NAPA COUNTY
DISTRICT ATTORNEY
CALIFORNIA DEPARTMENT OF INSURANCE
AUTOMOBILE INSURANCE FRAUD
GRANT PROGRAM
INDEPENDENT AUDITOR'S REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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AUTOMOBILE INSURANCE FRAUD GRANT PROGRAM

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INDEPENDENT AUDITOR'S REPORT

Allison Haley
District Attorney
Napa County
Napa, California

We have audited the accompanying schedule of Grant Revenue and Expenditures of the Napa County Office of the District Attorney for the Automobile Insurance Grant Program funded by the California Department of Insurance as of June 30, 2020 and the related schedule of eligible costs Budget to Actual claimed for the contract period July 1, 2019 June 30, 2020. These schedules are the responsibility of the Napa County Office of the District Attorney. Our responsibility is to express an opinion on these schedules based on our audit.

We conducted our audit 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 of America, and section 1872.8 of the State of California Insurance Code. Those standards and instructions require that we plan and perform the audit to obtain reasonable assurance about whether the schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the schedules referred to in the first paragraph present fairly, in all material respects, of the Napa County Office of the District Attorney for the Automobile Insurance Fraud Grant Program funded by the California Department of Insurance and the related schedule of expenditures claimed for the contract period July 1, 2019 to June 30, 2020, in conformity with standards and instructions issued by the Department of Insurance for the State of California.

In accordance with *Government Auditing Standards,* we have also issued a report dated August 24, 2020 on our consideration of the Automobile Insurance Fraud Grant Program allocated to the Office of the District Attorney's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Romeo C. Blanquera, CPA Inc.
Romeo C. Blanquera, CPA Inc. Inc
August 24, 2020

NAPA COUNTY
DISTRICT ATTORNEY'S OFFICE
AUTOMOBILE INSURANCE FRAUD GRANT PROGRAM
SCHEDULE OF GRANT REVENUES AND EXPENDITURES

FOR THE FISCAL YEAR ENDED, JUNE 30, 2020

Grant Revenues:	
Grant funds received during the grant period	$ 24,010
Total cash available during the grant period	24,010
Grant funds received after the grant period	10,425
Grant funds receivable after the grant period	8,476
Total grant funds received	$ 42,911
Disbursements:	
Salaries and benefits	$ 34,016
Operating Expenses and Administrative Overhead	
Training, Travel & Vehicle Expenses	679
Information Technology, Records & Communication	1,720
General Operating Supplies/Copier, Liability Ins & Bldg Maintenance	1,475
Audit Costs	2,000
Administrative Costs	2,347
Total Operating	8,221
Equipment	674
Total disbursements	$ 42,911
Unexpended Funds	
Total contracted grant funds	$ 42,911
Total disbursements	42,911
Total unexpended grant funds	$ -

The accompanying notes are an integral part of these financial schedules.

NAPA COUNTY
DISTRICT ATTORNEY'S OFFICE
CALIFORNIA DEPARTMENT OF INSURANCE
AUTOMOBILE INSURANCE FRAUD PROGRAM

SCHEDULE OF ELIGIBLE COSTS
BUDGET TO ACTUAL
FOR THE FISCAL YEAR ENDED, JUNE 30, 2020

Budget Category	Current Budget	Eligible Costs	Variance
Personnel Services	$ 34,016	$ 32,475	$ 1,541
Travel, Training & Vehicle Expenses	679	2,220	(1,541)
Info. Tech, Records & Communication	1,720	1,720	-
Gen Operating Supplies, Copier, etc.	1,475	1,475	-
Audit Expense	2,000	2,000	-
Administrative Overhead	2,347	2,347	-
Equipment	674	$ 674	$ -
Total	$ 42,911	$ 42,911	$ -

The accompanying notes are an integral part of these financial schedules.

NAPA COUNTY
DISTRICT ATTORNEY'S OFFICE
CALIFORNIA DEPARTMENT OF INSURANCE
AUTOMOBILE INSURANCE FRAUD GRANT PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED, JUNE 30, 2020

NOTE 1: PROGRAM DESCRIPTION

The Napa County Office of the District Attorney, entered into the Automobile Insurance Fraud Grant Program with the California Department of Insurance for the period of July 1, 2019 to June 30, 2020. The grant award is made pursuant to section 1872.8 of California Insurance Code and is used for the purposes of enhanced investigation and prosecution of automobile insurance fraud.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statement Presentation

The Financial Statements are prepared in accordance with the method of accounting suggested by the State of California Department of Insurance. The Financial Statements present the information requested by the Department of Insurance and therefore do not purport to reflect the financial position or results of operation of the Napa County District Attorney's Office in accordance with Generally Accepted Accounting Principles accepted in the United States of America.

B. Basis of Accounting

The grant utilizes the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, increases and decreases in financial resources are recognized only to the extent that they reflect near-term inflows and outflows of cash. Revenues are recognized when earned. Expenditures are generally recognized when the related liability is incurred.

NOTE 3: GRANT SOURCE AND STATUS OF FUNDS:

Distribution to June 30, 2020	$ 24,010
Distribution after June 30, 2020	$ 10,425
Receivable after June 30, 2020	$ 8,476
Total fund distribution of current year grant	$ 42,911

The Department of Insurance sets forth certain procedures in the request for application program. According to funding procedures, any portion of distributed funds not used for local program purposes at the termination of each annual funding cycle, within thirty (30) days after the completion of the final audit, unused funds shall be transferred back to the insurance fund. the Commissioner how the funds will be used at the end of the program period and at the time of the subsequent application.

NOTE 4: ACCOUNTS AND RECORDS

The Napa County Office of the District Attorney receives funds from California Department of Insurance. These funds are deposited to the Office of the District Attorney's Program account with the Napa County Treasurer-Tax Collector Department.

NOTE 5: FUNDING AMOUNTS

The amount of the grant payments from the Department of Insurance is based on the amount of funds available for disbursement. These funds are based on the annual fee to be determined by the Insurance Commissioner, not to exceed one dollar ($1) annually, for each vehicle insured within the State of California. Fifty five percent (55%) of the assessment after incidental expenses is available for distribution to District Attorneys. Consequently, the amounts are estimates until actual payment is received by the District Attorney's office. For this grant period, the grant amount is $42,911.

NOTE 6: PERSONNEL

Personnel time charges to the Program is appropriately certified. Expenses charged to the program are limited to personnel funded by the grant.

NOTE 7: EQUIPMENT PURCHASES

Equipment purchases are only for items specifically approved by the California Department of Insurance in the budget and are in the custody of the grant unit.
For this grant period, equipment purchased total $674.

NOTE 8: AUTOMOBILE PURCHASES

Vehicles charged to the program have been approved by the California Department of Insurance. For this grant period, there were no automobile purchased
.

NOTE 9: COUNTY POLICIES AND PROCEDURES

Napa County policies and procedures were used as the standard for verifying the appropriateness of personnel and support costs.

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Allison Haley
District Attorney
Napa County
Napa, California

We have audited the schedule of status of cash of the Napa County Office of the District Attorney for the Automobile Insurance Fraud Grant Program funded by the California Department of Insurance as of June 30, 2020 and the related schedule of expenditures claimed for the contract period then ended and have issued our report thereon dated August 24, 2019. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing the audit, we considered Automobile Insurance Fraud Grant Program allocated to the Office of the District Attorney's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Automobile Insurance Fraud Grant Program allocated to the Office of the District Attorney's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Automobile Insurance Fraud Grant Program allocated to the Office of the District Attorney's internal control over financial reporting.

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.

Our consideration of the internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and other Matters

As part of obtaining reasonable assurance about whether the Automobile Insurance Fraud Grant Program's financial schedules are free of 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 schedules 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.*

This report is intended solely for the information of the Napa CountyDistrict Attorney, management of the program and awarding agency and is not intended to be and should not be used by anyone other than the specified parties.

Romeo C. Blanquera, CPA Inc.
Romeo C. Blanquera, CPA Inc.
August 24, 2020