

COUNTY OF NAPA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2005

PAMELA A. KINDIG
AUDITOR-CONTROLLER

COUNTY OF NAPA

Single Audit Report
For the Year Ended June 30, 2005

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**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 Supervisors and Grand Jury
County of Napa
Napa, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Napa, as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 22, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Napa's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the County of Napa in a separate letter dated September 22, 2005.

Board of Supervisors and Grand Jury
County of Napa

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Napa's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

Roseville, California
September 22, 2005

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zuniga

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Supervisors and Grand Jury
County of Napa
Napa, California

Compliance

We have audited the compliance of the County of Napa, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The County of Napa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Napa's management. Our responsibility is to express an opinion on the County of Napa's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Napa's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Napa's compliance with those requirements.

In our opinion, the County of Napa complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 05-2.

Board of Supervisors and Grand Jury
County of Napa

Internal Control Over Compliance

The management of the County of Napa is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Napa's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County of Napa's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 05-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs which we have reported to management in a separate letter dated September 22, 2005.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, and business-type activities, each major fund, and the aggregate remaining fund information of the County of Napa as of and for the year ended June 30, 2005, and have issued our report thereon dated September 22, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Board of Supervisors and Grand Jury
County of Napa

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

Roseville, California
September 22, 2005

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Social Services:			
Food Stamps	10.551	--	\$ 2,810,886
State Administrative Matching Grants for Food Stamp Program	10.561	--	<u>584,009</u>
Subtotal Pass-Through			<u>3,394,895</u>
Passed through State Department of Education:			
School Breakfast Program	10.553	--	15,532
National School Lunch Program	10.555	--	<u>26,681</u>
Subtotal Pass-Through			<u>42,213</u>
Passed through State Department of Health Services:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	<u>590,078</u>
Total U.S. Department of Agriculture			<u>\$ 4,027,186</u>
<u>U.S. Department of Commerce</u>			
Direct Program:			
National Oceanic & Atmospheric Administration: Coastal Zone Management Administration Awards	11.419	NA17022067	<u>\$ 60,009</u>
Total U.S. Department of Commerce			<u>\$ 60,009</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Community Planning and Development:			
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	--	\$ 33,483
Passed through State Department of Housing and Community Development:			
Community Development Block Grant/State's Program: Train Grant	14.228	CA01B317002	<u>156,745</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 190,228</u>

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Interior</u>			
Passed through State Department of Forestry and Fire Protection:			
Wildland Urban Interface Plan	15.228	1CA44936	\$ 118,614
Total U.S. Department of Interior			<u>\$ 118,614</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Drug Enforcement Agency (NSIB) Grant	16.000	SF5A0405026	\$ 12,000
State Criminal Alien Assistance Program	16.606	--	201,916
Public Safety Partnership and Community Policing Grants	16.710	--	37,504
Title II E Challenge Grant Program	16.549	BDC219-04	9,520
Local Law Enforcement Grant	16.592	--	100,908
Drug Court Discretionary Grant Program	16.585	2002-DC-BX-0017	204,351
Subtotal Direct			<u>566,199</u>
Passed through State Office of Emergency Services:			
Gang Violence Suppression Multi-Component Program	16.500	GV04010280	106,006
Violence Against Women Vertical Prosecution	16.588	VV04060280	75,968
Anti-Drug Abuse Grant	16.579	DC04157400	212,649
Subtotal Pass-Through			<u>394,623</u>
Passed through State Board of Corrections:			
Juvenile Justice Center Grant	16.586	051-00	5,964,025
Total U.S. Department of Justice			<u>\$ 6,924,847</u>
<u>U.S. Department of Labor</u>			
Direct Programs:			
Project INCLUSION (Year 3)	17.000 *	E-9-4-3-0077	\$ 406,023
Project INCLUSION (Year 4)	17.000 *	E-9-4-4-0077	359,694
Innovative Demonstration Grants for Youth with Disabilities (Develop)	17.000 *	E-9-4-2-0077	170,392
Work Incentives Grant (Choice)	17.266 *	WI-13237-03-60	220,907
Subtotal Direct			<u>1,157,016</u>

* Major Program

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Labor (continued)</u>			
Passed through State Employment Development Department:			
WIA Adult Program:			
WIA - Adult	17.258 *	--	\$ 192,681
WIA - Compass Year 1	17.258 *	R485290	59,121
WIA - Compass Year 2	17.258 *	R588736	170,128
WIA - Adult (NWI)	17.258 *	R488554	929,818
WIA - Adult	17.258 *	R485290	15,986
WIA - Incentive	17.258 *	R380518	35,062
WIA - Incentive	17.258 *	R588736	2,691
WIA Youth Activities:			
WIA - Youth	17.259 *	--	104,497
WIA - Youth	17.259 *	R588736	5,646
WIA Dislocated Workers:			
WIA - Dislocated Workers	17.260 *	--	350,405
WIA - Dislocated Workers	17.260 *	R485290	1,661
WIA - Dislocated Workers	17.260 *	R588736	19,450
WIA - Rapid Response	17.261 *	R588736	9,370
WIA - Rapid Response	17.261 *	--	248,522
Subtotal Pass-Through			<u>2,145,038</u>
Total U.S. Department of Labor			<u>\$ 3,302,054</u>
<u>U.S. Department of Transportation</u>			
Direct Program:			
Airport Improvement Program	20.106	--	\$ 2,484,739
Community Transportation Association of America	20.000	--	32,917
Subtotal Direct			<u>2,517,656</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	STPL 5921 (025)	275,222
Highway Planning and Construction	20.205	STPLER 5921 (027)	226,696
Highway Planning and Construction	20.205	BRLO 5921 (010)	117,170

* Major Program

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Transportation</u> (continued)			
Passed through State Department of Transportation (continued):			
Highway Planning and Construction	20.205	CML 5921 (023)	\$ 408,903
Highway Planning and Construction	20.205	04-NAP-0-CR	9,180
Subtotal Pass-Through			<u>1,037,171</u>
Total U.S. Department of Transportation			<u>\$ 3,554,827</u>
<u>U.S. National Foundation on the Arts and the Humanities</u>			
Passed through California State Library:			
Library Services & Technology Act: Public Library Staff Education Program	45.310	40-6270	<u>\$ 3,548</u>
Total U.S. National Foundation on the Arts and the Humanities			<u>\$ 3,548</u>
<u>U.S. Environmental Protection Agency</u>			
Passed through State Water Resources Control Board:			
Local Oversight Program for Leaking Underground Storage Tanks	66.804	05-008-250-0	<u>\$ 43,807</u>
Total U.S. Environmental Protection Agency			<u>\$ 43,807</u>
<u>U.S. Department of Education</u>			
Passed through State Department of Alcohol and Drug Programs:			
Safe Schools - Healthy Start	84.184	--	\$ 29,737
Safe and Drug Free Schools Grant	84.186	SDF03-37	<u>155,730</u>
Total U.S. Department of Education			<u>\$ 185,467</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families:			
Temporary Assistance for Needy Families - Social Services	93.558 *	--	\$ 3,624,293
Temporary Assistance for Needy Families - Probation	93.558 *	--	197,987
Subtotal CFDA 93.558			<u>3,822,280</u>

* Major Program

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Social Services (continued):			
Foster Care – Title IV-E:			
Foster Care – Title IV-E - Social Services	93.658 *	--	\$ 1,728,850
Foster Care – Title IV-E - Probation	93.658 *	--	498,596
Subtotal CFDA 93.658			<u>2,227,446</u>
Social Services Block Grant:			
CWS Title XX	93.667	--	32,648
Licensing Title XX	93.667	--	14,913
In-Home Supportive Services - Administration	93.667	--	250,161
Subtotal CFDA 93.667			<u>297,722</u>
Promoting Safe & Stable Families	93.556	--	135,781
Refugee and Entrant Assistance - State Programs	93.566	--	348
Community Based Family Resource and Support Grants	93.590	--	12,039
Child Welfare Services – State Grants	93.645	--	44,451
Adoption Assistance Program	93.659	--	416,089
Independent Living Program	93.674	--	70,551
Subtotal			<u>679,259</u>
Subtotal Pass-Through			<u>7,026,707</u>
Passed through California Department of Child Support Services:			
Child Support Enforcement	93.563	--	<u>2,672,893</u>
Passed through State Department of Health Services:			
Medical Assistance Program:			
Medi-Cal Administrative Activities	93.778	--	509,099
Medical Assistance Program - Social Services	93.778	--	1,941,800
Subtotal CFDA 93.778			<u>2,450,899</u>
Maternal and Child Health Federal Consolidated Programs	93.110	--	80,277
Health Resource Service Administration	93.889	--	61,586
Ryan White CARE	93.917	--	37,473
Preventive Health And Health Services Block Grant	93.991	--	6,916
HIV: Education and Prevention	93.145	--	92,735
Centers For Disease Control: Bioterrorism	93.283	--	436,643
Subtotal Pass-Through			<u>3,166,529</u>

* Major Program

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Mental Health:			
Substance Abuse and Mental Health Services Administration:			
SAMHSA: Block Grant	93.958	--	\$ 172,734
SAMHSA: Dual Diagnosis	93.958	--	69,089
Subtotal CFDA 93.958			<u>241,823</u>
Medi-Cal Administrative Activities	93.778	--	94,660
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	34,171
Subtotal Pass-Through			<u>370,654</u>
Passed through State Department of Alcohol and Drug Programs:			
Medi-Cal Administrative Activities	93.778	--	173,000
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959 *	--	1,015,100
Subtotal Pass-Through			<u>1,188,100</u>
Total U.S. Department of Health and Human Services			<u>\$ 14,424,883</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Office of Emergency Services:			
State Domestic Preparedness Equipment Support Program:			
State Homeland Security Grant Program, Part I (FY 03)	97.004 *	2003-167	\$ 52,950
State Homeland Security Grant Program, Part II (FY 03)	97.004 *	2003-35	183,108
Subtotal CFDA 97.004			<u>236,058</u>
Emergency Management Preparedness Grant (FY 04)	97.042	2004-402	38,577
Homeland Security Grant Program	97.067	2004-45	387,168
Total U.S. Department of Homeland Security			<u>\$ 661,803</u>
Total Expenditures of Federal Awards			<u><u>\$ 33,497,273</u></u>

* Major Program

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2005

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Napa. The County of Napa's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is sometimes prepared on a basis other than that used to record transactions in the accounting records and as reported in the basic financial statements (such as cash basis). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County of Napa provided federal awards to subrecipients as follows:

<u>Federal</u> <u>CFDA</u>	<u>Subrecipient</u>	<u>Amount</u>
17.000 (WIA Cluster)	Training and Employment Center	\$ 896,105

Note 5: **Loans Outstanding**

No program had any federally-funded loans outstanding at June 30, 2005.

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2005

Note 6: **Program Clusters**

Federal programs, which must be audited together as a program cluster, include the following:

<u>Federal</u>	<u>Program Title</u>	<u>Federal</u>
<u>CFDA</u>		<u>Expenditures</u>
 <u>Food Stamp Cluster:</u>		
10.551	Food Stamps	\$ 14,770,619
10.561	Nutrition Network	357,172
10.561	State Administrative Matching Grants for Food Stamp Program	<u>1,399,454</u>
	Total	<u>\$ 16,527,245</u>
 <u>Child Nutrition Network:</u>		
10.553	School Breakfast Program	\$ 15,532
10.555	National School Lunch Program	<u>26,681</u>
	Total	<u>\$ 42,213</u>
 <u>WIA Cluster</u>		
17.258	WIA – Adult	\$ 192,681
17.258	WIA - Compass Year 1	59,121
17.258	WIA - Compass Year 2	170,128
17.258	WIA - Adult (NWI)	929,818
17.258	WIA - Adult	15,986
17.258	WIA – Incentive	35,062
17.258	WIA – Incentive	2,691
17.259	WIA – Youth	104,497
17.259	WIA – Youth	5,646
17.260	WIA - Dislocated Workers	350,405
17.260	WIA - Dislocated Workers	1,661
17.260	WIA - Dislocated Workers	<u>19,450</u>
	Total	<u>\$ 1,887,146</u>

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2005

Note 7: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 7: **Office of Emergency Services Grants**

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2005. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2004	For the Year Ended June 30, 2005	Cumulative As of June 30, 2005	Federal Share	State Share	County Share
<u>VV04060280 - Violence Against Women Vertical Prosecution</u>						
Personal services	\$ --	\$ 101,291	\$ 101,291	\$ 75,968	\$ --	\$ 25,323
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 101,291</u>	<u>\$ 101,291</u>	<u>\$ 75,968</u>	<u>\$ --</u>	<u>\$ 25,323</u>
<u>GV04010280 - Gang Violence Suppression</u>						
Personal services	\$ --	\$ 222,413	\$ 222,413	\$ 71,068	\$ 137,578	\$ 13,767
Operating expenses	--	109,333	109,333	34,938	67,627	6,768
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 331,746</u>	<u>\$ 331,746</u>	<u>\$ 106,006</u>	<u>\$ 205,205</u>	<u>\$ 20,535</u>
<u>DC04157400 - Anti-Drug Abuse</u>						
Personal services	\$ --	\$ 131,190	\$ 131,190	\$ 131,190	\$ --	\$ --
Operating expenses	--	81,459	81,459	81,459	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 212,649</u>	<u>\$ 212,649</u>	<u>\$ 212,649</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VB04020280 - Vertical Prosecution</u>						
Personal services	\$ --	\$ 101,972	\$ 101,972	\$ --	\$ 101,972	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 101,972</u>	<u>\$ 101,972</u>	<u>\$ --</u>	<u>\$ 101,972</u>	<u>\$ --</u>
<u>HT03030210 - High Tech Theft Apprehension (HITAP)</u>						
Personal services	\$ --	\$ 1,081	\$ 1,081	\$ --	\$ 865	\$ 216
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 1,081</u>	<u>\$ 1,081</u>	<u>\$ --</u>	<u>\$ 865</u>	<u>\$ 216</u>

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 7: **Office of Emergency Services Grants** (continued)

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2004	For the Year Ended June 30, 2005	Cumulative As of June 30, 2005	Federal Share	State Share	County Share
HD03030210 - ID Theft						
Personal services	\$ --	\$ 160,122	\$ 160,122	\$ --	\$ 128,098	\$ 32,024
Operating expenses	--	11,480	11,480	--	7,843	3,637
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 171,602</u>	<u>\$ 171,602</u>	<u>\$ --</u>	<u>\$ 135,941</u>	<u>\$ 35,661</u>

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 8: **California Department of Justice Grants**

The following represents expenditures for California Department of Justice grant for the year ended June 30, 2005.

Program	Budget	Expenditures Claimed			Share of Expenditures Current Year		
		For the Period Through June 30, 2003	For the Year Ended June 30, 2004	Cumulative As of June 30, 2004	Federal Share	State Share	County Share
<u>03SA10D016 - Spousal Abuser Prosecution</u>							
Personal services	\$ --	\$ --	\$ 33,061	\$ 33,061	\$ --	\$ 26,449	\$ 6,612
Operating expenses	--	--	--	--	--	--	--
Equipment	--	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 33,061</u>	<u>\$ 33,061</u>	<u>\$ --</u>	<u>\$ 26,449</u>	<u>\$ 6,612</u>

COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Reportable conditions identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Reportable conditions identified not considered to be material weaknesses? | Yes |
| 2. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

- | | |
|--------|---|
| 17.000 | Workforce Investment Act Cluster:
WIA Adult Program (CFDA 17.258)
WIA Youth Activities (CFDA 17.259)
WIA Dislocated Worker (CFDA 17.260) |
| 17.000 | Project INCLUSION |
| 17.000 | Innovative Demonstration Grants for Youth with Disabilities (Develop) |
| 17.261 | WIA - Rapid Response |
| 17.266 | Work Incentives Grant (Choice) |

COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

Section 1 (continued)

Federal Awards (continued)

4. Identification of major programs (continued):

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E
93.959	Block Grants for Prevention and Treatment of Substance Abuse (SAPT)
97.004	State Domestic Preparedness Equipment Support Program

5. Dollar Threshold used to distinguish between Type A and Type B programs? \$ 1,004,918
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? Yes

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

CFDA 93.658 Finding 05-1
CFDA 93.658 Finding 05-2

COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 05-1 Foster Care Title IV-E CFDA 93.658 Award No. n/a Year: 04/05	<p><i>Compliance Requirement: Eligibility.</i> <i>Reporting Requirement: Questioned Costs in Excess of \$10,000.</i></p> <p><u>Criteria</u></p> <p>A judicial determination regarding reasonable efforts to finalize the permanency plan (sometimes termed “Permanency Plan Order”) must be made within 12 months of the date on which the child is considered to have entered Foster Care and at least once every year thereafter while the child is in Foster Care. Federal eligibility terminates at the end of the 12th month from the month in which the subsequent order regarding reasonable efforts to finalize the permanency plan should have been made. 45 CFR 1356.21(b)(2)).</p> <p><u>Condition</u></p> <p>Of twenty-nine cases tested, the order that reasonable efforts had been made to finalize the permanency plan Order was overdue in two cases. The Permanency Plan Order was past due by five months in each of the two exception cases.</p> <p><u>Questioned Costs</u></p> <p>These two cases should have been transferred to a state-funded aid code at the end of the month when the Permanency Plan Order was due. Therefore, the State of California should have paid the following amounts, which the Federal government paid: Case No. 105240 – \$8,240 and Case No. 102344 – \$2,720, for a total of \$10,960.</p> <p><u>Perspective</u></p> <p>Though two cases were out of compliance, the amount of time by which the Permanency Plan Orders were past due was not lengthy.</p> <p><u>Effect of the Condition</u></p> <p>If Permanency Plan Orders are not carefully tracked and Foster Care cases transferred to state aid codes when Permanency Plan Orders are not timely obtained, Federal Foster Care funds can be erroneously claimed.</p>

COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 05-1 (continued)	<u>Recommendation</u>
Foster Care Title IV-E CFDA 93.658	<p>We recommend that the County review the annual requirement of the obtaining “reasonable efforts to finalize the permanency plan” orders with County personnel who initiate Foster Care proceedings and request Permanency Plan Orders from the Court. The OMB’s guidance on this requirement is at: www.omb.gov/omb/circulars/a133_compliance/05/cs5updates.html.</p> <p>We further recommend that the County review its internal controls for tracking “reasonable efforts to finalize the permanency plan” orders. The County should determine why the current internal control system did not detect the fact that the Permanency Plan Orders were not timely obtained in these two exception cases.</p>
	<u>Corrective Action Plan</u>
	<p>The County will provide refresher training to the Eligibility Staff regarding the permanency plan requirements. A tracking form will be devised and placed in each case. Eligibility staff will also begin setting an alert in ISAWS as a reminder 30 days before the plan is due. Will work with Child Welfare manager on yearly refresher training for her staff on requirements.</p> <p>The contact person for this project is Darlene Washburn, Program Evaluation Supervisor. Her telephone number is 707-253-4468.</p>
Finding 05-2	<i>Compliance Requirement: Eligibility.</i> <i>Reporting Requirement: Reportable Condition.</i>
Foster Care Title IV-E CFDA 93.658 (Eligibility)	<u>Criteria</u>
Award No. n/a Year: 04/05	<p>Three initial judicial determinations (Initial IV-E Findings) are necessary for Federally-funded Foster Care eligibility. One of these three requirements is: a judicial determination must be made that reasonable efforts were made or were not required to prevent the child’s removal from the home (e.g., child subjected to aggravated circumstances such as abandonment, torture, chronic abuse, sexual abuse, parent convicted of murder or voluntary manslaughter or aiding</p>

COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 05-2 (continued) Foster Care Title IV-E CFDA 93.658	<u>Criteria</u> (continued) or abetting in such activities). For a child who enters Foster Care on or after March 27, 2000, the judicial determination that reasonable efforts were made to prevent removal or were not required (sometimes termed “Reasonable Efforts to Prevent Removal Order”) must be made no later than 60 days from the date of the child’s removal. (45 CFR sections 1356.21(b)(1) and (k)). <u>Condition</u> We tested eligibility in twenty-nine Foster Care cases. Case No. 105240 had two of the three, Initial IV-E Findings required for Federally-funded Foster Care. But this case did not have the third, required, Initial IV-E Finding, that is, the case did not have an order that the reasonable efforts were made to prevent removal of the child from the home within 60 days of the child’s removal. (In Case No. 105240 the child was removed from the home after March 27, 2000.) The “reasonable efforts to prevent the child’s removal from the home” language was on the Order, but the Court did not check the box indicating this required judicial determination was made. <u>Questioned Costs</u> This case should have been state funded because Federal Foster Care eligibility was not present. Therefore, the State of California should have paid the following amounts, which the Federal government paid: Case No. 105240 – \$11,536. (Note that Federal funding for Case No. 105240 was also questioned under finding No. 05-1. The portion of the assistance questioned under No. 05-1 is excluded in the above computation.) <u>Perspective</u> It appears that the Court neglected to make the Initial IV-E Findings, which it intended to make. After inquiry, we believe this is an isolated error.

COUNTY OF NAPA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2005

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 05-2 (continued)	<u>Effect of the Condition</u>
Foster Care Title IV-E CFDA 93.658	The effect is Federal Foster Care benefits were paid on behalf of a child when the child's Foster Care assistance should have been paid by state funds.
	<u>Recommendation</u>
	We recommend that the County review the requirement of obtaining orders which contain the three, Initial IV-E Findings for Federal Foster Care eligibility with County personnel who initiate Foster Care proceedings and request these IV-E findings from the Court. OMB's guidance on these requirements is at: www.omb.gov/omb/circulars/a133_compliance/05/cs5updates.html .
	We further recommend that the County review its internal controls for tracking the three, Initial IV-E Findings which are required for Federally-funded Foster Care assistance.
	<u>County Comment Regarding Finding</u>
	The County was unable to obtain, through the date of issuance of this report, information which could potentially correct this Single Audit Finding No. 05-2. County Counsel believes that the transcript of the detention hearing will show that the Court orally announced that reasonable efforts were made or were not required to prevent the child's removal from the home. If the Court did orally announce this finding, County Counsel intends to seek an order that failure to mark the missing finding was simply the Court Clerk's error, that the omission was never the Court's intention, and therefore the detention Order should be amended.
	If the transcript shows that the required finding was orally announced and an Amended Order is obtained, as described above, the County will present such Amended Order in response to federal or state inquiry about this Single Audit Finding No. 05-2.
	<u>Corrective Action Plan</u>
	The County will provide refresher training to Eligibility staff regarding the three findings. The findings will be highlighted on each order and

COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 05-2 (continued) Foster Care Title IV-E CFDA 93.658	<u>Corrective Action Plan</u> (continued) kept under vital statistics in chronological order, and the Eligibility staff will state in case comments that the three findings were stated on the order along with the date. The following is the plan for the Child Welfare department: The Child Welfare Manager will present information regarding the importance of the Court making the appropriate findings at the correct hearings at the quarterly meeting of the Juvenile Court Commissioner, attorneys and child welfare representatives. CW Manager also will request the Court's diligence in insuring that copies of the Court's order are sent to Child Welfare in as expedient manner as possible. This will occur at the first meeting of the "bench & bar" of the 2006 calendar year. The Child Welfare Manager will speak to County Counsel about insuring that the updated recommendations that are used for Court reports by social workers include the appropriate findings at the correct hearings. This will occur during the first quarter of the 2006 calendar year. The Child Welfare Manager will work with Child Welfare supervisors to ensure that all social workers have up-to-date recommendations for their use. Child Welfare supervisors also will be given copies of the recommended findings page compiled by the Judicial Council for distribution to all social work staff. This will occur during the first quarter of the 2006 calendar year. The contact person for this project is Darlene Washburn, Program Evaluation Supervisor. Her telephone number is 707-253-4468.

COUNTY OF NAPA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2005

Audit Reference
Number

Status of Prior Year Audit Findings

N/A

None reported