

COUNTY OF NAPA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2012

TRACY A. SCHULZE
AUDITOR-CONTROLLER

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COUNTY OF NAPA

Single Audit Report
For the Year Ended June 30, 2012

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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 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 (County), as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 17, 2012. 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's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

We noted certain matters that we reported to management of the County in a separate letter dated December 17, 2012.

Board of Supervisors and Grand Jury
County of Napa

This report is intended solely for the information and use of County management, the Board of Supervisors, 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.

Gallina LLP

Roseville, California
December 17, 2012



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON 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, California (County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County'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's management. Our responsibility is to express an opinion on the County'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'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's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclosed 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 items 12-SA-1, 12-SA-2, and 12-SA-3.

Internal Control Over Compliance

The management of the County 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's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Board of Supervisors and Grand Jury
County of Napa

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 combination of deficiencies, in internal control over compliance, such that there is 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questions costs as items 12-SA-1, 12-SA-2, and 12-SA-3. 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.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

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, 2012, and have issued our report thereon dated December 17, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The attached Supplementary Schedule of the California Emergency Management Agency and the Department of Corrections and Rehabilitation Grant Expenditures has not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

Board of Supervisors and Grand Jury
County of Napa

This report is intended solely for the information and use of County management, the Board of Supervisors, 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.

Gallina LLP

Roseville, California
December 17, 2012

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COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grant Award Number	Federal Expenditures
U.S. Department of Agriculture			
<u>Passed through the State Department of Education</u>			
School Breakfast Program	10.553	02012-SN-28-R	\$ 17,494
National School Lunch Program	10.555	02012-SN-28-R	30,969
Subtotal 10.553 and 10.555 (Child Nutrition Cluster)			<u>48,463</u>
<u>Passed through the State Department of Public Health</u>			
Supplemental Nutrition Assistance Program (SNAP-Ed)	10.551	11-10749	<u>64,391</u>
Special Supplemental Program for Women, Infants, and Children FY 10/11	10.557	08-85429	262,144
Special Supplemental Program for Women, Infants, and Children FY 11/12	10.557	11-10451	642,912
Subtotal 10.557			<u>905,056</u>
Subtotal Passed through the State Department of Public Health			<u>969,447</u>
<u>Passed through the State Department of Social Services</u>			
Supplemental Nutrition Assistance Program (Administrative Costs)	10.561	--	<u>1,461,350</u>
Total U.S. Department of Agriculture			<u>\$ 2,479,260</u>
U.S. Department of Housing and Urban Development			
<u>Direct Federal Programs</u>			
Transitional Residential Alliance and Integrated Network (TRAIN)	14.235	CA0293B9T171003	76,076
Transitional Residential Alliance and Integrated Network (TRAIN)	14.235	CA0293B9T171104	57,525
Homeless Management Information System (HMIS)	14.235	CA0289B9T170801	1,357
Homeless Management Information System (HMIS)	14.235	CA0289B9T171002	485
Homeless Management Information System (HMIS)	14.235	CA0290B9T171003	19,950
Subtotal 14.235			<u>155,393</u>
<u>Passed through the State Department of Public Health - Office of AIDS</u>			
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	10-10139	<u>53,784</u>
<u>Passed through the State Department of Housing and Community Development</u>			
ARRA - Homelessness Prevention and Rapid Re-Housing	14.257	09-HPRP-6147	<u>346,506</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 555,683</u>
U.S. Department of the Interior			
<u>Direct Federal Programs</u>			
Payments in Lieu of Taxes	15.226	--	148,497
Federal Grazing Fee	15.227	--	410
Napa River Salmon Monitoring Project - CIAP	15.426	M11AF00019	11,175
Total U.S. Department of the Interior			<u>\$ 160,082</u>
U.S. Department of Justice			
<u>Direct Federal Programs</u>			
Domestic Cannabis Eradication/Suppression Program	16.000	2011-38	58,441
Domestic Cannabis Eradication/Suppression Program	16.000	2012-33	28,643
Subtotal 16.000			<u>87,084</u>
NIJ FY 10 Solving Cold Cases with DNA	16.560	2010-DN-BX-K018	225,611
State Criminal Alien Assistance Program	16.606	2011-AP-BX-0631	298,306
Subtotal Direct			<u>611,001</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grant Award Number	Federal Expenditures
U.S. Department of Justice (continued)			
<u>Passed through the State Department of Corrections and Rehabilitation</u>			
Juvenile Accountability Block Grant - Peer Court	16.523	CSA 184-11	\$ 16,486
Juvenile Accountability Block Grant - Evidence Based Practices Project	16.523	CSA 206-11	28,785
Subtotal 16.523			<u>45,271</u>
<u>Passed through the California Emergency Management Agency</u>			
Victim/Witness Assistance Program	16.575	VW11020280	75,597
Unserviced/Underserved Victim Advocacy & Outreach	16.575	UV11020280	91,442
Subtotal 16.575			<u>167,039</u>
2010 Comprehensive Drug Courts Implementation	16.738	DI10010280	43,240
Anti-Drug Abuse Enforcement Team Program	16.738	DC11220280	135,638
ARRA - Anti-Drug Abuse Enforcement Team Program	16.804	ZA09010280	250,565
ARRA - Offender Treatment Program	16.804	ZO09010280	50,435
ARRA - Evidence Based Probation Supervision Program	16.804	ZP09010280	90,484
Subtotal 16.738 and 16.804 (JAG Program Cluster)			<u>570,362</u>
Total U.S. Department of Justice			<u>\$ 1,393,673</u>
U.S. Department of Labor			
<u>Passed through the State Employment Development Department</u>			
WIA Adult Program:			
WIA - Adult	17.258	--	500,894
WIA - Incentives	17.258	--	236
Subtotal 17.258			<u>501,130</u>
WIA Youth Activities:			
WIA - Youth	17.259	--	347,266
WIA Dislocated Workers:			
WIA - Dislocated Worker	17.278	--	571,948
WIA - Rapid Response	17.278	--	176,540
Subtotal 17.278			<u>748,488</u>
Subtotal 17.258, 17.259, and 17.278 (WIA Cluster)			<u>1,596,884</u>
WIA National Emergency Grants:			
WIA - NEG	17.277	--	90,624
Total U.S. Department of Labor			<u>\$ 1,687,508</u>
U.S. Department of Transportation			
<u>Direct Federal Programs</u>			
Airport Improvement Program	20.106	03-06-0162-27	19,368
Airport Improvement Program	20.106	03-06-0162-28	2,201,619
Subtotal 20.106			<u>2,220,987</u>
<u>Passed through the State Department of Transportation</u>			
Highway Planning and Construction - Oakville Crossroads	20.205	BRLO-5921 (10)	45,386
Highway Planning and Construction - Silverado Trail Pavement Rehab	20.205	STPL - 5921 (053)	16,515
Highway Planning and Construction - Old Sonoma, South Kelly, Oak Knoll	20.205	STPL - 5921 (054)	39,656
High Risk Rural Road Program - North Kelly Road	20.205	--	6,874
High Risk Rural Road Program - Wooden Valley Road	20.205	--	9,652
Highway Safety Improvement Program - Deer Park Road	20.205	--	6,832
Subtotal 20.205 (Highway Planning and Construction Cluster)			<u>124,915</u>
Total U.S. Department of Transportation			<u>\$ 2,345,902</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grant Award Number	Federal Expenditures
U.S. Institute of Museum and Library Services			
<u>Passed through the California State Library</u>			
Open Source Functionality Requirements Document	45.310	40-7777	\$ 12,625
Total U.S. Institute of Museum and Library Services			\$ 12,625
U.S. Environmental Protection Agency			
<u>Direct Federal Programs</u>			
SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-00T60801	460,735
<u>Passed through the State Department of Public Health</u>			
ARRA - Water Treatment Plant Project	66.468	AR-09FP37	77,265
Total U.S. Environmental Protection Agency			\$ 538,000
U.S. Department of Health and Human Services			
<u>Passed through the Secretary of State</u>			
HAVA Polling Place Accessibility Training Program	93.617	11G26125	50
<u>Passed through the State Department of Social Services</u>			
Temporary Assistance for Needy Families (TANF):			
CalWORKS - Administrative	93.558	--	4,005,325
CalWORKS - Assistance	93.558	--	-
Kin-Gap	93.558	--	22,553
Subtotal 93.558 (TANF Cluster)			4,027,878
Promoting Safe & Stable Families (PSSF)	93.556	--	82,674
Community-Based Child Abuse Prevention Grants (CBCAP)	93.590	--	14,678
Child Welfare Services – IV-B	93.645	--	45,907
Subtotal			143,259
Foster Care – Title IV-E:			
Foster Care – Title IV-E - Social Services	93.658	--	2,419,259
Foster Care – Title IV-E - Probation	93.658	--	684,586
Subtotal 93.658			3,103,845
Adoption Assistance Program	93.659	--	675,035
Licensing Title XX	93.667	--	91,592
In-Home Supportive Services (Public Authority)	93.667	--	401,606
ARRA - In-Home Supportive Services (Public Authority)	93.667	--	429
Subtotal 93.667			493,627
Chafee Foster Care Independence Program	93.674	--	49,262
Medical Assistance Programs:			
Adult Protective Service (APS/CSBG)	93.778	--	165,368
Child Welfare Services (CWS)	93.778	--	58,159
In-Home Supportive Services Administrative (IHSS)	93.778	--	458,923
Subtotal Medical Assistance Programs			682,450
Subtotal Passed through the State Department of Social Services			9,175,356

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grant Award Number	Federal Expenditures
U.S. Department of Health and Human Services (continued)			
<u>Passed through the State Department of Child Support Services</u>			
Child Support Enforcement	93.563	--	<u>\$ 2,627,567</u>
<u>Passed through the State Department of Health Care Services</u>			
California Children's Services - Administrative (CHIP)	93.767	--	<u>72,998</u>
Medical Assistance Programs:			
Child Health Disability Program (CHDP)	93.778	--	98,316
Health Care Program for Children in Foster Care (HCPCFC)	93.778	--	88,925
California Children's Services - Administrative	93.778	--	311,082
Medi-Cal Eligibility Determination - Social Services	93.778	--	1,504,654
Medi-Cal Administrative Activities - Public Health	93.778	--	380,000
Subtotal Medical Assistance Programs			<u>2,382,977</u>
Subtotal Passed through the State Department of Health Care Services			<u>2,455,975</u>
<u>Passed through the State Department of Public Health - Office of AIDS</u>			
HIV Care	93.917	10-95275	<u>52,677</u>
<u>Passed through the State Department of Public Health</u>			
Centers For Disease Control and Prevention: Bioterrorism FY 09/10	93.069	EPO CDC 09-28	69
Centers For Disease Control and Prevention: Bioterrorism FY 10/11	93.069	EPO CDC 10-28	75,988
Centers For Disease Control and Prevention: Bioterrorism FY 11/12	93.069	EPO CDC 11-28	117,069
Subtotal 93.069			<u>193,126</u>
Tuberculosis Grant	93.116	--	<u>10,647</u>
Immunization Subvention	93.268	11-10594	<u>48,630</u>
Hospital Preparedness (HPP) FY 09/10	93.889	EPO HPP 09-28	24,665
Hospital Preparedness (HPP) FY 10/11	93.889	EPO HPP 10-28	90,122
Hospital Preparedness (HPP) FY 11/12	93.889	EPO HPP 11-28	157,506
Subtotal 93.889			<u>272,293</u>
Maternal, Child and Adolescent Health (MCAH)	93.994	2011-28	<u>87,501</u>
Subtotal Passed through the State Department of Public Health			<u>612,197</u>
<u>Passed through the State Department of Mental Health</u>			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	53,936
Medi-Cal Administrative Activities/Billing Administration	93.778	--	855,228
Medi-Cal Utilization Review	93.778	--	563,983
Subtotal			<u>1,473,147</u>
Substance Abuse and Mental Health Services Administration Programs:			
Block Grants for Community Mental Health Services	93.958	--	<u>241,692</u>
Subtotal Passed through the State Department of Mental Health			<u>1,714,839</u>
<u>Passed through State Department of Alcohol and Drug Programs</u>			
Block Grants for the Prevention and Treatment of Substance Abuse (SAPT)	93.959	11 NNA 28	946,093
Medi-Cal Administrative Activities	93.778	--	61,861
Subtotal Passed through the State Department of Alcohol and Drug Programs			<u>1,007,954</u>
Total U.S. Department of Health and Human Services			<u>\$ 17,646,615</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

COUNTY OF NAPA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grant Award Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security			
<u>Passed through the California Emergency Management Agency</u>			
05/06 Disaster Grants	97.036	055-00000	<u>\$ 668,856</u>
Total U.S. Department of Homeland Security			<u>\$ 668,856</u>
Total Expenditures of Federal Awards			<u>\$ 27,488,204</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards

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COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2012

NOTE 1: **GENERAL**

The accompanying schedule of expenditures of federal awards presents all federal programs of the County of Napa (County). The County's reporting entity is defined in Note 1 to the County's basic financial statements. Federal awards received directly from federal agencies as well as federal awards passed through other nonfederal agencies, primarily the State of California, are included in the schedule. Expenditures funded by the American Recovery and Reinvestment Act of 2009 are denoted by the prefix "ARRA" in the federal program title.

NOTE 2: **BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting, except for the following programs: Payments in Lieu of Taxes (15.226), Federal Grazing Fee (15.227), and the State Criminal Alien Assistance Program (16.606). For these programs, revenues received during the year are considered earned and are reported as expenditures. 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 County's 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 basic 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: **CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA)**

The CFDA numbers included in the accompanying schedule were determined based on the program name, review of the grant contract information and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

NOTE 5: **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, 2012

NOTE 6: NON-CASH ASSISTANCE

The following CFDA numbers also pertain to non-cash assistance, which has not been included in the schedule of federal expenditures and are not presented in the County's basic financial statements:

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) – Vouchers Redeemed totaling \$2,830,428 are reported at the value of client purchases of authorized food products.

10.572 WIC Farmers' Market Nutrition Program (FMNP) – Vouchers Redeemed totaling \$9,240 are reported at the value of client purchases of authorized food products.

NOTE 7: LOANS OUTSTANDING

No program had any federally-funded loans outstanding at June 30, 2012.

NOTE 8: TOTAL FEDERAL AWARDS EXPENDED BY CFDA NUMBER

When there is more than one program under a single CFDA number, the schedule of expenditures of federal awards presents totals of all programs under the one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA were not contiguous. When this occurred, this total is not shown in the schedule, but instead provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
93.778 (Medicaid Cluster)	\$ 4,546,499

NOTE 9: SUBRECIPIENTS

Of the total federal expenditures presented in the schedule of expenditures of federal awards, the following amounts were passed through to subrecipients:

<u>Program Title</u>	<u>CFDA</u>	<u>Amount</u>
Supplemental Nutrition Assistance Program	10.551	\$ 46,666
Housing Opportunities for Persons with AIDS	14.241	49,277
Homelessness Prevention & Rapid Re-housing	14.257	269,832
Napa River Salmon Monitoring Project	15.426	11,175
NIJ FY 10 Solving Cold Cases with DNA	16.560	94,821
Anti-Drug Abuse Enforcement Team Program	16.738	30,069
Comprehensive Drug Courts Implementation	16.738	43,240
Anti-Drug Abuse Enforcement Team Program	16.804	56,413
Offender Treatment Program	16.804	1,275
WIA – Adult	17.258	185,882
WIA – Youth	17.259	301,618
WIA – NEG	17.277	90,624
WIA – Dislocated Worker	17.278	176,906
WIA – Rapid Response	17.278	48,776
SF Bay Water Quality Improvement Fund	66.126	10,735
HIV Care	93.917	45,882
SAPT	93.959	56,598
		<u>\$ 1,519,789</u>

COUNTY OF NAPA

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

NOTE 10: **CALIFORNIA DEPARTMENT OF TRANSPORTATION**

The County expended the following State amounts on projects during the year ended June 30, 2012:

<u>Program</u>	<u>Contract</u>	<u>State Expenditures</u>
Federal Apportionment Exchange And State Match Program		
Direct Program:		
RSTP Exchange	X12-5921 (058)	\$ 237,648
State Match	X12-5921 (058)	<u>100,000</u>
Total		<u>\$ 337,648</u>

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COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

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. Significant deficiencies 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

10.557	Special Supplemental Program for Women, Infants, and Children
10.561	Supplemental Nutrition Assistance Program
14.257	Homelessness Prevention and Rapid Rehousing
20.106	Airport Improvement Program
93.558	Temporary Assistance for Needy Families
93.659	Adoption Assistance Program
93.778	Medical Assistance Program

- | | |
|---|------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 824,646 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 53 | No |

Section 2

Financial Statement Findings

None Reported

COUNTY OF NAPA

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section 3

Federal Award Findings and Questioned Costs

Medical Assistance Program	Finding 12-SA-1
Special Supplemental Program for Women, Infants, and Children	Finding 12-SA-2
Special Supplemental Program for Women, Infants, and Children	Finding 12-SA-3

COUNTY OF NAPA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2012

Reference Number	12-SA-1
Federal Program Title	Medical Assistance Program
CFDA Number	93.778
Federal Agency	U.S. Department of Health and Human Services
Pass Through Entity	State Department of Social Services
Compliance Requirement	Eligibility

Criteria

Every 12 months the County must redetermine the eligibility of Medi-Cal recipients with respect to circumstances that may change (e.g., income eligibility). The County must have procedures designed to ensure that recipients make timely and accurate reports of any changes in circumstances that may affect their eligibility. The County must promptly reassess eligibility when it receives information about changes in a recipient's circumstances that may affect his or her eligibility (42 CFR 435.916).

Condition

During our review we noted three cases which did not contain a current Statement of Facts and/or MC 210 documenting the determination of eligibility.

Questioned Costs

No costs are questioned because the State of California distributes all federal monies to pay for medical expenses. The County does not have access to this medical expense information.

Perspective

We selected 40 case files out of the population. Of the 40 cases we examined, we noted three case files where the Department failed to perform the mandated annual redeterminations. The error rate for the sample was estimated at 7.50% and was determined to be the best estimate of the error rate in the population.

Cause

Management did not establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

Effect of the Condition

Individuals who are not eligible for Medi-Cal Assistance might be receiving this assistance if eligibility determinations are not conducted as prescribed.

Recommendation

We recommend that a review process be implemented to ensure that the required eligibility determinations for the Medi-Cal Assistance Program are conducted.

COUNTY OF NAPA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2012

Reference Number	12-SA-1 (continued)
Federal Program Title	Medical Assistance Program
CFDA Number	93.778
Federal Agency	U.S. Department of Health and Human Services
Pass Through Entity	State Department of Social Services
Compliance Requirement	Eligibility

Corrective Action Plan

The continuing supervisor has assigned one Eligibility Worker (EW) III to work on the backlog of Re-evaluations (RE) with an estimated time of completion being between 6/30/13 and 12/31/13. This will probably change however, as we are hiring new EWs and will be looking at more efficient ways to process REs. The current REs are being assigned to one worker to process with EWIII assistance. For questions regarding this corrective action plan, please contact the Deputy Director of Social Services within the Napa County Health and Human Services Agency at (707) 253-4279.

Reference Number	12-SA-2
Federal Program Title	Special Supplemental Program for Women, Infants, and Children
CFDA Number	10.557
Federal Agency	U.S. Department of Agriculture
Pass Through Entity	State Department of Public Health
Compliance Requirement	Eligibility

Criteria

Except in limited circumstances, WIC applicants must present proof of identity and residency at certification. Documentation of these determinations may consist of descriptions of documents evidencing the applicants' identities and residency, copies of the documents themselves, and/or the applicants' written statements of identity and residency when no other documentation exists. Certification procedures prescribed by the State agency set conditions for relying on these different forms of documentation (42 USC 1786(f)(23); 7 CFR sections 246.7 (c)(1) and (c)(2)(i), 246.7(i)(3) and (4)).

Condition

During our review we noted one case that was missing the proper identity documentation.

Questioned Costs

No costs were questioned because the State of California is responsible for all voucher distribution. The County does not have access to this expense information.

Perspective

We selected 40 case files out of the population. Of the 40 cases we examined, we noted one family identification number where the Department failed to obtain the proper identity documentation to establish a new case. The error rate for the sample was estimated at 2.50% and was determined to be the best estimate of the error rate in the population.

Cause

The eligibility determination was conducted by inexperienced personnel who were not fully knowledgeable of the identity requirements.

COUNTY OF NAPA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2012

Reference Number	12-SA-2 (continued)
Federal Program Title	Special Supplemental Program for Women, Infants, and Children
CFDA Number	10.557
Federal Agency	U.S. Department of Agriculture
Pass Through Entity	State Department of Public Health
Compliance Requirement	Eligibility

Effect of Condition

Individuals who are not eligible for the program might be receiving this assistance if eligibility determinations are not conducted as prescribed.

Recommendation

We recommend that controls be implemented to ensure that cases receive adequate review to ensure that errors are identified in a timely manner. We also recommend that training be conducted to ensure that all personnel determining eligibility are aware of the program requirements.

Corrective Action Plan

This finding resulted from documenting "WIF" (WIC Identity Folder) when enrolling a newborn to a mother already on the program. WIC Program Manual 270-20, Enrollment/Proof of Identity, will be addressed at the December 2012 WIC staff meeting. During the months of January, February and March 2013, the WIC Coordinator will do a minimum of five independent audits each month on infant enrollments to ensure proper identification is received and documented. Napa County WIC program will continue to monitor proof of identity through monthly peer reviews on certification appointments and quarterly file audits performed by the WIC Coordinator. For questions regarding this corrective action plan, please contact the WIC Coordinator within the Napa County Health and Human Services Agency at (707) 253-4272.

Reference Number	12-SA-3
Federal Program Title	Special Supplemental Program for Women, Infants, and Children
CFDA Number	10.557
Federal Agency	U.S. Department of Agriculture
Pass Through Entity	State Department of Public Health
Compliance Requirement	Eligibility

Criteria

A hematological test for anemia must be performed or documented at certification if the applicant has no nutritional risk factor prescribed by the agency other than anemia. Certified applicants with qualifying nutritional risk factors other than anemia must also be tested for anemia within 90 days of the date of certification.

Condition

During our review we noted one case in which the hematological test was not performed within the allowed 90 day period.

COUNTY OF NAPA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2012

Reference Number	12-SA-3 (continued)
Federal Program Title	Special Supplemental Program for Women, Infants, and Children
CFDA Number	10.557
Federal Agency	U.S. Department of Agriculture
Pass Through Entity	State Department of Public Health
Compliance Requirement	Eligibility

Questioned Costs

No costs were questioned because the State of California is responsible for all voucher distribution. The County does not have access to this expense information.

Perspective

We selected 40 case files out of the population. Of the 40 cases we examined, we noted one family identification number where the department failed to obtain a hematological test within the 90 day period and a hold was not placed on the individual. The error rate for the sample was estimated at 2.50% and was determined to be the best estimate of the error rate in the population.

Cause

Due to reductions in staff, the department was unable to follow up with the client or medical professional regarding the failure to obtain a hematological test within the 90 day time period.

Effect of Condition

Individuals who are not eligible for the program might be receiving this assistance if eligibility determinations are not conducted as prescribed.

Recommendation

We recommend that controls be implemented to ensure that cases receive adequate review to ensure that errors are identified in a timely manner.

Corrective Action Plan

WIC Program Manual 210-11, Eligibility Requirement/Determining Biochemical Nutrition Need, will be addressed at the December 2012 WIC staff meeting. Since hematological tests are not performed at California WIC agencies, the WIC Coordinator will arrange a meeting with health providers in Napa to discuss the requirements and need for blood work results. Napa County WIC program will continue to monitor blood work requirements through monthly peer reviews and quarterly file audits performed by the WIC Coordinator. For questions regarding this corrective action plan, please contact the WIC Coordinator within the Napa County Health and Human Services Agency at (707) 253-4272.

COUNTY OF NAPA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2011

Reference Number 11-SA-1
Federal Program Title Temporary Assistance for Needy Families Cluster
CFDA Number 93.558, 93.714 (ARRA)
Federal Agency U.S. Department of Health and Human Services
Pass Through Entity State Department of Social Services
Compliance Requirement Eligibility

Recommendation

We recommend that a review process be implemented with County personnel to see that all cases are updated timely for information received from QR7 reports.

Status

During our audit we examined appropriate and sufficient documentation to determine that the above finding has been implemented.

Reference Number 11-SA-2
Federal Program Title Adoption Assistance
CFDA Number 93.659 (ARRA)
Federal Agency U.S. Department of Health and Human Services
Pass Through Entity State Department of Social Services
Compliance Requirement Eligibility

Recommendation

We recommend that controls be implemented to ensure that cases receive adequate review to ensure that erroneous coding is identified in a timely manner.

Status

During our audit we examined appropriate and sufficient documentation to determine that the above finding has been implemented.

Reference Number 11-SA-3
Federal Program Title Medical Assistance Program
CFDA Number 93.778
Federal Agency U.S. Department of Health and Human Services
Pass Through Entity State Department of Social Services
Compliance Requirement Eligibility

Recommendation

We recommend that a review process be implemented to ensure that the required eligibility determinations for the Medi-Cal Assistance Program are conducted.

Status

Not implemented. A finding relating to eligibility determinations was found to exist during the current year audit. See finding 12-SA-1.

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**SUPPLEMENTARY SCHEDULE
OF THE CALIFORNIA EMERGENCY MANAGEMENT AGENCY
AND THE DEPARTMENT OF CORRECTIONS
AND REHABILITATION GRANT EXPENDITURES**

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COUNTY OF NAPA

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grant Expenditures
For the Year Ended June 30, 2012

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2011	For the Year Ended June 30, 2012	Cumulative As of June 30, 2012	Federal Share	State Share	County Share
DC11220280 - Anti-Drug Abuse Enforcement Team Program						
Personal services	\$ --	\$ 48,192	\$ 48,192	\$ 48,192	\$ --	\$ --
Operating expenses	--	87,446	87,446	87,446	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 135,638</u>	<u>\$ 135,638</u>	<u>\$ 135,638</u>	<u>\$ --</u>	<u>\$ --</u>
ZA09010280 - ARRA Anti-Drug Abuse Enforcement Team Program						
Personal services	\$ 49,289	\$ 89,441	\$ 138,730	\$ 89,441	\$ --	\$ --
Operating expenses	23,028	161,124	184,152	161,124	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 72,317</u>	<u>\$ 250,565</u>	<u>\$ 322,882</u>	<u>\$ 250,565</u>	<u>\$ --</u>	<u>\$ --</u>
VB08060280 - Vertical Prosecution Block Grant						
Personal services	\$ 261,475	\$ 5,946	\$ 267,421	\$ --	\$ 5,946	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 261,475</u>	<u>\$ 5,946</u>	<u>\$ 267,421</u>	<u>\$ --</u>	<u>\$ 5,946</u>	<u>\$ --</u>
GV09050280 - Gang Violence Suppression						
Personal services	\$ 142,649	\$ 5,940	\$ 148,589	\$ --	\$ 5,401	\$ 539
Operating expenses	214,971	126,146	341,117	--	114,829	11,317
Equipment	--	--	--	--	--	--
Totals	<u>\$ 357,620</u>	<u>\$ 132,086</u>	<u>\$ 489,706</u>	<u>\$ --</u>	<u>\$ 120,230</u>	<u>\$ 11,856</u>
VW11020280 - Victim/Witness Assistance						
Personal services	\$ --	\$ 159,771	\$ 159,771	\$ 75,597	\$ 84,174	\$ --
Operating expenses	--	7,060	7,060	--	7,060	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 166,831</u>	<u>\$ 166,831</u>	<u>\$ 75,597</u>	<u>\$ 91,234</u>	<u>\$ --</u>
UV10010280 - Unserved/Underserved Victim Advocacy & Outreach*						
Personal services	\$ 35,003	\$ 109,843	\$ 144,846	\$ 71,380	\$ --	\$ 38,463
Operating expenses	--	10,041	10,041	10,041	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 35,003</u>	<u>\$ 119,884</u>	<u>\$ 154,887</u>	<u>\$ 81,421</u>	<u>\$ --</u>	<u>\$ 38,463</u>
* Correction: Expenditures through 6/30/11 were reported at \$67,300 based on estimated claims; actual claims during FY 10/11 were \$35,003.						
UV11020280 - Unserved/Underserved Victim Advocacy & Outreach						
Personal services	\$ --	\$ 111,926	\$ 111,926	\$ 91,442	\$ --	\$ 20,484
Operating expenses	--	6,675	6,675	--	--	6,675
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 118,601</u>	<u>\$ 118,601</u>	<u>\$ 91,442</u>	<u>\$ --</u>	<u>\$ 27,159</u>
ZO0901280 - ARRA Offender Treatment Program						
Personal services	\$ 179,939	\$ 49,160	\$ 229,099	\$ 49,160	\$ --	\$ --
Operating expenses	12,045	1,275	13,320	1,275	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 191,984</u>	<u>\$ 50,435</u>	<u>\$ 242,419</u>	<u>\$ 50,435</u>	<u>\$ --</u>	<u>\$ --</u>
DI10010280 - Comprehensive Drug Courts Implementation						
Personal services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating expenses	--	43,240	43,240	43,240	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 43,240</u>	<u>\$ 43,240</u>	<u>\$ 43,240</u>	<u>\$ --</u>	<u>\$ --</u>
ZP09010280 - ARRA Evidence Based Probation Supervision						
Personal services	\$ 87,357	\$ 90,484	\$ 177,841	\$ 90,484	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 87,357</u>	<u>\$ 90,484</u>	<u>\$ 177,841</u>	<u>\$ 90,484</u>	<u>\$ --</u>	<u>\$ --</u>

COUNTY OF NAPA

Schedule of the California Emergency Management Agency
and the Department of Corrections and Rehabilitation Grant Expenditures
For the Year Ended June 30, 2012

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2011	For the Year Ended June 30, 2012	Cumulative As of June 30, 2012	Federal Share	State Share	County Share
CSA #184-11 - Juvenile Accountability Block Grant Program						
Personal services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating expenses	--	18,135	18,135	16,486	--	1,649
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 18,135</u>	<u>\$ 18,135</u>	<u>\$ 16,486</u>	<u>\$ --</u>	<u>\$ 1,649</u>
CSA #206-11 - Juvenile Accountability Block Grant Program						
Personal services	\$ --	\$ 3,588	\$ 3,588	\$ --	\$ --	\$ 3,588
Operating expenses	--	28,785	28,785	28,785	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 32,373</u>	<u>\$ 32,373</u>	<u>\$ 28,785</u>	<u>\$ --</u>	<u>\$ 3,588</u>
MH08030280 - CALMMET						
Personal services	\$ 274,584	\$ 39,269	\$ 313,853	\$ --	\$ 39,269	\$ --
Operating expenses	390	--	390	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 274,974</u>	<u>\$ 39,269</u>	<u>\$ 314,243</u>	<u>\$ --</u>	<u>\$ 39,269</u>	<u>\$ --</u>