



A Tradition of Stewardship  
A Commitment to Service

**Napa Valley Tourism Improvement District  
Annual Review  
Tourism Improvement District Funds**

For Fiscal Year Ended June 30, 2025

**Tracy A. Schulze**  
**Auditor-Controller**

Internal Audit Section  
November 26, 2025

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**Tracy A. Schulze**  
Auditor-Controller

November 26, 2025  
Board of Supervisors  
Napa, CA

### Executive Summary

The internal audit section of the Napa County Auditor-Controller's Office has completed an annual review of the Napa Valley Tourism Improvement District (NVTID) funds for fiscal year ended June 30, 2025. The objectives of this review were to assess whether Tourism Improvement District (TID) funds were administered consistently throughout the County and verify that the funds were collected, distributed, and spent in accordance with the revised Management District Plan approved for renewal by the County Board of Supervisors in 2025.


Based on the financial reports and general ledger detail provided by each of the jurisdictions, we are confident that the collection and disbursement of the Tourism Improvement District funds throughout the reporting jurisdictions is in accordance with the requirements outlined in the Management District Plan.

The following appendices provide additional information from our review:

- Appendix A – Schedule of Tourism Improvement District Assessment Collections
- Appendix B – Procedures and Results (Local Jurisdictions)
- Appendix C – Use of Funds by Local Governing Committees
- Appendix D – Procedures and Results (Visit Napa Valley)
- Appendix E – Acronyms / Definitions

Each local jurisdiction's submitted report is available upon request.

Sincerely,

  
Tracy A. Schulze, CPA  
Auditor-Controller

**Annual Review**  
**Napa Valley Tourism Improvement District**  
**For Fiscal Year Ended June 30, 2025**

**Background**

On January 19, 2010, at the request of Napa Valley lodging owners, the Napa County Board of Supervisors adopted Resolution No. 2010-07, establishing the Napa Valley Tourism Improvement District (NVTID), regulated through the adoption of the Management District Plan (Plan) requiring the jurisdictions to collect a 2% assessment on gross short-term room rental revenues from the lodging establishments. The collected revenue is then distributed according to the Management District Plan for the purpose of promoting tourism and providing services that increase room night sales. A revised Plan was adopted by the Board of Supervisors in 2025 for another 10-year term.

As outlined in *Section VI – Governance* of the Management District Plan, the Napa County Auditor-Controller (ACO) is authorized to review the Tourism Improvement District assessment collections and disbursements for the jurisdictions of Calistoga, St. Helena, Yountville, City of Napa, American Canyon, and Unincorporated County. Upon completion of the review, a report is presented to the Board of Supervisors at least annually.

To facilitate the ACO review, each jurisdiction is required to submit a single-page financial report that includes the following:

- Total Transient Occupancy Tax (TOT) collected for the period under review
- Total TID assessment collected
- Disbursements for 74%, 25%, and 1% of TID mandated by the Plan

In addition, the local governing committees must provide a single-page financial report detailing revenue and expenses for the 25% disbursement of TID, which includes:

- The Budget vs. Actuals as approved
- Minutes from committee meetings that demonstrate approval of the annual budget and all expenditures

The jurisdictions and LGCs were requested to provide financial reports for the period of July 1, 2024 – June 30, 2025.

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**Appendix A**

**Schedule of Tourism Improvement District Assessment Collections by Jurisdiction**

	FY 2024-25 Reporting 74%	Local Share 25%	Admin Fee 1%	Total 100%
City of American Canyon	\$ 160,511	\$ 54,227	\$ 2,169	\$ 216,907
City of Calistoga	1,518,156	512,890	20,518	2,051,564
Unincorporated Napa County	1,352,111	456,281	17,883	1,826,275
City of Napa	3,671,017	1,240,224	49,608	4,960,849
City of St. Helena	452,323	152,720	6,165	611,208
Town of Yountville	1,041,770	351,949	14,078	1,407,797
<b>Total TID Assessment Collections</b>	<b>\$ 8,195,888</b>	<b>\$ 2,768,291</b>	<b>\$ 110,421</b>	<b>\$ 11,074,600</b>
Adjustments for Timing of Payments*	\$ (217,734)			
Less: Accounting Fees	(17,732)			
Less: Payment Adjustments	(124)			
Add: Interest Earned	15,368			
<b>Net FY24-25 TID Collections</b>	<b>\$ 7,975,666</b>			

\* Payments for FY24-25 received by ACO in FY25-26

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**Appendix B**

**I. Jurisdictional Financial Reporting – Procedures and Results**

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*“The city and county tax collectors will be responsible for collecting the assessment on a monthly or quarterly basis (including any delinquencies, penalties, and interest) from each lodging business located in the boundaries of the NVTID in accordance with each jurisdiction’s procedures for collecting transient occupancy taxes. The tax collectors shall make all reasonable efforts to collect the assessments from each lodging business. The tax collectors shall forward 74% of the assessment collected to Napa County, who will forward the funds to the NVTC. The remaining 25% of the funds shall be retained by each jurisdiction for tourism related expenditures in accordance with this Plan. Each tax collector shall deduct from the assessment a fee equal to 1% of the assessment collected for their services in collecting and forwarding the assessment funds.”*

*Management District Plan - § V. F – Time & Manner for Collecting Assessments*

**Internal Audit obtained the TID Financial Reporting Form from each local jurisdiction for fiscal year 2024-25. This form calculates expected TID assessments based on Transient Occupancy Tax (TOT) collections for the fiscal year.**

**Procedure #1:** Review the Financial report and investigate variances between projected TID and actual booked TID greater than 1%:

**Results:** No exceptions noted with a variance greater than 1%.

**Procedure #2:** Calculate 74% of the expected assessment and compare to what was remitted to the Napa County Auditor-Controller for disbursement to the Napa Valley Tourism Corporation. Investigate variances greater than 1%.

**Results:** No exceptions noted with a variance greater than 1%.

**Procedure #3:** Calculate 25% of the expected assessment and compare it to what was remitted to the Local Governing Committee. Investigate variances greater than 1%.

**Results:** No exceptions noted with a variance greater than 1%.

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**Jurisdictional Financial Reporting – Procedures and Results (continued)**

**Procedure #4:** Calculate the 1% administrative allowance of the expected assessment and compare it to what was retained by the jurisdiction in accordance with the Management District Plan.

**Results:** No exceptions noted with a variance greater than 1%.

**II. Local Governing Committee Annual Report – Procedures and Results**

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*“Local governing committees shall be responsible for the following activities:*

- *Development and approval of an annual work plan and budget*
- *Periodic meetings as necessary to provide oversight of the expenditures to ensure consistency with approved annual work plan and budget consistent with the Plan*
- *Preparation of a six-month progress report and annual year-end progress report which will be provided to the NVTC”*

*Management District Plan - § VI. Governance (D)*

**Internal Audit obtained the Adopted Budget vs. Actuals, and meeting minutes for each Local Governing Committee for the fiscal year 2024-25.**

**Procedure #1:** Review the report and verify accuracy by tracing to the general ledger and other supporting documentation. Investigate variances greater than 1%.

**Results:** No exceptions noted with a variance greater than 1%.

**Procedure #2:** Verify that budget and actuals were approved through meeting minutes provided by the Committee (LGC).

**Results:** Exceptions noted

1. Calistoga had \$61,680 in disbursements which could not be traced back to approvals in the LGC meeting minutes.

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- The LGC for Calistoga outsources all financial collections and disbursements to a third-party bookkeeping firm. No annual budget is prepared and submitted to the LGC for approval. Individual requests for funding are submitted at the committee meetings and voted on at that time.
  - Per the meeting minutes provided for FY 2024-25, expenses totaling \$61,680 were not submitted to the LGC for approval. However, these may have been pre-approved through contracts with annual autorenewal. Internal Audit requested a copy of any such contracts and minutes from previous years demonstrating approval but has not received them as of this reporting.
2. City of Napa recorded an expenditure of \$5,467 not included in the approved Budget which could not be traced back to an after-the-fact approval in meeting minutes. However, actuals still did not exceed the approved budgeted amount.



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**Appendix C**

**Use of Funds by Local Governing Committees**

*Each jurisdiction shall form a local governing committee which shall be responsible for the administration of the destination marketing efforts within their respective jurisdiction. Jurisdiction specific destination marketing funding is designed to support initiatives which promote and enhance local, jurisdiction-based tourism and hospitality and is aligned with valley-wide promotional effort.*

*Management District Plan - § V.A – Local Jurisdiction Destination Marketing*

**AMERICAN CANYON  
Local Governing Committee Budget v Actuals FY 24-25**

<b>Specify Use of Funds by Category/Vendor</b>	<b>Budgeted Amount</b>	<b>Date of Meeting when approved</b>	<b>Actual Expense</b>
American Canyon Chamber of Commerce 2024-2025 TBID Contract with Welcome Center	66,000	5/1/2024	65,000
American Canyon Community Parks Foundation AC & Parks Foundation 14th Annual Reindeer Run	3,500	5/1/2024	3,500
Napa Valley Mustard Celebration TBID Mustard Celebration Contribution 2025	2,000	5/1/2024	2,000
American Canyon Arts Foundation Support for Juneteenth	3,500	5/7/2025	2,500
Vinetrail Support	4,500	5/1/2024	-
	<b>\$ 79,500</b>		<b>\$ 73,000</b>

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**UNINCORPORATED COUNTY**  
**Local Governing Committee Budget v Actuals FY 24-25**

Specify Use of Funds by Category/Vendor	Budgeted Amount	Date of Meeting when approved	Actual Expense
Contract Services			
A-220095B-25 Visit Napa Valley	500,000	5/20/2024	500,000
Destination Marketing			
Visit Napa Valley / Agency 21 Consulting, LLC	49,597	12/16/2024	49,597
Community Projects			
A-200063B-25 Napa Valley Vine Trail Coalition	55,000	3/17/2025	55,000
Community Projects			
Napa Valley Museum	25,000	3/17/2025	25,000
	<b>\$ 629,597</b>		<b>\$ 629,597</b>

**CITY OF NAPA**  
**Local Governing Committee Budget v Actuals FY 24-25**

Specify Use of Funds by Category/Vendor	Budgeted Amount	Date of Meeting when approved	Actual Expense
Salaries & Benefits	60,000	06/28/2024 - 7.C	54,012
Banking Fees	500	06/28/2024 - 7.C	651
Other Overhead	950	06/28/2024 - 7.C	950
General Supplies	10,000	06/28/2024 - 7.C	219
Food for Meeting	5,000	06/28/2024 - 7.C	1,522
Professional Services	30,000	06/28/2024 - 7.C	16,025
Other Purchased Services/Materials	-	06/28/2024 - 7.C	5,467
Advertising/Marketing	795,000	06/28/2024 - 7.C	791,464
Funding Grants & Projects	750,000	06/28/2024 - 7.C	514,500
	<b>\$ 1,651,450</b>		<b>\$ 1,384,810</b>

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**YOUNTVILLE  
Local Governing Committee Budget v Actuals FY 24-25**

Specify Use of Funds by Category/Vendor	Budgeted Amount	Date of Meeting when approved	Actual Expense
Chamber of Commerce	320,000	6/27/2024	320,000
Napa Valley Museum	10,000	6/27/2024	10,000
Napa Valley Vine Trail	10,000	6/27/2024	10,000
Yountville International Film Festival	10,000	6/27/2024	10,000
ATG Lighting: Holiday Lighting	25,000	6/27/2024	8,431
Art WalkArt Sip & Stroll	25,000	6/27/2024	25,000
Mardi Gras Parade/Pop-ups & Activities	10,000	6/27/2024	10,000
Meesting Expense	25,000	6/27/2024	25,000
Napa Valley Vine Trail	500	6/27/2024	
	10,000	5/8/2023	10,000
	<b>\$ 445,500</b>		<b>\$ 428,431</b>

**ST. HELENA  
Local Governing Committee Budget v Actuals FY 24-25**

Specify Use of Funds by Category/Vendor	Budgeted Amount	Date of Meeting when approved	Actual Expense
Grant Recipients			
GRANT-Marketing Admin Expense-Chamber	6,000	5/9/2024	6,000
GRANT-Destination Marketing-Chamber	199,000	5/9/2024	199,000
GRANT-Vine Trail	15,000	5/9/2024	15,000
Insurance			
D & O Liability	2,500	5/9/2024	2,356
Tax			
Tax fees	150	5/9/2024	-
Tax prep	1,500	5/9/2024	600
Legal and Tax			
Trademark logo renewal	1,385	5/9/2024	-
Addtl Logo trademark	1,500	5/9/2024	-
	<b>\$ 227,035</b>		<b>\$ 222,956</b>

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**CALISTOGA**  
**Local Governing Committee Budget v Actuals FY 24-25**

<u>Specify Use of Funds by Category/Vendor</u>	<u>Budgeted Amount</u>	<u>Date of Meeting when approved</u>	<u>Actual Expense</u>
<b>Arts &amp; Culture</b>			
Calistoga Winegrowers		8/7/2024	30,000
Napa County Fair Association (Celebrate! NV)		11/6/2024	60,000
Solage Partners		8/21/2024	20,000
Calistoga Chamber of Commerce (Wellness Weekend)		2/5/2025	20,000
Napa County Fair Association, Inc.		5/7/2025	50,000
Brannan Center		5/7/2025	25,000
Calistoga Chamber of Commerce (Concerts in the Park)		5/7/2025	10,000
Calistoga Chamber of Commerce (Harvest Table)		5/7/2025	25,000
Capiel LLC			12,000
<b>Destination Marketing</b>			
Calistoga Chamber (Holly Hansen PR)		8/7/2024	48,000
Calistoga Chamber (UP Valley Coalition)		8/7/2024	20,000
Calistoga Chamber (Holiday Lights)		8/7/2024	27,500
Calistoga Chamber (Billboard)		11/6/2024	49,500
Calistoga Chamber (Vine Trail Adventures)		11/6/2024	15,000
Calistoga Chamber (Tractor Parade)		11/6/2024	20,000
Calistoga Vines Lessee			10,000
Capiel (Downtown signage refurbishment)		11/6/2024	15,000
Calistoga Chamber (Placer AI)		2/5/2025	28,000
<b>Visitor Shuttle Subsidy</b>			
Napa Valley Transportation Authority (NVTA)			22,500
<b>Contract Services/Other</b>			
Simple View (Lodging reservation system)			9,812
Supplies			14
Chamber of Commerce (admin/bookkeeping)			7,330
Up Valley Tax Service (tax return prep)			500
Federal Taxes			100
	<u>\$ -</u>		<u>\$ 525,256</u>

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**Appendix D**

**Visit Napa Valley**

**Background Information**

*“The NVTC shall present an annual report at the end of each year of operation to the Board of Supervisors pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report will include details of NVTID revenues received and expenditures for all governing entities, including the local governing committees. The revenues and expenditures of each governing committee shall be listed separately.”*

*Management District Plan - § VI. Governance (C)*

For the scope of this review, Napa County contracted with Visit Napa Valley (VNV) and the Napa Valley Tourism Corporation (NVTC) under Professional Services Agreement No. 250463B to provide marketing and tourism serving programs for the valley-wide portion of assessments allocated for that purpose under the Management District Plan. Under the agreement, the County is required to forward to NVTC/VNV 74% of the Napa Valley Tourism Improvement District (NVTID) assessment collected from Calistoga, St. Helena, Yountville, City of Napa, American Canyon, and the Unincorporated County.

**Procedure #1:** Obtained the audited financial statements from VNV.

Compare the Napa Valley Tourism Improvement District revenue from Visit Napa Valley’s audited financial statements to the records maintained in the Napa County Auditor-Controller’s Office. Investigate variances.

**Results:** No exceptions noted after reconciliation of payments received by the Auditor-Controller after June 30, 2025 from the jurisdictions for FY 24-25..

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**Appendix E**

**Acronyms / Definitions**

<b>ACFR:</b>	Annual Comprehensive Financial Report
<b>Jurisdictions:</b>	Cities of Calistoga, St. Helena, Napa, American Canyon, Town of Yountville, and Unincorporated Napa County
<b>LGC:</b>	Local Governing Committee – established by each Jurisdiction
<b>NVTC:</b>	Napa Valley Tourism Corporation – the Owners’ Association of the Napa Valley Tourism Improvement District
<b>NVTID:</b>	Napa Valley Tourism Improvement District
<b>Plan:</b>	Management District Plan – the regulatory document for the collections and disbursements of the 2% assessment (TID) adopted by the County Board of Supervisors in 2010.
<b>TID:</b>	The 2% assessment collected by lodging facilities for the Tourism Improvement District (Jurisdiction)
<b>TOT:</b>	Transient Occupancy Tax
<b>VNV:</b>	Visit Napa Valley – the contractor providing marketing and tourism services