

Napa Valley Transportation Authority

625 Burnell Street
Napa, CA 94559



Agenda - Final

Wednesday, February 19, 2025
1:00 PM

JoAnn Busenbark Board Room

NVTA Board of Directors

All materials relating to an agenda item for an open session of a regular meeting of the NVTA Board of Directors are posted on the NVTA website at: <https://nctpa.legistar.com/Calendar.aspx>

This meeting will be conducted as an in-person meeting at the location noted above. Remote teleconference access is provided for the public's convenience and in the event a Board Member requests remote participation due to just cause or emergency circumstances pursuant to Government Code section 54953(f). Please be advised that if a Board Member is not participating in the meeting remotely, remote participation for members of the public is provided for convenience only and in the event that the Zoom teleconference connection malfunctions for any reason, the Board of Directors reserves the right to conduct the meeting without remote access and take action on any agenda item.

The public may participate telephonically or electronically via the methods below:

1) To join the meeting via Zoom video conference from your PC, Mac, iPad, iPhone or Android: go to <https://zoom.us/join> and enter meeting ID 864 1754 4351

2) To join the Zoom meeting by phone: dial 1-669-900-6833, enter meeting ID: 864 1754 4351 If asked for the participant ID or code, press #.

3) Watch live on YouTube: <https://www.youtube.com/channel/UCrjLcW9uRmA0EE6w-eKZyw?app=desktop>

The agenda will be posted 72 hours prior to the meeting and will be available for public inspection, on and after at the time of such distribution, in the office of the Secretary of the NVTA Board of Directors, 625 Burnell Street, Napa, California 94559, Monday through Friday, between the hours of 8:00 a.m. and 4:30 p.m., except for NVTA holidays. Should the office be closed or staff is working remotely due to a declared emergency, you may email info@nvta.ca.gov to request a copy of the agenda.

Public records related to an agenda item that are distributed less than 72 hours before this meeting are

available for public inspection during normal business hours at the NVTA office at 625 Burnell Street, Napa, CA 94559 and will be made available to the public on the NVTA website at nvta.ca.gov. Availability of materials related to agenda items for public inspection does not include materials which are exempt from public disclosure under Government Code sections 6253.5, 6254, 6254.3, 6254.7, 6254.15, 6254.16, or 6254.22.

Members of the public may comment on matters within the subject matter of the Board's jurisdiction, that are not on the meeting agenda during the general Public Comment item at the beginning of the meeting. Comments related to a specific item on the agenda must be reserved until the time the agenda item is considered and the Chair invites public comment. While members of the public are welcome to address the Board, under the Brown Act, Board members may not deliberate or take action on items not on the agenda, and generally may only listen.

Members of the public may submit a public comment in writing by emailing info@nvta.ca.gov by 10:00 a.m. on the day of the meeting with PUBLIC COMMENT as the subject line (for comments related to an agenda item, please include the item number). All written comments should be 350 words or less, which corresponds to approximately 3 minutes or less of speaking time. Public comments emailed to info@nvta.ca.gov after 10 a.m. the day of the meeting will be entered into the record but not read out loud. If authors of the written correspondence would like to speak, they are free to do so and should raise their hand and the Chair will call upon them at the appropriate time.

1. To comment while attending via Zoom, click the "Raise Your Hand" button (click on the "Participants" tab) to request to speak when Public Comment is being taken on the Agenda item. You must unmute yourself when it is your turn to make your comment for up to 3 minutes. After the allotted time, you will then be re-muted. Instructions for how to "Raise Your Hand" are available at <https://support.zoom.us/hc/en-us/articles/205566129-Raise-Hand-In-Webinar>.

2. To comment by phone, press "*9" to request to speak when Public Comment is being taken on the Agenda item. You must unmute yourself by pressing "*6" when it is your turn to make your comment, for up to 3 minutes. After the allotted time, you will be re-muted.

The methods of observing, listening, or providing public comment to the meeting may be altered due to technical difficulties or the meeting may be cancelled, if needed.

Note: Where times are indicated for agenda items, they are approximate and intended as estimates only, and may be shorter or longer as needed.

Information on obtaining the agenda in an alternate format is noted below:

Americans with Disabilities Act (ADA): This Agenda shall be made available upon request in alternate formats to persons with a disability. Persons requesting a disability-related modification or accommodation should contact Laura Sanderlin, NVTA Board Secretary, at (707) 259-8633 during regular business hours, at least 48 hours prior to the time of the meeting.

Acceso y el Titulo VI: La NVTA puede proveer asistencia/facilitar la comunicaci3n a las personas discapacitadas y los individuos con conocimiento limitado del ingl3s quienes quieran dirigirse a la Autoridad. Para solicitar asistencia, por favor llame al n3mero (707) 259-8633. Requerimos que solicite asistencia con tres d3as h3biles de anticipaci3n para poderle proveer asistencia.

Ang Accessibility at Title VI: Ang NVTA ay nagkakaloob ng mga serbisyo/akomodasyon kung hilingin ang mga ito, ng mga taong may kapansanan at mga indibiduwal na may limitadong kaalaman sa wikang Ingles, na nais na matugunan ang mga bagay-bagay na may kinalaman sa NVTA-TA Board. Para sa mga tulong sa akomodasyon o pagsasalin-wika, mangyari lang tumawag sa (707) 259-8633. Kakailanganin namin ng paunang abiso na tatlong araw na may pasok sa trabaho para matugunan ang inyong kahilingan.

1. Call to Order
2. Approval of Board Member Remote Participation
3. Roll Call
4. Adoption of the Agenda
5. Public Comment
6. Chairperson's, Board Members', Metropolitan Transportation Commissioner's, and Association of Bay Area Governments Update
7. Executive Director's Update
8. Caltrans' Update

Note: Where times are indicated for the agenda items, they are approximate and intended as estimates only and may be shorter or longer as needed.

9. PRESENTATIONS

- 9.1 **Appreciation for Bill Dodd on his retirement from the State Senate (Mark Joseph)**

Estimated Time: 1:30 p.m.

- 9.2 **NVTA Project Update (Grant Bailey)**

Estimated Time: 1:45 p.m.

10. CONSENT AGENDA ITEMS

- 10.1 **Meeting Minutes of December 18, 2024 (Laura Sanderlin) (Pages 10-12)**

Recommendation: Board action will approve the minutes of the December 18th regular meeting.

Estimated Time: 2:00 p.m.

Attachments: [Draft Minutes](#)

10.2 Special Meeting Minutes of December 18, 2024 (Laura Sanderlin)
(Pages 13-14)

Recommendation: Board action will approve the minutes of the December 18th special meeting.

Estimated Time: 2:00 p.m.

Attachments: [Draft Minutes](#)

10.3 Purchase Order 25-P5039 with Cubic Transportation Systems for installation of the Clipper fare payment system (Rebecca Schenck) (Pages 15-21)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director, or designee, to execute and make minor modifications to Purchase Order 25-P5039 with Cubic Transportation Systems (Cubic) for the prewiring and installation of the Clipper fare payment system for an amount not to exceed \$294,407.

Estimated Time: 2:00 p.m.

Attachments: [Staff Report](#)

10.4 Resolution No. 25-02 Adopting the Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan for Fiscal Year End (FYE) 2026 (Addrell Coleman) (Pages 22-28)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board approve Resolution No. 25-02 adopting the Fiscal Year End (FYE) 2026 Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan.

Estimated Time: 2:00 p.m.

Attachments: [Staff Report](#)

10.5 On-Call Task Order with TYLin (Grant Bailey) (Pages 29-36)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director to execute and make minor modifications to Project Work Order No. 23-OCE12-E08 with T.Y. Lin International for environmental revalidation work on the State Route 29 and Airport Blvd Interchange project, for a total amount not to exceed \$113,455.

Estimated Time: 2:00 p.m.

Attachments: [Staff Report](#)

10.6 Authorization to Execute and File Federal Transit Administration Grants (Antonio Onorato) (Pages 37-41)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board approve Resolution 25-01 which authorizes the Executive Director or designee to execute and file applications for federal assistance on behalf of the NVTA with the Federal Transit Administration (FTA).

Estimated Time: 2:00 p.m.

Attachments: [Staff Report](#)

10.7 Citizen Advisory Committee (CAC) Member Appointments (Laura Sanderlin) (Pages 42-44)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board approve the re-appointment of members Ron Richardson and Michael Baldini for a two (2) year term.

Estimated Time: 2:00 p.m.

Attachments: [Staff Report](#)

11. REGULAR AGENDA ITEMS

11.1 Napa Valley Transportation Authority (NVTA) Annual Financial Statement with Independent Auditor's Report for the Years Ended June 30, 2024 and 2023 and Single Audit Report of Uniform Guidance (Antonio Onorato) (Pages 45-146)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board:

(1) Accept and file the Financial Statements with Independent Auditor's Report for Fiscal Years Ending June 30, 2024 and 2023 and the NVTA Single Audit Report of the Uniform Guidance for the Year Ended June 30, 2024; and

(2) Return an allocation surplus of \$1,816,786 to the Local Transportation Fund (LTF) Trust Fund

Estimated Time: 2:05 p.m.

Attachments: [Staff Report](#)

11.2 Vine Transit Report (Rebecca Schenck) (Pages 147-153)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board receive the second quarter Fiscal Year (FY) 2024-25 Vine Transit update.

Estimated Time: 2:15 p.m.

Attachments: [Staff Report](#)

11.3 Federal and State Legislative Update (Kate Miller) (Pages 154-156)

Recommendation: That the Napa Valley Transportation Authority (NVTA) Board receive the Federal Legislative update, State Legislative Update, and the State Bill Matrix.

Estimated Time: 2:25 p.m.

Attachments: [Staff Report](#)

12. FUTURE AGENDA ITEMS

13. CLOSED SESSION

13.1 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

(Initiation of litigation pursuant to Government Code § 54956.9(d): (1 potential case)

Estimated Time: 2:35 p.m.

13.2 PUBLIC EMPLOYMENT

(Pursuant to Government Code Section 54957(b)(1)
Title: Executive Director

Estimated Time: 2:45 p.m.

14. ADJOURNMENT**14.1 The next Regular Meeting is Wednesday, March 19th.**

I hereby certify that the agenda for the above stated meeting was posted at a location freely accessible to members of the public at the NVTA Offices, 625 Burnell Street, Napa, CA by 5:00 p.m. by Friday, February 14th.

Laura Sanderlin

Laura M. Sanderlin, NVTA Board Secretary

Glossary of Acronyms

| | | | |
|-----------------|---|-----------------|--|
| AB 32 | Global Warming Solutions Act | FAS | Federal Aid Secondary |
| ABAG | Association of Bay Area Governments | FAST | Fixing America's Surface Transportation Act |
| ACFR | Annual Comprehensive Financial Report | FHWA | Federal Highway Administration |
| ADA | American with Disabilities Act | FTA | Federal Transit Administration |
| APA | American Planning Association | FY | Fiscal Year |
| ATAC | Active Transportation Advisory Committee | GHG | Greenhouse Gas |
| ATP | Active Transportation Program | GGRF | Greenhouse Gas Reduction Fund |
| BAAQMD | Bay Area Air Quality Management District | GTFS | General Transit Feed Specification |
| BAB | Build America Bureau | HBP | Highway Bridge Program |
| BART | Bay Area Rapid Transit District | HBRR | Highway Bridge Replacement and Rehabilitation Program |
| BATA | Bay Area Toll Authority | HIP | Housing Incentive Program |
| BIL | Bipartisan Infrastructure Law (IIJA) | HOT | High Occupancy Toll |
| BRT | Bus Rapid Transit | HOV | High Occupancy Vehicle |
| CAC | Citizen Advisory Committee | HR3 | High Risk Rural Roads |
| CAP | Climate Action Plan | HSIP | Highway Safety Improvement Program |
| CAPTI | Climate Action Plan for Transportation Infrastructure | HTF | Highway Trust Fund |
| Caltrans | California Department of Transportation | HUTA | Highway Users Tax Account |
| CASA | Committee to House the Bay Area | HVIP | Hybrid & Zero-Emission Truck and Bus Voucher Incentive Program |
| CBTP | Community Based Transportation Plan | IFB | Invitation for Bid |
| CEQA | California Environmental Quality Act | ITIP | State Interregional Transportation Improvement Program |
| CIP | Capital Investment Program | ITOC | Independent Taxpayer Oversight Committee |
| CMA | Congestion Management Agency | IS/MND | Initial Study/Mitigated Negative Declaration |
| CMAQ | Congestion Mitigation and Air Quality Improvement Program | JARC | Job Access and Reverse Commute |
| CMP | Congestion Management Program | LCTOP | Low Carbon Transit Operations Program |
| CalSTA | California State Transportation Agency | LIFT | Low-Income Flexible Transportation |
| CTA | California Transit Association | LOS | Level of Service |
| CTP | Countywide Transportation Plan | LS&R | Local Streets & Roads |
| CTC | California Transportation Commission | LTF | Local Transportation Fund |
| CY | Calendar Year | MaaS | Mobility as a Service |
| DAA | Design Alternative Analyst | MAP 21 | Moving Ahead for Progress in the 21 st Century Act |
| DBB | Design-Bid-Build | MPO | Metropolitan Planning Organization |
| DBE | Disadvantaged Business Enterprise | MTC | Metropolitan Transportation Commission |
| DBF | Design-Build-Finance | MTS | Metropolitan Transportation System |
| DBFOM | Design-Build-Finance-Operate-Maintain | ND | Negative Declaration |
| DED | Draft Environmental Document | NEPA | National Environmental Policy Act |
| EIR | Environmental Impact Report | NOAH | Natural Occurring Affordable Housing |
| EJ | Environmental Justice | NOC | Notice of Completion |
| EPC | Equity Priority Communities | NOD | Notice of Determination |
| ETID | Electronic Transit Information Displays | | |

Glossary of Acronyms

| | | | |
|-------------------|--|---------------|--|
| NOP | Notice of Preparation | SHA | State Highway Account |
| NVTA | Napa Valley Transportation Authority | SHOPP | State Highway Operation and Protection Program |
| NVTA-TA | Napa Valley Transportation Authority-Tax Agency | SNTDM | Solano Napa Travel Demand Model |
| OBAG | One Bay Area Grant | SR | State Route |
| PA&ED | Project Approval Environmental Document | SRTS | Safe Routes to School |
| P3 or PPP | Public-Private Partnership | SOV | Single-Occupant Vehicle |
| PCC | Paratransit Coordination Council | STA | State Transit Assistance |
| PCI | Pavement Condition Index | STIC | Small Transit Intensive Cities |
| PCA | Priority Conservation Area | STIP | State Transportation Improvement Program |
| PDA | Priority Development Areas | STP | Surface Transportation Program |
| PID | Project Initiation Document | TAC | Technical Advisory Committee |
| PIR | Project Initiation Report | TCM | Transportation Control Measure |
| PMS | Pavement Management System | TCRP | Traffic Congestion Relief Program |
| Prop. 42 | Statewide Initiative that requires a portion of gasoline sales tax revenues be designated to transportation purposes | TDA | Transportation Development Act |
| PSE | Plans, Specifications and Estimates | TDM | Transportation Demand Management Transportation Demand Model |
| PSR | Project Study Report | TE | Transportation Enhancement |
| PTA | Public Transportation Account | TEA | Transportation Enhancement Activities |
| RACC | Regional Agency Coordinating Committee | TEA 21 | Transportation Equity Act for the 21 st Century |
| RAISE | Rebuilding American Infrastructure with Sustainability and Equity | TFCA | Transportation Fund for Clean Air |
| RFP | Request for Proposal | TIP | Transportation Improvement Program |
| RFQ | Request for Qualifications | TIFIA | Transportation Infrastructure Finance and Innovation Act |
| RHNA | Regional Housing Needs Allocation | TIRCP | Transit and Intercity Rail Capital Program |
| RM 2 | Regional Measure 2 Bridge Toll | TLC | Transportation for Livable Communities |
| RM 3 | Regional Measure 3 Bridge Toll | TLU | Transportation and Land Use |
| RMRP | Road Maintenance and Rehabilitation Program | TMP | Traffic Management Plan |
| ROW (R/W) | Right of Way | TMS | Transportation Management System |
| RTEP | Regional Transit Expansion Program | TNC | Transportation Network Companies |
| RTIP | Regional Transportation Improvement Program | TOAH | Transit Oriented Affordable Housing |
| RTP | Regional Transportation Plan | TOC | Transit Oriented Communities |
| SAFE | Service Authority for Freeways and Expressways | TOD | Transit-Oriented Development |
| SAFETEA-LU | Safe, Accountable, Flexible, and Efficient Transportation Equity Act-A Legacy for Users | TOS | Transportation Operations Systems |
| SB 375 | Sustainable Communities and Climate Protection Act 2008 | TPA | Transit Priority Area |
| SB 1 | The Road Repair and Accountability Act of 2017 | TPI | Transit Performance Initiative |
| SCS | Sustainable Community Strategy | TPP | Transit Priority Project Areas |
| | | VHD | Vehicle Hours of Delay |
| | | VMT | Vehicle Miles Traveled |

Napa Valley Transportation Authority

625 Burnell Street
Napa, CA 94559

Meeting Minutes NVRTA Board of Directors

JoAnn Busenbark Board Room

Wednesday, December 18, 2024

1:00 PM

1. Call to Order

Chair Joseph called the meeting to order at 1:06pm.

2. Approval of Board Member Remote Participation

None

3. Roll Call

Paul Dohring
Mark Joseph
Liz Alessio
Margie Mohler
Donald Williams
Kevin Eisenberg
Ryan Gregory
Robin McKee-Cant
Michelle Deasy
Bernie Narvaez
Non-Voting:
Devereaux Smith
Absent:
Alfredo Pedroza
Pierre Washington

4. Adoption of the Agenda

Motion MOVED by ALESSIO, SECONDED by EISENBERG to APPROVE Item 4 Adoption of the Agenda. Motion passed unanimously.

Aye: 20 - Dohring, Joseph, Alessio, Mohler, Williams, Eisenberg, Gregory, McKee-Cant, Deasy, and Narvaez

Absent: 4 - Pedroza, and Washington

5. Public Comment

None

6. Chairperson's, Board Members', Metropolitan Transportation Commissioner's, and Association of Bay Area Governments Update

None

7. Executive Director's Update

None

8. Caltrans' Update

Daniel Chang, Caltrans reported project updates.

9. CONSENT AGENDA ITEMS

Director Dohring requested to pull Agenda Item 9.5.

Motion MOVED by MOHLER, SECONDED by MCKEE-CANT to APPROVE Item 9. Consent Agenda Items 9.1-9.4. Motion passed.

Aye: 15 - Dohring, Joseph, Alessio, Mohler, Williams, Eisenberg, Gregory, McKee-Cant, and Deasy

Absent: 4 - Pedroza, and Washington

Abstain: 5 - Narvaez

9.1 Meeting Minutes of November 7, 2024 (Laura Sanderlin) (Pages 8-9)

Attachments: [Draft Minutes](#)

9.2 Meeting Minutes of November 20, 2024 (Laura Sanderlin) (Pages 10-13)

Attachments: [Draft Minutes](#)

9.3 Resolution 2024-18 Authorizing the Submittal of Applications with the Federal Transit Administration (FTA) (Antonio Onorato) (Pages 14-20)

Attachments: [Staff Report](#)

9.4 Amendment to Agreement with Park Engineering for the St. Helena to Calistoga Napa Valley Vine Trail Project (Grant Bailey) (Pages 21-25)

Attachments: [Staff Report](#)

9.5 Planning Consultant Services Agreement for work associated with the Countywide Transportation Plan (CTP) Update (Diana Meehan) (Pages 26-53)

Attachments: [Staff Report](#)

Director Dohring asked staff to provide clarity on the selection process for awarding the consultant.

Motion MOVED by DOHRING, SECONDED by ALESSIO to APPROVE Item 9.5 authorizing the Executive Director to execute Agreement No. 25-C06 in an amount not to exceed \$350,000. Motion passed.

Aye: 20 - Dohring, Joseph, Alessio, Mohler, Williams, Eisenberg, Gregory, McKee-Cant, Deasy, and Narvaez

Absent: 4 - Pedroza, and Washington

10. REGULAR AGENDA ITEMS

10.1 Election of Vice Chair (Laura Sanderlin) (Pages 54-56)

Attachments: [Staff Report](#)

Motion MOVED by JOSEPH, SECONDED by MOHLER to APPROVE Item 10.1 appointing Director Dohring as Board Vice Chair. Motion passed unanimously.

Aye: 20 - Dohring, Joseph, Alessio, Mohler, Williams, Eisenberg, Gregory, McKee-Cant, Deasy, and Narvaez

Absent: 4 - Pedroza, and Washington

11. FUTURE AGENDA ITEMS

None

12. CLOSED SESSION

The Board entered Closed Session at 1:16pm.

12.1 PUBLIC EMPLOYMENT

(Pursuant to Government Code Section 54957(b)(1))

Title: Executive Director

The Board returned to open session with no reportable action.

13. ADJOURNMENT

Chair Joseph adjourned the meeting at 2:00pm.

13.1 The next Regular Meeting is January 15, 2025.

Laura M. Sanderlin, NVTA Board Secretary

Special Meeting

Napa Valley Transportation Authority

625 Burnell Street
Napa, CA 94559

Meeting Minutes NVRTA Board of Directors

JoAnn Busenbark Board Room

Wednesday, December 18, 2024

1:30 PM

1. Call to Order

Chair Joseph called the meeting to order at 2:00pm.

3. Roll Call

Paul Dohring
Mark Joseph
Liz Alessio
Margie Mohler
Donald Williams
Kevin Eisenberg
Ryan Gregory
Robin McKee-Cant
Michelle Deasy
Bernie Narvaez
Non-Voting:
Devereaux Smith
Absent:
Alfredo Pedroza
Pierre Washington

4. Adoption of the Agenda

Motion MOVED by ALESSIO, SECONDED by MCKEE-CANT to APPROVE Agenda Item 4.
Adoption of the Agenda. Motion passed unanimously.

Aye: 20 - Dohring, Joseph, Alessio, Mohler, Williams, Eisenberg, Gregory, McKee-Cant, Deasy, and Narvaez

Absent: 4 - Pedroza, and Washington

5. Public Comment

None

6. REGULAR AGENDA ITEMS

6.1 Vine Trail St. Helena to Calistoga Contract Budget (Grant Bailey)

Attachments: [Staff Report](#)

Special Meeting

Motion MOVED by EISENBERG, SECONDED by DEASY to APPROVE Agenda Item 6.1 approving additional construction budget for Agreement No. 22-11 and Resolution No. 22-11, Revised issuing change orders. Motion passed unanimously.

Aye: 20 - Dohring, Joseph, Alessio, Mohler, Williams, Eisenberg, Gregory, McKee-Cant, Deasy, and Narvaez

Absent: 4 - Pedroza, and Washington

7. ADJOURNMENT

Chair Joseph adjourned the meeting at 2:18pm.

Laura M. Sanderlin, NVTA Board Secretary



NAPA VALLEY TRANSPORTATION AUTHORITY

COVER MEMO

SUBJECT

Purchase Order 25-P5039 with Cubic Transportation Systems for installation of the Clipper fare payment system

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director, or designee, to execute and make minor modifications to Purchase Order 25-P5039 (Attachment 1) with Cubic Transportation Systems (Cubic) for the prewiring and installation of the Clipper fare payment system for an amount not to exceed \$294,407.

EXECUTIVE SUMMARY

Clipper is the Bay Area's all in one-transit fare card accepted by all Bay Area public transit systems. The Clipper Program started when the Metropolitan Transportation Commission (MTC) entered in contract with Cubic Transportation Systems, Inc. in 2009. There have been multiple MOUs between MTC and transit system operators. The most recent major MOU change was in 2022 which enabled the installation and operation of a new account-based Clipper system, known as the "Clipper Next Generation System". Under this MOU new Clipper Hardware was installed on all NVTA buses in 2023. Now that NVTA is upgrading its bus fleet, with recent purchases of four (4) VineGo vehicles, two (2) Calistoga shuttles and fourteen (14) fixed route buses. Cubic will be removing Clipper validators installed in 2023 from buses that NVTA is retiring and installing the equipment on new buses as well as doing prewiring and installation on brand new Clipper validators.

FISCAL IMPACT

Yes, up to \$294,407 for installation of all the components of the Clipper fare payment system at 32 doors on 20 new buses.

\$294,407 Transportation Development Act Funds

This is budgeted under the Transit Equipment Upgrades item with a total budget of \$400,000 in the FY 25 and FY 26 budget.



NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Memo

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Rebecca Schenck, Program Manager – Public Transit
(707) 259-8636 / Email: rschenck@nvta.ca.gov
SUBJECT: Purchase Order 25-P5039 with Cubic Transportation Systems for installation of the Clipper fare payment system

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director, or designee, to execute and make minor modifications to Purchase Order 25-P5039 (Attachment 1) with Cubic Transportation Systems (Cubic) for the prewiring and installation of the Clipper fare payment system for an amount not to exceed \$294,407.

COMMITTEE RECOMMENDATION

None

BACKGROUND

Clipper is the Bay Area's all in one transit card accepted by all Bay Area public transit systems. The Clipper Program started in 2009, allows one seamless payment system to be used across Bay Area transit agencies. NVTA has participated since its inception and is participating in the Clipper hardware update along with the other transit agencies in the Bay Area. These upgrades were done as part of a larger contract administered through MTC.

Each agency must enter into a contract with Cubic directly for any changes or additions to individual fleets. For the Vine, NVTA worked to keep the cost down by removing 9 validators and cellular devices from retired buses and placing them on new buses. NVTA needs to purchase 25 new validators and 11 new cellular devices to ensure that all new buses and doors are retrofitted with Clipper equipment.

ALTERNATIVES

The Board could decide not to approve Purchase Order 25-P5039 and then NVTa would not have the Clipper fare payment system on its new vehicles that arrive in 2025. Not retrofitting all Vine buses with Clipper equipment could compromise receiving Transportation Development Act funds, the primary Vine operating fund source, as MTC can restrict funding for operators that do not accept Clipper on its vehicles.

STRATEGIC GOALS MET BY THIS PROPOSAL

Goal 5 – Minimize the energy and other resources required to move people and goods.

Clipper is used on transit systems throughout the Bay Area and creates a seamless transfer between systems, making riding transit easier and more inviting. Having a single fare card encourages modal shift from single occupancy vehicles to using transit.

ATTACHMENT

(1) Purchase Order 25-P5039



Purchase Order

Napa Valley
 Transportation Authority
 625 Burnell Street
 Napa, CA 94559

Phone: 707-259-8631
 Fax: 707-259-8636
 Web: www.nvta.ca.gov

VENDOR

CUBIC TRANSPORTATION SYSTEMS
 1800 SUTTER, SUITE #900
 CONCORD, CA 94520
 Kevin Park, Project Manager
 Kevin.park@cubic.com | 858.505.2287

Purchase Order #: 25-P5039

Date:

Vendor ID: 39207

Bill To:

Napa Valley Transportation Authority (NVTA)
 ATTN: Accounts Payable | ap@nvta.ca.gov
 625 Burnell Street
 Napa, CA 94559
 T 707.253.4688 | F 707.259.8638

Ship To:

VINE TRANSIT MAINTENANCE FACILITY
 96 & 101 Sheehy Court
 Napa, CA 94559
 David Zenteno, Maintenance Manager
 david.zenteno@transdev.com | 707.251.1098

| Requested By | Ship Date | Ship Via | FOB | Buyer | Terms | Tax ID |
|--------------|-----------|----------|------|--------|--------|------------|
| PAYAN | ATTACHED | - | DEST | COOMBS | NET 30 | 68-0471080 |

| QTY | Item # | UOI | Description | Discount | Taxable | Unit Price | Total |
|-----|--------|-----|-------------------------------------|----------|---------|------------|---------|
| 09 | | EA | OB VALIDATOR (SPARES W/O PREWIRING) | | NO | 1,094 | 9,846 |
| 09 | | EA | BUS CELLULAR COMMUNICATIONS DEVICE | | NO | 1,750 | 15,750 |
| 25 | | EA | NEW, OB VALIDATOR | | NO | 6,726 | 168,150 |
| 11 | | EA | EXTERNAL COMMUNICATIONS DEVICE | | NO | 9,151 | 100,661 |
| | | | -SEE ATTACHED- | | | | |

NOTICE OF INCLUDED TERMS AND CONDITIONS (This purchase order is a federally funded contract and as such, certain mandatory terms and conditions apply to this purchase order. These provisions include, **but are not limited to** the provisions of Buy America 49 U.S.C. §5323 (j), 49 C.F.R. Part 661; Cargo Preference 46 U.S.C. § 55305, 46 C.F.R. Part 381; Fly America 49 U.S.C. § 40118, 41 C.F.R. §§ 301-10.131 through 301-10.143; Bus Testing 49 C.F.R. Part 665; U.S. DOT Third Party Procurement Regulations 49 C.F.R. §18.36 or 40 C.F.R. §§19.40 through 19.48, FTA Circular 4220.1F (including all mandated terms and conditions contained in Appendix D-4) and FTA Master Agreement FTA MA(31).

| | |
|-----------------|------------------|
| Subtotal | \$294,407 |
| Tax | \$ excl |
| Ship | \$ excl |
| Misc | \$ -0- |
| TOTAL | \$294,407 |

THIS ORDER WILL BECOME VALID UPON RECEIPT OF VENDOR ACCEPTANCE.

VENDOR ACCEPTANCE

Vendor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified above and on any continuation sheets for the consideration herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) contract/purchase order, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein. (Attachments are listed herein.)

ORDER AWARDED AND ISSUED BY

Individual listed below is hereby authorized to award ordered material/services as specified, or incorporated by reference herein, on behalf of the Napa County Transportation Authority.

 NAME AND TITLE DATE KATE MILLER, Executive Director DATE

FOR INTERNAL USE ONLY

FUND APPROPRIATION: _____

PO Delivery and Install Instructions:

In January 2025, We will need Six (6) single door vehicles (2 Galvals and 4 Fords) without prewire. These six readers will come from readers that were previously removed from buses 133, 134, 1702 (2), 1704 (2)

In June 2025, we will need 28 (14) double door vehicles (14 Gilligs) without prewire, includes three Clipper readers from the spares pool from prior removals on buses 639, 1705 (2) and 25 new devices from spares pool

GENERAL TERMS AND CONDITIONS

1. Compensation.

(a) Rates. In consideration of CONTRACTOR's fulfillment of the promised work, NVTA shall pay CONTRACTOR not to exceed the total amount shown on page 1 (\$_____).

(b) Expenses. No travel or other expenses will be reimbursed.

2. Method of Payment.

(a) Invoices. All payments for compensation and reimbursement for expenses shall be made only upon presentation by CONTRACTOR to NVTA of an itemized billing invoice which indicates CONTRACTOR's name, address, Social Security or Taxpayer Identification Number, itemization of the hours worked, or task completed. All claims are to be submitted to NVTA, Accounts Payable, 625 Burrell Street, Napa, CA 94559 or electronically to ap@nvta.ca.gov.

3. **Independent Contractor.** CONTRACTOR shall perform this Agreement as an independent contractor. NVTA shall not deduct or withhold any amounts whatsoever from the compensation paid to CONTRACTOR, including, but not limited to amounts required to be withheld for state and federal taxes. As between the parties to this Agreement, CONTRACTOR shall be solely responsible for all such payments.

4. **Insurance.** CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, and thereafter as to matters occurring during the term of this Agreement, the following insurance coverage:

(a) Workers' Compensation insurance. To the extent required by law during the term of this Agreement, CONTRACTOR shall provide workers' compensation insurance for the performance of any of CONTRACTOR's duties under this Agreement, including but not limited to, coverage for workers' compensation and employer's liability and a waiver of subrogation, and shall provide NVTA with certification of all such coverages upon request by NVTA's Risk Manager.

(b) Liability Insurance. CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement the following liability insurance coverage's, issued by a company licensed (admitted) to transact business in the State of California and/or having a A.M. Best rating of A VII or better:

1. General Liability. Commercial General Liability [CGL] insurance coverage (personal injury and property damage) of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence, covering liability or claims for any personal injury, including death, to any person and/or damage to the property of any person arising from the acts or omissions of CONTRACTOR or any officer, agent, or employee of CONTRACTOR under this Agreement.

2. Professional Liability/Errors and Omissions. If professional services are rendered by CONTRACTOR, professional liability/errors and omissions insurance for all activities of CONTRACTOR arising out of or in connection with this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) per claim.

3. Comprehensive Automobile Liability Insurance. If automobiles are used for the services rendered by CONTRACTOR, comprehensive automobile liability insurance (Bodily Injury and Property Damage) on owned, hired, leased and non-owned vehicles used in conjunction with CONTRACTOR's business of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence.

(c) Certificates. All insurance coverages referenced in 4(b), above, shall be evidenced by one or more certificates of coverage or, with the consent of NVTA's Risk Manager, demonstrated by other evidence of coverage acceptable to NVTA's Risk Manager, which shall be filed by CONTRACTOR with the Executive Director prior to commencement of performance of any of CONTRACTOR's duties.

5. Hold Harmless/Defense/Indemnification.

(a) In General. To the full extent permitted by law, CONTRACTOR shall hold harmless, defend at its own expense, and indemnify NVTA and the officers, agents, employees and volunteers of NVTA from any and all liability, claims, losses, damages or expenses, including reasonable attorney's fees, for personal injury (including death) or damage to property, arising from all acts or omissions of CONTRACTOR or its officers, agents, employees, volunteers, contractors and subcontractors in rendering services under this Agreement, excluding, however, such liability, claims, losses, damages or expenses arising from the sole negligence or willful acts of NVTA or

NVTA

its officers, agents, employees, volunteers, or other contractors or their subcontractors. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this Agreement, providing that nothing shall require either party to disclose any documents, records or communications that are protected under peer review privilege, attorney-client privilege, or attorney work product privilege.

(b) Employee Character and Fitness. CONTRACTOR accepts responsibility for determining and approving the character and fitness of its employees (including volunteers, agents or representatives) to provide the services required of CONTRACTOR under this Agreement, including completion of a satisfactory criminal/background check and period rechecks to the extent permitted by law if requested by the NVTA. Notwithstanding anything to the contrary in this Paragraph, CONTRACTOR shall hold NVTA and its officers, agents and employees harmless from any liability for injuries or damages resulting from a breach of this provision or CONTRACTOR's actions in this regard.

6. **Termination.** This Agreement may be terminated by either party for any reason and at any time by giving prior written notice of such termination to the other party by giving at least ten (10) days prior to the effective date.

7. **Notices.** All notices required or authorized by this Agreement shall be in writing and shall be delivered in person (by email: ap@nvta.ca.gov) or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested.

8. **Amendment/Modification.** Except as specifically provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties.

9. **Interpretation; Venue.** The headings used herein are for reference only. The terms of the Agreement are set out in the text under the headings. This Agreement shall be governed by the laws of the State of California without regard to the choice of law or conflicts. This Agreement is made in Napa County, California. The venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa, a unified court.

10. **Compliance with Laws.** CONTRACTOR shall observe and comply with all applicable Federal, State and local laws, ordinances, and codes.

11. **Authority to Contract.** CONTRACTOR and NVTA each warrant hereby that they are legally permitted and otherwise have the authority to enter into and perform this Agreement.

12. **Covenant of No Undisclosed Conflict.** The parties to the Agreement acknowledge that they are aware of the provisions of Government Code section 1090, et seq., and section 87100, et seq., relating to conflict of interest of public officers and employees. By executing this Agreement, the Executive Director hereby determines in writing on behalf of NVTA that CONTRACTOR has been hired to perform a range of duties so limited in scope as to not be required to comply with the Political Reform Act form 700 disclosure obligations of section 87100 et seq.

13. **Attorney's Fees.** In the event that either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

14. **Entirety of Contract.** This Agreement, including any documents expressly incorporated by reference whether or not attached hereto, constitutes the entire agreement between the parties relating to the subject of this Agreement and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the parties with respect to the subject matter hereof. CUBIC ADDITION: "These terms prevail over any terms or conditions contained in any other documentation and expressly exclude

GENERAL TERMS AND CONDITIONS

any of Contractor's general terms and conditions of sale, any terms in any other document issued by Contractor in connection with this Agreement and/or which may be implied by trade, custom, practice, or course of dealing, except that this Agreement is governed by the terms and conditions of the NEXT GENERATION CLIPPER REGIONAL TRANSIT FARE PAYMENT SYSTEM INTEGRATOR CONTRACT dated February 22, 2024, as amended ("Clipper Agreement"). To the extent the terms of this Agreement conflict with the Clipper Agreement, the terms of this Agreement will prevail.



NAPA VALLEY TRANSPORTATION AUTHORITY **COVER MEMO**

SUBJECT

Resolution No. 25-02 Adopting the Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan for Fiscal Year End (FYE) 2026

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board approve Resolution No. 25-02 (Attachment 1) adopting the Fiscal Year Ending (FYE) 2026 Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan (Attachment 1, Exhibit A).

EXECUTIVE SUMMARY

NVTA annually allocates TFCA funds, which are generated from a four-dollar vehicle license fee authorized under Assembly Bill 434 (AB 434) administered by the Bay Area Air Quality Management District (BAAQMD). Of the total revenues generated in Napa County, 40% are returned to NVTA for distribution to local projects. Projects must be beneficial to air quality and meet the BAAQMD's cost effectiveness criteria. The remaining 60% is allocated by the BAAQMD on a competitive basis. The Program Expenditure Plan for the Program Managers' Funds is due March 1, 2025.

The BAAQMD TFCA policies only allow funds to be retained for two (2) years unless NVTA originally requests additional time or the project(s) is making reasonable progress, in which case, a one (1) year extension may be granted.

FISCAL IMPACT

\$220,566 in TFCA Program Manager funds are available for program administration and projects.



NAPA VALLEY TRANSPORTATION AUTHORITY Board Agenda Memo

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Addrell Coleman, Associate Program Planner/Analyst
(707) 259-8235 / Email: acoleman@nvta.ca.gov
SUBJECT: Resolution No. 25-02 Adopting the Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan for Fiscal Year End (FYE) 2026

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board approve Resolution No. 25-02 (Attachment 1) adopting the Fiscal Year End (FYE) 2026 Transportation Fund for Clean Air (TFCA) Program Manager Expenditure Plan (Attachment 1, Exhibit A).

COMMITTEE RECOMMENDATION

No

BACKGROUND

NVTA adopts a list of projects annually to be funded with TFCA Program Manager funds. NVTA receives roughly \$190,000 each year in DMV revenues. Six and one quarter percent (6.25%) of the revenues can be used for administration of the program.

Beginning in 2022, the TFCA 40% fund allowed programming funds over a three-year period to address larger projects needing funds over a multi-year time horizon. Funds programmed in the first year of the three-year cycle have a firm commitment under the annually adopted expenditure plan. Funds in years two and three are flexible, based on project status and actual available revenues generated by the program.

NVTA, as the program manager, reviews the program and trues up funding annually. A call for projects for FYE 2025 through FYE 2027 was issued in February 2024. Funds for program administration and projects for FYE 2026 total \$220,566 and are shown in Table 1.

Table 1: Proposed FYE 2025-2027 TFCA 40% Program

| FYE 2025-2027 TFCA Revenues and Expenditures | Program Amount Year 1 (Current) | Program Amount Year 2 (FYE26) | Program Amount Year 3 (FYE27) |
|---|--|--------------------------------------|--------------------------------------|
| Administration Costs for FYE 2025-27 | \$10,166 | \$11,267 | \$12,000 |
| 40% Funds Available for Programming | \$196,000 | \$209,299 | \$175,000 |
| Total Revenue | \$206,166 | \$ 220,566 | \$ 187,000 |

The Program Expenditure Plan for FYE 2026 Program Manager Funds is due to the Air District by March 1, 2025. Funds not programmed annually run the risk of being programmed by the Air District to other counties.

TFCA Basic Eligibility

1. Reduction of emissions
2. TFCA cost-effectiveness
3. Eligible recipients (Public agencies or public agencies applying on behalf of non-public entities)
4. Consistent with existing plans and programs
5. Environmental clearance

TFCA Project Eligibility

1. Bicycle Facility Improvements
2. Arterial Management
3. Transit or Vanpool Incentive Programs
4. Shuttle/Vanpool Feeder Program
5. Clean Air Pilot or demonstration projects

ALTERNATIVES

The Board could choose not to approve the FYE 2026 Expenditure Plan, and program funds could be reallocated to projects in another county.

STRATEGIC GOALS MET BY THIS PROPOSAL

Goal 1: Serve the transportation needs of the entire community regardless of age, income or ability.

The TFCA Program Manager Funds provide an opportunity to fund sustainable transportation projects, such as bicycle and pedestrian projects, clean vehicles and

vehicle charging infrastructure or shuttle projects to serve a wide variety of local transportation needs.

Goal 5: Minimize the energy and other resources required to move people and goods

The TFCA funded projects improve air quality and reduce traffic congestion by providing sustainable transportation options throughout the region.

ATTACHMENT(S)

- 1) Resolution No. 25-02

RESOLUTION No. 25-02

**A RESOLUTION OF THE
NAPA VALLEY TRANSPORTATION AUTHORITY (NVTA)
ADOPTING THE TRANSPORTATION FUND FOR CLEAN AIR (TFCA)
PROGRAM MANAGER EXPENDITURE PROGRAM FOR
FISCAL YEAR END (FYE) 2026**

WHEREAS, the Bay Area Air Quality Management District (BAAQMD) has imposed a vehicle license fee as allowed under Assembly Bill 434 to implement actions that will help reduce harmful auto emissions; and

WHEREAS, that program is known as the Transportation Fund for Clean Air Program Manager funds; and

WHEREAS, Assembly Bill 434 calls for the designation of an overall program manager to receive forty percent of the fees generated in the county to be expended for the improvement of air quality; and

WHEREAS, the Napa Valley Transportation Authority (NVTA) has been designated the overall program manager for Napa County; and

WHEREAS, the TFCA Program requires at least one public meeting each year for the purpose of adopting criteria for the expenditure of funds consistent with BAAQMD's Adopted TFCA County Program Manager Fund Policies; and

WHEREAS, the NVTA held a public meeting on February 19, 2025, to adopt the criteria for the expenditure of TFCA funds.

NOW THEREFORE BE IT RESOLVED by the Board of Directors that

1. The foregoing recitals are true and correct.
2. Staff is directed to finalize and submit the FYE 2026 Expenditure Plan for Napa County, as shown in Exhibit A.

3. The Executive Director or her designee is authorized to submit to or request all necessary information from other agencies on behalf of the NVTA, and to execute any other documents or certifications to gain and expend these funds.

Passed and adopted this day of February 19, 2025.

Mark Joseph, NVTA Chair

Ayes

Nays:

Absent:

ATTEST:

Laura Sanderlin, NVTA Board Secretary

APPROVED:

Osman Mufti, NVTA General Counsel

EXHIBIT "A"

Summary Information

Directions: Please fill out the yellow highlights.

Agency Name: Napa Valley Transportation Authority
 Address: 625 Burnell St Napa CA 94559

| | | Project | Admin (max 6.25%) [1] | Total (Project + Admin) |
|---|---------------|------------|-----------------------|-------------------------|
| 1 Estimated FYE 2026 DMV revenues (based on projected CY2024 revenues) | Line 1 | \$ 189,000 | \$ 12,600 | \$ 201,600 |
| 2 Reconciliation and Reprogrammed Funds | Line 2 | \$ 16,336 | \$ 2,630 | \$ 18,966 |
| Reconciliation: Difference between prior-year estimate and actual revenue | | | | |
| | | \$ 4,926 | \$ 328 | \$ 5,255 |
| a. Actual FYE 2024 DMV revenues (based on CY2023) | 2a | \$ 189,801 | \$ 12,653 | \$ 202,455 |
| b. Estimated FYE 2024 DMV revenues | 2b | \$ 184,875 | \$ 12,325 | \$ 197,200 |
| Reprogrammed: Total available for programming/reprogramming to other projects | | | | |
| | | \$ 11,409 | \$ 2,301 | \$ 13,711 |
| c. Amount available from previously funded projects | 2c | \$ - | | |
| d. Admin expended in FYE 2024 | 2d | | \$ 10,352 | |
| e. Interest income earned on TFCA funds in CY 2024 | 2e | \$ 11,409 | | |
| 3 Move funds available from Admin to Projects (Optional) | Line 3 | \$ 3,963 | \$ (3,963) | |
| 4 Estimated Total Available TFCA Funds (Sum of Lines 1, 2 and 3) | Line 4 | \$ 209,299 | \$ 11,267 | \$ 220,566 |

| Percentage of Estimated Revenue allocated to Administrative Costs (maximum of 6.25%) | |
|--|-------|
| Previous % from FYE 2024 Expenditure Plan: | 6.25% |
| Current % for FYE 2026: | 6.25% |

 I certify that, to the best of my knowledge, the information contained in this application is complete and accurate.

 Executive Director Signature

 Date

[1] The "Estimated TFCA funds budgeted for administration" amount is listed for informational purposes only. Per California Health and Safety Code Section 44233, Administering Agency must limit their administrative costs to no more than 6.25% of the actual total revenue received from the Air District.



NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

SUBJECT

On-Call Task Order with TYLin

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director to execute and make minor modifications to Project Work Order No. 23-OCE12-E08 with T.Y. Lin International (Attachment 1) for environmental revalidation work on the State Route 29 and Airport Blvd Interchange project, for a total amount not to exceed \$113,455.

EXECUTIVE SUMMARY

In 2008, Caltrans environmentally cleared the Jameson Canyon Road Improvements project, including the widening of State Route 12 and an upgrade of the SR29/SR12 intersection at Airport Boulevard to an interchange. While the widening was completed in 2014, the interchange upgrade was deferred. The 2020 SR29 Comprehensive Multimodal Corridor Plan identified the Airport Boulevard intersection as a key bottleneck, exacerbated by recent congestion shifts from the completed Soscol Junction project. To advance the interchange project, NVTA engaged Caltrans, which requires updated preliminary project documents prior to moving forward with environmental revalidation. T.Y. Lin International (TYLin) has investigated the feasibility of this approach as part of the tasks assigned to them under the Project Management Administration, rendering TYLin the most qualified to generate these preliminary documents for Caltrans review.

FISCAL IMPACT

Yes. The base fee for Work Order 23-OCE12-08 is \$94,546 to prepare the necessary materials, with a 20% contingency recommended, for a total authorization of \$113,455. Project costs will be funded by Regional Measure 3 Funds.



NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Memo

TO: NVTA Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Grant Bailey, Program Manager – Engineer
(707) 259-5951 / Email: gbailey@nvta.ca.gov
SUBJECT: On-Call Task Order with TYLin

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board authorize the Executive Director to execute and make minor modifications to Project Work Order No. 23-OCE12-E08 with T.Y. Lin International (Attachment 1) for environmental revalidation work on the State Route 29 and Airport Blvd Interchange project, for a total amount not to exceed \$113,455.

COMMITTEE RECOMMENDATION

None

BACKGROUND

In January 2008, Caltrans approved and environmentally cleared the Jameson Canyon Rd Improvements project, which included:

1. Widening State Route 12 from two lanes to four lanes between Kelly Rd (Napa County) and Red Top Rd (Solano County).
2. Upgrading SR29 and SR12 intersection at Airport Blvd to an interchange.

While the widening project was completed in August 2014, the interchange upgrade was deferred.

The 2020 State Route 29 Comprehensive Multimodal Corridor Plan (SR 29 CMCP) identified the intersection at Airport Boulevard as a critical bottleneck impacting regional mobility and recommended advancing the interchange upgrade. Recently completed

improvements at the Soscol Junction shifted congestion southward, emphasizing the need to address delays and safety concerns at the Airport Boulevard intersection.

To pursue the interchange project, NVTA engaged Caltrans to understand the requirements for revalidating the 2008 environmental clearance. Caltrans requested an updated project description, vehicle miles traveled (VMT) screening, and revised project layout drawings for consideration under the existing environmental document.

NVTA's limited in-house resources necessitated contracting with , T.Y. Lin International (TYLin), to provide Project Management Administration as part of NVTA's on-call Architectural and Engineering bench. One of TYLin's responsibilities involved researching the feasibility of updating the existing environmental document to include other project alternatives. This preliminary work renders TYLin the most qualified consultant to complete revalidation tasks. The scope includes preparing a detailed project description, conducting VMT screening per Caltrans guidelines, and developing updated preliminary design layouts for additional intersection configurations.

TYLin's proposed base fee is \$94,546. Staff recommends including a 20% contingency for potential revisions or additional documentation requested by Caltrans, bringing the total authorization to \$113,455.

ALTERNATIVES

If the Board declines to approve this work order, NVTA could attempt to re-solicit proposals, however, this would likely result in additional costs for another consultant to ramp up its knowledge on the project and introduce delays in providing Caltrans with required documentation, further postponing the project.

STRATEGIC GOALS MET BY THIS PROPOSAL

Goal 3: Use taxpayer dollars efficiently.

Outsourcing specialized short-term tasks to consultants is more cost-effective than maintaining in-house expertise for intermittent needs.

ATTACHMENTS

(1) Amendment No. 1 to Project Work Order No. 23-OCE12-E08 with TYLin

**PROJECT WORK ORDER NO. 23-OCE12-E08
ON-CALL A/E & PROJECT DELIVERY SERVICES**

PROJECT NAME: SR29 AIRPORT BLVD PRELIMINARY ENVIRONMENTAL REVALIDATION

PROJECT MANAGER: Grant Bailey, Program Manager, Engineer -
E gbailey@nvta.ca.gov | T 707.259.5951

CONSULTANT DESIGNATED TEAM MEMBERS:

- T.Y. Lin International Cost Proposal and Resource Summary – EXHIBIT A

Consultant will independently and at its own discretion and liability enter into agreement with sub-consultant(s) listed in their proposal for any services required to complete the project as described in the scope of work.

SCOPE OF SERVICE: Provide preliminary environmental revalidation support as described in the scope of services attached hereto as EXHIBIT A.

START DATE: FEBRUARY 2025 **COMPLETION DATE:** JULY 2026

NOT-TO-EXCEED AMOUNT FOR THIS PROJECT: \$94,546

CHARGE NUMBER FOR PAYMENT: RM3

TERMS AND CONDITIONS: This Project Task Order is issued and entered into as of the last date written below in accordance with the terms and conditions set forth in the Master Agreement (23-OCE12) with T.Y. Lin International, which terms and conditions are hereby incorporated and made part of this Project Task Order.

NVTA

By: _____
KATE MILLER, Executive Director

**CONSULTANT
T.Y. Lin International**

By: _____
MICHAEL PYRZ, PE
Principal-in-Charge

| | |
|---------------------|----------------------|
| Approved as to Form | |
| By: | _____ |
| | NVTA General Counsel |
| Date: | _____ |



January 3, 2025

Napa Valley Transportation Authority
Attn: Grant Bailey, PE
625 Burnell Street
Napa, CA 94559

Subject: Project Work Order No. 23-OCE12-E08: On-Call A/E & Project Delivery Services
SR29/Airport Boulevard Scope and Fee Proposal

Dear Mr. Bailey,

Thank you for the opportunity to assist you on the SR 29/Airport Boulevard Interchange project. We understand that the original Project Report (PR) for this project was approved on January 31, 2008 and that NVTA is attempting to get the project grandfathered under the existing expenditure authorization (EA) number with Caltrans' support. However, Caltrans is requesting the following information before they will issue a child EA:

- Detailed Project Description
- Preliminary plans showing the dog-bone roundabout configuration
- Updated VMT screening

To assist NVTA, TYLin and their subconsultants will perform the following work:

Task 1: Project Management

TYLin will be responsible for managing the project including coordination and approval, contract administration (i.e. monthly progress reports), monitoring the project budget, maintaining and monitoring the project schedule, document control, and leading meetings with stakeholders.

TYLin will also attend meetings with Caltrans and NVTA to present preliminary findings, review assumptions and gain concurrence on the next step.

Task 2: Project Description

TYLin will prepare a project description that includes:

- A Project Purpose and Need Statement
- Explanation of the Logical Termini
- Project Location
- Project Elements (geometry, right-of-way acquisition, preliminary quantities estimate)
- Differences between the previously evaluated design and the current design
- List of anticipated construction equipment and
- Construction Activities (sequence and timing)
- A listing of Potential Environmental Constraints and Studies

Task 3: VMT Screening

TYLin will conduct vehicle miles traveled (VMT) screening in accordance with Section 5.1 of the *Caltrans Transportation Analysis under CEQA (TAC), First Edition, Evaluating Transportation Impacts of State Highway System Projects* (September 2020). Using the information compiled in Task 2, TYLin will compare the proposed project to the project types identified by the TAC guidance. It is expected that the project would not be likely to lead to a measurable and substantial increase in VMT. The list of "Project Types Not Likely to Lead to a Measurable and Substantial Increase in Vehicle Travel" that TYLin will refer to is provided in Subsection 5.1.1, "Screening by Project Type: Non-capacity Increasing VS. Capacity-increasing Projects. The results will be documented in a Screening Memorandum addressed to NVTA.

Task 4: Preliminary Design

Review Existing Data

TYLin will review existing data and reports including the approved project report (PR) and IS-EA. TYLin will obtain As-Built plans, Right-of-Way Record Maps, Utility Maps, Survey Monuments and Control Data for the Interchange from Caltrans, and Assessor's Parcel Data from Napa County. It is assumed that data from Caltrans and Napa County will be provided at no charge to TYLin. As-built drawings and existing reports and studies will be made available to the project at no additional cost to TYLin.

Prepare Preliminary Geometry Plans (Dog-Bone Roundabout only)

TYLin will layout the preliminary dog bone round about configuration to understand the limits of disturbance and impacts to the approved Area of Potential Effect (APE) included in the 2008 IS-EA. This planning level geometry will be used for comparison against the original tight-diamond form evaluated in the Final Project Report.

Prepare Rough Order of Magnitude (ROM) Costs

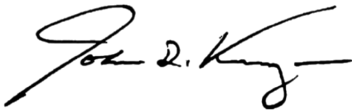
TYLin will prepare approximate quantities and unit prices for a preliminary ROM estimate related to the Dog-Bone Roundabout. Additionally, TYLin will update the unit pricing for the tight-diamond included in the approved Project Report per the Caltrans contract cost data base for comparison purposes.

To perform this work outlined herein, TYLin is requesting a fee of \$94,546. A detailed fee proposal showing the breakdown of each task is attached to this letter.

Should you require any additional information, please do not hesitate to contact me or my Deputy Project Manager, Eva Cheung. I can be reached by phone at (510) 457-3044 or by email at john.kenyon@tylin.com. Eva Cheung can be reached at (510) 457-3034 or eva.cheung@tylin.com.

Respectfully,

TYLin

A handwritten signature in black ink that reads "John D. Kenyon". The signature is fluid and cursive, with a long horizontal stroke at the end.

John D. Kenyon, P.E.
Associate Vice President

CC: Michael Pyrz/TYLin; file

Summary Breakdown of Costs

CONTRACT NUMBER:

PROJECT NAME: SR29/Airport Blvd Supplemental Project Report

| | |
|--|---------------------|
| Total Non-Contingency Hours | 376 |
| Total Non-Contingency Labor Costs | \$ 85,946 |
| Total Non-Contingency Direct Expenses | \$ 5 |
| Total Non-Contingency Costs | \$ 85,951 |
| Total Non-Contingency Profit | \$ 8,595 |
| Total Non-Contingency Cost + Profit | \$ 94,546 |
| Contingency (0%) | \$ - |
| Total Contingency Cost + Profit | \$ 94,545.90 |



NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

SUBJECT

Authorization to execute and file Federal Transit Administration Grants

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board approve Resolution 25-01 which authorizes the Executive Director or designee to execute and file applications for federal assistance on behalf of the NVTA with the Federal Transit Administration (FTA).

EXECUTIVE SUMMARY

One of the prerequisites to be a recipient of FTA funding is demonstrating legal capacity to carry out the project(s) included in federal assistance awards. This is generally based on the review of the recipient organization's documentation and certification that it has the legal capacity to carry out FTA-funded programs and projects. Specifically, the recipient must be eligible and authorized under state or local law to request, receive, and spend FTA funds to administer FTA-assisted projects. To prevent any grant making delays, NVTA must approve an Authorizing Resolution to continue to receive federal assistance.

FISCAL IMPACT

None for this action. However, FTA provides approximately \$4 million annually in federal financial assistance to NVTA.



NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Memo

TO: NVTA Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Antonio Onorato, Director - Administration, Finance and Policy
(707) 259-8779 / Email: anonorato@nvta.ca.gov
SUBJECT: Authorization to execute and file Federal Transit Administration Grants

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board approve Resolution No. 25-01 which authorizes the Executive Director or designee to execute and file applications for federal assistance on behalf of the NVTA with the Federal Transit Administration (FTA).

COMMITTEE RECOMMENDATION

None

BACKGROUND

FTA has recently announced updates to TrAMS, the Transit Award Management System, which serves as its official grants management platform. To qualify as a recipient of FTA funding, organizations must demonstrate their legal capacity to implement the projects included in federal assistance awards. This determination is typically based on a review of the organization's documentation and certification confirming its legal authority to manage FTA-funded programs and projects. Specifically, recipients must be eligible and authorized under state or local law to apply for, receive, and expend FTA funds to administer federally assisted projects.

To avoid potential delays in the grant-making process, FTA requires an up-to-date copy of NVTA's Authorizing Resolution. The most recent resolution on file was uploaded in 2017, and a new resolution is now needed.

ALTERNATIVES

An authorizing resolution is a requirement to receive federal assistance.

STRATEGIC GOALS MET BY THIS PROPOSAL

Goal 3: Use taxpayer dollars efficiently.

Federal Transit Administration funds represent between 30%-40% of transit operating assistance. Without federal assistance, public transit service would be severely curtailed.

ATTACHMENTS

(1) Resolution 25-01 FTA Authorizing Resolution

RESOLUTION No. 25-01

RESOLUTION AUTHORIZING THE FILING OF APPLICATIONS WITH THE FEDERAL TRANSIT ADMINISTRATION, AN OPERATING ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF TRANSPORTATION, FOR FEDERAL TRANSPORTATION ASSISTANCE AUTHORIZED BY 49 U.S.C. CHAPTER 53; TITLE 23, UNITED STATES CODE, OR OTHER FEDERAL STATUTES ADMINISTERED BY THE FEDERAL TRANSIT ADMINISTRATION

WHEREAS, the United States Department of Transportation requires a Resolution from applicants authorizing the filing of applications with the Federal Transit Administration, an operating administration of the United States Department of Transportation, for federal transportation assistance authorized by 49 U.S.C. Chapter 53; title 23, United States Code, or other federal statutes administered by the Federal Transit Administration.

WHEREAS, the Napa Valley Transportation Authority (NVTA) has or will provide all annual certifications and assurances to the Federal Transit Administration required for the project;

NOW, THEREFORE BE IT RESOLVED by the Governing Board of the Napa Valley Transportation Authority that:

1. That Executive Director or Designee is authorized to execute and file an application for federal assistance on behalf of Napa Valley Transportation Authority with the Federal Transit Administration for federal assistance authorized by 49 U.S.C. Chapter 53, title 23, United States Code, or other federal statutes authorizing a project administered by the Federal Transit Administration. NVTA has received authority from the designated recipient to apply for Urbanized Area Formula Program assistance.

2. That Executive Director or Designee is authorized to execute and file with its applications the annual certifications and assurances and other documents the Federal Transportation Administration requires before awarding a federal assistance grant or cooperative agreement.

3. That Executive Director or Designee is authorized to execute grant and cooperative agreements with the Federal Transit Administration on behalf of Napa Valley Transportation Authority.

CERTIFICATION

The undersigned duly qualified Chairman of the Board of Directors, acting on behalf of the Napa Valley Transportation Authority, certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Napa Valley Transportation Authority held on February 19, 2025

Passed and Adopted this 19th Day of February 2025.

Mark Joseph, NVTA Chair

Ayes:

Nays:

Absent:

ATTEST:

Laura Sanderlin, NVTA Board Secretary

APPROVED:

Osman Mufti, NVTA General Counsel



NAPA VALLEY TRANSPORTATION AUTHORITY **COVER MEMO**

SUBJECT

Citizen Advisory Committee (CAC) Member Appointments

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board approve the re-appointment of members Ron Richardson and Michael Baldini for a two (2) year term.

EXECUTIVE SUMMARY

Board action would appoint two members to serve on the CAC for a renewed two-year term. The CAC was formed by NVTA to combine several ad hoc committees that were convened to advise the NVTA Board and staff on specific modes, projects, and programs. The CAC is intended to represent all aspects of the communities in Napa Valley and to retain members that foster expertise and institutional knowledge about projects and programs.

FISCAL IMPACT

None



NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Memo

TO: NVTA Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Laura Sanderlin, Board Secretary (707) 259-8633 /
Email: lsanderlin@nvta.ca.gov
SUBJECT: Citizen Advisory Committee (CAC) Member Appointments

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board approve the re-appointment of members Ron Richardson and Michael Baldini for a two (2) year term.

COMMITTEE RECOMMENDATION

None

BACKGROUND

The CAC by-laws approved by the NVTA Board states that the committee structure and representation should strive to represent a diverse cross-section of the community including members of underrepresented groups in Napa Valley.

The CAC has 19 members and 7 of those seats are currently vacant. NVTA staff is actively recruiting to fill vacant positions. These include members representing the City of St. Helena, the City of Calistoga, Agriculture, Hospitality, Vintner, Paratransit and Active Transportation.

City/Town/County members will be appointed by their respective Councils or Board of Supervisors whichever is applicable before being approved by the NVTA Board. If representation of a certain group or jurisdiction cannot be filled after solicitation for that position, the vacancy may be filled with a member at-large.

ALTERNATIVES

The Board could decide not to approve the appointment and the positions representing student interest and member-at-large would remain vacant.

STRATEGIC GOALS MET BY THIS PROPOSAL

Goal 1 – Serve the transportation needs of the entire community regardless of age, income, or ability.

The CAC is comprised of members from the community representing various interests in Napa Valley. The purpose of the CAC is to advise the NVTA Board on projects and programs.

ATTACHMENT(S)

None



NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

SUBJECT

Napa Valley Transportation Authority (NVTA) Annual Financial Statement with Independent Auditor's Report for the Years Ended June 30, 2024 and 2023 and Single Audit Report of Uniform Guidance

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board:

- (1) Accept and file the Financial Statements with Independent Auditor's Report for Fiscal Years Ending June 30, 2024 and 2023 (Attachment 2) and the NVTA Single Audit Report of the Uniform Guidance for the Year Ended June 30, 2024 (Attachment 3); and
- (2) Return an allocation surplus of \$1,816,786 to the Local Transportation Fund (LTF) Trust Fund

EXECUTIVE SUMMARY

The certified public accountants firm, Brown Armstrong Incorporated, completed NVTA's annual financial audit for the years ended June 30, 2024 and 2023 and federal Single Audit Report of Uniform Guidance for the fiscal year ended June 30, 2024. This report summarizes NVTA's financial position at the end of the fiscal year.

FISCAL IMPACT

\$1,816,786 will be returned to the Local Transportation Fund for reallocation, which will be made available for future allocation to NVTA when requested.



Action Requested: **ACCEPT AND FILE**

NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Memo

TO: NVTA Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Antonio Onorato, Director - Administration, Finance and Policy
(707) 259-8779 / Email: anonorato@nvta.ca.gov
SUBJECT: Napa Valley Transportation Authority's (NVTA) Annual Financial Statement with Independent Auditor's Report for the Years Ended June 30, 2024 and 2023 and Single Audit Report of Uniform Guidance

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board:

- (1) Accept and file the Financial Statements with Independent Auditor's Report for Fiscal Years Ending June 30, 2024 and 2023 (Attachment 2) and the NVTA Single Audit Report of the Uniform Guidance for the Year Ended June 30, 2024 (Attachment 3); and
- (2) Return an allocation surplus of \$1,816,786 to the Local Transportation Fund (LTF) Trust Fund

COMMITTEE RECOMMENDATION

None

BACKGROUND

NVTA Financial Activities

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

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

The Governmental activities Net Position decreased by \$850,100 from \$2,897,191 in FY2022-23 to \$2,047,091 in FY2023-24. The reason for the decline was related to the legal claim for \$1,100,000 from Ghilotti Construction for costs associated with delays and overhead.

The claim to Pacific Gas and Electric for \$2,955,000 was not included in the financial statements in accordance with Generally Accepted Accounting Principles (GAAP). This decision reflects the speculative nature of the outcome, which cannot be reasonably determined or recognized at this time.

2. **Proprietary Fund (or Enterprise Fund):** This fund accounts for the financial activity of all public transit service programs. At the end of FY 2023-24, the enterprise fund net position increased by \$7,767,657 from \$36,658,838 to \$44,426,495.

The enterprise fund significantly increased assets due to the completion Vine Bus Maintenance Facility and the purchase of six buses.

NVTA will also return an allocation surplus back to the Local Transportation Fund (LTF) trust account of \$1,816,786. These funds were allocated as stop-gap advance to federal appropriations and grant approval delays and are no longer needed for expenses incurred in the fiscal year. These dedicated funds will be available for reallocation in a future period should NVTA request the funds.

3. **Fiduciary Funds:** This fund type accounts for the Bay Area Air Quality Management's (BAAQMD) Transportation for Clean Air Fund. The funds pass through NVTA to other governments. NVTA collects an administration fee from the BAAQMD program up to five percent (5%). At the end of FY 2023-24, the Fiduciary Fund Type shows net assets of \$778,453 due to the carryover of projects into later years.

Management Discussion and Analysis

During the fiscal year, 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.

Soscol Junction

Napa County's most significant transportation project in a decade was substantially complete in the summer of 2024. A ribbon cutting occurred in September 2024 with completion of the project in the fall.

Napa Valley Vine Trail-St. Helena to Calistoga

Although the project has experienced construction delays during an abnormally wet winter months, construction on the eight-mile segment connecting St. Helena to Calistoga obtained substantial completion in the summer. Full project completion occurred in January 2025.

Farebox Ratio

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.

Farebox for the Vine and American Canyon combined was 14.58% and 11.07% for the years ended June 30, 2024 and 2023. Without the use of local funds, sale of asset revenue, and chargebacks to meet statutory requirements, operational farebox for the years ended June 30, 2024 and 2023, is roughly 6% for both years.

Single Audit Report of Uniform Guidance (formerly Office of Management and Budget Announcement 133 OMB A-133)

NVTA is required to undergo a Single Audit, known as the Uniform Guidance for receiving funds in excess of \$750,000. A Single Audit encompasses an examination of the agency's financial records, financial statements, federal award transactions and expenditures, general management of its operations, internal control systems, and federal assistance received during the audit period. Findings during the audit period ending June 30, 2024:

Financial: There were no financial findings.

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

Material Weakness: No material weaknesses were noted.

Recommendations: There were no recommendations noted.

The complete audits are available on request and will be distributed to Board members at the meeting. The financial audit and single audit are also available on NVTA's website at <http://www.nvta.ca.gov/fiscal-audits-single-audits>.

ATTACHMENTS

- (1) Brown Armstrong CPA's Letter to NVTA's Board of Directors dated December 27, 2024 (SAS 114)
- (2) NVTA Audit Report for Fiscal Years Ended June 30, 2024 and 2023
- (3) NVTA Single Audit Report for Fiscal Years Ended June 30, 2024



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

We have audited the financial statements of Napa Valley Transportation Authority (NVTA) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 18, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by NVTA are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2024. We noted no transactions entered into by NVTA during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting NVTA's financial statements were:

Management's estimate of the useful lives of capital assets for the purpose of calculation of annual depreciation expense. Estimated useful lives range from one to twenty years. We evaluated the methods, assumptions, and data used to develop the estimate of the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the Other Post-Employment Benefits (OPEB) is based on actual valuations that involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. We evaluated the methods, assumptions, and data used to develop the estimate of the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability, related expense, and deferred outflows of resources and inflows of resources are based on actuarial valuations that involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. We evaluated the methods, assumptions, and data used to develop the estimate of the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements were:

The disclosure of Capital Assets, Pension Plan and OPEB in Notes 4, 8 and 9 to the financial statements, respectively.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 27, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to NVTA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as NVTA's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis; Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Government Fund – Planning Fund; Schedule of Changes in Net 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, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Statements of Revenues, Expenses, and Changes in Fund Net Position – Enterprise Fund – Transit Related by Operation, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and

evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of NVTA and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 27, 2024



**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

Brown Armstrong
Accountancy Corporation

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.

**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 | \$ 2,047,091 | \$ 2,897,191 |

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 |
| | 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 |
| | 15,606,173 | 9,296,004 |
| 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> | | |
| Pension expense - GASB Statement No. 68 | (128,504) | (158,944) |
| OPEB expense - GASB Statement No. 75 | (7,266) | (11,402) |
| <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>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 |
| | 37,175,076 | 11,525,213 |
| Total Current Assets | | |
| 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 |
| | 58,614,635 | 50,863,851 |
| Total Noncurrent Assets | | |
| 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 |
| | 33,213,517 | 7,530,526 |
| Total Current Liabilities | | |
| Noncurrent Liabilities | | |
| Loan Payable | 18,149,699 | 18,199,700 |
| | 18,149,699 | 18,199,700 |
| Total Noncurrent Liabilities | | |
| 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 |
| | 44,426,495 | 36,658,838 |
| Total Net Position | | |
| 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) |
| 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 |
| 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 |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | (8,561,811) | 457,527 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Investments | (399,251) | (396,119) |
| Interest Received | 808,270 | 82,540 |
| 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 |
| | 228,620 | 200,017 |
| DEDUCTIONS | | |
| Program Expenses | - | 241,620 |
| | - | 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

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

2023

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

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> | <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> | <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 Hire Date | Prior to May 21, 2011 (Tier I) | On or after May 21, 2011 (Tier II) | On or after January 1, 2013 (PEPRA) |
|---|--------------------------------------|--|---|
| 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 Hire Date | Prior to May 21, 2011 (Tier I) | On or after May 21, 2011 (Tier II) | On or after January 1, 2013 (PEPRA) |
|---|--------------------------------------|--|---|
| 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 | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| 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 | 33,820 | 9,516 |
| Pension Contributions Subsequent to Measurement Date | <u>234,762</u> | <u>-</u> |
| Total | <u>\$ 698,276</u> | <u>\$ 19,289</u> |
| | | |
| 2023 | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| 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 | 17,836 | 15,113 |
| Pension Contributions Subsequent to Measurement Date | <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:

| <u>Year Ended June 30</u> | |
|-------------------------------|--------------------------|
| 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) |
|----------------------------------|---------------------------------|--|
| Asset Class | | |
| 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 | 100.00% | |

^(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) |
|----------------------------------|---------------------------------|--|
| Asset Class | | |
| 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 | 100.00% | |

^(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><u>22</u></u> | <u><u>20</u></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; |
| Healthcare Cost Trend Rates | Medicare (Kaiser) - 5% for 2022, decreasing to an ultimate rate of 4% in 2076 |

⁽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 | | |
|------|---|--|
| | Asset Class | Long-Term Expected Real Rate of Return |
| | | Target Allocation |
| | Global Equity | 23.00% |
| | Fixed Income | 51.00% |
| | Treasury Inflation Protected Securities | 9.00% |
| | Commodities | 3.00% |
| | REITs | 14.00% |
| | | 4.06% |
| | Total | 100.00% |

NOTE 9 – OPEB (Continued)

A. General Information about the OPEB Plan (Continued)

| 2023 | Target | Long-Term |
|---|----------------|---------------------------------|
| Asset Class | Allocation | Expected Real Rate of Return |
| 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 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| 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 | 44,595 | - |
| 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>\$ 238,324</u> | <u>\$ 120,026</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>14.58%</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>11.07%</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> | Total Article 8 Services | Taxi Scrip and Vine Go | Calistoga, Yountville, and St. Helena |
| 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> | Total Article 4 Services | Taxi Scrip and Vine Go | Calistoga, Yountville, and St. Helena |
| 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:

| Appropriations Category | Excess Expenditures | |
|--------------------------|---------------------|----------|
| | 2024 | 2023 |
| 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 | | | \$ 2,648,930 | |

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 | 29,512,100 | 29,512,100 | 9,950,385 | (19,561,715) |
| 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 | 29,723,100 | 29,523,100 | 9,296,004 | 20,227,096 |
| Other Finance Sources | | | | |
| Transfers | 251,000 | 251,000 | - | 251,000 |
| Total Other Financing Sources | 251,000 | 251,000 | - | 251,000 |
| Net Change in Fund Balance | \$ 40,000 | \$ 240,000 | 654,381 | \$ (414,381) |
| Fund Balance, Beginning of Year | | | 2,699,128 | |
| Fund Balance, End of Year | | | \$ 3,353,509 | |

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**

| <i>Measurement Period</i> | 2024 | 2023 | 2022 | 2021 |
|---|-------------------|-------------------|-------------------|-------------------|
| 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 | (20,377) | (20,063) | (18,423) | (11,607) |
| Net Change in Total OPEB Liability | 48,317 | 140,009 | 70,471 | 85,379 |
| Total OPEB Liability - Beginning | 611,837 | 471,828 | 401,357 | 315,978 |
| 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 | (195) | (170) | (192) | (190) |
| Net Change in Plan Fiduciary Net Position | 44,177 | (23,532) | 101,181 | 63,103 |
| Plan Fiduciary Net Position - Beginning | 521,590 | 545,122 | 443,941 | 380,838 |
| 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>(22,142)</u> | <u>\$ (20,422)</u> | <u>\$ (20,329)</u> | <u>\$ (18,458)</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>\$ (11,607)</u> | <u>\$ (6,087)</u> | <u>\$ (2,930)</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**

| | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| 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% |
| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
| 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 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.

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 | <u>1,493,833</u> | <u>14,926,732</u> | <u>-</u> | <u>561,947</u> | <u>412,552</u> |
| Operating Loss | <u>(1,427,758)</u> | <u>(14,270,201)</u> | <u>-</u> | <u>(473,608)</u> | <u>(368,722)</u> |
| 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 | <u>1,538,066</u> | <u>18,173,948</u> | <u>-</u> | <u>528,233</u> | <u>427,493</u> |
| 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 | <u>110,308</u> | <u>7,439,012</u> | <u>-</u> | <u>54,625</u> | <u>58,771</u> |
| Net Position, Beginning of Year | <u>688,784</u> | <u>34,387,359</u> | <u>(89,353)</u> | <u>904,785</u> | <u>197,056</u> |
| Net Position, End of the Year | <u>\$ 799,092</u> | <u>\$ 41,826,371</u> | <u>\$ (89,353)</u> | <u>\$ 959,410</u> | <u>\$ 255,827</u> |

**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 | 420,632 | 531,262 | 18,346,958 |
| Operating Loss | (372,881) | (454,568) | (17,367,738) |
| 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 | 419,421 | 512,969 | 21,600,130 |
| 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 | 46,540 | 58,401 | 7,767,657 |
| Net Position, Beginning of Year | 490,204 | 80,003 | 36,658,838 |
| Net Position, End of the Year | \$ 536,744 | \$ 138,404 | \$ 44,426,495 |

**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 | <u>1,313,193</u> | <u>12,850,195</u> | <u>-</u> | <u>570,910</u> | <u>440,063</u> |
| Operating Loss | <u>(1,259,010)</u> | <u>(12,223,009)</u> | <u>-</u> | <u>(515,492)</u> | <u>(411,210)</u> |
| 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 | <u>-</u> | <u>(3,534,631)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Nonoperating Revenues | <u>1,423,499</u> | <u>9,508,403</u> | <u>-</u> | <u>680,283</u> | <u>779,303</u> |
| 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 | <u>-</u> | <u>3,777,120</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in Net Position | <u>164,489</u> | <u>4,023,245</u> | <u>-</u> | <u>164,791</u> | <u>368,093</u> |
| Net Position, Beginning of Year | <u>524,295</u> | <u>30,364,114</u> | <u>(89,353)</u> | <u>739,994</u> | <u>(171,037)</u> |
| Net Position, End of the Year | <u>\$ 688,784</u> | <u>\$ 34,387,359</u> | <u>\$ (89,353)</u> | <u>\$ 904,785</u> | <u>\$ 197,056</u> |

**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 | <u>-</u> | <u>-</u> | <u>(3,534,631)</u> |
| 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 | <u>-</u> | <u>-</u> | <u>3,777,120</u> |
| 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



**NAPA VALLEY
TRANSPORTATION AUTHORITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED
JUNE 30, 2024**

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

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

Board of Directors
Napa Valley Transportation Authority
Napa, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Napa Valley Transportation Authority (NVTA), as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise NVTA's basic financial statements, and have issued our report thereon dated December 27, 2024.

Report on Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NVTA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NVTA's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 27, 2024

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

Board of Directors
Napa Valley Transportation Authority
Napa, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Napa Valley Transportation Authority's (NVTA) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of NVTA's major federal programs for the year ended June 30, 2024. NVTA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, NVTA complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

We have audited the financial statements of NVTA, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise NVTA's basic financial statements. We issued our report thereon dated December 27, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 27, 2024

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

| Federal Grantor/Pass-Through Grantor/Program Title | Assistance Listing Number | Pass-Through Grantor's Number | Passed Through to Subrecipients | Disbursements/ Expenditures |
|--|---------------------------------|-------------------------------------|---------------------------------------|--------------------------------|
| <u>U.S. Department of Transportation</u> | | | | |
| Direct Programs: | | | | |
| Federal Transit Formula Grant | 20.507 | CA-2023-224 | \$ - | \$ 2,858,111 |
| Federal Transit Formula Grant | 20.507 | CA-2017-061 | - | 33,173 |
| Federal Transit Formula Grant | 20.507 | CA-2022-111 | - | 55,588 |
| Federal Transit Formula Grant | 20.507 | CA-2023-022 | - | 517,200 |
| Federal Transit Formula Grant | 20.507 | CA-2024-064 | - | 260,000 |
| Federal Transit Formula Grant | 20.507 | 5001-2024-01 | - | 2,060,215 |
| Subtotal Federal Transit Formula Grants | | | - | 5,784,287 |
| Subtotal Federal Transit Cluster | | | - | 5,784,287 |
| Passed through Metropolitan Transportation Commission (MTC) | | | | |
| Highway Planning and Construction | 20.205 | -- | - | 991,934 |
| Subtotal Highway Planning and Construction | | | - | 991,934 |
| Subtotal Metropolitan Transportation Commission | | | - | 991,934 |
| Passed through State Department of Transportation (Caltrans) | | | | |
| Federal Grants to Rural Areas | 20.509 | 64BA22-02058-01 | - | 301,072 |
| Federal Grants to Rural Areas | 20.509 | 64CA23-02229 | - | 275,000 |
| COVID-19 ARP Act - Federal Grants to Rural Areas | 20.509 | 64MO21-01911 | - | 8,400 |
| Subtotal Federal Transit for Rural Areas | | | - | 584,472 |
| Highway Planning and Construction | 20.205 | ATPL-6510(003) | - | 589,754 |
| Highway Planning and Construction | 20.205 | STPL-6510(010) | - | 93,992 |
| Subtotal Highway Planning and Construction | | | - | 683,746 |
| Total U.S. Department of Transportation | | | - | 8,044,439 |
| Total Expenditures of Federal Awards | | | \$ - | \$ 8,044,439 |
| Federal Loan Balances Carried Forward from Prior Year | | | | |
| Transportation Infrastructure Finance and Innovation Act (TIFIA) Program | 20.223 | | | \$ 18,149,699 |
| Total Federal Loan Balances | | | | \$ 18,149,699 |
| Total Expenditures of Federal Awards, Including Federal Loan Balances | | | | \$ 26,194,138 |

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

**NAPA VALLEY TRANSPORTATION AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – BASIS OF ACCOUNTING

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

NOTE 2 – INDIRECT COST RATE

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

NOTE 3 – LOANS OUTSTANDING

The following program had federally-funded loans outstanding at June 30, 2024:

| Assistance Listing Number | Program Title | Amount Outstanding | | | | | June 30, 2024 |
|---------------------------|---------------|--------------------|-----------|---------------|----------|---------------|---------------|
| | | July 1, 2023 | New Loans | Loan Payments | Forgiven | | |
| 20.223 | TIFIA | \$ 18,149,699 | \$ - | \$ - | \$ - | \$ 18,149,699 | |

**NAPA VALLEY TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

SECTION I

Summary of Auditor's Results

Financial Statements

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

Federal Awards

- | | |
|--|------------|
| 1. Internal controls over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, under 2 CFR §200.516(a)? | No |
| 4. Identification of major programs: | |

Assistance Listing Number

Name of Federal Program

20.507

Federal Transit Cluster
Federal Transit Formula Grant

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and Type B programs: | \$750,000 |
| 6. Auditee qualified as a low-risk auditee under the Uniform Guidance? | No |

SECTION II

Financial Statement Findings

No matters were reported.

SECTION III

Federal Award Findings and Questioned Costs

No matters were reported.

**NAPA VALLEY TRANSPORTATION AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

No matters were reported.



NAPA VALLEY TRANSPORTATION AUTHORITY **COVER MEMO**

SUBJECT

Vine Transit Update

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) receive the second quarter Fiscal Year (FY) 2024-25 Vine Transit update.

EXECUTIVE SUMMARY

This report summarizes the Vine's operational performance during the second quarter of the current Federal Fiscal Year (FY) 2024-25, covering the period October 1 to December 31, 2024. The board memo compares the second quarter of FY 2024-25 to the same time period of FY 2023-24 to provide context on year-over-year ridership levels and compares missed trips over the same two time periods. Finally, it includes a discussion of recent schedule changes and marketing efforts.

FISCAL IMPACT

Is there a Fiscal Impact? No



NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Memo

TO: NVTA Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Rebecca Schenck, Program Manager, Public Transit
(707) 259-8636 / Email: rschenck@nvta.ca.gov
SUBJECT: Vine Transit Update

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board receive the second quarter Fiscal Year (FY) 2024-25 Vine Transit update.

BACKGROUND

Recent Schedule Changes

The most recent schedule change commenced on Sunday, January 12, 2025. The following changes went into effect:

- Route A On-Demand service shifted to Fixed Route Service that serves Browns Valley via California Blvd, Lincoln Ave, and Soscol Ave.
- Route G extended its route to serve the new Napa County Soscol Campus off Basalt Road. The Route G now provides a link between three Napa County facilities, Napa County Administrative Office, Napa County Soscol Campus and Napa County Health and Human Services Campus
- Minor schedule changes on Route B, Route 10 and Route 29

Ridership

Table 1 compares the annual difference between second quarter of FY 2023-2024 (October, November & December) to second quarter of FY 2024-2025 to show the year-over-year ridership increase of approximately 10% in the City of Napa. Routes D and G experienced the most significant growth year-over-year. Route G ridership growth is

attributable to extending the route to serve Napa Valley College and Health & Human Services. The January 12, 2025 schedule change also extended the route to serve the new Napa County Soscol Campus which is expected to grow ridership on that route. Increase in ridership on the Route D are mainly driven by students traveling to Camille Creek Community School.

Table 1: City of Napa Ridership - Comparing Q2 of FY24 & Q2 of FY25

| | Q2 FY24 | Q2 FY25 | % Difference | Numerical Difference |
|-----------------------------|---------------|---------------|---------------|----------------------|
| Napa Local On-Demand | 1,203 | 1,140 | -5.24% | -63 |
| Route B | 5,408 | 6,055 | 11.96% | 647 |
| Route C | 14,778 | 14,389 | -2.63% | -389 |
| Route D | 1,588 | 2,361 | 48.68% | 773 |
| Route E | 2,413 | 3,060 | 26.81% | 647 |
| Route F | 3,579 | 4,113 | 14.92% | 534 |
| Route G | 2,214 | 3,287 | 48.46% | 1,073 |
| Total | 31,183 | 34,405 | 10.33% | 3,222 |

While ridership is an important key performance indicator (KPI), it is also important to track other KPIs. Passengers per revenue hour is a measure of the number of people on the bus for every hour that the bus is in service. It does not include the deadhead, which is the time leading to and from the maintenance yard. In Chart 1, data shows passengers per revenue hour (the grey bars) remained relatively stagnant 5.3 to 5.7, when compared to Q2.

Chart 1: Passengers per Revenue Hour on City of Napa Routes (Weekdays)

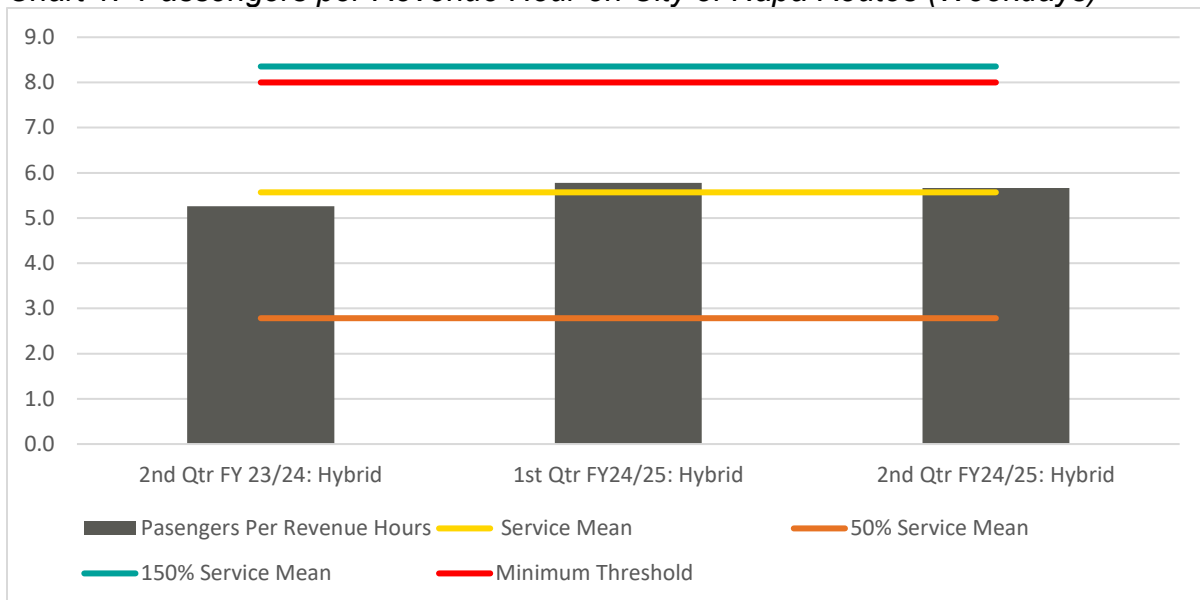


Chart 2 shows that the passengers per revenue hour vary a lot by route. The Route C passengers per revenue hour is the only local route above the pre-COVID 8.0 minimum threshold measuring at 9.8. All other fixed routes were in the 1.8 to 5.8 range with Route A on-demand measuring just below 2 passengers per revenue hour. This isn't surprising given the nature of on-demand service versus fixed route service. Staff will monitor this metric for the new Route A to see if there is an increase in passengers per revenue hour since it will no longer be an on-demand route.

Chart 2: Local Service Passengers per Revenue Hour (Weekdays)

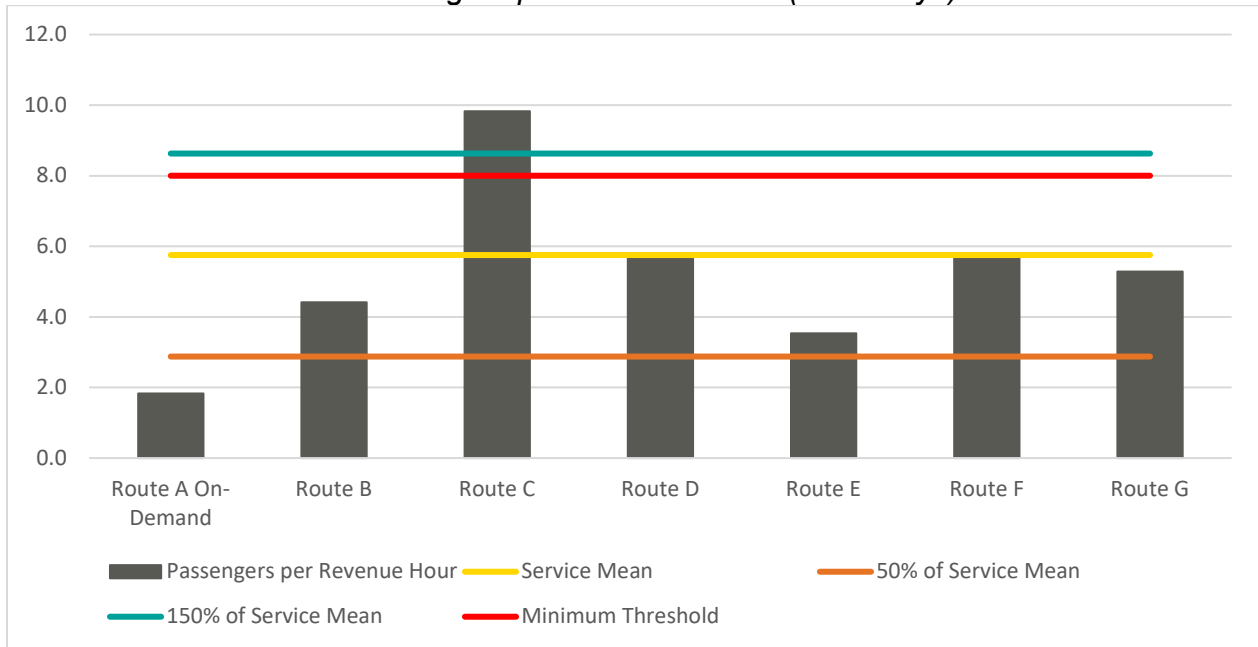


Table 2 shows overall ridership remained relatively stagnant, up 2.26% for the quarter on regional routes. The route showing the most noteworthy percentage improvement in ridership is Route 11X at nearly 31%. Route 11X was a route that previously had one of the highest instances of missed trips due to driver callouts or mechanical failures. However, since obtaining additional used buses those missed trips have decreased. Additionally, Route 11X lowered its fare on July 1, 2024 and added a new stop at Devlin/Airport in August 2024 to serve the new Vine Transit Bus Maintenance Facility. Lower ridership on the Route 21 may be due to considerable delays on multiple trips as Vine buses are being subjected to random California Highway Patrol Inspection with passengers on board at the weigh station on Interstate 80. NVTA and Soltrans are working with the California Transit Association and CHP to have the additional inspections done at NVTA's facility instead of at the CHP weigh station during revenue service.

Table 2: Routes 10, 11, 11X, 21 & 29 Ridership – Comparing Q2 of FY24 & Q2 of FY25

| | Q2 FY24 | Q2 FY25 | % Difference | Numerical Difference |
|------------------|---------------|---------------|--------------|----------------------|
| Route 10 | 36,495 | 38,756 | 6.20% | 2,261 |
| Route 11 | 32,032 | 32,167 | 0.42% | 135 |
| Route 11X | 882 | 1,151 | 30.50% | 963 |
| Route 21 | 4,029 | 3,379 | -16.13% | -650 |
| Route 29 | 8,798 | 8,644 | -1.75% | -154 |
| Total | 82,236 | 84,097 | 2.26% | 1,861 |

Passenger per revenue hour data on the weekdays shows that Routes 10 and 11 continue to be our most efficient regional routes. As shown on Chart 3, the Routes 10 and 11 have the two highest passengers per revenue hour at 9.5 and 8.8 but are still below the pre-COVID minimum threshold of 12. The least productive route remains the Route 11X, which is geared towards Vallejo Ferry commuters. To help entice ridership, staff lowered the fare by \$1.00 on July 1, 2024, fare to match the local fare price and added a stop at Devlin Road as part of its August 2024 schedule change.

Chart 3: Regional Service Passengers per Revenue Hour

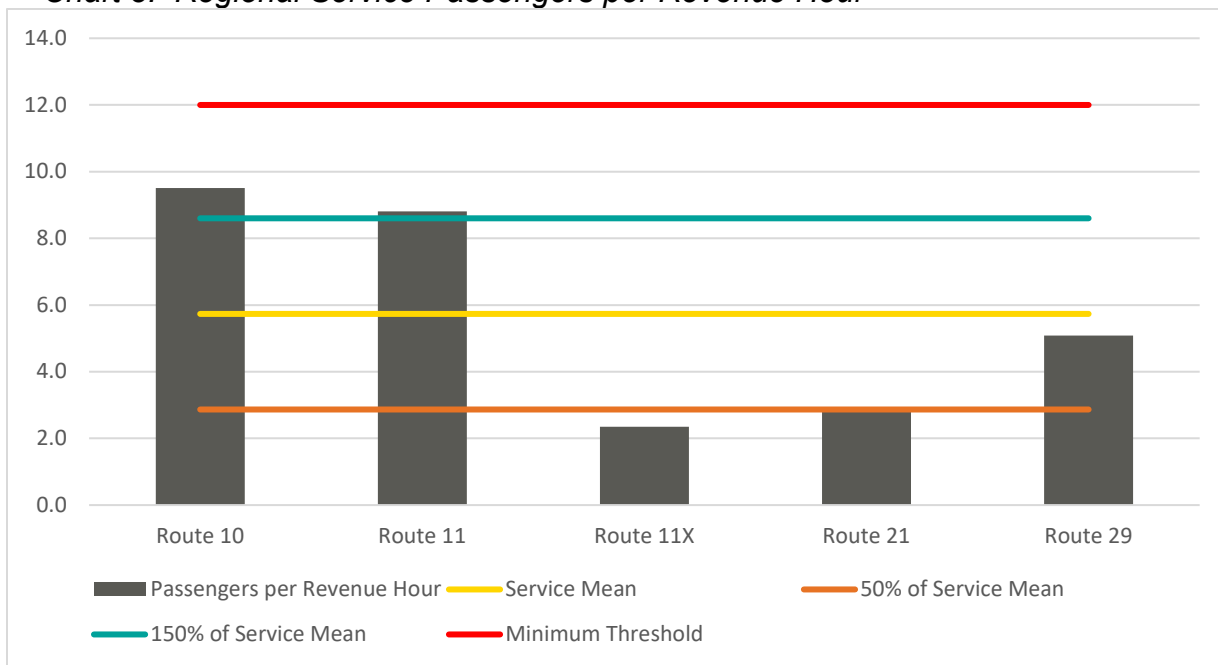


Table 4 shows ridership decreased on the community shuttles overall by about 6% compared to the same quarter last year. The Yountville Bee experienced the highest decline at nearly 17% while other services remained relatively stagnant. The new Calistoga shuttles that will be deployed in March 2025 should help with Calistoga ridership as the existing shuttles in Calistoga are passed their useful life. In Yountville, NVTA staff met with the new Home Administrator at the Yountville Veterans Home and is doing an outreach event at the Veterans Home in February.

Table 4: Community Shuttles– Comparing Q2 of FY24 & Q2 of FY25

| | Q2 FY24 | Q2 FY25 | % Difference | Numerical Difference |
|--------------------------------|----------------|----------------|---------------------|-----------------------------|
| Calistoga Shuttle | 4,159 | 3,659 | -12.02% | -500 |
| St. Helena Shuttle | 1,748 | 1,685 | -3.60% | -63 |
| Yountville Bee | 1,304 | 1,085 | -16.79% | -219 |
| American Canyon Transit | 5,875 | 5,917 | 0.71% | 42 |
| Total | 13,086 | 12,346 | -5.65% | -740 |

Chart 4 shows the passengers per revenue hour on the local community shuttles. American Canyon Transit continues to show the strongest ridership of the community shuttles by meeting the passengers per revenue hour minimum threshold of at least four passengers. Staff has submitted cost proposals to the City of American Canyon for three options:

- 1) Extending weekday service to 7:00pm
- 2) Operating one vehicle on Saturdays from 8:30am – 5:30pm
- 3) Operating two vehicles on Saturdays from 8:20am – 5:30pm

All other shuttle services continue to operate below the pre-COVID minimum threshold of four passengers per revenue hour.

VineGo ridership rose by about 17% over the last year as seen in Table 5. Staff continues to see steady increases in VineGo Ridership since the onset of the COVID-19 pandemic.

Table 5: VineGo Ridership – Comparing Q2 of FY24 & Q2 of FY25

| | Q2 FY24 | Q2 FY25 | % Difference | Numerical Difference |
|---------------|----------------|----------------|---------------------|-----------------------------|
| VineGo | 3,726 | 4,351 | 16.77% | 625 |

Finally, Table 6 shows the missed trips during the second quarter of the current fiscal year compared to the second quarter of last Fiscal Year. NVTA’s aging fleet has experienced some mechanical issues that have resulted in missed trips. Currently, NVTA has 14 electric buses on order with Gillig, but those aren’t expected to arrive until June 2025. In the meantime, Vine Transit recently received four leased 2019 Gillig hybrid buses from Golden Gate Bridge, Highway and Transportation District (GGBHTD). GGBHTD currently has a fleet spare ratio of over 100%, so they are leasing some of their excess vehicles to NVTA. These additional newer buses should help decrease the number of missed trips caused by mechanical issues. Additionally, Transdev is experiencing larger volumes of bus driver applications, and the most recent hiring class is looking promising in terms of the number of trainees expected to graduate to bus drivers.

Table 6: Missed Trips During Q2 of FY 2024 and Q2 of FY 2025

| | Regular Missed Trips | | On-Demand Missed Trips | |
|-----------------|----------------------|-----------|------------------------|----------|
| | Q2 FY 24 | Q2 FY 25 | Q2 FY 24 | Q2 FY 25 |
| October | 93 | 34 | 15 | 0 |
| November | 45 | 11 | 6 | 0 |
| December | 21 | 16 | 1 | 0 |
| Total | 159 | 61 | 22 | 0 |

Marketing Efforts

With the colder winter weather, there are fewer in-person events available for staff to attend. However, staff still attended and/or participated in:

- Free Fare Day to Promote Clean Air Day (October 2, 2024)
- Transportation Presentations in Spanish to Vintage High Students (November 22, 2024)
- Molly’s Angels Senior Holiday Luncheon (December 6, 2024)
- Napa Holiday Parade (December 7, 2024)
- Rohlffs Manor Transit Presentation (December 11, 2024)

NVTA staff are actively promoting the Vine Transit “Design a Bus” contest. Vine Transit solicited artists from across the North Bay to design a rolling work of art on one of our new 40-foot electric Gillig buses (currently slated to arrive in June). Entries will celebrate zero-emission transportation and/or Napa County and will be reviewed by a panel of judges. The artist who creates the winning design will earn a \$5,000 stipend, with \$1,500 awarded to the runner up. To begin, artists are asked to submit a portfolio of their existing work that showcases their artistic style and abilities, along with a brief description of each piece. Judges will review them and select up to three finalists. Each finalist will receive \$750 to cover the cost of materials to create a preliminary bus wrap design. Finalists were announced on February 15th and winners will be announced on April 14th.

ATTACHMENTS

None



NAPA VALLEY TRANSPORTATION AUTHORITY COVER MEMO

SUBJECT

Federal and State Legislative Update

STAFF RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board receive the Federal Legislative update and the State Legislative Update.

EXECUTIVE SUMMARY

The attached memos from Platinum Advisors summarizes recent federal and state legislative activities respectively.

FISCAL IMPACT

None



NAPA VALLEY TRANSPORTATION AUTHORITY

Board Agenda Memo

TO: Board of Directors
FROM: Kate Miller, Executive Director
REPORT BY: Kate Miller, Executive Director
(707) 259-8634 / Email: kmiller@nvta.ca.gov
SUBJECT: Federal and State Legislative Update

RECOMMENDATION

That the Napa Valley Transportation Authority (NVTA) Board receive the Federal Legislative update (Attachment 1) and the State Legislative Update (Attachment 2).

BACKGROUND

Federal Update:

On January 28th, the Senate confirmed Sean Duffy as transportation secretary with bipartisan support on a 77-22 vote. Duffy is a former reality TV star, who at his hearing, stated his priorities would be to “restore global confidence” in Boeing, hire more traffic controllers, cut diversity, equity, and inclusion (DEI) programs and create federal rules to advance autonomous vehicles.

Former New York US Representative, Marc Molinaro is being considered to head up the Federal Transit Administration.

The Department of Transportation (DOT) has issued a number of memoranda to carry out the Presidents Executive Orders. The DOT guidance, so far, eliminates DEI programs, funding for clean energy, and funding to support local priorities, and instead directs funding towards communities with higher than national average marriage and birth rates, underscoring the administration’s interest in creating economic opportunities for families.

State Update:

The Department of Finance released Governor Newsom's FY 2025-26 proposed budget. The spending plan totals \$322.3 billion of general fund revenues. Impacts related to the fire – a roughly \$200 billion tragedy – is likely to have significant impacts on the budget if the Federal Government does not provide relief funds.

The Governor's budget proposal continues to fund transportation and levels committed in recent budgets, including \$7.7 billion for high-priority transit and rail infrastructure projects, \$1.1 billion for Active Transportation Program projects, \$1.1 billion for the Zero Emission Transit Capital Program, and 1\$150 million for grade separation projects.

ATTACHMENTS

- 1) January 31, 2025 Federal Update (Platinum Advisors)
- 2) January 31, 2025 State Update (Platinum Advisors)

PLATINUM | ADVISORS

TO: Kate Miller, Executive Director
Napa Valley Transit Authority

FROM: Jessica Aune, Platinum Advisors

RE: Napa Valley Transit Authority January 2025 Monthly Report

DATE: Friday, January 31, 2024

State of Play and Congressional Update:

Following a vote on his re-election as the top leader in the House of Representatives, Speaker of the House Mike Johnson (R-LA) delivered a message to his republican colleagues on the importance of remaining unified in delivering an “American First agenda.” In the weeks following his leadership vote, the path forward in fulfilling the “mandate” from voters is uncertain.

Both Speaker Johnson and Senate Majority Leader John Thune (R-SD) have two conflicting views on how Congress can most quickly achieve President Donald Trump’s legislative priorities on immigration, domestic energy production, and taxes. While Senate and House leadership teams agree that reconciliation – a legislative procedure that bypasses the Senate’s 60-vote majority if certain requirements are met – is the only achievable way to pass such a package that doesn’t require buy-in from Democrats. However, while most of the House Republican conference wants one “Big, Beautiful Bill” that would include a significant tax package that extends many of the Tax Cuts and Jobs Act’s (TCJA) expiring provisions, the Senate is positioning itself to draft two reconciliation bills.

Speaker Johnson’s leadership team will have to work around the clock in the coming weeks to resolve any disagreements over the total cost of any reconciliation package if they’re to meet an ambitious late-February target. Negotiations to pass an FY 2025 spending bill ahead of the impending mid-March funding deadline will likely only serve to strain early conversations on reducing the deficit – a top priority for conservatives.

Senate Approves Sean Duffy as DOT Secretary

The Senate approved a slate of President Trump’s cabinet nominations, including former Congressman Sean Duffy to serve as Secretary of the Department of Transportation. Duffy will inherit the implementation of the Infrastructure Investment and

Jobs Act, commonly referred to as the Bipartisan Infrastructure Law. This includes oversight over the disbursement of billions of federal dollars authorized by the \$1.2 trillion package to update U.S. infrastructure and promote investment across a variety of sectors, such as transportation, broadband, clean energy, and water systems.

During his confirmation hearing earlier this month, Duffy promised the Senate Commerce, Science, and Transportation Committee that, under his leadership, DOT would work on solutions to transportation access issues in rural and coastal communities, such as expanding bus services or alternative transit options to better link these regions to existing rail systems. Duffy also told lawmakers he'd work to cut red tape slowing big infrastructure projects if confirmed, saying that the President told him that DOT is a "top priority" for his second administration.

Duffy was confirmed by the Senate along bipartisan margins. However, despite receiving unanimous support in the second-to-last procedural vote on his nomination, 22 Democrats ultimately withheld their support over protests of an Office of Management and Budget (OMB) directive that all federal agencies temporarily pause the obligation or disbursement of federal financial assistance.

OMB Impoundment Memorandum Sparks Confusion

On January 27th, OMB sent a memorandum to every federal agency ordering a halt on all "grant, loan, and other financial assistance." The memorandum marked an attempt by the Trump administration to challenge the status quo of how federal departments administer appropriated funds. Under current law, there is a procedure for how presidents can request that Congress rescind federal funding.

President Trump's attempt at circumventing the Impoundment Control Act signals a broader effort to identify and enact spending cuts across the entire federal government. In the Executive Order titled "Unleashing American Energy," federal agencies are directed to immediately pause the "disbursement" of funds made available by the Infrastructure Investment and Jobs Act of 2021 and the Inflation Reduction Act of 2022. Funds provided by these two laws will be disbursed only until the OMB Director and Assistant to the President for Economic Policy determine that such funding is "consistent with any review recommendations they have chosen to adopt."

Less than 24 hours after the OMB memorandum (and a second memorandum intended to clarify the scope of the first memorandum) was leaked, a federal judge in Washington, D.C. temporarily enjoined the OMB directive through 5:00 PM on Monday, February 3rd. The ruling prohibits the Trump administration from suspending disbursement of any congressional appropriated funds until then. While Department of Justice lawyers argued that additional guidance provided by the Trump administration

would alleviate concerns about the OMB directive cutting off essential programs, the White House ultimately rescinded the memorandum. It remains to be determined whether OMB will release a new memorandum enforcing President Trump's Day 1 EOs.

During an emergency meeting organized by House Democrats to discuss the OMB memorandum, House Minority Leader Hakeem Jeffries (D-NY) touted the court-ordered injunction as a victory for House Democratic lawmakers' strategy to counter President Trump's executive actions.

DOT Issues Policy Priority Memorandums

DOT [issued](#) two guidance documents aimed at clarifying and aligning the agency's policy priorities with those of the Trump administration. The [first memorandum implements](#) several Trump administration EOs and memoranda, including Executive Order 14148, *Initial Rescissions of Harmful Executive Orders and Actions*; Executive Order 14151, *Ending Radical and Wasteful Government DEI Programs and Preferencing*; and Executive Order 14154, *Unleashing American Energy*. These three presidential actions direct federal agencies to review all regulations and funding agreements that relate to climate change, emissions, racial equity, "DEI" goals, environmental justice, or the Justice 40 Initiative.

The [second order](#) signed by Secretary Duffy ensures that all DOT policies, grants, loans, and actions are based on "sound economic principles, positive cost-benefit analyses, and pro-economic growth priorities." More specifically, new agency-led cost-benefit analyses will henceforth more closely scrutinize any regulatory assessments reliant on decarbonization estimates. This order also stipulates that DOT grant programs won't be used to "further local political objectives or for projects and goals that are purely local in nature and unrelated to a proper Federal interest." The guidance includes language prioritizing communities with higher marriage and birth rates than the national average and compliance with federal immigration enforcement. Overall, there is a large emphasis on the impact that DOT-related activities have on the availability of economic opportunities for families and communities.

DOT Rescinds NHTSA Fuel-Economy Rule

After being sworn in as Secretary of Transportation, Sean Duffy signed a [memorandum](#) directing the National Highway Traffic Safety Administration (NHTSA) to immediately review and reconsider all existing [fuel-economy standards](#) for vehicles produced from the 2022 model year onward. Under Biden-era Corporate Average Fuel Economy (CAFE) standards, finalized in June 2024, light-duty vehicles must meet an average of

50.4 miles per gallon in 2031, a concession from an earlier proposal of close to 56 miles per gallon. Fuel economy must increase 2% per year for passenger cars from 2027 to 2031.

The new DOT memorandum references the administration's updated energy policy outlined in the "Unleashing American Energy" EO, which directs agencies to prioritize regulations that would promote the use of "reliable domestic energy supplies" and "true consumer choice" by "ensuring a level regulatory playing field for consumer choice in vehicles."

As recently as January 17th, DOT lawyers were defending the fuel-economy standards in federal court after a group of GOP-controlled states and business groups separately [challenged](#) the Biden administration's CAFE standards. Under Secretary Duffy's leadership, it is most likely that NHTSA will withdraw both the final regulations and its defense in pending litigation.

Marc Molinaro Floated as FTA Administrator

Former U.S. Rep. Marc Molinaro (R-NY) is reportedly being appointed by President Trump to head the Federal Transit Administration (FTA), which provides financial and technical assistance to local public transportation systems.

Earlier this year, New York's Metropolitan Transportation Authority received approval from the Biden administration for its congestion pricing plan. The plan is opposed by Molinaro, who could withdraw DOT support if confirmed by the Senate.

Pending Legislation of Interest

[H.R.81](#) — **To prohibit the imposition of mask mandates on public transportation.**

Sponsor: Biggs, Andy [Rep.-R-AZ-5]

Introduced: 01/03/2025

[H.R.502](#) — **To ensure the rural surface transportation grant program is accessible to rural areas, and for other purposes.**

Sponsor: Finstad, Brad [Rep.-R-MN-1]

Introduced: 01/16/2025

[H.R.546](#) — **To direct the Attorney General to establish a grant program for civilian traffic violation enforcement.**

Sponsor: Torres, Ritchie [Rep.-D-NY-15]

Introduced: 01/16/2025

[S.161](#) — A bill to require the Secretary of Transportation to issue rules relating to the testing procedures used under the New Car Assessment Program of the National Highway Traffic Safety Administration, and for other purposes.

Sponsor: Fischer, Deb [Sen.-R-NE]

Introduced: 01/21/2025

[S.191](#) — A bill to require the Secretary of Transportation to modify certain regulations relating to the requirements for commercial driver's license testing and commercial learner's permit holders, and for other purposes.

Sponsor: Lummis, Cynthia M. [Sen.-R-WY]

Introduced: 01/22/2025

[H.R.623](#) — To direct the Secretary of Transportation to modify certain regulations relating to the requirements for commercial driver's license testing and commercial learner's permit holders, and for other purposes.

Sponsor: LaHood, Darin [Rep.-R-IL-16]

Introduced: 01/22/2025

[H.R.732](#) — Disaster Recovery Efficiency Act

Sponsor: Jacobs, Sara [Rep.-D-CA-51]

Introduced: 01/24/2025

PLATINUM | ADVISORS

January 31, 2025

TO: Kate Miller, Executive Director
Napa Valley Transportation Authority

FR: Steve Wallauch
Platinum Advisors

RE: Legislative Update

On January 10th, the Department of Finance unveiled Governor Gavin Newsom's proposed budget for the 2025-26 fiscal year. Framed against a backdrop of major wildfires and evolving economic uncertainties, the budget reflects a cautious approach.

Overall, Governor Newsom's proposed spending plan totals \$322.3 billion of general fund and special fund revenue, supported by \$16.9 billion in reserves. While revenues are up, growing commitments—particularly in areas like Medi-Cal, which faces an additional \$4.5 billion in costs next year—will require careful balancing to sustain long-term fiscal health.

General Fund revenue is projected to be approximately \$16.5 billion, or 2.7 percent, higher than assumed in the 2024 Budget Act. The main drivers of the upgrade were personal income tax (\$12.6 billion), corporation tax (\$2.5 billion) and pooled money interest (\$2.0 billion) higher than previously forecast. The stronger stock market and higher economic wage growth tied to technology sectors disproportionately affect high-income earners, leading to upgrades to the personal income tax forecast, notably through higher capital gains realizations and withholding receipts.

Trump Factor: Potential federal actions create substantial fiscal uncertainty for California particularly given the federal-state funding relationship in major health care programs such as Medi-Cal and the health insurance exchange. In addition, federal disaster aid remains a critical uncertainty. In his previous administration, President Trump threatened to withhold disaster assistance from California, and his return to the White House could complicate recovery efforts.

Although outgoing President Joe Biden approved California's major disaster declaration for the devastating Los Angeles-area wildfires, the state may still require additional federal funding. Furthermore, the Newsom administration has highlighted the potential for broader economic instability stemming from anticipated shifts in Trump's trade, immigration, and healthcare policies.

For example, of the \$261 billion the state spends annually on health care and social services, \$116 billion comes from federal contributions, most of which supports Medi-Cal (California's Medicaid program). Medi-Cal provides critical coverage to over one-third of Californians. However, Republican leaders in Washington have signaled their intent to overhaul Medicaid, potentially reducing federal support. Such changes could force the state to cut benefits, restrict eligibility, or take on significantly higher costs to maintain current levels of care.

In addition, President Trump recently imposed a 25% tariff on imports from Mexico and Canada, and an additional 10% tariff on Chinese goods. These are California's largest trading partners. This action will not only impact inflation, but could impact economic activity at California's ports and goods movement industry, as well as exports.

Fire Factor: Recovery from wildfires in Southern California has compounded financial uncertainties. The economic toll of the current Los Angeles-area fires is now estimated at over \$200 billion—exacerbating the urgency of securing robust disaster recovery funding and preparing for further impacts. As these factors evolve, they will shape the discussions leading to the May Revision and influence the state's final fiscal strategy for the year ahead.

As part of the special session that was expanded to include the LA wildfire recovery, the legislature approved and the Governor has signed into law two measures that allow the Department of Finance to utilize \$2.5 billion in state funds to accelerate recovery efforts, and response costs.

Reserve Funds: Accounting for withdrawals made in the current and approved for the 2025-26 fiscal year, the Budget reflects total reserve balances of approximately \$17 billion at the end of 2025-26. This includes \$10.9 billion in the Budget Stabilization Account (BSA or Rainy-Day Fund), \$4.5 billion in the Special Fund for Economic Uncertainties (SFEU), and \$1.5 billion in the Public School System Stabilization Account.

The Governor's proposal seeks to change existing law to increase the amount of revenue that can be set aside in reserves. Currently the interaction between Proposition 2's cap on mandatory deposits of 10 percent of General Fund revenues into the BSA and Proposition 4's (passed in 1979) State Appropriations Limit constrains how much revenue can be set aside. The Budget proposes to place a Constitutional amendment on the ballot that would increase the mandatory deposit level in the BSA from the current 10 percent to 20 percent of General Fund revenues and exempt deposits into the BSA from the State Appropriations Limit.

CARB Fees: The Department of Finance posted the first round of proposed trailer bills. These bills contain several policy proposals to implement the budget. One proposal would authorize the California Air Resources Board (CARB) to impose fees on ANY entity regulated by the Board. The fees could be set at a rate to cover the Board's reasonable cost of implementing and enforcing CARB's programs, including

administrative costs. The language does not exempt public entities from this fee authority.

Cap & Trade: The Administration will be working with the legislature on extending the cap & trade program. Although the current cap-and-trade program does not expire until 2030, the consensus is extending the program now would provide greater stability in the market.

While no specific changes are proposed in the budget, the budget summary states key to any conversation around extension is the usage of the proceeds from the cap-and-trade program. The Greenhouse Gas Reduction Fund must support Californians as the state makes the transition to a clean economy by investing in programs that deliver effective pollution reduction results, support clean transportation and communities, and help address energy affordability. The current allocation structure provides critical funding for zero emission demonstration programs and zero emission vehicle purchases. These funds are critical for schools, transit operators, and trucking companies to transition fleets to zero emission vehicles.

Housing & Transportation: The budget summary highlights the Administration's commitment to advance policies that reduce housing costs and enhance accountability for jurisdictions to meet their state housing obligations. Additionally, the budget summary mentions general policies the Administration intends to work with the legislature to implement. While no specific language or proposal was included in the budget summary, the summary mentions the Administration's intent to pursue a proposal that removes barriers to infill housing near transit, including efforts to align long-term housing and transportation planning, and further the ability to utilize housing as a mitigation strategy for infrastructure projects.

Transportation Funding: The Budget maintains the entirety of the transportation package included in recent budgets. The only new funding proposed is the allocation of \$25 million in general fund dollars to the Clean California Program. The following lists the previous funding commitments that are maintained in the 2025-26 budget proposal.

- \$7.7 billion for high-priority transit and rail infrastructure projects that will improve rail and transit connectivity between state and local/regional services that are designed to provide options to opt-out of traffic congestion and reduce greenhouse gas emissions. A portion of these funds can also be used to support transit operations.
- \$1.1 billion for Active Transportation Program projects, the Reconnecting Communities Highways to Boulevards Pilot program, and climate adaptation projects to advance equity and health outcomes.
- \$1.1 billion for the Zero Emission Transit Capital Program.
- \$150 million for grade separation projects that support critical safety improvements and improve traffic and rail movement by separating the vehicle roadway from the rail tracks.

Climate Funding: In sharp contrast to last year’s budget, which proposed \$4 billion in cuts and delays, the 2025-26 proposal largely keeps the state’s multi-year \$45 billion climate initiative intact. However, the governor proposes to cut General Fund dollars from some climate programs and backfill those investments with funds from California’s recently passed climate bond, Proposition 4.

In November of 2024, voters approved Proposition 4, which provides \$10 billion in bond funding for various climate programs. Unfortunately, Proposition 4 did not contain any funding for transportation programs. A major highlight of this year’s budget is the inclusion of \$2.6 billion in Proposition 4 funding for several programs including offshore wind investments, wildfire mitigation programs, and watershed investments.

After initial review of the budget bill, the Governor proposes to allocate cap & trade auction revenue for the following transportation related programs administered by the California Air Resources Board (CARB) and the California Energy Commission (CEC). These amounts are subject to negotiations with the legislature, and more information will become available after a more in-depth analysis of these programs.

| | |
|--|----------------------|
| CARB administered Cap & Trade Programs | \$465 million |
| Commercial Harbor Craft compliance for public & private ferries and commercial fishing vessels | \$20M |
| Drayage Truck HVIP funding | \$48M |
| Charge Ahead funding | \$100M |
| Emerging opportunity funds for zero emission vehicles and charging/refueling equipment | \$47M |
| Toxic Air Contaminant Program | \$195M |
| AB 619 Program | \$50M |
| Technical assistance grants to CBOs | \$5M |
| | |
| CEC administered Cap & Trade Programs | \$416.64M |
| Light duty vehicle charging infrastructure | \$130M |
| At-home vehicle charging | \$57M |
| Administrative costs for zero emission truck charging and hydrogen refueling infrastructure | \$47.5M |
| Zero emission truck charging and hydrogen refueling infrastructure | \$84.44M |
| Emerging opportunities for zero emission locomotives, marine vessels, and aviation, and vehicle grid integration efforts | \$43.7M |
| Long Duration Energy Storage Program | \$23.4M |
| Clean hydrogen grants | \$30.6M |

Transit Funding: On February 6th, the Senate Budget Committee will hold a hearing on “Transit in California.” The agenda for this hearing is not complete yet, but will focus on transit funding and service. Speakers will include representatives from the California Transit Association, San Francisco MTA, and a professor from UCLA. This hearing is the start of discussions to provide additional transit funding in the budget. Senator Jesse Arreguin is expected to lead an effort to secure funding needed to push back the

fiscal cliff facing Bay Area operators until a regional funding measure is placed on the ballot.

Legislation: The deadline to introduce legislation is February 21st. After this deadline, our office will work with NVRTA to review measures and identify bills to bring to the Board for consideration. The following are new measures we are currently tracking.

- **Transit Funding:** Senator Scott Wiener and Senator Jesse Arreguin have introduced SB 63. This is a spot bill that includes intent language on placing a revenue measure on the ballot to fund Bay Area transit service.
- **CEQA Exemption:** Senator Wiener has introduced SB 71 which would repeal the sunset date on existing law that exempts certain transit, bicycle, and pedestrian projects from CEQA. In addition to making additional clarifying changes, SB 71 would add to the list of exemptions a transit comprehensive operational analysis, transit route readjustment, or other transit agency route addition, elimination, or modification. The bill defines a transit comprehensive plan to include a plan that redesigns or modifies a transit operator's or local agency's public transit service network, including the routing of fixed route and microtransit services.
- **Brown Act:** Two Brown Act bills have been introduced so far. AB 259 (Rubio) would repeal the sunset date on existing provisions that allow for remote participation by members of a legislative body under limited circumstances. In addition, SB 239 (Arreguin) would allow certain types of advisory or subsidiary bodies to meet using remote/teleconference participation.