

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
PERFORMANCE IN ACCORDANCE WITH NAPA VALLEY  
TRANSPORTATION AUTHORITY ORDINANCE NO. 2012.01**

Independent Taxpayer Oversight Committee,  
Napa Valley Transportation Authority-Tax Agency, and  
The City of Napa  
Napa, California

We have examined the City of Napa's (City) compliance and performance with Napa Countywide Road Maintenance Act (Measure T) requirements that funds allocated to and received by the City were expended in conformance with applicable statutes, rules, and regulations of the Napa Valley Transportation Authority Ordinance 2012.01 (Ordinance); the allocation instructions and resolutions of the Independent Taxpayers Oversight Committee as required by Section 11.B. of the Ordinance; and the performance goals adopted by the Napa Valley Transportation Authority-Tax Agency (NVTA-TA) during the fiscal years ended June 30, 2023 and 2022. Management of the City is responsible for the City's compliance and performance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that our examination provides a reasonable basis for our opinion.

We are required to be independent of the City and NVTA-TA and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

We have performed the following specified procedures which include our results and findings, if any:

- a) Maintenance of Effort – The City certified to NVTA-TA that it met its Maintenance of Effort (MOE) provision of the average general fund expenditures spent in fiscal years 2007-08, 2008-09, and 2009-10 on local streets and roads maintenance and supporting infrastructure. The City must certify by January 31<sup>st</sup> each calendar year to NVTA-TA that it met its MOE expenditures the previous fiscal year.

**Result:** We obtained and reviewed the MOE that the City certified to NVTA-TA that it met its MOE provision of the average general fund expenditures spent in fiscal years 2007-08, 2008-09, and 2009-10. We obtained and reviewed the MOE that the City certified by January 31<sup>st</sup>.

- b) Five-Year Project List – NVTA will perform a call for projects every odd calendar year. The project list should be submitted no later than January 1<sup>st</sup> of every even year. Jurisdictions are to submit electronically a copy of their five-year list, a resolution from their governing board approving the five-year list and demonstrating that a public hearing was held.

**Result:** We obtained the five-year list of projects to be funded with Measure T revenues and noted the reports were certified prior to the March 1, 2018 and December 31, 2021 deadlines.

- c) Project Implementation and Reporting – Jurisdictions must submit a semi-annual update on projects and expenses by email to MeasureT@nvta.ca.gov no later than September 1st and March 1st of every year.

**Result:** We obtained the semi-annual update on projects and expenses and noted the updates were submitted prior to the September 30th and March 31st deadlines for the fiscal year ended June 30, 2022, and prior to the September 1st and March 1st deadline for the fiscal year ended June 30, 2023.

- d) Attribution and Signage – If the amount of Measure T funds on the project exceeds \$250,000, the project and project site must display Measure T funding signage.

**Result:** During the fiscal years ended June 30, 2023 and 2022, we verified that the City installed and maintained a sign at the construction site, utilizing the adopted Measure T logo and text, identifying the City and NVTA-TA.

- e) Establishment of Separate Accounting – Each agency must keep the funds segregated in a Special Revenue Fund specifically for Local Streets and Roads (LS&R).

**Result:** During the fiscal years ended June 30, 2023 and 2022, we verified that Measure T revenues were recorded in a separate Special Revenue Fund specifically for Local Streets and Roads and segregated in a Special Revenue Fund specifically for Local Streets and Roads. During the fiscal years ended June 30, 2023, and 2022, we verified that Measure T revenues were recorded in and segregated within a separate Special Revenue Fund specifically for Local Streets and Roads

- f) Recordkeeping – Every expenditure will have supporting documentation, including invoices and authorizations to ensure that all costs charged to the funds are eligible and in full compliance with the Master Funding Agreement.

**Result:** We selected a sample to confirm that costs charged to projects are supported by properly prepared and documented time records, invoices, vouchers, or other documentation evidencing expenses. We noted no exceptions during our review. Compliance and performance audit testing requirements were met for the fiscal years ended June 30, 2023 and 2022.

- g) Financial Reporting and Audits – by January 31st of the following year, each Agency will provide a copy of the Annual Comprehensive Financial Report (ACFR) and the State Controller's Street Report to NVTA.

**Result:** The ACFR for the fiscal years ended June 30, 2023 or 2022 were not submitted by January 31<sup>st</sup>. of the following year. We noted per discussion with the City that their annual audit was in progress at the time of the due date, thus, were unable to provide the ACFRs timely by January 31<sup>st</sup>. of the follow year. The City migrated from IFAS ERP to Tyler Munis ERP beginning fiscal year ended June 30, 2022. The delay in audit was caused by the implementation, post implementation work, and staffing/turnover in key positions. The street report was completed in time for both the fiscal years. The City's finance department is fully staffed and they plan on issuing the ACFR going forward prior to the January 31<sup>st</sup> deadline.

- h) 6.67% Equivalent Funds Requirement – In order for jurisdictions to receive Measure T revenues, jurisdictions collectively must demonstrate that at least 6.67% of the amount of Measure T revenues (henceforth referred to as “Equivalent Funds”) received each year is being committed to Class I facilities identified in the adopted Countywide Bicycle Plan/Active Transportation Plan, using funds not derived from the Measure T Ordinance. Each jurisdiction must certify the funds spent on 6.67% Equivalent Fund projects as reported on the Semi-Annual Progress Reports for the previous fiscal year. By January 31st each calendar year, each jurisdiction must submit to NVTA staff an electronic copy of a Resolution approved by the jurisdiction’s governing body stating that the funds spent on Class I Bike Facilities met the funding requirements as outlined by the ordinance. The copy of the Resolution should include supporting documentation showing funding sources.

**Result:** We reviewed that the City has committed revenues to meet the 6.67% Equivalent Fund for Class I bicycle facilities cumulative requirement.

- i) Project Close Out - Once a project reaches 100% completion, the jurisdiction must notify NVTA staff of the project completion status with an official Notice of Completion (NOC) and submit the NOC to [MeasureT@nvta.ca.gov](mailto:MeasureT@nvta.ca.gov).

**Result:** We reviewed that the City has committed revenues to meet the 6.67% Equivalent Fund for Class I bicycle facilities cumulative requirement.

In our opinion, except for the noncompliance described in g, the City complied, in all material respects, with the compliance and performance requirements referred to above that are applicable to the City for the fiscal years ended June 30, 2023 and 2022.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of compliance and performance requirements and the results of that testing, and not to provide an opinion on the effectiveness of the City’s compliance with the applicable bond act and state accounting requirements. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
May 14, 2024