

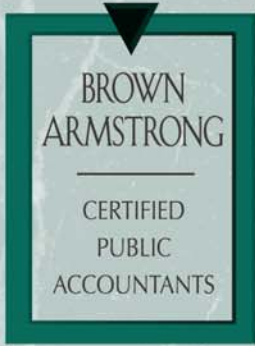
COUNTY OF NAPA
SINGLE AUDIT REPORT
JUNE 30, 2019

**COUNTY OF NAPA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

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REPORTS



BROWN ARMSTRONG

Certified Public Accountants

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

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

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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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Napa, California (the County), as of and for the year ended June 30, 2019, 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 17, 2019.

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 entity'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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

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*.

County's Response to Findings

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

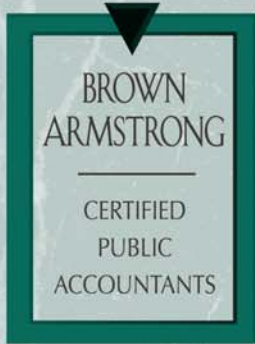
Purpose of this Report

This report is intended 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 County's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 17, 2019



BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Honorable 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, California's (the County) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have direct and material effect on each of the County's major federal programs for the year ended June 30, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2019.

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Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

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

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 auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2019-002, that we consider to be a significant deficiency.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 17, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards and Supplementary Schedule of the California Office of Emergency Services and the Board of State and Community Corrections Grant Expenditures are presented for purposes of additional analysis as required by the Uniform Guidance and are 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 basic 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 basic financial statements or to the basic 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 and Supplementary Schedule of the California Office of Emergency Services and the Board of State and Community Corrections Grant Expenditures are fairly stated in all material respects in relation to the financial statements as a whole.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 31, 2019

SCHEDULE

County of Napa
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grant Award Number	Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture				
Passed through the State Department of Food and Agriculture:				
European Grapevine Moth - Detection	10.025	17-0549-026-SF	\$ 294,753	\$ -
European Grapevine Moth - Detection	10.025	18-0619-012-SF	484,380	-
County GWSS Program	10.025	17-0453-036-SF	169,444	-
Exotic Pest Detection Trapping	10.025	18-0245	50,023	-
Light Brown Apple Moth	10.025	18-0299-033-SF	1,794	-
Sudden Oak Death - Quarantine	10.025	18-0295-028-SF	1,442	-
Subtotal 10.025			<u>1,001,836</u>	<u>-</u>
Passed through the State Department of Education:				
School Breakfast Program	10.553	2012-SN-28-R	9,709	-
National School Lunch Program	10.555	2012-SN-28-R	17,714	-
Subtotal 10.553 and 10.555 (Child Nutrition Cluster)			<u>27,423</u>	<u>-</u>
Passed through the State Department of Public Health:				
Nutrition Education and Obesity Prevention	10.200	16-10181	190,380	172,680
WIC Supplemental Nutrition Program	10.557	15-10072	928,352	-
Passed through the State Department of Social Services:				
State Administration Matching Grant for Supplemental Nutrition Assistance Program	10.561		2,311,855	-
Total U.S. Department of Agriculture			<u>4,459,846</u>	<u>172,680</u>
U.S. Department of Housing and Urban Development				
Direct Programs:				
Continuum of Care Planning	14.267	CA1575L9T171600	20,839	-
Coordinated Assessment 2017	14.267	CA1482L9T171702	19,054	-
Coordinated Assessment 2018	14.267	CA1482L9T171803	8,126	-
Homeless Management Information System (HMIS) 2017	14.267	CA0289L9T171708	35,887	-
Homeless Management Information System (HMIS) 2018	14.267	CA0289L9T171809	16,335	-
Transitional Residential Alliance and Integrated Network (TRAIN) - Home to Stay 2017	14.267	CA0293L9T171710	63,371	40,480
Transitional Residential Alliance and Integrated Network (TRAIN) - Home to Stay 2018	14.267	CA0293L9T171811	20,506	20,506
Subtotal 14.267			<u>184,118</u>	<u>60,986</u>
Permanent Supportive Housing I 2017	14.273	CA1415L9T171500	2,621	2,621
Permanent Supportive Housing I 2018	14.273	CA1415L9T171702	28,730	28,730
Permanent Supportive Housing II 2017	14.273	CA1416L9T171500	58	58
Permanent Supportive Housing II 2018	14.273	CA1416L9T171702	10,761	10,761
Subtotal 14.273			<u>42,170</u>	<u>42,170</u>
Passed through the State Department of Housing and Community Development:				
Community Development Block Grant (CDBG)	14.228	14-CDBG-9897	319,622	-
Emergency Solutions Grant Program (ESG)	14.231	16-ESG-11087	8,775	8,775
Emergency Solutions Grant Program (ESG)	14.231	17-ESG-11893	109,885	109,885
Emergency Solutions Grant Competitive Program (ESG-C)	14.231	16-ESG-11011	13,317	13,317
Emergency Solutions Grant Competitive Program (ESG-C)	14.231	17-ESG-11901	120,398	120,398
Subtotal 14.231			<u>252,375</u>	<u>252,375</u>
Total U.S. Department of Housing and Urban Development			<u>798,285</u>	<u>355,531</u>
U.S. Department of the Interior				
Direct Programs:				
Enhanced Law Enforcement Services - Lake Berryessa	15.R16PC00048	R16PC00048	328,056	-
Payment in Lieu of Taxes (PILT)	15.226		167,170	-
Federal Grazing Fee	15.227		22	-
National Wildlife Refuge Fund	15.659		129	-
Total U.S. Department of the Interior			<u>495,377</u>	<u>-</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

County of Napa
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grant Award Number	Expenditures	Expenditures to Subrecipients
U.S. Department of Justice				
Direct Programs:				
Domestic Cannabis Eradication/Suppression Program (DCESP)	16.2018-31	2018-31	16,883	-
Domestic Cannabis Eradication/Suppression Program (DCESP)	16.2019-32	2019-32	6,800	-
Subtotal 16.000			23,683	-
Passed through Governor's Office of Emergency Services, California:				
Napa Victim/Witness Assistance	16.575	VW17080280	62,127	-
Napa Victim/Witness Assistance	16.575	VW18090280	266,951	-
Unserved/Underserved Victim Advocacy & Outreach	16.575	UV16020280	32,742	-
Unserved/Underserved Victim Advocacy & Outreach	16.575	UV18030280	131,218	-
Unserved/Underserved Victim Advocacy & Outreach	16.575	XV15010280	93,105	-
County Victim Services Program	16.575	XC16010280	161,732	-
Child Advocacy Center Program	16.575	KC17010280	130,512	-
Child Advocacy Center Program	16.575	KC18020280	50,505	-
Subtotal 16.575			928,892	-
Total U.S. Department of Justice			952,575	-
U.S. Department of Labor				
Passed through the Workforce Alliance of the North Bay (WANB):				
Workforce Innovation and Opportunity Act (WIOA):				
WIOA Adult Program	17.258	170753B-17	187,325	-
WIOA Youth Activities	17.259	170753B-17	122,018	19,488
WIOA Dislocated Workers:				
Dislocated Worker	17.278	170753B-17	246,152	-
Rapid Response	17.278	170753B-17	5,000	-
Subtotal 17.278			251,152	-
Subtotal 17.258, 17.259, and 17.278 (WIOA Cluster)			560,495	19,488
Total U.S. Department of Labor			560,495	19,488
U.S. Department of Transportation				
Direct Programs:				
Airport Improvement Program	20.106	3-06-0162-036-2017	36,821	-
Airport Improvement Program	20.106	3-06-0162-038-2018	4,441,437	-
Airport Improvement Program	20.106	3-06-0162-039-2018	160,650	-
Subtotal 20.106			4,638,908	-
Passed through the State Department of Transportation:				
Highway Planning and Construction - Oakville Crossroads Bridge	20.205	BRLO-5921 (010)	34,138	-
Highway Planning and Construction - Dry Creek Road	20.205	BRLO-5921 (061)	168,941	-
Highway Planning and Construction - Greenwood Ave over Garnett Creek	20.205	BRLO-5921 (068)	285,510	-
Highway Planning and Construction - Chiles-Pope Valley Road	20.205	BRLS-5921 (074)	169,010	-
Highway Planning and Construction - 2014 Earthquake - Oak Knoll/Old Sonoma Road	20.205	ER-26E0(001)	357,346	-
Highway Planning and Construction - 2014 Earthquake - Cuttings Wharf Culvert	20.205	ER-26E0(002)	41,971	-
Highway Planning and Construction - 2014 Earthquake - Old Sonoma Road Culvert	20.205	ER-26E0(003)	15,009	-
Highway Planning and Construction - 2014 Earthquake - Yountville Crossroad Bridge	20.205	ER-26E0(004)	28,304	-
Highway Planning and Construction - 2014 Earthquake - Silverado Trail Bridge at Taplin	20.205	ER-26E0(005)	19,646	-
Highway Planning and Construction - 2014 Earthquake - Silverado Trail Bridge at MPM 26.5	20.205	ER-26E0(006)	19,289	-
Highway Planning and Construction - Storm 4301 - Silverado Trail	20.205	ER-32LO(347)	191,304	-
Highway Planning and Construction - Storm 4301 - Howell Mountain	20.205	ER-32LO(422)	8,074	-
Highway Planning and Construction - Storm 4301 - Pope Canyon	20.205	ER-32LO(419)	840,781	-
Highway Planning and Construction - Storm 4301 - Wooden Valley MPM 3.0	20.205	ER-32LO(420)	5,592	-
Highway Planning and Construction - Storm 4301 - Wooden Valley MPM 2.75	20.205	ER-32LO(423)	5,624	-
Highway Planning and Construction - Storm 4308 - Berryessa/Knoxville	20.205	ER-32LO(348)	7,088	-
Highway Planning and Construction - Storm 4308 - Wooden Valley - MPM 2.5	20.205	ER-32LO(421)	3,507	-
Highway Planning and Construction - Storm 4308 - Wooden Valley - MPM 3.1	20.205	ER-32LO(349)	3,217	-
Highway Planning and Construction - 2017 Fire Complex - Wooden Valley - MPM 5.55	20.205	ER-38HO(001)	183,705	-
Highway Planning and Construction - 2017 Fire Complex - Petrified Forest	20.205	ER-38HO(002)	50,430	-
Subtotal 20.205			2,438,486	-
Total U.S. Department of Transportation			7,077,394	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

County of Napa
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grant Award Number	Expenditures	Expenditures to Subrecipients
National Endowment for the Humanities				
Passed through California Humanities: Library Innovation Lab Grant	45.129	LIL19-26	505	-
Total National Endowment for the Humanities			505	-
U.S. Institute of Museum and Library Services				
Passed through the State Library: Bike Branch	45.310	40-8776	596	-
Mental Health Initiative	45.310	MHI FO2	4,850	-
Subtotal 45.310			5,446	-
Total U.S. Institute of Museum and Library Services			5,446	-
U.S. Environmental Protection Agency				
Direct Programs: SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-99T07301	47,191	-
SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-99T24201	168,863	-
SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-99T70901	104,559	-
Subtotal 66.126			320,613	-
Napa River Restoration Oakville to Oak Knoll Project	66.460	D1613202	124,672	-
Total U.S. Environmental Protection Agency			445,285	-
U.S. Election Assistance Commission				
Passed through the Secretary of State: HAVA Polling Place Accessibility Training Program	90.401	17G26127	20,000	-
Total U.S. Election Assistance Commission			20,000	-
U.S. Department of Health and Human Services				
Passed through the State Department of Public Health: Centers For Disease Control and Prevention: Bioterrorism	93.069	17-10176	200,997	-
Tuberculosis Grant	93.116		28,969	-
Sexually Transmitted Diseases Grant	93.116	16-10725	9,668	-
Subtotal 93.116			38,637	-
Immunization Subvention	93.268	17-10334	59,199	-
Hospital Preparedness Program (HPP)	93.889	17-10176	165,309	-
HIV Care (ADAP)	93.917	16-10378	9,005	-
Maternal, Child and Adolescent Health (MCAH)	93.994	201828	103,584	-
Passed through the State Department of Health Care Services: Projects for Assistance in Transition from Homelessness (PATH)	93.150		46,173	-
California Children's Services - Administrative (CHIP)	93.767		116,044	-

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

County of Napa
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grant Award Number	Expenditures	Expenditures to Subrecipients
U.S. Department of Health and Human Services (Continued)				
Passed through the State Department of Health Care Services: (Continued)				
Medical Assistance Programs				
Child Health and Disability Prevention (CHDP)	93.778		129,630	-
Health Care Program for Children in Foster Care (HCPFC)	93.778		106,983	-
California Children's Services - Administrative	93.778		245,300	-
County-Based Medi-Cal Administrative Activities	93.778	16-93371	1,058,949	-
Mental Health Medi-Cal Administrative Activities	93.778		237,986	-
Mental Health Medi-Cal Billing Administration	93.778		483,042	-
Medi-Cal Utilization Review	93.778		507,588	-
Medi-Cal Eligibility Determination - Social Services	93.778		3,229,326	-
Adult Protective Service (APS/CSBG)	93.778		833,188	-
In-Home Supportive Services Administrative (IHSS)	93.778		1,473,665	-
Child Welfare Services (CWS)	93.778		1,192,362	-
Passed through the State Department of Veterans Affairs:				
Veteran's Medi-Cal Cost Avoidance	93.778		671	-
Subtotal 93.778			<u>9,498,690</u>	<u>-</u>
Passed through the State Department of Health Care Services:				
Substance Abuse and Mental Health Services Administration Programs:				
Block Grants for Community Mental Health Services	93.958		395,839	231,032
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	17-94145	1,006,020	280,669
Passed through the State Department of Social Services:				
Kin-Gap Assistance	93.090		22,128	-
Promoting Safe and Stable Families	93.556		73,353	-
Temporary Assistance for Needy Families:				
CalWORKS - Administrative	93.558		3,429,095	111,421
Emergency Assistance TANF	93.558		434,552	-
Kin-Gap - Administrative	93.558		458	-
Subtotal 93.558			<u>3,864,105</u>	<u>111,421</u>
Refugee and Entrant Assistance	93.566		1,595	-
Community-Based Child Abuse Prevention Grants (CBCAP)	93.590		40,320	40,320
Child Welfare Services - IV-B	93.645		36,118	3,532
Foster Care - Title IV-E:				
Foster Care - Title IV-E - Social Services	93.658		2,859,411	770,930
Foster Care - Title IV-E - Probation	93.658		194,199	-
Subtotal 93.658			<u>3,053,610</u>	<u>770,930</u>
Adoption Assistance	93.659		1,342,657	-
Licensing Title XX	93.667		68,124	-
Foster Care Assistance Title XX	93.667		160,890	-
In-Home Supportive Services (Public Authority)	93.667		161,972	-
Subtotal 93.667			<u>390,986</u>	<u>-</u>
Chafee Foster Care Independence Program	93.674		39,423	39,423
Passed through the State Department of Child Support Services:				
Child Support Enforcement	93.563		2,700,174	-
Total U.S. Department of Health and Human Services			<u>23,203,966</u>	<u>1,477,327</u>

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

County of Napa
Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grant Award Number	Expenditures	Expenditures to Subrecipients
U.S. Department of Homeland Security				
Passed through the State Department of Health Care Services:				
Federal Crisis Counseling Assistance and Training Program (CCP)	97.032	17-94645	127,975	127,975
Passed through Governor's Office of Emergency Services, California:				
2014 South Napa Earthquake	97.036	FEMA-4193-DR-CA	147,751	-
2017 Napa Fire Complex	97.036	FEMA-4344-DR-CA	154,334	-
2017 Storm 4301	97.036	FEMA-4301-DR-CA	616,341	-
2017 Storm 4305	97.036	FEMA-4305-DR-CA	32,668	-
2017 Storm 4308	97.036	FEMA-4308-DR-CA	104,348	-
2019 Storm 4434	97.036	FEMA-4434-DR-CA	156,809	-
Subtotal 97.036			1,212,251	-
Emergency Management Performance Grant	97.042	2018-0008	102,364	-
Homeland Security Grant Program	97.067	2016-0102	92,969	-
Homeland Security Grant Program	97.067	2017-0083	89,673	50,815
Homeland Security Grant Program	97.067	2018-0054	1,947	-
Passed through the City and County of San Francisco:				
Urban Areas Security Initiative Program (UASI)	97.067	2018-0054	36,000	-
Subtotal 97.067			220,589	50,815
Total U.S. Department of Homeland Security			1,663,179	178,790
Total Expenditures of Federal Awards Excluding Loans			\$ 39,682,353	\$ 2,203,816
<u>Federal Loan Balances With a Continuing Compliance Requirement</u>				
U.S. Department of Agriculture				
Water and Waste Disposal Systems for Rural Communities (Water)	10.760	91-02	\$ 2,743,157	\$ -
Water and Waste Disposal Systems for Rural Communities (Sewer)	10.760	92-01	7,451,364	-
Subtotal 10.760			10,194,521	-
Federal Loan Balances With a Continuing Compliance Requirement			10,194,521	-
Total Expenditures of Federal Awards Including Loans			\$ 49,876,874	\$ 2,203,816
<u>Non-Cash Assistance</u>				
U.S. Department of Agriculture				
Passed through the State Department of Public Health:				
WIC Supplemental Nutrition Program - Vouchers Redeemed	10.557	15-10072	\$ 1,391,768	\$ -
WIC Farmers' Market Nutrition Program (FMNP) - Vouchers Redeemed	10.572	15-10072	3,735	-
Total Value of Non-Cash Assistance			\$ 1,395,503	-
Total Expenditures of Federal Awards Including Loans and Value of Non-Cash Assistance			\$ 51,272,377	\$ 2,203,816

See Accompanying Notes to Schedule of Expenditures of Federal Awards.

County of Napa
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

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), and National Wildlife Refuge Fund (15.659). For these programs, revenues received during the year are considered earned and are subsequently reported as expenditures. The information on this schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 – INDIRECT COSTS

The County elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance for the following programs:

<u>Program Title</u>	<u>CFDA</u>	<u>Expenditures</u>
Napa Victim/Witness Assistance	16.575	\$ 62,127
Napa Victim/Witness Assistance	16.575	266,951
Unserved/Underserved Victim Advocacy and Outreach	16.575	32,742
Unserved/Underserved Victim Advocacy and Outreach	16.575	131,218
Unserved/Underserved Victim Advocacy and Outreach	16.575	93,105
County Victim Services Program	16.575	161,732
Centers for Disease Control and Prevention: Bioterrorism	93.069	200,997
Health Care Program for Children in Foster Care (HCPCFC)	93.778	106,983
Hospital Preparedness Program (HPP)	93.889	165,309

NOTE 5 – 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 Catalog of Federal Domestic Assistance.

NOTE 6 – PASS-THROUGH ENTITIES’ IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the SEFA indicates the identifying grant or contract number assigned by the pass-through entity, if available.

NOTE 7 – NON-CASH ASSISTANCE

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

10.557 WIC Supplemental Nutrition Program – Vouchers Redeemed totaling \$1,391,768 are reported at the value of client purchases of authorized food products.

10.572 WIC Farmers’ Market Nutrition Program (FMNP) – Vouchers Redeemed totaling \$3,735 are reported at the value of client purchases of authorized food products.

NOTE 8 – LOANS OUTSTANDING

Water and Waste Disposal Systems for Rural Communities

Beginning in fiscal year 2012-13, the Napa Berryessa Resort Improvement District (NBRID) received a loan from the United States Department of Agriculture to fund water and wastewater improvements. The funding was 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, 2019.

	<u>Water</u>	<u>Sewer</u>
Loan Balance, Outstanding July 1, 2018	\$ 2,743,157	\$ 7,451,364
Total Principal Repayments	<u>(46,000)</u>	<u>(126,000)</u>
Loan Balance, Outstanding June 30, 2019	<u>\$ 2,697,157</u>	<u>\$ 7,325,364</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	X19-5921 (078)	\$ 237,648
State Match	X19-5921 (079)	<u>100,000</u>
Total		<u>\$ 337,648</u>

NOTE 10 – WHOLE PERSON CARE

The County is participating in a Whole Person Care (WPC) Pilot Program with the State of California Department of Health Care Services. Per the agreement, the overarching goal of the WPC program is, "...the coordination of health, behavioral health, and social services, as applicable, in a patient-centered manner with the goals of improved beneficiary health and wellbeing through more efficient and effective use of resources." The original agreement was entered into on November 21, 2016, and will continue through June 30, 2021. A second round of funding was made available and awarded to the County on June 12, 2017.

Although the County is receiving this money through the State of California, the original source of the funding is Federal. For the year ending June 30, 2019, the County expended \$2,219,368 of WPC funds. The WPC Pilot Program Team repeatedly issued guidance informing lead entities (including the County) that they had determined recipients to be contractors rather than subrecipients. For this reason the County is not reporting its WPC expenditures on the SEFA. However, the County is treating the subcontractors as subrecipients and is monitoring them accordingly.

FINDINGS AND QUESTIONED COSTS

County of Napa
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

SECTION 1

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

1. Type of auditor's report issued: Unmodified
2. Internal control over financial reporting:
- a. Material weakness identified? ___ Yes X No
- b. Significant deficiencies identified
not considered to be material weaknesses? X Yes ___ No
3. Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

1. Internal control over major federal programs:
- a. Material weakness identified? ___ Yes X No
- b. Significant deficiencies identified
not considered to be material weaknesses? X Yes ___ No
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 the Uniform Guidance? X Yes ___ No
4. Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.557	WIC Supplementary Nutrition Program
20.106	Airport Improvement Program
93.558	Temporary Assistance for Needy Families
93.563	Child Support Enforcement
93.658	Foster Care
93.778	Medical Assistance Programs

5. Dollar threshold used to distinguish between Type A and
Type B programs: \$1,538,171
6. Auditee qualified as low-risk auditee under the Uniform
Guidance? X Yes ___ No

County of Napa
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

SECTION 2

FINANCIAL STATEMENT FINDING

Finding 2019-001 – Payroll Finding (Significant Deficiency)

Criteria

In accordance with U.S. Citizenship and Immigration Services (USCIS), employers should maintain proper evidence of employees' existence in their HR files. If a Form I-9 was never completed or is missing, the current version of the Form I-9 should be completed as soon as possible. Employers should not backdate the form, but should clearly state the actual date employment began in the certification portion of Section 2. Employers should attach a signed and dated explanation of the corrective action taken.

Condition

During our payroll testing, we noted 14 out of 40 samples of employees were missing their I-9 forms.

Cause of Condition

In March 2009, County transitioned from storing hardcopies of I-9's into digital storage using their Human Resource program. In the process, they lost I-9's for some employees.

Effect or Possible Effect of Condition

Employees hired before 2009 may have no evidence that I-9 was obtained.

Recommendation

We recommend that the County obtain I-9's that were lost for employees still employed with the County.

Management Response and Corrective Action Plan

See separate corrective action plan provided by management.

SECTION 3

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2019-002 – Redetermination Eligibility Finding (Significant Deficiency)

Program: Medical Assistance Program

CFDA No.: 93.778

Federal Agency: U.S. Department of Health and Human Services

Passed Through: State Department of Health Care Services

Award Year: Fiscal Year 2018-2019

Compliance Requirement: Eligibility

Questioned Costs: None

Criteria

In accordance with Section 42. CFR 435.916 of the Code of Federal Regulations, recipients of Medicaid must be renewed annually.

County of Napa
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Condition

During our testing of eligibility, we noticed that a new redetermination package for 2 out of 40 participants tested was not generated when it should have been. This led to the two participants receiving Medi-Cal benefits even though their monthly total income exceeded the Medi-Cal income limit.

Cause of Condition

A new redetermination package was not generated by the C-IV system and the social worker did not review the file on a timely basis.

Effect or Possible Effect of Condition

Participant data may be inaccurate and could lead to eligibility errors and inaccurate benefit calculations. This could result in participants receiving benefits even if they are ineligible.

Recommendation

We recommend that the County enforce the established policies and procedures regarding initial and ongoing determination for eligibility to ensure the accuracy of the participant data, and eligibility determinations are performed annually and supported by proper documentation found in the participant files.

Management Response and Corrective Action Plan

See separate corrective action plan provided by management.

County of Napa
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2019

No findings in the prior year.

**County of Napa
Corrective Action Plan
For the Year Ended June 30, 2019**

I. FINANCIAL STATEMENT FINDINGS

Finding 2019-001 – Payroll Finding (Significant Deficiency)

Management’s Response or Department’s Response

Prior to March 3, 2009, completed I-9 forms were filed as paper records in the Human Resources (HR) office. As of March 3, 2009, HR staff began to scan completed I-9 forms into OnBase, the County’s records database. We believe the missing I-9 forms are saved in OnBase but were mis-keyed and therefore not retrievable.

Views of Responsible Officials and Corrective Action

When HR started to use OnBase in 2009, procedures for saving documents into the database were not formally established, which may have led to the 14 forms being mis-keyed and mis-categorized. Procedures have since improved, ensuring that documents are keyed in correctly.

Currently, completed I-9 forms are scanned into OnBase within two weeks of the employees’ start date and are keyed under the document type “HR-EMP Doc Type.” The original I-9 forms are then shredded.

Anticipated Completion Date

Procedures for scanning and keying documents into OnBase on a going forward basis were established soon after March 3, 2009.

HR staff was able to obtain new I-9 forms from all 14 employees as of September 25, 2019.

Contact Information of Responsible Official

Name: Olivia P. Soria
Title: Benefits Administrator
Phone: (707) 253-4945

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-002 – Redetermination Eligibility Finding (Significant Deficiency)

Program: Medical Assistance Program

CFDA No.: 93.778

Federal Agency: U.S. Department of Health and Human Services

Passed Through: State Department of Health Care Services

Award Year: Fiscal Year 2019-2018

Compliance Requirement: Eligibility

Questioned Costs: None

Management’s Response or Department’s Response

For the first incident, the Medi-Cal RE was due to be processed August 2018. On April 24, 2018, the Journal Entry indicates the client was over modified adjusted gross income (MAGI) income limit and no full Medi-Cal hierarchy was requested by client. The case should have discontinued on April 24, 2018, for the June 2018 benefit month.

County of Napa
Corrective Action Plan (Continued)
For the Year Ended June 30, 2019

For the second incident, the June 2018 Medi-Cal RE was sent out on April 6, 2018, and received on April 20, 2018. The worker closed the case on June 20, 2018, in error (Notice of Action was incorrect). Medi-Cal RE was processed on July 10, 2018, and discontinuance was rescinded. However, the worker did not confirm income reported on their 2017 Tax Statement. Medi-Cal should not have been closed in June 2018 as the RE packet had been received. When the worker received the income reported on the 2017 Tax Statement, the worker should have contacted the client to see if this was reasonably anticipated income since the client has seasonal employment.

Views of Responsible Officials and Corrective Action

The first case should have discontinued on April 24, 2018, for the June 2018 benefit month and will be discontinued once the client provides response, with an estimated date of February 2020. For the second case, the worker will contact the client in December 2019 to request current income.

In addition to the specific corrective actions listed for each incident above, the Department provided training to staff in November 2019 about monthly caseload management, including time management and reports to be used for follow-up processing. The department will also provide additional training to staff in February of 2020, to contact the client in order to confirm when there is a discrepancy between Projected Annual Income (PAI) and Current Monthly Income (CMI).

Anticipated Completion Date

Estimated date of February 2020.

Contact Information of Responsible Official

Name: Lynn Perez
Title: Deputy Director, Self Sufficiency Services Division
Phone: (707) 253-4697

County of Napa
Supplementary Schedule of the California Office of Emergency Services
and the Board of State and Community Corrections Grant Expenditures
For the Year Ended June 30, 2019

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period through	For the Year Ended	Cumulative as of	Federal Share	State Share	County Share
	June 30, 2018	June 30, 2019	June 30, 2019			
Victim Witness Assistance Program; VW16070280						
Personnel services	\$ 60,257	\$ -	\$ 60,257	\$ -	\$ -	\$ -
Operating expenses	27,033	-	27,033	-	-	-
Totals	\$ 87,290	\$ -	\$ 87,290	\$ -	\$ -	\$ -
Victim Witness Assistance Program; VW17080280						
Personnel services	\$ 157,311	\$ 62,127	\$ 219,438	\$ 62,127	\$ -	\$ -
Operating expenses	50,403	14,352	64,755	-	13,121	1,231
Totals	\$ 207,714	\$ 76,479	\$ 284,193	\$ 62,127	\$ 13,121	\$ 1,231
Victim Witness Assistance Program; VW18090280						
Personnel services	\$ -	\$ 236,426	\$ 236,426	\$ 236,426	\$ -	\$ -
Operating expenses	-	48,038	48,038	30,525	11,062	6,451
Totals	\$ -	\$ 284,464	\$ 284,464	\$ 266,951	\$ 11,062	\$ 6,451
Unserviced/Underserved Victim Advocacy and Outreach Program; UV16020280						
Personnel services	\$ 195,136	\$ 34,280	\$ 229,416	\$ 32,742	\$ -	\$ 1,538
Operating expenses	38,000	12,601	50,601	-	-	12,601
Totals	\$ 233,136	\$ 46,881	\$ 280,017	\$ 32,742	\$ -	\$ 14,139
Unserviced/Underserved Victim Advocacy and Outreach Program; UV18030280						
Personnel services	\$ -	\$ 116,603	\$ 116,603	\$ 116,603	\$ -	\$ -
Operating expenses	-	21,890	21,890	14,615	-	7,275
Totals	\$ -	\$ 138,493	\$ 138,493	\$ 131,218	\$ -	\$ 7,275
Unserviced/Underserved Victim Advocacy (XV) and Outreach Program; XV15010280						
Personnel services	\$ 144,330	\$ 99,680	\$ 244,010	\$ 93,105	\$ -	\$ 6,575
Operating expenses	-	16,332	16,332	-	-	16,332
Totals	\$ 144,330	\$ 116,012	\$ 260,342	\$ 93,105	\$ -	\$ 22,907
County Victim Services Program; XC16010280						
Personnel services	\$ 52,607	\$ 104,021	\$ 156,628	\$ 101,123	\$ -	\$ 2,898
Operating expenses	70,713	85,291	156,004	60,609	-	24,682
Totals	\$ 123,320	\$ 189,312	\$ 312,632	\$ 161,732	\$ -	\$ 27,580
County Victim Services Program; KC17010280						
Personnel services	\$ -	\$ 12,826	\$ 12,826	\$ -	\$ -	\$ 12,826
Operating expenses	220	130,512	130,732	130,512	-	-
Totals	\$ 220	\$ 143,338	\$ 143,558	\$ 130,512	\$ -	\$ 12,826
County Victim Services Program; KC18020280						
Personnel services	\$ -	\$ 4,526	\$ 4,526	\$ -	\$ -	\$ 4,526
Operating expenses	-	50,505	50,505	50,505	-	-
Totals	\$ -	\$ 55,031	\$ 55,031	\$ 50,505	\$ -	\$ 4,526
Family Justice Center Program; FJ18010280						
Personnel services	\$ -	\$ 7,810	\$ 7,810	\$ -	\$ 7,810	\$ -
Operating expenses	-	20,814	20,814	-	20,814	-
Totals	\$ -	\$ 28,624	\$ 28,624	\$ -	\$ 28,624	\$ -