

**NAPA VALLEY TRANSPORTATION AUTHORITY**

**SCHEDULE OF EXPENDITURES OF  
TRANSPORTATION FUND  
FOR CLEAN AIR PROGRAM  
MANAGER FUND PROJECTS  
WITH INDEPENDENT AUDITOR'S REPORTS**

**JUNE 30, 2023**



**NAPA VALLEY TRANSPORTATION AUTHORITY**  
**TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**  
**June 30, 2023**

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## Independent Auditor's Report

Board of Directors  
Napa Valley Transportation Authority  
Napa, California

Board of Directors  
Bay Area Air Quality Management District  
San Francisco, California

### Report on the Audit of the Schedule

#### *Opinion*

We have audited the accompanying Schedule of Expenditures of Projects (Schedule) of the Napa Valley Transportation Authority's (Authority) **Transportation Fund for Clean Air (TFCA) Program Manager Fund Projects** for the project period ended June 30, 2023, and the related notes to the Schedule, as listed in the table of contents.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the respective financial position of the Authority's TFCA Program Manager Fund Projects for the project period ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the 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 audit opinion.

#### *Emphasis of Matter*

As discussed in Note 2, the Schedule presents the financial activity and balances of the Authority's TFCA funding and does not purport to, and does not, present fairly the financial position of the Authority as of June 30, 2023, in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Schedule*

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that is free from material misstatement, whether due to fraud or error.



In preparing the Schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority'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 Schedule***

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Schedule, 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 Schedule.
- 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 the Authority'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 the Authority'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.

A handwritten signature in cursive script, appearing to read 'Simpson &amp; Simpson', written in black ink.

Los Angeles, California  
September 25, 2024

**NAPA VALLEY TRANSPORTATION AUTHORITY  
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND  
Schedule of Expenditures of Projects  
For the Project Period Ended June 30, 2023**

<b>Project Description</b>	<b>TFCA Project Number</b>	<b>Original TFCA Project Allocation</b>	<b>Final TFCA Project Allocation</b>	<b>Final Project Expenditures through 6/30/2023</b>
<b>Napa Valley Transportation Authority</b>				
Napa TFCA Program Administration	22NAP00	\$ 17,485.00	\$ 13,462.85	\$ 13,462.85
<b>City of Calistoga</b>				
Riverside Class I Path	18NAP02	101,500.00	101,500.00	101,500.00
<b>Total</b>		<u>\$ 118,985.00</u>	<u>\$ 114,962.85</u>	<u>\$ 114,962.85</u>

See accompanying notes to schedule of expenditures of projects.

**NAPA VALLEY TRANSPORTATION AUTHORITY**  
**TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**  
**Notes to Schedule of Expenditures of Projects**  
**For the Project Period Ended June 30, 2023**

**NOTE 1 – TRANSPORTATION FUND FOR CLEAN AIR ACT PROGRAM BACKGROUND**

Health and Safety Code Section 44223 and 44225 authorize a surcharge on the motor vehicle registration fee (surcharge) to be used by the Bay Area Air Quality Management District (Air District) and local governments specifically for programs to reduce air pollution from motor vehicles. The Department of Motor Vehicles collects the surcharge and allocates the amounts to the Air District. The Air District administers these funds through the Transportation Fund for Clean Air (TFCA) Program. Under the TFCA Program, money is allocated to two funds: (1) 60% is placed in the Regional Fund and allocated to agencies on a competitive basis by the Air District and (2) 40% is placed in the Program Manager Fund and allocated to designated agencies. Allowable projects under HSC Section 44241 include the following:

- The implementation of ridesharing programs.
- The purchase or lease of clean fuel buses for school districts and transit operators.
- The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
- Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and “smart streets.”
- Implementation of rail-bus integration and regional transit information systems.
- Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
- Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
- Implementation of a smoking vehicles program.
- Implementation of an automobile buy-back scrappage program operated by a governmental agency.
- Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
- The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

HSC Section 44233 establishes the following regarding administrative costs:

- Not more than 6.25 percent of the fees distributed to any district pursuant to Section 44229 or distributed by a district to any other public agency pursuant to this chapter, shall be used by the district or other public agency for administrative costs.

Subgrantees are not subject to the 6.25 percent cap established above.

**NAPA VALLEY TRANSPORTATION AUTHORITY**  
**TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**  
**Notes to Schedule of Expenditures of Projects**  
**For the Project Period Ended June 30, 2023**

**NOTE 2 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Projects (Schedule) has been prepared in conformity with U.S. generally accepted accounting principles. The Schedule reflects the flow of current financial resources measurement focus and is presented on the modified accrual basis of accounting. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Expenditures as noted in the Schedule represent only the amount funded by the Air District. Expenditures of matching and other funding sources are not reported on the Schedule.

Financial Reporting Entity: The audited Schedule represents only the TFCA Program Manager Funds allocated to the Napa Valley Transportation Authority (Authority) for certain projects and is not intended to present fairly the financial position and results of operations of the Authority as a whole.

Projects: The projects included in the accompanying Schedule are funded through the Program Manager Fund and were completed between July 1, 2022 and June 30, 2023. Projects may have started several years earlier and may continue to operate after audit.

Original and Final Project Allocations: The Program Manager prepares and submits to the Air District a project information form in which stipulates the total Original TFCA Funds to be allocated to the project. Adjustments to the budget, if any, is approved by the Air District and reflected as such in the Final Project Allocation.

Final Project Expenditures: The amounts included within the accompanying Schedule represent actual expenditures paid by the Authority for the year ended June 30, 2023.

**INDEPENDENT AUDITOR'S REPORT**



SIMPSON & SIMPSON  
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**Independent Auditor's Report on Compliance for the  
Transportation Fund for Clean Air (TFCA) Program Manager Fund Projects  
And on Internal Control Over Compliance Required by Section 44241 of the  
California Health and Safety Code**

Board of Directors  
Napa Valley Transportation Authority  
Napa, California

Board of Directors  
Bay Area Air Quality Management District  
San Francisco, California

**Report on the Transportation Fund for Clean Air (TFCA) Program Manager Fund Projects  
Compliance with Section 44241 of the California Health and Safety Code (HSC)**

***Opinion on TFCA Program Manager Fund Projects***

We have audited the Napa Valley Transportation Authority's (Authority) **Transportation Fund for Clean Air (TFCA) Program Manager Fund Project's** compliance with the requirements of Section 44241 of the California Health and Safety Code (HSC) for the project period ended June 30, 2023. The Authority's TFCA Program Manager Fund Projects are identified in the Schedule of Expenditures of Projects (Schedule).

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the projects reported on the schedule for the project period ended June 30, 2023.

***Basis for Opinion on TFCA Program Manager Fund Projects***

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 Section 44241 of the HSC. Our responsibilities under those standards and Section 44241 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority 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 the TFCA Program Manager Fund Projects. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's TFCA Program Manager Fund.

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

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority'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 generally accepted auditing standards, *Government Auditing Standards*, and Section 44241 of the HSC will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the TFCA Program Manager Fund as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and Section 44241 of the HSC, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority'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 Section 44241 of the HSC, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Section 44241 of the HSC of a TFCA Program Manager Fund Projects 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 Section 44241 of the HSC of a TFCA Program Manager Fund Projects 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 Section 44241 of the HSC of a TFCA Program Manager Fund Projects 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 Section 44241 of the HSC. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'Simpson &amp; Simpson', is written in a cursive style.

Los Angeles, California  
September 25, 2024