

COUNTY OF EL DORADO

**CALIFORNIA DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT**

PROGRAM SPECIFIC GRANT AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2012

THIS PAGE INTENTIONALLY LEFT BLANK

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Table of Contents

Independent Auditor's Report on the Supplemental Statement of Revenue and Expenditures of the California Department of Community Services and Development Programs.....	1
Supplemental Statement of Revenue and Expenditures.....	3
Notes to Supplemental Statement of Revenue and Expenditures	11
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 <i>Government Auditing Standards</i>	15
Independent Auditor's Report on Compliance with Requirements Applicable to the Grants Awarded by the California Department of Community Services and Development and on Internal Control Over Compliance.....	17
Schedule of Findings	19
Summary Schedule of Prior Year Findings	20

THIS PAGE INTENTIONALLY LEFT BLANK



**INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTAL
STATEMENT OF REVENUE AND EXPENDITURES OF THE
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

To the Board of Supervisors
County of El Dorado
Placerville, California

We have audited the accompanying Supplemental Statement of Revenue and Expenditures of the California Department of Community Services and Development Programs (the "Financial Statements") for the grants awarded to the County of El Dorado (County) by the State of California, Health and Human Services Agency (HHS) as of and for the year ended June 30, 2012 as noted below:

<u>Award Number</u>	<u>Program Title</u>	<u>Grant Period</u>
11F-4210	Community Services Block Grants (CSBG)	01/01/2011-12/31/2011
12F-4409	Community Services Block Grants (CSBG)	01/01/2012-12/31/2012
10B-5608	Low Income Home Energy Assistance Program (LIHEAP) Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)	01/01/2010-06/30/2012
11B-5708	LIHEAP ECIP A16 HEAP	01/01/2011-12/31/2012
10B-5608	Low Income Home Energy Assistance Program (LIHEAP) Weatherization (WX)	01/01/2010-06/30/2012
11B-5708	LIHEAP WX	01/01/2011-12/31/2012
09C-1758	Department of Energy (DOE) Weatherization (WX)	06/30/2010-06/30/2012
11C-1807	Department of Energy (DOE) Weatherization (WX)	12/01/2011-06/30/2013

These Financial Statements are the responsibility of the County's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the California Department of Community Services and Development *2012 Supplemental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An Audit includes consideration of internal controls over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. An audit also includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

To the Board of Supervisors
County of El Dorado

In our opinion, the Financial Statements referred to above present fairly, in all material respects, the financial operations of the County's California Department of Community Services and Development Programs as of and for the year ended June 30, 2012.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters for the California Department of Community Services and Development Programs. 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 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.

This report is intended solely for the information and use of the California Department of Community Services and Development, the County's management, and the County's Board of Supervisors. It is not intended to be, and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
March 25, 2013

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Supplemental Statement of Revenue and Expenditures
Community Services Block Grant (CSBG)
CSD Contract Number 11F-4210
\$255,475

For the Period January 1, 2011 through December 31, 2011

	January 1, 2011 through June 30, 2011	July 1, 2011 through Dec 31, 2011	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>					
Grant Revenue	\$ 133,603	\$ 121,872	\$ 255,475		\$ 255,475
TOTAL REVENUE	\$ 133,603	\$ 121,872	\$ 255,475		\$ 255,475
<u>EXPENDITURES</u>					
Administrative Costs					
Salaries and Wages	\$ 63,897	\$ 61,357	\$ 125,254	\$ 125,254	\$ 143,867
Fringe Benefits	28,629	27,518	56,147	56,147	63,384
Operating Expenses & Equipment	41,077	32,997	74,074	74,074	48,224
Total Administrative Costs	133,603	121,872	255,475	255,475	255,475
TOTAL COSTS	\$ 133,603	\$ 121,872	\$ 255,475	\$ 255,475	\$ 255,475

See accompanying Notes to Supplemental Statements.

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Supplemental Statement of Revenue and Expenditures
Community Services Block Grant (CSBG)
CSD Contract Number 12F-4409
\$248,399

For the Period January 1, 2012 through December 31, 2012

	January 1, 2012 through June 30, 2012	July 1, 2012 through Dec 31, 2012	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>					
Grant Revenue	\$ 123,448	\$ --	\$ 123,448		\$ 248,399
County General Fund Contribution	30,168	--	30,168		
TOTAL REVENUE	\$ 153,616	\$ --	\$ 153,616		\$ 248,399
<u>EXPENDITURES</u>					
Administrative Costs					
Salaries and Wages	\$ 77,419	\$ --	\$ 77,419	\$ 77,419	\$ 122,832
Fringe Benefits	33,255	--	33,255	33,255	56,626
Operating Expenses & Equipment	42,942	--	42,942	42,942	68,941
Total Administrative Costs	153,616	--	153,616	153,616	248,399
TOTAL COSTS	\$ 153,616	\$ --	\$ 153,616	\$ 153,616 *	\$ 248,399
County General Fund Contribution	(30,168)		(30,168)		
TOTAL COSTS - FEDERAL	\$ 123,448	\$ --	\$ 123,448		

* The difference between total reported expenditures and grant revenue is the deferred revenue of \$30,168 to be used before close out (See Note 4).

See accompanying Notes to Supplemental Statement.

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Supplemental Statement of Revenue and Expenditures
Low Income Home Energy Assistance Program (LIHEAP)
Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)
CSD Contract Number 10B-5608
\$928,042

For the Period January 1, 2010 through June 30, 2012

	January 1, 2010 through June 30, 2011	July 1, 2011 through June 30, 2012	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>					
*Grant Revenue	\$ 824,416	\$ 25,519	\$ 849,935		\$ 928,042
**County General Fund Contribution		5,809	5,809		
TOTAL REVENUE	\$ 824,416	\$ 31,328	\$ 855,744		\$ 928,042
<u>EXPENDITURES</u>					
Assurance 16 Costs	\$ 80,922	\$ 6,319	\$ 87,241	\$ 87,241	\$ 111,602
***Administrative Costs EHA 16	62,413	79	62,492	67,045	67,045
Intake Costs ECIP and HEAP	36,019	--	36,019	29,269	29,269
Outreach Costs ECIP and HEAP	36,796	4,300	41,096	41,096	73,170
Subtotal	216,150	10,698	226,848	224,651	281,086
ECIP HEAP Costs:					
Cooling Service Repair/Replacement	\$ --	\$ --	\$ --	\$ --	\$ 14,816
Heating Service Repair/Replacement	6,415	16,200	22,615	22,615	20,000
Water Heater Repair/Replacement	1,530	4,654	6,184	6,184	4,000
Severe Weather Energy Assistance and Transportation Service	--	--	--	--	12,939
HEAP Wood, Propane and Oil	594,686	(800)	593,886	593,886	589,701
Liability Insurance	3,451	--	3,451	3,451	3,200
Workers' Compensation	2,760	--	2,760	2,759	2,300
Subtotal	608,842	20,054	628,896	628,895	646,956
TOTAL COSTS	\$ 824,992	\$ 30,752	\$ 855,744	\$ 853,546	\$ 928,042
County General Fund Contribution for Intake Costs		(2,198)	(2,198)		
***Disallowed Administration Costs		(3,611)	(3,611)	(3,611)	
TOTAL COSTS - FEDERAL		\$ 24,943	\$ 849,935	\$ 849,935	

No Excess Revenue Earned (Used) was reported at the time of close out (See Notes 4 and 5). \$ --

*Of the \$855,889 Grant Revenue received from the State, \$5,954 was paid back to State for the April expenditure adjustment (overpayment of \$2,343 HEAP Wood, Propane and Oil) and disallowed Administrative Costs EHA 16 (\$3,611). Adjusted Grant Revenue is \$849,935.

**The County General Fund paid for the overspent Intake Costs (\$2,198) and the disallowed administrative costs (\$3,611).

***Of the \$67,045 reported Administrative Costs EHA 16, State disallowed \$3,611. Actual spending was less than the contract amount. Maximum allowable administrative costs are calculated as a factor of the total project spending.

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Supplemental Statement of Revenue and Expenditures
Low Income Home Energy Assistance Program (LIHEAP)
Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)
CSD Contract Number 11B-5708
\$890,895
For the Period January 1, 2011 through December 31, 2012

	January 1, 2011 through June 30, 2011	July 1, 2011 through June 30, 2012	July 1, 2012 through Dec 31, 2012	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>						
Grant Revenue	\$ 53,320	\$ 632,205	\$ --	\$ 685,525		\$ 890,895
TOTAL REVENUE	\$ 53,320	\$ 632,205	--	\$ 685,525		\$ 890,895
<u>EXPENDITURES</u>						
Assurance 16 Costs	\$ 4,696	\$ 36,209	\$ --	\$ 40,905	\$ 40,905	\$ 105,562
Administrative Costs EHA 16	2,924	42,713	--	45,637	52,883	66,502
Intake Costs ECIP and HEAP	3,412	31,419	--	34,831	27,585	27,585
Outreach Costs ECIP and HEAP	3,227	33,218	--	36,445	36,445	68,962
Training and Technical Assistance	--	--	--	--	--	27,585
Subtotal	14,259	143,559	--	157,818	157,818	296,196
ECIP HEAP Costs:						
Cooling Service Repair/Replacement	\$ --	\$ 3,230	\$ --	\$ 3,230	\$ 3,230	\$ 17,000
Heating Service Repair/Replacement	--	7,276	--	7,276	7,276	20,000
Water Heater Repair/Replacement	--	--	--	--	--	10,327
Severe Weather Energy Assistance and Transportation Service	--	--	--	--	--	11,832
HEAP Wood, Propane and Oil	39,061	473,617	--	512,678	512,678	535,540
Liability Insurance	--	2,777	--	2,777	2,777	--
Workers' Compensation	--	1,746	--	1,746	1,746	--
Subtotal	39,061	488,646	--	527,707	527,707	594,699
TOTAL COSTS	\$ 53,320	\$ 632,205	\$ --	\$ 685,525	\$ 685,525	\$ 890,895

See accompanying Notes to Supplemental Statements.

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Supplemental Statement of Revenue and Expenditures
Low Income Home Energy Assistance Program (LIHEAP) Weatherization (WX)
CSD Contract Number 10B-5608
\$556,965

For the Period January 1, 2010 through June 30, 2012

	January 1, 2010 through June 30, 2011	July 1, 2011 through June 30, 2012	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>					
Grant Revenue	\$ 556,965	\$ --	\$ 556,965		\$ 556,965
County General Fund Contribution	7,440	--	7,440		
Other Source	18,248	--	18,248		
Interest **	--	241	241		
TOTAL REVENUE	\$ 582,653	\$ 241	\$ 582,894		\$ 556,965
<u>EXPENDITURES</u>					
Administrative Costs	\$ 44,557	\$ --	\$ 44,557	\$ 44,557	\$ 44,557
Weatherization Program Costs:					
Intake	\$ --	\$ --	\$ --	\$ --	\$ 11,139
Outreach	--	--	--	--	27,850
Training and Technical Assistance	--	667	667	667	27,850
Direct Program Activities	563,766	(667)	563,099	505,627 *	436,669
Liability Insurance	3,402	--	3,402	3,402	5,200
Workers' Compensation	2,712	--	2,712	2,712	3,700
Total Program Costs	569,880	--	569,880	512,408	512,408
TOTAL COSTS	\$ 614,437	\$ --	\$ 614,437	\$ 556,965	\$ 556,965
County General Fund Contribution for Direct Program Activities			(7,440)		
Other Source - to cover depleted excess revenue			(18,248)		
TOTAL COSTS - FEDERAL			\$ 588,749		

Excess Revenue Used was reported at the time of close out. \$ (31,784)

Actual costs exceeded contract (See Notes 4 and 5).

*Reported Direct Program Activities of \$532,421 was reduced by \$26,794 (exceeded contract budget)

**Interest was reported on the 10B Close-Out Reconciliation Report to the State.

See accompanying Notes to Supplemental Statements.

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Supplemental Statement of Revenue and Expenditures
Low Income Home Energy Assistance Program (LIHEAP) Weatherization (WX)
CSD Contract Number 11B-5708
\$537,622
For the Period January 1, 2011 through December 31, 2012

	January 1, 2011 through June 30, 2011	July 1, 2011 through June 30, 2012	July 1, 2012 through Dec 31, 2012	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>						
Grant Revenue	\$ 60,808	\$ 442,287	\$ --	\$ 503,095		\$ 537,622
TOTAL REVENUE	\$ 60,808	\$ 442,287	\$ --	\$ 503,095		\$ 537,622
<u>EXPENDITURES</u>						
Administrative Costs	\$ 2,995	\$ 45,808	\$ --	\$ 48,803	\$ 42,965	\$ 42,965
Weatherization Program Costs:						
Intake	--	\$ --	\$ --	\$ --	\$ --	\$ 10,742
Outreach	--	--	--	--	--	26,855
Training and Technical Assistance	--	26,855	--	26,855	26,855	26,855
Direct Program Activities	51,207	419,662	--	470,869	426,957	430,205
Liability Insurance	1,024	2,872	--	3,896	3,895	--
Workers' Compensation	857	1,566	--	2,423	2,423	--
Total Program Costs	53,088	450,955	--	504,043	460,130	494,657
TOTAL COSTS	\$ 56,083	\$ 496,763	\$ --	\$ 552,846	\$ 503,095	\$ 537,622

Excess Revenue Used will be reported at the time of close out
(See Notes 4 and 5). \$ (49,751)

See accompanying Notes to Supplemental Statements.

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Supplemental Statement of Revenue and Expenditures
Department of Energy (DOE) Weatherization (WX)
CSD Contract Number 09C-1758
\$153,351
For the Period June 30, 2010 through June 30, 2012

	June 30, 2010 through June 30, 2011	July 1, 2011 through June 30, 2012	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>					
Grant Revenue	\$ 147,963	\$ 4,918	\$ 152,881		\$ 153,351
TOTAL REVENUE	\$ 147,963	\$ 4,918	\$ 152,881		\$ 153,351
<u>EXPENDITURES</u>					
Administrative Costs	\$ 6,338	\$ 1,777	\$ 8,115	\$ 8,115	\$ 8,965
Weatherization Program Costs:					
Liability Insurance	\$ 788	\$ --	\$ 788	\$ 788.00	\$ 500
Training and Technical Assistance	--	--	--	--	7,676
Major Vehicle and Equipment	7,021	--	7,021	7,021	7,500
Workers' Compensation	673	--	673	673	800
Direct Program Activities	90,317	11,310	101,627	101,351	91,732
Health and Safety Activities	32,419	266	32,685	32,685	34,178
General Operating Expenditures	3,108	(1,214)	1,894	2,248	2,000
Total Program Costs	134,326	10,362	144,688	144,766	144,386
TOTAL COSTS	\$ 140,664	\$ 12,139	\$ 152,803	\$ 152,881	\$ 153,351

Reported cost exceeded actual cost;
to be reported at the time of close out (See Note 4) \$ 78

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Supplemental Statement of Revenue and Expenditures
Department of Energy (DOE) Weatherization (WX)
CSD Contract Number 11C-1807
\$39,418

For the Period December 1, 2011 through June 30, 2013

	Dec 1,2011 through June 30, 2012	July 1, 2012 through June 30, 2013	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>					
Grant Revenue	\$ 5,994	\$ --	\$ 5,994		\$ 39,418
TOTAL REVENUE	\$ 5,994	\$ --	\$ 5,994		\$ 39,418
<u>EXPENDITURES</u>					
Administrative Costs	\$ 46	\$ --	\$ 46	\$ 46	\$ 2,341
Weatherization Program Costs:					
Training and Technical Assistance	\$ 240	\$ --	\$ 240	\$ 240	\$ 3,065
Liability Insurance	--	--	--	--	300
Workers' Compensation	--	--	-	--	150
General/Operating Expenses	--	--	-	--	800
Direct Program Activities	1,359	--	1,359	3,133	26,020
Health & Safety	2,575	--	2,575	2,575	6,742
Total Program Costs	4,174	--	4,174	5,948	37,077
TOTAL COSTS	\$ 4,220	\$ --	\$ 4,220	\$ 5,994	\$ 39,418

Reported cost exceeded actual cost; to be reported at the time of close out. \$ 1,774
(See Note 4)

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Notes to Supplemental Statement of Revenue and Expenditures
For the Year Ended June 30, 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Schedule Presentation

The schedules present only the financial activities of the County of El Dorado's California Department of Community Services and Development (CSD) grants for the period from July 1, 2011 through June 30, 2012 and are not intended to present fairly the financial position or changes in financial position of the County of El Dorado in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The accompanying Financial Statements are prepared in accordance with the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available and expenditures are recognized when the related liability is incurred.

NOTE 2: USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of revenues and expenditures. Actual results could differ from these estimates.

NOTE 3: CONTINGENCIES

The grants are awarded by the CSD and are subject to audit by CSD. It is uncertain whether an audit of the grants by CSD could produce deficiencies in costs claimed under the grants and, therefore, could result in funds being returned to CSD.

NOTE 4: RECONCILIATION OF REPORTED EXPENDITURES TO TOTAL COSTS

The following reconciliations identify differences between "Total Costs" and "Total Reported Expenditures" columns for the CSD programs with variances.

Weatherization (WX) direct program activities are shown at actual costs for the program in the columns up to and including "Total Costs" column. "Total Reported Expenditures" column is based on a combination of reimbursement of actual costs and reported measures. If costs are less than earned grant measures, the result will be "excess revenue".

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Notes to Supplemental Statement of Revenue and Expenditures
For the Year Ended June 30, 2012

NOTE 4: RECONCILIATION OF TOTAL REPORTED EXPENDITURES TO TOTAL COSTS (continued)

Contract/Description	Total Costs	Adjustment	Total Reported Expenditures
12F-4409 (CSBG)			
Jan 1, 2012-June 30, 2012	\$ 153,616	\$ -	\$ 153,616
General Fund Contribution	(30,168)	30,168	-
Total Costs	<u>\$ 123,448</u>	<u>\$ 30,168</u> a	<u>\$ 153,616</u>
10B-5608 (LIHEAP/WX)			
Jan 1, 2010-June 30, 2010	\$ 162,645	\$ (4,499) b	\$ 158,146
July 1, 2010-June 30, 2011	451,792	(52,973) b	398,819
General Fund Contribution	(7,440)	7,440	-
Other Source	(18,248)	18,248	-
Total Costs	<u>\$ 588,749</u>	<u>\$ (31,784)</u> b	<u>\$ 556,965</u>
10B-5608 (LIHEAP/ECIP/A16/HEAP)			
Jan 1, 2010-June 30, 2010	\$ 260,351	\$ 800 b	\$ 261,151
July 1, 2010-June 30, 2011	564,641	(1,376) b	563,265
July 1, 2011-June 30, 2012	30,752	(1,622) b	29,130
General Fund Contribution for Intake Costs	(2,198)	2,198	-
Disallowed Administrative Costs	(3,611)	-	(3,611)
Total Costs	<u>\$ 849,935</u>	<u>\$ -</u>	<u>\$ 849,935</u>
11B-5708 (LIHEAP/WX)			
Jan 1, 2011-June 30, 2011	\$ 56,083	\$ 4,725 c	\$ 60,808
July 1, 2011-June 30, 2012	496,763	(54,476) c	442,287
Total Costs	<u>\$ 552,846</u>	<u>\$ (49,751)</u> c	<u>\$ 503,095</u>
11B-5708 (LIHEAP/ECIP/A16/HEAP)			
Jan 1, 2011-June 30, 2011	\$ 53,320	\$ -	\$ 53,320
July 1, 2011-June 30, 2012	632,205	-	632,205
Total Costs	<u>\$ 685,525</u>	<u>\$ -</u>	<u>\$ 685,525</u>
09C-1758 (DOE/WX)			
June 30, 2010-June 30, 2011	\$ 140,664	\$ 7,299 d	\$ 147,963
July 1, 2011-June 30, 2012	12,139	(7,221) e	4,918
Total Costs	<u>\$ 152,803</u>	<u>\$ 78</u> d	<u>\$ 152,881</u>
11C-1807 (DOE/WX)			
Dec 1, 2011-June 30, 2012	\$ 4,220	\$ 1,774 d	\$ 5,994
Total Costs	<u>\$ 4,220</u>	<u>\$ 1,774</u> d	<u>\$ 5,994</u>

- a) Grant Revenue was received and deferred to use before close out.
- b) Excess Revenue Earned / (Used) was reported at the time of close out.
- c) Excess Revenue Earned / (Used) will be reported at the time of close out.
- d) Reported costs exceeded actual costs; to be reported at the time of close out.
- e) Actual costs exceeded reported costs; to be reported at the time of close out.

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Notes to Supplemental Statement of Revenue and Expenditures
For the Year Ended June 30, 2012

NOTE 5: EXCESS REVENUE AND INTEREST INCOME FROM WEATHERIZATION

Excess revenue is defined as the difference between the "Grant Revenue" less "Total Costs". If "Grant Revenue" is equal to or less than "Total Costs", there is no excess revenue. Since excess revenue is the difference between the reimbursement for the installation of measures and the contractor's actual cost of weatherization measures during the contract term, excess revenues for open contracts, while identified, are not added to the excess revenue balance until the end of the contract.

Interest income is defined as the interest earned by a contractor directly generated or earned as a result of unexpended LIHEAP grant funds at the end of a contract term period. The interest earned by a contractor is income generated as a result of depositing federal funds in an interest bearing account. Excess revenue and interest income from the Low Income Home Energy Assistant Program (LIHEAP) is reported as follows:

Beginning Balance	\$	31,543
Interest		241
Available Funds	\$	<u>31,784</u>
Program Expenditures		
Actual Labor Costs 10B-5608 LIHEAP/WX		<u>31,784</u>
Total Program Expenditures		<u>31,784</u>
Ending Balance (Close Out 10B)	\$	<u><u>-</u></u>

	<u>Cumulative through 6/30/11</u>	<u>For the Period Ended 6/30/12</u>	<u>Cumulative through 6/30/12</u>
Open contracts			
Excess Revenue Earned (Used)			
11B-5708 (LIHEAP/WX)	\$ 4,725	\$ (54,476)	\$ (49,751)
Total	<u>\$ 4,725</u>	<u>\$ (54,476)</u>	<u>\$ (49,751)</u>

THIS PAGE INTENTIONALLY LEFT BLANK



**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**

To the Board of Supervisors
County of El Dorado
Placerville, California

We have audited the accompanying Supplemental Statement of Revenue and Expenditures of the California Department of Community Services and Development Programs (the "Financial Statements") for the grants awarded by the State of California, Health and Human Services Agency (HHS) to the County of El Dorado (County) as of and for the year ended June 30, 2012, and have issued our report thereon dated March 25, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the California Department of Community Services and Development *2012 Supplemental Audit Guide*.

Internal Control Over Financial Reporting

In planning and performing our audit we considered the County'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 the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of 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 County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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 County's Financial Statements 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 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 Standard* or the California Department of Community Services and Development *2012 Supplemental Audit Guide*.

To the Board of Supervisors
County of El Dorado

This report is intended solely for the information and use of the California Department of Community Services and Development, the County's management, and the County's Board of Supervisors. It is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
March 25, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO THE GRANTS AWARDED
BY THE CALIFORNIA DEPARTMENT OF COMMUNITY
SERVICES AND DEVELOPMENT AND ON
INTERNAL CONTROL OVER COMPLIANCE**

To the Board of Supervisors
County of El Dorado
Placerville, California

Compliance

We have audited the compliance of the County of El Dorado (County) with the types of compliance requirements described in the California Department of Community Services and Development *2012 Supplemental Audit Guide* that are applicable to programs listed in the accompanying Financial Statements of the California Department of Community Services and Development Programs (the "Programs") for the year ended June 30, 2012. Compliance with the requirements of laws, regulations, contracts, and grants applicable to these Programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance 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, and the California Department of Community Services and Development *2012 Supplemental Audit Guide*. Those standards 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 the Programs occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to the Programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to these programs. In planning and performing our audit, we considered the County's internal control over compliance to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 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.

To the Board of Supervisors
County of El Dorado

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be deficiencies, significant deficiencies or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the California Department of Community Services and Development, the County's management, and the County's Board of Supervisors. It is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Gallina LLP".

Roseville, California
March 25, 2013

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

**SCHEDULE OF FINDINGS
AND
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

THIS PAGE INTENTIONALLY LEFT BLANK

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Schedule of Findings
For the Year Ended June 30, 2012

None noted.

**COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT PROGRAMS**

Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2012

Audit Reference Number: 11-CSD-1

Implemented.