



**NAPA VALLEY  
TRANSPORTATION AUTHORITY**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2023**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
JUNE 30, 2023**

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**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

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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Napa Valley Transportation Authority (NVTA), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the NVTA's basic financial statements, and have issued our report thereon dated December 27, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the NVTA'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the NVTA'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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the NVTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the NVTA'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'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 27, 2023

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Napa Valley Transportation Authority  
Napa, California

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

***Opinion on Each Major Federal Program***

We have audited the Napa Valley Transportation Authority's (NVTA) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the NVTA's major federal programs for the year ended June 30, 2023. The NVTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the NVTA 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, 2023.

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

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

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

***Responsibilities of Management for Compliance***

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

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

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

## **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

We have audited the financial statements of the NVTAs, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the NVTAs' basic financial statements. We issued our report thereon dated December 27, 2023, which contained unmodified opinions on those financial statements. Our audit was performed 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 the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 27, 2023

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	Assistance Listing Number	Pass-Through Grantor's Number	Passed Through to Subrecipients	Disbursements/ Expenditures
<b><u>U.S. Department of Transportation</u></b>				
Direct Programs:				
Federal Transit Formula Grant	20.507	CA-2023-224	\$ -	\$ 1,101,064
Federal Transit Formula Grant	20.507	CA-2022-154	-	225,046
Federal Transit Formula Grant	20.507	CA-2021-210	-	2,434,909
Federal Transit Formula Grant	20.507	CA-2017-061	-	30,379
Federal Transit Formula Grant	20.507	CA-2022-111	-	101,069
Federal Transit Formula Grant	20.507	CA-2023-120	-	1,646,418
Subtotal Federal Transit Formula Grants			-	5,538,885
Subtotal Federal Transit Cluster			-	5,538,885
Transportation Infrastructure Finance and Innovation Act - 3rd Party Loan	20.223		-	14,167,175
Passed through Metropolitan Transportation Commission (MTC)				
Highway Planning and Construction	20.205	--	-	836,000
Highway Planning and Construction	20.205	--	-	9,849
Subtotal Highway Planning and Construction			-	845,849
Subtotal Metropolitan Transportation Commission			-	845,849
Passed through State Department of Transportation (Caltrans)				
Federal Grants to Rural Areas	20.509	64BA22-02058	-	295,168
Federal Grants to Rural Areas	20.509	64CA22-02147	-	275,000
COVID-19 CARES Act - Federal Grants to Rural Areas	20.509	64KO20-01372	-	42,593
COVID-19 ARP Act - Federal Grants to Rural Areas	20.509	64MO21-01911	-	200,281
COVID-19 ARP Act - Federal Grants to Rural Areas	20.509	64TO21-01866	-	239,000
Subtotal Federal Transit for Rural Areas			-	1,052,042
Highway Planning and Construction	20.205	ATPL-6510(003)	-	2,282,022
Highway Planning and Construction	20.205	ATPSB1NI-6510(001)	93,728	93,728
Subtotal Highway Planning and Construction			93,728	2,375,750
Total U.S. Department of Transportation			93,728	23,979,701
<b><u>U.S. Department of the Treasury</u></b>				
Direct Programs:				
Coronavirus State and Local Fiscal Recovery Funds	21.027	CA-2021-048	-	1,693,199
Coronavirus State and Local Fiscal Recovery Funds	21.027	CA-2023-089	-	70,796
Subtotal Coronavirus State and Local Fiscal Recovery Funds			-	1,763,995
Total U.S. Department of the Treasury			-	1,763,995
Total Expenditures of Federal Awards			\$ 93,728	\$ 25,743,696
<b><u>Federal Loan Balances Carried Forward from Prior Year</u></b>				
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223			\$ 3,982,524
Total Federal Loan Balances				\$ 3,982,524
Total Expenditures of Federal Awards, Including Federal Loan Balances				\$ 29,726,220

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) *Compliance Supplement*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**NOTE 2 – INDIRECT COST RATE**

The Napa Valley Transportation Authority (NVTA) has elected not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 3 – LOANS OUTSTANDING**

The following program had federally-funded loans outstanding at June 30, 2023:

Assistance Listing Number	Program Title	Amount Outstanding				
		July 1, 2022	New Loans	Loan Payments	Forgiven	June 30, 2023
20.223	TIFIA	\$ 3,982,524	\$ 14,167,175	\$ -	\$ -	\$ 18,149,699

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION I**

Summary of Auditor's Results

Financial Statements

- |  |            |
|--|------------|
| 1. Type of auditor's report issued:  | Unmodified |
| 2. Internal control over financial reporting:                                    |            |
| a. Material weaknesses identified?   | No         |
| b. Significant deficiencies identified not considered to be material weaknesses? | No         |
| 3. Noncompliance material to financial statements noted?                         | No         |

Federal Awards

- |   |            |
|---|------------|
| 1. Internal controls over major programs:   |            |
| a. Material weaknesses identified?  | No         |
| b. Significant deficiencies identified not considered to be material weaknesses?                          | No         |
| 2. Type of auditor's report issued on compliance for major programs:                                      | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No         |

4. Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u>
	<u>Federal Transit Cluster</u>
20.507	Federal Transit Formula Grant
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.223	Transportation Infrastructure Finance and Innovation Act – 3rd Party Loan

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and Type B programs: | \$772,311 |
| 6. Auditee qualified as a low-risk auditee under the Uniform Guidance?      | Yes       |

**SECTION II**

Financial Statement Findings

No matters were reported.

**SECTION III**

Federal Award Findings and Questioned Costs

No matters were reported.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

No matters were reported.