



A Tradition of Stewardship
A Commitment to Service

**Napa County Housing Authority
Quarterly Monitoring
Internal Controls Review**

For the period of October 1, 2025 to
December 31, 2025

Tracy A. Schulze
Auditor-Controller
Internal Audit Section
January 26, 2026

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Tracy A. Schulze
Auditor-Controller

January 26, 2026

Napa County Housing Authority
Napa, CA

Executive Summary

The Internal Audit section of the Napa County Auditor-Controller's Office (Internal Audit) has completed its quarterly monitoring of the Napa County Housing Authority (Authority) for the quarter ended December 31, 2025.

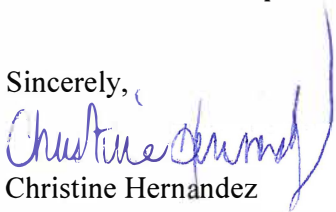
Our review was conducted in accordance with the Global Internal Audit Standards (Standards) established by the Institute of Internal Auditors. These Standards require that we identify, analyze, evaluate, and document sufficient information and evidence to achieve our objectives and that all engagements be performed with independence, objectivity, proficiency, and due professional care.

Based on our review, we conclude that California Human Development Corporation (CHDC) was in compliance with the policies and procedures established by the Authority's Board of Directors for the quarter ended December 31, 2025, subject to the observations noted in this report.

This report is a matter of public record and is intended solely for the information and use of the Napa County Housing Commission's Commissioners, the Authority's Board of Directors, the Napa County Board of Supervisors, Chief Executive Officer, and CHDC management.

I'd like to thank CHDC, the Authority's staff, and the Internal Audit team for their professionalism, collaboration, and expertise throughout this engagement.

Sincerely,


Christine Hernandez
Deputy Auditor-Controller

Napa County Housing Authority
Quarterly Monitoring
For the Quarter Ended December 31, 2025

Background and Authority

The Napa County Housing Authority (Authority) is a public housing authority established pursuant to California Health and Safety Code Section 34200 et seq. The Authority owns and oversees three farmworker housing centers (Centers) located in Napa County:

- 1) River Ranch - 1109 Silverado Trail, St. Helena
- 2) Calistoga Center - 3996 N. St. Helena Highway, Calistoga
- 3) Mondavi Center - 5585 Silverado Trail, Napa

The Authority's mission is to provide safe, affordable housing for farmworkers, particularly those in the migrant and seasonal workforce who support Napa County's agricultural industry.

Reconstituted in late 2015, the Napa County Housing Commission (NCHC) serves as an advisory body to both the Authority and the Napa County Board of Supervisors. Its responsibilities were expanded beyond oversight of the three Centers to include review of projects requesting County Affordable Housing Fund support.

The Authority contracts with the California Human Development Corporation (CHDC), a nonprofit organization, to manage the day-to-day operations of the Centers. CHDC assigns on-site staff, including Center Managers and a Fiscal Analyst, who are responsible for:

- Collecting lodger fees in accordance with the rates and policies approved by the Authority's Board of Directors (currently \$18 per day);
- Maintaining complete lodger files, including a signed rental agreement, photo identification, and verification of agricultural employment;
- Managing petty cash funds not exceeding \$250 and ensuring all cash receipts are promptly deposited;
- Preparing occupancy and rent reports; and
- Overseeing facility maintenance and repairs.

To promote accountability and compliance, the Napa County Auditor-Controller's Office conducts quarterly monitoring reviews of CHDC's adherence to the Authority's policies and procedures during fiscal year 2025-26.

Objective and Scope

The primary objective of this engagement was to evaluate the CHDC's compliance with the policies and procedures established by the Napa County Housing Authority's Board of Directors.

The scope of the review encompassed an examination of CHDC's operational and financial records, as well as relevant Authority oversight documentation, for the quarter ended December

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31, 2025. The review focused on determining whether CHDC's management of the three farmworker housing centers was conducted in accordance with applicable Authority policies, contractual requirements, and internal control standards.

Procedures

To achieve our audit objective, our procedures included, but were not limited to, the following:

1. Revenues

- a. Reconciled lodger and staff rent revenues in the general ledger to CHDC's records

2. Accounts Receivable

- a. Reported accounts receivable for lodgers who had departed the farmworker center with rents due
- b. Reported accounts receivable for current lodgers with a rents due balance of \$540 (\$18 daily rate x 30 days) or more
- c. Reported recommended accounts receivable write-offs schedule by each center including lodger count (**Exhibit A**)

3. Prepaids

- a. Reported prepaid rents for lodgers who had departed the farmworker centers
- b. Reported prepaids for current lodgers with prepaid balances
- c. Reported recommended prepaid write-offs schedule by each center including lodger count (**Exhibit B**)

4. Collections and Deposits

- a. Selected a sample of all deposits for the quarter and traced back to Occupancy reports for accuracy and completeness
- b. Verified collection receipts are in numerical sequence
- c. Verified physical rent receipt numbers on sampled deposits are entered correctly on the Occupancy reports
- d. Verified bank deposits are processed timely when revenue exceeds \$3,200
- e. Verified lodger rent agrees with number of room nights on receipt
- f. Verified receipts are accurate (i.e., signature, method of payment, lodger number or voided properly)
- g. Verified lodger rent was not paid in arrears (i.e., rents paid for prior periods of occupancy over two weeks)

5. Donations

- a. Verified reporting for all cash and non-cash donations

**Napa County Housing Authority
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Observations

Collections & Deposits

Internal audit selects and reviews a sample of deposits and rent receipts completed for each Center each quarter to confirm compliance with established requirements. Internal audit typically reviews no less than 20% of all transactions to ensure meaningful coverage and to identify opportunities for improvement. When discrepancies or incomplete documentation are identified, additional samples are selected to verify adherence to the criteria outlined in Section 4. Collections and Deposits.

For quarter ended December 31, 2025, Internal Audit reviewed 42% of deposits for Calistoga, 30% for River Ranch, and 36% for Mondavi. During testing, a small number of items were noted where supporting documentation or clarity could be improved to demonstrate compliance with the policy. These instances are summarized below for follow-up and clarification.

Calistoga

- **Receipt No. 168263**, dated December 28, 2025, incorrectly reflects a cash receipt issued to Lodger No. 52. Based on the Calistoga Rent Report for the month ending December 2025, the receipt should instead reflect Lodger No. 22.

River Ranch

- **Receipts Nos. 022654, 022655, and 022656** were issued blank and subsequently voided; however, no supporting documentation was provided to substantiate the reason for the voids.

Conclusion and Recommendations

The types of discrepancies identified this quarter are consistent with those noted in prior reviews. While none were material in nature, they do suggest opportunities to strengthen internal controls and reinforce documentation practices. Because cash transactions inherently carry higher risk, maintaining complete and clearly cross-referenced records between receipts and deposit documentation remains an important safeguard for both CHDC and the Authority.

Internal Audit recommends that Center staff, in coordination with CHDC management, review the Authority's current policies and procedures governing cash handling and receipts, as well as any related CHDC guidance, to ensure expectations are clear and uniformly applied across all Centers.

Recommendations:

- Voided receipts should always include a brief written explanation to maintain clear audit trails and support accountability.
- A secondary review of Lodger information listed on the receipt should be cross examined against Lodger Information within montly rent reports to ensure accurcay and completeness.

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Exhibit A

Accounts Receivable Schedule

Category	Amounts
Lodgers, departed for at least 18 months	
Total Recommended A/R Write-Offs	\$ 944
Lodgers, departed less than 18 months	1,987
Lodgers, current delinquent tenants with at least \$540 balance due	-
Lodgers, current tenants with less than \$540 balance due	2,016
Total Accounts Receivable	\$ 4,947

Recommended Accounts Receivable Write-offs

(Lodgers, departed for at least 18 months)

Center	Lodger Count	Amounts
River Ranch	1	\$ 16
Mondavi	3	704
Calistoga	1	224
Total Recommended A/R Write-offs	5	\$ 944

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Exhibit B

Prepaid Schedule

<u>Category</u>	<u>Amounts</u>
Lodgers, departed for at least 18 months	
Total Recommended Prepaid Write-Offs	\$ 176
Lodgers, departed less than 18 months	400
Lodgers, current tenants with prepaid balances	15,066
Total Prepays	<u>\$ 15,642</u>

Recommended Prepaid Write-offs
(Lodgers, departed for at least 18 months)

<u>Center</u>	<u>Lodger Count</u>	<u>Amounts</u>
River Ranch	2	\$ 176
Mondavi	-	-
Calistoga	-	-
Total Recommended Prepaid Write-Offs	<u>2</u>	<u>\$ 176</u>