



**NAPA VALLEY
TRANSPORTATION AUTHORITY**

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

**FOR THE YEARS ENDED
JUNE 30, 2024 AND 2023**

**NAPA VALLEY TRANSPORTATION AUTHORITY
JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members
of the Board of Directors
Napa Valley Transportation Authority
Napa, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Napa Valley Transportation Authority (NVTA) as of and for the years ended June 30, 2024 and 2023, and the related notes to the basic financial statements, which collectively comprise NVTA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of NVTA, as of June 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of NVTA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NVTA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NVTA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Schedule of Changes in the Net Other Postemployment Benefit (OPEB) Liability/(Asset) and Related Ratios, Schedule of Contributions – OPEB, Schedule of NVTA's Proportionate Share of the Net Pension Liability, and Schedule of Contributions – Pension, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise NVTA's basic financial statements. The accompanying Statements of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Fund – Transit Related by Operation are presented for purposes of additional analysis and are 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 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 Statements of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Fund – Transit Related by Operation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2024, on our consideration of NVTA'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 solely 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 effectiveness of NVTA's 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 the NVTA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
December 27, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NAPA VALLEY TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

This section of Napa Valley Transportation Authority's (NVTA) annual financial report presents our discussion and analysis of NVTA's financial performance during the years ended June 30, 2024 and 2023. It should be read in conjunction with the basic financial statements contained in the independent auditor's report.

NVTA serves as the countywide transportation planning agency for the incorporated and unincorporated areas within Napa County (the County) and is responsible for programming State and Federal funding for transportation projects within the County. NVTA is responsible for coordinating short and long term planning and funding within an intermodal policy framework including highways, streets and roads, transit and paratransit, and bicycle and pedestrian network improvements. NVTA also provides fixed route and on-demand transit services in the County including Napa Vine, American Canyon Transit, Calistoga Shuttle, Yountville Trolley, St. Helena Shuttle, and Vine Go paratransit services.

NVTA was established on September 3, 1991, as the County's congestion management agency, under a joint exercise of power. The joint powers agreement was updated in May 1998 to provide public transportation services in the County. The NVTA Board of Directors (the Board) adopted a name change from the Napa County Transportation and Planning Agency (NCTPA) to the new name at its February 17, 2016 meeting. NVTA is considered a primary government since it has a separate governing body, is legally separate, and is fiscally independent of other state and local governments. NVTA is not subject to income tax.

Financial Highlights

- At the close of the fiscal year 2023-2024, total assets and deferred outflows of resources of NVTA exceeded liabilities and deferred inflows of resources of NVTA by \$46,473,586. Of this amount, \$40,464,936 is the net investment in capital assets. The remaining \$6,008,650 represents unrestricted net position.
- At the close of the fiscal year 2022-2023, total assets and deferred outflows of resources of NVTA exceeded liabilities and deferred inflows of resources of NVTA by \$39,556,029. Of this amount, \$31,664,151 is the net investment in capital assets. The remaining \$7,891,878 represents unrestricted net position.
- As of June 30, 2024, NVTA's Governmental Activities reported an ending net position of \$2,047,091 or 13% of total governmental fund expenditures.
- As of June 30, 2023, NVTA's Governmental Activities reported an ending net position of \$2,897,191 or 31% of total governmental fund expenditures.
- Capital contributions in the form of grants from the Federal and State governments decreased from \$6,737,851 in fiscal year 2022-2023 to \$3,535,265 in fiscal year 2023-2024. Capital purchases for the year were for construction in progress expenses, zero emission buses, and transit related equipment.
- Capital contributions in the form of grants from the Federal and State governments increased from \$11,390,446 in fiscal year 2021-2022 to \$6,737,851 in fiscal year 2022-2023. Capital purchases for the year were for electric vehicle charging stations, zero emission buses, and transit related equipment.
- NVTA continues to improve operation performance, compliance, and accountability during fiscal year 2023-2024 by making investments in professional management, fiscal controls, and accounting.

Overview of the Basic Financial Statements

This annual report consists of three parts – management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of NVTA’s financial position and activity.

- The first two statements are *government-wide* financial statements that provide both *long-term* and *short-term* information about NVTA’s overall financial status.
- The remaining statements are *fund* financial statements that focus on individual parts of NVTA’s organization. These statements report NVTA’s financial position and activity. The annual report also includes notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that includes budgetary comparison information for NVTA’s governmental fund.

Government-Wide Financial Statements

The government-wide financial statements report information about NVTA as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of NVTA’s assets and liabilities, deferred outflows of resources and deferred inflows of resources, and long-term obligations. All of the current year’s revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide financial statements report NVTA’s net position and how it has changed. Net position – the difference between NVTA’s assets and liabilities – is one way to measure NVTA’s financial health, or position. Over time, increases or decreases in NVTA’s net position are indicators of whether its financial health is improving or deteriorating, respectively.

Fund Financial Statements

The fund financial statements provide a detailed short-term view and do not include information related to NVTA’s long-term liabilities. Additional information is provided on separate schedules that reconcile the differences between the government-wide financial statements and the fund financial statements.

A component unit is included in the basic financial statements and is a legally separate entity for which NVTA is financially accountable. If a component unit’s total debt is expected to be repaid entirely by NVTA, if the component unit provides services entirely to NVTA, or if the component unit has substantially the same governing board as NVTA and there is a financial benefit or burden relationship or NVTA management has operational responsibility for a component unit, then the component will be classified as a blended component unit. If a component unit does not meet any of the preceding requirements, it will be presented as a discrete component unit. NVTA – Tax Agency is reported as NVTA’s discretely presented component unit.

Financial Analysis of NVTA

Net Position

In the current fiscal year, the governmental activities net position decreased by \$850,100. The business-type activities net position increased \$7,767,657. The result is an overall increase in net position of \$6,917,557 or 17% in fiscal year 2023-2024 from fiscal year 2022-2023.

However, in the prior fiscal year, the governmental activities net position increased by \$488,364. The business-type activities net position increased \$5,063,000. The result is an overall increase in net position of \$5,551,364 or 14% in fiscal year 2022-2023 from fiscal year 2021-2022.

The following schedule is a summary of NVTA's Statement of Net Position.

	As of June 30, 2024			As of June 30, 2023			As of June 30, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 8,433,328	\$ 37,175,076	\$ 45,608,404	\$ 10,632,392	\$ 11,525,213	\$ 22,157,605	\$ 8,753,888	\$ 11,925,277	\$ 20,679,165
Capital assets	-	58,614,635	58,614,635	-	50,863,851	50,863,851	-	31,633,675	31,633,675
Total assets	8,433,328	95,789,711	104,223,039	10,632,392	62,389,064	73,021,456	8,753,888	43,558,952	52,312,840
Deferred outflows of resources	993,750	-	993,750	962,351	-	962,351	573,293	-	573,293
Current and other liabilities	5,784,398	33,213,517	38,997,915	7,278,883	7,530,526	14,809,409	5,981,466	7,930,589	13,912,055
Noncurrent liabilities	1,526,871	18,149,699	19,676,570	1,332,334	18,199,700	19,532,034	553,316	4,032,525	4,585,841
Total liabilities	7,311,269	51,363,216	58,674,485	8,611,217	25,730,226	34,341,443	6,534,782	11,963,114	18,497,896
Deferred inflows of resources	68,718	-	68,718	86,335	-	86,335	383,572	-	383,572
Net position:									
Net investment in capital assets	-	40,464,936	40,464,936	-	31,664,151	31,664,151	-	27,601,150	27,601,150
Unrestricted net position	2,047,091	3,961,559	6,008,650	2,897,191	4,994,687	7,891,878	2,408,827	3,994,688	6,403,515
Total net position	\$ 2,047,091	\$ 44,426,495	\$ 46,473,586	\$ 2,897,191	\$ 36,658,838	\$ 39,556,029	\$ 2,408,827	\$ 31,595,838	\$ 34,004,665

Changes in Net Position

A summary of NVTA's Statement of Activities recapping NVTA's revenues earned during the years ended June 30, 2024, 2023, and 2022, and the expenses incurred is as follows:

	As of June 30, 2024			As of June 30, 2023			As of June 30, 2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:									
Program revenues:									
Fees, fines, and charges for services	\$ -	\$ 979,220	\$ 979,220	\$ -	\$ 871,140	\$ 871,140	\$ -	\$ 580,477	\$ 580,477
Operating grants and contributions	14,744,124	20,780,543	35,524,667	9,873,416	13,490,586	23,364,002	5,960,968	14,065,603	20,026,571
Capital grants and contributions	-	3,535,265	3,535,265	-	6,737,851	6,737,851	-	11,390,446	11,390,446
General revenues:									
Unrestricted interest and investment earnings	157,470	808,270	965,740	76,969	82,540	159,509	35,995	23,256	59,251
Loss from disposal of property	-	11,317	11,317	-	-	-	-	(2,062,247)	(2,062,247)
Miscellaneous	-	-	-	-	-	-	-	197,426	197,426
Total revenues	14,901,594	26,114,615	41,016,209	9,950,385	21,182,117	31,132,502	5,996,963	24,194,961	30,191,924
Expenses:									
Transportation planning	15,751,694	-	15,751,694	9,462,021	-	9,462,021	5,537,688	-	5,537,688
Transit	-	18,346,958	18,346,958	-	16,119,117	16,119,117	-	13,947,378	13,947,378
Total expenses	15,751,694	18,346,958	34,098,652	9,462,021	16,119,117	25,581,138	5,537,688	13,947,378	19,485,066
Change in net position	(850,100)	7,767,657	6,917,557	488,364	5,063,000	5,551,364	459,275	10,247,583	10,706,858
Net position, beginning	2,897,191	36,658,838	39,556,029	2,408,827	31,595,838	34,004,665	1,949,552	21,348,255	23,297,807
Net position, ending	\$ 2,047,091	\$ 44,426,495	\$ 46,473,586	\$ 2,897,191	\$ 36,658,838	\$ 39,556,029	\$ 2,408,827	\$ 31,595,838	\$ 34,004,665

Governmental Activities

NVTA's governmental activities financial reports capture the financial information for NVTA's administration, transportation planning, coordinating of transportation, and land use in the region and programming of regional funding activities.

Governmental activities expenses increased from \$9,462,021 in fiscal year 2022-2023 to \$15,751,694 in fiscal year 2023-2024. Governmental activities expenses increased from \$5,537,688 in fiscal year 2021-2022 to \$9,462,021 in fiscal year 2022-2023.

Governmental activities are supported by a variety of funding sources which include:

- Federal Highway Administration (FHWA) Funds
- Federal Transit Administration (FTA) Funds
- State Programming, Planning, and Monitoring (PPM) Funds
- Transportation Development Act (TDA) Funds
- One Bay Area Grant (OBAG) Funds
- Local Support from Member Agencies
- Various Special and One-Time Grants

Congestion Management Agency (CMA)

The CMA is dedicated to addressing the County's most urgent transportation needs by:

- Pursuing funding for highway and safety improvements;
- Providing equitable and accessible mobility choices for seniors, low income and minority populations, and people with disabilities;
- Expanding travel options for commuters;
- Supporting local projects such as road safety and maintenance, transit facilities and Safe Routes to School (SRTS) initiatives.

NVTA has continued advancing transformative projects that significantly enhance the region's transportation infrastructure. Earlier this year, NVTA celebrated the completion of the Vine Bus Maintenance Facility, which began operations on March 16, 2024, marking a major milestone in its commitment to providing efficient, reliable transit.

Two of the standout projects making remarkable progress are the Soscol Junction Improvement Project, which is on track for substantial completion by the end of November, and the Napa Valley Vine Trail's St. Helena to Calistoga segment. These visionary projects, conceived decades ago, are now approaching their final stages of fruition, promising to deliver lasting benefits to both residents and commuters, transforming the region's transportation landscape.

In May 2023, California Governor Gavin Newsom released the revised 2023-24 state budget, highlighting a projected shortfall of \$31.5 billion, which swelled to \$46.8 billion by the end of the fiscal year. To address this gap, the administration implemented a range of measures, including spending reductions, trigger cuts, and the delay or deferral of previously authorized expenditures, along with internal borrowing and fund reallocations. These deferrals affected NVTA, as SB125 funds intended to protect transit operations from the impending fiscal cliff were allocated to the agency but won't be available until the following year. Fortunately, other state funding sources for transit operations were disbursed as expected, allowing essential services to continue without disruption.

Advocates and transit champions in the state legislature successfully secured \$5.1 billion in transit funding in Governor Newsom's 2023-24 budget, with NVTA particularly pleased by the allocation of \$400 million for transit operations. This operational funding is crucial, enabling agencies to provide frequent, reliable service, making public transit a viable and attractive option for riders. Additionally, increased operational funding will help agencies attract and retain a strong, well-compensated workforce, essential to maintaining high-quality transit services.

NVTA, in partnership with local governments and the Metropolitan Transportation Commission, remains dedicated to addressing climate change and reducing greenhouse gas emissions. The agency currently operates seven zero-emission electric vehicles in the Vine Transit fleet, with fourteen more scheduled for delivery in summer 2025. In an ambitious effort, NVTA aims to accelerate its transition to a fully electric fleet ahead of the California Air Resources Board's Innovative Clean Transit mandate, further solidifying its leadership in sustainable transportation.

In planning and capital development, NVTA has achieved several key milestones across a range of active projects over the past year, marking significant progress in the agency's mission to modernize Napa Valley's transportation infrastructure.

Soscol Junction

Napa County's most significant transportation project in a generation, the Soscol Junction Interchange Project, is making rapid progress. Before this project, morning commuters faced delays of up to 225 hours annually, while evening commuters experienced as much as 630 hours of delays each year.

The long-anticipated Soscol Junction project marks the culmination of decades of planning, dating back to California's 1970s vision to relocate Highway 29 and establish an interchange at this vital location. A newly opened overpass for traffic on Highway 29, at the intersection of Highways 29 and 221 with Soscol Ferry Road, is designed to alleviate congestion at this critical gateway to Napa. With an average daily traffic flow of 69,000 vehicles on Highway 29, Soscol Junction serves as the primary entry point to Napa Valley wine country and the City of Napa.

This \$56.7 million project is engineered to significantly ease traffic congestion where Highway 29, Highway 221, and Soscol Ferry Road converge. Central to the project are two roundabouts located under SR-29, facilitating uninterrupted north-south vehicle flow. One roundabout will be positioned on SR-221 north of SR-29, and the other on Soscol Ferry Road south of SR-29, allowing smooth turning movements on and off the highways. By removing the signalized intersection, the project will reduce rush-hour delays from several minutes to mere seconds, with SR-29 elevated for free-flowing traffic. Beyond traffic relief, the project includes a 1,200-foot bicycle and pedestrian path designed to connect with the Napa Valley Vine Trail, enhancing mobility options for the community.

Sponsored by the California Department of Transportation (Caltrans), the Federal Highway Administration (FHWA), and NVTA—acting as the project's implementing agency—the Soscol Junction project received \$25 million from the California Transportation Commission's Solutions for Congested Corridors Program (SCCP) in December 2020. The construction contract was awarded in April 2022, followed by a groundbreaking ceremony in June 2022. The project is on track for substantial completion this fall.

Napa Valley Vine Trail-St. Helena to Calistoga

The Napa Valley Vine Trail is an ambitious and visionary multi-use path designed to seamlessly connect the City of Calistoga to the Vallejo Ferry terminal in Solano County, creating a continuous 47-mile route. When fully realized, this paved trail will serve as a vital transportation corridor for residents and visitors alike, incorporating existing pathways in Calistoga, Napa, American Canyon, St. Helena, the Town of Yountville, unincorporated portions in Napa County along Highway 29, and down south into the city of Vallejo. The Vine Trail represents a unique collaboration, requiring cooperation among several separate public agencies to cross land they each control.

The St. Helena to Calistoga segment is an 8.2 mile section, designed for commuting, recreation, and low-impact visitor activities. Although the project broke ground in July 2022, it has faced significant delays due to a concurrent utility replacement work and unforeseen underground utility conflicts. Most of the construction work was performed during the fiscal year with the ribbon-cutting and official opening of the trail in August 2024.

Despite facing setbacks due to an unusually wet winter, construction on the segment surged ahead in the spring of 2024. The project encountered a range of challenges, including the discovery of Native American artifacts and complications with gas and electric line relocations, nevertheless, considerable progress was made by the end of the fiscal year. The project budget has increased to account for these unexpected costs.

The original construction budget in 2022 was \$12.6 million plus a \$617,000 contingency. However, due to a series of unforeseen circumstances and delays from the electrical utility's gas line relocation work, the total cost for the project was closer to \$16.5 million.

In June 2020, NVTA and the electrical utility entered a Memorandum of Understanding that committed the utility to working with NVTA to coordinate and co-locate a new gas transmission line within the Vine Trail St Helena to Calistoga project alignment. By October 2021, the utility committed to replacing its existing gas transmission line and installing a new distribution system. The agreement stated that if the utility project was not complete by May 2022, NVTA would start work on the Vine Trail project.

The utility did not complete their project by May 2022, and NVTA broke ground on the Vine Trail project in July 2022, when approximately half of the project site was inaccessible for Vine Trail construction activities due to the utility's project. The utility did not complete their gas replacement project until August 2023, approximately 13 months after NVTA started their project. During this time, NVTA's contractor could not perform work in the utility's project area which resulted in a delay to project completion and the contractor submitting an initial claim in the amount of \$1.1M seeking reimbursement for time related overhead costs from the delay. The claim was posted as a legal expense in the general fund and will be paid in November 2024.

The Napa Valley Transportation Authority intends to submit a claim to the utility in October 2024 for reimbursement for costs associated with delays and additional work on the St. Helena to Calistoga segment. These costs stem from the utility's delayed completion of a gas replacement project along State Route 29 and additional work required to address unforeseen conflicts with existing infrastructure. These issues have substantially impacted the project schedule and NVTA incurred significant costs as a result. NVTA is seeking reimbursement for these combined costs, which total approximately \$2,955,000. If successful, the money would reimburse NVTA, the County, St. Helena, Calistoga and the Vine Trail Coalition. However, the outcome of any settlement is expected to take months of negotiations between the utility and NVTA in which the outcome remains uncertain.

While the northern segment nears completion, significant progress on construction of the City of Vallejo portion of the trail is expected to be materially completed next fall. This five-mile segment will extend north from the Ferry Terminal, running beneath the Vallejo-Mare Island Bridge, connecting with the existing San Francisco Bay Trail along Highway 37, and crossing Highway 29 to reach American Canyon's Veterans Memorial Park.

One of the most significant gaps in the Vine Trail—the 10-mile stretch from Yountville to St. Helena—is poised for pre-construction work in 2024. Napa County has secured \$4 million in federal funds to support this phase, and the County will oversee construction on the remaining segments of the trail.

Once complete, the Vine Trail is expected to be a game-changer for the region. It will not only support Napa Valley's thriving wine tourism industry but also offer a safe, eco-friendly transportation alternative for locals, reducing traffic congestion and promoting healthier lifestyles. The trail will also serve as a scenic route for cyclists, pedestrians, and outdoor enthusiasts alike, enhancing the overall quality of life in the region.

The entire Vine Trail is projected to be completed by 2028, with the final major portion—the Yountville to St. Helena section—tying together the up valley and southern segments. This long-awaited pathway promises to be a transformative addition to Napa Valley's transportation and recreational infrastructure, blending the region's rich natural beauty with sustainable, forward-thinking development.

Business-Type Activities

NVTA's business-type activities encompass the financial reports for public transit services provided by NVTA including the Vine (fixed route transit), Vine Go (complimentary Americans with Disabilities Act (ADA) required paratransit service), American Canyon Transit (dial-a-ride transit), the Yountville Trolley (dial-a-ride transit), the St. Helena Shuttle (dial-a-ride transit), the Calistoga Shuttle (dial-a-ride transit), and a Taxi Scrip program. Each of the community shuttles are dial-a-ride transit services.

Business-type activity expenses increased from \$16,119,117 in fiscal year 2022-2023 to \$18,346,958 in fiscal year 2023-2024 which is an overall increase of 14%. The increase is accounted for by the cost increases related to amending the purchase transportation contract, increase in fuel costs, and increase in depreciation cost by adding new equipment and the Vine Bus Maintenance Facility as a fixed asset.

Business-type activity expenses increased from \$13,947,378 in fiscal year 2021-2022 to \$16,119,117 in fiscal year 2022-2023 which is an overall increase of 16%. The increase is accounted for by the execution of a new purchase transportation contract and the restoration of some services that were reduced due a lack of demand from the COVID-19 pandemic.

Transit operating expenses are supported by a variety of funding sources which include:

- Transportation Development Act (TDA) funds
- Federal Transit Administration (FTA) funds
- Fare revenues collected
- Regional Measure 2 (RM2) funds
- Various grants and contributions

Any TDA operating revenue received which is not spent on transit operations is returned to the LTF trust fund for future allocations as described in the Governmental Activities section.

Vine Transit System

Vine Transit bus ridership continues to make a slow but steady comeback. As with many other transit agencies across the country, Vine Transit is still in recovery mode from the lingering effects of the pandemic, which disrupted ridership and fare revenues.

Recently, NVTA has made system adjustments to accommodate rider changes as part of the post-pandemic “new normal” by prioritizing high-quality, sustainable service delivery. Working with the Metropolitan Transportation Commission, the “Survive and Thrive: Roadmap to a Sustainable Business Model for Bay Area Public Transit” outlines the actions and investments needed to help agencies across the Bay Area navigate fiscal challenges, respond to post-pandemic realities, grow ridership, and achieve a financially sustainable model over the next decade. As part of that effort, NVTA homed in on schedule changes that improve connectivity with other systems.

A significant challenge for Vine Transit is the influence of external factors on ridership—such as economic conditions, congestion in the valley, land use patterns, fuel costs, homelessness, and evolving remote work policies. This has forced NVTA’s transit planners to adapt service planning to accommodate a shifting business landscape. Total ridership increased by 7% year-over-year, reaching 523,759 riders compared to 487,995 in the previous year. That’s a little more than half the Vine ridership level prior to the pandemic. A survey from the Metropolitan Transportation Commission (MTC) asked what Vine changes would increase transit use. Fifty-three percent said more frequent service, 29% said more reliable service, and 28% said expanded operating hours. Without new resources, NVTA has had to rely on system efficiencies to address service changes.

Depressed ridership coupled with increased operating costs has given rise to the transit fiscal cliff—a looming operating budget deficit anticipated by transit agencies nationwide as federal and state relief expires. Although the Vine is not heavily reliant on passenger fares to pay for its operations, the lack of farebox revenues has compelled NVTA to limit the full return to a fixed route schedule.

The State of California acted in 2023 to address their transit systems’ fiscal cliffs and buy some time until a long-term fix can be found, but the state’s plan leaves systemic funding challenges unmet. The plan relied on temporarily flexing capital dollars for operations, which diverts funding from state of good repair needs. It also includes \$1.1 billion in cap-and-trade revenue that can be used for both operations and capital expenses. Vine Transit will use the funding to preserve operations while a permanent, sustainable fix can be implemented. Plans for a new regional transportation measure have been in the works since 2022. A successful regional transportation measure will need support from Bay Area legislators, the governor, transit agencies, MTC, labor unions, and advocates. NVTA expects a bill to reintroduce authorizing legislation will materialize in 2025, with MTC convening a stakeholder process to build regional consensus around the next version of the measure.

Vine Transit services experienced gains in ridership from the previous year, but ridership on the St. Helena Shuttle was slightly negative. Year-over-year passenger counts on the Vine increased by 7%, Vine Go by 20%; Calistoga by 9%; Yountville by 25%, and American Canyon by 10%, but St. Helena was down by 10%.

NVTA and Vine Transit are dedicated to enhancing the Vine Transit experience and making it more attractive and accessible for riders. In response to shifting travel patterns due to the pandemic, the Vine has made strategic adjustments to better meet current demands while optimizing operating resources. Additionally, the Vine has prioritized equity-focused service improvements, increasing frequency on high-demand routes that support low-income essential workers who rely on transit to access jobs that cannot be performed remotely.

As more Napa County residents travel within the county rather than outside it, providing fast, reliable local transit options has become essential. This transformation toward a more responsive, rider-centered system is a long-term commitment for NVTA and the Vine, requiring phased adjustments over the coming years. However, many foundational changes are already underway, setting the stage for a more efficient and equitable transit experience across Napa County.

Vine Bus Maintenance Facility

Nestled on 8 acres on Sheehy Court in Napa, the Vine Transit Maintenance Facility became fully operational on March 16, 2024. The infrastructure project provides a state-of-the-art workplace for more than 100 Vine Transit employees, a backup emergency operations center for the region and support Vine Transit as it expands its zero-emission fleet.

The facility includes six modern maintenance bays, all of which are equipped for hydrogen fuel vehicles in anticipation a sustainable fuel source becomes available in Napa Valley. It provides the capacity for electric bus chargers, which will allow Vine Transit to better service and expand the number of zero-emission vehicles in its fleet. Other highlights include a bus wash designed for both buses and shuttles; a regional meeting center; and enhanced workspaces with multiple kitchens and a wellness and lactation room. In the next year, a photovoltaic system will be installed on rooftops and canopies throughout the facility generating enough electricity to be carbon neutral.

The total project cost was \$40 million. The project was one of only three in the country to receive a loan from the federal Transportation Infrastructure Finance and Innovation Act Rural Project Initiative. State funding for the project included SB 1, FTA grants, and Transportation Development Act contributions.

BUDGETARY HIGHLIGHTS

NVTA adopts a biannual operating budget that includes proposed expenditures and the means of financing them. NVTA's budget is adopted by the Board before June 30th of each even-numbered fiscal year. Subsequent increases to the original budget must be approved by the Board. Page 59 provides a budget to actual comparison of the Governmental Fund.

For NVTA's Governmental Fund for the year ended June 30, 2024, the budget for revenues was \$26,695,300 and for expenditures was \$26,695,300. For NVTA's Governmental Fund for the year ended June 30, 2023, the budget for revenues was \$29,512,100 and for expenditures was \$29,523,100. When comparing actual expenditures and revenue to the final budget for both fiscal years, NVTA was within budget.

CAPITAL ASSETS

The governmental activities financial statements include capital assets of \$0 for fiscal years 2023-2024 and 2022-2023. Capital assets in total are composed of office furniture located at NVTA's administrative offices at the Soscol Gateway Transit Center.

The business-type activities financial statements include capital assets of \$58,614,635 and \$50,863,851 in fiscal years 2023-2024 and 2022-2023, respectively. Capital assets in total are predominantly made up of buses and other transit related equipment as well as the Soscol Gateway Transit Center facility and construction in progress for the new Vine Bus Maintenance Facility and Imola Park and Ride projects.

Major additions during the year included purchases of transit related equipment and the bus maintenance facility in fiscal year 2023-2024. Major additions during the year included purchases of transit related equipment in fiscal year 2022-2023.

For additional information on NVTA's capital assets and capital asset activity, please refer to Note 4 in the notes to the basic financial statements.

DEBT ADMINISTRATION

As of June 30, 2024, NVTA had debt of \$18,149,699 and recorded long-term obligations for compensated absences in the amount of \$199,186. As of June 30, 2023, NVTA had debt of \$19,199,700 and recorded long-term obligations for compensated absences in the amount of \$189,435. For additional information on NVTA's debt activity, please refer to Note 5 in the notes to the basic financial statements.

CONTACTING NVTA

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of NVTA's finances and to demonstrate NVTA's accountability for the money it receives. For questions about this report or any additional information needed, contact NVTA's administrative office at 625 Burnell Street, Napa, California 94559-3420.

A separately issued financial report for NVTA's discretely presented component unit, NVTA – Tax Agency, can be obtained by contacting NVTA's administrative office at 625 Burnell Street, Napa, California 94559-3420.

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Discrete Component Unit
	Governmental Activities	Business-Type Activities	Totals	NVTA - Tax Agency
<u>ASSETS</u>				
Cash and Investments	\$ 6,137,200	\$ 31,585,818	\$ 37,723,018	\$ 3,913,001
Imprest Cash	500	-	500	-
Investments	-	1,261,471	1,261,471	-
Due from Other Government Agencies	2,228,724	4,026,315	6,255,039	-
Intergovernmental Receivables	-	-	-	4,616,767
Prepaid Expenses	66,904	127,739	194,643	-
Inventory	-	173,733	173,733	-
Capital Assets, Net of Accumulated Depreciation	-	58,614,635	58,614,635	-
Total Assets	<u>8,433,328</u>	<u>95,789,711</u>	<u>104,223,039</u>	<u>8,529,768</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
OPEB	295,474	-	295,474	-
Pension Adjustments	698,276	-	698,276	-
Total Deferred Outflows of Resources	<u>993,750</u>	<u>-</u>	<u>993,750</u>	<u>-</u>
<u>LIABILITIES</u>				
Accounts Payable	2,238,831	4,426,222	6,665,053	8,028,267
Accrued Salaries	59,558	-	59,558	-
Other Accrued Liabilities	1,100,000	-	1,100,000	-
Unearned Revenue	2,386,009	26,951,516	29,337,525	-
Unearned Revenue - State of Good Repair	-	18,993	18,993	-
Due to Other Government Agencies	-	1,816,786	1,816,786	-
Loan Payable - Current	-	-	-	-
Net Pension Liability	1,233,298	-	1,233,298	-
Net Other Postemployment Benefits (OPEB) Liability	94,387	-	94,387	-
Compensated Absences	199,186	-	199,186	-
Loan Payable - Non-current	-	18,149,699	18,149,699	-
Total Liabilities	<u>7,311,269</u>	<u>51,363,216</u>	<u>58,674,485</u>	<u>8,028,267</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
OPEB	49,429	-	49,429	-
Pension Adjustments	19,289	-	19,289	-
Total Deferred Inflows of Resources	<u>68,718</u>	<u>-</u>	<u>68,718</u>	<u>-</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	-	40,464,936	40,464,936	-
Unrestricted	2,047,091	3,961,559	6,008,650	501,501
Total Net Position	<u>\$ 2,047,091</u>	<u>\$ 44,426,495</u>	<u>\$ 46,473,586</u>	<u>\$ 501,501</u>

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Primary Government			Discrete Component Unit
	Governmental Activities	Business-Type Activities	Totals	NVTA - Tax Agency
<u>ASSETS</u>				
Cash and Investments in County Treasury	\$ 8,552,763	\$ 3,806,316	\$ 12,359,079	\$ 4,071,770
Imprest Cash	500	-	500	-
Investments	-	862,220	862,220	-
Due from Other Government Agencies	2,008,532	6,608,864	8,617,396	-
Intergovernmental Receivables	-	-	-	4,565,042
Prepaid Expenses	70,597	50,329	120,926	-
Inventory	-	197,484	197,484	-
Capital Assets, Net of Accumulated Depreciation	-	50,863,851	50,863,851	-
Total Assets	<u>10,632,392</u>	<u>62,389,064</u>	<u>73,021,456</u>	<u>8,636,812</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
OPEB	306,235	-	306,235	-
Pension Adjustments	656,116	-	656,116	-
Total Deferred Outflows of Resources	<u>962,351</u>	<u>-</u>	<u>962,351</u>	<u>-</u>
<u>LIABILITIES</u>				
Accounts Payable	827,511	2,078,460	2,905,971	8,046,204
Accrued Salaries	61,071	-	61,071	-
Unearned Revenue	6,390,301	917,435	7,307,736	-
Due to Other Government Agencies	-	3,534,631	3,534,631	-
Loan Payable - Current	-	1,000,000	1,000,000	-
Net Pension Liability	1,052,652	-	1,052,652	-
Net Other Postemployment Benefits (OPEB) Liability	90,247	-	90,247	-
Compensated Absences	189,435	-	189,435	-
Loan Payable - Non-current	-	18,199,700	18,199,700	-
Total Liabilities	<u>8,611,217</u>	<u>25,730,226</u>	<u>34,341,443</u>	<u>8,046,204</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
OPEB	57,064	-	57,064	-
Pension Adjustments	29,271	-	29,271	-
Total Deferred Inflows of Resources	<u>86,335</u>	<u>-</u>	<u>86,335</u>	<u>-</u>
<u>NET POSITION</u>				
Net Investment in Capital Assets	-	31,664,151	31,664,151	-
Unrestricted	2,897,191	4,994,687	7,891,878	590,608
Total Net Position	<u>\$ 2,897,191</u>	<u>\$ 36,658,838</u>	<u>\$ 39,556,029</u>	<u>\$ 590,608</u>

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Discrete Component Unit
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		NVTA - Tax Agency	
					Governmental Activities	Business-Type Activities		Total
Primary Government:								
Governmental Activities:								
Transportation Planning	\$ 15,751,694	\$ -	\$ 14,744,124	\$ -	\$ (1,007,570)	\$ -	\$ (1,007,570)	\$ -
Business-Type Activities:								
Transit	18,346,958	979,220	20,780,543	3,535,265	-	6,948,070	6,948,070	-
Total Primary Government	<u>\$ 34,098,652</u>	<u>\$ 979,220</u>	<u>\$ 35,524,667</u>	<u>\$ 3,535,265</u>	<u>(1,007,570)</u>	<u>6,948,070</u>	<u>5,940,500</u>	<u>-</u>
Discrete Component Unit:								
NVTA - Tax Agency	<u>\$ 25,326,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,326,682)</u>
		General Revenues						
		Taxes			-	-	-	25,146,976
		Unrestricted Interest and Investment Earnings			157,470	808,270	965,740	90,599
		Loss from Disposal of Property			-	11,317	11,317	-
		Total General Revenues			157,470	819,587	977,057	25,237,575
		Change in Net Position			(850,100)	7,767,657	6,917,557	(89,107)
		Net Position July 1, 2023			2,897,191	36,658,838	39,556,029	590,608
		Net Position June 30, 2024			<u>\$ 2,047,091</u>	<u>\$ 44,426,495</u>	<u>\$ 46,473,586</u>	<u>\$ 501,501</u>

The accompanying notes are an integral part of these basic financial statements.

**BASIC FINANCIAL STATEMENTS –
FUND FINANCIAL STATEMENTS**

**NAPA VALLEY TRANSPORTATION AUTHORITY
BALANCE SHEETS
GOVERNMENTAL FUND – PLANNING FUND
JUNE 30, 2024 AND 2023**

	2024	2023
<u>ASSETS</u>		
Current Assets		
Cash and Investments	\$ 6,137,200	\$ 8,552,763
Imprest Cash	500	500
Grants Receivable	2,228,724	2,008,532
Prepaid Expenses	66,904	70,597
Total Current Assets	8,433,328	10,632,392
Total Assets	\$ 8,433,328	\$ 10,632,392
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	\$ 2,238,831	\$ 827,511
Accrued Salaries and Benefits	59,558	61,071
Other Accrued Liabilities	1,100,000	-
Unearned Revenue	2,386,009	6,390,301
Total Current Liabilities	5,784,398	7,278,883
Total Liabilities	5,784,398	7,278,883
<u>FUND BALANCE</u>		
Nonspendable	66,904	70,597
Restricted	485,414	-
Unassigned	2,096,612	3,282,912
Total Fund Balance	2,648,930	3,353,509
Total Liabilities and Fund Balance	\$ 8,433,328	\$ 10,632,392

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
RECONCILIATION OF THE PLANNING FUND
BALANCE SHEETS TO THE STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023**

	2024	2023
Total Fund Balance - Governmental Fund	\$ 2,648,930	\$ 3,353,509
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p> <p>Long-term assets and liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund.</p>		
Compensated absences	(199,186)	(189,435)
Net pension liability	(1,233,298)	(1,052,652)
Net OPEB	(94,387)	(90,247)
<p>Deferred outflows of resources are not current assets or financial resources and deferred inflows of resources are not due and payable in the current period and, therefore, not reported in the governmental fund.</p>		
Deferred outflows of resources - Pension	698,276	656,116
Deferred outflows of resources - OPEB	295,474	306,235
Deferred inflows of resources - Pension	(19,289)	(29,271)
Deferred inflows of resources - OPEB	(49,429)	(57,064)
Total Net Position - Governmental Activities	<u>\$ 2,047,091</u>	<u>\$ 2,897,191</u>

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUND – PLANNING FUND
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<u>REVENUES</u>		
Local Transportation Fund Allocation	\$ 3,035,500	\$ 3,362,200
Federal Highway Allocations	1,731,268	3,322,667
State Grants	7,868,739	689,156
Other Grants	1,806,463	1,563,063
Interest	157,470	76,969
Other Revenues	302,154	936,330
Total Revenues	14,901,594	9,950,385
<u>EXPENDITURES</u>		
Communications	37,636	33,791
Insurance	46,239	63,778
Office Expense	25,310	128,538
Rents and Leases	10,169	6,807
Transportation	11,178	10,317
Salaries and Benefits	2,124,040	2,189,959
Miscellaneous Expense	348,027	352,301
Professional Services	13,003,574	6,510,513
Total Expenditures	15,606,173	9,296,004
Net Change in Fund Balance	(704,579)	654,381
Fund Balance, Beginning of Year	3,353,509	2,699,128
Fund Balance, End of Year	\$ 2,648,930	\$ 3,353,509

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE PLANNING FUND
TO THE GOVERNMENT-WIDE STATEMENTS OF ACTIVITIES –
GOVERNMENTAL ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
Net Change in Fund Balance - Governmental Fund	\$ (704,579)	\$ 654,381
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund.</p> <p style="padding-left: 40px;">Pension expense - GASB Statement No. 68 (128,504) (158,944) OPEB expense - GASB Statement No. 75 (7,266) (11,402)</p> <p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.</p> <p style="padding-left: 40px;">This change reflects an increase in compensated absences that occurred during the year.</p>		
	(9,751)	4,329
Total Change in Net Position - Governmental Activities	\$ (850,100)	\$ 488,364

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENTS OF FUND NET POSITION
TRANSIT FUND
JUNE 30, 2024 AND 2023**

	2024	2023
<u>ASSETS</u>		
Current Assets		
Cash and Investments	\$ 31,585,818	\$ 3,806,316
Investments	1,261,471	862,220
Grants Receivable	4,026,315	6,608,864
Prepaid Expenses	127,739	50,329
Inventory	173,733	197,484
Total Current Assets	37,175,076	11,525,213
Noncurrent Assets		
Land	5,535,633	5,535,633
Construction in Progress	397,167	28,402,658
Capital Assets, Net of Accumulated Depreciation	52,681,835	16,925,560
Total Noncurrent Assets	58,614,635	50,863,851
Total Assets	\$ 95,789,711	\$ 62,389,064
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	\$ 4,426,222	\$ 2,078,460
Unearned Revenue	26,951,516	917,435
Unearned Revenue - State of Good Repair	18,993	-
Due to Other Government Agencies	1,816,786	3,534,631
Loan Payable	-	1,000,000
Total Current Liabilities	33,213,517	7,530,526
Noncurrent Liabilities		
Loan Payable	18,149,699	18,199,700
Total Noncurrent Liabilities	18,149,699	18,199,700
Total Liabilities	51,363,216	25,730,226
<u>NET POSITION</u>		
Net Investment in Capital Assets	40,464,936	31,664,151
Unrestricted	3,961,559	4,994,687
Total Net Position	44,426,495	36,658,838
Total Liabilities and Net Position	\$ 95,789,711	\$ 62,389,064

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
TRANSIT FUND
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
<u>OPERATING REVENUES</u>		
Farebox Revenues	\$ 979,220	\$ 871,140
Total Operating Revenues	979,220	871,140
<u>OPERATING EXPENSES</u>		
Marketing	81,999	15,102
Vehicle Maintenance	46,696	546,238
Other Maintenance	30,542	12,724
Fuel and Lubricants	1,630,814	1,477,580
Insurance	359,268	306,427
Planning and Administration	-	-
Security	29,190	27,331
Services	335,719	401,216
Supplies	71,811	47,798
Purchased Transportation	11,471,284	10,459,907
Rents and Leases	-	-
Utilities	70,624	25,630
Miscellaneous Expense	232,983	139,514
Depreciation	3,307,608	2,217,323
Personnel Costs	678,420	442,327
Total Operating Expenses	18,346,958	16,119,117
Operating Loss	(17,367,738)	(15,247,977)
<u>NONOPERATING REVENUE, NET</u>		
Local Transportation Fund	6,959,223	7,884,757
Less: Returned Local Transportation Fund Allocations	(1,816,786)	(3,534,631)
State Transit Assistance	3,454,748	1,311,344
Federal Transit Assistance Grant Revenues - Operating	5,535,971	5,593,899
Other Operating Grants	6,647,387	2,235,217
Interest Income	808,270	82,540
Other Revenues	-	-
Loss from Disposal of Property	11,317	-
Total Nonoperating Revenue, Net	21,600,130	13,573,126
CHANGE IN NET POSITION BEFORE CONTRIBUTIONS	4,232,392	(1,674,851)
Capital Contributions		
Federal Transit Assistance	777,200	2,659,955
State Transit Assistance	-	300,776
Local Transportation Fund	2,758,065	3,777,120
Total Capital Contributions	3,535,265	6,737,851
Change in Net Position	7,767,657	5,063,000
Net Position, Beginning of Year	36,658,838	31,595,838
Net Position, End of Year	\$ 44,426,495	\$ 36,658,838

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENTS OF CASH FLOWS
TRANSIT FUND
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Passengers	\$ 979,220	\$ 871,140
Cash Payments for General and Administrative Expenses	(1,484,596)	(1,192,403)
Cash Payments to Suppliers for Operations	(11,260,651)	(16,363,125)
	(11,766,027)	(16,684,388)
Net Cash Used in Operating Activities	(11,766,027)	(16,684,388)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Local Transportation Fund	29,383,283	7,952,124
Federal Operating Grants	8,346,072	6,082,015
State Transit Assistance	3,321,579	4,851,359
State of Good Repair	-	-
Other Operating Grants	6,647,387	2,235,217
	47,698,321	21,120,715
Net Cash Provided by Noncapital Financing Activities	47,698,321	21,120,715
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds From Sale of Property and Equipment	11,317	-
Capital Contributions	3,535,265	6,737,851
Payments for the Acquisition of Capital Assets	(11,075,265)	(21,447,499)
Gain on Sale of Property and Equipment	16,873	-
Proceeds from Line of Credit	-	15,167,175
	(7,215,810)	15,167,175
Net Cash Provided by (Used in) Capital and Related Financing Activities	(7,215,810)	15,167,175
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investments	(399,251)	(396,119)
Interest Received	808,270	82,540
	409,019	(313,579)
Net Cash Provided by (Used in) Investing Activities	409,019	(313,579)
Net Increase in Cash and Investments	27,779,502	4,580,275
Cash and Investments at Beginning of Year	3,806,316	(773,959)
Cash and Investments at End of Year	\$ 31,585,818	\$ 3,806,316

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
 STATEMENTS OF CASH FLOWS (Continued)
 TRANSIT FUND
 FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating Loss	\$ (17,367,738)	\$ (15,247,977)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	3,307,608	2,217,323
Changes in Assets and Liabilities:		
Decrease in Inventory	23,751	-
Decrease (Increase) in Prepaid Expenses	(77,410)	48,605
(Decrease) Increase in Accounts Payable	2,347,762	(3,702,339)
Net Cash Used in Operating Activities	\$ (11,766,027)	\$ (16,684,388)

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
 STATEMENTS OF FIDUCIARY NET POSITION
 AIR QUALITY MANAGEMENT FUND
 JUNE 30, 2024 AND 2023**

	2024	2023
<u>ASSETS</u>		
Current Assets		
Cash and Investments	\$ 665,096	\$ 353,284
Due from Other Government Agencies	113,357	196,549
Total Current Assets	778,453	549,833
Total Assets	\$ 778,453	\$ 549,833
<u>LIABILITIES</u>		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Total Current Liabilities	-	-
Total Liabilities	-	-
<u>NET POSITION</u>		
Net Position Held in Trust for Other Purposes	778,453	549,833
Total Net Position	778,453	549,833
Total Liabilities and Net Position	\$ 778,453	\$ 549,833

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
 STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
 AIR QUALITY MANAGEMENT FUND
 FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
ADDITIONS		
Aid from Other Government Agencies	\$ 217,212	\$ 194,256
Interest Income	11,408	5,761
Total Additions	228,620	200,017
DEDUCTIONS		
Program Expenses	-	241,620
Total Deductions	-	241,620
CHANGE IN NET POSITION	228,620	(41,603)
Net Position, Beginning of Year	549,833	591,436
Net Position, End of Year	\$ 778,453	\$ 549,833

The accompanying notes are an integral part of these basic financial statements.

**NAPA VALLEY TRANSPORTATION AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Napa Valley Transportation Authority (NVTA), formerly known as the Napa County Congestion Management Agency and Napa County Transportation and Planning Agency, was formed on September 3, 1991, under a Joint Powers Agreement to provide coordinated, continuous, and comprehensive transportation planning for the County of Napa (the County) and the cities of the County. NVTA consists of six member agencies with the voting power of each in parenthesis: the Cities of American Canyon (4), Calistoga (2), Napa (10), and St. Helena (2); the Town of Yountville (2); and the County (4).

The work program for the activities of NVTA is defined by the Board of Directors (the Board) made up of elected officials from the respective member agencies and a member of the Paratransit Coordinating Council (PCC). The PCC member is ex-officio and does not have a vote.

NVTA was formed to serve as the countywide transportation planning body for the incorporated and unincorporated areas of the County. NVTA is charged with coordinating short and long-term planning and funding within an intermodal policy framework in the areas of highways, streets and roads, transit and paratransit, and bicycle path improvements.

NVTA's Joint Powers Agreement was amended effective January 1, 2001, to facilitate the consolidation of transit planning and to allow transfer of Transportation Development Act (TDA) funds directly to NVTA as claimant for transit use to the extent allowed by TDA regulations. The amendment enables NVTA to claim all TDA funds under Articles 4, 4.5, and/or 8 of Chapter 4 of the Public Utilities Code apportioned within the County by the Metropolitan Transportation Commission (MTC). NVTA is authorized to claim all apportionments to transit services on behalf of the jurisdictions of the County. In January 2007, the agreement was amended further to change NVTA's name from Napa County Congestion Management Agency to Napa County Transportation and Planning Agency. In February 2016, the name was changed to the Napa Valley Transportation Authority.

Beginning July 1, 2001, NVTA began administering all transit-related activities on behalf of the Cities of Calistoga, Napa, and St. Helena; the Town of Yountville; and the County. Effective July 1, 2006, NVTA assumed direct management of American Canyon Transit.

B. Basis of Presentation

The basic financial statements of NVTA and its discrete component unit are prepared in accordance with accounting principles generally accepted in the United States of America.

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government (NVTA) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of NVTA. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including taxes and unrestricted interest earnings, are presented instead as general revenues.

When both restricted and unrestricted net position are available, restricted resources for the purpose intended are used first then unrestricted resources as they are needed.

Fund Financial Statements

The fund financial statements provide information about NVTA's funds, including fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds. For the years ended June 30, 2024 and 2023, NVTA did not have any nonmajor funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Proprietary fund *operating* revenues result from exchange transactions. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating revenues generally result from charges to passengers for public transit services. Operating expenses include the cost of transit service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating.

NVTA reports the following major governmental fund:

Planning Fund is used as the general fund for NVTA and all planning and administrative activities are accounted for in this fund.

NVTA reports the following major enterprise fund:

Transit Fund is used to account for the revenues and expenses necessary to provide public transit services. Transit operations include the Vine, Vine Go, American Canyon Transit, the Yountville Trolley, the St. Helena Shuttle, the Calistoga Shuttle, and the Taxi Scrip program.

NVTA reports the following additional fund types:

Private Purpose Trust Funds account for assets, primarily cash and investments, held by NVTA in a trustee capacity for other governmental agencies. NVTA is responsible for the administration of two private purpose trust funds. They are used to account for activities of the Abandoned Vehicle Abatement Authority trust fund and the Bay Area Air Quality Management trust fund.

Discrete Component Unit - NVTA - Tax Agency (NVTA-TA) is the local transportation sales tax authority. NVTA-TA is responsible for the oversight and administration of the 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. NVTA-TA is discretely presented because the ordinance is a legally separate, stand-alone entity administered by the NVTA. The operations of NVTA-TA are not included in the NVTA's reporting entity since the entity is responsible for conducting its own day-to-day operations and is compelled to answer to its own separately elected governing board. A separately issued financial report can be obtained by contacting NVTA's administrative office at 625 Burnell Street, Napa, California 94559-3420.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which NVTA gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Interest; state, federal, and local grants; and charges for services are accrued when their receipt occurs within one year after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

D. Cash and Investments

NVTA maintains nearly all of its cash and investments with the County Treasurer in a cash and investment pool. A small independent bank account is used to pay some employee benefits. On a quarterly basis, the County Treasurer allocates interest to investment pool participants based upon their average daily balances. For purposes of the accompanying Statement of Cash Flows, the enterprise fund considers all highly liquid investments with a maturity of three months or less when purchased, and its equity in the County Treasurer's investment pool, to be cash equivalents. The fair value of investments is obtained by using quotations obtained from independent published sources.

Required disclosure information regarding the categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County's financial statements may be obtained by contacting the County's Auditor-Controller's office at 1195 Third Street, Room B-10, Napa, California 94559. The County Treasury Oversight Committee oversees the Treasurer's investments and policies.

E. Receivables

NVTA's receivables are mostly related to grants. Management has determined NVTA's receivables to be fully collectable. Accordingly, no allowance for doubtful accounts has been made.

F. Inventories

On January 1, 2022, NVTA executed a new multiyear agreement (the Agreement) with the purchased transportation contractor (the Contractor) provided the Contractor with an initial inventory of equipment, tools, and other property to be used to provide services with a value of \$170,948. The Contractor shall be responsible for returning to NVTA, at the termination of the Agreement, property and equipment of equivalent type and value (as of date acquired) and conditions as that identified in the updated initial inventory list, subject to normal wear and tear.

During the last month of the Agreement, NVTA shall conduct a final inventory. The Contractor will be responsible for either replacing property or equipment determined from the inventory list to be missing, damaged, or otherwise unavailable for use, or in a condition that is in excess of ordinary wear and tear or compensating NVTA for its replacement value. These parts are not included in the Agreement with the Contractor. Farebox inventory parts will be tracked separately.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. NVTA defines capital assets as assets with an initial, individual cost of more than \$10,000, an estimated useful life in excess of one year, and not a component of another asset. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide statements and proprietary funds.

The estimated useful lives are as follows:

Structures	20 years
Vehicles	1-12 years
Equipment	1-5 years

NVTA has acquired certain assets with funding provided by federal assistance from various grant programs. NVTA holds title to these assets; however, the federal government retains an interest in these assets should the assets no longer be used for transit purposes.

H. Compensated Absences

NVTA has adopted Governmental Accounting Standards Board (GASB) Statement No. 16, *Accounting for Compensated Absences*. The earned vacation payable upon termination is reported at the current balance of the liability, and may be accumulated up to a maximum of 600 hours by personnel.

I. Interfund Transactions

Interfund transactions are reflected either as loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation, and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.” Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

J. Advances

Advances arise when resources are received by NVTA before it has a legal claim to them, e.g., when grant monies are received prior to the incurrence of qualifying expenses. In subsequent periods, when both revenue recognition criteria are met, or when NVTA has a legal claim to the resources, the liability is removed from the Balance Sheet and revenue is recognized.

K. Use of Estimates

The preparation of the basic 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 at the date of the basic financial statements and the reported amount of revenue and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the asset.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments, of which NVTA has none.

Unrestricted Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

M. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which NVTA is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable fund balance* – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of NVTA’s highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. Committed fund balance does not lapse at year-end. The formal action must occur prior to the end of the reporting period. However, the amount which will be subject to the constraint may be determined in the subsequent period. The formal action required to commit fund balance shall be Board resolution.
- *Assigned fund balance* – amounts that are constrained by NVTA’s *intent* to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose. The Board delegated authority to assign fund balance for a specific purpose to the Manager of Finance.
- *Unassigned fund balance* – the residual classification for NVTA’s Planning Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

When both restricted and unrestricted resources are available for use, it is NVTA’s policy to use restricted resources first, followed by the unrestricted committed, assigned, and unassigned resources as they are needed.

Minimum Fund Balance Policy:

NVTA has adopted a minimum fund balance policy. Planning Fund cash reserves should be at a minimum of \$500,000 per fiscal year. The proprietary cash reserve should be at least 25% of non-restricted funds of the current fiscal year operating budget.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. New Accounting Pronouncements – Implemented

GASB Statement No. 100 – *Accounting Changes and Error Corrections*. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. There was no effect on NVTA’s accounting and financial reporting as a result of implementing this standard.

O. Future Accounting Pronouncements

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. NVTA will implement GASB Statement No. 101 if and when applicable.

GASB Statement No. 102 – *Certain Risk Disclosures*. The requirements of this statement are effective for fiscal years beginning after June 15, 2024, and all fiscal years thereafter. NVTA will implement GASB Statement No. 102 when and where applicable.

GASB Statement No. 103 – *Financial Reporting Model Improvements*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all fiscal years thereafter. NVTA will implement GASB Statement No. 103 when and where applicable.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*. The requirements of this statement are effective for fiscal years beginning after June 15, 2025, and all fiscal years thereafter. NVTA will implement GASB Statement No. 104 when and where applicable.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of NVTA’s California Public Employees’ Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of NVTA’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes.

NOTE 2 – CASH AND INVESTMENTS/IMPREST CASH

General

NVTA has adopted GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* which requires investments of governmental agencies to be reported at fair value. However, investment pools, such as a state or county treasury, may report the value of short-term investments with remaining maturities of less than 90 days at amortized cost. The majority of the County Treasury investments have a remaining maturity of less than 90 days. In addition, GASB Statement No. 31 does not apply to immaterial cost/value differences.

NOTE 2 – CASH AND INVESTMENTS/IMPREST CASH (Continued)

General (Continued)

NVTA has adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. GASB Statement No. 40 requires governmental entities to assess categories of risk associated with their deposits and disclose these risks.

Cash and investments are reported in the accompanying basic financial statements as follows:

	June 30, 2024				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Statement of Net Position:					
Cash	\$ 6,137,200	\$ 31,585,818	\$ 37,723,018	\$ 3,913,001	\$ 665,096
Imprest Cash	500	-	500	-	-
Investments	-	1,261,471	1,261,471	-	-
	<u>\$ 6,137,700</u>	<u>\$ 32,847,289</u>	<u>\$ 38,984,989</u>	<u>\$ 3,913,001</u>	<u>\$ 665,096</u>

	June 30, 2023				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Statement of Net Position:					
Cash	\$ 8,552,763	\$ 3,806,316	\$ 12,359,079	\$ 4,071,770	\$ 353,284
Imprest Cash	500	-	500	-	-
Investments	-	862,220	862,220	-	-
	<u>\$ 8,553,263</u>	<u>\$ 4,668,536</u>	<u>\$ 13,221,799</u>	<u>\$ 4,071,770</u>	<u>\$ 353,284</u>

Cash and investments consisted of the following at June 30, 2024 and 2023:

	June 30, 2024				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Cash on Hand and in Banks	\$ 85,922	\$ 110,202	\$ 196,124	\$ -	\$ -
Pooled Investments	6,051,778	31,475,616	37,527,394	3,913,001	665,096
Investments	-	1,261,471	1,261,471	-	-
	<u>\$ 6,137,700</u>	<u>\$ 32,847,289</u>	<u>\$ 38,984,989</u>	<u>\$ 3,913,001</u>	<u>\$ 665,096</u>
	June 30, 2023				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Cash on Hand and in Banks	\$ 27,972	\$ 76,823	\$ 104,795	\$ -	\$ -
Pooled Investments	8,525,291	3,729,493	12,254,784	4,071,770	353,284
Investments	-	862,220	862,220	-	-
	<u>\$ 8,553,263</u>	<u>\$ 4,668,536</u>	<u>\$ 13,221,799</u>	<u>\$ 4,071,770</u>	<u>\$ 353,284</u>

All deposits are fully collateralized in accordance with Section 53652 of the California Government Code. The California Government Code requires California banks and savings and loan associations to secure NVTA's deposits by pledging government securities as collateral.

The fair value of pledged securities must equal at least 110% of NVTA's deposits. California law also allows financial institutions to secure NVTA's deposits by pledging first trust deed mortgage notes having a value of 150% of NVTA's total deposits.

NOTE 2 – CASH AND INVESTMENTS/IMPREST CASH (Continued)

General (Continued)

Collateral is held by the pledging financial institution's trust department and is considered held in NVTA's name. NVTA may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). NVTA has \$250,000 that is covered by the FDIC as of June 30, 2024 and 2023.

NVTA had no deposit or investment policy that addressed a specific type of risk. Required disclosures for NVTA's deposit and investment risks held in the County's investment pool at June 30, 2024 and 2023, were as follows:

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and the County's Investment Policy limit investments in commercial paper to the rating of A1 by Standard & Poor's or P-1 by Moody's Investors Service.

State law and the County's Investment Policy also limit investments in corporate bonds to the rating of A by Standard & Poor's and Moody's Investors Service. NVTA establishes its credit limits based on the County's Investment Policy.

Presented below is the minimum rating required by (where applicable) NVTA's investment policy and the actual rating as of year-end for each investment type.

2024

<u>Investments type</u>	<u>Total</u>	<u>Minimum legal rating</u>	<u>Ratings as of year-end</u>	<u>Not rated</u>
Pooled investments	\$ 41,440,395	N/A	N/A	\$ 41,440,395
Held by trustee:				
Certificates of deposit	<u>1,261,471</u>	N/A	N/A	<u>1,261,471</u>
	<u>\$ 42,701,866</u>			<u>\$ 42,701,866</u>

2023

<u>Investments type</u>	<u>Total</u>	<u>Minimum legal rating</u>	<u>Ratings as of year-end</u>	<u>Not rated</u>
Pooled investments	\$ 16,326,554	N/A	N/A	\$ 16,326,554
Held by trustee:				
Certificates of deposit	<u>862,220</u>	N/A	N/A	<u>862,220</u>
	<u>\$ 17,188,774</u>			<u>\$ 17,188,774</u>

Custodial credit risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

NOTE 2 – CASH AND INVESTMENTS/IMPREST CASH (Continued)Custodial credit risk (Continued)

For investments and deposits held with fiscal agents, custodial credit risk is the risk that, in the event of the failure of the counterparty, NVTA will not be able to recover the value of its investments or deposits that are in the possession of an outside party. At year-end, NVTA's funds in the County's investment pool and cash with fiscal agents had no securities exposed to custodial credit risk.

At June 30, 2024 and 2023, in accordance with State law and the County's Investment Policy, NVTA did not have 5% or more of its net investment in commercial paper, corporate bonds, or medium-term notes of a single organization, nor did it have 10% or more of its net investment in any one money market mutual fund within the County's Investment Pool. Investments in obligations of the U.S. government, U.S. government agencies, or government-sponsored enterprises are exempt from these limitations.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The County manages NVTA's exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with the County's Investment Policy.

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value. Information about the sensitivity of the fair values of NVTA's investments to market interest rate fluctuations is provided by the following table that shows the distribution of NVTA's investments by maturity:

2024

<u>Investments type</u>	<u>Total</u>	<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 60 months</u>	<u>More than 60 months</u>
Pooled investments	\$ 41,440,395	\$ 41,440,395	\$ -	\$ -	\$ -
Held by trustee:					
Certificates of deposit	1,261,471	1,261,471	-	-	-
	<u>\$ 42,701,866</u>	<u>\$ 42,701,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

2023

<u>Investments type</u>	<u>Total</u>	<u>12 months or less</u>	<u>13 to 24 months</u>	<u>25 to 60 months</u>	<u>More than 60 months</u>
Pooled investments	\$ 16,326,554	\$ 16,326,554	\$ -	\$ -	\$ -
Held by trustee:					
Certificates of deposit	862,220	862,220	-	-	-
	<u>\$ 17,188,774</u>	<u>\$ 17,188,774</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 2 – CASH AND INVESTMENTS/IMPREST CASH (Continued)

Investment in the County Investment Pool

NVTA maintains all of its cash and investments with the County Treasurer in a cash and investment pool. NVTA is considered to be an involuntary participant in the external investment pool. On a quarterly basis, the County Treasurer allocates interest to investment pool participants based upon their average daily balances. For purposes of the accompanying Statement of Cash Flows, the enterprise fund considers all highly liquid investments with a maturity of three months or less when purchased, and its equity in the County Treasurer’s investment pool, to be cash equivalents. The fair value of investments is obtained by using quotations obtained from independent published sources.

The table below identifies the investment types that are authorized for NVTA by the California Government Code (or the County’s Investment Policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the County’s Investment Policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State of California Obligations	5 years	None	None
Bankers’ Acceptances	180 days	40%	30%
Commercial Paper - Select Agencies	180 days	25%	10%
Commercial Paper - Other Agencies	180 days	40%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	30 days	5%	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds/Money Market			
Mutual Funds	N/A	20%	10%
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Agreement (JPA) Pools (other investment pools)	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

Fair Value Measurements

NVTA categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

NOTE 2 – CASH AND INVESTMENTS/IMPREST CASH (Continued)

Fair Value Measurements (Continued)

NVTA has the following recurring fair value measurements as of June 30, 2024 and 2023:

2024		<u>Fair Value Measurements Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Held by trustee:				
Certificates of deposit		\$ 1,261,471	\$ 1,261,471	\$ -
		<u>\$ 1,261,471</u>	<u>\$ 1,261,471</u>	<u>\$ -</u>
2023		<u>Fair Value Measurements Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
Held by trustee:				
Certificates of deposit		\$ 862,220	\$ 862,220	\$ -
		<u>\$ 862,220</u>	<u>\$ 862,220</u>	<u>\$ -</u>

Investments in the County investment pool totaling \$11,584,862 and \$12,254,784 as of June 30, 2024 and 2023, respectively, are measured at amortized cost, which approximates fair value.

NOTE 3 – DUE FROM OTHER GOVERNMENT AGENCIES

Amounts due from other government agencies consisted of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Federal (Federal Transit Administration (FTA))		
Operating	\$ 2,781,125	\$ 1,301,064
Capital	381,757	4,443,736
Caltrans	-	369,646
State		
Caltrans	1,696,024	89,088
TDA	271,617	401,146
Other	113,356	322,486
Regional Measure 2	615,033	1,086,825
Local		
STA	40,000	40,000
Cities	98,202	46,442
Local - Other	371,282	713,512
Total	<u>\$ 6,368,396</u>	<u>\$ 8,813,945</u>
Reconciliation to Financial Statements	<u>2024</u>	<u>2023</u>
Planning Fund Grants Receivable	\$ 2,228,724	\$ 2,008,532
Transit Fund Grants Receivable	<u>4,026,315</u>	<u>6,608,864</u>
Total per Statement of Net Position	6,255,039	8,617,396
Fiduciary Funds Due from Other Government Agencies	<u>113,357</u>	<u>196,549</u>
Total including Fiduciary Funds	<u>\$ 6,368,396</u>	<u>\$ 8,813,945</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Disposals	Adjustments	Balance June 30, 2024
Governmental Activities:					
Capital Assets, Being Depreciated Vehicles and Equipment	\$ 207,376	\$ -	\$ -	\$ -	\$ 207,376
Less Accumulated Depreciation for: Vehicles and Equipment	(207,376)	-	-	-	(207,376)
Governmental Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities:					
Capital Assets, Not Being Depreciated					
Land	\$ 5,535,633	\$ -	\$ -	\$ -	\$ 5,535,633
Construction in Progress	28,402,658	7,555,133	-	(35,560,624)	397,167
Total Capital Assets, Not Being Depreciated	<u>33,938,291</u>	<u>7,555,133</u>	<u>-</u>	<u>(35,560,624)</u>	<u>5,932,800</u>
Capital Assets, Being Depreciated:					
Transit Center and Bus Maintenance Facility	-	-	-	44,230,896	44,230,896
Vehicles and Equipment	35,792,183	3,520,132	(674,411)	(8,670,272)	29,967,632
Less Accumulated Depreciation for: Vehicles and Equipment	(18,866,623)	(3,307,608)	657,538	-	(21,516,693)
Total Capital Assets, Being Depreciated, Net	<u>\$ 16,925,560</u>	<u>\$ 212,524</u>	<u>\$ (16,873)</u>	<u>\$ 35,560,624</u>	<u>\$ 52,681,835</u>
Business-Type Activities: Capital Assets, net	<u>\$ 50,863,851</u>	<u>\$ 7,767,657</u>	<u>\$ (16,873)</u>	<u>\$ -</u>	<u>\$ 58,614,635</u>
Total Government-Wide Capital Assets, Net	<u>\$ 50,863,851</u>	<u>\$ 7,767,657</u>	<u>\$ (16,873)</u>	<u>\$ -</u>	<u>\$ 58,614,635</u>

Government-wide depreciation expense for the year ended June 30, 2024, was \$3,307,608.

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Disposals	Adjustments	Balance June 30, 2023
Governmental Activities:					
Capital Assets, Being Depreciated Vehicles and Equipment	\$ 207,376	\$ -	\$ -	\$ -	\$ 207,376
Less Accumulated Depreciation for: Vehicles and Equipment	(207,376)	-	-	-	(207,376)
Governmental Activities Capital Assets, Net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-Type Activities:					
Capital Assets, Not Being Depreciated					
Land	\$ 5,535,633	\$ -	\$ -	\$ -	\$ 5,535,633
Construction in Progress	12,562,895	21,188,851	-	(5,349,088)	28,402,658
Total Capital Assets, Not Being Depreciated	<u>18,098,528</u>	<u>21,188,851</u>	<u>-</u>	<u>(5,349,088)</u>	<u>33,938,291</u>
Capital Assets, Being Depreciated:					
Vehicles and Equipment	30,642,722	258,648	(458,275)	5,349,088	35,792,183
Less Accumulated Depreciation for: Vehicles and Equipment	(17,107,575)	(2,217,323)	458,275	-	(18,866,623)
Total Capital Assets, Being Depreciated, Net	<u>\$ 13,535,147</u>	<u>\$ (1,958,675)</u>	<u>\$ -</u>	<u>\$ 5,349,088</u>	<u>\$ 16,925,560</u>
Business-Type Activities: Capital Assets, net	<u>\$ 31,633,675</u>	<u>\$ 19,230,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,863,851</u>
Total Government-Wide Capital Assets, Net	<u>\$ 31,633,675</u>	<u>\$ 19,230,176</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,863,851</u>

Government-wide depreciation expense for the year ended June 30, 2023, was \$2,217,323.

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the years ended June 30:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One Year
Transportation Infrastructure Finance and Innovation Act (TIFIA) loan	\$ 18,149,699	\$ -	\$ -	\$ 18,149,699	\$ -
Loan payable	1,050,001	-	(1,050,001)	-	-
Compensated absences	189,435	38,083	(28,332)	199,186	-
	<u>\$ 19,389,135</u>	<u>\$ 38,083</u>	<u>\$ (1,078,333)</u>	<u>\$ 18,348,885</u>	<u>\$ -</u>
	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Due Within One Year
Transportation Infrastructure Finance and Innovation Act (TIFIA) loan	\$ 3,982,524	\$ 14,167,175	\$ -	\$ 18,149,699	\$ -
Loan payable	50,001	1,000,000	-	1,050,001	1,000,000
Compensated absences	193,764	27,900	(32,229)	189,435	-
	<u>\$ 4,226,289</u>	<u>\$ 15,195,075</u>	<u>\$ (32,229)</u>	<u>\$ 19,389,135</u>	<u>\$ 1,000,000</u>

On November 23, 2021, NVTA entered into a loan agreement with the US Department of Transportation for a principal amount not to exceed \$19,917,401 to be used to pay a portion of eligible project costs for the Vine Bus Maintenance Facility Project. As of June 30, 2024 and 2023, NVTA has drawn down \$0 and \$14,167,175, respectively. NVTA terminated the loan drawdowns in August 2023 resulting in a final obligation to the Build America Bureau for \$18,149,699. The loan bears a fixed interest rate of 1.01%. The maturity date is May 1, 2057.

A summary of remaining principal and interest amounts by fiscal year are shown below:

Fiscal Year Ended June 30,	Principal	Interest	Interest
2025	\$ -	\$ 183,060	\$ 183,060
2026	-	183,312	183,312
2027	-	183,312	183,312
2028	-	183,564	183,564
2029	-	183,060	183,060
2030-2034	987,863	911,602	1,899,465
2035-2039	3,400,190	790,211	4,190,401
2040-2044	3,575,705	614,692	4,190,397
2045-2049	3,760,732	429,664	4,190,396
2050-2054	3,954,876	235,522	4,190,398
2055-2057	2,470,333	43,904	2,514,237
	<u>\$ 18,149,699</u>	<u>\$ 3,941,903</u>	<u>\$ 22,091,602</u>

Additionally, on November 23, 2021, NVTA entered into a loan agreement with the Bank of Marin for a principal amount not to exceed \$5,000,000 to be used to pay a portion of eligible project costs for the Vine Bus Maintenance Facility Project. As of June 30, 2024 and 2023, NVTA has drawn down \$0 and \$50,001, respectively. The loan was paid off in 2024.

NOTE 6 – DUE TO OTHER GOVERNMENT AGENCIES

Business-Type Activities – Due to the Local Transportation Fund (LTF)

TDA funds are apportioned, allocated, and disbursed in accordance with allocation instructions from the MTC for specific transportation purposes. The LTF allocates monies to the transit system to support operations. The TDA, which governs the use of these funds, requires that any funds not used must be returned to their sources. LTF allocations are considered earned when they are properly spent for operations by the transit system.

It is the current practice of NVTA to have excess revenue returned to the funding agency. NVTA had excess revenues of \$1,816,786 and \$3,534,631 at June 30, 2024 and 2023, respectively. Money returned to LTF will be reallocated for future capital purchases or operating assistance.

Allocations received but not earned were recorded as Due to Other Government Agencies as follows:

	<u>2024</u>	<u>2023</u>
Balance - Beginning of Year	\$ 3,534,631	\$ 163,517
LTF - Operating	6,959,223	7,884,757
LTF - Capital	<u>2,758,065</u>	<u>3,777,120</u>
Total LTF	<u>9,717,288</u>	<u>11,661,877</u>
Operating Expenses	18,346,958	16,119,117
Adjustments:		
Add Back Depreciation	(3,307,608)	(2,217,323)
Farebox Revenues	(979,220)	(871,140)
STA	(3,454,748)	(1,311,344)
Other Revenues	(6,658,704)	(2,535,993)
Interest Income	(808,270)	(82,540)
FTA Grant Revenues - Operating	(5,535,971)	(5,593,899)
Other Federal Grants	(777,200)	(2,659,955)
Capital Asset Outlays	3,520,132	258,648
Capital Asset Outlays - Not Capitalized	7,555,133	21,188,851
TIFIA/Bank of Marin Loan Financing	-	(14,167,176)
Property Disposal	<u>-</u>	<u>-</u>
Net Operating Expenses	<u>7,900,502</u>	<u>8,127,246</u>
Net Increase	1,816,786	3,534,631
Return of LTF Capital	<u>(1,816,786)</u>	<u>(163,517)</u>
Balance - End of Year	<u>\$ 1,816,786</u>	<u>\$ 3,534,631</u>

NOTE 7 – AGREEMENTS AND COMMITMENTS

Bay Area Air Quality Management District Agreement

NVTA entered into an agreement with the Bay Area Air Quality Management District (the District) to implement specified measures to improve air quality in the County. The funding for this agreement comes from Assembly Bill (AB) 434 allowing the District to levy a surcharge on motor vehicle registration fees. Quarterly, the District must transfer 40% of the surcharge, less management fees and audit costs, to NVTA, as the selected Program Manager. However, the agreement may be terminated at any time by either party and there are no assurances of annual renewal. As program manager, NVTA allocates 5% of these funds to itself to administer the program.

NOTE 7 – AGREEMENTS AND COMMITMENTS (Continued)

Metropolitan Transportation Commission (MTC)

NVTA received a federal highway administration planning grant from the MTC. The purpose of the grant was to implement congestion planning and programming activities for the County and its surrounding cities. Amounts received or receivable from the MTC are subject to audit and adjustment by the MTC. Any disallowed claims including amounts already collected, may constitute a liability of NVTA. The amount, if any, of expenditures which may be disallowed by MTC cannot be determined at this time, although NVTA expects such amounts, if any, to be immaterial.

NOTE 8 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in NVTA’s Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by CalPERS. The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. The Plan assets may be used to pay benefits for any employer rate plan of the risk pool. Accordingly, rate plans within the pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous pool. NVTA sponsors three rate plans. Benefit provisions under the Plan are established by State statute and NVTA resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments (COLA), and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members (Tier 1) with five years of total service are eligible to retire at age 55 with statutorily reduced benefits (2.5% @ Age 55). Members hired after May 21, 2011, (Tier 2) with five years of total service are eligible to retire at age 60 with statutorily reduced benefits (2% @ Age 60). The California Public Employees’ Pension Reform Act (PEPRA) established a separate tier for members hired after January 1, 2013. PEPRA Members with five years of total service are eligible to retire at age 62 with statutorily reduced benefits (2% @ Age 62). All members are eligible for non-duty disability benefits after 5 years of service. The COLAs for the Plan are applied as specified by the California Public Employees’ Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2024, are summarized as follows:

2024	Prior to May 21, 2011 (Tier I)	On or after May 21, 2011 (Tier II)	On or after January 1, 2013 (PEPRA)
Hire Date			
Benefit Formula	2.5%@55	2%@60	2%@62
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	55	60	62
Monthly Benefits, as a Percentage of Eligible Compensation	2.5%	2%	2%
Required Employee Contribution Rates	8.000%	7.000%	7.750%
Required Employer Contribution Rates	13.340%	10.100%	7.680%

NOTE 8 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

The rate plan provisions and benefits in effect at June 30, 2023, are summarized as follows:

2023	Prior to May 21, 2011 (Tier I)	On or after May 21, 2011 (Tier II)	On or after January 1, 2013 (PEPRA)
Hire Date			
Benefit Formula	2.5%@55	2%@60	2%@62
Benefit Vesting Schedule	5 Years Service	5 Years Service	5 Years Service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	55	60	62
Monthly Benefits, as a Percentage of Eligible Compensation	2.5%	2%	2%
Required Employee Contribution Rates	8.000%	7.000%	6.750%
Required Employer Contribution Rates	11.590%	8.630%	7.470%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS’ annual actuarial valuation process. NVTA’s actuarially determined rate is based on the estimated amount necessary to pay the Plan’s allocated share of the risk pools’ costs of benefits earned by employees during the year, and any unfunded accrued liability. NVTA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. NVTA’s contributions to the Plan for the years ended June 30, 2024 and 2023, were \$234,762 and \$229,603, respectively.

As of June 30, 2024 and 2023, NVTA reported a net pension liability for its proportionate share of the net pension liability of the Plan in the amount of \$1,233,298 and \$1,052,652, respectively.

NVTA’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023 and 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and 2021, rolled forward to June 30, 2023 and 2022, using standard update procedures. NVTA’s proportion of the net pension liability was based on a projection of NVTA’s long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. NVTA’s proportionate share of the net pension liability for the Plan as of June 30, 2024 and 2023, was as follows:

Proportion - June 30, 2023	0.00911%
Proportion - June 30, 2024	<u>0.00989%</u>
Change - Increase (Decrease)	<u>0.000780%</u>

NOTE 8 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

For the years ended June 30, 2024 and 2023, NVTA recognized pension expense of \$363,266 and \$388,547, respectively. At June 30, 2024 and 2023, NVTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2024	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Actual and Expected Experience	\$ 63,004	\$ 9,773
Changes in Assumptions	74,460	-
Net Differences between Projected and Actual Earnings on Plan Investments	199,682	-
Change in Employer's Proportion	92,548	-
Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions Pension Contributions Subsequent to Measurement Date	33,820	9,516
	<u>234,762</u>	<u>-</u>
Total	<u>\$ 698,276</u>	<u>\$ 19,289</u>
2023	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Actual and Expected Experience	\$ 21,140	\$ 14,158
Changes in Assumptions	107,866	-
Net Differences between Projected and Actual Earnings on Plan Investments	192,818	-
Change in Employer's Proportion	86,853	-
Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions Pension Contributions Subsequent to Measurement Date	17,836	15,113
	<u>229,603</u>	<u>-</u>
Total	<u>\$ 656,116</u>	<u>\$ 29,271</u>

\$234,762 and \$229,603 reported as deferred outflows of resources related to contributions subsequent to the measurement date during the years ended June 30, 2024 and 2023, respectively, will be recognized as a reduction of the net pension liability in the years ended June 30, 2024 and 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2025	\$ 159,872
2026	104,758
2027	173,864
2028	5,731
2029	-
Thereafter	<u>-</u>
Total	<u>\$ 444,225</u>

NOTE 8 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2022 and 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	Varies ⁽¹⁾	Varies ⁽¹⁾
Investment Rate of Return	6.90% ⁽²⁾	6.90% ⁽²⁾
Mortality	CalPERS ⁽³⁾	CalPERS ⁽³⁾

⁽¹⁾ Depending on age, service, and type of employment.

⁽²⁾ Net of pension plan investment expenses, including inflation.

⁽³⁾ The mortality table used was developed based on CalPERS' specific data. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 and 2020 valuations were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rates used to measure the total pension liability for June 30, 2024 and 2023, was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rates for 2023 and 2022, are applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under the GASB Statement No. 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTE 8 – PENSION PLAN (Continued)B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**Discount Rate** (Continued)

The expected real rates of return by asset class are as follows:

2024	Current Target Allocation	Real Return Years 1 - 10 ^(a,b)
<u>Asset Class</u>		
Global Equity - Cap-Weighted	30.00%	4.45%
Global Equity - Non-Cap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leveragte	-5.00%	-0.59%
Total	<u>100.00%</u>	

^(a) An expected inflation of 2.30% used for this period.

^(b) Figures are based on the 2021-22 Asset Liability Management study.

2023	Current Target Allocation	Real Return Years 1 - 10 ^(a,b)
<u>Asset Class</u>		
Global Equity - Cap-Weighted	30.00%	4.45%
Global Equity - Non-Cap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leveragte	-5.00%	-0.59%
Total	<u>100.00%</u>	

^(a) An expected inflation of 2.30% used for this period.

^(b) Figures are based on the 2021-22 Asset Liability Management study.

NOTE 8 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents NVTA’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what NVTA’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>2024</u>	<u>2023</u>
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 2,021,769	\$ 1,764,941
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 1,233,298	\$ 1,052,652
1% Increase	7.90%	7.90%
Net Pension Liability (Asset)	\$ 584,319	\$ 466,616

Pension Plan Fiduciary Net Position – Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

At June 30, 2024 and 2023, NVTA had no outstanding amounts for contributions to the Plan required for the years then ended.

NOTE 9 – OPEB

A. General Information about the OPEB Plan

Plan Description – NVTA participates in the California Employers’ Retiree Benefit Trust (CERBT), a trust established by Chapter 331 of the 1988 Statutes and initially funded in 2007. The purpose of the trust is to receive contributions from participating employers and establish separate employer prefunding accounts to pay for OPEB. The CERBT is an agent multiple-employer plan and is administered by CalPERS. A new OPEB Plan was adopted by the Board with an effective measurement date of June 30, 2018. The OPEB Plan provides postretirement health care benefits to all employees meeting certain selected criteria. Employees on the payroll as of June 30, 2024 and 2023, who retire from NVTA with 10 years of NVTA service and 20 years of CalPERS service will receive a percentage of \$500 cap (\$750 for dual coverage) based on years of service at NVTA. The PEMHCA minimum is paid for those retiring with less than 10 years of service at NVTA.

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

The following is a description of the current retiree benefit plan:

Benefit Types Provided	Medical only
Duration of Benefits	Lifetime
Required Service	CalPERS retirement and 10 years NVTA
Minimum Age	50
Dependent Coverage	Family eligible
NVTA Contribution %	Up to 100%
NVTA Cap Highest	\$500 (\$750 for dual coverage)

Employees Covered – As of the June 30, 2023 and 2022 valuations, the following current and former employees were covered by the benefit terms for the OPEB Plan:

	<u>2023</u>	<u>2022</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	3	3
Inactive Employees Entitled to but not yet Receiving Benefits	3	3
Active Employees	<u>16</u>	<u>14</u>
Total	<u>22</u>	<u>20</u>

Contributions – The contribution requirements of plan members and NVTA are established and may be amended by NVTA’s Board. These contributions are neither mandated nor guaranteed. NVTA has retained the right to unilaterally modify its payment for retiree health care benefits. Refer to the table above for the contribution requirements. For the years ended June 30, 2024 and 2023, NVTA contributed \$64,142 and \$56,422, respectively. Employees are not required to contribute to the OPEB Plan.

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

Net OPEB Liability/(Asset) – NVTAs net OPEB liability/(asset) was measured as of June 30, 2023 and 2022, and the total OPEB liability used to calculate the net OPEB asset was the Plan Fiduciary Net Position of the OPEB trust held with CalPERS. The following actuarial methods and assumptions were used:

2024	
Reporting Date	June 30, 2024
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Assumptions:	
Discount Rate	5.25%
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	5.25%
Mortality Rate	Derived using CalPERS' Membership Data for all Funds ⁽¹⁾
	Non-Medicare - 8.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076;
Healthcare Cost Trend Rates	Medicare (Non-Kaiser) - 7.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076;
	Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076

⁽¹⁾ Pre-retirement mortality information was derived from data collected during 2000 - 2019 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2000 - 2019 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

2023	
Reporting Date	June 30, 2023
Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Assumptions:	
Discount Rate	5.25%
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	5.00%
Mortality Rate	Derived using CalPERS' Membership Data for all Funds ⁽¹⁾
Measurement Date	June 30, 2021
Actuarial Assumptions:	
Discount Rate	5.00%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	5.50%
Mortality Rate	Derived using CalPERS' Membership Data for all Funds ⁽¹⁾ Non-Medicare - 7% for 2022, decreasing to an ultimate rate of 4% in 2076; Medicare (Non-Kaiser) - 6.1% for 2022, decreasing to an ultimate rate of 4% in 2076; Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4% in 2076
Healthcare Cost Trend Rates	

⁽¹⁾ Pre-retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 1997 to 2015 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

2024	Target Allocation	Long-Term Expected Real Rate of Return
Asset Class		
Global Equity	23.00%	4.56%
Fixed Income	51.00%	1.56%
Treasury Inflation Protected Securities	9.00%	-0.08%
Commodities	3.00%	1.22%
REITs	14.00%	4.06%
Total	<u>100.00%</u>	

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

2023	Target Allocation	Long-Term Expected Real Rate of Return
Asset Class		
Global Equity	23.00%	4.56%
Fixed Income	51.00%	1.56%
Treasury Inflation Protected Securities	9.00%	-0.08%
Commodities	3.00%	1.22%
REITs	14.00%	4.06%
Total	<u>100.00%</u>	

Discount Rate – The discount rate used to measure the total OPEB liability was 5.25% for 2023 and 2022, respectively. The projection of cash flows used to determine the discount rate assumed that NVTAs contributions will be sufficient to fully fund the obligation over a period not to exceed 30 years. Historic 30 year real rates of return for each asset class along with the assumed long-term inflation assumption were used to set the discount rate. The expected investment return was offset by the investment expenses of 15 basis points. Based on those assumptions, the OPEB Plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability/(Asset) – The changes in the net OPEB liability/(asset) for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2023	\$ 611,837	\$ 521,590	\$ 90,247
Changes in the Year:			
Service Cost	35,257	-	35,257
Interest	33,437	-	33,437
Changes of Benefit Terms	-	-	-
Actual vs. Expected Experience	-	-	-
Assumption Changes	-	-	-
Contribution - Employer	-	56,422	(56,422)
Contribution - Employee	-	-	-
Net Investment Income	-	8,327	(8,327)
Administrative Expenses	-	(195)	195
Benefit Payments	(20,377)	(20,377)	-
Net Changes	<u>48,317</u>	<u>44,177</u>	<u>4,140</u>
Balance at June 30, 2024	<u>\$ 660,154</u>	<u>\$ 565,767</u>	<u>\$ 94,387</u>

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022	\$ 471,828	\$ 545,122	\$ (73,294)
Changes in the Year:			
Service Cost	41,754	-	41,754
Interest	25,177	-	25,177
Changes of Benefit Terms	-	-	-
Actual vs. Expected Experience	120,683	-	120,683
Assumption Changes	(27,542)	-	(27,542)
Contribution - Employer	-	55,094	(55,094)
Contribution - Employee	-	-	-
Net Investment Income	-	(58,393)	58,393
Administrative Expenses	-	(170)	170
Benefit Payments	(20,063)	(20,063)	-
Net Changes	140,009	(23,532)	163,541
Balance at June 30, 2023	\$ 611,837	\$ 521,590	\$ 90,247

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate – The following presents the net OPEB liability/(asset) of NVTA if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement periods ended June 30, 2023 and 2022:

2023

1% Decrease	4.25%
Net OPEB Liability/(Asset)	\$ 176,507

Current Discount Rate	5.25%
Net OPEB Liability/(Asset)	\$ 94,387

1% Increase	6.25%
Net OPEB Liability/(Asset)	\$ 25,157

2022

1% Decrease	4.25%
Net OPEB Liability/(Asset)	\$ 167,599

Current Discount Rate	5.25%
Net OPEB Liability/(Asset)	\$ 90,247

1% Increase	6.25%
Net OPEB Liability/(Asset)	\$ 25,060

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rates – The following presents the net OPEB liability/(asset) of NVTA if it were calculated using health care cost trend rates that are percentage point lower or one percentage point higher than the current rates, for measurement periods ended June 30, 2023 and 2022:

2023		
1% Decrease		4.00%
Net OPEB Liability/(Asset)	\$	72,612
Current Health Care Cost Trend Rates		5.00%
Net OPEB Liability/(Asset)	\$	94,387
1% Increase		6.00%
Net OPEB Liability/(Asset)	\$	133,355
2022		
1% Decrease		4.25%
Net OPEB Liability/(Asset)	\$	72,074
Current Health Care Cost Trend Rates		5.25%
Net OPEB Liability/(Asset)	\$	90,247
1% Increase		6.25%
Net OPEB Liability/(Asset)	\$	122,734

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Recognition of Deferred Outflows and Deferred Inflows of Resources – Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the years ended June 30, 2024 and 2023, NVTA recognized OPEB expense of \$71,408 and \$67,589, respectively. For the years ended June 30, 2024 and 2023, NVTA reported deferred outflows of resources related to OPEB from the following sources:

2024	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 64,142	\$ -
Differences between Actual and Expected Experience	139,160	6,380
Changes in Assumptions	39,188	43,049
Net Differences between Projected and Actual Earnings on Plan Investments	52,984	-
Total	<u>\$ 295,474</u>	<u>\$ 49,429</u>

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

2023	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 56,422	\$ -
Differences between Actual and Expected Experience	157,979	8,060
Changes in Assumptions	47,239	49,004
Net Differences between Projected and Actual Earnings on Plan Investments	<u>44,595</u>	<u>-</u>
Total	<u>\$ 306,235</u>	<u>\$ 57,064</u>

The \$64,142 and \$56,422 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 and 2023 measurement dates will be recognized as an increase to the net OPEB asset during the years ending June 30, 2024 and 2023, respectively. In addition, future recognition of the deferred inflows of resources and deferred outflows of resources is shown below:

<u>Year Ended June</u>	
2025	\$ 32,706
2026	33,348
2027	40,507
2028	22,664
2029	15,731
Thereafter	<u>36,947</u>
	<u>\$ 181,903</u>

NOTE 10 – EMPLOYEE BENEFITS – DEFERRED COMPENSATION PLAN

Employees of NVTA may participate in a deferred compensation plan adopted under the provisions of the Internal Revenue Code (IRC) Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of NVTA. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

The deferred compensation plan is administered by an unrelated financial institution through CalPERS. Under the terms of the IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employee.

NOTE 11 – INSURANCE AND RISK OF LOSS

NVTA is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. NVTA maintains various insurance policies for directors and officers, property and liability, commercial liability, and workers' compensation against potential risk of loss through private insurance carriers. NVTA secures vehicular and liability coverage for business-type activities of up to \$5,000,000 per incident through its purchased transportation contractor.

NOTE 12 – RELATED PARTY TRANSACTIONS

County personnel provide administration services to NVTA. The County also provides legal counsel. During the years ended June 30, 2024 and 2023, NVTA paid to the County, a related party, the following amounts:

	<u>2024</u>	<u>2023</u>
Accounting and Legal Services	\$ 19,207	\$ 12,004
Other Services and Supplies	<u>219,117</u>	<u>108,022</u>
Total Related Party Transactions	<u><u>\$ 238,324</u></u>	<u><u>\$ 120,026</u></u>

NOTE 13 – FAREBOX RATIO

Article 4

Article 4 transit operations include Vine and American Canyon Transit (ACT). As agreed to by MTC, the combined farebox ratio requirement is 15%. The farebox ratio for the years ended June 30, 2024 and 2023, was 14.58% and 11.07%, respectively, as follows:

	<u>June 30, 2024</u>		
<u>Article 4</u>	<u>Total Article 4 Services</u>	<u>Vine</u>	<u>ACT</u>
Farebox Subject to Farebox Ratio	<u>\$ 1,766,870</u>	<u>\$ 1,678,531</u>	<u>\$ 88,339</u>
Operating Cost, Net of Depreciation	<u>\$ 12,114,650</u>	<u>\$ 11,552,703</u>	<u>\$ 561,947</u>
Farebox Ratio	<u><u>14.58%</u></u>		
	<u>June 30, 2023</u>		
<u>Article 4</u>	<u>Total Article 4 Services</u>	<u>Vine</u>	<u>ACT</u>
Farebox Subject to Farebox Ratio	<u>\$ 1,259,589</u>	<u>\$ 1,204,171</u>	<u>\$ 55,418</u>
Operating Cost, Net of Depreciation	<u>\$ 11,374,325</u>	<u>\$ 10,803,414</u>	<u>\$ 570,911</u>
Farebox Ratio	<u><u>11.07%</u></u>		

NOTE 13 – FAREBOX RATIO (Continued)

Article 4 (Continued)

Farebox revenue and operating cost used for farebox ratio calculation will not agree to the Statement of Revenues, Expenses, and Changes in Fund Net Position for the Proprietary Fund (see page 22). The sales of non-federal assets are eligible as farebox revenues. Supplies not directly used for transit have been removed from operating costs.

Recent changes to the TDA statutes allow for the inclusion of local funds to calculate statutory farebox ratio. California Public Utilities Code (PUC) Section 99268.19 states that: “If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, “local funds” means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.”

Due to the COVID-19 pandemic, transit agencies statewide, including Vine Transit, have experienced significant declines in local and farebox revenues. In response, the State of California has provided statutory and administrative/regulatory relief for public transportation agencies. Assembly Bill No. 90 (AB 90) was approved by the Governor on June 29, 2020. AB 90 contains changes to transportation statutes, in particular relief for public transit operators. The bill temporarily suspends the financial penalties associated with the TDA’s requirements that transit agencies obtain specified fixed percentages of their operating budgets from passenger fares for the 2022-2023 and 2023-2024 budget years. As transit ridership has declined due to the COVID-19 pandemic, this language would prevent agencies from being penalized due to the ongoing public health crisis.

For the years ended June 30, 2024 and 2023, the farebox recovery ratios were suspended due to the effects of the COVID-19 health pandemic.

Without the use of local funds, sale of asset revenue, and chargebacks to meet statutory requirements, operation farebox for the years ended June 30, 2024 and 2023, would be 6% and 6%, respectively.

NOTE 13 – FAREBOX RATIO (Continued)

Article 8

Article 8 transit operations include Vine Go, Calistoga Shuttle, St. Helena Shuttle, Yountville Trolley, and the Taxi Scrip program. TDA Section 6633.2 requires NVTA to meet a 10% farebox revenue to total operating expenses ratio. The farebox revenue ratio for the years ended June 30, 2024 and 2023, for Article 8 transit operations was 8.66% and 7.46%, respectively, as follows:

	June 30, 2024		
<u>Article 8</u>	<u>Total Article 8 Services</u>	<u>Taxi Scrip and Vine Go</u>	<u>Calistoga, Yountville, and St. Helena</u>
Farebox Subject to Farebox Ratio	\$ 234,350	\$ 66,075	\$ 168,275
Operating Cost, Net of Depreciation	\$ 2,707,419	\$ 1,442,339	\$ 1,265,080
Farebox Ratio	<u>8.66%</u>		
	June 30, 2023		
<u>Article 8</u>	<u>Total Article 4 Services</u>	<u>Taxi Scrip and Vine Go</u>	<u>Calistoga, Yountville, and St. Helena</u>
Farebox Subject to Farebox Ratio	\$ 188,536	\$ 54,183	\$ 134,353
Operating Cost, Net of Depreciation	\$ 2,527,466	\$ 1,258,462	\$ 1,269,004
Farebox Ratio	<u>7.46%</u>		

For the year ended June 30, 2023, NVTA was not in compliance with the minimum farebox ratio required for Article 8 transit operations. For the year ended June 30, 2023, NVTA was not in compliance with the minimum farebox ratio required for Article 8 transit operations. NVTA was not required to meet the farebox ratio due to AB90 waiving the farebox requirements for the years ended June 30, 2024 and 2023.

NOTE 14 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the years ended June 30, 2024 and 2023, expenditures exceeded appropriations in the Planning Fund as follows:

<u>Appropriations Category</u>		<u>Excess Expenditures</u>	
		<u>2024</u>	<u>2023</u>
Planning Fund:	Insurance	\$ -	\$ 3,778
	Rents and Leases	2,669	-
	Transportation	2,278	-
	Miscellaneous Expense	31,927	-

NOTE 15 – STATE OF GOOD REPAIR (SGR)

SGR funds of \$18,993 and \$18,296 were received during 2024 and 2023, respectively.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 27, 2024, which is the date the basic financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GOVERNMENTAL FUND – PLANNING FUND
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Local Transportation Fund Allocation	\$ 2,704,500	\$ 2,704,500	\$ 3,035,500	\$ 331,000
Federal Highway Allocations	10,932,600	10,932,600	1,731,268	(9,201,332)
State Grants	2,150,000	2,150,000	7,868,739	5,718,739
Other Grants	10,613,200	10,613,200	1,806,463	(8,806,737)
Interest	30,000	30,000	157,470	127,470
Other Revenues	265,000	265,000	302,154	37,154
Total Revenues	26,695,300	26,695,300	14,901,594	(11,793,706)
Expenditures				
Communications	70,000	70,000	37,636	32,364
Insurance	75,000	75,000	46,239	28,761
Office Expense	101,000	101,000	25,310	75,690
Rents and Leases	7,500	7,500	10,169	(2,669)
Transportation	8,900	8,900	11,178	(2,278)
Salaries and Benefits	3,974,800	3,974,800	2,124,040	1,850,760
Miscellaneous Expense	316,100	316,100	348,027	(31,927)
Professional Services	22,092,000	22,092,000	13,003,574	9,088,426
Debt Service				
Interest	50,000	50,000	-	50,000
Total Expenditures	26,695,300	26,695,300	15,606,173	11,039,127
Other Finance Sources				
Transfers	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balance	\$ -	\$ -	(704,579)	\$ 704,579
Fund Balance, Beginning of Year			3,353,509	
Fund Balance, End of Year			<u>\$ 2,648,930</u>	

See accompanying note to required supplementary information.

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GOVERNMENTAL FUND – PLANNING FUND
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Local Transportation Fund Allocation	\$ 3,972,200	\$ 3,972,200	\$ 3,362,200	\$ (610,000)
Federal Highway Allocations	9,533,600	9,533,600	3,322,667	(6,210,933)
State Grants	4,031,300	4,031,300	689,156	(3,342,144)
Other Grants	11,695,000	11,695,000	1,563,063	(10,131,937)
Interest	20,000	20,000	76,969	56,969
Other Revenues	260,000	260,000	936,330	676,330
Total Revenues	<u>29,512,100</u>	<u>29,512,100</u>	<u>9,950,385</u>	<u>(19,561,715)</u>
Expenditures				
Communications	40,000	40,000	33,791	6,209
Insurance	60,000	60,000	63,778	(3,778)
Office Expense	66,000	133,000	128,538	4,462
Rents and Leases	7,000	7,000	6,807	193
Transportation	16,000	16,000	10,317	5,683
Salaries and Benefits	3,517,700	3,517,700	2,189,959	1,327,741
Miscellaneous Expense	229,400	412,900	352,301	60,599
Professional Services	25,787,000	25,336,500	6,510,513	18,825,987
Total Expenditures	<u>29,723,100</u>	<u>29,523,100</u>	<u>9,296,004</u>	<u>20,227,096</u>
Other Finance Sources				
Transfers	251,000	251,000	-	251,000
Total Other Financing Sources	<u>251,000</u>	<u>251,000</u>	<u>-</u>	<u>251,000</u>
Net Change in Fund Balance	<u>\$ 40,000</u>	<u>\$ 240,000</u>	654,381	<u>\$ (414,381)</u>
Fund Balance, Beginning of Year			<u>2,699,128</u>	
Fund Balance, End of Year			<u>\$ 3,353,509</u>	

See accompanying note to required supplementary information.

**NAPA VALLEY TRANSPORTATION AUTHORITY
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

BUDGETS AND BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control by Napa Valley Transportation Authority (NVTA). A biennial budget is adopted each even-numbered fiscal year by the Board of Directors (the Board). The accounting method used to prepare the budget is consistent with accounting principles generally accepted in the United States of America. All changes or amendments to the budget require prior approval of the Board. Unused appropriations lapse at the end of the fiscal year.

NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB)
LIABILITY/(ASSET) AND RELATED RATIOS
FOR THE MEASUREMENT PERIOD ENDED JUNE 30

Measurement Period	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability				
Service Cost	\$ 35,257	\$ 41,754	\$ 37,189	\$ 42,375
Interest	33,437	25,177	23,613	19,391
Actual and Expected Experience Difference	-	120,683	-	68,869
Changes in Assumptions	-	(27,542)	28,092	(33,649)
Changes in Benefit Terms	-	-	-	-
Benefit Payments	<u>(20,377)</u>	<u>(20,063)</u>	<u>(18,423)</u>	<u>(11,607)</u>
Net Change in Total OPEB Liability	48,317	140,009	70,471	85,379
Total OPEB Liability - Beginning	<u>611,837</u>	<u>471,828</u>	<u>401,357</u>	<u>315,978</u>
Total OPEB Liability - Ending (a)	<u>\$ 660,154</u>	<u>\$ 611,837</u>	<u>\$ 471,828</u>	<u>\$ 401,357</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 56,422	\$ 55,094	\$ 59,458	\$ 50,607
Net Investment Income	8,327	(58,393)	60,338	24,293
Benefit Payments	(20,377)	(20,063)	(18,423)	(11,607)
Administrative Expenses	<u>(195)</u>	<u>(170)</u>	<u>(192)</u>	<u>(190)</u>
Net Change in Plan Fiduciary Net Position	44,177	(23,532)	101,181	63,103
Plan Fiduciary Net Position - Beginning	<u>521,590</u>	<u>545,122</u>	<u>443,941</u>	<u>380,838</u>
Plan Fiduciary Net Position - Ending	<u>\$ 565,767</u>	<u>\$ 521,590</u>	<u>\$ 545,122</u>	<u>\$ 443,941</u>
Net OPEB Liability/(Asset) - Ending [(a) - (b)]	94,387	90,247	(73,294)	(42,584)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	85.70%	85.25%	115.53%	110.61%
Covered Payroll	\$ 1,905,644	\$ 1,649,016	\$ 1,738,478	\$ 1,661,705
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	5.00%	5.47%	-4.22%	-2.56%

NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB)
LIABILITY/(ASSET) AND RELATED RATIOS (Continued)
FOR THE MEASUREMENT PERIOD ENDED JUNE 30

<i>Measurement Period</i>	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 41,141	\$ 31,966	\$ 31,035
Interest	16,632	10,999	8,924
Actual and Expected Experience Difference	-	(16,460)	-
Changes in Assumptions	-	50,801	-
Changes in Benefit Terms	-	20,429	-
Benefit Payments	(6,087)	(2,930)	(3,400)
Net Change in Total OPEB Liability	51,686	94,805	36,559
Total OPEB Liability - Beginning	264,292	169,487	132,928
Total OPEB Liability - Ending (a)	<u>\$ 315,978</u>	<u>\$ 264,292</u>	<u>\$ 169,487</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 44,087	\$ 25,930	\$ 34,400
Net Investment Income	23,900	13,303	10,318
Benefit Payments	(6,087)	(2,930)	(3,400)
Administrative Expenses	(70)	(522)	(128)
Net Change in Plan Fiduciary Net Position	61,830	35,781	41,190
Plan Fiduciary Net Position - Beginning	319,008	283,227	242,037
Plan Fiduciary Net Position - Ending	<u>\$ 380,838</u>	<u>\$ 319,008</u>	<u>\$ 283,227</u>
Net OPEB Liability/(Asset) - Ending [(a) - (b)]	(64,860)	(54,716)	(113,740)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	120.53%	120.70%	167.11%
Covered Payroll	\$ 1,621,492	\$ 1,870,622	\$ 1,870,622
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	-4.00%	-3.37%	-6.08%

Notes to the Schedule:

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF CONTRIBUTIONS – OPEB
AS OF JUNE 30, 2024
LAST 10 YEARS***

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>
Actuarially Determined Contributions	\$ 42,000	\$ 36,000	\$ 35,000	\$ 41,000
Contributions in Relation to the Actuarially Determined Contributions	<u>(64,142)</u>	<u>(56,422)</u>	<u>(55,329)</u>	<u>(59,458)</u>
Contribution Deficiency (Excess)	<u><u>(22,142)</u></u>	<u><u>(20,422)</u></u>	<u><u>(20,329)</u></u>	<u><u>(18,458)</u></u>
Covered Payroll	\$ 2,039,095	\$ 1,905,644	\$ 1,649,016	\$ 1,738,478
Contributions as a Percentage of Covered Payroll	3.15%	2.96%	3.36%	3.42%
	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>	
Actuarially Determined Contributions	\$ 39,000	\$ 38,000	\$ 23,000	
Contributions in Relation to the Actuarially Determined Contributions	<u>(50,607)</u>	<u>(44,087)</u>	<u>(25,930)</u>	
Contribution Deficiency (Excess)	<u><u>(11,607)</u></u>	<u><u>(6,087)</u></u>	<u><u>(2,930)</u></u>	
Covered Payroll	\$ 1,611,705	\$ 1,621,492	\$ 1,870,622	
Contributions as a Percentage of Covered Payroll	3.14%	2.72%	1.39%	

Notes to the Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2024, were from the June 30, 2021 actuarial valuation.

Notes to the Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2023, were from the June 30, 2020 actuarial valuation.

Methods and Assumptions Used to Determine Contributions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	5.25%
Inflation	2.50%
Salary Increases	2.75%
Healthcare Cost Trend Rates	8.5% in 2024, decreasing to an ultimate rate of 3.45% by 2076
Mortality Rate	CalPERS 2000-2019 Experience Study; Projected with Scale MP- 2021

* Fiscal year 2018 was the 1st year of implementation; therefore, only seven years are shown.

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF NVTA'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2024
LAST 10 YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the Net Pension Liability	0.009890%	0.009110%	0.006650%	0.007450%	0.006870%
Proportionate Share of the Net Pension Liability	\$ 1,233,298	\$ 1,052,652	\$ 359,552	\$ 810,777	\$ 703,771
Covered Payroll	\$ 1,882,370	\$ 1,655,616	\$ 1,597,412	\$ 1,546,016	\$ 1,515,963
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	65.52%	63.58%	22.51%	52.44%	46.42%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.21%	76.68%	88.29%	75.10%	75.26%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the Net Pension Liability	0.003700%	0.003785%	0.003379%	0.003120%	0.003084%
Proportionate Share of the Net Pension Liability	\$ 356,433	\$ 375,403	\$ 292,430	\$ 214,127	\$ 191,920
Covered Payroll	\$ 1,436,566	\$ 1,392,133	\$ 1,116,442	\$ 1,100,512	\$ 1,014,983
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	24.81%	26.97%	26.19%	19.46%	18.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014, as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions. GASB Statement No. 68, states that the long-term expected rate of return should be determined net of pension plan investment expenses but without reduction for pension plan administrative expenses. The discount rate of 7.15 percent used for the June 30, 2018 measurement date was net of administrative expenses.

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF CONTRIBUTIONS – PENSION
AS OF JUNE 30, 2024
LAST 10 YEARS**

	2024	2023	2022	2021	2020
Contractually Required Contribution (Actuarially Determined)	\$ 234,762	\$ 229,603	\$ 195,723	\$ 185,716	\$ 161,492
Contributions in Relation to the Actuarially Determined Contributions	<u>234,762</u>	<u>229,603</u>	<u>195,723</u>	<u>185,716</u>	<u>161,492</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,918,597	\$ 1,882,370	\$ 1,655,616	\$ 1,597,412	\$ 1,546,016
Contributions as a Percentage of Covered Payroll	12.24%	12.20%	11.82%	11.63%	10.45%
	2019	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	\$ 142,748	\$ 124,099	\$ 117,333	\$ 91,990	\$ 130,432
Contributions in Relation to the Actuarially Determined Contributions	<u>142,748</u>	<u>124,099</u>	<u>117,333</u>	<u>91,990</u>	<u>130,432</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,515,963	\$ 1,436,566	\$ 1,392,113	\$ 100,512	\$ 1,014,983
Contributions as a Percentage of Covered Payroll	9.42%	8.64%	8.43%	91.52%	12.85%

Notes to Schedule:

Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	Varies ⁽¹⁾	Varies ⁽¹⁾
Investment Rate of Return	6.90% ⁽²⁾	6.90% ⁽²⁾
Mortality	CalPERS ⁽³⁾	CalPERS ⁽³⁾

⁽¹⁾ Depending on age, service, and type of employment.

⁽²⁾ Net of pension plan investment expenses, including inflation.

⁽³⁾ The mortality table used was developed based on CalPERS' specific data. The mortality table was developed based on CalPERSspecific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

SUPPLEMENTARY INFORMATION

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
ENTERPRISE FUND – TRANSIT RELATED
BY OPERATION
FOR THE YEAR ENDED JUNE 30, 2024**

	Vine Go	Vine	Taxi Scrip	American Canyon Transit	Yountville Trolley
Operating Revenues:					
Farebox Revenues	\$ 66,075	\$ 656,531	\$ -	\$ 88,339	\$ 43,830
Operating Expenses:					
Marketing	-	79,953	-	-	-
Vehicle Maintenance	-	46,696	-	-	-
Other Maintenance	-	30,542	-	-	-
Fuel and Lubricants	167,809	1,357,269	-	29,617	4,206
Insurance	33,653	279,546	-	14,369	9,523
Planning and Administration	-	-	-	-	-
Security	-	29,190	-	-	-
Services	4,567	284,356	-	11,020	11,747
Supplies	2,225	68,010	-	-	1,576
Purchased Transportation	1,169,124	8,741,159	-	487,023	322,671
Rents and Leases	-	-	-	-	-
Utilities	-	70,624	-	-	-
Miscellaneous Expense	147	232,836	-	-	-
Depreciation	51,494	3,156,748	-	-	49,683
Personnel Costs	64,814	549,803	-	19,918	13,146
Total Operating Expenses	1,493,833	14,926,732	-	561,947	412,552
Operating Loss	(1,427,758)	(14,270,201)	-	(473,608)	(368,722)
Nonoperating Revenues (Expenses):					
Local Transportation Fund	820,823	5,116,200	-	-	315,600
State Transit Assistance	200,000	3,174,748	-	80,000	-
Federal Transit Assistance					
Grant Revenues - Operating	493,345	4,300,833	-	440,721	95,000
Other Operating Grants	-	6,647,387	-	-	-
Interest Income	22,578	750,149	-	7,512	8,313
Other Revenues	-	-	-	-	-
Returned Local Transportation					
Fund Allocations	-	(1,816,786)	-	-	-
Loss on Disposal of Property	1,320	1,417	-	-	8,580
Total Nonoperating Revenues	1,538,066	18,173,948	-	528,233	427,493
Change in Net Position Before Contributions	110,308	3,903,747	-	54,625	58,771
Capital Contributions:					
Federal Transit Assistance	-	777,200	-	-	-
State Transit Assistance	-	-	-	-	-
Local Transportation Fund	-	2,758,065	-	-	-
Change in Net Position	110,308	7,439,012	-	54,625	58,771
Net Position, Beginning of Year	688,784	34,387,359	(89,353)	904,785	197,056
Net Position, End of the Year	\$ 799,092	\$ 41,826,371	\$ (89,353)	\$ 959,410	\$ 255,827

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION (Continued)
ENTERPRISE FUND – TRANSIT RELATED
BY OPERATION
FOR THE YEAR ENDED JUNE 30, 2024**

	St. Helena Shuttle	Calistoga Shuttle	Totals
Operating Revenues:			
Farebox Revenues	\$ 47,751	\$ 76,694	\$ 979,220
Operating Expenses:			
Marketing	550	1,496	81,999
Vehicle Maintenance	-	-	46,696
Other Maintenance	-	-	30,542
Fuel and Lubricants	20,886	51,027	1,630,814
Insurance	9,294	12,883	359,268
Security	-	-	29,190
Services	12,196	11,833	335,719
Supplies	-	-	71,811
Purchased Transportation	315,156	436,151	11,471,284
Utilities	-	-	70,624
Miscellaneous Expense	-	-	232,983
Depreciation	49,683	-	3,307,608
Personnel Costs	12,867	17,872	678,420
Total Operating Expenses	<u>420,632</u>	<u>531,262</u>	<u>18,346,958</u>
Operating Loss	<u>(372,881)</u>	<u>(454,568)</u>	<u>(17,367,738)</u>
Nonoperating Revenues (Expenses):			
Local Transportation Fund	315,600	391,000	6,959,223
State Transit Assistance	-	-	3,454,748
Federal Transit Assistance			
Grant Revenues - Operating	95,000	111,072	5,535,971
Other Operating Grants	-	-	6,647,387
Interest Income	8,821	10,897	808,270
Other Revenues	-	-	-
Returned Local Transportation			
Fund Allocations	-	-	(1,816,786)
Loss on Disposal of Property	-	-	11,317
Total Nonoperating Revenues	<u>419,421</u>	<u>512,969</u>	<u>21,600,130</u>
Change in Net Position Before Contributions	46,540	58,401	4,232,392
Capital Contributions:			
Federal Transit Assistance	-	-	777,200
State Transit Assistance	-	-	-
Local Transportation Fund	-	-	2,758,065
Change in Net Position	<u>46,540</u>	<u>58,401</u>	<u>7,767,657</u>
Net Position, Beginning of Year	<u>490,204</u>	<u>80,003</u>	<u>36,658,838</u>
Net Position, End of the Year	<u>\$ 536,744</u>	<u>\$ 138,404</u>	<u>\$ 44,426,495</u>

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
ENTERPRISE FUND – TRANSIT RELATED
BY OPERATION
FOR THE YEAR ENDED JUNE 30, 2023**

	Vine Go	Vine	Taxi Scrip	American Canyon Transit	Yountville Trolley
Operating Revenues:					
Farebox Revenues	\$ 54,183	\$ 627,186	\$ -	\$ 55,418	\$ 28,853
Operating Expenses:					
Marketing	-	1,700	-	-	6,701
Vehicle Maintenance	-	546,238	-	-	-
Other Maintenance	-	12,724	-	-	-
Fuel and Lubricants	146,954	1,257,255	-	24,727	3,839
Insurance	24,899	242,839	-	12,126	7,796
Planning and Administration	-	-	-	-	-
Security	-	27,331	-	-	-
Services	2,987	272,771	-	31,893	31,164
Supplies	814	45,269	-	-	620
Purchased Transportation	1,042,767	7,872,803	-	489,115	314,669
Rents and Leases	-	-	-	-	-
Utilities	-	25,630	-	-	-
Miscellaneous Expense	225	139,289	-	-	-
Depreciation	54,731	2,046,781	-	-	66,128
Personnel Costs	39,816	359,565	-	13,049	9,146
Total Operating Expenses	1,313,193	12,850,195	-	570,910	440,063
Operating Loss	(1,259,010)	(12,223,009)	-	(515,492)	(411,210)
Nonoperating Revenues (Expenses):					
Local Transportation Fund	739,800	5,725,466	-	200,000	512,782
State Transit Assistance	-	1,111,344	-	-	100,000
Federal Transit Assistance					
Grant Revenues - Operating	674,512	3,908,793	-	476,426	165,168
Other Operating Grants	-	2,235,217	-	-	-
Interest Income	9,187	62,214	-	3,857	1,353
Returned Local Transportation Fund Allocations	-	(3,534,631)	-	-	-
Total Nonoperating Revenues	1,423,499	9,508,403	-	680,283	779,303
Change in Net Position Before Contributions	164,489	(2,714,606)	-	164,791	368,093
Capital Contributions:					
Federal Transit Assistance	-	2,659,955	-	-	-
State Transit Assistance	-	300,776	-	-	-
Local Transportation Fund	-	3,777,120	-	-	-
Change in Net Position	164,489	4,023,245	-	164,791	368,093
Net Position, Beginning of Year	524,295	30,364,114	(89,353)	739,994	(171,037)
Net Position, End of the Year	\$ 688,784	\$ 34,387,359	\$ (89,353)	\$ 904,785	\$ 197,056

**NAPA VALLEY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION (Continued)
ENTERPRISE FUND – TRANSIT RELATED
BY OPERATION
FOR THE YEAR ENDED JUNE 30, 2023**

	St. Helena Shuttle	Calistoga Shuttle	Totals
Operating Revenues:			
Farebox Revenues	\$ 52,167	\$ 53,333	\$ 871,140
Operating Expenses:			
Marketing	6,701	-	15,102
Vehicle Maintenance	-	-	546,238
Other Maintenance	-	-	12,724
Fuel and Lubricants	17,661	27,144	1,477,580
Insurance	7,708	11,059	306,427
Security	-	-	27,331
Services	31,729	30,672	401,216
Supplies	956	139	47,798
Purchased Transportation	310,079	430,474	10,459,907
Utilities	-	-	25,630
Miscellaneous Expense	-	-	139,514
Depreciation	49,683	-	2,217,323
Personnel Costs	9,436	11,315	442,327
Total Operating Expenses	<u>433,953</u>	<u>510,803</u>	<u>16,119,117</u>
Operating Loss	<u>(381,786)</u>	<u>(457,470)</u>	<u>(15,247,977)</u>
Nonoperating Revenues (Expenses):			
Local Transportation Fund	545,142	161,567	7,884,757
State Transit Assistance	100,000	-	1,311,344
Federal Transit Assistance			
Grant Revenues - Operating	170,000	199,000	5,593,899
Other Operating Grants	-	-	2,235,217
Interest Income	1,377	4,552	82,540
Returned Local Transportation Fund Allocations	-	-	(3,534,631)
Total Nonoperating Revenues	<u>816,519</u>	<u>365,119</u>	<u>13,573,126</u>
Change in Net Position Before Contributions	434,733	(92,351)	(1,674,851)
Capital Contributions:			
Federal Transit Assistance	-	-	2,659,955
State Transit Assistance	-	-	300,776
Local Transportation Fund	-	-	3,777,120
Change in Net Position	<u>434,733</u>	<u>(92,351)</u>	<u>5,063,000</u>
Net Position, Beginning of Year	<u>55,471</u>	<u>172,354</u>	<u>31,595,838</u>
Net Position, End of the Year	<u>\$ 490,204</u>	<u>\$ 80,003</u>	<u>\$ 36,658,838</u>

OTHER REPORTS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH THE STATUTES, RULES, AND
REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT
ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF
THE METROPOLITAN TRANSPORTATION COMMISSION**

To the Honorable Members
of the Board of Directors
Napa Valley Transportation Authority
Napa, California

We have audited, 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, the basic financial statements of Napa Valley Transportation Authority (NVTA) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 27, 2024.

Report on Compliance

As part of obtaining reasonable assurance about whether NVTA's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the financial statements. Additionally, we performed tests to determine that allocations made and expenditures paid by NVTA were made in accordance with the allocation instructions and resolutions of the Metropolitan Transportation Commission and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Sections 6666 and 6667 that are applicable to NVTA. Based on our procedures, no instances of noncompliance with applicable statutes, rules, and regulations of the California Transportation Development Act and the allocation instructions and resolutions of the Metropolitan Transportation Commission were noted. 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.

Also as part of our audit, we performed tests of compliance to determine whether certain state funds were received and expended in accordance with the applicable bond act and state accounting requirements.

Purpose of this Report

The purpose of this report is solely to describe the scope of our internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NVTA's internal control or on compliance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Board of Directors, the California Department of Transportation, the State Controller's Office, and officials of applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 27, 2024

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

To the Honorable Members
of the Board of Directors
Napa Valley Transportation Authority
Napa, California

Report on Compliance with Transportation Development Act Requirements

We have audited Napa Valley Transportation Authority's (NVTA) compliance with Transportation Development Act (TDA) requirements that funds allocated to and received by NVTA were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Metropolitan Transportation Commission as required by Section 6667 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the year ended June 30, 2024.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to the applicable statutes, rules, and regulations of the TDA.

Auditor's Responsibility

Our responsibility is to express an opinion on each of NVTA's compliance requirements referred to in Section 6667, which requires that for a transit claimant, the independent auditor will perform at least the following tasks:

- (a) Determine whether the claimant was an entity eligible to receive the funds allocated to it,
- (b) Determine whether the claimant is maintaining its accounts and records on an enterprise fund basis and is otherwise in compliance with the uniform system of accounts and records adopted by the State Controller, pursuant to Public Utilities Code Section 99234,
- (c) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with those sections of the TDA specifying the qualifying purposes, including Public Utilities Code Sections 99262 and 99263 for operators receiving funds under Article 4; Sections 99275, 99275.5, and 99277 for Article 4.5 claimants; Section 99400(c), (d), and (e) for Article 8 claimants for service provided under contract; and Section 99405(d) for transportation services provided by cities and countries with populations of less than 5,000,
- (d) Determine whether the funds received by the claimant pursuant to the TDA were expended in conformance with the applicable rules, regulations, and procedures of the transportation planning agency and in compliance with the allocation instructions and resolutions,
- (e) Determine whether interest earned on funds received by the claimant, pursuant to the TDA, were expended only for those purposes for which the funds were allocated in accordance with Public Utilities Code Sections 99234.1, 99301, 99301.5, and 99301.6,
- (f) Verify the amount of the claimant's operating cost for the fiscal year, the amount of fare revenues required to meet the ratios specified in Sections 6633.2 and 6633.5, and the amount of the sum of fare revenues and local support required to meet the ratios specified in the Section 6633.2,

- (g) Verify the amount of the claimant's actual fare revenues for the fiscal year,
- (h) Verify the amount of the claimant's actual local support for the fiscal year,
- (i) Verify the amount the claimant was eligible to receive under the TDA during the fiscal year in accordance with Sections 6634 and 6649,
- (j) Verify, if applicable, the amount of the operator's expenditure limitation in accordance with Section 6633.1,
- (k) In the case of an operator, determine whether the operator's employee retirement system or private pension plan is in conformance with the provisions of Public Utilities Code Sections 99271, 99272, and 99273,
- (l) In the case of an operator, determine whether the operator has had a certification by the Department of the California Highway Patrol verifying that the operator is in compliance with Section 1808.1 of the Vehicle Code, as required in Public Utilities Code Section 99251,
- (m) In the case of an operator, verify, if applicable, its State Transit Assistance eligibility pursuant to Public Utilities Code Section 99314.6 or 99314.7, and
- (n) In the case of a claimant for community transit services, determine whether it is in compliance with Public Utilities Code Sections 99155 and 99155.5.

Opinion on Compliance

In our opinion, NVTA complied, in all material respects, with the compliance requirements referred to above that are applicable to NVTA for the year ended June 30, 2024.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 27, 2024