RECEIVED

2018 DEC 10 P 4:07

NAPA VALLEY TRANSPORTATION AUTHORITY

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

JUNE 30, 2017

S&S

NAPA VALLEY TRANSPORTATION AUTHORITY

TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND

June 30, 2017

Table of Contents

	Page
Financial Section:	
Independent Auditor's Report	1
Schedule of Expenditures of Projects	3
Notes to Schedule of Expenditures of Projects	5
Independent Auditor's Report on Compliance and Internal Control Over Compliance in Accordance with the Requirements of Section 44241 of the California Health and Safety Code	7

SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonllp.com

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

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, 2017, and the related notes to the Schedule, as listed in the table of contents.

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 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 Authority'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 Authority'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.

CPA
The CPA. Never Underestimate The Value.

S&S

Opinion

In our opinion, the Schedule referred to above present 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, 2017 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2, the Schedule presents the financial activity and balances of the Authority's TFCA funding, and do not purport to, and do not, present fairly the financial position of the Authority's as of June 30, 2017 in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Simpson & Simpson

Los Angeles, California
November 16, 2018

NAPA VALLEY TRANSPORTATION AUTHORITY
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Schedule of Expenditures of Projects
For the Project Period Ended June 30, 2017

Project Description	TFCA Project Number	Original TFCA Project Allocation	Final TFCA Project Allocation	Final Project Expenditures through 6/30/2017
Napa Valley Transportation Authority				
Program Administration	16NAP00	$ 10,003	$ 10,003	$ 4,871
Program Administration	17NAP00	9,947	9,947	8,532
City of Napa				
Lincoln Signal Interconnect Project	10NAP05	177,693	177,693	177,693
Electric Vehicle Charging Station	14NAP04	12,144	12,144	12,144
Solano Napa Commuter Information				
SNCI Napa County Commute Challenge Marketing & Commute Incentives	14NAP01	40,000	40,000	38,348
SNCI Napa County Marketing and Commute Incentives	16NAP04	17,418	17,418	16,113
Total		$ 267,205	$ 267,205	$ 257,701

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, 2017

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 Health and Safety Code 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.

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.

NOTE 2 – BASIS OF PRESENTATION (continued)

Projects: The projects included in the accompanying Schedule are funded through the Program Manager Fund and were completed between July 1, 2016 and June 30, 2017. 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, 2017.

INDEPENDENT AUDITOR'S REPORT

SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

U.S. BANK TOWER
633 WEST 5TH STREET, SUITE 3320
LOS ANGELES, CA 90071
(213) 736-6664 TELEPHONE
(213) 736-6692 FAX
www.simpsonllp.com

Report on Compliance and Internal Control Over Compliance in Accordance with the Requirements of 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 Compliance with Section 44241 of the California Health and Safety Code

We have audited the Napa Valley Transportation Authority's (Authority) compliance with the requirements of Section 44241 of the California Health and Safety Code (HSC) for the year ended June 30, 2017.

Management's Responsibility

Management is responsible for compliance with the requirements of Section 44241 of the HSC that are applicable to the Authority's **Transportation Fund for Clean Air (TFCA) Program Manager Fund** projects reported in the Schedule of Expenditures of Projects (Schedule).

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's compliance with the requirements of Section 44241 of the HSC based on our audits.

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. Those standards and Section 44241 of the HSC require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the projects reported in the Schedule occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with those requirements. However, our audits do not provide a legal determination on the Authority's compliance with those requirements.

CPA
The CPA. Never Underestimate The Value.

S&S

Opinion

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 its projects reported on the Schedule for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on the project(s) reported on the Schedule to determine the auditing procedures that are appropriate in circumstances for the purpose of expressing our opinion on compliance 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over compliance, compliance and the results of that testing based on the requirements of Section 44241 of the HSC. Accordingly, this communication is not suitable for any other purpose.

Simpson & Simpson

Los Angeles, California
November 16, 2018