



NAPA VALLEY TRANSPORTATION AUTHORITY

Citizen Advisory Committee Agenda Letter

TO: Board of Directors

FROM: Kate Miller, Executive Director

REPORT BY: Antonio Onorato, Director of Administration, Finance and Policy
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SUBJECT: Annual Report Financial Highlights for the Napa Valley Transportation Authority (NVRTA) and the Napa Valley Transportation Authority-Tax Agency (NVRTA-TA)

RECOMMENDATION

Information only

EXECUTIVE SUMMARY

The NVRTA undergoes an annual financial audit for the transportation authority (NVRTA) and the tax agency (NVRTA-TA). Attachment 1 presents the Financial Statements with Independent Auditor's Report for Fiscal Years Ending June 30, 2020 and 2019 (Attachment 1) for the Napa Valley Transportation Authority and Attachment 2 presents the Financial Statements with Independent Auditor's Report for Fiscal Years Ending June 30, 2020 and 2019 (Attachment 2) for the Napa Valley Transportation Authority- Tax Agency.

BACKGROUND AND DISCUSSION

NVRTA's and NVRTA-TA's annual audit was prepared in accordance with auditing standards generally accepted in the United States. The report includes a Management Discussion and Analysis section, basic financial statements including government-wide and fund financial statements, notes to the statements, and other Required Supplementary Information.

NVTA Financial Highlights

As of June 30, 2020, NVTA's governmental activities reported an ending fund balance of \$2,286,459 or 40% of total governmental fund expenditures.

Business-type activity (Transit Fund) expenses increased from \$13,937,571 in fiscal year 2018-2019 to \$14,064,048 in fiscal year 2019-2020 which is an overall increase of 0.9%. The growth is accounted for by increases in operating expenses, namely purchase transportation and fuel.

NVTA financial activities are separated into three (3) fund types:

1. **Governmental Fund:** This fund type accounts for all of the non-trust, non-transit, non-capital activities of NVTA, also known as the General Fund or Planning Fund. It includes agency administration, salaries, pass through activities, and planning costs.

The Governmental activities Net Position slightly decreased to \$2,286,459 from \$2,440,230 in the previous fiscal year. This is largely the result of spending planning funds that had accumulated over the previous fiscal years.

2. **Proprietary Fund (or Enterprise Fund):** This fund accounts for the financial activity of all public transit service programs. At the end of FY 2019-18, the enterprise fund decreased assets by \$378,657. The reason for the decrease was due to the disposal of the New Flyer hybrid buses which was offset by lower expenses due to the pandemic.

Financial: There were no financial findings.

Federal Award Findings and Questioned Costs: There were no findings.

Material Weakness: No material weaknesses were noted.

Recommendations: There were no recommendations noted.

NVTA-TA Financial Highlights

The Napa Valley Transportation Authority financial reporting entity consists of the agency government and its Component Units. Component Units are legally separate organizations for which the NVTA is financially accountable.

There are two types of Component Units: Blended and Discretely Presented. A Blended Component Unit's financial information is reported within the agency's financial statements as if it were a part of the NVTA. This is because even though the Component Unit is a separate legal entity, it provides services exclusively to the agency.

A Discretely Presented Component Unit does not provide services exclusively to the NVTA, and its financial information is reported in a separate column on the government-wide financial statements. According to the Government Accounting Standard Board

(GASB), Measure T is a Discretely Presented Component Unit of the Napa Valley Transportation Authority.

NVTA-TA's audit was prepared in accordance with auditing standards generally accepted in the United States. There were no findings or recommendations for the audit.

Financial Analysis of Measure T for the Year Ending June 30, 2020

Due to COVID-19, the State of California and Napa County officials declared a stay-at-home order in mid-March triggering the closure of numerous non-essential businesses. The consequences were significant. Initial forecasts of the economic calamity indicated sales tax revenue projections could be decimated by up to twenty-five percent (25%) from the previous year.

The pandemic's effects posed a grave financial threat to Napa County, especially critical sales tax revenue-generating industries such as service, leisure, and hospitality. The lockdowns meant substantially less revenues for the jurisdictions with high reliance on sales taxes. The shelter-in-place orders and resulting unemployment in some sectors had a two-pronged effect on jurisdictions: on one hand, less sales tax funding was being generated; and on the other hand, public demand for essential services persisted and increased in some cases. Fortunately, a few main sectors have generated revenue increases to partially offset the revenue declines such as the food and drug sector and e-commerce. Sales tax revenues from on-line sales have surged since mid-March and revenues are now generated locally for businesses with on-line sales in excess of \$500,000 annually as a result of the U.S. Supreme Court's South Dakota v. Wayfair decision.

As a result, once the final sales tax amounts for the fiscal year were announced, total Measure T losses were a modest six percent (6%) lower than budgeted revenues. The new fiscal year also looks promising as monthly revenues came in much higher than the reduced forecast which meant funding could be restored for some at-risk projects.

The complex trajectory of the pandemic and of state/county responses suggest that there will be significant movement in sales tax revenues over the next several months. The gradual re-opening of businesses will lead to some growth in sales tax revenues, albeit uneven, but that too will depend on the future path of the pandemic.

Table 1 compares actual revenues and expenditures for the fiscal year ending June 30, 2020 compared to budget and compared to revenue projections.

Table 1: Actuals vs. Projections vs. Budget

	FY2020	FY2019	Actuals v. Projections More/(Less)	% Inc/(Dec)
Revenues	\$18,597,396	\$19,669,765	(\$1,072,369)	(6%)
Interest	42,459	36,893	5,566	15%
Total Revenues	\$18,639,855	\$19,706,658	(\$1,066,803)	(5%)
Expenditures				
Administration	\$171,402	\$154,363	\$17,039	11%
Maintenance	18,380,489	19,438,739	(1,058,250)	(-5%)
Total Expenditures	\$18,551,891	\$19,593,102	(\$1,041,211)	(-5%)
Details of Proceeds				
American Canyon	1,429,863	1,511,945	(\$82,082)	(5%)
Calistoga	501,381	530,162	(\$28,781)	(5%)
Napa	7,492,856	7,922,984	(430,128)	(5%)
Napa County	7,359,399	7,784,982	(425,583)	(5%)
St. Helena	1,095,610	1,158,503	(\$62,893)	(5%)
Yountville	501,381	530,162	(\$28,781)	(5%)

ATTACHMENTS

- (1) NVTA Audit Report for Fiscal Years Ended June 30, 2020 and 2019
- (2) NVTA-TA Audit Report for Fiscal Years Ended June 30, 2020 and 2019

NVTA AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020 AND 2019

February 17, 2021



FY20 VS FY19 SUMMARY COMPARISON

ATTACHMENT 1
CAC AGENDA ITEM 7.2
SEPTEMBER 1, 2021

Revenues	FYE20 Audited Actuals	FYE19 Audited Actuals	More/(Less)
CMA	\$ 5,630,178	\$ 7,144,419	(\$1,514,240)
Public Transit	13,685,391	11,196,171	\$2,489,220
Total	\$ 19,315,569	\$18,340,590	\$974,979

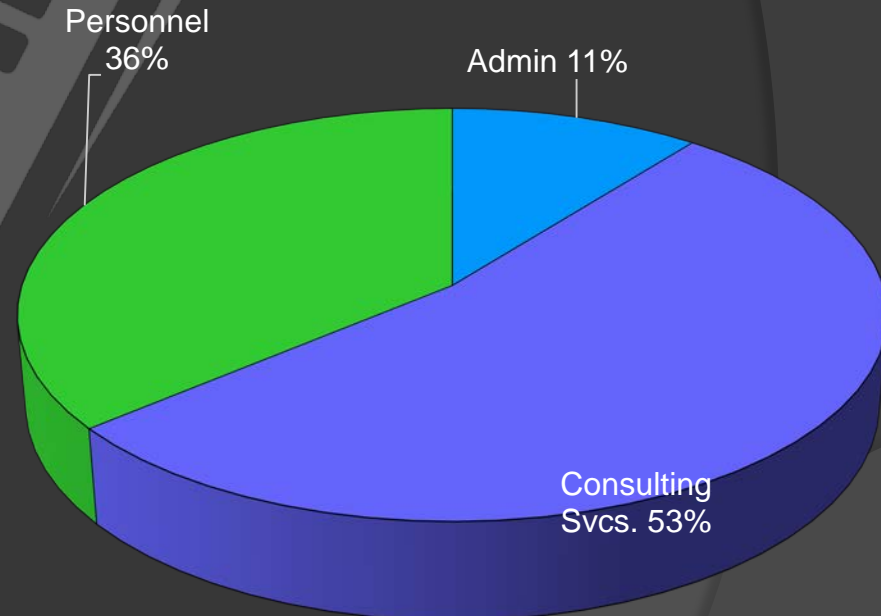
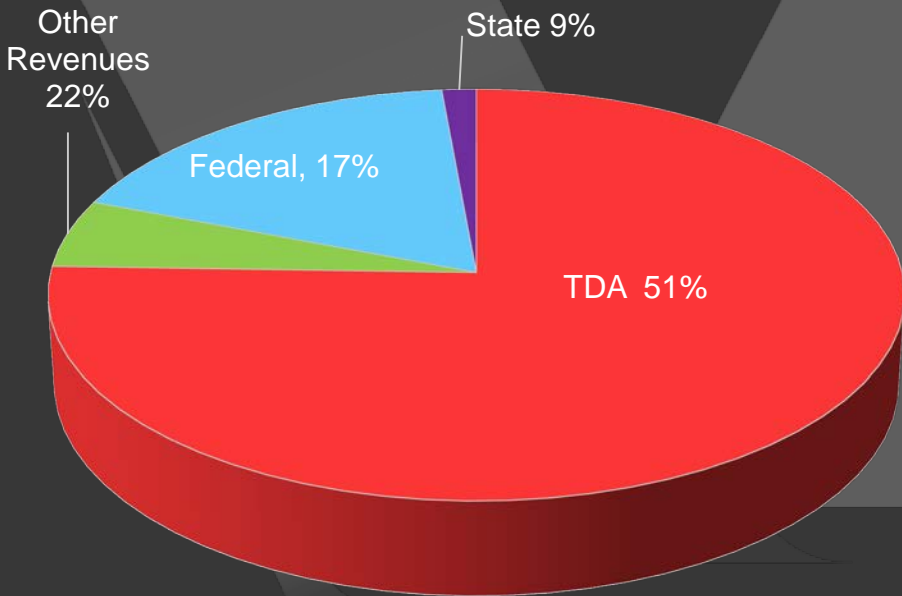
Expenditures			
CMA	\$ 5,599,999	\$5,010,463	\$589,563
Public Transit	11,428,239	11,261,321	\$166,918
Capital	2,098,284	58,016	\$2,040,268
Depreciation	2,635,809	2,676,250	(\$40,441)
Total	\$ 21,762,331	\$19,006,050	\$2,756,281

Net Position			
CMA	2,286,459	2,440,230	(\$153,771)
Public Transit	23,368,007	23,746,664	(\$378,657)
Total	\$ 25,654,466	\$ 26,186,894	(\$532,428)

FYE20 CMA

Revenues

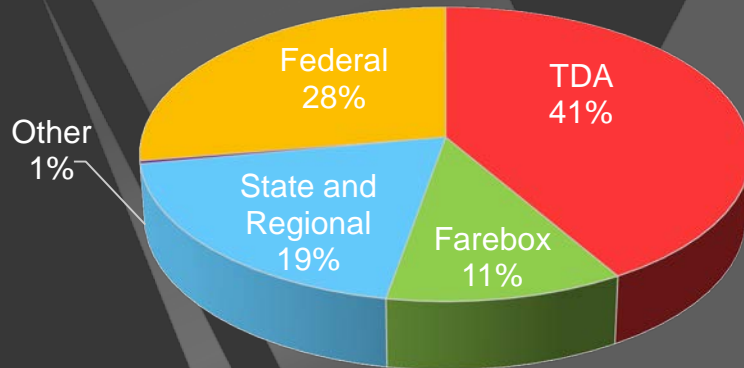
Expenditures



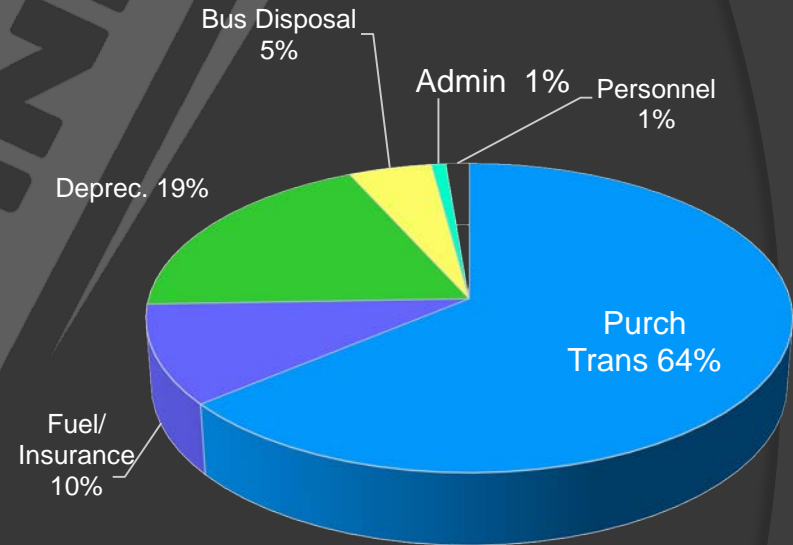
Total Revenues: \$5,630m
Total Expenditures: \$5,783m

FYE20 PUBLIC TRANSIT

Revenues
\$13,685m



Expenditures
\$14,064m



FISCAL YEAR 2019-20 CAPITAL PURCHASES

- Real Estate at the corner of Devlin Rd. and Sheehy Ct.
- 4 Glaval vehicles for the fixed route system
- Transit equipment upgrades

FISCAL YEAR 2019-20 MANAGEMENT LETTER

- Current Year Findings and Recommendations: None

QUESTIONS?





**NAPA VALLEY TRANSPORTATION
AUTHORITY – TAX AGENCY**

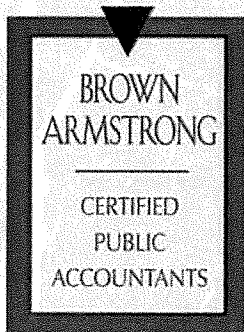
**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
JUNE 30, 2020 AND JUNE 30, 2019**

NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY
(A Component Unit of the Napa Valley Transportation Authority)
FOR THE YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019

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BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Napa Valley Transportation Authority – Tax Agency
Napa, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Napa Valley Transportation Authority – Tax Agency (NVTA-TA), a component unit of the Napa Valley Transportation Authority (NVTA), as of and for the years ended June 30, 2020 and June 30, 2019, and the related notes to the financial statements, which collectively comprise the NVTA-TA's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic 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 opinions on these basic financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic 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 NVTA-TA's preparation and fair presentation of the basic 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 NVTA-TA'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 basic financial statements.

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

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Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the NVTA-TA as of June 30, 2020 and June 30, 2019, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the NVTA-TA and do not purport to, and do not, present fairly the financial positions of NVTA as of June 30, 2020 and June 20, 2019, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise NVTA-TA's basic financial statements. The Statement of Revenue, Expenditures, and Changes in Net Position – Budget and Actual and Measure T Revenue Allocation Tracking is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Statement of Revenue, Expenditures, and Changes in Net Position – Budget and Actual and Measure T Revenue Allocation Tracking is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Statement of Revenue, Expenditures, and Changes in Net Position – Budget and Actual is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2020, on our consideration of NVTA-TA'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 NVTA-TA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 22, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

The following discussion and analysis of the financial performance and activity of the Napa Valley Transportation Authority – Tax Agency (NVTa-TA) Basic Financial Statements provides an introduction and understanding of the basic financial statements of the Tax Agency. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

On November 6, 2012, the voters of Napa County approved the Napa Countywide Road Maintenance Act, commonly known as Measure T, which imposes a half cent transaction and use (sales) tax to provide supplemental funding for road maintenance as detailed in the Measure T Expenditure Plan in Ordinance 2012-01. The funds will be used for projects that will improve the pavement conditions of streets, sidewalks, and related street infrastructure projects. The NVTa-TA is the designated agency that administers and oversees Measure T revenues.

Measure T requires each jurisdiction within its boundaries, the Cities of Napa, American Canyon, Calistoga, and St. Helena; the Town of Yountville; and the County of Napa, to continue to maintain their pre-existing expenditure level efforts on road maintenance as measured by the average general fund expenditures on pavement maintenance activities during Fiscal Year 2007-08, Fiscal Year 2008-09, and Fiscal Year 2009-10. Beginning in Fiscal Year 2018-19, this amount - known as Maintenance of Effort (MOE) - must also be spent by the jurisdictions in the form of general fund expenditures each year to remain eligible to receive Measure T funds. The process to approve the MOE is a one-time process. Once the MOE is established, each jurisdiction is then required to submit an annual Resolution to the Independent Taxpayer Oversight Committee (ITOC) certifying that the MOE was met.

The Financial Statements

NVTa-TA's basic financial statements include (1) the Statements of Net Position, (2) the Statements of Revenues, Expenditures, and Changes in Net Position, and (3) the Notes to the Financial Statements. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

The Statements of Net Position report assets, liabilities, and the difference between the two as net position. The equity section is combined to report total net position and is displayed as restricted net position. Restricted net position consists of assets where constraints on their use are externally imposed by imposed by the ordinance.

The Statements of Revenues, Expenses, and Changes in Net Position are reported using the accrual basis of accounting. Under this method, revenues are reported when earned and expenses are reported when incurred, regardless of when cash is received or paid. Revenues and expenses are categorized as either operating or non-operating based upon definitions provided by the Governmental Accounting Standards Board.

Financial Highlights

- Total net position for the year ended June 30, 2020, was \$201,520 and consisted of restricted net position.
- Net position increased \$87,964 during Fiscal Year 2019-20.

The Effects of COVID-19 on Measure T

The State of California and Napa County officials declared a shelter-in-place in mid-March, triggering the closure of numerous non-essential businesses. The consequences were significant. Initial forecasts of the economic calamity indicated sales tax revenue projections could be decimated by up to twenty-five percent (25%) from the previous year.

Napa County's heavy reliance on its tourism industry created an unusual economic dichotomy. Unemployment spikes were felt primarily by low-wage workers in the service sectors, which generally produce a smaller share of total sales tax revenues. On the other hand, other workers who were able to retain employment and work from home generally experienced more discretionary spending due to reduced commute and work-related costs as well as fewer entertainment and travel options.

Though much of the government relief payments were spent largely on rents, utilities, debt, and supplemental savings, the stimulus was not distributed proportionally to income losses, thereby also triggering temporary increases in discretionary income for some recipients. Low interest rates and favorable lending practices have also instigated more discretionary spending on more expensive items such as autos and home improvements by higher-wage earners typically. California extended sales tax filing and payment deadlines and/or waived penalties and interest to help businesses mitigate the financial impact of the COVID-19 pandemic. Those timing shifts produced steep revenue declines in Napa, particularly in the late spring and early summer months.

The shelter-in-place orders prevented many people from leaving their homes for non-essential purposes. For this reason, tourism related sectors of casual and fine dining, hotels, and wineries were largely affected and therefore reported substantial sales tax reductions.

The COVID-19 pandemic posed a grave financial threat to Napa County, especially critical sales tax revenue-generating industries such as service, leisure, and hospitality. The lockdowns meant substantially less revenues for the jurisdictions with higher reliance on sales taxes. The shelter-in-place orders and resulting unemployment in some sectors had a two-pronged effect on jurisdictions: on one hand, less sales tax funding was being generated; and on the other hand, public demand for essential services persisted and increased in some cases.

Fortunately, a few main sectors have generated revenue increases to offset the revenue declines partially, such as the food and drug sector and e-commerce. Online sales have surged since mid-March, and, thanks to the U.S. Supreme Court's Wayfair decision, states are able to collect sales taxes from online transactions. These sales tax revenues are distributed accordingly to counties and jurisdictions.

As a result, once the final sales tax amounts for the fiscal year were announced, total Measure T losses were a modest six percent (6%) from the budget. The new fiscal year also looks promising as monthly revenues came in much higher than the reduced forecast, which meant funding could be restored for some at-risk projects.

The complex trajectory of the pandemic and of state/county responses suggest that there will be significant movement in sales tax revenues over the next several months. The gradual re-opening of businesses will lead to some growth in sales tax revenues, albeit uneven, but that too will depend on the future path of the pandemic.

Statement of Net Position

The Statement of Net Position provides a measure of the financial health of an entity at a specific date in time (i.e., year-end). A summary of NVTa-TA's Statement of Net Position as of June 30, 2020, with comparative totals as of June 30, 2019, is as follows:

	<u>2020</u>	<u>2019</u>
Assets		
Cash and investments	\$ 2,165,720	\$ 2,936,413
Intergovernmental receivables	<u>3,163,383</u>	<u>3,338,529</u>
Total assets	<u>5,329,103</u>	<u>6,274,942</u>
Liabilities		
Accounts payable	<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>201,520</u>	<u>113,556</u>
Total net position	<u>\$ 201,520</u>	<u>\$ 113,556</u>

Restricted Net Position is composed of unused funding for Measure T administrative purposes and Independent Taxpayer Oversight Committee obligations. Usage and recognition of expenditures is expected to occur in future periods.

FINANCIAL STATEMENTS

NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY
(A Component Unit of the Napa Valley Transportation Authority)
STATEMENTS OF NET POSITION
JUNE 30, 2020 AND JUNE 30, 2019

	<u>2020</u>	<u>2019</u>
Assets		
Cash and investments	\$ 2,165,720	\$ 2,936,413
Intergovernmental receivables	<u>3,163,383</u>	<u>3,338,529</u>
Total assets	<u>5,329,103</u>	<u>6,274,942</u>
Liabilities		
Accounts payable	<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>201,520</u>	<u>113,556</u>
Total net position	<u><u>\$ 201,520</u></u>	<u><u>\$ 113,556</u></u>

NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY
(A Component Unit of the Napa Valley Transportation Authority)
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019

	<u>2020</u>	<u>2019</u>
Revenues		
Measure T revenue	\$ 18,597,396	\$ 19,669,765
Interest income	<u>42,459</u>	<u>36,893</u>
Total revenues	<u>18,639,855</u>	<u>19,706,658</u>
Expenditures		
Administration	171,402	154,363
Maintenance	<u>18,380,489</u>	<u>19,438,739</u>
Total expenditures	<u>18,551,891</u>	<u>19,593,102</u>
Change in net position	87,964	113,556
Net position, beginning of year	<u>113,556</u>	<u>-</u>
Net position, end of year	<u><u>\$ 201,520</u></u>	<u><u>\$ 113,556</u></u>

NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY
(A Component Unit of Napa Valley Transportation Authority)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Napa Valley Transportation Authority – Tax Agency (NVTA-TA) is the local transportation sales tax authority. The NVTA-TA is responsible for the oversight and administration of Napa Countywide Maintenance Act, commonly known as Measure T, the 25-year, ½% sales tax for street and road improvements approved by the voters on November 6, 2012. Measure T became effective on July 1, 2018.

All transactions of the NVTA-TA are included as an enterprise fund in the basic financial statements of the NVTA. The accompanying financial statements are for the NVTA-TA only and are not intended to fairly present the financial position or results of operations of the NVTA.

Separate financial statements are provided for the NVTA-TA's major governmental funds and are reported as separate columns in the fund financial statements.

The NVTA exercises significant management and financial control over the NVTA-TA. As such, the NVTA-TA is considered a component unit of the NVTA.

B. Basis of Presentation and Measurement Focus

The NVTA-TA uses an enterprise fund format to report its activities for financial statement purposes. The accompanying financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred regardless of when the related cash flows take place.

C. Use of Estimates

The preparation of 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

D. Net Position

The restricted net position category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

E. New Accounting Pronouncements – Implemented

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The requirements of this standard are effective immediately. The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by extending the effective dates of certain accounting and financial reporting provisions in Statements and Implementation Guides that were first effective for reporting periods beginning after June 15, 2018. There was no effect on NVTA-TA's accounting and financial reporting as a result of implementing this standard.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Future Accounting Pronouncements

GASB Statement No. 84 – *Fiduciary Activities*. The requirements for this statement are effective for periods beginning after December 15, 2018. GASB Statement No. 95 delayed the effective date to December 15, 2019. NVTA-TA will implement GASB Statement No. 84 if and where applicable.

GASB Statement No. 87 – *Leases*. The requirements of this statement were originally effective for periods beginning after December 15, 2019. GASB Statement No. 95 delayed the effective date to June 15, 2021. The NVTA-TA will implement GASB Statement No. 87 if and where applicable.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The requirements of this statement were originally effective for periods beginning after December 15, 2019. GASB Statement No. 95 delayed the effective date to December 15, 2020. NVTA-TA will implement GASB Statement No. 89 if and where applicable.

GASB Statement No. 90 – *Majority Equity Interests – an Amendment of GASB Statements No. 14 and No. 61*. The requirements of this statement were originally effective for periods beginning after December 15, 2018. GASB Statement No. 95 delayed the effective date to December 15, 2019. NVTA-TA will implement GASB Statement No. 90 if and where applicable.

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement were originally effective for periods beginning after December 15, 2020. GASB Statement No. 95 delayed the effective date to December 15, 2021. The NVTA-TA will implement GASB Statement No. 91 if and where applicable.

GASB Statement No. 92 – *Omnibus 2020*. The requirements of this statement were originally effective for periods beginning after June 15, 2020. GASB Statement No. 95 delayed the effective date to June 15, 2021. NVTA-TA will implement GASB Statement No. 92 if and where applicable.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement were originally effective for periods beginning after June 15, 2020. GASB Statement No. 95 delayed the effective date to June 15, 2021. NVTA-TA will implement GASB Statement No. 93 if and where applicable.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement are effective for periods beginning after June 15, 2022. NVTA-TA will implement GASB Statement No. 94 if and where applicable.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for periods beginning after June 15, 2022. NVTA-TA will implement GASB Statement No. 96 if and where applicable.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this statement are effective for periods beginning after June 15, 2021. NVTA-TA will implement GASB Statement No. 97 if and where applicable.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are maintained with the County Treasurer in a cash and investment pool. See the NVTA's basic financial statements for disclosures related to the cash and investments as prescribed by GASB Statement No. 40. The basic financial statements may be obtained from the NVTA at 625 Burnell Street, Napa, CA 94559.

NOTE 3 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$3,163,383 and \$3,338,529, respectively, represent the Measure T allocations for fiscal years 2020 and 2019 that were received by the State of California Department of Tax and Fee Administration after June 30, 2020 and June 30, 2019.

SUPPLEMENTAL INFORMATION

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Measure T revenue	\$ 19,826,444	\$ 19,826,444	\$ 18,597,396	\$ (1,229,048)
Interest income	-	-	42,459	42,459
Total revenues	<u>19,826,444</u>	<u>19,826,444</u>	<u>18,639,855</u>	<u>(1,186,589)</u>
Expenditures				
Administration	269,297	269,297	171,402	97,895
Maintenance	<u>19,557,147</u>	<u>19,557,147</u>	<u>18,380,489</u>	<u>1,176,658</u>
Total expenditures	<u>19,826,444</u>	<u>19,826,444</u>	<u>18,551,891</u>	<u>\$ 1,274,553</u>
Change in net position	-	-	87,964	
Net position, beginning of year	<u>113,556</u>	<u>113,556</u>	<u>113,556</u>	
Net position, end of year	<u>\$ 113,556</u>	<u>\$ 113,556</u>	<u>\$ 201,520</u>	

NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY (A Component Unit of the Napa Valley Transportation Authority) MEASURE T REVENUE ALLOCATION TRACKING FOR THE YEAR ENDED JUNE 30, 2020

Napa County Auditor-Controller
Measure T Revenue Allocation

Fiscal Year 2019-20

Agency Fund 9502-95020-25

NVTA-TA Special Revenue Fund 8110

Transaction Date	AF Journal Entry	Transaction Type	Total	ITOC 70,000.00 (100.00%)	Subdivision 83100-01	Subdivision 83100-00 Administration	Subdivision 83100-05 County of Napa	Subdivision 83100-06 American Canyon	Subdivision 83100-07 City of Napa	Subdivision 83100-08 Yountville	Subdivision 83100-09 St. Helena	Subdivision 83100-10 Calistoga	Total
Sales Tax Receipts													
09/24/19	AR00317617 & 0000317699	July 2019	1,673,471.99	70,000.00	1,603,471.99	15,034.73	635,776.64	133,467.14	647,000.95	43,293.74	94,604.85	43,293.74	1,603,471.99
10/24/19	AR00318746 & 0000318370	August	1,792,807.09	-	1,792,807.09	17,928.07	710,849.01	138,046.15	723,397.65	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 Receipts Quarter	5,339,196.42	70,000.00	5,269,196.42	52,691.96	2,089,236.38	415,727.93	2,126,123.76	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	634,789.55	133,179.33	672,491.67	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	660,548.04	138,277.54	672,207.63	44,980.44	98,350.58	44,980.44	1,665,942.09
02/25/20	AR00322605 & 0000322600	December	2,087,069.56	-	2,087,069.56	20,870.69	837,523.08	160,704.36	841,132.57	56,330.88	123,137.10	56,330.88	2,087,069.56
		Total Sales Tax Receipts Quarter	5,352,744.28	-	5,352,744.28	53,527.53	2,132,860.67	432,161.23	2,154,822.92	144,503.97	316,602.82	144,503.97	5,352,744.28
03/26/20	AR00323549 & 0000323677	January 2020	1,401,867.87	-	1,401,867.87	14,018.68	555,540.61	107,943.83	545,653.69	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	60,195.55	316,488.36	21,177.66	46,277.11	21,177.66	784,357.76
		Total Sales Tax Receipts Quarter	3,410,583.35	-	3,410,583.35	34,105.82	1,352,096.90	262,414.92	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	35,950.72	76,557.88	35,950.72	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	99,541.52	521,435.52	34,904.31	76,273.38	34,904.31	1,292,752.23
		Total Sales Tax Receipts Quarter	4,494,872.93	-	4,494,872.93	44,948.74	1,782,117.11	346,108.72	1,611,481.12	121,361.37	263,147.90	121,361.37	4,494,872.93
		Total Sales Tax	18,527,395.88	70,000.00	18,527,395.88	185,773.95	7,346,117.46	1,426,609.50	7,475,884.24	500,239.69	1,095,116.35	500,239.69	18,527,395.88
Interest Earnings													
09/30/19	2020Q1INTN	1st Qtr 2019-20	8,306.95	461.16	7,845.79	266.06	1,379.10	811.99	4,155.03	284.72	622.17	284.72	7,845.79
12/31/19	2020Q2INTN	2nd Qtr	14,960.64	785.53	13,775.11	462.93	4,974.54	1,031.71	5,668.48	379.30	828.85	379.30	13,775.11
03/31/20	2020Q3INTN	3rd Qtr	10,926.82	466.84	10,360.98	381.08	3,995.24	776.57	4,069.45	272.30	595.04	272.30	10,360.98
06/30/20	2020Q4INTN	4th Qtr	8,762.89	635.31	8,127.58	691.60	2,937.32	583.65	3,058.48	204.66	447.11	204.66	8,127.58
		Total Interest Earnings:	42,457.30	2,350.84	40,106.46	1,421.67	13,286.20	1,253.92	17,051.44	1,140.98	2,493.17	1,140.98	40,106.46
		Total Receipts:	18,639,853.18	72,350.84	18,567,502.34	187,215.62	7,559,398.66	1,429,863.42	7,492,935.68	501,380.67	1,095,609.62	501,380.67	18,567,502.34
Allocate Disbursements													
10/15/19	AF003218440 & 00003218423	Disbursement	1,673,471.99	70,000.00	1,603,471.99	16,034.73	635,776.64	133,467.14	647,000.95	43,293.74	94,604.85	43,293.74	1,603,471.99
01/16/20	AF003231818 & 00003231800	Disbursement	5,273,762.91	461.16	5,273,299.75	52,660.61	2,089,432.39	406,252.11	2,126,866.91	142,452.03	311,284.07	142,452.03	5,273,299.75
04/07/20	AF00323841 & 00003238320	Disbursement	5,169,440.16	785.53	5,168,654.63	52,011.72	2,048,884.27	398,007.44	2,085,682.37	139,561.05	304,966.73	139,561.05	5,168,654.63
07/09/20	AF00324823 & 00003248692	Disbursement	9,351,034.87	466.84	9,350,568.03	93,503.12	3,338,358.54	653,783.12	3,351,842.19	90,457.84	197,667.14	90,457.84	9,350,568.03
08/27/20	AF00325771 & 0000325843	Disbursement	3,172,146.25	635.31	3,171,510.94	32,325.44	1,257,218.82	244,164.17	1,279,483.65	85,616.01	187,088.83	85,616.01	3,171,510.94
		Total Disbursements:	18,639,853.18	72,350.84	18,567,502.34	187,215.62	7,559,398.66	1,429,863.42	7,492,935.68	501,380.67	1,095,609.62	501,380.67	18,567,502.34
		Total Net (Receipts/Disbursements)	-	-	-	-	-	-	-	-	-	-	-

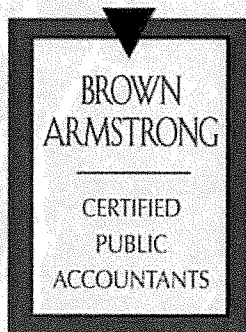
**NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY
(A Component Unit of the Napa Valley Transportation Authority)
MEASURE T REVENUE ALLOCATION TRACKING
FOR THE YEAR ENDED JUNE 30, 2019**

Napa County Auditor-Controller
Measure T Revenue Allocation
Fiscal Year 2018-19
Agency Fund 9502-95020-25

NVTA-TA Special Revenue Fund 8310

Transaction Date	AR-Journal IDs	Transaction Type	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
			ITOC	Administration	County of Napa	American Canyon	City of Napa	Yountville	St. Helena	Calistoga	
			70,000-CPI (1st qtr)	1.00%	39.65%	7.70%	40.35%	2.70%	5.90%	2.70%	100.00%
Sales Tax Receipts											
09/28/18	AR00305786-0000305718	July 2018	1,231,229.47	1,161,229.47	460,427.48	89,414.67	468,556.09	31,353.20	68,512.54	31,353.20	1,161,229.47
10/29/18	AR00306787-0000306843	August	1,480,913.14	1,480,913.14	587,182.06	114,030.31	597,548.45	39,984.65	87,373.88	39,984.65	1,480,913.14
12/03/18	AR00307651-0000308160	September	2,122,667.30	2,122,667.30	841,637.58	163,445.38	856,496.26	57,312.02	125,237.37	57,312.02	2,122,667.30
		Total Sales Tax 1st Quarter	4,833,409.91	4,764,809.91	1,889,247.12	366,890.36	1,922,600.80	128,649.87	281,123.79	128,649.87	4,764,809.91
12/31/18	AR00308392-0000308519	October	1,433,728.21	1,433,728.21	568,473.24	110,397.07	578,509.33	38,710.66	84,589.96	38,710.66	1,433,728.21
01/25/19	AR00309237-0000309272	November	1,523,936.83	1,523,936.83	604,240.95	117,243.14	614,908.51	41,146.29	89,912.27	41,146.29	1,523,936.83
02/20/19	AR00310013-0000310157	December	2,251,377.58	2,251,377.58	891,671.21	173,356.07	908,430.85	60,787.19	132,831.28	60,787.19	2,251,377.58
		Total Sales Tax 2nd Quarter	5,209,042.62	5,209,042.62	2,064,355.40	2,101,846.69	2,101,846.69	140,644.14	207,724.62	140,644.14	5,209,042.62
03/25/19	AR00310961-0000311154	January 2019	1,508,285.66	1,508,285.66	598,035.26	116,138.00	608,593.26	40,723.71	88,988.85	40,723.71	1,508,285.66
04/20/19	AR00311953-0000312031	February	1,604,237.57	1,604,237.57	636,080.20	123,526.29	647,309.86	43,314.41	94,650.02	43,314.41	1,604,237.57
05/28/19	AR00312933-0000313027	March	1,459,535.56	1,459,535.56	578,705.84	112,384.24	588,322.60	39,407.46	86,112.60	39,407.46	1,459,535.56
		Total Sales Tax 3rd Quarter	4,572,058.79	4,572,058.79	1,812,821.30	352,048.53	1,844,925.72	123,445.58	269,751.47	123,445.58	4,572,058.79
06/24/19	AR00313020-0000314316	April	1,715,324.54	1,715,324.54	680,176.18	132,079.99	692,133.45	46,111.76	101,204.15	46,111.76	1,715,324.54
07/20/19	AR00315151-0000315133	May	1,835,855.79	1,835,855.79	727,916.82	141,360.90	740,767.81	49,568.11	108,315.49	49,568.11	1,835,855.79
08/20/19	AR00316498-0000316560	June	1,502,673.37	1,502,673.37	595,800.99	115,705.85	606,328.70	40,571.18	88,657.73	40,571.18	1,502,673.37
		Total Sales Tax 4th Quarter	5,053,853.70	5,053,853.70	2,003,852.99	389,146.74	2,039,229.96	136,354.05	298,177.37	136,354.05	5,053,853.70
		Total Sales Tax:	19,669,765.02	19,599,765.02	7,771,306.81	1,509,181.91	7,908,505.17	529,193.64	1,158,386.14	529,193.64	19,599,765.02
Interest Earnings											
09/30/18	20191QINTN	1st Qtr 2018-19	157.93	148.95	1.46	11.47	60.12	4.02	8.79	4.02	148.95
12/31/18	20192QINTN	2nd Qtr	10,909.71	10,526.61	154.19	806.74	4,227.55	282.88	618.16	282.88	10,526.61
03/31/19	20193QINTN	3rd Qtr	17,453.80	17,152.38	363.49	932.11	4,884.51	376.84	714.27	376.84	17,152.38
06/30/19	20194QINTN	4th Qtr	13,371.79	13,055.75	343.25	1,012.69	5,308.78	355.10	775.96	355.10	13,055.75
		Total Interest Earnings:	36,893.23	35,833.69	862.39	2,763.01	14,478.96	968.84	2,117.13	968.84	35,833.69
		Total Receipts:	19,706,658.25	19,635,598.71	7,784,981.33	1,511,944.92	7,922,984.13	530,162.48	1,158,503.27	530,162.48	19,635,598.71
Allocate Disbursements											
10/20/18	AP00306393-0000305718	Disbursement	1,231,229.47	1,161,229.47	460,427.48	89,414.67	468,556.09	31,353.20	68,512.54	31,353.20	1,161,229.47
01/10/19	AP00308759-0000308574	Disbursement	5,037,466.58	5,037,457.60	1,997,351.95	387,884.23	2,032,614.16	136,011.35	297,210.00	136,011.35	5,037,457.60
04/11/19	AP00311591-0000311410	Disbursement	5,294,509.78	5,294,126.38	2,099,101.63	407,640.37	2,136,160.17	142,940.07	312,350.56	142,940.07	5,294,126.38
07/11/19	AP00314548-0000314330	Disbursement	4,791,551.47	4,791,250.05	1,895,516.59	368,972.63	1,933,250.42	129,362.47	283,680.99	129,362.47	4,791,250.05
09/08/19		Disbursement	3,351,900.95	3,351,534.91	33,728.54	1,328,583.88	238,079.44	2,352,403.29	90,493.39	197,749.18	3,351,534.91
		Total Disbursements:	19,706,658.25	19,635,598.71	7,784,981.33	1,511,944.92	7,922,984.13	530,162.48	1,158,503.27	530,162.48	19,635,598.71
		Total Net (Receipts/Disbursements):	-	-	(0.00)	0.00	(0.00)	0.00	0.00	0.00	(0.00)

OTHER REPORT



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Napa Valley Transportation Authority
Napa, California

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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 Napa Valley Transportation Authority – Tax Agency (NVTA-TA), as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the NVTA-TA's basic financial statements, and have issued our report thereon dated December 22, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the NVTA-TA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the NVTA-TA's internal control. Accordingly, we do not express an opinion on the effectiveness of the NVTA-TA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the NVTA-TA'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 the NVTA-TA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The result 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 NVTA-TA'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 NVTA-TA's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 22, 2020