



**NAPA VALLEY TRANSPORTATION
AUTHORITY - TAX AGENCY**

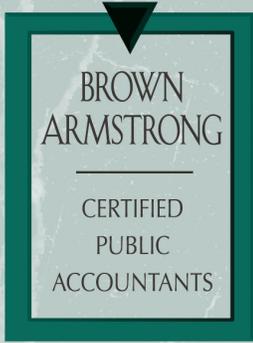
**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2019**

**NAPA VALLEY TRANSPORTATION AUTHORITY – TAX AGENCY
(A Component Unit of the Napa Valley Transportation Authority)
FOR THE YEAR ENDED 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 year ended 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 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 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 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 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the NVTA-TA as of June 30, 2019, and the respective changes in financial position for the year 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, 2019, and the changes in its financial position for the year 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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the NVTA-TA's basic financial statements. The debt service funds budget to actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The debt service funds budget to actual schedules 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.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 23, 2019

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

Assets	
Cash and investments	\$ 2,936,413
Intergovernmental receivables	<u>3,338,529</u>
Total assets	<u>6,274,942</u>
Liabilities	
Accounts Payable	<u>6,161,386</u>
Total liabilities	<u>6,161,386</u>
Net Position	
Restricted	<u>113,556</u>
Total net position	<u><u>\$ 113,556</u></u>

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

Revenues	
Measure T revenue	\$ 19,669,765
Interest income	<u>36,893</u>
Total revenues	19,706,658
Expenditures	
Administration	154,363
Maintenance	<u>19,438,739</u>
Total expenditures	19,593,102
Change in net position	113,556
Net position, beginning of year	<u>-</u>
Net position, end of year	<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 YEAR ENDED 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. 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 NVTA-TA are included as an enterprise fund in the basic financial statements of NVTA. The accompanying financial statements are for NVTA-TA only and are not intended to fairly present the financial position or results of operations of NVTA.

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

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

B. Basis of Presentation and Measurement Focus

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

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on NVTA-TA's financial reporting process. New standards applicable to the year ending June 30, 2019, are as follows:

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Implementation of New Governmental Accounting Standards (Continued)

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The requirements of this statement are effective for reporting periods beginning after June 15, 2018. NVTA-TA has determined that there is no effect on the financial statements.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The requirements of this statement are effective for periods beginning after June 15, 2018. NVTA-TA has determined that there is no effect on the financial statements.

NVTA-TA is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB statements:

GASB Statement No. 84 – *Fiduciary Activities*. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. NVTA-TA has not determined its effect on the financial statements.

GASB Statement No. 87 – *Leases*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. NVTA-TA has not determined its effect on the financial statements.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. NVTA-TA has not determined its effect on the financial statements.

GASB Statement No. 90 – *Majority Equity Interests on amendment of GASB Statement No. 14 and No. 61*. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. NVTA-TA has not determined its effect on the financial statements.

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. NVTA-TA has not determined its effect on the financial statements.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are maintained with the County Treasurer in a cash and investment pool. See 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 NVTA at 625 Burnell Street, Napa, CA 94559.

NOTE 3 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$3,338,529 represent the Measure T allocations for fiscal year 2019 that were received by the State of California Department of Tax and Fee Administration after 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, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Measure T revenue	\$ 2,978,897	\$ 2,978,897	\$ 19,669,765	\$ 16,690,868
Interest income	-	-	36,893	36,893
Total revenues	<u>2,978,897</u>	<u>2,978,897</u>	<u>19,706,658</u>	<u>16,727,761</u>
Expenditures				
Administration	1,175,000	1,175,000	154,363	1,020,637
Maintenance	<u>1,803,897</u>	<u>1,803,897</u>	<u>19,438,739</u>	<u>(17,634,842)</u>
Total expenditures	<u>2,978,897</u>	<u>2,978,897</u>	<u>19,593,102</u>	<u>(16,614,205)</u>
Change in net position	-	-	113,556	
Net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	
Net position, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,556</u>	