

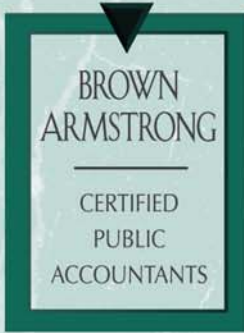
COUNTY OF NAPA
SINGLE AUDIT REPORT
JUNE 30, 2017

**COUNTY OF NAPA
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2017**

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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, 2017, 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 21, 2017.

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*.

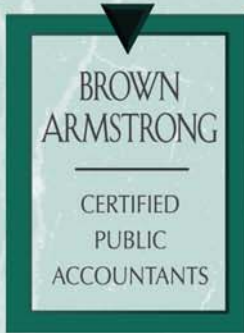
Purpose of this Report

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

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 21, 2017



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, 2017. 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, 2017.

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.

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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 21, 2017, 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 9, 2018

SCHEDULE

County of Napa
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

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	15-0586-SF	\$ 555,913	\$ -
European Grapevine Moth - Detection	10.025	16-0697-SF	460,963	-
European Grapevine Moth - Regulatory	10.025	15-0594-SF	17,732	-
County GWSS Program	10.025	16-0518-SF	175,028	-
Exotic Pest Detection Trapping	10.025	16-0084	57,366	-
Light Brown Apple Moth	10.025	15-0469-SF	317	-
Light Brown Apple Moth	10.025	16-0533-SF	1,638	-
Sudden Oak Death - Quarantine	10.025	16-0390-SF	255	-
Subtotal 10.025			1,269,212	-
Passed through the State Department of Education:				
School Breakfast Program	10.553	2012-SN-28-R	11,716	-
National School Lunch Program	10.555	2012-SN-28-R	21,083	-
Subtotal 10.553 and 10.555 (Child Nutrition Cluster)			32,799	-
Passed through the State Department of Public Health:				
Nutrition Education and Obesity Prevention	10.200	16-10181	191,656	183,768
WIC Supplemental Nutrition Program	10.557	15-10072	833,059	-
WIC Farmers' Market Nutrition Program (FMNP)	10.572	15-10072	856	-
Passed through the State Department of Social Services:				
CalFresh Administration	10.561		1,801,851	-
Total U.S. Department of Agriculture			4,129,433	183,768
U.S. Department of Housing and Urban Development				
Direct Programs:				
Transitional Residential Alliance and Integrated Network (TRAIN)	14.235	CA0293L9T171508	92,846	92,846
Transitional Residential Alliance and Integrated Network (TRAIN)	14.235	CA0293L9T171609	113,726	113,726
Homeless Management Information System (HMIS)	14.235	CA0289L9T171506	26,915	26,915
Homeless Management Information System (HMIS)	14.235	CA0289L9T171607	8,972	8,972
Homeless Management Information System (HMIS)	14.235	CA0290L9T171407	5,942	5,942
Subtotal 14.235			248,401	248,401
Continuum of Care Planning	14.267	CA1324L9T171400	7,197	7,197
Coordinated Assessment 2016	14.267	CA1482L9T171500	4,713	-
Subtotal 14.267			11,910	7,197
Passed through the State Department of Housing and Community Development:				
Community Development Block Grant (CDBG)	14.228	14-CDBG-9897	89,690	-
Total U.S. Department of Housing and Urban Development			350,001	255,598
U.S. Department of the Interior				
Direct Programs:				
Enhanced Law Enforcement Services - Lake Berryessa	15.000	R16PC00048	376,189	-
Payment in Lieu of Taxes (PILT)	15.226		159,920	-
Federal Grazing Fee	15.227		23	-
Total U.S. Department of the Interior			536,132	-

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, 2017

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)	16.000	2016-35	28,408	-
Domestic Cannabis Eradication/Suppression Program (DCESP)	16.000	2017-33	5,310	-
Subtotal 16.000			33,718	-
State Criminal Alien Assistance Program	16.606	2016-H0914-CA-AP	31,829	-
Passed through Governor's Office of Emergency Services, California:				
Napa Victim/Witness Assistance	16.575	VW16070280	178,164	-
Unserved/Underserved Victim Advocacy & Outreach	16.575	UV15010280	79,006	-
Unserved/Underserved Victim Advocacy & Outreach	16.575	UV16020280	44,763	-
Unserved/Underserved Victim Advocacy & Outreach	16.575	XV15010280	114,807	-
County Victim Services Program	16.575	XC16010280	46,846	-
Subtotal 16.575			463,586	-
Passed through the Children's Advocacy Centers of California:				
Victims of Child Abuse Children's Advocacy Center National Subgrants Program	16.758	NAPA-CA-SA16	6,503	-
Victims of Child Abuse Children's Advocacy Center National Subgrants Program	16.758	6-NAPA-CA-SA17	3,000	-
Subtotal 16.758			9,503	-
Total U.S. Department of Justice			538,636	-
U.S. Department of Labor				
Passed through the Workforce Alliance of the North Bay (WANB):				
Slingshot	17.258	170400B-17	28,222	-
WIOA Adult Program	17.258	170753B-17	510,387	97,029
Subtotal 17.258			538,609	97,029
WIOA Youth Activities	17.259	170753B-17	496,978	391,594
WIOA Dislocated Workers:				
Dislocated Worker	17.278	170753B-17	490,539	81,398
Regional Implementation Grant	17.278	170400B-17	6,269	-
Rapid Response	17.278	170753B-17/170400B-17	59,924	20,221
Subtotal 17.278			556,732	101,619
Subtotal 17.258, 17.259, and 17.278 (WIOA Cluster)			1,564,097	590,242
Total U.S. Department of Labor			1,592,319	590,242
U.S. Department of Transportation				
Direct Programs:				
Airport Improvement Program	20.106	3-06-0162-031-2014	7,377	-
Airport Improvement Program	20.106	3-06-0162-033-2016	22,500	-
Airport Improvement Program	20.106	3-06-0162-034-2016	349,362	-
Subtotal 20.106			379,239	-
Passed through the State Department of Transportation:				
Highway Planning and Construction - Oakville Crossroads Bridge	20.205	BRLO-5921 (010)	210,155	-
Highway Planning and Construction - Dry Creek Road	20.205	BRLO-5921 (061)	81,604	-
Highway Planning and Construction - Butts Canyon/Hagen/Old Sonoma	20.205	HSIPL-5921 (064)	258,584	-
Highway Planning and Construction - Deer Park/Sanitarium Road	20.205	HSIPL-5921 (065)	274,994	-
Highway Planning and Construction - Silverado Trail at Yountville Crossroad	20.205	STPL-5921 (063)	137,855	-
Highway Planning and Construction - Silverado Trail (Larkmead to Calistoga)	20.205	STPL-5921 (067)	1,072,666	-
Highway Planning and Construction - Silverado Trail (Howell Mt to Zinfandel Ln)	20.205	STPL-5921 (075)	667,714	-
Highway Planning and Construction - Greenwood Ave over Garnett Creek	20.205	BRLO-5921 (068)	7,955	-
Highway Planning and Construction - Chiles-Pope Valley Road	20.205	BRLS-5921 (074)	68,402	-
Highway Planning and Construction - Storm 4301 - Silverado Trail	20.205	ER-32LO(347)	2,863	-
Highway Planning and Construction - Storm 4301 - Howell Mountain	20.205	ER-32LO(422)	23,632	-
Highway Planning and Construction - Storm 4301 - Pope Canyon	20.205	ER-32LO(419)	3,564	-
Highway Planning and Construction - Storm 4301 - Wooden Valley MPM 3.0	20.205	ER-32LO(420)	11,352	-
Highway Planning and Construction - Storm 4301 - Wooden Valley MPM 2.75	20.205	ER-32LO(423)	26,141	-
Highway Planning and Construction - Storm 4308 - Berryessa/Knoxville	20.205	ER-32LO(348)	68,220	-
Highway Planning and Construction - Storm 4308 - Wooden Valley - MPM 2.5	20.205	ER-32LO(421)	1,606	-
Highway Planning and Construction - Storm 4308 - Wooden Valley - MPM 3.1	20.205	ER-32LO(349)	2,461	-
Subtotal 20.205			2,919,768	-
Passed through the State Office of Traffic Safety:				
DUI Vertical Prosecution Program	20.601	DI1623	60,850	-
Total U.S. Department of Transportation			3,359,857	-

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, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grant Award Number	Expenditures	Expenditures to Subrecipients
U.S. Institute of Museum and Library Services				
Passed through the State Library:				
Career Online High School Initiative	45.310	40-8622	1,800	-
Leamos at the Library Project Expansion	45.310	40-8697	500	-
Subtotal 45.310			<u>2,300</u>	-
Total U.S. Institute of Museum and Library Services			<u>2,300</u>	-
U.S. Environmental Protection Agency				
Direct Programs:				
SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-00T95301	659,587	-
SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-99T07301	626,820	2,952
SF Bay Water Quality Improvement Fund - Napa River	66.126	W9-99T24201	379,137	-
Subtotal 66.126			<u>1,665,544</u>	-
Total U.S. Environmental Protection Agency			<u>1,665,544</u>	<u>2,952</u>
U.S. Department of Health and Human Services				
Passed through the National Association of County and City Health Officials (NACCHO):				
Medical Reserve Corps Small Grant Program	93.008	MRCSG101005-04-00	829	-
Passed through the State Department of Public Health:				
Centers For Disease Control and Prevention: Bioterrorism	93.074	14-10524	196,891	-
Hospital Preparedness Program (HPP)	93.074	14-10524	176,744	-
Subtotal 93.074			<u>373,635</u>	-
Tuberculosis Grant	93.116		4,955	-
Immunization Subvention	93.268	15-10436	59,529	-
HIV Care (ADAP)	93.917	15-10490	3,849	-
Maternal, Child, and Adolescent Health (MCAH)	93.994	201628	111,929	-
Passed through the State Department of Health Care Services:				
Projects for Assistance in Transition from Homelessness (PATH)	93.150		49,084	-
California Children's Services - Administrative (CHIP)	93.767		152,923	-
Medical Assistance Program				
Child Health and Disability Prevention (CHDP)	93.778		141,682	-
Health Care Program for Children in Foster Care (HCPCFC)	93.778		66,907	-
California Children's Services - Administrative	93.778		365,226	-
County-Based Medi-Cal Administrative Activities	93.778	16-93371	1,023,348	-
Mental Health Medi-Cal Administrative Activities	93.778		106,200	-
Mental Health Medi-Cal Billing Administration	93.778		547,685	-
Medi-Cal Utilization Review	93.778		590,545	-
Medi-Cal Eligibility Determination - Social Services	93.778		3,112,948	-
Medi-Cal Outreach/Enrollment	93.778		48,557	15,913
Adult Protective Service (APS/CSBG)	93.778		312,114	-
In-Home Supportive Services Administrative (IHSS)	93.778		712,957	-
Child Welfare Services (CWS)	93.778		275,673	-
Passed through the State Department of Veterans Affairs:				
Veteran's Medi-Cal Cost Avoidance	93.778		5,471	-
Subtotal 93.778			<u>7,309,313</u>	<u>15,913</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		329,588	206,744
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	14-90075	997,021	35,432

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, 2017

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 Social Services:				
Kin-Gap Assistance	93.090		8,325	-
Promoting Safe and Stable Families	93.556		74,533	-
Temporary Assistance for Needy Families				
CalWORKS - Administrative	93.558		4,071,077	-
Emergency Assistance TANF	93.558		430,618	-
Kin-Gap - Administrative	93.558		318	-
Subtotal 93.558			4,502,013	-
Refugee and Entrant Assistance	93.566		833	-
Community-Based Child Abuse Prevention Grants (CBCAP)	93.590		13,480	-
Child Welfare Services - IV-B	93.645		41,895	1,771
Foster Care - Title IV-E:				
Foster Care - Title IV-E - Social Services	93.658		2,549,066	551,843
Foster Care - Title IV-E - Probation	93.658		260,592	-
Subtotal 93.658			2,809,658	551,843
Adoption Assistance	93.659		1,270,426	-
Licensing Title XX	93.667		90,832	-
In-Home Supportive Services (Public Authority)	93.667		204,659	-
Subtotal 93.667			295,491	-
Chafee Foster Care Independence Program	93.674		44,830	44,753
Passed through the State Department of Child Support Services:				
Child Support Enforcement	93.563		2,791,519	-
Total U.S. Department of Health and Human Services			21,245,658	856,456
U.S. Department of Homeland Security				
Passed through Governor's Office of Emergency Services, California:				
South Napa Earthquake	97.036	FEMA-4193-DR-CA	2,221,300	-
2017 Storm 4301	97.036	FEMA-4301-DR-CA	222,345	-
2017 Storm 4305	97.036	FEMA-4305-DR-CA	184,397	-
2017 Storm 4308	97.036	FEMA-4308-DR-CA	185,127	-
			2,813,169	-
Passed through the City and County of San Francisco:				
Urban Areas Security Initiative Program (UASI)	97.067	2014-SS-00093	51,075	-
Total U.S. Department of Homeland Security			2,864,244	-
Total Expenditures of Federal Awards Excluding Loans			\$ 36,284,124	\$ 1,889,016

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, 2017

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>				
U.S. Department of Agriculture				
Water and Waste Disposal Systems for Rural Communities (Water)	10.760	91-02	\$ 2,788,157	\$ -
Water and Waste Disposal Systems for Rural Communities (Sewer)	10.760	92-01	7,573,364	-
Subtotal 10.760			<u>10,361,521</u>	<u>-</u>
Federal Loan Balances With a Continuing Compliance Requirement			<u>10,361,521</u>	<u>-</u>
Total Expenditures of Federal Awards Including Loans			<u>\$ 46,645,645</u>	<u>\$ 1,889,016</u>
<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	\$ 1,771,650	\$ -
WIC Farmers' Market Nutrition Program (FMNP) - Vouchers Redeemed	10.572	15-10072	3,080	-
Total Value of Non-Cash Assistance			<u>\$ 1,774,730</u>	<u>\$ -</u>
Total Expenditures of Federal Awards Including Loans and Value of Non-Cash Assistance			<u>\$ 48,420,375</u>	<u>\$ 1,889,016</u>

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, 2017

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 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	\$ 79,006
Unserved/Underserved Victim Advocacy and Outreach	16.575	\$ 44,763
Unserved/Underserved Victim Advocacy and Outreach	16.575	\$ 114,807
Napa Victim/Witness Assistance	16.575	\$ 178,164
County Victim Services Program	16.575	\$ 46,846
Centers for Disease Control and Prevention: Bioterrorism	93.074	\$ 196,891
Hospital Preparedness Program (HPP)	93.074	\$ 176,744
Health Care Program for Children in Foster Care	93.778	\$ 66,907

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 \$1,771,650 are reported at the value of client purchases of authorized food products.

10.572 WIC Farmers’ Market Nutrition Program (FMNP) – Vouchers Redeemed totaling \$3,080 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) 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, 2017.

	<u>Water</u>	<u>Sewer</u>
Loan Balance, Outstanding July 1, 2016	\$ 2,841,000	\$ 7,718,569
Total Loan Repayments	<u>(52,843)</u>	<u>(145,205)</u>
Loan Balance, Outstanding June 30, 2017	<u>\$ 2,788,157</u>	<u>\$ 7,573,364</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. In fiscal year 2015-16, \$2,546,137 of the \$5,820,049 total loan balance outstanding was funded with Federal Capitalization Grants under CFDA No. 66.458. In fiscal year 2016-17, no federal funds were received and the total loan balance outstanding at June 30, 2017, was \$6,566,973.

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	X17-5921 (076)	\$ 237,648
State Match	X17-5921 (076)	<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. As of June 30, 2017, the County had expended \$192,912 of WPC funds. However, the Whole Person Care 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 Whole Person Care expenditures on the Schedule of Expenditures of Federal Awards. However, the County is treating its 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, 2017

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>
10.760	Water and Waste Disposal Systems for Rural Communities
20.205	Highway Planning and Construction
66.126	SF Bay Water Quality Improvement Fund
97.036	Disaster Grants (FEMA)

5. Dollar threshold used to distinguish between Type A and
Type B programs: \$1,454,005
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, 2017

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, 2017**

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, 2017

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period through June 30, 2016	For the Year Ended June 30, 2017	Cumulative as of June 30, 2017	Federal Share	State Share	County Share
Victim Witness Assistance Program; VW16070280						
Advocacy and Outreach						
Personnel services	\$ -	\$ 219,241	\$ 219,241	\$ 173,620	\$ 45,621	\$ -
Operating expenses	-	50,157	50,157	4,544	45,613	-
Equipment	-	-	-	-	-	-
Totals	\$ -	\$ 269,398	\$ 269,398	\$ 178,164	\$ 91,234	\$ -
Unserviced/Underserved Victim Advocacy and Outreach Programs; UV16020280						
Advocacy and Outreach						
Personnel services	\$ -	\$ 44,493	\$ 44,493	\$ 41,879	\$ -	\$ 2,614
Operating expenses	-	9,232	9,232	2,884	-	6,348
Equipment	-	-	-	-	-	-
Totals	\$ -	\$ 53,725	\$ 53,725	\$ 44,763	\$ -	\$ 8,962
Unserviced/Underserved Victim Advocacy and Outreach Program; UV15010280						
Advocacy and Outreach						
Personnel services	\$ 23,845	\$ 89,966	\$ 113,811	\$ 79,006	\$ -	\$ 10,960
Operating expenses	4,133	17,742	21,875	-	-	17,742
Equipment	-	-	-	-	-	-
Totals	\$ 27,978	\$ 107,708	\$ 135,686	\$ 79,006	\$ -	\$ 28,702
Unserviced/Underserved Victim Advocacy (XV) and Outreach Program; XV15010280						
Advocacy and Outreach						
Personnel services	\$ 26,343	\$ 120,379	\$ 146,722	\$ 114,807	\$ -	\$ 5,572
Operating expenses	4,941	25,142	30,083	-	-	25,142
Equipment	-	-	-	-	-	-
Totals	\$ 31,284	\$ 145,521	\$ 176,805	\$ 114,807	\$ -	\$ 30,714
County Victim Services Program; XC16010280						
Personnel services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	4,426	4,426	4,426	-	-
Equipment	-	42,420	42,420	42,420	-	-
Totals	\$ -	\$ 46,846	\$ 46,846	\$ 46,846	\$ -	\$ -