which \$404,023 was attributable to operations for the year ending June 30, 2014. Net investments in capital assets decreased by \$ 404,890 of which was attributable to depreciation expense for the year ending June 30, 2014.

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Current assets	\$1,744,559	\$ 1,008,027
Capital assets (net)	650,351	1,055,241
Total assets	<u>2,394,910</u>	<u>2,063,268</u>
Long-term liabilities	15,217	12,881
Current liabilities	1,165,705	432,376
Total liabilities	<u>1,180,922</u>	<u>445,257</u>
Net position:		
Net investment in		
capital assets	650,351	1,055,241
Unrestricted	563,637	562,770
Total net position	<u><u>\$1,213,988</u></u>	<u><u>\$ 1,618,011</u></u>

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

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDING JUNE 30, 2014

FINANCIAL ANALYSIS (CONTINUED)

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
Revenues:		
Operating revenues:		
Fare box revenues	\$462,860	\$ 361,071
Turquoise Route 10	4,105	1,642
Advertising revenues	13,570	14,497
Non-operating revenues:		
Federal revenue	2,540,980	2,042,604
Transportation Development Act	10,502	5,251
Member fees	516,739	514,606
Other non-operating revenue	337,514	436,710
Total revenues	<u>3,886,270</u>	<u>3,376,381</u>
Expenses:		
Operating expenses	<u>4,290,293</u>	<u>3,695,987</u>
Total expenses	<u>4,290,293</u>	<u>3,695,987</u>
Increase (decrease) in net position by Transfers	(404,023)	(319,606)
Transfer in	<u>-</u>	<u>1,937,617</u>
Increase (decrease) in net position	(404,023)	1,618,011
Net position:		
Beginning of the year	1,618,011	-
End of the year	<u>\$1,213,988</u>	<u>\$ 1,618,011</u>

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

- An increase of \$101,789 in farebox revenue due to increased ridership.
- An increase of \$498,376 in federal revenue due to additional grants through the 5316 program for operating and vanpool program.
- An increase in operating expenses of \$594,306 primarily due to an increase in fuel costs, maintenance and contractor start up costs.
- The net addition of \$404,890 in accumulated depreciation related to current fiscal year depreciation expense.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDING JUNE 30, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. YCIPTA's net investment in capital assets as of June 30, 2014 amount to \$650,351. This investment in capital assets includes leasehold improvements, infrastructure, (bus stops), vehicles, and furniture and equipment. Major capital asset events during the current fiscal year included the following:

- YCIPTA purchased an additional \$138,614 of capital assets during the fiscal year ended June 30, 2014 which consisted of NextBus Trackers, facility improvements and firmware updates.

	CAPITAL ASSETS (Net of depreciation)	CAPITAL ASSETS (Net of depreciation)
	2014	2013
Leasehold improvements	\$ 64,134	\$ 62,232
Infrastructure	292,561	306,471
Vehicles	134,875	467,010
Furniture and equipment	158,781	219,528
Total	<u>\$ 650,351</u>	<u>\$ 1,055,241</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, 2014, the only long term debt reported was for compensated absences payable to employees that are expected to be liquidated in the fiscal year ending June 30, 2015.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

YCIPTA receives 65% of its revenues from the Federal Transit Administration either directly or passed through the Arizona Department of Transportation, 13% of its revenues from member organizations, and 9% from contributions from public entities. Additional information on YCIPTA's long term debt can be found in Note 6 to the financial statements.

Today, YCAT funding is solely dependent on the ability that it's 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 36,084 revenue vehicle service hours (RVSH) for the fixed route system and 3,630 RVSH for YCAT OnCall. Any growth would require additional contributions from member agencies, which at this time is not available. Moving Ahead for Progress in the 21st Century (MAP-21) provides \$2.1 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 \$822,000 in local match funding at this time unless additional eligible local match is found.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDING JUNE 30, 2014

A potential reliable funding source for YCAT is the establishment of a transit dedicated sales tax which would be applied to certain transactions within the County, applied similarly to current countywide sales tax for the Yuma County Health Services District. Such a tax collection would be submitted to voter's approval. YCIPTA is studying a potential tax of 1/10 of a percent sales tax (0.10%). YCIPTA intends to form a Community Transit Committee to help start a campaign for a tax. Revenues collected from such a sales tax are estimated to \$2.240 million with 1/10 of a percent sales tax and it is anticipated that this sales tax will eliminate local contributions from municipalities.

The most recent estimates reflect the population of Yuma County continuing to grow; 2% for fiscal year 2014, while the unemployment rate is reported to be 27% for the calendar year 2014. Traditionally Yuma County has a very high rate of unemployment, typically in the range of 14% to 16%, due to seasonal field workers. However, due to the national recession, over the last three years the County continues in averaging a 27.7% unemployment rate. We do not anticipate seeing a significant drop in this rate in the foreseeable future. Our observations indicate a very moderate but sustained growth in the economic factors for the local Yuma County economy barring any unforeseen actions by outside forces.

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 or direct inquires to Shelly Kreger, Interim Transit Director/Financial Services Operations Manager, 2715 E. 14th Street., Yuma, AZ 85365.

THIS PAGE INTENTIONALLY LEFT BLANK

BASIC FINANCIAL STATEMENTS

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
FOR YEAR ENDING JUNE 30, 2014

ASSETS

Current Assets:

Cash and investments	\$ 432,759
Receivables:	
Accounts	47,025
Intergovernmental	<u>1,264,775</u>
Total Current Assets	<u>1,744,559</u>

Property and Equipment:

Leasehold improvements	75,512
Infrastructure	320,381
Vehicles	1,015,334
Furniture and equipment	<u>326,964</u>
Total property and equipment	1,738,191
Less: accumulated depreciation	<u>(1,087,840)</u>
Total Property and Equipment - Net	<u>650,351</u>
TOTAL ASSETS	<u>2,394,910</u>

LIABILITIES

Current Liabilities

Accounts payable	1,142,156
Accrued payroll and related expenses	4,687
Due within one year:	
Compensated absences payable	<u>18,862</u>
Total Current Liabilities	<u>1,165,705</u>

Due in more than one year:

Compensated absences payable	<u>15,217</u>
TOTAL LIABILITIES	<u>1,180,922</u>

NET POSITION

Net investments in capital assets	650,351
Unrestricted	<u>563,637</u>
TOTAL NET POSITION	<u>\$ 1,213,988</u>

See accompanying notes to basic financial statements.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR YEAR ENDING JUNE 30, 2014

OPERATING REVENUE

Charges for services:	
Farebox revenues	\$ 462,860
Turquoise Route 10	4,105
Advertising revenues	13,570
	<hr/>
Total Operating Revenue	480,535
	<hr/>

OPERATING EXPENSES

Contracted operating services	801,220
Turquoise Route 10	10,502
Non-vehicle repairs	14,232
Vehicles parts and maintenance	430,217
Occupancy	51,600
Other Transit Services	476,026
Administrative and general	660,344
Depreciation	543,504
Fuel costs	554,080
Other operating expenses	748,568
	<hr/>
Total Operating Expenses	4,290,293
	<hr/>
Operating Income/(Loss)	(3,809,758)
	<hr/>

NON-OPERATING REVENUES (EXPENSES)

Grant revenue	
Federal Transit Administration	2,540,980
Other Intergovernmental Revenues - TDA - LTF, Article 8 ©	10,502
Member fees	516,739
Contributions From Public Entities	230,038
Investment income	2,261
Greyhound Ticket Sales	258,561
Greyhound Transfers	(224,502)
Other revenues	1,748
Bad Debt Expense	(34,619)
Miscellaneous Revenues	104,027
In-kind revenue	177,072
In-kind expense	(177,072)
	<hr/>
Total non-operating revenues (expenses)	3,405,735
	<hr/>
Income (loss) before contributions and transfers	(404,023)
	<hr/>
Change in net position	(404,023)
	<hr/>
Net position - beginning	1,618,011
	<hr/>
Net position - ending	\$ 1,213,988
	<hr/> <hr/>

See accompanying notes to basic financial statements

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
STATEMENT OF CASH FLOWS
FOR YEAR ENDING JUNE 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 435,009
Payments to vendors, contractors and suppliers	(2,718,413)
Payments to employees	<u>(292,711)</u>
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>(2,576,115)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfer of cash from other quasi-government	-
Public support funds received	<u>2,567,058</u>
NET CASH PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>2,567,058</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisitions of property and equipment and other capital expenses	<u>(138,614)</u>
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(138,614)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received on investments	<u>2,261</u>
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	<u>2,261</u>
Net decrease in cash and cash equivalents	(145,410)
Cash and cash equivalents at beginning of year	<u>578,169</u>
Cash and cash equivalents at end of year	<u><u>\$ 432,759</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO	
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (3,809,758)
Adjustments to reconcile operating income (loss) to net cash provided/(used) by operating activities	
Depreciation	543,504
(Increase)/Decrease in:	
Accounts receivable	(45,526)
Increase/(Decrease) in:	
Accounts payable	723,277
Accrued payroll	(605)
Other accrued liabilities	(1,927)
Compensated absences	14,920
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u><u>\$ (2,576,115)</u></u>

See accompanying notes to basic financial statements.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDING JUNE 30, 2014

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.

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.

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 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 also 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.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDING JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 service along with administrative costs. Non-operating expenses would include Greyhound ticket sales.

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.

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 the estimated fair market 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 following estimated useful lives:

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. 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
 FOR YEAR ENDING JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

H. 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.

I. 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.

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	\$	200
Cash in bank		191,271
Cash on deposit with the County Treasurer		<u>241,288</u>
Total cash and cash equivalents	\$	<u><u>432,759</u></u>

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDING JUNE 30, 2014

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, 2014, the carrying amount of the YCIPTA's deposits was \$191,271, and the bank balance was \$178,483. The YCIPTA's deposits were entirely covered by Federal depository insurance.

The majority of YCIPTA's funds are held in the Yuma County Treasurer. 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.

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.

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, 2014, accounts receivable totaled \$1,311,800, of which receivables from other governments consisted of the following:

FTA Grant Funds	\$ 1,264,775
Due from other governments	<u>\$ 47,025</u>
Total due from other governments	<u>\$ 1,311,800</u>

Management considers all accounts receivable at June 30, 2014, to be fully collectible; therefore, no allowance for doubtful accounts was recorded. The increase in receivables over prior fiscal year are attributable to monthly billings being delayed due to contractor dispute and timing of grant invoicing and drawdowns.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDING JUNE 30, 2014

NOTE 4 - CAPITAL ASSETS

A summary of capital asset activity for the fiscal year ended June 30, 2014, follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets, depreciated				
Leashold improvements	\$ 68,478	\$ 7,034	\$ -	\$ 75,512
Infrastructure	320,381	-	-	320,381
Vehicles	911,304	104,030	-	1,015,334
Furniture and equipment	299,414	27,550	-	326,964
Total capital assets, depreciated	<u>1,599,577</u>	<u>138,614</u>	<u>-</u>	<u>1,738,191</u>
Less accumulated depreciation for:				
Leashold improvements	(6,246)	(5,132)	-	(11,378)
Infrastructure	(13,910)	(13,910)	-	(27,820)
Vehicles	(444,294)	(436,165)	-	(880,459)
Furniture and equipment	(79,886)	(88,297)	-	(168,183)
Total accumulated depreciation	<u>(544,336)</u>	<u>(543,504)</u>	<u>-</u>	<u>(1,087,840)</u>
Total capital assets, net	<u>\$ 1,055,241</u>	<u>\$ (404,890)</u>	<u>\$ -</u>	<u>\$ 650,351</u>

Depreciation expense for the fiscal year was \$543,504.

NOTE 5 - OBLIGATIONS UNDER LEASES

YCIPTA leases a bus facility under the provisions of a month-to-month lease agreement classified as an operating lease for accounting purposes. Rental expenditures under the terms of the operating lease totaled \$51,600 for the year ended June 30, 2014.

NOTE 6 - CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated absences	<u>\$19,159</u>	<u>\$22,851</u>	<u>\$7,931</u>	<u>\$34,079</u>	<u>\$18,862</u>

NOTE 7 - ECONOMIC DEPENDENCY

YCIPTA received 65% percent of its revenues from the Federal Transit Administration either directly or passed through the Arizona Department of Transportation, 13% percent of its revenues from dues paid by its member organizations, and 9% percent of its revenues in contributions from public entities.

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDING JUNE 30, 2014

NOTE 8 - 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 risks of loss, including property and liability, workers' compensation, and employee health and accident insurance. Settled claims resulting from these risks are not expected to exceed commercial insurance coverage.

NOTE 9 - RETIREMENT PLAN

Plan Description – YCIPTA has been contributing to a cost-sharing multiple-employer defined benefit pension plan; a cost-sharing multiple employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability 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.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

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

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and employers' contribution rates. For the year ended June 30, 2014, active plan members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.30 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and employers were required by statute to contribute at the actuarially determined rate of 11.54 percent (10.70 percent for retirement, 0.60 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll. The YCIPTA's contributions for the current and prior year, which were equal to the required contributions, were as follows:

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 FOR YEAR ENDING JUNE 30, 2014

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ended June 30, 2014	\$ 18,266	\$ 1,158	\$ 428
Year ended June 30, 2013	17,713	1,191	411

NOTE 10 – IN KIND REVENUES AND EXPENSES

YCIPTA is party to various intergovernmental agreements with Yuma County. Under the terms of the agreement, Yuma County is to provide Treasurer and financial services to YCIPTA, including maintaining a public transportation authority fund consisting of all monies received by YCIPTA. For the year ending June 30, 2014, the value of these services was estimated to be \$259,181 of which \$177,072 was used.

NOTE 11 – CONTINGENT LIABILITY

As of June 30, 2014, YCIPTA is withholding \$304,769 of the former transit operations contractor payments due to several issues regarding contractual performance and the damages and costs that YCIPTA and its new transit operations and maintenance contractor had to incur repairing YCIPTA assets as shown in several maintenance audits that were performed. These funds will be used towards the defect repairs in the upcoming fiscal year.

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENT

GASB Statement No. 68, Accounting and Financial Reporting for Pensions will be effective for the District's June 30, 2015 fiscal year end. This Statement replaces the requirements of prior GASB standards for pensions accounting and reporting. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their "proportionate share" of the plan's total net pension liability. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

OTHER SUPPLEMENTARY INFORMATION

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
AND
IMPERIAL COUNTY TRANSPORTATION COMMISSION
STATEMENT OF FIXED RATE, FAREBOX REVENUE AND NET SUBSIDY
JULY 1, 2013 THROUGH JUNE 30, 2014**

Date	Base Cost	Farebox	Net Subsidy	ICTC Net Subsidy	Quechan Net Subsidy	Net Cost and Total Paid by YCIPTA
July 2013	\$ 4,154	\$ 401	\$ 3,754	\$ 637	\$ 3,125	\$ (8)
August 2013	\$ 4,797	\$ 326	\$ 4,471	\$ 875	\$ 3,125	\$ 471
September 2013	\$ 5,083	\$ 238	\$ 4,846	\$ 875	\$ 3,125	\$ 846
October 2013	\$ 5,274	\$ 458	\$ 4,816	\$ 875	\$ 3,125	\$ 816
November 2013	\$ 7,018	\$ 286	\$ 6,733	\$ 1,230	\$ 3,125	\$ 2,378
December 2013	\$ 5,703	\$ 274	\$ 5,429	\$ 875	\$ 3,125	\$ 1,429
January 2014	\$ 5,669	\$ 306	\$ 5,363	\$ 875	\$ 3,125	\$ 1,363
February 2014	\$ 6,203	\$ 285	\$ 5,918	\$ 875	\$ 3,125	\$ 1,918
March 2014	\$ 6,399	\$ 368	\$ 6,031	\$ 875	\$ 3,125	\$ 2,031
April 2014	\$ 8,380	\$ 397	\$ 7,984	\$ 875	\$ 3,125	\$ 3,984
May 2014	\$ 7,974	\$ 403	\$ 7,571	\$ 875	\$ 3,125	\$ 3,571
June 2014	\$ 10,213	\$ 491	\$ 9,722	\$ 758	\$ 3,125	\$ 5,839
Total	\$ 76,867	\$ 4,233	\$ 72,637	\$ 10,500	\$ 37,500	\$ 24,638

Base Cost and Base Subsidy	\$ 76,867	\$ 4,233	\$ 72,637
	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (0)</u>

Operating Costs	\$ 76,867
Depreciation	\$(34,406)
Adjusted Operating Costs	<u>\$ 42,461</u>

Farebox Ratio Actual	9.70%
Farebox Ratio Contract	18.0%

See accompanying notes to the schedule.

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
TURQUOISE ROUTE 10 – INTERSTATE 8/ EI CENTRO OPERATION
JULY 1, 2013 THROUGH JUNE 30, 2014**

ACCOUNTANTS' NOTES

PURPOSE

The purpose of this schedule pertains to the service contract between the Imperial County Transportation Commission (ICTC), Quechan Indian Tribe and Yuma County Intergovernmental Public Transportation Authority (YCIPTA) and was to provide an independent assessment of compliance with certain contract requirements during the period July 1, 2013 through June 30, 2014.

FARE REVENUES

The transit service contract for the Turquoise Route 10 provided by YCIPTA states that the farebox ratio of fare revenue divided by operating costs shall be maintained at or above eighteen percent (18.0%) for YCAT Turquoise Route 10.

For the YCAT Turquoise Route 10, the actual farebox recovery ratio was over nine percent (9.2%); (\$4,230 fare revenue divided by \$42,463 adjusted operating costs).

ICTC SUBSIDY

The service contract, entered with ICTC, Quechan Indian Tribe and YCIPTA, states that the compensation for the Turquoise Route 10 for the period of July 1, 2013 through June 30, 2014 is identified as the operating cost at a YCIPTA established rate of \$83.49 per revenue hour, less the fare revenue collected for a net subsidy not to exceed \$10,500. Actual costs for the year reported to ICTC were \$72,639 in operational expense with \$10,500 subsidized by ICTC, \$37,500 subsidized by Quechan Indian Tribe and \$24,638 subsidized by YCIPTA.

ICTC uses Transportation Development Act (TDA) Local Transportation Fund (LTF) Article 8(c) funding to support YCAT Turquoise Route 10.

FARE BOX REVENUE

California Code of Regulations (CCR) Title 21 Section 6633.2 (a) requires that YCIPTA through ICTC as the Transit Operator to earn at least twenty percent of fare revenues over operating costs for urbanized areas. Since YCAT Turquoise Route 10 operates between two urban areas and travels through rural areas, ICTC, as the regional transportation planning agency has established in the service contract with YCIPTA a farebox recovery ratio of 18%. YCIPTA is not

in compliance with the farebox revenue requirement in the twelve month period as established by ICTC.

Since the route has been determined to be a “demonstration route” by ICTC, per (CCR) Title 21, Section 6633.8, the route has two full fiscal years to meet the farebox recovery ratio standard.

As per (CCR) Title 21, Sections 6633.8 and 6619.1, YCIPTA shall file to ICTC, a report to exclude any transit service that is defined as an “extension of service” from the farebox recovery ratio requirement provided that the extension of service has been in operation for less than two full fiscal years. The two-year extension of services exclusion applies until two years after the end of the fiscal year in which the extension of services was put into operation.

TRANSIT SERVICES PROVIDED

YCIPTA contracted with a transit provider Parking Concepts, Inc (d.b.a Transportation Concepts) to provide the Turquoise Route 10 as part of the other Yuma County Area Transit (YCAT) family of services. That contract ended on May 31, 2014. On June 1, 2014 YCIPTA took operations in house with ACME Staffing providing staff to continue operations until the new contractor National Express Transit assumed operation of the YCAT service, as of August 25, 2014, including Turquoise Route 10.

EXCESS TDA REVENUES

Pursuant to CCR Title 21 Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund in the amount which exceeds the claimant’s capital and operating costs less the required fare, local support and the amount received during the year. Net excess at June 30, 2014 were:

	<u>2014</u>	<u>2013</u>
Operating Revenue		
TDA Deferred Excess Reveune	\$ -	\$ -
Revenue:		
TDA-LTF 8 ©	10,500	5,251
Other Operating Revenues	62,135	18,749
Fares	4,233	1,642
Interest		
Total Available	<u>76,868</u>	<u>25,642</u>
Less:		
Operating Costs	<u>76,868</u>	<u>23,404</u>
Net TDA-LTF 8 © excess deferred revenue	<u><u>-</u></u>	<u><u>-</u></u>

Funds which have been received from ICTC by YCIPTA cannot be held in their own account for more than three years minus the time such monies remain reserved in the LTF. YCIPTA is in compliance with the CCR Title 21 Section 6634.

THIS PAGE INTENTIONALLY LEFT BLANK

STATISTICAL SECTION

This part of the Yuma County Intergovernmental Public Transportation Authority's comprehensive annual 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.

<u>INDEX</u>	<u>Page</u>
Financial Trends	25

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

Revenue Capacity	27
-------------------------	-----------

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

Demographic and Economic Information	31
---	-----------

These schedules offer demographic and economic data to help the reader understand the environment within which the authority's financial activities take place.

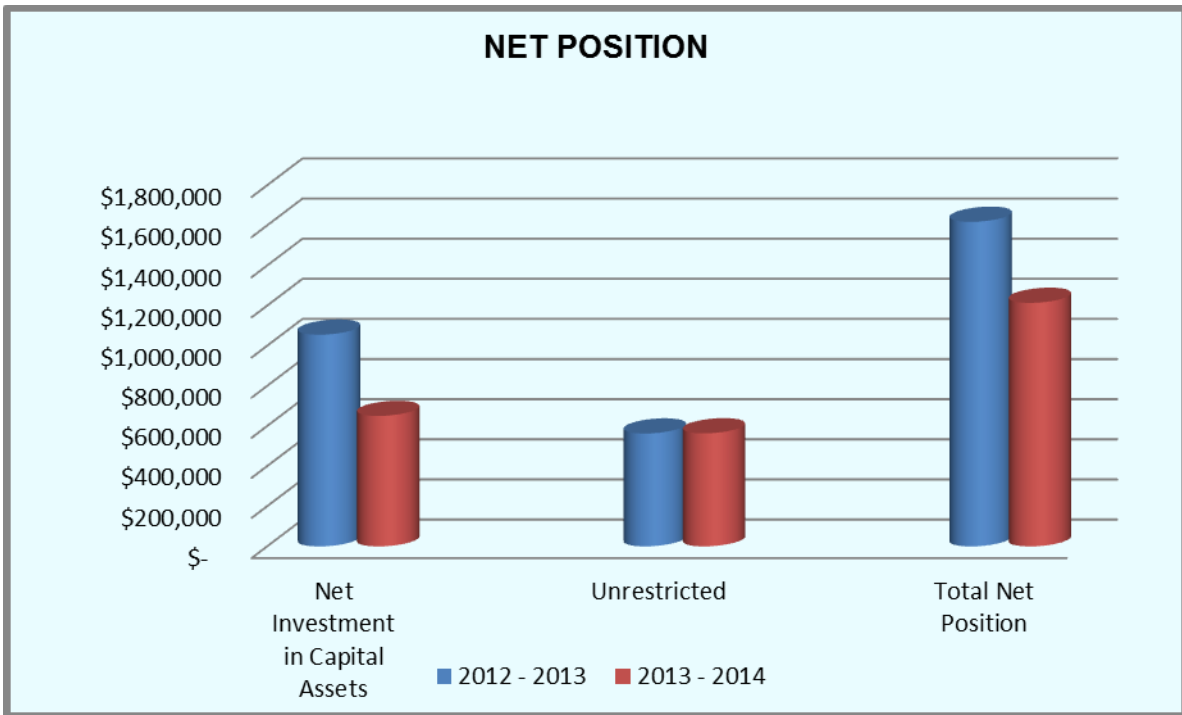
Operating Information	32
------------------------------	-----------

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 TWO FISCAL YEARS

Fiscal Year	Net Investment in Capital Assets	Unrestricted	Total Net Position
2012 - 2013	\$ 1,055,241	\$ 562,770	\$ 1,618,011
2013 - 2014	650,351	563,637	1,213,988



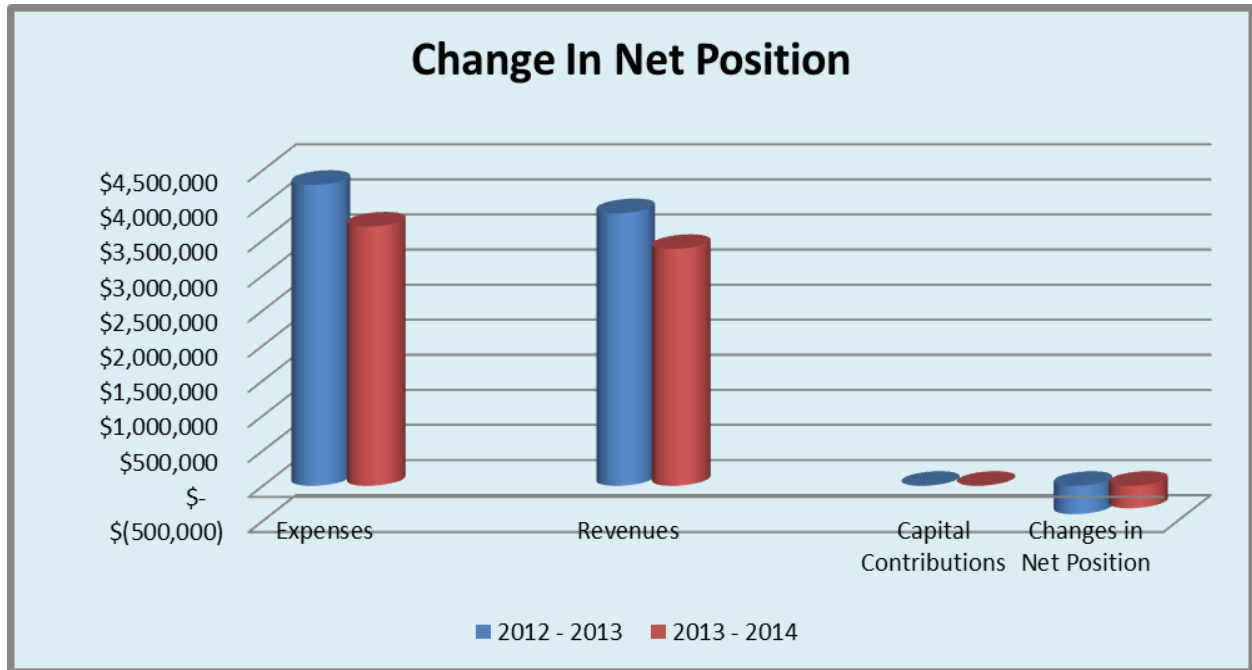
Source: Yuma County Intergovernmental Public Transportation Authority Financial Statements

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

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
CHANGE IN NET POSITION**

LAST TWO FISCAL YEARS

Fiscal Year	Expenses	Revenues	Capital Contributions	Changes in Net Position
2012 - 2013	\$ 4,290,293	\$ 3,886,270	\$ -	\$ (404,023)
2013 - 2014	3,695,987	3,376,381	-	(319,606)



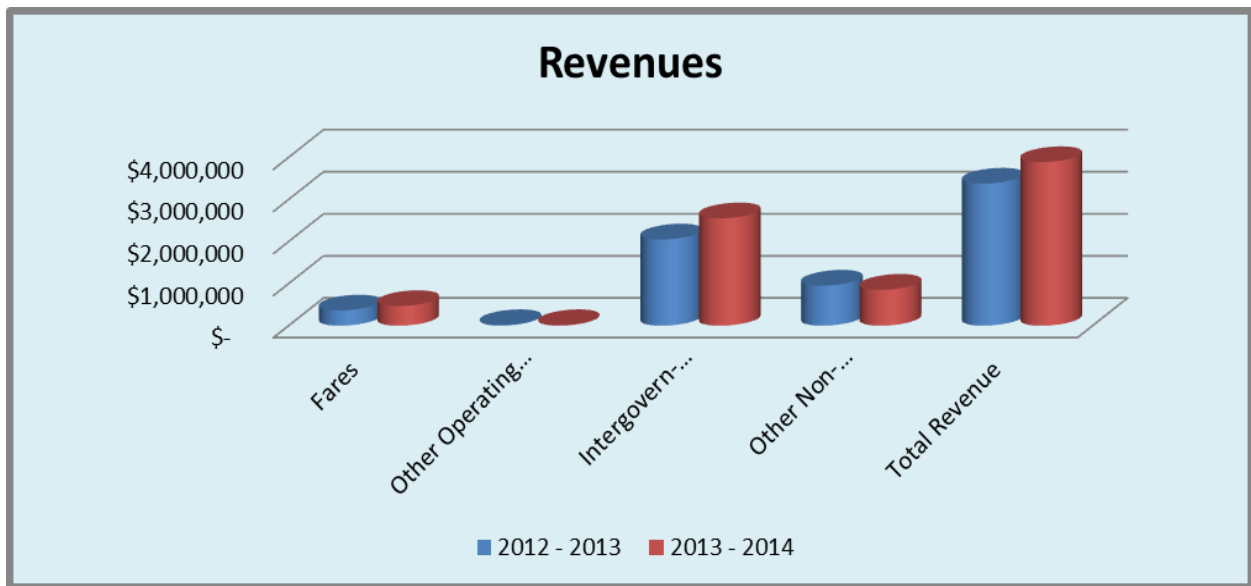
Source: Yuma County Intergovernmental Public Transportation Authority Financial Statements

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

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY REVENUES

LAST TWO FISCAL YEARS

Fiscal Year	Fares	Other Operating Revenue	Intergovern- mental Revenue	Other Non- Operating Revenue	Total Revenue
2012 - 2013	\$ 362,713	\$ 14,497	\$ 2,047,855	\$ 951,316	\$ 3,376,381
2013 - 2014	466,965	13,570	2,551,482	854,253	3,886,270



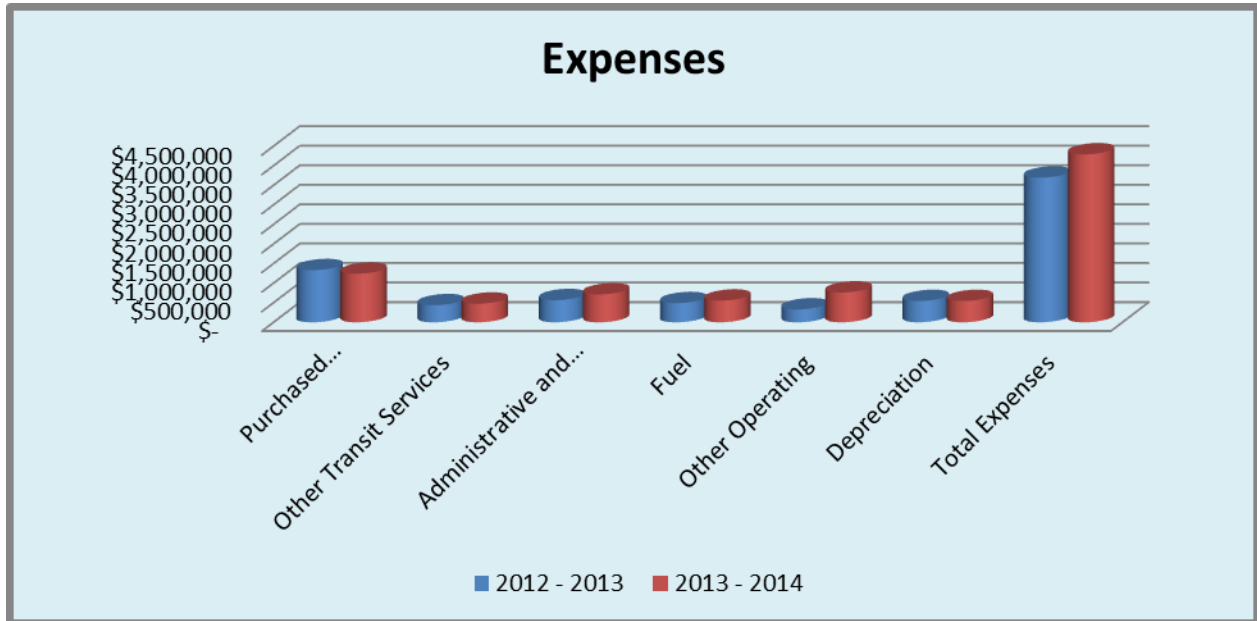
Source: Yuma County Intergovernmental Public Transportation Authority Financial Statements

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

YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY EXPENSES

LAST TWO FISCAL YEARS

<u>Fiscal Year</u>	<u>Purchased Transportation</u>	<u>Other Transit Services</u>	<u>Administrative and General</u>	<u>Fuel</u>	<u>Other Operating</u>	<u>Depreciation</u>	<u>Total Expenses</u>
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



Source: Yuma County Intergovernmental Public Transportation Authority Financial Statements

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

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
COMPARISON OF SYSTEM RIDERSHIP DATA**

LAST TWO FISCAL YEARS

<u>Route</u>	<u>2012 - 2013 Ridership</u>	<u>Route</u>	<u>2013 - 2014 Ridership</u>	<u>Increase or (Decrease)</u>
1	37,339	1	42,581	14%
2	47,909	2	54,418	14%
3	5,196	3	11,494	121%
4	43,165	4	54,010	25%
5	11,597	5	15,532	34%
6	12,517	6	8,643	-31%
6A	4,700	6A	14,246	203%
7	19,886	7	20,621	4%
8	1,831	8	1,738	-5%
		8A	94	
9	10,892	9	14,035	29%
10	1,026	10	2,651	158%
		13	4,621	
95	176,214	95	214,031	21%
Other	5,250	Other	3,233	-38%
DAR	3,591	DAR	7,323	104%
YCAT OnCall	3,520	YCAT OnCall	7,209	105%
YCAT Vanpool	-	YCAT Vanpool	53,032	
	<u>384,633</u>		<u>529,512</u>	<u>38%</u>

<u>Fiscal Year</u>	<u>Number of Routes</u>	<u>Total Passenger Trips</u>	<u>Total Fleet</u>	<u>Total Revenue Miles</u>	<u>Total Service Area</u>	<u>Total Vehicle Service Hours</u>	<u>Operating Cost Per Hour</u>
2012 - 2013	11	381,042	27	756,190	65	35,301	\$ 44.47
2013 - 2014	10	472,434	30	913,745	65	39,714	\$ 48.97

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 INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
FARE STRUCTURE**

Description	Basic -Ages 19-64 years old -Youth ages 5-18 years old without student ID	Discount -Seniors age 65 & older -Persons with Disabilities -Medicare Card Holders -ADA Certified -Student ages 5-18 years old with school ID	Express -Commuter routes for all fare categories
One Way	\$2.00	\$1.00	\$5.00
One Way (Using Smart)	\$1.75	\$0.75	\$4.00
Day YCATPass	\$5.00 <i>(valued at 2.50 trips)</i>	\$2.50 <i>(valued at 2.50 trips)</i>	\$12.50 <i>(valued at 2.50 trips)</i>
Day YCATPass (Using Smart)	\$3.50 <i>(valued at 1.75 trips)</i>	\$1.75 <i>(valued at 1.75 trips)</i>	\$10.00 <i>(valued at 2.50 trips)</i>
10-Ride YCATPass (Use	\$17.50 <i>(valued at \$1.75 per ride)</i>	\$7.50 <i>(valued at 75 cents per ride)</i>	\$45.00 <i>(valued at \$4.50 per ride)</i>
10-Day YCATPass	\$35.00 <i>(valued at \$1.75 per ride)</i>	\$17.50 <i>(valued at \$1.75 per ride)</i>	\$100.00 <i>(valued at \$1.75 per ride)</i>
31-Day YCATPass (Use Smart Card)	\$60.00 <i>(value \$1.50 per ride/20 days/2 trips each)</i>	\$30.00 <i>(value \$0.75 per ride/20 days/2 trips each)</i>	\$150.00 <i>(value \$3.75 per ride/20 days/2 trips each)</i>
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 INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
DEMOGRAPHIC STATISTICS
YUMA COUNTY TOP TEN CIVILIAN EMPLOYERS**

Employer	Activity	Employees	% of Population
1. U.S. Army Proving Ground (Yuma Proving Ground)	Military	2319	1.18%
2. Yuma Regional Medical Center	Health Care	2080	1.06%
3. Yuma Elementary School District #1	Government	1700	0.87%
4. Wal-Mart Stors, Inc.	Retail	1394	0.71%
5. City of Yuma	Government	1388	0.71%
6. Yuma County	Government	1350	0.69%
7. U.S. Marine Corps Air Station (MCAS Yuma)	Military	1350	0.69%
8. Bose Corporation	Manufacturing	1300	0.66%
9. U.S. Border Patrol	Government	920	0.47%
10. ACCT, Advanced Call Center Technologies	Call Center	814	0.42%

According to the Yuma County Chamber of Commerce, there are about 5,500 military personnel stationed at MCAS Yuma at any given time. There are also typically several hundred military personnel assigned to the Yuma Proving Ground, including about 23,000 annual visitors who stay anywhere from a week up to six months depending on the activity.

Community	2010 Population	Area (square miles)	Pop. Density (persons/sq mi)
Yuma County - including cities	195,751	5,514.0	35.5
City of Yuma	93,064	120.3	773.6
City of San Luis	25,505	32	797.0
City of Somerton	12,014	7.3	1,645.0
Town of Wellton*	2,882	2.5*	960.6
Fortuna Foothills	26,265	40.0	656.6
Cocopah Indian Reservation	817	10.0	81.7
Arizona	6,392,017	113,594	56.3
Quechan (Fort Yuma) Indian Res., CA **	2,205	68.8	31.9
Winterhaven, CA Census Designated Place	394	0.24	1,655.0

* From Wellton 2003 General Plan, Other data from 2010 Census Quick Facts

**A total of 8 Quechan Tribe members live in Arizona, with 2,197 in Imperial County, CA

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
CAPITAL ASSET STATISTICS**

LAST TWO YEARS

	<u>2013</u>	<u>2014</u>
VEHICLES		
NextBus Tracking System		24
Admin /Utility vehicles	5	5
El Dorado EZ Rider	2	2
El Dorado MST II	4	4
Amerivan	1	1
Braun Entervan	2	2
Chevy Uplander	2	2
Chevy El Dorado	9	9
Ford E350	8	8
INFRASTRUCTURE		
Bus Shelters	28	28

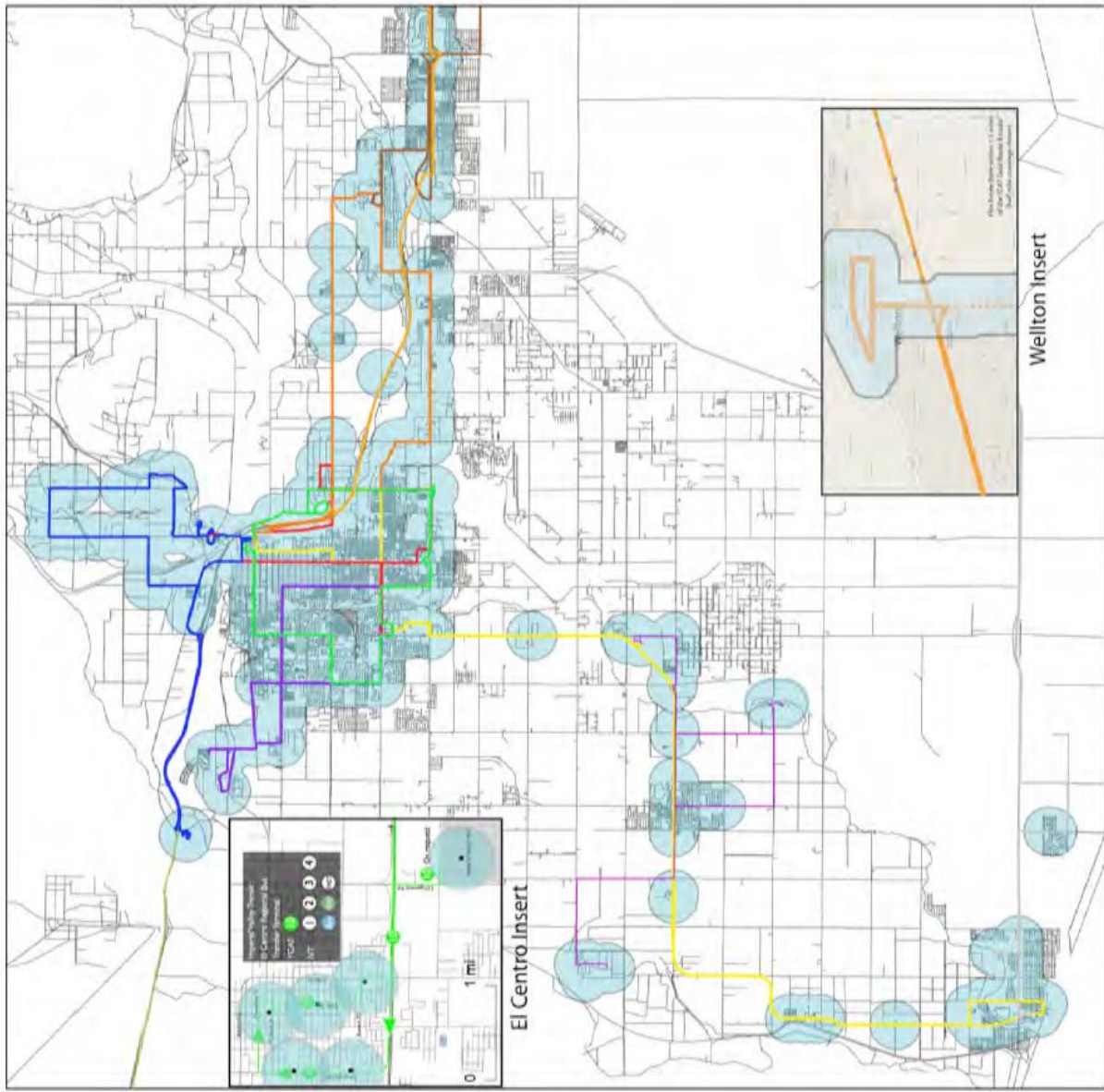
YCAT Existing Network

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

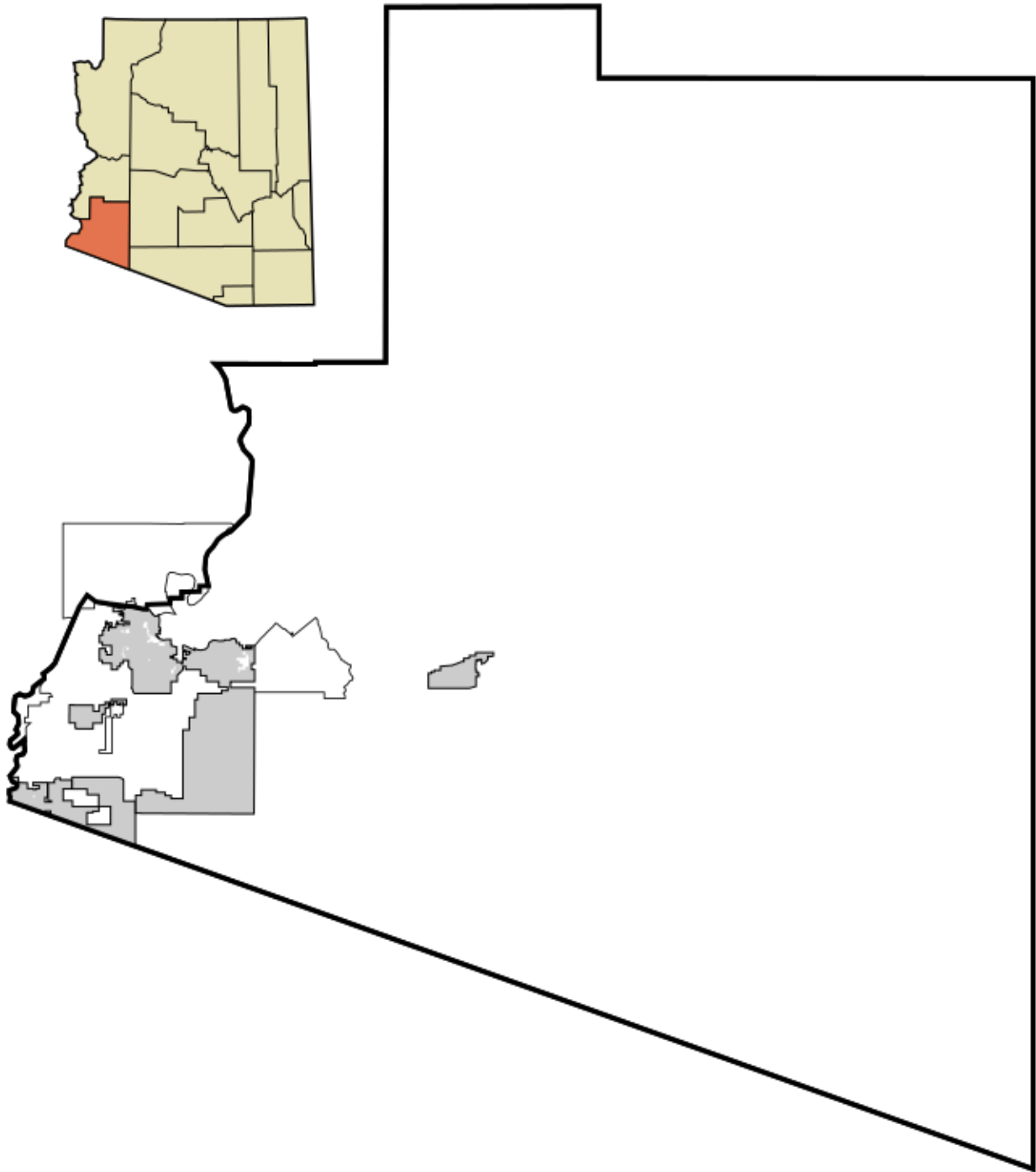
YCAT Routes

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

Within 1/2 mile of stop



Yuma County Incorporated and Unincorporated areas



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***

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 Yuma County Intergovernmental Public Transportation Authority (YCIPTA), as of and for the year ended June 30, 2014, 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 October 27, 2014.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 may exist that have not been identified.

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 determination of financial statement amounts. 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., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 27, 2014

**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 OMB Circular A-133**

Independent Auditor's Report

Board of Directors
Yuma County Intergovernmental Public Transportation Authority

Report on Compliance for Each Major Federal Program

We have audited Yuma County Intergovernmental Public Transportation Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Yuma County Intergovernmental Public Transportation Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Yuma County Intergovernmental Public Transportation Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Yuma County Intergovernmental Public Transportation Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Yuma County Intergovernmental Public Transportation Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Yuma County Intergovernmental Public Transportation Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Yuma County Intergovernmental Public Transportation Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Yuma County Intergovernmental Public Transportation Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Yuma County Intergovernmental Public Transportation Authority as of and for the year ended June 30, 2014, 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 October 27, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions 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 OMB Circular A-133 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., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

October 27, 2014

**YUMA COUNTY INTERGOVERNMENTAL PUBLIC TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation</u>			
Direct Programs:			
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507	AZ-90-X122	\$ 439,562
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507	AZ-90-X127	623,203
Federal Transit-Formula Grants (Urbanized Area Formula Program)	20.507	AZ-95-X019	326,711
			<u>1,389,476</u>
<u>Passed Through Arizona Department of Transportation</u>			
Formula Grants For Rural Areas	20.509	JPA 13-058	548,021
Job Access and Reverse Commute Program	20.516	JPA 13-088	<u>127,457</u>
			675,478
<u>Passed Through Quechan Indian Tribe</u>			
Formula Grants For Rural Areas	20.509	AZ-18-X052/X057	200,103
<u>Passed Through Cocopah Indian Tribe</u>			
Formula Grants For Rural Areas	20.509	AZ-18-X068/X058	<u>275,923</u>
			476,026
Total Expenditures of Federal Awards			<u>\$ 2,540,980</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

**YUMA COUNTY INTERGOVERNMENTAL
PUBLIC TRANSPORTATION AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

NOTE 1 – BASIS OF PRESENTATION

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, 2014. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Transportation Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Transportation Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 applicable OMB cost principles circular, 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.

NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word “unknown” were used.

**YUMA COUNTY INTERGOVERNMENTAL
PUBLIC TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

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 section 510(a) of OMB Circular A-133? yes X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
20.507	Federal Transit – Formula Grants (Urbanized Area Formula Program)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**YUMA COUNTY INTERGOVERNMENTAL
PUBLIC TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2014**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

None reported.

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None reported.

**YUMA COUNTY INTERGOVERNMENTAL
PUBLIC TRANSPORTATION AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2014**

Status of Federal Award Findings and Questioned Costs

Reference Number: 2013-2

Program: Federal Transit – Formula Grants (Urbanized Area Formula Program), Formula Grants for Rural Areas

CFDA Number: 20.507, 20.509

Status: Corrected.