



NAPA VALLEY TRANSPORTATION AUTHORITY-TAX AGENCY ITOC Agenda Memo

TO: Independent Taxpayer Oversight Committee
FROM: Kate Miller, Executive Director
REPORT BY: Antonio Onorato, Director of Administration, Finance, and Policy
(707) 259-8779 / Email: anonorato@nvta.ca.gov
SUBJECT: Measure T Sales and Use Tax Revenues and Expenditures

RECOMMENDATION

That the ITOC review the proforma (unaudited) financial statements for the fiscal years ended June 30, 2020 and 2019.

EXECUTIVE SUMMARY

The certified public accountants firm, Brown Armstrong Incorporated will complete their Measure T audit at the end of the calendar year, per the customary schedule. Until the audit is complete, staff is presenting the unaudited, proforma financial statements with year-end amounts for the Statement of Revenues and Expenses as well as the Statement of Net Position, also known as the Balance Sheet. Additionally, staff will provide a view into the financial transactions and an analysis of the financial performance of Measure T for the financial year compared to the previous year.

FISCAL IMPACT

There is no fiscal impact.

BACKGROUND AND DISCUSSION

The Napa Valley Transportation Authority (NVTA) financial reporting entity consists of the agency government and its Component Units. The Napa Valley Transportation Authority-Tax Agency (NVTA-TA) is considered a component unit of NVTA. Component Units are legally separate organizations for which the NVTA is financially accountable. NVTA-TA's audit will be prepared in accordance with auditing standards generally accepted in the United States.

Revenues

Table 1 presents the Fiscal Year (FY) 2019-20 revenue projections compared to proforma revenues for the fiscal year. In June 2020, staff had forecasted a significant decrease in revenues due to the COVID-19 Stay at Home order. Although Napa County was the first Bay Area county to lift the Stay at Home order, the county was placed on the State of California’s watch list in mid -uly with many non-essential service-type businesses closed again until late August, which further suppressed tax revenue generations.

A silver lining is that the FY 2019-20 revenue declines were not as grim as originally expected. Initial estimates indicated that revenue generations would be 15%-25% less than the previous year. Proceeds from June came in at nearly \$1.3 million, which was much higher than the original estimate of \$696,216. This resulted in a much smaller than expected revenue decline of 6.63%. The effects of the summer watch list closure will be seen in the current fiscal year, FY 2020-21, and it will be more challenging to achieve pre-pandemic levels of revenue collections should Napa County go back on the state watch list.

Table 1: FY2019-20 Revenue Projection vs. Actual Revenues

MONTH	Projection	Actual	Difference \$	Difference %
July	\$1,237,385	\$1,673,472	\$436,087	35.24%
August	1,495,722	1,792,807	297,085	19.86%
September	2,152,642	1,872,917	(279,725)	(12.99%)
Quarter Total	\$4,885,750	\$5,339,196	\$453,446	8.49%
October	\$1,455,234	\$1,599,732	\$144,498	9.93%
November	1,546,796	1,665,942	119,146	7.70%
December	2,285,148	2,087,070	(198,078)	(8.67%)
Quarter Total	\$5,287,179	\$5,352,744	\$65,565	1.24%
January	\$1,530,910	\$1,401,868	(\$129,042)	(8.43%)
February	1,628,302	1,224,358	(403,944)	(24.81%)
March	1,481,429	784,358	(697,071)	(47.05%)
Quarter Total	\$4,640,641	\$3,410,584	(\$1,203,094)	(26.51)%

MONTH	Projection	Proforma	Difference \$	Difference %
April	1,741,055	1,331,490	(\$409,565)	(23.52%)
May	1,863,376	1,870,631	7,255	0.39%
June	1,500,000	1,292,752	(207,248)	(13.82)%
Quarter Total	\$5,104,431	\$4,494,873	(\$609,558)	(11.94)%
Total Revenues	\$19,918,000	\$18,597,396	(\$1,320,604)	(6.63)%

Expenditures – Explanation of 1% charges for Administration

Apart from the pass-through funding to the jurisdictions from the County, the Ordinance provides funding to NVTA of up to 1% based on actual costs used for administrative oversight. The ordinance provides NVTA up to 1% of actual costs for administrative oversight. Administration functions include providing overall program direction and management necessary to implement Tax Agency policy, formulating organizational goals and objectives, coordinating activities with other agencies and organizations, performing finance, accounting, purchasing, personnel, government and community relations, and legal matters. Table 2 provides the type of administrative expenses incurred during the last two fiscal years.

Table 2: Measure T 1% Administration Expenses

Expenditures	2020	2019
CDTFA Set-up Fees	\$ -	\$ 61,245
Legal	\$ 527	\$ 8,686
Administration	\$ 81,042	\$ 19,303
Staff-Timesheets	\$ 58,315	\$ 57,748
Measure T 1% Total	\$139,884	\$146,982
Accounting*	\$ 32,595	\$ 4,634
ITOC Stipends	\$ 4,384	\$ 2,747
Total Administration	\$176,863	\$154,363

*includes chargebacks from 2019 that were recognized in 2020

The unaudited proforma financial statements for the fiscal year ending June 30, 2020 and the audited financial statement for the fiscal year ending June 30, 2019 provides a comparison of Measure T revenues and expenses between the current year and the prior year. The audited financial statements are anticipated to be available by the end of December 2020 or early January 2021.

ATTACHMENTS

- (1) NVTA-TA Proforma Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual for Fiscal Year End June 30, 2020 and June 30, 2019
- (2) Measure T Revenue Allocation Fiscal Year 2019-20

NAPA VALLEY TRANSPORTATION AUTHORITY - TAX AGENCY
(A Unit of the Napa Valley Transportation Authority)
PROFORMA SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020 AND JUNE 30, 2019

	June 30		\$ Variance with Previous Year	% Variance with Previous Year
	2020	2019		
Revenues				
Measure T revenue	\$ 18,597,396	\$ 19,669,765	\$ (1,072,369)	-5%
Interest income	42,459	36,893	5,566	15%
Total revenues	<u>18,639,855</u>	<u>19,706,658</u>	<u>(1,066,803)</u>	<u>-5%</u>
Expenditures				
Administration	176,863	154,363	22,500	15%
Maintenance	18,380,489	19,438,739	(1,058,250)	-5%
Total expenditures	<u>18,557,352</u>	<u>19,593,102</u>	<u>(1,035,750)</u>	<u>-5%</u>
Change in Net Position	82,504	113,556	(31,052)	-27%
Net position, beginning of year	<u>113,556</u>	<u>-</u>	<u>113,556</u>	<u>-</u>
Net position, end of year	<u>\$ 196,060</u>	<u>\$ 113,556</u>	<u>\$ 82,504</u>	<u>73%</u>

NAPA VALLEY TRANSPORTATION AUTHORITY - TAX AGENCY
 (A Unit of the Napa Valley Transportation Authority)
 PROFORMA STATEMENT OF NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2020 AND JUNE 30, 2019

	<u>June 30 2020</u>	<u>June 30 2019</u>
Assets		
Cash and Investments	\$ 2,160,260	\$ 2,936,413
Intergovernmental receivables	<u>3,163,383</u>	<u>3,338,529</u>
Total Assets	<u>5,323,643</u>	<u>6,274,942</u>
Liabilities		
Accounts Payables	<u>5,127,583</u>	<u>6,161,386</u>
Total liabilities	<u>5,127,583</u>	<u>6,161,386</u>
Net Position		
Restricted	<u>196,060</u>	<u>113,556</u>
Total net position	<u>\$ 196,060</u>	<u>\$ 113,556</u>

Napa County Auditor-Controller
Measure T Revenue Allocation

Fiscal Year 2019-20
 Agency Fund 9502-95020-25

NVTA-TA Special Revenue Fund 8310				Subdivision 83100-01	Subdivision 83100-00	Subdivision 83100-05	Subdivision 83100-06	Subdivision 83100-07	Subdivision 83100-08	Subdivision 83100-09	Subdivision 83100-10	Total	
Transaction Date	AR-Journal IDs	Transaction Type	Total	ITOC 70,000+CPI (1st qtr)	Total less ITOC	Administration	County of Napa	American Canyon	City of Napa	Yountville	St. Helena	Calistoga	Total
						1.00%	39.65%	7.70%	40.35%	2.70%	5.90%	2.70%	100.00%
Sales Tax Receipts													
09/24/19	AR00317617 & 0000317699	July 2019	1,673,471.99	70,000.00	1,603,471.99	16,034.73	635,776.64	123,467.34	647,000.95	43,293.74	94,604.85	43,293.74	1,603,471.99
10/24/19	AR00318746 & 0000318870	August	1,792,807.09	-	1,792,807.09	17,928.07	710,848.01	138,046.15	723,397.66	48,405.79	105,775.62	48,405.79	1,792,807.09
11/25/19	AR00319739 & 0000319842	September	1,872,917.34	-	1,872,917.34	18,729.16	742,611.73	144,214.64	755,722.15	50,568.77	110,502.12	50,568.77	1,872,917.34
		Total Sales Tax-1st Quarter	5,339,196.42	70,000.00	5,269,196.42	52,691.96	2,089,236.38	405,728.13	2,126,120.76	142,268.30	310,882.59	142,268.30	5,269,196.42
12/26/19	AR00320570 & 0000320613	October	1,599,731.53	-	1,599,731.53	15,997.32	634,293.55	123,179.33	645,491.67	43,192.75	94,384.16	43,192.75	1,599,731.53
01/27/20	AR00321673 & 0000321792	November	1,665,942.09	-	1,665,942.09	16,659.42	660,546.04	128,277.54	672,207.63	44,980.44	98,290.58	44,980.44	1,665,942.09
02/25/20	AR00322605 & 0000322600	December	2,087,069.56	-	2,087,069.56	20,870.69	827,523.08	160,704.36	842,132.57	56,350.88	123,137.10	56,350.88	2,087,069.56
		Total Sales Tax-2nd Quarter	5,352,743.18	-	5,352,743.18	53,527.43	2,122,362.67	412,161.23	2,159,831.87	144,524.07	315,811.84	144,524.07	5,352,743.18
03/26/20	AR00323549 & 0000323677	January 2020	1,401,867.87	-	1,401,867.87	14,018.68	555,840.61	107,943.83	565,653.69	37,850.43	82,710.20	37,850.43	1,401,867.87
04/27/20	AR00324516 & 0000324808	February	1,224,357.72	-	1,224,357.72	12,243.57	485,457.84	94,275.54	494,028.34	33,057.66	72,237.11	33,057.66	1,224,357.72
05/27/20	AR00325407 & 0000325462	March	784,357.76	-	784,357.76	7,843.57	310,997.85	60,395.55	316,488.36	21,177.66	46,277.11	21,177.66	784,357.76
		Total Sales Tax-3rd Quarter	3,410,583.35	-	3,410,583.35	34,105.82	1,352,296.30	262,614.92	1,376,170.39	92,085.75	201,224.42	92,085.75	3,410,583.35
06/24/20	AR00326339 & 0000326391	April	1,331,489.57	-	1,331,489.57	13,314.90	527,935.61	102,524.70	537,256.04	35,950.22	78,557.88	35,950.22	1,331,489.57
07/24/20	AR00327436 & 0000327491	May	1,870,631.13	-	1,870,631.13	18,706.31	741,705.24	144,038.60	754,799.66	50,507.04	110,367.24	50,507.04	1,870,631.13
08/25/20	AR00328597 & 0000328557	June	1,292,752.23	-	1,292,752.23	12,927.53	512,576.26	99,541.92	521,625.52	34,904.31	76,272.38	34,904.31	1,292,752.23
		Total Sales Tax-4th Quarter	4,494,872.93	-	4,494,872.93	44,948.74	1,782,217.11	346,105.22	1,813,681.22	121,361.57	265,197.50	121,361.57	4,494,872.93
		Total Sales Tax:	18,597,395.88	70,000.00	18,527,395.88	185,273.95	7,346,112.46	1,426,609.50	7,475,804.24	500,239.69	1,093,116.35	500,239.69	18,527,395.88
		<i>variance</i>											
Interest Earnings													
09/30/19	20201QINTN	1st Qtr 2019-20	8,306.95	463.16	7,843.79	206.06	1,379.10	811.99	4,255.03	284.72	622.17	284.72	7,843.79
12/31/19	20202QINTN & 0000321738	2nd Qtr	14,560.64	785.53	13,775.11	462.93	4,974.54	1,081.71	5,668.48	379.30	828.85	379.30	13,775.11
03/31/20	20203QINTN	3rd Qtr	10,828.82	466.84	10,361.98	381.08	3,995.24	776.57	4,069.45	272.30	595.04	272.30	10,361.98
06/30/20	20204QINTN	4th Qtr	8,762.89	635.31	8,127.58	691.60	2,937.32	583.65	3,058.48	204.66	447.21	204.66	8,127.58
		Total Interest Earnings:	42,459.30	2,350.84	40,108.46	1,741.67	13,286.20	3,253.92	17,051.44	1,140.98	2,493.27	1,140.98	40,108.46
Total Receipts:			18,639,855.18	72,350.84	18,567,504.34	187,015.62	7,359,398.66	1,429,863.42	7,492,855.68	501,380.67	1,095,609.62	501,380.67	18,567,504.34
Allocate Disbursements													
10/15/19	AP00318440 & 0000318423	Disbursement	1,673,471.99	70,000.00	1,603,471.99	16,034.73	635,776.64	123,467.34	647,000.95	43,293.74	94,604.85	43,293.74	1,603,471.99
01/16/20	AP00321318 & 0000321300	Disbursement	5,273,762.91	463.16	5,273,299.75	52,860.61	2,089,132.39	406,252.11	2,128,866.51	142,452.03	311,284.07	142,452.03	5,273,299.75
04/07/20	AP00323841 & 0000323820	Disbursement	5,169,440.16	785.53	5,168,654.63	52,011.72	2,048,884.27	398,007.44	2,085,662.37	139,561.05	304,966.73	139,561.05	5,168,654.63
07/09/20	AP00326833 & 0000326632	Disbursement	3,351,033.87	466.84	3,350,567.03	33,783.12	1,328,386.54	257,972.36	1,351,842.19	90,457.84	197,667.14	90,457.84	3,350,567.03
08/27/20	AP00328721 & 0000328643	Disbursement	3,172,146.25	635.31	3,171,510.94	32,325.44	1,257,218.82	244,164.17	1,279,483.66	85,616.01	187,086.83	85,616.01	3,171,510.94
Total Reimbursements:			18,639,855.18	72,350.84	18,567,504.34	187,015.62	7,359,398.66	1,429,863.42	7,492,855.68	501,380.67	1,095,609.62	501,380.67	18,567,504.34
Total Net (Receipts/Disbursements)			-	-	-	-	-	-	-	-	-	-	-