



**Action Requested: ACCEPT AND FILE**

## NAPA VALLEY TRANSPORTATION AUTHORITY

### Board Agenda Memo

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**TO:** NVTA Board of Directors

**FROM:** Danielle Schmitz, Executive Director

**REPORT BY:** Antonio Onorato, Director - Administration, Finance and Policy  
(707) 259-8779 / Email: [anonorato@nvta.ca.gov](mailto: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, 2025 and 2024 and Single Audit Report of Uniform Guidance

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#### **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, 2025 and 2024 (Attachment 2) and the NVTA Single Audit Report of the Uniform Guidance for the Year Ended June 30, 2025 (Attachment 3); and
- (2) Return an allocation surplus of \$316,463 to the Local Transportation Fund (LTF) Trust Fund

#### **COMMITTEE RECOMMENDATION**

None

#### **EXECUTIVE SUMMARY**

The certified public accountant firm, Brown Armstrong Incorporated, completed NVTA's annual financial audit for the years ended June 30, 2025 and 2024 and federal Single Audit Report of Uniform Guidance for the fiscal year ended June 30, 2025. These reports summarize NVTA's financial position at the end of the fiscal year.

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## **FISCAL IMPACT**

\$316,463 will be returned to the Local Transportation Fund for reallocation, which will be made available for future allocation to NVTa when requested.

## **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 \$1,077,874 from \$2,047,091 in FY2023-24 to \$969,217 in FY2024-25. The reason for the decline was related to payments to vendors for costs overruns associated with the Vine Trail project.

A 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 and capital acquisitions. At the end of FY 2024-25, the enterprise fund net position increased by \$14,759,844 from \$44,426,495 to \$59,186,339.

The enterprise fund significantly increased assets due to the purchase of fourteen new battery electric zero-emission buses offset with some equipment disposals.

NVTa will also return an allocation surplus back to the Local Transportation Fund (LTF) trust account of \$316,463. 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 2024-25, the Fiduciary Fund Type shows net assets of \$557,263 due to the carryover of projects into later years.

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## **Management Discussion and Analysis**

NVTA remains in a strong and improving financial position. Total net position increased from approximately \$46.5 million in FY24 to \$60.2 million in FY25, reflecting continued investment in capital projects, successful grant management, and disciplined fiscal oversight. This growth is largely attributable to significant capital contributions and ongoing infrastructure development.

Capital assets rose substantially year over year, increasing from approximately \$58.6 million to \$76.8 million, driven by major transit investments including buses, equipment and multi-modal infrastructure. These assets represent long-term investments that support regional mobility, safety, and economic vitality. Governmental expenses declined in FY 25 as several large construction projects reached completion, while transit-related expenses increased modestly, reflecting continued service delivery and operational support.

Over the past year, NVTA continued advancing transformative transportation projects that strengthen regional mobility and safety. Two landmark projects reached completion in 2024: the Soscol Junction Improvement Project, celebrated with a ribbon cutting in September 2024, and the Napa Valley Vine Trail's St. Helena-to-Calistoga segment, which opened to the public in August 2024. Both projects represent the culmination of decades of planning and investment and are delivering lasting benefits for residents, commuters, and visitors while significantly improving the region's transportation network.

As these major efforts concluded, NVTA began planning for the next generation of priority projects focused on southern Napa County and key gateways to the Napa Valley. These include improvements to State Route 29 in American Canyon and the proposed interchange at State Route 12 and State Route 29 at Airport Boulevard. Work on these projects is now underway, with environmental review and alternatives analysis progressing in partnership with Caltrans to support future design and construction.

These investments continue to advance NVTA's mission to modernize transportation infrastructure, improve safety and congestion relief, expand multimodal options, and enhance quality of life throughout Napa Valley.

**Summary of Net Position**

Revenues	FYE25 Audited Actuals (Current Year)	FYE24 Audited Actuals (Previous Year)
CMA	\$ 10,472,321	\$ 14,901,594
Public Transit	34,444,317	26,114,615
<b>Total</b>	<b>\$44,916,638</b> <b>+\$3,900,429</b>	<b>\$41,016,209</b>

Expenditures	FYE25 Audited Actuals (Current Year)	FYE24 Audited Actuals (Previous Year)
CMA	\$ 11,480,004	\$ 15,751,694
Public Transit	16,514,280	15,039,350
Depreciation	3,170,193	3,307,608
<b>Total</b>	<b>\$31,234,668</b> <b>-\$2,863,984</b>	<b>\$34,098,652</b>

Net Position	FYE25 Audited Actuals (Current Year)	FYE24 Audited Actuals (Previous Year)
CMA	\$ 969,217	\$ 2,047,091
Public Transit	59,186,339	44,426,495
<b>Total Difference More/(Less)</b>	<b>\$ 60,155,556</b> <b>+\$13,681,970</b>	<b>\$ 46,473,586</b>

**Farebox Ratio**

Due to the COVID-19 pandemic, transit agencies statewide, including Vine Transit, have experienced significant declines in local farebox revenues. In response, the State of California has provided statutory and administrative/regulatory relief for public transportation agencies. Senate Bill No. 125 (SB 125) was approved by the Governor in

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July 2023. 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 through the 2025-2026 budget years. For the years ended June 30, 2025 and 2024, the farebox recovery ratios were suspended because of the COVID-19 health pandemic.

Farebox for the Vine and American Canyon combined was 17.60% and 14.58% 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, 2025 and 2024, is roughly 8% and 6% respectively.

**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, 2025:

**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 29, 2025 (SAS 114)
- (2) NVTA Audit Report for Fiscal Years Ended June 30, 2025 and 2024
- (3) NVTA Single Audit Report for Fiscal Years Ended June 30, 2025



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, 2025. 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 19, 2025. 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. During the fiscal year ended June 30, 2025, NVTA adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*. 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.

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559-476-3592

STOCKTON  
2423 West March Lane, Suite 202  
Stockton, CA 95207  
209-451-4833

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 29, 2025.

*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 29, 2025



**NAPA VALLEY  
TRANSPORTATION AUTHORITY**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED  
JUNE 30, 2025 AND 2024**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
JUNE 30, 2025 AND 2024**

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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, 2025 and 2024, 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, 2025 and 2024, 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 29, 2025, 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

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the firm.

Bakersfield, California  
December 29, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

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, 2025 and 2024. 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 2024-2025, total assets and deferred outflows of resources of NVTA exceeded liabilities and deferred inflows of resources of NVTA by \$60,155,556. Of this amount, \$58,625,343 is the net investment in capital assets. The remaining \$1,530,213 represents unrestricted net position.
- 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.
- As of June 30, 2025, NVTA's Governmental Activities reported an ending net position of \$969,217 or 8% of total governmental fund expenditures.
- 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.
- Capital contributions in the form of grants from the Federal and State governments increased from \$3,535,265 in fiscal year 2023-2024 to \$15,156,364 in fiscal year 2024-2025. 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 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.
- NVTA continues to improve operation performance, compliance, and accountability during fiscal year 2024-2025 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 \$1,077,874. The business-type activities net position increased \$14,759,844. The result is an overall increase in net position of \$13,681,970 or 29% in fiscal year 2024-2025 from fiscal year 2023-2024.

However, in the prior 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.

The following schedule is a summary of NVTA's Statement of Net Position.

	As of June 30, 2025			As of June 30, 2024			As of June 30, 2023		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 2,313,284	\$ 48,240,828	\$ 50,554,112	\$ 8,433,328	\$ 37,175,076	\$ 45,608,404	\$ 10,632,392	\$ 11,525,213	\$ 22,157,605
Capital assets	-	76,775,042	76,775,042	-	58,614,635	58,614,635	-	50,863,851	50,863,851
Total assets	2,313,284	125,015,870	127,329,154	8,433,328	95,789,711	104,223,039	10,632,392	62,389,064	73,021,456
Deferred outflows of resources	890,556	-	890,556	993,750	-	993,750	962,351	-	962,351
Current and other liabilities	646,709	47,679,832	48,326,541	5,784,398	33,213,517	38,997,915	7,278,883	7,530,526	14,809,409
Noncurrent liabilities	1,455,561	18,149,699	19,605,260	1,526,871	18,149,699	19,676,570	1,332,334	18,199,700	19,532,034
Total liabilities	2,102,270	65,829,531	67,931,801	7,311,269	51,363,216	58,674,485	8,611,217	25,730,226	34,341,443
Deferred inflows of resources	132,353	-	132,353	68,718	-	68,718	86,335	-	86,335
Net position:									
Net investment in capital assets	-	58,625,343	58,625,343	-	40,464,936	40,464,936	-	31,664,151	31,664,151
Unrestricted net position	969,217	560,996	1,530,213	2,047,091	3,961,559	6,008,650	2,897,191	4,994,687	7,891,878
Total net position	\$ 969,217	\$ 59,186,339	\$ 60,155,556	\$ 2,047,091	\$ 44,426,495	\$ 46,473,586	\$ 2,897,191	\$ 36,658,838	\$ 39,556,029

### Changes in Net Position

A summary of NVTA's Statement of Activities recapping NVTA's revenues earned during the years ended June 30, 2025, 2024, and 2023, and the expenses incurred is as follows:

	As of June 30, 2025			As of June 30, 2024			As of June 30, 2023		
	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	\$ -	\$ 1,205,212	\$ 1,205,212	\$ -	\$ 979,220	\$ 979,220	\$ -	\$ 871,140	\$ 871,140
Operating grants and contributions	10,391,266	18,583,697	28,974,963	14,744,124	20,780,543	35,524,667	9,873,416	13,490,586	23,364,002
Capital grants and contributions	-	15,156,364	15,156,364	-	3,535,265	3,535,265	-	6,737,851	6,737,851
General revenues:									
Unrestricted interest and investment earnings	81,055	1,093,834	1,174,889	157,470	808,270	965,740	76,969	82,540	159,509
Loss from disposal of property	-	(1,594,790)	(1,594,790)	-	11,317	11,317	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total revenues	10,472,321	34,444,317	44,916,638	14,901,594	26,114,615	41,016,209	9,950,385	21,182,117	31,132,502
Expenses:									
Transportation planning	11,550,195	-	11,550,195	15,751,694	-	15,751,694	9,462,021	-	9,462,021
Transit	-	19,684,473	19,684,473	-	18,346,958	18,346,958	-	16,119,117	16,119,117
Total expenses	11,550,195	19,684,473	31,234,668	15,751,694	18,346,958	34,098,652	9,462,021	16,119,117	25,581,138
Change in net position	(1,077,874)	14,759,844	13,681,970	(850,100)	7,767,657	6,917,557	488,364	5,063,000	5,551,364
Net position, beginning	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
Net position, ending	\$ 969,217	\$ 59,186,339	\$ 60,155,556	\$ 2,047,091	\$ 44,426,495	\$ 46,473,586	\$ 2,897,191	\$ 36,658,838	\$ 39,556,029

### 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 decreased from \$15,751,694 in fiscal year 2023-2024 to \$11,550,195 in fiscal year 2024-2025. Governmental activities expenses increased from \$9,462,021 in fiscal year 2022-2023 to \$15,751,694 in fiscal year 2023-2024.

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

NVTA has continued advancing transformative projects that significantly enhance the region's transportation infrastructure. Two standout projects that were completed in the year were the Soscol Junction Improvement Project, which held a ribbon cutting in July 2024, and the Napa Valley Vine Trail's St. Helena to Calistoga segment which opened to the public in August 2024. These visionary projects, conceived decades ago, have come to fruition fulfilling on promises to deliver lasting benefits to both residents and commuters, transforming the region's transportation landscape.

While Soscol Junction and the Vine Trail projects came to a close, staff took the first steps on two new projects which will eventually culminate into construction focusing on the southern portion of the County and the gateway to the Napa Valley: Improvements to State Route 29 (Highway 29) in American Canyon and the proposed interchange at State Route 12 and State Route 29 at Airport Blvd. Profiles of those projects are on page 8.

In planning and capital development, NVTA has achieved several key completion milestones across a range of active projects over the past year, marking significant progress in NVTA's mission to modernize NVTA infrastructure. Some of the marquee projects include:

### ***Soscol Junction***

NVTA and Caltrans held a ribbon-cutting ceremony in July 2024. The long-anticipated completion of the Soscol Junction project marks the culmination of decades of planning with the vision to establish an interchange at the vital south Napa County location. 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. Soscol Junction is expected to reduce collective traffic delays by about 1.4 million hours a year.

The three-year, \$56.7 million project replaced the signalized intersection of State Route 29, State Route 221 and Soscol Ferry Road with an interchange composed of an overpass and two roundabouts, a configuration that will add fluidity to traffic flow and reduces congestion. This accounts for two decades of planning. The project also includes Class I facility to accommodate bicycles and pedestrians through the intersection.

The project received \$19.3 million from the Solutions for Congested Corridors Program and \$422 thousand from Local Partnership Program, both created and funded by the Road Repair Accountability Act of 2017, also known as Senate Bill 1(SB1). In addition to SB1 funding, the project is funded with \$33.2 million in State and regional funds \$3.7 million in local funds.

Unlike a typical interchange with an elevated overpass where motorists make inter-route connections, most motorists at Soscol Junction will make connections at surface level on roundabouts which was hardscaped using the colors of the encompassing area. Caltrans also built 1,200 feet of Class I bicycle and pedestrian paths which will connect to the Vine Trail, a 47-mile multi-use path that will stretch from Calistoga to the ferry terminal in Vallejo.

### ***Napa Valley Vine Trail-St. Helena to Calistoga***

The Napa Valley Vine Trail is a visionary multi-use pathway designed to seamlessly connect the City of Calistoga to the Vallejo Ferry Terminal in Solano County, which will one day create a continuous 47-mile route. Once fully completed, this paved trail will serve as a vital transportation corridor for residents and visitors alike, linking existing pathways in Calistoga, Napa, American Canyon, St. Helena, the Town of Yountville, unincorporated areas of Napa County along Highway 29, and south into Vallejo. The Vine Trail represents a unique regional collaboration, requiring coordination among multiple public agencies to build across the various lands they manage.

The St. Helena-to-Calistoga segment spans 8.2 miles and is designed to support commuting, recreation, and visitor use. Although construction began in July 2022, the project experienced significant delays due to utility replacement work and unforeseen underground conflicts. Despite these challenges, major progress was achieved throughout the fiscal year, culminating in a ribbon-cutting ceremony and the official opening of the trail in August 2024.

The original construction budget in 2022 was \$13.2 million. 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 \$18 million.

Other trail segments running south of the city of Napa are set to open soon. A 5.5-mile portion between American Canyon and the Vallejo Ferry Terminal will be completed by mid-September 2025. And two miles are set to be built as part of development agreements at the former Napa Pipe site and in American Canyon in 2026. That will leave a remaining three miles to connect the Napa Pipe site to American Canyon, and the Yountville to St. Helena portion.

The 10-mile stretch from Yountville to St. Helena is poised for pre-construction work in 2025. NVTA has secured \$4 million in federal funds to support this phase, and the County will oversee construction on this segment of the trail. Once finished, the trail will serve as a transformative asset for Napa Valley enhancing transportation and recreation, offering residents a safe and sustainable travel option, reducing congestion, and supporting healthier, more active living. Its scenic, accessible design will benefit cyclists, pedestrians, and visitors alike, strengthening the region's quality of life and further enriching NVTA's appeal.

#### ***State Route 12 at Airport Blvd and State Route 12 at Kelley Road Interchange Project***

NVTA is advancing safety and congestion relief improvements at the State Route 29 (SR29)/State Route 12 (SR12) at Airport Boulevard and State Route 12 (SR12) at the North Kelly Road intersections in southern Napa County, also known as the Jameson Canyon interchange. Building on prior planning efforts and an existing 2008 environmental document that selected a tight diamond interchange concept, NVTA is conducting a performance-based alternatives analysis and environmental review in partnership with Caltrans.

The study will explore up to three viable interchange alternatives, including both conventional and innovative designs such as a grade-separated "dogbone" roundabout, while considering multimodal access, context sensitivity, cost-effectiveness, and future growth. The goal of NVTA's current work efforts is to refine the project footprint and update the environmental clearance to support selection of a preferred alternative and prepare for future design and construction phases.

#### ***Highway 29 American Canyon Improvements***

This project aims to improve safety and operations, support transit, and increase multimodal options for pedestrians and cyclists along the State Route (SR) 29 corridor in American Canyon. In February 2023, NVTA selected two build alternatives and a no-build alternative for detailed evaluation in the project approval and environmental document (PA/ED) phase. NVTA initiated the PA/ED phase in April 2024 to further analyze these alternatives and ultimately select a preferred alternative to proceed with detailed design.

Under both alternatives, the corridor would be reconfigured with multimodal enhancements: narrowed general purpose lanes, improved transit operations, and enhanced bicycle and pedestrian facilities. Build Alternative 1 would implement these features on the existing signalized corridor. Build Alternative 2 incorporates roundabouts at intersections with crossing treatments for pedestrians and cyclists.

## 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 \$18,346,958 in fiscal year 2023-2024 to \$19,684,473 in fiscal year 2024-2025 which is an overall increase of 7%. 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 \$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.

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***

Overall, Vine Transit continues to experience steady, but uneven ridership recovery across the system. Local fixed-route services in the City of Napa show the strongest growth, driven largely by service redesigns—particularly the shift from on-demand zones back to fixed-route operations and strategic route extensions to key destinations such as Napa Valley College and the Health & Human Services campus. In the south part of the city. These changes have resulted in higher productivity, with more passengers carried for each revenue hour compared to both the prior quarter and the same period last year. Riders appear to prefer reliable, predictable schedules, and this preference is reflected in the data.

Regional services, by contrast, experienced a small decline in ridership over the same period. Performance on these routes was affected by operational disruptions, including lengthy inspections on the freeway that impacted on-time performance and reliability. Some long commuter routes continued to underperform despite targeted efforts such as fare reductions and added stops. While the primary regional corridors remain among the most productive services in terms of passengers per revenue hour, they still fall short of pre-pandemic performance thresholds. The recent redesign of the commuter-oriented 11X aims to address these issues and improve route efficiency moving forward.

The last quarter of the year saw community shuttle services collectively increase ridership more than 11% compared to last year. This year end growth appears to be supported by the deployment of new, more visible vehicles and improved reliability in certain communities. However, performance for the year varied among shuttle services; while some shuttles demonstrate healthy demand, others fell below productivity targets and may require future adjustment.

Demand-response service through VineGo also continued to grow, with ridership increasing by roughly 9%. This upward trend reflects a return of paratransit users to regular travel following the easing of pandemic impacts, as well as the benefits of expanded outreach efforts and stronger partnerships with local organizations.

System reliability improved significantly during the quarter. The number of missed trips declined dramatically, indicating stronger service delivery from the contracted operator. This improvement supports rider confidence and contributes to overall stability in service performance.

Looking at the broader, multi-year context, Vine Transit's total annual ridership shows a gradual, but sustained recovery trajectory from pandemic lows. While overall ridership remains below pre-COVID levels, the agency has experienced consistent year-to-year gains, with fixed-route services growing more quickly than demand-response services. Taken together, these patterns suggest that travel behavior in the region is gradually returning to normal and that targeted operational and service design changes are contributing meaningfully to Vine Transit's overall recovery.

Vine Transit, Vine Go paratransit, and the St. Helena Shuttle services experienced gains in passenger tips from the previous year, but ridership on the American Canyon Shuttle, Yountville Bee and Calistoga Shuttle continue to struggle. Year-over-year passenger counts on the Vine increased by 4%, Vine Go by 9%; and St. Helena by 5%. American Canyon was down by 1%; Yountville by 17%, and Calistoga by 6%. At the end of the fiscal year, NVTA introduced fourteen new 40' battery electric buses (BEBs) into the Vine fleet for the public riding. These new zero emission buses should increase ridership by improving the overall passenger experience and strengthening public perception of the transit system. Their quieter operation, smoother ride, and more comfortable interiors create a noticeably better on-board environment, while their reliability and consistent performance can help NVTA maintain schedules and reduce service disruptions. BEBs also signal modernization and environmental responsibility, aligning the transit system with community climate goals and improving air quality in the neighborhoods they serve factors that make transit more appealing to both existing and potential riders. Although electric buses alone do not guarantee higher ridership, they contribute to a more attractive, dependable, and community-supported transit system, which can help draw more people to public transportation when paired with strong service design.

NVTA and Vine Transit are actively transforming the system to be more responsive and centered around riders' needs a long-term effort that will require phased refinements over the coming years. Many foundational improvements are already underway, laying the groundwork for a more efficient, equitable, and user-friendly transit network throughout Napa County.

## **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, 2025, the budget for revenues was \$13,849,800 and for expenditures was \$12,990,800. 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. 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 2024-2025 and 2023-2024. 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 \$76,775,042 and \$58,614,635 in fiscal years 2024-2025 and 2023-2024, respectively. Capital assets in total are predominantly made up of sixteen new buses, upgrades to the Napa Valley College multimodal station, and other transit related equipment.

Major additions during the year included purchases of transit related equipment and the bus maintenance facility in fiscal year 2024-2025. Major additions during the year included purchases of transit related equipment and the bus maintenance facility in fiscal year 2023-2024.

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, 2025, NVTA had debt of \$18,149,699 and recorded long-term obligations for compensated absences in the amount of \$199,915. 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. 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, 2025**

	Primary Government			Discrete Component Unit
	Governmental Activities	Business-Type Activities	Totals	NVTA - Tax Agency
<b><u>ASSETS</u></b>				
Cash and Investments	\$ 1,574,274	\$ 27,223,345	\$ 28,797,619	\$ 3,981,812
Imprest Cash	500	-	500	-
Due from Other Government Agencies	671,012	20,862,684	21,533,696	-
Intergovernmental Receivables	-	-	-	4,526,248
Prepaid Expenses	42,170	57,832	100,002	-
Inventory	-	96,967	96,967	-
Net Other Postemployment Benefits (OPEB) Asset	25,328	-	25,328	-
Capital Assets, Net of Accumulated Depreciation	-	76,775,042	76,775,042	-
Total Assets	<u>2,313,284</u>	<u>125,015,870</u>	<u>127,329,154</u>	<u>8,508,060</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
OPEB	252,374	-	252,374	-
Pension Adjustments	638,182	-	638,182	-
Total Deferred Outflows of Resources	<u>890,556</u>	<u>-</u>	<u>890,556</u>	<u>-</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	562,041	21,201,259	21,763,300	8,030,942
Accrued Salaries	84,668	-	84,668	-
Unearned Revenue	-	26,162,110	26,162,110	-
Due to Other Government Agencies	-	316,463	316,463	-
Net Pension Liability	1,255,646	-	1,255,646	-
Compensated Absences	199,915	-	199,915	-
Loan Payable - Non-current	-	18,149,699	18,149,699	-
Total Liabilities	<u>2,102,270</u>	<u>65,829,531</u>	<u>67,931,801</u>	<u>8,030,942</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
OPEB	124,198	-	124,198	-
Pension Adjustments	8,155	-	8,155	-
Total Deferred Inflows of Resources	<u>132,353</u>	<u>-</u>	<u>132,353</u>	<u>-</u>
<b><u>NET POSITION</u></b>				
Net Investment in Capital Assets	-	58,625,343	58,625,343	-
Unrestricted	969,217	560,996	1,530,213	477,118
Total Net Position	<u>\$ 969,217</u>	<u>\$ 59,186,339</u>	<u>\$ 60,155,556</u>	<u>\$ 477,118</u>

The accompanying notes are an integral part of these basic 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
<b><u>ASSETS</u></b>				
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>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
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>
<b><u>LIABILITIES</u></b>				
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>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
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>
<b><u>NET POSITION</u></b>				
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 ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Discrete Component Unit
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	NVTA - Tax Agency
Primary Government:								
Governmental Activities:								
Transportation Planning	\$ 15,751,694	\$ -	\$ 14,744,124	\$ -	\$ (1,007,570)	\$ -	\$ (1,007,570)	\$ -
Business-Type Activities:								
Transit	18,346,958	979,220	20,780,543	3,535,265	-	6,948,070	6,948,070	-
Total Primary Government	<u>\$ 34,098,652</u>	<u>\$ 979,220</u>	<u>\$ 35,524,667</u>	<u>\$ 3,535,265</u>	<u>(1,007,570)</u>	<u>6,948,070</u>	<u>5,940,500</u>	<u>-</u>
Discrete Component Unit:								
NVTA - Tax Agency	<u>\$ 25,326,682</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,326,682)</u>
		General Revenues						
		Taxes			-	-	-	25,146,976
		Unrestricted Interest and Investment Earnings			157,470	808,270	965,740	90,599
		Loss from Disposal of Property			-	11,317	11,317	-
		Total General Revenues			157,470	819,587	977,057	25,237,575
		Change in Net Position			(850,100)	7,767,657	6,917,557	(89,107)
		Net Position July 1, 2023			2,897,191	36,658,838	39,556,029	590,608
		Net Position June 30, 2024			<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.

**BASIC FINANCIAL STATEMENTS –  
FUND FINANCIAL STATEMENTS**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
BALANCE SHEETS  
GOVERNMENTAL FUND – PLANNING FUND  
JUNE 30, 2025 AND 2024**

	2025	2024
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments	\$ 1,574,274	\$ 6,137,200
Imprest Cash	500	500
Grants Receivable	671,012	2,228,724
Prepaid Expenses	42,170	66,904
Total Current Assets	2,287,956	8,433,328
Total Assets	\$ 2,287,956	\$ 8,433,328
<b><u>LIABILITIES</u></b>		
Current Liabilities		
Accounts Payable	\$ 562,041	\$ 2,238,831
Accrued Salaries and Benefits	84,668	59,558
Other Accrued Liabilities	-	1,100,000
Unearned Revenue	-	2,386,009
Total Current Liabilities	646,709	5,784,398
Total Liabilities	646,709	5,784,398
<b><u>FUND BALANCE</u></b>		
Nonspendable	42,170	66,904
Restricted	-	485,414
Unassigned	1,599,077	2,096,612
Total Fund Balance	1,641,247	2,648,930
Total Liabilities and Fund Balance	\$ 2,287,956	\$ 8,433,328

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, 2025 AND 2024**

	2025	2024
<b>Total Fund Balance - Governmental Fund</b>	<b>\$ 1,641,247</b>	<b>\$ 2,648,930</b>
<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	(199,915)	(199,186)
Net pension liability	(1,255,646)	(1,233,298)
Net OPEB	25,328	(94,387)
<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	638,182	698,276
Deferred outflows of resources - OPEB	252,374	295,474
Deferred inflows of resources - Pension	(8,155)	(19,289)
Deferred inflows of resources - OPEB	(124,198)	(49,429)
<b>Total Net Position - Governmental Activities</b>	<b>\$ 969,217</b>	<b>\$ 2,047,091</b>

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, 2025 AND 2024**

	2025	2024
<b><u>REVENUES</u></b>		
Local Transportation Fund Allocation	\$ 3,829,800	\$ 3,035,500
Federal Highway Allocations	1,596,869	1,731,268
State Grants	4,155,287	7,868,739
Other Grants	478,255	1,806,463
Interest	81,055	157,470
Other Revenues	331,055	302,154
Total Revenues	10,472,321	14,901,594
<b><u>EXPENDITURES</u></b>		
Communications	64,217	37,636
Insurance	63,577	46,239
Office Expense	57,097	25,310
Rents and Leases	11,266	10,169
Transportation	13,956	11,178
Salaries and Benefits	2,703,277	2,124,040
Miscellaneous Expense	603,364	348,027
Professional Services	7,963,250	13,003,574
Total Expenditures	11,480,004	15,606,173
Net Change in Fund Balance	(1,007,683)	(704,579)
Fund Balance, Beginning of Year	2,648,930	3,353,509
Fund Balance, End of Year	\$ 1,641,247	\$ 2,648,930

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, 2025 AND 2024**

	2025	2024
<b>Net Change in Fund Balance - Governmental Fund</b>	\$ (1,007,683)	\$ (704,579)
<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> <p style="padding-left: 40px;">Pension expense - GASB Statement No. 68</p> <p style="padding-left: 40px;">OPEB expense - GASB Statement No. 75</p>		
	(71,308)	(128,504)
	1,846	(7,266)
<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>		
	(729)	(9,751)
<b>Total Change in Net Position - Governmental Activities</b>	<b>\$ (1,077,874)</b>	<b>\$ (850,100)</b>

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, 2025 AND 2024**

	2025	2024
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments	\$ 27,223,345	\$ 31,585,818
Investments	-	1,261,471
Grants Receivable	20,862,684	4,026,315
Prepaid Expenses	57,832	127,739
Inventory	96,967	173,733
Total Current Assets	48,240,828	37,175,076
Noncurrent Assets		
Land	5,535,633	5,535,633
Construction in Progress	3,094,827	397,167
Capital Assets, Net of Accumulated Depreciation	68,144,582	52,681,835
Total Noncurrent Assets	76,775,042	58,614,635
Total Assets	\$ 125,015,870	\$ 95,789,711
<b><u>LIABILITIES</u></b>		
Current Liabilities		
Accounts Payable	\$ 21,201,259	\$ 4,426,222
Unearned Revenue	26,162,110	26,951,516
Unearned Revenue - State of Good Repair	-	18,993
Due to Other Government Agencies	316,463	1,816,786
Total Current Liabilities	47,679,832	33,213,517
Noncurrent Liabilities		
Loan Payable	18,149,699	18,149,699
Total Noncurrent Liabilities	18,149,699	18,149,699
Total Liabilities	65,829,531	51,363,216
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	58,625,343	40,464,936
Unrestricted	560,996	3,961,559
Total Net Position	59,186,339	44,426,495
Total Liabilities and Net Position	\$ 125,015,870	\$ 95,789,711

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, 2025 AND 2024**

	2025	2024
<b><u>OPERATING REVENUES</u></b>		
Farebox Revenues	\$ 1,205,212	\$ 979,220
Total Operating Revenues	1,205,212	979,220
<b><u>OPERATING EXPENSES</u></b>		
Marketing	167,981	81,999
Vehicle Maintenance	318,516	46,696
Other Maintenance	15,801	30,542
Fuel and Lubricants	1,738,521	1,630,814
Insurance	367,977	359,268
Security	34,702	29,190
Services	314,892	335,719
Supplies	59,832	71,811
Purchased Transportation	12,413,227	11,471,284
Utilities	204,352	70,624
Miscellaneous Expense	261,234	232,983
Depreciation	3,170,193	3,307,608
Personnel Costs	617,245	678,420
Total Operating Expenses	19,684,473	18,346,958
Operating Loss	(18,479,261)	(17,367,738)
<b><u>NONOPERATING REVENUE, NET</u></b>		
Local Transportation Fund	8,666,907	6,959,223
Less: Returned Local Transportation Fund Allocations	(316,463)	(1,816,786)
State Transit Assistance	2,379,231	3,454,748
Federal Transit Assistance Grant Revenues - Operating	5,407,472	5,535,971
Other Operating Grants	2,446,550	6,647,387
Interest Income	1,093,834	808,270
Other Revenues	-	-
Loss from Disposal of Property	(1,594,790)	11,317
Total Nonoperating Revenue, Net	18,082,741	21,600,130
<b>CHANGE IN NET POSITION BEFORE CONTRIBUTIONS</b>	(396,520)	4,232,392
Capital Contributions		
Federal Transit Assistance	14,546,120	777,200
Local Transportation Fund	610,244	2,758,065
Total Capital Contributions	15,156,364	3,535,265
Change in Net Position	14,759,844	7,767,657
Net Position, Beginning of Year	44,426,495	36,658,838
Net Position, End of Year	\$ 59,186,339	\$ 44,426,495

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, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Passengers	\$ 1,205,212	\$ 979,220
Cash Payments for General and Administrative Expenses	(1,502,797)	(1,484,596)
Cash Payments to Suppliers for Operations	(15,604,086)	(11,260,651)
Net Cash Provided by (Used in) Operating Activities	(15,901,671)	(11,766,027)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Local Transportation Fund	6,083,215	29,383,283
Federal Operating Grants	(11,032,315)	8,346,072
State Transit Assistance	1,941,156	3,321,579
Other Operating Grants	2,446,550	6,647,387
Net Cash (Used in) Provided by Noncapital Financing Activities	(561,394)	47,698,321
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds From Sale of Property and Equipment	-	11,317
Capital Contributions	15,156,364	3,535,265
Payments for the Acquisition of Capital Assets	(5,415,724)	(11,075,265)
Gain on Sale of Property and Equipment	4,647	16,873
Payment for Line of Credit	-	(1,050,001)
Net Cash (Used in) Capital and Related Financing Activities	9,745,287	(8,561,811)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investments	1,261,471	(399,251)
Interest Received	1,093,834	808,270
Net Cash Provided by Investing Activities	2,355,305	409,019
Net (Decrease) Increase in Cash and Investments	(4,362,473)	27,779,502
Cash and Investments at Beginning of Year	31,585,818	3,806,316
Cash and Investments at End of Year	\$ 27,223,345	\$ 31,585,818

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, 2025 AND 2024**

	2025	2024
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:</b>		
Operating Loss	\$ (18,479,261)	\$ (17,367,738)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	3,170,193	3,307,608
Changes in Assets and Liabilities:		
Decrease in Inventory	76,766	23,751
Decrease (Increase) in Prepaid Expenses	69,907	(77,410)
Increase in Accounts Payable	(739,276)	2,347,762
Net Cash Provided by (Used in) Operating Activities	<b>\$ (15,901,671)</b>	<b>\$ (11,766,027)</b>

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, 2025 AND 2024**

	2025	2024
<b><u>ASSETS</u></b>		
Current Assets		
Cash and Investments	\$ 370,157	\$ 665,096
Due from Other Government Agencies	187,106	113,357
Total Current Assets	557,263	778,453
Total Assets	\$ 557,263	\$ 778,453
<b><u>LIABILITIES</u></b>		
Current Liabilities		
Accounts Payable	\$ -	\$ -
Total Current Liabilities	-	-
Total Liabilities	-	-
<b><u>NET POSITION</u></b>		
Net Position Held in Trust for Other Purposes	557,263	778,453
Total Net Position	557,263	778,453
Total Liabilities and Net Position	\$ 557,263	\$ 778,453

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, 2025 AND 2024**

	2025	2024
<b>ADDITIONS</b>		
Aid from Other Government Agencies	\$ 177,295	\$ 217,212
Interest Income	17,147	11,408
Total Additions	194,442	228,620
<b>DEDUCTIONS</b>		
Program Expenses	415,632	-
Total Deductions	415,632	-
<b>CHANGE IN NET POSITION</b>	(221,190)	228,620
Net Position, Beginning of Year	778,453	549,833
Net Position, End of Year	\$ 557,263	\$ 778,453

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, 2025 AND 2024**

**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, 2025 and 2024, 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	10-35 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. 101, *Accounting for Compensated Absences*. Vacation leave is accrued to the extent it is attributable to services already rendered and is expected to be used or paid. Earned vacation is reported as a liability at the current pay rates and may be accumulated up to a maximum of 600 hours per employee.

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.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### 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.

### 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

M. Fund Balance (Continued)

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.

N. New Accounting Pronouncements – Implemented

**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. There was no effect on NVTA's accounting and financial reporting as a result of implementing this standard.

**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. Management evaluated NVTA's funding sources, banking relationships, major counterparties, and legal/contractual restrictions and concluded no concentration or constraints met the statement's disclosure threshold as of June 30, 2025.

O. Future Accounting Pronouncements

**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.

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, 2025				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Statement of Net Position:					
Cash	\$ 1,574,274	\$ 27,223,345	\$ 28,797,619	\$ 3,981,812	\$ 370,157
Imprest Cash	500	-	500	-	-
	<u>\$ 1,574,774</u>	<u>\$ 27,223,345</u>	<u>\$ 28,798,119</u>	<u>\$ 3,981,812</u>	<u>\$ 370,157</u>
	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>

Cash and investments consisted of the following at June 30, 2025 and 2024:

	June 30, 2025				
	Governmental Activities	Business-Type Activities	Government-Wide Totals	Discrete Component Unit	Fiduciary Funds
Cash on Hand and in Banks	\$ 31,128	\$ 531,868	\$ 562,996	\$ -	\$ -
Pooled Investments	1,543,646	26,691,477	28,235,123	3,981,812	370,157
	<u>\$ 1,574,774</u>	<u>\$ 27,223,345</u>	<u>\$ 28,798,119</u>	<u>\$ 3,981,812</u>	<u>\$ 370,157</u>
	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>

**NOTE 2 – CASH AND INVESTMENTS/IMPREST CASH** (Continued)

General (Continued)

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.

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, 2025 and 2024.

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, 2025 and 2024, 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.

2025

<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	\$ 32,216,935	N/A	N/A	\$ 32,216,935
	<u>\$ 32,216,935</u>			<u>\$ 32,216,935</u>

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>

**NOTE 2 – CASH AND INVESTMENTS/IMPREST CASH** (Continued)

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.

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, 2025 and 2024, 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:

2025

Investments type	Total	12 months or less	13 to 24 months	25 to 60 months	More than 60 months
Pooled investments	\$ 32,216,935	\$ 32,216,935	\$ -	\$ -	\$ -
	\$ 32,216,935	\$ 32,216,935	\$ -	\$ -	\$ -

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	\$ -	\$ -	\$ -

**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)

NVTA did not have recurring fair value measurements as of June 30, 2025. NVTA had the following recurring fair value measurements as of June 30, 2024:

2024	Fair Value Measurements Using		
	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>

Investments in the County investment pool totaling \$32,216,935 and \$41,440,395 as of June 30, 2025 and 2024, 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, 2025 and 2024:

	2025	2024
Federal (Federal Transit Administration (FTA))		
Operating	\$ 5,309,335	\$ 2,781,125
Capital	14,429,617	381,757
Caltrans		-
State		
Caltrans	172,000	1,696,024
TDA	880,578	271,617
Other	187,106	113,356
Regional Measure 2	323,147	615,033
Local		
STA	40,000	40,000
Cities	158,791	98,202
Local - Other	220,228	371,282
Total	<u>\$ 21,720,802</u>	<u>\$ 6,368,396</u>
Reconciliation to Financial Statements	2025	2024
Planning Fund      Grants Receivable	\$ 671,012	\$ 2,228,724
Transit Fund      Grants Receivable	20,862,684	4,026,315
Total per Statement of Net Position	21,533,696	6,255,039
Fiduciary Funds    Due from Other Government Agencies	187,106	113,357
Total including Fiduciary Funds	<u>\$ 21,720,802</u>	<u>\$ 6,368,396</u>

## NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Disposals	Adjustments	Balance June 30, 2025
<b>Governmental Activities:</b>					
Capital Assets, Being Depreciated					
Vehicles and Equipment	\$ 207,376	\$ -	\$ -	\$ -	\$ 207,376
Less Accumulated Depreciation for:					
Vehicles and Equipment	(207,376)	-	-	-	(207,376)
<b>Governmental Activities</b>					
<b>Capital Assets, Net</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Business-Type Activities:</b>					
Capital Assets, Not Being Depreciated					
Land	\$ 5,535,633	\$ -	\$ -	\$ -	\$ 5,535,633
Construction in Progress	397,167	2,697,660	-	-	3,094,827
<b>Total Capital Assets, Not Being Depreciated</b>	<u>5,932,800</u>	<u>2,697,660</u>	<u>-</u>	<u>-</u>	<u>8,630,460</u>
Capital Assets, Being Depreciated:					
Transit Center and Bus Maintenance Facility	44,230,896	-	-	-	44,230,896
Vehicles and Equipment	29,967,632	20,232,377	(4,971,548)	-	45,228,461
Less Accumulated Depreciation for:					
Vehicles and Equipment	(21,516,693)	(3,170,193)	3,372,111	-	(21,314,775)
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>\$ 52,681,835</u>	<u>\$ 17,062,184</u>	<u>\$ (1,599,437)</u>	<u>\$ -</u>	<u>\$ 68,144,582</u>
<b>Business-Type Activities:</b>					
<b>Capital Assets, net</b>	<u>\$ 58,614,635</u>	<u>\$ 19,759,844</u>	<u>\$ (1,599,437)</u>	<u>\$ -</u>	<u>\$ 76,775,042</u>
<b>Total Government-Wide Capital Assets, Net</b>	<u>\$ 58,614,635</u>	<u>\$ 19,759,844</u>	<u>\$ (1,599,437)</u>	<u>\$ -</u>	<u>\$ 76,775,042</u>

Government-wide depreciation expense for the year ended June 30, 2025, was \$3,170,193.

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Disposals	Adjustments	Balance June 30, 2024
<b>Governmental Activities:</b>					
Capital Assets, Being Depreciated					
Vehicles and Equipment	\$ 207,376	\$ -	\$ -	\$ -	\$ 207,376
Less Accumulated Depreciation for:					
Vehicles and Equipment	(207,376)	-	-	-	(207,376)
<b>Governmental Activities</b>					
<b>Capital Assets, Net</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Business-Type Activities:</b>					
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
<b>Total Capital Assets, Not Being Depreciated</b>	<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)
<b>Total Capital Assets, Being Depreciated, Net</b>	<u>\$ 16,925,560</u>	<u>\$ 212,524</u>	<u>\$ (16,873)</u>	<u>\$ 35,560,624</u>	<u>\$ 52,681,835</u>
<b>Business-Type Activities:</b>					
<b>Capital Assets, net</b>	<u>\$ 50,863,851</u>	<u>\$ 7,767,657</u>	<u>\$ (16,873)</u>	<u>\$ -</u>	<u>\$ 58,614,635</u>
<b>Total Government-Wide Capital Assets, Net</b>	<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, 2023, was \$3,307,608.

## NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the years ended June 30:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Due Within One Year
Transportation Infrastructure Finance and Innovation Act (TIFIA) loan	\$ 18,149,699	\$ -	\$ -	\$ 18,149,699	\$ -
Compensated absences	199,186	50,157	(49,428)	199,915	-
	<u>\$ 18,348,885</u>	<u>\$ 50,157</u>	<u>\$ (49,428)</u>	<u>\$ 18,349,614</u>	<u>\$ -</u>
	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>

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, 2025 and 2024, NVTA has drawn down \$0 and \$0, 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
2026	\$ -	\$ 183,312	\$ 183,312
2027	-	183,312	183,312
2028	-	183,564	183,564
2029	-	183,060	183,060
2030	-	183,312	183,312
2031-2035	1,654,269	899,964	2,554,233
2036-2040	3,434,431	755,969	4,190,400
2041-2045	3,612,240	578,157	4,190,397
2046-2050	3,798,669	391,727	4,190,396
2051-2055	3,994,921	195,477	4,190,398
2056-2057	1,655,169	20,989	1,676,158
	<u>\$ 18,149,699</u>	<u>\$ 3,758,843</u>	<u>\$ 21,908,542</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. 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 \$316,463 and \$1,816,786 at June 30, 2025 and 2024, 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>2025</u>	<u>2024</u>
Balance - Beginning of Year	\$ 1,816,786	\$ 3,534,631
LTF - Operating	8,666,907	6,959,223
LTF - Capital	<u>610,244</u>	<u>2,758,065</u>
Total LTF	<u>9,277,151</u>	<u>9,717,288</u>
Operating Expenses	19,684,473	18,346,958
Adjustments:		
Add Back Depreciation	(3,170,193)	(3,307,608)
Farebox Revenues	(1,205,212)	(979,220)
STA	(2,379,231)	(3,454,748)
Other Revenues	(2,446,550)	(6,658,704)
Interest Income	(1,093,834)	(808,270)
FTA Grant Revenues - Operating	(5,407,472)	(5,535,971)
Other Federal Grants	(14,546,120)	(777,200)
Capital Asset Outlays	20,232,377	3,520,132
Capital Asset Outlays - Not Capitalized	2,697,660	7,555,133
Interdepartmental Fund Transfer	(5,000,000)	
Property Disposal	<u>1,594,790</u>	<u>-</u>
Net Operating Expenses	<u>8,960,688</u>	<u>7,900,502</u>
Net Increase	316,463	1,816,786
Return of LTF Capital	<u>(316,463)</u>	<u>(1,816,786)</u>
Balance - End of Year	<u>\$ 316,463</u>	<u>\$ 1,816,786</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, 2025, are summarized as follows:

2025 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, 2024, are summarized as follows:

2024	Prior to May 21, 2011 (Tier I)	On or after May 21, 2011 (Tier II)	On or after January 1, 2013 (PEPRA)
Hire Date			
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%

**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, 2025 and 2024, were \$294,705 and \$234,762, respectively.

As of June 30, 2025 and 2024, NVTA reported a net pension liability for its proportionate share of the net pension liability of the Plan in the amount of \$1,255,646 and \$1,233,298, 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, 2024 and 2023, 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, 2023 and 2022, rolled forward to June 30, 2024 and 2023, 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, 2025 and 2024, was as follows:

Proportion - June 30, 2024	0.00989%
Proportion - June 30, 2025	<u>0.01035%</u>
Change - Increase (Decrease)	<u><u>0.00046%</u></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, 2025 and 2024, NVTA recognized pension expense of \$366,013 and \$363,266, respectively. At June 30, 2025 and 2024, NVTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Actual and Expected Experience	\$ 108,562	\$ 4,236
Changes in Assumptions	32,273	-
Net Differences between Projected and Actual Earnings on Plan Investments	72,286	-
Change in Employer's Proportion	81,240	-
Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions	49,116	3,919
Pension Contributions Subsequent to Measurement Date	294,705	-
Total	\$ 638,182	\$ 8,155
2024	Deferred Outflows of Resources	Deferred Inflows of Resources
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	234,762	-
Total	\$ 698,276	\$ 19,289

\$294,705 and \$234,762 reported as deferred outflows of resources related to contributions subsequent to the measurement date during the years ended June 30, 2025 and 2024, respectively, will be recognized as a reduction of the net pension liability in the years ended June 30, 2026 and 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2026	\$ 132,949
2027	206,391
2028	20,754
2029	(24,772)
2030	-
Thereafter	-
Total	\$ 335,322

**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, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023
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 <sup>(1)</sup>	Varies <sup>(1)</sup>
Investment Rate of Return	6.90% <sup>(2)</sup>	6.90% <sup>(2)</sup>
Mortality	CalPERS <sup>(3)</sup>	CalPERS <sup>(3)</sup>

<sup>(1)</sup> Depending on age, service, and type of employment.

<sup>(2)</sup> Net of pension plan investment expenses, including inflation.

<sup>(3)</sup> 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, 2025 and 2024, 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 2024 and 2023, 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:

2025	Current Target Allocation	Real Return Years 1 - 10 <sup>(a,b)</sup>
<u>Asset Class</u>		
Global Equity - Cap-Weighted	30.00%	4.54%
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%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

2024	Current Target Allocation	Real Return Years 1 - 10 <sup>(a,b)</sup>
<u>Asset Class</u>		
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%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

(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>2025</u>	<u>2024</u>
1% Decrease Net Pension Liability	5.90% \$ 2,106,904	5.90% \$ 2,021,769
Current Discount Rate Net Pension Liability	6.90% \$ 1,255,646	6.90% \$ 1,233,298
1% Increase Net Pension Liability (Asset)	7.90% \$ 554,934	7.90% \$ 584,319

**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, 2025 and 2024, 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, 2025 and 2024, 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 Public Employees’ Medical and Hospital Care Act (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, 2024 and 2023 valuations, the following current and former employees were covered by the benefit terms for the OPEB Plan:

	<u>2024</u>	<u>2023</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>16</u>
Total	<u><u>22</u></u>	<u><u>22</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, 2025 and 2024, NVTA contributed \$66,257 and \$64,142, 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, 2024 and 2023, 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:

2025	
Reporting Date	June 30, 2025
Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
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 <sup>(1)</sup>
	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076;
	Medicare (Non-Kaiser) - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076;
Healthcare Cost Trend Rates	Medicare (Kaiser) - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076

<sup>(1)</sup> 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](http://www.calpers.ca.gov) under Forms and Publications.

**NOTE 9 – OPEB** (Continued)

A. General Information about the OPEB Plan (Continued)

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 <sup>(1)</sup> Non-Medicare - 8.5% for 2024, decreasing to an ultimate rate of 3.45% in 2076; 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
Healthcare Cost Trend Rates	

<sup>(1)</sup> 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](http://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:

2025	Target Allocation	Long-Term Expected Real Rate of Return
<u>Asset Class</u>	<u></u>	<u></u>
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>	

**NOTE 9 – OPEB** (Continued)

A. General Information about the OPEB Plan (Continued)

2024	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 2024 and 2023, 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, 2024	\$ 660,154	\$ 565,767	\$ 94,387
Changes in the Year:			
Service Cost	36,227	-	36,227
Interest	35,980	-	35,980
Changes of Benefit Terms	-	-	-
Actual vs. Expected Experience	(91,876)	-	(91,876)
Assumption Changes	-	-	-
Contribution - Employer	-	64,142	(64,142)
Contribution - Employee	-	-	-
Net Investment Income	-	36,122	(36,122)
Administrative Expenses	-	(218)	218
Benefit Payments	(22,107)	(22,107)	-
Net Changes	<u>(41,776)</u>	<u>77,939</u>	<u>(119,715)</u>
Balance at June 30, 2025	<u>\$ 618,378</u>	<u>\$ 643,706</u>	<u>\$ (25,328)</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, 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	48,317	44,177	4,140
Balance at June 30, 2024	\$ 660,154	\$ 565,767	\$ 94,387

**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, 2024 and 2023:

2024

1% Decrease  
Net OPEB Liability/(Asset) \$ 49,639 4.25%

Current Discount Rate  
Net OPEB Liability/(Asset) \$ (25,328) 5.25%

1% Increase  
Net OPEB Liability/(Asset) \$ (88,806) 6.25%

2023

1% Decrease  
Net OPEB Liability/(Asset) \$ 176,507 4.25%

Current Discount Rate  
Net OPEB Liability/(Asset) \$ 94,387 5.25%

1% Increase  
Net OPEB Liability/(Asset) \$ 25,157 6.25%

**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, 2024 and 2023:

2024		
1% Decrease		4.25%
Net OPEB Liability/(Asset)	\$	(39,889)
Current Health Care Cost Trend Rates		5.25%
Net OPEB Liability/(Asset)	\$	(25,328)
1% Increase		6.25%
Net OPEB Liability/(Asset)	\$	2,584
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

**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, 2025 and 2024, NVTA recognized OPEB expense of \$64,411 and \$71,408, respectively. For the years ended June 30, 2025 and 2024, NVTA reported deferred outflows of resources related to OPEB from the following sources:

2025	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 66,257	\$ -
Differences between Actual and Expected Experience	120,341	87,104
Changes in Assumptions	31,137	37,094
Net Differences between Projected and Actual Earnings on Plan Investments	34,639	-
Total	<u>\$ 252,374</u>	<u>\$ 124,198</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)

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	<u>52,984</u>	<u>-</u>
Total	<u>\$ 295,474</u>	<u>\$ 49,429</u>

The \$66,257 and \$64,142 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2025 and 2024 measurement dates will be recognized as an increase to the net OPEB asset during the years ending June 30, 2026 and 2025, respectively. In addition, future recognition of the deferred inflows of resources and deferred outflows of resources is shown below:

<u>Year Ended June</u>	
2026	\$ 22,657
2027	29,816
2028	11,973
2029	5,042
2030	6,259
Thereafter	<u>(13,828)</u>
	<u>\$ 61,919</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, 2025 and 2024, NVTA paid to the County, a related party, the following amounts:

	<u>2025</u>	<u>2024</u>
Accounting and Legal Services	\$ 20,153	\$ 19,207
Other Services and Supplies	<u>240,051</u>	<u>219,117</u>
Total Related Party Transactions	<u>\$ 260,204</u>	<u>\$ 238,324</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, 2025 and 2024, was 17.60% and 14.58%, respectively, as follows:

	<u>June 30, 2025</u>		
<u>Article 4</u>	<u>Total Article 4 Services</u>	<u>Vine</u>	<u>ACT</u>
Farebox Subject to Farebox Ratio	<u>\$ 2,071,151</u>	<u>\$ 1,985,594</u>	<u>\$ 85,557</u>
Operating Cost, Net of Depreciation	<u>\$ 11,770,563</u>	<u>\$ 11,173,834</u>	<u>\$ 596,729</u>
Farebox Ratio	<u>17.60%</u>		
	<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>		

**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, 2025 and 2024, 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, 2025 and 2024, would be 8% and 6%, respectively.

Article 8

Article 8 transit operations include Vine Go, Calistoga Shuttle, St. Helena Shuttle, and Yountville Trolley. 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, 2025 and 2024, for Article 8 transit operations was 7.32% and 8.66%, respectively, as follows:

	June 30, 2025		
<u>Article 8</u>	<u>Total Article 8 Services</u>	<u>Vine Go</u>	<u>Calistoga, Yountville, and St. Helena</u>
Farebox Subject to Farebox Ratio	<u>\$ 217,160</u>	<u>\$ 53,844</u>	<u>\$ 163,316</u>
Operating Cost, Net of Depreciation	<u>\$ 2,965,589</u>	<u>\$ 1,703,474</u>	<u>\$ 1,262,115</u>
Farebox Ratio	<u>7.32%</u>		

**NOTE 13 – FAREBOX RATIO** (Continued)Article 8 (Continued)

<u>Article 8</u>	June 30, 2024		
	Total Article 8 Services	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>		

For the year ended June 30, 2024, NVTA was not in compliance with the minimum farebox ratio required for Article 8 transit operations. For the year ended June 30, 2024, 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, 2025 and 2024.

**NOTE 14 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the years ended June 30, 2025 and 2024, expenditures exceeded appropriations in the Planning Fund as follows:

Appropriations Category	Excess Expenditures	
	2025	2024
Planning Fund:		
Communications	\$ 14,217	\$ -
Insurance	3,577	-
Rents and Leases	4,266	2,669
Transportation	-	2,278
Miscellaneous Expense	373,964	31,927

**NOTE 15 – STATE OF GOOD REPAIR (SGR)**

SGR funds of \$0 and \$18,993 were received during 2025 and 2024, respectively.

**NOTE 16 – SUBSEQUENT EVENTS**

In February 2023, the Napa Valley Transportation Authority (NVTA) entered into a Solar Power Purchase Agreement (PPA) with 127Energy, which was later assigned to BluePath Finance Inc. Under the PPA, NVTA purchases all electricity generated by an on-site solar photovoltaic (PV) system and battery energy storage system installed at NVTA's operations and maintenance facility at 96 and 101 Sheehy Court in Napa, California. The System will provide power for NVTA operations and reduces reliance on PG&E utility supply. NVTA pays only for electricity delivered to designated on-site delivery points, while the Seller is responsible for all design, permitting, installation, monitoring, and ongoing operations and maintenance.

The PPA has a 25-year term, with commercial operation expected to begin in early 2026. NVTA will be billed monthly based on actual energy produced and delivered as measured by the System's meters.

Subsequent events have been evaluated through December 29, 2025, 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, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Local Transportation Fund Allocation	\$ 2,829,800	\$ 2,829,800	\$ 3,829,800	\$ 1,000,000
Federal Highway Allocations	3,000,000	3,000,000	1,596,869	(1,403,131)
State Grants	3,000,000	3,000,000	4,155,287	1,155,287
Other Grants	4,735,000	4,735,000	478,255	(4,256,745)
Interest	20,000	20,000	81,055	61,055
Other Revenues	265,000	265,000	331,055	66,055
	<u>13,849,800</u>	<u>13,849,800</u>	<u>10,472,321</u>	<u>(3,377,479)</u>
<b>Total Revenues</b>				
<b>Expenditures</b>				
Communications	50,000	50,000	64,217	(14,217)
Insurance	60,000	60,000	63,577	(3,577)
Office Expense	101,000	101,000	57,097	43,903
Rents and Leases	7,000	7,000	11,266	(4,266)
Transportation	16,000	16,000	13,956	2,044
Salaries and Benefits	3,127,400	3,627,400	2,703,277	924,123
Miscellaneous Expense	229,400	229,400	603,364	(373,964)
Professional Services	10,650,000	8,850,000	7,963,250	886,750
Debt Service				
Interest	50,000	50,000	-	50,000
	<u>14,290,800</u>	<u>12,990,800</u>	<u>11,480,004</u>	<u>1,510,796</u>
<b>Total Expenditures</b>				
<b>Other Finance Sources</b>				
Transfers	441,000	441,000	-	441,000
	<u>441,000</u>	<u>441,000</u>	<u>-</u>	<u>441,000</u>
<b>Total Other Financing Sources</b>				
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ 1,300,000</u>	<u>(1,007,683)</u>	<u>\$ 2,307,683</u>
Fund Balance, Beginning of Year			<u>2,648,930</u>	
Fund Balance, End of Year			<u>\$ 1,641,247</u>	

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, 2024**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
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
<b>Total Revenues</b>	<b>26,695,300</b>	<b>26,695,300</b>	<b>14,901,594</b>	<b>(11,793,706)</b>
<b>Expenditures</b>				
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
<b>Total Expenditures</b>	<b>26,695,300</b>	<b>26,695,300</b>	<b>15,606,173</b>	<b>11,089,127</b>
<b>Other Finance Sources</b>				
Transfers	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(704,579)</b>	<b>\$ 704,579</b>
Fund Balance, Beginning of Year			3,353,509	
Fund Balance, End of Year			<u>\$ 2,648,930</u>	

See accompanying note to required supplementary information.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

**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**

<b>Measurement Period</b>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 36,227	\$ 35,257	\$ 41,754	\$ 37,189
Interest	35,980	33,437	25,177	23,613
Actual and Expected Experience Difference	(91,876)	-	120,683	-
Changes in Assumptions	-	-	(27,542)	28,092
Changes in Benefit Terms	-	-	-	-
Benefit Payments	<u>(22,107)</u>	<u>(20,377)</u>	<u>(20,063)</u>	<u>(18,423)</u>
Net Change in Total OPEB (Asset) Liability	(41,776)	48,317	140,009	70,471
Total OPEB Liability - Beginning	<u>660,154</u>	<u>611,837</u>	<u>471,828</u>	<u>401,357</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 618,378</u></u>	<u><u>\$ 660,154</u></u>	<u><u>\$ 611,837</u></u>	<u><u>\$ 471,828</u></u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 64,142	\$ 56,422	\$ 55,094	\$ 59,458
Net Investment Income	36,122	8,327	(58,393)	60,338
Benefit Payments	(22,107)	(20,377)	(20,063)	(18,423)
Administrative Expenses	<u>(218)</u>	<u>(195)</u>	<u>(170)</u>	<u>(192)</u>
Net Change in Plan Fiduciary Net Position	77,939	44,177	(23,532)	101,181
Plan Fiduciary Net Position - Beginning	<u>565,767</u>	<u>521,590</u>	<u>545,122</u>	<u>443,941</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 643,706</u></u>	<u><u>\$ 565,767</u></u>	<u><u>\$ 521,590</u></u>	<u><u>\$ 545,122</u></u>
Net OPEB Liability/(Asset) - Ending [(a) - (b)]	(25,328)	94,387	90,247	(73,294)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	104.10%	85.70%	85.25%	115.53%
Covered Payroll	\$ 2,306,626	\$ 1,905,644	\$ 1,649,016	\$ 1,738,478
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	-1.20%	5.00%	5.47%	-4.22%

**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>	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service Cost	\$ 42,375	\$ 41,141	\$ 31,966	\$ 31,035
Interest	19,391	16,632	10,999	8,924
Actual and Expected Experience Difference	68,869	-	(16,460)	-
Changes in Assumptions	(33,649)	-	50,801	-
Changes in Benefit Terms	-	-	20,429	-
Benefit Payments	(11,607)	(6,087)	(2,930)	(3,400)
Net Change in Total OPEB Liability	85,379	51,686	94,805	36,559
Total OPEB Liability - Beginning	315,978	264,292	169,487	132,928
Total OPEB Liability - Ending (a)	<u>\$ 401,357</u>	<u>\$ 315,978</u>	<u>\$ 264,292</u>	<u>\$ 169,487</u>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 50,607	\$ 44,087	\$ 25,930	\$ 34,400
Net Investment Income	24,293	23,900	13,303	10,318
Benefit Payments	(11,607)	(6,087)	(2,930)	(3,400)
Administrative Expenses	(190)	(70)	(522)	(128)
Net Change in Plan Fiduciary Net Position	63,103	61,830	35,781	41,190
Plan Fiduciary Net Position - Beginning	380,838	319,008	283,227	242,037
Plan Fiduciary Net Position - Ending	<u>\$ 443,941</u>	<u>\$ 380,838</u>	<u>\$ 319,008</u>	<u>\$ 283,227</u>
Net OPEB Liability/(Asset) - Ending [(a) - (b)]	(42,584)	(64,860)	(54,716)	(113,740)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	110.61%	120.53%	120.70%	167.11%
Covered Payroll	\$ 1,661,705	\$ 1,621,492	\$ 1,870,622	\$ 1,870,622
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	-2.56%	-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, 2025  
LAST 10 YEARS\***

	<u>Fiscal Year 2025</u>	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>	<u>Fiscal Year 2022</u>
Actuarially Determined Contributions	\$ 44,000	\$ 42,000	\$ 36,000	\$ 35,000
Contributions in Relation to the Actuarially Determined Contributions	<u>(66,257)</u>	<u>(64,142)</u>	<u>(56,422)</u>	<u>(55,329)</u>
Contribution Deficiency (Excess)	<u>\$ (22,257)</u>	<u>\$ (22,142)</u>	<u>\$ (20,422)</u>	<u>\$ (20,329)</u>
Covered Payroll	\$ 2,306,626	\$ 2,039,095	\$ 1,905,644	\$ 1,649,016
Contributions as a Percentage of Covered Payroll	2.87%	3.15%	2.96%	3.36%
	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2018</u>
Actuarially Determined Contributions	\$ 41,000	\$ 39,000	\$ 38,000	\$ 23,000
Contributions in Relation to the Actuarially Determined Contributions	<u>(59,458)</u>	<u>(50,607)</u>	<u>(44,087)</u>	<u>(25,930)</u>
Contribution Deficiency (Excess)	<u>\$ (18,458)</u>	<u>\$ (11,607)</u>	<u>\$ (6,087)</u>	<u>\$ (2,930)</u>
Covered Payroll	\$ 1,738,478	\$ 1,611,705	\$ 1,621,492	\$ 1,870,622
Contributions as a Percentage of Covered Payroll	3.42%	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, 2022 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	7.90% in 2026, 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 1<sup>st</sup> year of implementation; therefore, only eight years are shown.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF NVTA'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, 2025  
LAST 10 YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Proportion of the Net Pension Liability	0.010350%	0.009890%	0.009110%	0.006650%	0.007450%
Proportionate Share of the Net Pension Liability	\$ 1,255,646	\$ 1,233,298	\$ 1,052,652	\$ 359,552	\$ 810,777
Covered Payroll	\$ 1,918,597	\$ 1,882,370	\$ 1,655,616	\$ 1,597,412	\$ 1,546,016
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	65.45%	65.52%	63.58%	22.51%	52.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.08%	76.21%	76.68%	88.29%	75.10%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the Net Pension Liability	0.006870%	0.003700%	0.003785%	0.003379%	0.003120%
Proportionate Share of the Net Pension Liability	\$ 703,771	\$ 356,433	\$ 375,403	\$ 292,430	\$ 214,127
Covered Payroll	\$ 1,515,963	\$ 1,436,566	\$ 1,392,133	\$ 1,116,442	\$ 1,100,512
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	46.42%	24.81%	26.97%	26.19%	19.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.26%	75.26%	73.31%	74.06%	78.40%

**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. In 2022/23, the discount rate changed to 6.90 percent.

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF CONTRIBUTIONS – PENSION  
AS OF JUNE 30, 2025  
LAST 10 YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually Required Contribution (Actuarially Determined)	\$ 294,705	\$ 234,762	\$ 229,603	\$ 195,723	\$ 185,716
Contributions in Relation to the Actuarially Determined Contributions	<u>294,705</u>	<u>234,762</u>	<u>229,603</u>	<u>195,723</u>	<u>185,716</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,306,626	\$ 1,918,597	\$ 1,882,370	\$ 1,655,616	\$ 1,597,412
Contributions as a Percentage of Covered Payroll	12.78%	12.24%	12.20%	11.82%	11.63%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution (Actuarially Determined)	\$ 161,492	\$ 142,748	\$ 124,099	\$ 117,333	\$ 91,990
Contributions in Relation to the Actuarially Determined Contributions	<u>161,492</u>	<u>142,748</u>	<u>124,099</u>	<u>117,333</u>	<u>91,990</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,546,016	\$ 1,515,963	\$ 1,436,566	\$ 1,392,113	\$ 100,512
Contributions as a Percentage of Covered Payroll	10.45%	9.42%	8.64%	8.43%	91.52%

**Notes to Schedule:**

Valuation Date	June 30, 2023	June 30, 2022
Measurement Date	June 30, 2024	June 30, 2023
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 <sup>(1)</sup>	Varies <sup>(1)</sup>
Investment Rate of Return	6.90% <sup>(2)</sup>	6.90% <sup>(2)</sup>
Mortality	CalPERS <sup>(3)</sup>	CalPERS <sup>(3)</sup>

<sup>(1)</sup> Depending on age, service, and type of employment.

<sup>(2)</sup> Net of pension plan investment expenses, including inflation.

<sup>(3)</sup> The mortality table used was developed based on CalPERS' specific data. The mortality table was developed based on CalPERSspecific 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, 2025**

	Vine Go	Vine	American Canyon Transit	Yountville Trolley
Operating Revenues:				
Farebox Revenues	\$ 53,844	\$ 902,494	\$ 85,557	\$ 42,240
Operating Expenses:				
Marketing	-	148,355	12,563	-
Vehicle Maintenance	20,400	298,116	-	-
Other Maintenance	-	15,801	-	-
Fuel and Lubricants	235,267	1,439,311	38,622	3,289
Insurance	36,072	287,546	13,737	9,344
Planning and Administration	-	-	-	-
Security	-	34,702	-	-
Services	2,615	265,263	11,190	12,504
Supplies	671	51,213	1,936	437
Purchased Transportation	1,356,550	9,424,211	505,880	344,047
Rents and Leases	-	-	-	-
Utilities	-	204,352	-	-
Miscellaneous Expense	-	261,234	-	-
Depreciation	123,148	2,947,679	-	49,683
Personnel Costs	51,895	521,861	12,801	9,141
Total Operating Expenses	<u>1,826,618</u>	<u>15,899,644</u>	<u>596,729</u>	<u>428,445</u>
Operating Loss	<u>(1,772,774)</u>	<u>(14,997,150)</u>	<u>(511,172)</u>	<u>(386,205)</u>
Nonoperating Revenues (Expenses):				
Local Transportation Fund	541,724	7,314,983	-	265,000
Return of LTF Funding	-	(316,463)	-	-
State Transit Assistance	-	2,379,231	-	-
Federal Transit Assistance				
Grant Revenues - Operating	558,145	4,160,667	303,891	110,000
Other Operating Grants	-	2,446,550	-	-
Interest Income	20,098	1,025,408	8,875	12,791
Other Revenues	-	-	-	-
Loss on Disposal of Property	282	(1,595,072)	-	-
Total Nonoperating Revenues	<u>1,120,249</u>	<u>15,415,304</u>	<u>312,766</u>	<u>387,791</u>
Change in Net Position Before Contributions	(652,525)	418,154	(198,406)	1,586
Capital Contributions:				
Federal Transit Assistance	-	14,546,120	-	-
Local Transportation Fund	-	610,244	-	-
Change in Net Position	<u>(652,525)</u>	<u>15,574,518</u>	<u>(198,406)</u>	<u>1,586</u>
Net Position, Beginning of Year	<u>709,739</u>	<u>41,826,371</u>	<u>959,410</u>	<u>255,827</u>
Net Position, End of the Year	<u>\$ 57,214</u>	<u>\$ 57,400,889</u>	<u>\$ 761,004</u>	<u>\$ 257,413</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, 2025**

	St. Helena Shuttle	Calistoga Shuttle	Totals
Operating Revenues:			
Farebox Revenues	\$ 45,277	\$ 75,800	\$ 1,205,212
Operating Expenses:			
Marketing	-	7,063	167,981
Vehicle Maintenance	-	-	318,516
Other Maintenance	-	-	15,801
Fuel and Lubricants	10,127	11,905	1,738,521
Insurance	8,821	12,457	367,977
Security	-	-	34,702
Services	11,746	11,574	314,892
Supplies	1,476	4,099	59,832
Purchased Transportation	324,707	457,832	12,413,227
Utilities	-	-	204,352
Miscellaneous Expense	-	-	261,234
Depreciation	49,683	-	3,170,193
Personnel Costs	7,963	13,584	617,245
Total Operating Expenses	414,523	518,514	19,684,473
Operating Loss	(369,246)	(442,714)	(18,479,261)
Nonoperating Revenues (Expenses):			
Local Transportation Fund	265,000	280,200	8,666,907
Return of LTF Funding	-	-	(316,463)
State Transit Assistance	-	-	2,379,231
Federal Transit Assistance			
Grant Revenues - Operating	110,000	164,769	5,407,472
Other Operating Grants	-	-	2,446,550
Interest Income	13,241	13,421	1,093,834
Other Revenues	-	-	-
Loss on Disposal of Property	-	-	(1,594,790)
Total Nonoperating Revenues	388,241	458,390	18,082,741
Change in Net Position Before Contributions	18,995	15,676	(396,520)
Capital Contributions:			
Federal Transit Assistance	-	-	14,546,120
Local Transportation Fund	-	-	610,244
Change in Net Position	18,995	15,676	14,759,844
Net Position, Beginning of Year	536,744	138,404	44,426,495
Net Position, End of the Year	\$ 555,739	\$ 154,080	\$ 59,186,339

**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	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	1,493,833	14,926,732	561,947	412,552
Operating Loss	(1,427,758)	(14,270,201)	(473,608)	(368,722)
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	1,538,066	18,173,948	528,233	427,493
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	110,308	7,439,012	54,625	58,771
Net Position, Beginning of Year	599,431	34,387,359	904,785	197,056
Net Position, End of the Year	\$ 709,739	\$ 41,826,371	\$ 959,410	\$ 255,827

**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	<u>420,632</u>	<u>531,262</u>	<u>18,346,958</u>
Operating Loss	<u>(372,881)</u>	<u>(454,568)</u>	<u>(17,367,738)</u>
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	<u>419,421</u>	<u>512,969</u>	<u>21,600,130</u>
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	<u>46,540</u>	<u>58,401</u>	<u>7,767,657</u>
Net Position, Beginning of Year	<u>490,204</u>	<u>80,003</u>	<u>36,658,838</u>
Net Position, End of the Year	<u>\$ 536,744</u>	<u>\$ 138,404</u>	<u>\$ 44,426,495</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, 2025, and have issued our report thereon dated December 29, 2025.

**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 29, 2025

## 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, 2025.

### 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 counties 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, 2025.

### **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 29, 2025



**NAPA VALLEY  
TRANSPORTATION AUTHORITY**

**SINGLE AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2025**

**NAPA VALLEY TRANSPORTATION AUTHORITY  
JUNE 30, 2025**

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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, 2025, 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 29, 2025.

**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 29, 2025

**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, 2025. 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, 2025.

***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, 2025, and the related notes to the financial statements, which collectively comprise NVTA's basic financial statements. We issued our report thereon dated December 29, 2025, 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

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style.

Bakersfield, California  
December 29, 2025

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025**

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-2025-099	\$ -	\$ 1,304,833
Federal Transit Formula Grant	20.507	CA-2024-168	-	275,084
Federal Transit Formula Grant	20.507	CA-2023-224	-	223,599
Federal Transit Formula Grant	20.507	CA-2024-064	-	200,000
Federal Transit Formula Grant	20.507	CA-2025-171	-	2,829,545
Subtotal Federal Transit Formula Grants			-	4,833,061
Buses and Bus Facilities Formula, Competitive, and Low or no Emissions Programs	20.526	CA-2023-022	-	7,938,656
Buses and Bus Facilities Formula, Competitive, and Low or no Emissions Programs	20.526	CA-2023-073	-	6,049,796
Subtotal Buses and Bus Facilities Formula, Competitive, and Low or no Emissions Programs			-	13,988,452
Subtotal Federal Transit Cluster			-	18,821,513
Passed through Metropolitan Transportation Commission (MTC):				
Highway Planning and Construction	20.205	--	-	969,229
Subtotal Highway Planning and Construction			-	969,229
Subtotal Metropolitan Transportation Commission			-	969,229
Passed through State Department of Transportation (Caltrans):				
Federal Grants to Rural Areas	20.509	64BA24-02480	-	384,769
Federal Grants to Rural Areas	20.509	64CA24-02529	-	387,310
Subtotal Federal Transit for Rural Areas			-	772,079
Highway Planning and Construction	20.205	ATPL-6510(003)	-	45,224
Highway Planning and Construction	20.205	STPL-6510(010)	-	582,417
Subtotal Highway Planning and Construction			-	627,641
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	64AC21-01990	-	360,000
Total U.S. Department of Transportation			-	21,550,462
Total Expenditures of Federal Awards			\$ -	\$ 21,550,462
<b>Federal Loan Balances Carried Forward from Prior Year</b>				
Transportation Infrastructure Finance and Innovation Act (TIFIA) Program	20.223			\$ 18,149,669
Total Federal Loan Balances				\$ 18,149,669
Total Expenditures of Federal Awards, Including Federal Loan Balances				\$ 39,700,131

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, 2025**

**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, 2025:

Assistance Listing Number	Program Title	Amount Outstanding				
		July 1, 2024	New Loans	Loan Payments	Forgiven	June 30, 2025
20.223	TIFIA	\$ 18,149,669	\$ -	\$ -	\$ -	\$ 18,149,669

**NAPA VALLEY TRANSPORTATION AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

**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:

<u>Assistance Listing Number</u>	<u>Name of Federal Program</u> <u>Federal Transit Cluster</u>
20.507	Federal Transit Formula Grant
20.526	Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Program
20.205	Highway Planning and Construction
20.509	Formula Grants for Rural Areas

- |   |           |
|---|-----------|
| 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?      | Yes       |

**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, 2025**

No matters were reported.