



BROWN ARMSTRONG

Certified Public Accountants

AGREED UPON CONDITIONS REPORT DESIGNED TO INCREASE EFFICIENCY, INTERNAL CONTROLS, AND/OR FINANCIAL REPORTING (MANAGEMENT LETTER)

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

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We have audited the basic financial statements of the Napa Valley Transportation Authority (NVTA) for the year ended June 30, 2020, and have issued our report thereon dated December 22, 2020. In planning and performing our audit of the basic financial statements of NVTA, we considered its internal control structure over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 NVTA'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 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.

During our audit we did not become aware of matters that are an opportunity for strengthening of internal controls and operating efficiencies.

Current Year Findings and Recommendations

None.

Status of Prior Year Findings and Recommendations

Finding 1 – Reimbursement Requests

Condition:

A reimbursement request from the County Office of Education (COE) was not properly accrued for the fiscal year 2017/18. The COE submitted a reimbursement request to NVTA in November 2018 for expenses incurred in the prior fiscal year. The agreement with the County Office of Education states reimbursement requests can be submitted up to 90 days after the completion of a project.

Recommendation:

In order to match expenses in the period they are incurred, we recommend NVTA require reimbursements be submitted within 90 days of the date incurred to be able to accrue expenditures in the proper period before closing the books.

Management Response:

NVTA management is aware of the issue and has created a structure in place to ensure timely reporting and payment of expenses of subrecipients going forward.

Current Year Status:

Resolved.

This communication is intended solely for the information and use of management, the Board of Directors and others within Napa Valley Transportation Authority, 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 22, 2020