

**COUNTY OF NAPA**  
**SINGLE AUDIT REPORT**  
**YEAR ENDED JUNE 30, 2014**

**TRACY A. SCHULZE**  
**AUDITOR-CONTROLLER**

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**COUNTY OF NAPA**

Single Audit Report  
For the Year Ended June 30, 2014

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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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Napa (County), California, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 9, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Board of Supervisors and Grand Jury  
County of Napa

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California  
December 9, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133**

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

**Report on Compliance for Each Major Federal Program**

We have audited the County of Napa's (County) compliance with the types of compliance requirements described in the *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, 2014. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

**Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the

Board of Supervisors and Grand Jury  
County of Napa

auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

*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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-001, that we consider to be a significant deficiency.

The County of Napa's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Napa's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2014, and have issued our report thereon dated December 9, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion 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 OMB Circular A-133 and is not a required part of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Board of Supervisors and Grand Jury  
County of Napa

**Other Matters**

The Schedule of the California Office of Emergency Services and the Department of Corrections and Rehabilitation Grant Expenditures have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California  
February 12, 2015, except for  
the Schedule of Expenditures  
of Federal Awards as to which  
the date is December 9, 2014

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**COUNTY OF NAPA**

Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grant Award Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Passed through the State Department of Education			
School Breakfast Program	10.553	2012-SN-28-R	\$ 16,885
National School Lunch Program	10.555	2012-SN-28-R	30,755
Subtotal 10.553 and 10.555 (Child Nutrition Cluster)			<u>47,640</u>
Passed through the State Department of Public Health			
WIC Supplemental Nutrition Program	10.557	11-10451	1,008,065
WIC Farmers' Market Nutrition Program (FMNP)	10.572	11-10451	250
Subtotal Passed through the State Department of Public Health			<u>1,008,315</u>
Passed through the State Department of Social Services			
CalFresh Administration	10.561	--	1,359,056
CalFresh Nutritional Education	10.561	--	79,998
Subtotal 10.561			<u>1,439,054</u>
Passed through the State Department of Forestry and Fire Protection			
2013 Volunteer Fire Assistance	10.664	7FG13176	18,149
			<u>18,149</u>
			<b><u>\$ 2,513,158</u></b>
<b>U.S. Department of Housing and Urban Development</b>			
Direct Federal Programs			
Transitional Residential Alliance and Integrated Network (TRAIN)	14.235	CA0293L9T171205	70,842
Transitional Residential Alliance and Integrated Network (TRAIN)	14.235	--	51,259
Homeless Management Information System (HMIS)	14.235	CA0289B9T171103	7,482
Homeless Management Information System (HMIS)	14.235	CA0290L9T171205	20,252
Homeless Management Information System (HMIS)	14.235	CA0289L9T171204	13,717
Subtotal 14.235			<u>163,552</u>
			<b><u>\$ 163,552</u></b>
<b>U.S. Department of the Interior</b>			
Direct Federal Programs			
Payments in Lieu of Taxes (PILT)	15.226	--	155,161
Federal Grazing Fee	15.227	--	361
National Wildlife Refuge Fund	15.659	--	57
			<u>155,579</u>
			<b><u>\$ 155,579</u></b>
<b>U.S. Department of Justice</b>			
Direct Federal Programs			
Domestic Cannabis Eradication/Suppression Program	16.000	2013-36	31,610
Domestic Cannabis Eradication/Suppression Program	16.000	2014-34	34,128
Subtotal 16.000			<u>65,738</u>
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0611	84,456
Subtotal Direct			<u>150,194</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, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grant Award Number	Federal Expenditures
<b>U.S. Department of Justice (continued)</b>			
Passed through the Board of State and Community Corrections			
Juvenile Accountability Block Grant - Evidence Based Practices Project	16.523	CSA 206-11	\$ 44,446
Anti-Drug Abuse Enforcement Team Program	16.738	BSCC 628-12	2,682
Anti-Drug Abuse Enforcement Team Program	16.738	BSCC 628-13	90,948
Subtotal 16.738			<u>93,630</u>
Subtotal Passed through the Board of State and Community Corrections			<u>138,076</u>
Passed through the California Office of Emergency Services			
Napa Victim/Witness Assistance	16.575	VW13040280	66,299
Unserved/Underserved Victim Advocacy & Outreach	16.575	UV12030280	42,514
Unserved/Underserved Victim Advocacy & Outreach	16.575	UV13040280	91,107
Subtotal 16.575			<u>199,920</u>
Subtotal Passed through the California Office of Emergency Services			<u>199,920</u>
<b>Total U.S. Department of Justice</b>			<b><u>\$ 488,190</u></b>
<b>U.S. Department of Labor</b>			
Passed through the State Employment Development Department			
WIA Adult Program:			
WIA - Adult	17.258	K386309/K491030	<u>506,731</u>
WIA Youth Activities:			
WIA - Youth	17.259	K386309/K491030	<u>548,040</u>
WIA Dislocated Workers:			
WIA - Dislocated Worker	17.278	K386309/K491030	619,573
WIA - Rapid Response	17.278	K386309/K491030	255,513
WIA - Project React	17.278	K386309/K491030	479,839
Subtotal 17.278			<u>1,354,925</u>
Subtotal 17.258, 17.259, and 17.278 (WIA Cluster)			<u>2,409,696</u>
<b>Total U.S. Department of Labor</b>			<b><u>\$ 2,409,696</u></b>
<b>U.S. Department of Transportation</b>			
Direct Federal Programs			
Airport Improvement Program	20.106	03-06-0162-029-2013	52,473
Airport Improvement Program	20.106	03-06-0162-030-2013	92,629
Subtotal 20.106			<u>145,102</u>
Passed through the State Department of Transportation			
Highway Planning and Construction - Oakville Crossroads Bridge	20.205	BRLO-5921 (10)	227,103
High Risk Rural Road Program - North Kelly Road	20.205	HRRRL-5921 (056)	16,693
High Risk Rural Road Program - Wooden Valley Road	20.205	HRRRL-5921 (055)	161,671
Highway Safety Improvement Program - Deer Park Road	20.205	HSIPL-5921 (057)	15,104
Subtotal 20.205 (Highway Planning and Construction)			<u>420,571</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, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grant Award Number	Federal Expenditures
<b>U.S. Department of Transportation</b> (continued)			
Passed through the State Office of Traffic Safety			
DUI Vertical Prosecution Program	20.601	AL1370	\$ 74,912
DUI Vertical Prosecution Program	20.601	DI1411	232,341
Subtotal 20.601			<u>307,253</u>
<b>Total U.S. Department of Transportation</b>			<b><u>\$ 872,926</u></b>
<b>U.S. Institute of Museum and Library Services</b>			
Passed through the California State Library			
Creative Writing Program	45.310	40-8322	3,500
STEM Robotics Workshops	45.310	40-8323	5,750
<b>Total U.S. Institute of Museum and Library Services</b>			<b><u>\$ 9,250</u></b>
<b>U.S. Environmental Protection Agency</b>			
Direct Federal Programs			
SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-00T60801	382,864
SF Bay Water Quality Improvement Fund - Napa River Sediment Reduction	66.126	W9-00T95301	60,651
			<u>443,515</u>
Passed through the State Water Resources Control Board			
Napa River Rutherford Reach Restoration: Phase III Implementation	66.460	11-093-552	64,692
Napa River Rutherford Reach Restoration: Phase 4C Reach 8 Implementation	66.460	12-403-252	678,247
Subtotal Passed through the State Water Resources Control Board			<u>742,939</u>
<b>Total U.S. Environmental Protection Agency</b>			<b><u>\$ 1,186,454</u></b>
<b>U.S. Department of Health and Human Services</b>			
Passed through the State Department of Public Health			
Centers For Disease Control and Prevention: Bioterrorism FY 13/14	93.074	EPO 13-30	238,183
Hospital Preparedness (HPP) FY 13/14	93.074	EPO 13-30	183,001
Subtotal 93.074			<u>421,184</u>
Tuberculosis Grant	93.116	--	25,943
Immunization Subvention	93.268	11-10594	46,912
HIV Care	93.917	13-20062	61,688
Maternal, Child and Adolescent Health (MCAH)	93.994	201328	87,533
Subtotal			<u>222,076</u>
Subtotal Passed through the State Department of Public Health			<u>643,260</u>
Passed through the State Department of Health Care Services			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	46,255
California Children's Services - Administrative (CHIP)	93.767	--	92,668
Subtotal			<u>138,923</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, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grant Award Number	Federal Expenditures
<b>U.S. Department of Health and Human Services (continued)</b>			
Passed through the State Department of Health Care Services (continued)			
Medical Assistance Programs:			
Child Health and Disability Prevention (CHDP)	93.778	--	\$ 146,692
Health Care Program for Children in Foster Care (HCPCFC)	93.778	--	81,275
California Children's Services - Administrative	93.778	--	352,424
County-Based Medi-Cal Administrative Activities	93.778	08-85125	530,719
Mental Health Medi-Cal Administrative Activities	93.778	--	214,178
Mental Health Medi-Cal Billing Administration	93.778	--	350,000
Mental Health Medi-Cal Utilization Review	93.778	--	569,294
Medi-Cal Eligibility Determination - Social Services	93.778	--	2,374,587
Subtotal Medical Assistance Programs			<u>4,619,169</u>
Substance Abuse and Mental Health Services Administration Programs:			
Block Grants for Community Mental Health Services	93.958	--	247,555
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	12-89222	947,449
Subtotal			<u>1,195,004</u>
Subtotal Passed through the State Department of Health Care Services			<u>5,953,096</u>
Passed through the State Department of Social Services			
Promoting Safe & Stable Families (PSSF)	93.556	--	<u>73,893</u>
Temporary Assistance for Needy Families (TANF):			
CalWORKS - Administrative	93.558	--	3,099,028
Kin-Gap	93.558	--	34,199
Subtotal 93.558 (TANF Cluster)			<u>3,133,227</u>
Child Welfare Services – IV-B	93.645	--	<u>40,486</u>
Foster Care – Title IV-E:			
Foster Care – Title IV-E - Social Services	93.658	--	2,553,428
Foster Care – Title IV-E - Probation	93.658	--	470,637
Subtotal 93.658			<u>3,024,065</u>
Adoption Assistance Program	93.659	--	<u>926,582</u>
Licensing Title XX	93.667	--	25,648
In-Home Supportive Services (Public Authority)	93.667	--	326,351
Subtotal 93.667			<u>351,999</u>
Chafee Foster Care Independence Program	93.674	--	<u>85,480</u>
Medical Assistance Programs:			
Adult Protective Service (APS/CSBG)	93.778	--	213,732
Child Welfare Services (CWS)	93.778	--	127,046
In-Home Supportive Services Administrative (IHSS)	93.778	--	403,264
Subtotal Medical Assistance Programs			<u>744,042</u>
Subtotal Passed through the State Department of Social Services			<u>8,379,774</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, 2014

<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>
<b>U.S. Department of Health and Human Services</b> (continued)			
Passed through the State Department of Child Support Services Child Support Enforcement	93.563	--	<u>\$ 2,658,830</u>
Passed through the State Department of Veterans Affairs Veteran's Subvention Program	93.778	--	<u>4,285</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>\$17,639,245</b></u>
<b>Total Expenditures of Federal Awards</b>			<u><b>\$25,438,050</b></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, 2014

#### NOTE 1: **GENERAL**

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

#### NOTE 2: **BASIS OF ACCOUNTING**

The accompanying SEFA is presented using the modified accrual basis of accounting, except for the following programs: Payments in Lieu of Taxes (15.226), Federal Grazing Fee (15.227), National Wildlife Refuge Fund (15.659) 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**

Federal award expenditures reported in the accompanying SEFA agree, or can be reconciled, in all material respects, to amounts reported in the County's basic financial statements.

#### NOTE 4: **CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA)**

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of the grant or 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 SEFA indicates, if available, the identifying grant or contract number assigned by the pass-through entity.

#### 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 WIC Supplemental Nutrition Program – Vouchers Redeemed* totaling \$2,438,779 are reported at the value of client purchases of authorized food products.

*10.572 WIC Farmers' Market Nutrition Program (FMNP) – Vouchers Redeemed* totaling \$3,072 are reported at the value of client purchases of authorized food products.

**COUNTY OF NAPA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

**NOTE 7: LOANS OUTSTANDING**

In fiscal year 2013-14, the Napa Berryessa Resort Improvement District (NBRID) was obligated funding from the United States Department of Agriculture to fund water and wastewater improvements. The funding is provided by the Rural Utilities Service under CFDA 10.760. NBRID was awarded two Rural Development Loans repayable under the terms of the agreement. The following schedule presents the amount of loan balance outstanding for each project at June 30, 2014.

	<u>Water</u>	<u>Sewer</u>
Loan Balance, Outstanding July 1, 2013	\$ 787,655	\$ 3,920,403
Fiscal Year 2014 Loan Disbursements	<u>1,986,407</u>	<u>3,736,535</u>
Loan Balance, Outstanding June 30, 2014	<u>\$ 2,774,062</u>	<u>\$ 7,656,938</u>
Obligated Funding	\$ 2,975,000	\$ 8,120,000

**NOTE 8: SUBRECIPIENTS**

Of the federal expenditures presented in the SEFA, the County provided federal awards to subrecipients under the following CFDA Numbers:

<u>Program Title</u>	<u>CFDA</u>	<u>Amount</u>
WIA - Adult	17.258	\$ 205,838
WIA - Youth	17.259	388,364
WIA - Project React	17.278	178,923
WIA - Dislocated Worker	17.278	234,012
WIA - Rapid Response	17.278	79,612
SF Bay Water Quality Improvement Fund	66.126	126,762
Foster Care Assistance	93.658	826,696
HIV Care	93.917	55,624
Block Grants for Community Mental Health	93.958	139,680
SAPT	93.959	81,448
		<u>\$ 2,316,959</u>

**NOTE 9: CALIFORNIA DEPARTMENT OF TRANSPORTATION**

The County participated in the Federal Apportionment Exchange Program and State Match Program. Federal Regional Surface Transportation (RSTP) funds were exchanged for nonfederal State Highway Account Funds as follows:

<u>Program</u>	<u>Contract</u>	<u>State Expenditures</u>
RSTP Exchange	X14-5921 (062)	\$ 237,648
State Match	X14-5921 (062)	<u>100,000</u>
		<u>\$ 337,648</u>

**COUNTY OF NAPA**

Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

**NOTE 10: 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, the total could not be conveniently displayed because all programs under one CFDA were not contiguous. When this occurs this total is not shown on the schedule, but is instead provided here.

<u>Program Title</u>	<u>CFDA</u>	<u>Amount</u>
Medical Assistance Programs	93.778	\$ 5,367,495

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**COUNTY OF NAPA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

**Section 1**

Financial Statements

Summary of Auditor's Results

- |   |               |
|---|---------------|
| 1. Type of auditor's report issued:   | Unmodified    |
| 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:  | Unmodified |
| 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

10.760	Water and Waste Disposal Systems for Rural Communities
93.959	Block Grant for Prevention and Treatment of Substance Abuse (SAPT)
17.258, 17.259, 17.278	WIA Cluster

- |   |            |
|---|------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs?     | \$ 934,830 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 53 | Yes        |

**Section 2**

Financial Statement Findings

None Reported

**COUNTY OF NAPA**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014

**Section 3**

Federal Award Findings and Questioned Cost

WIA Cluster 2014-001

## COUNTY OF NAPA

### Schedule of Findings and Questioned Costs For the Year Ended June 30, 2014

<b>Reference Number</b>	2014-001
<b>Federal Program Title</b>	WIA Cluster
<b>CFDA Number</b>	17.258, 17.259, 17.278
<b>Federal Agency</b>	U.S. Department of Labor
<b>Pass Through Entity</b>	Direct
<b>Compliance Requirement</b>	Subrecipient Monitoring

#### Criteria

Each recipient and subrecipient must conduct regular oversight and monitoring of its WIA activities and those of its subrecipients and contractors in order to determine whether or not there is compliance with provisions of the Act and applicable laws and regulations and provide technical assistance as necessary and appropriate (20 CFR section 667.400(c)).

#### Condition

During our review we noted that sufficient documentation was not maintained supporting the County's subrecipient monitoring activities of the subrecipient entity. No standard policy or procedures are in place regarding subrecipient monitoring.

#### Questioned Costs

No costs are questioned.

#### Cause

There are no policies or procedures for maintaining documentation of monitoring activities performed by the Department; therefore it was not easily accessible.

#### Effect of the Condition

Failing to have standard policies and procedures in place for subrecipient monitoring activities could cause certain monitoring activities and/or follow-up on findings to be overlooked.

#### Recommendation

We recommend that the Department develop policies to maintain documentation on subrecipient monitoring activities. This may include maintaining a folder with the contract, audit reports, correspondence regarding any findings or recommendations, related billings and/or site-visit checklists.

#### Corrective Action Plan

The Department agrees that the County's Subrecipient and Vendor Distinctions Policy and Procedure needs to be updated to include procedures outlining the current process for subrecipient monitoring, as well as enhancements included in the recommendation. The Department will address documentation requirements in the procedure for monitoring activities so that documentation is sufficient and easily accessible. In the future, when the Department conducts subrecipient monitoring, it will maintain a folder with the items included in the new policy.

For questions regarding this corrective action plan, please contact Carol Haynes, the Chief Deputy Fiscal Officer of the Health and Human Services Agency, at (707) 253-4674.

**COUNTY OF NAPA**

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2013

<b>Reference Number</b>	2013-1
<b>Federal Program Title</b>	Water and Waste Disposal System for Rural Communities
<b>CFDA Number</b>	10.760
<b>Federal Agency</b>	U.S. Department of Agriculture
<b>Pass Through Entity</b>	Direct
<b>Compliance Requirement</b>	Activities Allowed or Unallowed and Allowed Costs/Cost Principles

Recommendation

We recommend the Department implement procedures to better monitor the batches of costs submitted by the primary contractor for payment, such as requesting appropriate backup for all charges over a specified dollar threshold to ensure transactions are properly classified and allowable.

Status

Implemented

**SUPPLEMENTARY SCHEDULE  
OF THE CALIFORNIA OFFICE OF EMERGENCY  
SERVICES AND THE DEPARTMENT OF CORRECTIONS  
AND REHABILITATION GRANT EXPENDITURES**

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**COUNTY OF NAPA**

Schedule of the California Office of Emergency Services  
and the Board of State and Community Corrections Grant Expenditures  
For the Year Ended June 30, 2014

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2013	For the Year Ended June 30, 2014	Cumulative As of June 30, 2014	Federal Share	State Share	County Share
<b>BSCC 628-12 Anti-Drug Abuse Enforcement Team Program</b>						
Personal services	\$ 32,590	\$ --	\$ 32,590	\$ --	\$ --	\$ --
Operating expenses	74,488	2,682	77,170	2,682	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 107,078</u>	<u>\$ 2,682</u>	<u>\$ 109,760</u>	<u>\$ 2,682</u>	<u>\$ --</u>	<u>\$ --</u>
<b>BSCC 628-13 Anti-Drug Abuse Enforcement Team Program</b>						
Personal services	\$ --	\$ 32,590	\$ 32,590	\$ 32,590	\$ --	\$ --
Operating expenses	--	58,358	58,358	58,358	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 90,948</u>	<u>\$ 90,948</u>	<u>\$ 90,948</u>	<u>\$ --</u>	<u>\$ --</u>
<b>CSA #206-11 - Juvenile Accountability Block Grant Program</b>						
Personal services	\$ 5,931	\$ --	\$ 5,931	\$ --	\$ --	\$ --
Operating expenses	83,804	51,340	135,144	44,446	--	6,894
Equipment	--	--	--	--	--	--
Totals	<u>\$ 89,735</u>	<u>\$ 51,340</u>	<u>\$ 141,075</u>	<u>\$ 44,446</u>	<u>\$ --</u>	<u>\$ 6,894</u>
<b>Standards and Training for Corrections Program 2013-14</b>						
Replacement	\$ --	\$ 12,134	\$ 12,134	\$ --	\$ 12,134	\$ --
Travel	--	3,654	3,654	--	3,654	--
Per Diem	--	17,329	17,329	--	17,329	--
Tuition	--	19,133	19,133	--	19,133	--
Totals	<u>\$ --</u>	<u>\$ 52,250</u>	<u>\$ 52,250</u>	<u>\$ --</u>	<u>\$ 52,250</u>	<u>\$ --</u>
<b>UV12030280 - Unserved/Underserved Victim Advocacy &amp; Outreach</b>						
Personal services	\$ 88,250	\$ 42,514	\$ 130,764	\$ 42,514	\$ --	\$ --
Operating expenses	13,233	1,528	14,761	--	--	1,528
Equipment	--	--	--	--	--	--
Totals	<u>\$ 101,483</u>	<u>\$ 44,042</u>	<u>\$ 145,525</u>	<u>\$ 42,514</u>	<u>\$ --</u>	<u>\$ 1,528</u>
<b>UV13040280 - Unserved/Underserved Victim Advocacy &amp; Outreach</b>						
Personal services	\$ --	\$ 109,646	\$ 109,646	\$ 91,107	\$ --	\$ 18,539
Operating expenses	--	12,377	12,377	--	--	12,377
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 122,023</u>	<u>\$ 122,023</u>	<u>\$ 91,107</u>	<u>\$ --</u>	<u>\$ 30,916</u>
<b>VW13040280 - Victim/Witness Assistance</b>						
Personal services	\$ --	\$ 150,883	\$ 150,883	\$ 66,299	\$ 84,584	\$ --
Operating expenses	--	6,650	6,650	--	6,650	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 157,533</u>	<u>\$ 157,533</u>	<u>\$ 66,299</u>	<u>\$ 91,234</u>	<u>\$ --</u>