

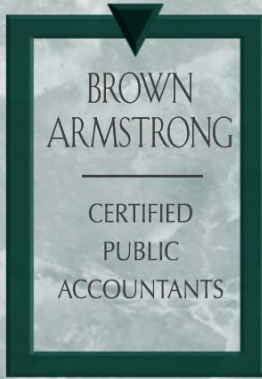
**COUNTY OF NAPA**  
**SINGLE AUDIT REPORT**  
**JUNE 30, 2016**

**COUNTY OF NAPA  
SINGLE AUDIT REPORT  
FOR THE YEAR ENDED JUNE 30, 2016**

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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, 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, 2016, 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 19, 2016.

### **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.

## **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*.

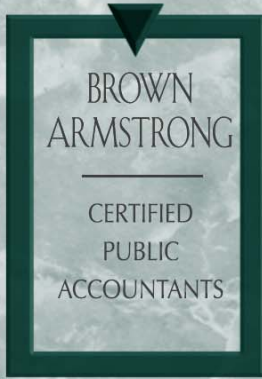
## **Purpose of this Report**

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

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
December 19, 2016



# 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

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### **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, 2016. 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 major 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, 2016.

## 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 an 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.

## Report on Schedule of Expenditures of Federal Awards Requirement by the Uniform Guidance

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, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 19, 2016, 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 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 is 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  
March 10, 2017

## **SCHEDULE**



**County of Napa**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grant Award Number	Expenditures	Expenditures to Subrecipients
<b>U.S Department of Agriculture</b>				
Passed through the State Department of Food and Agriculture:				
European Grapevine Moth - Detection	10.025	15-0586-SF	\$ 765,965	\$ -
European Grapevine Moth - Detection	10.025	14-0579-SF	613,437	-
European Grapevine Moth - Regulatory	10.025	15-0594-SF	23,692	-
European Grapevine Moth - Regulatory	10.025	14-0587-SF	104,547	-
County GWSS Program	10.025	14-0188-SF	210,209	-
Exotic Pest Detection Trapping	10.025	15-0208	52,527	-
Light Brown Apple Moth	10.025	15-0469-SF	371	-
Light Brown Apple Moth	10.025	14-0494-SF	1,621	-
Sudden Oak Death - Quarantine	10.025	15-0369-SF	1,395	-
Subtotal 10.025			1,773,764	-
Passed through the State Department of Education:				
School Breakfast Program	10.553	2012-SN-28-R	10,059	-
National School Lunch Program	10.555	2012-SN-28-R	18,385	-
Subtotal 10.553 and 10.555 (Child Nutrition Cluster)			28,444	-
Passed through the State Department of Public Health:				
WIC Supplemental Nutrition Program	10.557	14-10239	127,169	-
WIC Supplemental Nutrition Program	10.557	15-10072	564,482	-
Subtotal 10.557			691,651	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	14-10239	335	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	15-10072	488	-
Subtotal 10.572			823	-
Passed through the State Department of Social Services:				
CalFresh Administration	10.561	-	1,657,647	-
<b>Total U.S. Department of Agriculture</b>			<b>4,152,329</b>	<b>-</b>
<b>U.S. Department of Housing and Urban Development</b>				
Direct Programs:				
Transitional Residential Alliance and Integrated Network (TRAIN)	14.235	CA0293L9T171407	121,290	121,290
Homeless Management Information System (HMIS)	14.235	CA0289L9T171405	13,717	13,717
Homeless Management Information System (HMIS)	14.235	CA1188L9T171401	1,918	1,918
Homeless Management Information System (HMIS)	14.235	CA0290L9T171407	14,310	14,310
Subtotal 14.235			151,235	151,235
Continuum of Care Planning	14.267	CA1226L9T171300	5,668	5,668
Passed through the State Department of Housing and Community Development:				
Community Development Block Grant (CDBG)	14.228	14-CDBG-9897	53,225	-
<b>Total U.S. Department of Housing and Urban Development</b>			<b>210,128</b>	<b>156,903</b>
<b>U.S. Department of the Interior</b>				
Direct Programs:				
Enhanced Law Enforcement Services - Lake Berryessa	15.000	R16PC00048	62,501	-
Payment in Lieu of Taxes (PILT)	15.226		168,207	-
Federal Grazing Fee	15.227		92	-
National Wildlife Refuge Fund	15.659		65	-
<b>Total U.S. Department of the Interior</b>			<b>230,865</b>	<b>-</b>

**County of Napa**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grant Award Number	Expenditures	Expenditures to Subrecipients
<b>U.S. Department of Justice</b>				
Direct Programs:				
Domestic Cannabis Eradication/Suppression Program (DCESP)	16.000	2015-41	47,666	-
Domestic Cannabis Eradication/Suppression Program (DCESP)	16.000	2016-35	23,592	-
Subtotal 16.000			71,258	-
State Criminal Alien Assistance Program	16.606	2015-H1366-CA-AP	54,784	-
Passed through Governor's Office of Emergency Services, California:				
Napa Victim/Witness Assistance	16.575	VW15060280	120,521	-
Unserved/Underserved Victim Advocacy & Outreach	16.575	UV14050280	95,371	-
Unserved/Underserved Victim Advocacy & Outreach	16.575	UV15010280	20,191	-
Unserved/Underserved Victim Advocacy & Outreach	16.575	XV15010280	24,486	-
Subtotal 16.575			260,569	-
Passed through the Children's Advocacy Centers of California:				
Victims of Child Abuse Children's Advocacy Center National Subgrants Program	16.758	7-NAPA-CA-SA15	6,000	-
Victims of Child Abuse Children's Advocacy Center National Subgrants Program	16.758	7-NAPA-CA-SA16	3,000	-
Subtotal 16.758			9,000	-
<b>Total U.S. Department of Justice</b>			<b>395,611</b>	<b>-</b>
<b>U.S. Department of Labor</b>				
Passed through the State Employment Development Department:				
WIA/WIOA Adult Program	17.258	K594773/K698374	603,870	164,086
WIA/WIOA Youth Activities	17.259	K594773/K698374	502,172	392,856
WIA/WIOA Dislocated Workers:				
Dislocated Worker	17.278	K594773/K698374	505,848	130,294
Layoff Aversion	17.278	K594773/K698374	71,184	-
Project Now	17.278	K594773/K698374	430,564	181,200
Rapid Response	17.278	K594773/K698374	177,086	102,295
Subtotal 17.278			1,184,682	413,789
Subtotal 17.258, 17.259, and 17.278 (WIA/WIOA Cluster)			2,290,724	970,731
<b>Total U.S. Department of Labor</b>			<b>2,290,724</b>	<b>970,731</b>
<b>U.S. Department of Transportation</b>				
Direct Programs:				
Airport Improvement Program	20.106	3-06-0162-029-2013	1,386	-
Airport Improvement Program	20.106	3-06-0162-031-2014	19,143	-
Airport Improvement Program	20.106	3-06-0162-032-2014	42,622	-
Subtotal 20.106			63,151	-
Passed through the State Department of Transportation:				
Highway Planning and Construction - Berryessa Knoxville Road	20.205	CA FLAP 41099 (1)	5,674,665	-
Highway Planning and Construction - Oakville Crossroads Bridge	20.205	BRLO-5921 (010)	4,041,375	-
Highway Planning and Construction - Chiles-Pope Valley Road	20.205	BRLO-5921 (060)	14,428	-
Highway Planning and Construction - Dry Creek Road	20.205	BRLO-5921 (061)	16,585	-
Highway Planning and Construction - Butts Canyon/Hagen/Old Sonoma Road	20.205	HSIPL-5921 (064)	10,214	-
Highway Planning and Construction - Deer Park/Sanitarium Road	20.205	HSIPL-5921 (065)	10,372	-
Highway Planning and Construction - Silverado Trail at Yountville Crossroad	20.205	STPL-5921 (063)	869	-
Highway Planning and Construction - Silverado Trail (Larkmead to Calistoga)	20.205	STPL-5921 (067)	1,000	-
Subtotal 20.205			9,769,508	-
Passed through the State Office of Traffic Safety:				
DUI Vertical Prosecution Program	20.601	DI1525	39,086	-
DUI Vertical Prosecution Program	20.601	DI1623	155,260	-
Subtotal 20.601			194,346	-
<b>Total U.S. Department of Transportation</b>			<b>10,027,005</b>	<b>-</b>

**County of Napa**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grant Award Number	Expenditures	Expenditures to Subrecipients
<b>U.S Institute of Museum and Library Services</b>				
Passed through the State Library:				
Crisis Collections Grant - Pope Valley Station Library	45.310	40-8541	8,696	-
Start Here: New Americans	45.310	40-8580	5,000	-
Subtotal 45.310			13,696	
<b>Total U.S. Institute of Museum and Library Services</b>			<b>13,696</b>	<b>-</b>
<b>U.S. Environmental Protection Agency</b>				
Direct Programs:				
SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-00T60801	201,982	19,999
SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-99T07301	455,431	6,728
Subtotal 66.126			657,413	26,727
<b>Total U.S. Environmental Protection Agency</b>			<b>657,413</b>	<b>26,727</b>
<b>U.S. Department of Health and Human Services</b>				
Passed through the National Association of County and City Health Officials (NACCHO):				
Medical Reserve Corps Small Grant Program	93.008	MRCSG101005-04-00	3,846	-
Passed through the State Department of Public Health:				
Centers For Disease Control and Prevention: Bioterrorism	93.074	14-10524	178,988	-
Hospital Preparedness Program (HPP)	93.074	14-10524	134,329	-
Subtotal 93.074			313,317	-
Tuberculosis Grant	93.116		32,603	-
Immunization Subvention	93.268	15-10436	59,529	-
Maternal, Child and Adolescent Health (MCAH)	93.994	201528	102,082	-
Passed through the State Department of Health Care Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150		50,420	-
California Children's Services - Administrative (CHIP)	93.767		142,217	-
Medical Assistance Program				
Child Health and Disability Prevention (CHDP)	93.778		131,112	-
Health Care Program for Children in Foster Care (HCPCFC)	93.778		95,581	-
California Children's Services - Administrative	93.778		358,392	-
County-Based Medi-Cal Administrative Activities	93.778	13-90019	1,359,264	-
Mental Health Medi-Cal Administrative Activities	93.778		244,576	-
Mental Health Medi-Cal Billing Administration	93.778		533,800	-
Medi-Cal Utilization Review	93.778		729,242	-
Medi-Cal Eligibility Determination - Social Services	93.778		3,600,161	-
Medi-Cal Outreach/Enrollment	93.778		55,600	-
Adult Protective Service (APS/CSBG)	93.778		272,111	-
In-Home Supportive Services Administrative (IHSS)	93.778		537,295	-
Child Welfare Services (CWS)	93.778		272,146	-
Passed through the State Department of Veterans Affairs:				
Veteran's Medi-Cal Cost Avoidance	93.778		3,560	-
Subtotal 93.778			8,192,840	-
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		360,698	144,093
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	14-90075	953,052	57,460

**County of Napa**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grant Award Number	Expenditures	Expenditures to Subrecipients
<b>U.S. Department of Health and Human Services (Continued)</b>				
Passed through the State Department of Social Services:				
Kin-Gap Assistance	93.090		3,638	-
Promoting Safe and Stable Families	93.556		69,974	-
Temporary Assistance for Needy Families				
CalWORKS - Administrative	93.558		3,035,041	-
Emergency Assistance TANF	93.558		430,618	-
Kin-Gap - Administrative	93.558		348	-
Subtotal 93.558			3,466,007	-
Refugee and Entrant Assistance	93.566		345	-
Community-Based Child Abuse Prevention Grants (CBCAP)	93.590		13,699	-
Child Welfare Services - IV-B	93.645		42,659	-
Foster Care - Title IV-E:				
Foster Care - Title IV-E - Social Services	93.658		2,368,615	396,602
Foster Care - Title IV-E - Probation	93.658		218,296	-
Subtotal 93.658			2,586,911	396,602
Adoption Assistance	93.659		1,350,889	-
Licensing Title XX	93.667		68,124	
In-Home Supportive Services (Public Authority)	93.667		149,605	-
Subtotal 93.667			217,729	-
Chafee Foster Care Independence Program	93.674		46,473	28,476
Passed through the State Department of Child Support Services:				
Child Support Enforcement	93.563		2,626,798	-
<b>Total U.S. Department of Health and Human Services</b>			<b>20,635,726</b>	<b>626,631</b>
<b>U.S. Department of Homeland Security</b>				
Passed through Governor's Office of Emergency Services, California:				
South Napa Earthquake	97.036	FEMA-4193-DR-CA	138,672	-
Passed through the City and County of San Francisco:				
Urban Areas Security Initiative Program (UASI)	97.067	2015-00078	52,995	-
<b>Total U.S. Department of Homeland Security</b>			<b>191,667</b>	<b>-</b>
<b>Total Expenditures of Federal Awards Excluding Loans</b>			<b>\$ 38,805,164</b>	<b>\$ 1,780,992</b>

**County of Napa**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**For the Year Ended June 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-through Grant Award Number	Expenditures	Expenditures to Subrecipients
<u>Beginning Federal Loan Balances With a Continuing Compliance Requirement</u>				
<b>U.S. Department of Agriculture</b>				
Water and Waste Disposal Systems for Rural Communities (Water)	10.760	91-02	\$ 2,841,000	\$ -
Water and Waste Disposal Systems for Rural Communities (Sewer)	10.760	92-01	<u>7,718,569</u>	-
Subtotal 10.760			<u>10,559,569</u>	-
<b>U.S. Environmental Protection Agency</b>				
Passed through the State Environmental Protection Agency:				-
Capitalization Grants for Clean Water State Revolving Funds	66.458	13-844-550-0	<u>2,546,137</u>	-
<b>Federal Loan Balances With a Continuing Compliance Requirement</b>			<u><b>13,105,706</b></u>	-
<b>Total Expenditures of Federal Awards Including Loans</b>			<u><b>\$ 51,910,870</b></u>	<u><b>\$ 1,780,992</b></u>
<u>Non-Cash Assistance</u>				
<b>U.S. Department of Agriculture</b>				
Passed through the State Department of Public Health:				-
WIC Supplemental Nutrition Program - Vouchers Redeemed	10.557	14-10239/15-10072	\$ 2,027,703	\$ -
WIC Farmers' Market Nutrition Program (FMNP) - Vouchers Redeemed	10.572	14-10239/15-10073	4,128	-
<b>U.S. Department of Homeland Security</b>				
Passed through the City and County of San Francisco:				-
Emergency Treatment Cots (26 Cots)	97.067	2015-00078	2,659	-
Emergency Treatment Blankets (500 Blankets)	97.067	2015-00078	<u>3,283</u>	-
<b>Total Value of Non-Cash Assistance</b>			<u><b>\$ 2,037,773</b></u>	<u><b>\$ -</b></u>

**County of Napa**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2016**

**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 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>Amount</u>
Unserved/Underserved Victim Advocacy and Outreach	16.575	\$ 20,191
Unserved/Underserved Victim Advocacy and Outreach	16.575	\$ 24,486

**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 Office of Management and Budget's 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, if available, the identifying grant or contract number assigned by the pass-through entity.

**NOTE 7 – NON-CASH ASSISTANCE**

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

10.557 WIC Supplemental Nutrition Program – Vouchers Redeemed totaling \$2,027,703 are reported at the value of client purchases of authorized food products.

10.572 WIC Farmers’ Market Nutrition Program (FMNP) – Vouchers Redeemed totaling \$4,128 are reported at the value of client purchases of authorized food products.

97.067 Urban Areas Security Initiative (UASI) – Emergency Blankets totaling \$3,283 are reported at total costs as shown on the “Grant Property Transfer Agreement” from the pass-through entity, the City and County of San Francisco.

97.067 Urban Areas Security Initiative (UASI) – Emergency Treatment Cots totaling \$2,659 are reported at total cost as shown on the “Grant Property Transfer Agreement” from the pass-through entity, the City and County of San Francisco.

**NOTE 8 – LOANS OUTSTANDING**

*Water and Waste Disposal Systems for Rural Communities*

Beginning in fiscal year 12/13, 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 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, 2016.

	<u>Water</u>	<u>Sewer</u>
Loan Balance, Outstanding July 1, 2015	\$ 2,852,584	\$ 7,682,109
Fiscal Year 2016 Loan Disbursements	71,144	277,763
Total Loan Repayments	<u>(82,728)</u>	<u>(241,303)</u>
Loan Balance, Outstanding June 30, 2016	<u>\$ 2,841,000</u>	<u>\$ 7,718,569</u>

*Capitalization Grants for Clean Water State Revolving Funds*

In fiscal year 2014, the County entered into a loan agreement with the California State Water Resources Control Board to fund the Milliken-Sarco-Tulocay (MST) Recycled Water Project. At June 30, 2016, the total loan balance outstanding was \$5,820,049. Of this, \$2,546,137 was funded with Federal Capitalization Grants under CFDA 66.458.

**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	X15-5921 (073)	\$ 237,648
State Match	X15-5921 (073)	<u>100,000</u>
Total		<u>\$ 337,648</u>

## **FINDINGS AND QUESTIONED COSTS**



**County of Napa**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2016**

**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? \_\_\_ Yes  X  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? \_\_\_ Yes  X  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? \_\_\_ Yes  X  No
4. Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
20.205	Highway Planning and Construction
66.458	Capitalization Grants for Clean Water State Revolving Funds
93.563	Child Support Enforcement
93.558	Temporary Assistance for Needy Families (TANF)
93.658	Foster Care – Title IV-E
93.778	Medical Assistance Program

**County of Napa**  
**Schedule of Findings and Questioned Costs (Continued)**  
**Year Ended June 30, 2016**

5. Dollar threshold used to distinguish between Type A and Type B programs: \$1,618,459
6. Auditee qualified as low-risk auditee under the Uniform Guidance?   X   Yes        No

**SECTION 2**

FINANCIAL STATEMENT FINDINGS

None Reported.

**SECTION 3**

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Reported.

**County of Napa  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2016**

No findings in the prior year.

**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, 2016**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period through June 30, 2015	For the Year Ended June 30, 2016	Cumulative as of June 30, 2016	Federal Share	State Share	County Share
UV14050280 - Unserved/Underserved Victim						
Advocacy and Outreach						
Personal services	\$ 117,355	\$ 110,996	\$ 228,351	\$ 95,371	\$ -	\$ 15,625
Operating expenses	10,628	1,312	11,940	-	-	1,312
Equipment	-	-	-	-	-	-
Totals	<u>\$ 127,983</u>	<u>\$ 112,308</u>	<u>\$ 240,291</u>	<u>\$ 95,371</u>	<u>\$ -</u>	<u>\$ 16,937</u>
UV15010280 - Unserved/Underserved Victim						
Advocacy and Outreach						
Personal services	\$ -	\$ 23,845	\$ 23,845	\$ 20,191	\$ -	\$ 3,654
Operating expenses	-	4,133	4,133	-	-	4,133
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 27,978</u>	<u>\$ 27,978</u>	<u>\$ 20,191</u>	<u>\$ -</u>	<u>\$ 7,787</u>
XV15010280 - Unserved/Underserved Victim						
Advocacy and Outreach						
Personal services	\$ -	\$ 26,343	\$ 26,343	\$ 24,486	\$ -	\$ 1,857
Operating expenses	-	4,941	4,941	-	-	4,941
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 31,284</u>	<u>\$ 31,284</u>	<u>\$ 24,486</u>	<u>\$ -</u>	<u>\$ 6,798</u>
VW15060280 - Victim/Witness Assistance						
Personal services	\$ -	\$ 211,755	\$ 211,755	\$ 120,521	\$ 91,234	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Totals	<u>\$ -</u>	<u>\$ 211,755</u>	<u>\$ 211,755</u>	<u>\$ 120,521</u>	<u>\$ 91,234</u>	<u>\$ -</u>