

**NAPA COUNTY
TRANSPORTATION AND
PLANNING AGENCY**

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

PROJECT PERIOD ENDED JUNE 30, 2013

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY

TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
Napa County Transportation and Planning Agency
Napa, California**

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

Report on the Schedule

We have audited the accompanying Schedule of Expenditures of Projects (Schedule) of the Napa County Transportation and Planning Agency's (NCTPA) Transportation Fund for Clean Air (TFCA) Program Manager Fund Projects for the project period ended June 30, 2013, and the related notes to the Schedule.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the expenditures of the projects of the NCTPA's TFCA Program for the project period ended June 30, 2013, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The accompanying Schedule was prepared to present expenditures of the NCTPA's TFCA funding as described in Note 1 and is not intended to be a complete presentation of the NCTPA's financial position or changes in financial position.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2014, on our consideration of the NCTPA's internal control over financial reporting pertaining to the NCTPA's TFCA Program 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 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 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 NCTPA's internal control over financial reporting and compliance.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.
Sacramento, California

September 17, 2014

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY

TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND

SCHEDULE OF EXPENDITURES OF PROJECTS FOR THE PROJECT PERIOD ENDED JUNE 30, 2013

<u>Project Description</u>	<u>TFCA Project Number</u>	<u>Original TFCA Project Allocation</u>	<u>Final TFCA Project Allocation</u>	<u>Final Project Expenditures through 6/30/13</u>
Napa County Transportation and Planning Agency				
Program Administration	08NAP00	\$ 9,646	\$ 9,432	\$ 9,231
Program Administration	09NAP00	9,442	9,426	9,426
Program Administration	10NAP00	9,122	9,377	9,102
Program Administration	11NAP00	9,001	9,353	9,353
City of American Canyon				
West American Canyon Road Class II Bicycle Lane Gap Closure	07NAP01	160,000	160,000	160,000
City of Calistoga				
Calistoga Bike Racks	12NAP04	1,500	1,500	1,177
City of Napa				
Networkcar - Vehicle Management Purchase Two Light-Duty Hybrid Passenger Cars for Parking Enforcement	07NAP06	43,000	43,000	43,000
Bicycle Lockers and Racks at Various Downtown Napa Locations	09NAP03	4,000	4,000	4,000
	09NAP04	11,500	11,500	10,757
County of Napa				
Duhig Road Class II Bike Lanes	08NAP03	153,586	153,586	153,586
Las Amigas Class II Bike Lane	10NAP02	41,275	41,275	41,275
Tubbs Lane Class II Bike Lane	10NAP03	51,000	51,000	48,566
Total		<u>\$ 503,072</u>	<u>\$ 503,449</u>	<u>\$ 499,473</u>

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY

TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND

NOTES TO THE SCHEDULE OF EXPENDITURES OF PROJECTS FOR THE PROJECT PERIOD ENDED JUNE 30, 2013

1. PROGRAM DESCRIPTION

Health and Safety Code Sections 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 Health and Safety Code Section 44241 include the following:

- Ridesharing program
- Purchase or lease of clean fuel school and transit buses
- Feeder or shuttle bus service to rail and ferry stations and airports
- Arterial traffic management
- Demonstrations in congestion pricing of highways, bridges, and public transit
- Rail bus integration and regional transit information systems
- Low emission vehicle projects
- Bicycle facility improvement projects
- Physical improvements that support "Smart Growth" projects

Relationship to the Napa County Transportation and Planning Agency's Basic Financial Statements

The Napa County Transportation and Planning Agency (NCTPA) is the designated Program Manager for the County of Napa, and accounts for TFCA Program activities within a special revenue fund. The accompanying Schedule of Expenditures of Projects (Schedule) represents only the TFCA Program Manager Funds allocated to the NCTPA for certain projects and is not intended to present fairly the financial position and changes in financial position of the NCTPA in conformity with accounting principles generally accepted in the United States of America.

2. PROGRAM MANAGER PROJECTS

The Schedule reports on certain TFCA projects selected by the Air District for audit. The projects in the Schedule represent projects funded through the Program Manager Fund and completed between July 1, 2011, and June 30, 2013. Projects may have started several years earlier.

3. BASIS OF ACCOUNTING

The TFCA Program funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting, expenditures are recorded in the accounting period in which the liability is incurred. Expenditures as noted in the Schedule represent only the amount funded by the Air District. Expenditures of matching and other funding sources are not included on the Schedule.

NAPA COUNTY TRANSPORTATION AND PLANNING AGENCY

TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND

NOTES TO THE SCHEDULE OF EXPENDITURES OF PROJECTS FOR THE PROJECT PERIOD ENDED JUNE 30, 2013

4. INVESTMENT POOL

The NCTPA maintains cash deposits of the TFCA Program Manager Fund with the County of Napa (County) and voluntarily participates in the external investment pool of the County. On June 30, 2013, the NCTPA's position in the County's pool is stated at fair value. However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the NCTPA's position in the pool. Any interest earned on TFCA cash deposits in the pool is used for TFCA Program Manager Fund projects.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF THE SCHEDULE OF EXPENDITURES OF PROJECTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND REQUIREMENTS OF SECTION 44241 OF THE
CALIFORNIA HEALTH AND SAFETY CODE**

Independent Auditor's Report

**Board of Directors
Napa County Transportation and Planning Agency
Napa, California**

**Board of Directors
Bay Area Air Quality Management District
San Francisco, 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 accompanying Schedule of Expenditures of Projects (Schedule) of the Napa County Transportation and Planning Agency's (NCTPA) Transportation Fund for Clean Air (TFCA) Program Manager Fund Projects, and the related notes to the Schedule for the project period ended June 30, 2013, and have issued our report thereon dated September 17, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the Schedule, we considered the NCTPA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the NCTPA's internal control. Accordingly, we do not express an opinion on the effectiveness of the NCTPA'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 Schedule 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the NCTPA's Schedule is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including Section 44241 of the California Health and Safety Code, noncompliance with which could have a direct and material effect on the determination of Schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit of the Schedule, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



GILBERT ASSOCIATES, INC.
Sacramento, California

September 17, 2014