



A Tradition of Stewardship
A Commitment to Service

Auditor-Controller

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Tracy A. Schulze
Auditor-Controller

December 1, 2010

FILED

JAN 18 2011

The Honorable Stephen T. Kroyer
Presiding Judge
Superior Court of the State of California
County of Napa
825 Brown Street
Napa, CA 94559

Clerk of the Napa Superior Court
By: C. Brennan
Deputy

RE: American Recovery and Reinvestment Act of 2009: Funds Awarded to Napa County
Update Request, response to findings 1, 2, 3, 6, 7, 10, 11, and 12

Dear Judge Kroyer:

Thank you for your report on the American Recovery and Reinvestment Act of 2009. I truly appreciate the hard work and dedication the members of the 2009-2010 Grand Jury put towards this effort and for the 2010-2011 Grand Jury for following up on this topic.

In accordance with Section 933(a) of the California Penal Code, please find the attached Auditor-Controller responses as requested findings 1, 2, 3, 6, 7, 10, 11, and 12. If you have any additional questions or need any further information, please do not hesitate to contact me at 707-299-1733.

Sincerely,

A handwritten signature in cursive script that reads "Tracy A. Schulze".

Tracy A. Schulze
Auditor-Controller

Cc: Napa County Board of Supervisors
Nancy Watt, Napa County Executive Officer

Received

DEC 06 2010

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**Napa County
Responses to Grand Jury Report
Recovery and Reinvestment Act of 2009
Fiscal Year 2009-2010**

Finding #1. Napa County was awarded \$10,628,707 in ARRA grants.

Response, County Auditor-Controller. The Auditor-Controller agrees with this finding for the amount at the time of the original report. For additional clarification, of this total, \$7,852,950 represented grant awards and \$2,775,757 represented the amount of allocations and enhanced Federal Medical Assistance Percentage for certain programs that county staff estimated would be received over the term of ARRA. As of 9/30/10, the County has been awarded \$8,739,543 in ARRA grants and expects to receive approximately \$3,741,038 from the aforementioned allocations and enhancements due to ARRA. Please see the full ARRA report on our website for more information.

Finding #2. ARRA tracking, grant compliance, and reporting procedures were implemented.

Response, County Auditor-Controller. The Auditor-Controller agrees with this finding.

Finding #3. Separate accounting mechanisms were set up within the General Fund that allow for ARRA tracking and transparency.

Response, County Auditor-Controller. The Auditor-Controller agrees with this finding. However, it is not limited just to the General Fund. If ARRA funding was received in Special Revenue funds or Enterprise funds, the funding has to be recorded as such. The same separate accounting mechanisms are in place in those funds as well.

Finding #6. ARRA projects are reimbursement based; the County submits requests to the State for reimbursement. ARRA funds are transferred from the Federal government to the State and then to the County.

Response, County Auditor-Controller. The Auditor-Controller agrees with this finding, with the exception of two instances where funding is advanced prior to expenditure. Please see the full ARRA report on our website for more information.

Finding #7. California has forty-five calendar days from receipt of an undisputed claim to forward funds based on county reimbursement requests.

Response, County Auditor-Controller. The Auditor-Controller agrees with this finding.

Finding #10. ARRA grant information is posted on the County website (www.countyofnapa.org).

Response, County Auditor-Controller. The Auditor-Controller agrees with this finding

Finding #11. ARRA updates and information will be presented for the first time to the BOS beginning in April 2010 and continue quarterly thereafter.

Response, County Auditor-Controller. The Auditor-Controller agrees with this finding.