

COUNTY OF NAPA
SINGLE AUDIT REPORT
JUNE 30, 2003

COUNTY OF NAPA

Single Audit Report
For the Year Ended June 30, 2003

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Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
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Roseanne M. Lopez

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROLS OVER FINANCIAL REPORTING 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 County of Napa as of and for the year ended June 30, 2003, and have issued our report thereon dated October 30, 2003. 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.

Compliance

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 grants, 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 that are required to be reported under *Government Auditing Standards*.

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 opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 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, which we have reported to the management of the County of Napa in a separate report dated October 30, 2003.

Board of Supervisors and Grand Jury
County of Napa

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

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

October 30, 2003
Roseville, California

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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, 2003. 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, regulations, 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, 2003. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the County of Napa in a separate report dated October 30, 2003.

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 internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a 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 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the County of Napa as of and for the year ended June 30, 2003, and have issued our report thereon dated October 30, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements of the County of Napa taken as a whole. 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, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

October 30, 2003
Roseville, California

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Agriculture</u>			
Direct Program			
Trapper Animal Drainage Control	10.028	--	\$ 60,525
Passed through State Department of Social Services			
Food Stamps	10.551*	--	1,901,203
State Administrative Matching Grants for Food Stamp Program	10.561*	--	447,842
Passed through State Department of Education			
School Breakfast Program	10.553	--	14,830
National School Lunch Program	10.555	--	25,881
Passed through State Department of Health Services			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	--	<u>581,457</u>
Total U.S. Department of Agriculture			<u>\$ 3,031,738</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through the State Department of Community Planning and Development			
Housing Opportunities for Persons with AIDS	14.241	--	32,251
Passed through the State Department of Housing and Community Development			
Community Development Block Grant/State's Program	14.228	CA01B017001	<u>138,193</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 170,444</u>
<u>U.S. Department of Justice</u>			
Direct Program			
Drug Enforcement Agency Grant	16.000	SF3A0400021	10,000
State Domestic Preparedness Equipment Support Program	16.007	--	97,177
Criminal Alien Assistance Program	16.606	--	495,328
COPS Grant	16.711	--	46,450
Local Law Enforcement Grant	16.592	LB-BX-2954	132
Federal Drug Court	16.585	--	27,869
Passed through State Office of Criminal Justice Planning			
Victim Witness Assistance	16.000	VW00190280	46,548
Gang Violence Suppression Multi-Component Program	16.000	GV01010280	109,376
Sheriff's Activities League Conditioning Camp	16.540	JJ02030280	189,241
Journey Project	16.540	JV02030280	170,716

* Major Program

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice (continued)</u>			
Passed through State Office of Criminal Justice Planning (continued)			
Narcotics Network Grant	16.579	DC02130280	\$ 183,549
Domestic Violence Prosecution	16.588	VV02040280	<u>91,182</u>
Total U.S. Department of Justice			<u>\$ 1,467,568</u>
<u>U.S. Department of Labor</u>			
Direct Program			
H1B Grant	17.249	--	713,858
Project INCLUSION	17.000*	--	980,089
Innovative Demonstration Grants for Youth with Disabilities (Develop)	17.000*	--	106,418
Passed through Employment and Training Administration			
WIA - WTW	17.254*	--	698,757
WIA - Adult	17.258*	--	837,400
WIA - Youth	17.259*	--	318,504
WIA - Dislocated Workers	17.260*	--	412,318
WIA - 5% Incentive	17.266	--	<u>1,099</u>
Total U.S. Department of Labor			<u>\$ 4,068,443</u>
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation			
Airport Improvement Program	20.106	--	845,400
Highway Planning and Construction	20.205*	BRLO-5921(010)	17,061
Highway Planning and Construction	20.205*	STPL5921(026)	479,771
Highway Planning and Construction	20.205*	STPL5921(025)	<u>207,402</u>
Total U.S. Department of Transportation			<u>\$ 1,549,634</u>
<u>National Foundation on the Arts and the Humanities</u>			
Passed through the State Department of Education			
Library Services and Technology Act			
Youth Services Materials	45.310	--	<u>3,548</u>
Total National Foundation on the Arts and the Humanities			<u>\$ 3,548</u>
<u>Environmental Protection Agency</u>			
Passed through the State Water Resources Control Board			
State Underground Storage Tanks Program	66.804	01-006-550-0	<u>36,937</u>
Total Environmental Protection Agency			<u>\$ 36,937</u>

* Major Program

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>Federal Emergency Management Agency</u>			
Passed through the State Office of Emergency Services			
State Hazard Mitigation Grant	83.548	1342-501-005F	\$ 22,213
Total Federal Emergency Management Agency			\$ 22,213
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services			
In-Home Supportive Services - Administration	93.000	--	78,085
Family Preservation and Support Services	93.556	--	91,383
Temporary Assistance for Needy Families	93.558*	--	3,337,980
Temporary Assistance for Needy Families Incentives	93.558*	--	177,445
Child Support Enforcement	93.563	--	3,057,835
Community Based Family Resource and Support Grants	93.590	--	11,122
Adoption Assistance Incentives	93.603	--	27,511
Child Welfare Services – State Grants	93.645	--	49,429
Foster Care – Title IV-E	93.658	--	1,607,282
Adoption Assistance Program	93.659	--	370,467
Independent Living	93.674	--	72,315
Subtotal			8,880,854
Passed through State Department of Health Services			
Maternal and Child Health Federal Consolidated Programs (SPRANS)	93.110	--	194,397
HIV Care Formula Grants	93.917	--	45,710
AIDS Education and Training Centers	93.145	--	196,462
Medical Assistance Program	93.778*	--	987,222
Subtotal			1,423,791
Passed through the State Department of Mental Health			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	10,739
Substance Abuse and Mental Health Services Administration (SAMHSA)	93.958	--	414,846
Subtotal			425,585
Passed through State Department of Alcohol and Drug Abuse Programs			
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	939,111
Total Department of Health and Human Services			\$ 11,669,341
Total Expenditures of Federal Awards			\$ 22,019,866

* Major Program

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2003

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance 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 financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is prepared on a basis other than that used to record transactions in the accounting records and as reported in the basic financial statements. Sources of information for preparation of the Schedule of Expenditures of Federal Awards varies, depending on the accounting practices and reporting requirements of the department implementing the program.

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: **Physical Count of Food Stamp Coupons**

As part of our audit, we conducted a physical count of the food stamp coupons maintained by the County of Napa and reconciled our count to the inventory stated on the FNS-250. However, the County is under contract with Sacramento Services, which maintains the majority of the County's food stamp inventory.

Note 5: **California State Department of Justice Grants**

The County expended \$33,261 for California Department of Justice grants for the year ended June 30, 2003.

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Note 6: **Office of Criminal Justice Planning Grants**

The following represents expenditures for Office of Criminal Justice Planning programs for the year ended June 30, 2003. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Budget	Expenditures Claimed			Share of Expenditures Current Year		
		For the Period Through June 30, 2002	For the Year Ended June 30, 2003	Cumulative As of June 30, 2003	Federal Share	State Share	County Share
<u>JJ02030280</u>							
Personal services	\$ 65,465	\$ --	\$ 63,727	\$ 63,727	\$ 63,727	\$ --	\$ --
Operating expenses	107,699	--	103,432	103,432	103,432	--	--
Equipment	22,522	--	22,082	22,082	22,082	--	--
Totals	<u>\$ 195,686</u>	<u>\$ --</u>	<u>\$ 189,241</u>	<u>\$ 189,241</u>	<u>\$ 189,241</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VW00190280</u>							
Personal services	\$ 395,473	\$ 268,045	\$ 123,217	\$ 391,262	\$ 36,679	\$ 77,368	\$ 9,170
Operating expenses	95,253	61,123	31,082	92,205	9,252	19,517	2,313
Equipment	2,074	--	2,073	2,073	617	1,301	155
Totals	<u>\$ 492,800</u>	<u>\$ 329,168</u>	<u>\$ 156,372</u>	<u>\$ 485,540</u>	<u>\$ 46,548</u>	<u>\$ 98,186</u>	<u>\$11,638</u>
<u>JV02030280</u>							
Personal services	\$ 127,114	\$ --	\$ 124,648	\$ 124,648	\$ 124,648	\$ --	\$ --
Operating expenses	65,595	--	42,813	42,813	42,813	--	--
Equipment	5,034	--	3,255	3,255	3,255	--	--
Totals	<u>\$ 197,743</u>	<u>\$ --</u>	<u>\$ 170,716</u>	<u>\$ 170,716</u>	<u>\$ 170,716</u>	<u>\$ --</u>	<u>\$ --</u>
<u>DC02130280</u>							
Personal services	\$ 111,327	\$ --	\$ 113,282	\$ 113,282	\$ 113,282	\$ --	\$ --
Operating expenses	72,222	--	70,267	70,267	70,267	--	--
Equipment	--	--	--	--	--	--	--
Totals	<u>\$ 183,549</u>	<u>\$ --</u>	<u>\$ 183,549</u>	<u>\$ 183,549</u>	<u>\$ 183,549</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VV02040280</u>							
Personal services	\$ 121,067	\$ --	\$ 121,576	\$ 121,576	\$ 91,182	\$ --	\$30,394
Operating expenses	509	--	--	--	--	--	--
Equipment	--	--	--	--	--	--	--
Totals	<u>\$ 121,576</u>	<u>\$ --</u>	<u>\$ 121,576</u>	<u>\$ 121,576</u>	<u>\$ 91,182</u>	<u>\$ --</u>	<u>\$30,394</u>

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

Note 6: **Office of Criminal Justice Planning Grants** (continued)

Program	Budget	Expenditures Claimed			Share of Expenditures Current Year		
		For the Period Through June 30, 2002	For the Year Ended June 30, 2003	Cumulative As of June 30, 2003	Federal Share	State Share	County Share
<u>SR0204280</u>							
Personal services	\$ 99,426	\$ --	\$ 92,023	\$ 92,023	\$ --	\$ 92,023	\$ --
Operating expenses	574	--	562	562	--	562	--
Equipment	--	--	--	--	--	--	--
Totals	<u>\$ 100,000</u>	<u>\$ --</u>	<u>\$ 92,585</u>	<u>\$ 92,585</u>	<u>\$ --</u>	<u>\$ 92,585</u>	<u>\$ --</u>
<u>GV01010280</u>							
Personal services	\$ 381,306	\$ 176,736	\$ 204,570	\$ 381,306	\$ 62,598	\$ 121,515	\$20,457
Operating expenses	373,120	124,671	149,335	274,006	45,697	88,704	14,934
Equipment	91,364	86,608	3,534	90,142	1,081	2,100	353
Totals	<u>\$ 845,790</u>	<u>\$ 388,015</u>	<u>\$ 357,439</u>	<u>\$ 745,454</u>	<u>\$ 109,376</u>	<u>\$ 212,319</u>	<u>\$35,744</u>
<u>HT01020210</u>							
(Passed through the County of Marin)							
Personal services	\$ 100,881	\$ --	\$ 100,881	\$ 100,881	\$ --	\$ 100,881	\$ --
Operating expenses	10,289	--	10,289	10,289	--	10,289	--
Equipment	--	--	--	--	--	--	--
Totals	<u>\$ 111,170</u>	<u>\$ --</u>	<u>\$ 111,170</u>	<u>\$ 111,170</u>	<u>\$ --</u>	<u>\$ 111,170</u>	<u>\$ --</u>

COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|---|---------------|
| 1. Type of auditor's reported 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? | None reported |
| 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)? | No |
| 4. Identification of major programs: | |

CFDA Number

- | | |
|--------|---|
| 10.551 | Food Stamps |
| 10.561 | Food Stamps Administration |
| 17.254 | WIA - WTW |
| 17.258 | Work Investment Act Cluster: |
| 17.259 | WIA – Adult |
| 17.260 | WIA – Youth |
| 17.000 | WIA – Dislocated Workers |
| 20.205 | Project INCLUSION Program & Innovative Demonstration Grants for Youth with Disabilities (Develop) |
| 93.558 | Highway Planning and Construction |
| 93.778 | Temporary Assistance for Needy Families |
| | Medical Assistance Program |

COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2003

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|---|-----------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$660,596 |
| 6. Audited 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

None Reported

COUNTY OF NAPA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2003

<u>Audit Reference Number</u>	<u>Status of Prior Year Audit Findings</u>
N/A	None Reported