

**COUNTY OF EL DORADO**

**CALIFORNIA DEPARTMENT OF  
COMMUNITY SERVICES AND DEVELOPMENT**

**PROGRAM SPECIFIC GRANT AUDIT REPORT**

**FOR THE YEAR ENDED JUNE 30, 2009**

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

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GALLINA<sub>LLP</sub>

CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT ON THE SUPPLEMENTAL STATEMENT OF REVENUES AND EXPENDITURES OF THE CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT PROGRAMS**

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

We have audited the accompanying Supplemental Statement of Revenues 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, 2009 as noted below:

Award Number	Program Title	Grant Period
06B-5358	Low Income Home Energy Assistance Program (LIHEAP) Weatherization (WX)	01/01/06 to 12/31/08
06B-5358	Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)	01/01/06 to 12/31/08
08B-5458	ECIP / A16 / HEAP	01/01/08 to 03/31/09
08B-5458	LIHEAP WX	01/01/08 to 03/31/09
08C-1708	Department of Energy (DOE) Weatherization (WX)	07/01/08 to 06/30/09
08F-4910	Community Service Block Grants (CSBG) 2008	01/01/08 to 12/31/08
08F-4910	Community Service Block Grants (CSBG) 2009	01/01/09 to 12/31/09
09B-5508	LIHEAP WX	01/01/09 to 06/30/10
09B-5508	ECIP / A16 / HEAP	01/01/09 to 06/30/10

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 *2009 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 Honorable Members of 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 of El Dorado's California Department of Community Services and Development Programs as of and for the year ended June 30, 2009, in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2010, on our consideration the County of El Dorado'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, and El Dorado County's management and the El Dorado County Board of Supervisors. It is not intended to be, and should not be used by anyone other than these specified parties.



Roseville, California  
February 16, 2010

**COUNTY OF EL DORADO**

Supplemental Statement of Revenue and Expenditures  
 Low Income Home Energy Assistance (LIHEAP) Weatherization (WX)  
 CSD Contract Number 06B-5358 WX  
 \$377,851

For the Period January 1, 2006 through December 31, 2008

	Jan. 1, 2006 through June 30, 2007	July 1, 2008 through Dec. 31, 2008	Total Costs	Total Reported Expenditures	Total Budget
<b><u>REVENUE</u></b>					
Grant Revenue	\$ 377,851	\$ --	\$ 377,851		\$ 377,851
Interest *	19,984	--	19,984		--
Total Revenue	<u>\$ 397,835</u>	<u>\$ --</u>	<u>\$ 397,835</u>		<u>\$ 377,851</u>
<b><u>EXPENDITURES</u></b>					
Administration Costs	\$ 14,138	\$ --	\$ 14,138	\$ 14,138	\$ 16,600
Other Program Costs:					
Liability Insurance	447	--	447	447	400
Training	2,419	--	2,419	2,419	3,050
Subtotal	<u>2,866</u>	<u>--</u>	<u>2,866</u>	<u>2,866</u>	<u>3,450</u>
Program Costs:					
Intake	5,653	--	5,653	5,653	7,558
Direct Program Activities	227,887	1,155	229,042	337,969 **	325,611
Outreach	10,289	--	10,289	10,289	18,892
Worker's Compensation	6,936	--	6,936	6,936	5,740
Subtotal	<u>250,765</u>	<u>1,155</u>	<u>251,920</u>	<u>360,847</u>	<u>357,801</u>
TOTAL COSTS (See Note 4)	<u>\$ 267,769</u>	<u>\$ 1,155</u>	<u>\$ 268,924</u>	<u>\$ 377,851</u>	<u>\$ 377,851</u>

Excess Revenue was reported at the time of close out  
 (see Notes 4 and 5)

\$ 108,927

\* Interest was reported on the 07B Close-Out Reconciliation Report to the State.

\*\* Reported Direct Program Activities of \$346,701 was reduced by \$8,732  
 (exceeded contract budget).

**COUNTY OF EL DORADO**

Supplemental Statement of Revenue and Expenditures

Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)

CSD Contract Number 06B-5358

\$640,902

For the Period January 1, 2006 through December 31, 2008

	Jan. 1, 2006 through June 30, 2007	July 1, 2008 through Dec. 31, 2008	Total Costs	Total Reported Expenditures	Total Budget
<b><u>REVENUE</u></b>					
Grant Revenue	\$ 640,902	\$ --	\$ 640,902		\$ 640,902
Total Revenue	<u>\$ 640,902</u>	<u>\$ --</u>	<u>\$ 640,902</u>		<u>\$ 640,902</u>
<b><u>EXPENDITURES</u></b>					
Assurance 16 Activities	\$ 53,479	\$ --	\$ 53,479	\$ 53,479	\$ 54,826
Intake	19,977	--	19,977	19,977	19,977
Administrative Costs:					
Administrative Costs	33,724	--	33,724	33,724	33,800
Energy Automation Set aside	--	--	--	--	12,400
Subtotal	<u>33,724</u>	<u>--</u>	<u>33,724</u>	<u>33,724</u>	<u>46,200</u>
ECIP Program Costs:					
Heating Service Repair/Replacement	8,780	--	8,780	8,780	9,306
Outreach	25,456	--	25,456	25,456	25,461
Wood/propane/oil payments	475,025		475,025	473,725	457,579
Liability Insurance	699	--	699	699	700
Worker's Compensation	1,109	--	1,109	1,109	1,110
Subtotal	<u>511,069</u>	<u>--</u>	<u>511,069</u>	<u>509,769</u>	<u>494,156</u>
HEAP:					
Outreach	23,483	--	23,483	23,483	23,483
Subtotal	<u>23,483</u>	<u>--</u>	<u>23,483</u>	<u>23,483</u>	<u>23,483</u>
Energy Education Client Workshops	470	-	470	470	2,260
<b>TOTAL COSTS (See Note 4)</b>	<u><u>\$ 642,202</u></u>	<u><u>\$ --</u></u>	<u><u>\$ 642,202</u></u>	<u><u>\$ 640,902</u></u>	<u><u>\$ 640,902</u></u>

Excess Revenue Used was reported at the time of close out.

\$ (1,300)

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

**COUNTY OF EL DORADO**

Supplemental Statement of Revenue and Expenditures  
 Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)  
 CSD Contract Number 08B-5458  
 \$404,964

For the Period January 1, 2008 through March 31, 2009

	Jan. 1, 2008 through June 30, 2008	July 1, 2008 through March 31, 2009	Total Costs	Total Reported Expenditures	Total Budget
<b><u>REVENUE</u></b>					
Grant Revenue	\$ 228,302	\$ 176,662	\$ 404,964		\$ 404,964
Total Revenue	<u>\$ 228,302</u>	<u>\$ 176,662</u>	<u>\$ 404,964</u>		<u>\$ 404,964</u>
<b><u>EXPENDITURES</u></b>					
Assurance 16 Costs	\$ 18,551	\$ 27,624	\$ 46,175	\$ 46,175	\$ 49,256
Administrative Costs EHA 16	9,770	15,311	25,081	25,081	29,630
Intake Costs ECIP and HEAP	9,786	6,762	16,548	16,548	12,746
Outreach Costs ECIP and HEAP	4,019	11,715	15,734	15,734	31,860
Subtotal	<u>42,126</u>	<u>61,412</u>	<u>103,538</u>	<u>103,538</u>	<u>123,492</u>
ECIP HEAP Costs:					
Cooling Service Repair/ Replacement	1,077	352	1,429	1,429	1,500
Heating Service Repair/ Replacement	183	1,123	1,306	1,306	4,118
Water Heater Repair/ Replacement	--	940	940	940	--
ECIP Wood/propane/ oil payments	184,773	154,697	339,470	291,401	266,719
Severe Weather Energy Assistance and Transportation Service					5,630
Liability Insurance	2,338	2,408	4,746	4,746	2,605
Worker's Compensation	900	704	1,604	1,604	900
Subtotal	<u>189,271</u>	<u>160,224</u>	<u>349,495</u>	<u>301,426</u>	<u>281,472</u>
TOTAL COSTS (See Note 4)	<u>\$ 231,397</u>	<u>\$ 221,636</u>	<u>\$ 453,033</u>	<u>\$ 404,964</u>	<u>\$ 404,964</u>

Excess Revenue Used. Actual cost exceeded contract (See Note 4 and 5). \$ (48,069)

**COUNTY OF EL DORADO**

Supplemental Statement of Revenue and Expenditures  
 Low Income Home Energy Assistance Program (LIHEAP) Weatherization (WX)  
 CSD Contract Number 08B-5458 WX  
 \$247,649

For the Period January 1, 2008 through March 31, 2009

	Jan. 1, 2008 through June 30, 2008	July 1, 2008 through March 31, 2009	Total Costs	Total Reported Expenditures	Total Budget
<b><u>REVENUE</u></b>					
Grant Revenue	\$ 147,810	\$ 99,839	\$ 247,649		\$ 247,649
Interest *	6,802	545	7,347		--
Total Revenue	<u>\$ 154,612</u>	<u>\$ 100,384</u>	<u>\$ 254,996</u>		<u>\$ 247,649</u>
<b><u>EXPENDITURES</u></b>					
Administration Costs	\$ 12,144	\$ 6,799	\$ 18,943	\$ 18,943	\$ 19,807
Weatherization Program Costs:					
Intake	\$ 4,570	\$ 568	\$ 5,138	\$ 5,138	\$ 4,950
Outreach	8,713	678	9,391	9,391	12,380
Training and Technical Assistance	--	--	--	--	4,950
Direct Program Activities	115,548	115,622	231,170	207,925	199,762
Liability Insurance	1,520	1,437	2,957	2,957	2,000
Worker's Compensation	2,505	790	3,295	3,295	3,800
Total Program Costs	<u>132,856</u>	<u>119,095</u>	<u>251,951</u>	<u>228,706</u>	<u>227,842</u>
TOTAL COSTS (See Note 4)	<u>\$ 145,000</u>	<u>\$ 125,894</u>	<u>\$ 270,894</u>	<u>\$ 247,649</u>	<u>\$ 247,649</u>

Excess Revenue Used was reported at the time of close out. \$ (23,245)

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

\* Interest was reported on the 06B Close-Out Reconciliation Report to the State (See Note 5).



**COUNTY OF EL DORADO**

Supplemental Statement of Revenue and Expenditures  
 Department of Energy (DOE) Weatherization (WX)  
 CSD Contract Number 08C-1708 WX  
 \$55,927  
 For the Period July 1, 2008 through June 30, 2009

	Total Costs	Total Reported Expenditures	Total Budget
<b><u>REVENUE</u></b>			
Grant Revenue	\$ 55,927		\$ 55,927
Total Revenue	\$ 55,927		\$ 55,927
<b><u>EXPENDITURES</u></b>			
Administration Costs	\$ 2,729	\$ 2,729	\$ 2,796
Program Costs:			
Direct Program Activities	\$ 46,104	\$ 46,104	\$ 39,148
Health and Safety	6,321	6,321	13,283
Liability Insurance	161	161	200
Worker's Compensation	--	--	500
Outreach	612	612	--
Total Program Costs	53,198	53,198	53,131
<b>TOTAL COSTS</b>	\$ 55,927	\$ 55,927	\$ 55,927

**COUNTY OF EL DORADO**

Supplemental Statement of Revenue and Expenditures

Community Service Block Grant (CSBG)

CSD Contract Number 08F-4910 2008

\$243,054

For the Period January 1, 2008 through December 31, 2008

	Jan. 1, 2008 through June 30, 2008	July 1, 2008 through Dec. 31, 2008	Total Costs	Total Reported Expenditures	Total Budget
<b><u>REVENUE</u></b>					
Grant Revenue	\$ 107,922	\$ 135,132	\$ 243,054		\$ 243,054
Total Revenue	<u>\$ 107,922</u>	<u>\$ 135,132</u>	<u>\$ 243,054</u>		<u>\$ 243,054</u>
<b><u>EXPENDITURES</u></b>					
Administrative Costs:					
Salaries and wages	\$ 62,822	\$ 77,736	\$ 140,558	\$ 140,558	\$ 161,655
Fringe benefits	27,026	37,073	64,099	64,099	68,933
Operating Expenses & Equipment	18,074	20,323	38,397	38,397	12,466
Total Administrative Costs	<u>\$ 107,922</u>	<u>\$ 135,132</u>	<u>\$ 243,054</u>	<u>\$ 243,054</u>	<u>\$ 243,054</u>
 TOTAL COSTS	 <u>\$ 107,922</u>	 <u>\$ 135,132</u>	 <u>\$ 243,054</u>	 <u>\$ 243,054</u>	 <u>\$ 243,054</u>

**COUNTY OF EL DORADO**

Supplemental Statement of Revenue and Expenditures

Community Service Block Grant (CSBG)

CSD Contract Number 08F-4910 2009

\$255,475

For the Period January 1, 2009 through December 31, 2009

	Jan. 1, 2009 through June 30, 2009	July 1, 2009 through Dec 31, 2009	Total Costs	Total Reported Expenditures	Total Budget
<b><u>REVENUE</u></b>					
Grant Revenue	\$ 127,279	\$ --	\$ 127,279		\$ 255,475
Total Revenue	<u>\$ 127,279</u>	<u>\$ --</u>	<u>\$ 127,279</u>		<u>\$ 255,475</u>
<b><u>EXPENDITURES</u></b>					
Administrative Costs:					
Salaries and wages	\$ 79,296	\$ --	\$ 79,296	\$ 79,296	\$ 159,036
Fringe benefits	33,734	--	33,734	33,734	75,819
Operating Expenses & Equipment	14,249	--	14,249	14,249	20,620
Total Administrative Costs	<u>127,279</u>	<u>--</u>	<u>127,279</u>	<u>127,279</u>	<u>255,475</u>
<b>TOTAL COSTS</b>	<u>\$ 127,279</u>	<u>\$ --</u>	<u>\$ 127,279</u>	<u>\$ 127,279</u>	<u>\$ 255,475</u>

**COUNTY OF EL DORADO**

Supplemental Statement of Revenue and Expenditures  
 Low Income Home Energy Assistance Program (LIHEAP) Weatherization (WX)  
 CSD Contract Number 09B-5508 WX  
 \$471,874  
 For the Period January 1, 2009 through June 30, 2010

	Jan. 1, 2009 through June 30, 2009	July 1, 2009 through June 30, 2010	Total Costs	Total Reported Expenditures	Total Budget
<b><u>REVENUE</u></b>					
Grant Revenue	\$ 157,764	\$ --	\$ 157,764		\$ 471,874
Interest *	37	--	37		--
Total Revenue	<u>\$ 157,801</u>	<u>\$ --</u>	<u>\$ 157,801</u>		<u>\$ 471,874</u>
<b><u>EXPENDITURES</u></b>					
Administration Costs	<u>\$ 13,468</u>	<u>\$ --</u>	<u>\$ 13,468</u>	<u>\$ 13,468</u>	<u>\$ 37,722</u>
Weatherization Program Costs:					
Intake	\$ --	\$ --	\$ --	\$ --	\$ 9,429
Outreach	2,139	--	2,139	2,139	23,576
Training and Technical Assistance	--	--	--	--	9,429
Direct Program Activities	148,484	--	148,484	139,720	385,718
Liability Insurance	996	--	996	996	2,200
Worker's Compensation	1,441	--	1,441	1,441	3,800
Total Program Costs	<u>153,060</u>	<u>--</u>	<u>153,060</u>	<u>144,296</u>	<u>434,152</u>
TOTAL COSTS (See Note 4)	<u>\$ 166,528</u>	<u>\$ --</u>	<u>\$ 166,528</u>	<u>\$ 157,764</u>	<u>\$ 471,874</u>

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

\$ (8,764)

\* Interest will be reported on next Close-Out Reconciliation  
 Report to the State (See Note 5).

**COUNTY OF EL DORADO**

Supplemental Statement of Revenue and Expenditures  
 Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)  
 CSD Contract Number 09B-5508  
 \$1,050,037  
 For the Period January 1, 2009 through June 30, 2010

	Jan. 1, 2009 through June 30, 2009	July 1, 2009 through June 30, 2010	Total Costs	Total Reported Expenditures	Total Budget
<b><u>REVENUE</u></b>					
Grant Revenue	\$ 254,385	\$ --	\$ 254,385		\$ 1,050,037
Total Revenue	<u>\$ 254,385</u>	<u>\$ --</u>	<u>\$ 254,385</u>		<u>\$ 1,050,037</u>
<b><u>EXPENDITURES</u></b>					
Assurance 16 Costs	\$ 28,422	\$ --	\$ 28,422	\$ 28,422	\$ 113,937
Administrative Costs EHA 16	24,143	--	24,143	23,218	76,253
Intake Costs ECIP and HEAP	25,826	--	25,826	25,826	31,483
Outreach Costs ECIP and HEAP	14,349	--	14,349	14,349	78,712
Subtotal	<u>92,740</u>	<u>--</u>	<u>92,740</u>	<u>91,815</u>	<u>300,385</u>
ECIP HEAP Costs:					
Cooling Service Repair/Replacement	277	--	277	277	17,817
Heating Service Repair/Replacement	--	--	--	--	17,818
Water Heater Repair/Replacement					6,000
ECIP Wood/propane/oil payments	158,358	--	158,358	158,358	
Severe Weather Energy Assistance and Transportation Service	--	--	--	--	13,883
HEAP Wood, Propane, and Oil	--	--	--	--	689,034
Liability Insurance	316	--	316	306	3,600
Training and Technical Assistance	3,173	--	3,173	3,173	--
Worker's Compensation	456	--	456	456	1,500
Subtotal	<u>162,580</u>	<u>--</u>	<u>162,580</u>	<u>162,570</u>	<u>749,652</u>
TOTAL COSTS (See Note 4)	<u>\$ 255,320</u>	<u>\$ --</u>	<u>\$ 255,320</u>	<u>\$ 254,385</u>	<u>\$ 1,050,037</u>

Unclaimed cost adjusted in subsequent claim (See Note 4).

\$ (935)

**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, 2009

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, 2008 through June 30, 2009 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 first three columns. "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, 2009

Note 4: **Reconciliation of Total Reported Expenditures to Total Costs** (continued)

<u>Contract/Description</u>	<u>Total Costs</u>	<u>Adjustment</u>	<u>Total Reported Expenditures</u>
<b>06B-5358 (ECIP/A16/HEAP)</b>			
Jan 1, 2006-June 30, 2007	\$ 602,671	\$ --	\$ 602,671
July 1, 2007-June 30, 2008	39,531	(1,300) c	38,231
July 1, 2008-December 31, 2008	--	--	--
Total Costs	<u>\$ 642,202</u>	<u>\$ (1,300) c</u>	<u>\$ 640,902</u>
<b>06B-5358 LIHEAP (WX)</b>			
Jan 1, 2006-June 30, 2006	\$ 95,154	\$ 57,701 d	\$ 152,855
July 1, 2006-June 30, 2007	172,615	52,381 d	224,996
July 1, 2007-June 30, 2008	--	--	--
July 1, 2008-December 31, 2008	1,155	(1,155) c	--
Total Costs	<u>\$ 268,924</u>	<u>\$ 108,927 d</u>	<u>\$ 377,851</u>
<b>08B-5458 LIHEAP (WX)</b>			
Jan 1, 2008-June 30, 2008	\$ 145,000	\$ 2,810 d	\$ 147,810
July 1, 2008-March 31, 2009	125,894	(26,055) c	99,839
Total Costs	<u>\$ 270,894</u>	<u>\$ (23,245) c</u>	<u>\$ 247,649</u>
<b>08B-5458 (ECIP/A16/HEAP)</b>			
Jan 1, 2008-June 30, 2008	\$ 231,397	\$ (3,095) a	\$ 228,302
July 1, 2008-March 31, 2009	221,636	(44,974) b	176,662
Total Costs	<u>\$ 453,033</u>	<u>\$ (48,069) c</u>	<u>\$ 404,964</u>
<b>09B-5508 LIHEAP (WX)</b>			
Jan 1, 2009-June 30, 2009	\$ 166,528	\$ (8,764) e	\$ 157,764
Total Costs	<u>\$ 166,528</u>	<u>\$ (8,764)</u>	<u>\$ 157,764</u>
<b>09B-5508 (ECIP/A16/HEAP)</b>			
Jan 1, 2009-June 30, 2009	\$ 255,320	\$ (935) a	\$ 254,385
Total Costs	<u>\$ 255,320</u>	<u>\$ (935)</u>	<u>\$ 254,385</u>

a) Unclaimed cost adjusted in subsequent claim

b) The \$44,974 is comprised of \$3,095 unclaimed cost from previous year and (\$48,069)

Excess Revenue Used. Actual costs exceeded contract.

c) Excess Revenue Used was reported at the time of close out. Actual costs exceeded contract.

d) Excess Revenue was reported at the time of close out

e) Excess Revenue Used will 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, 2009

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 less than “Total Costs”, there is no excess revenue. Since 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 Weatherization (WX) program is reported as follows:



**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, 2009

Note 5: **Excess Revenue and Interest Income from Weatherization** (continued)

Beginning Balance	\$	77,313	
Excess Revenue Adjustment		(3,230)	
Excess Revenue		108,927	
Interest		7,347	
Available Funds		<u>190,357</u>	
Program Expenditures			
Client Assistance Payment 06B	\$	1,300	b
Client Assistance Payment 07B		(210)	
Other Program Costs		(3,544)	a
Total Program Expenditures		<u>(2,454)</u>	
Ending Balance (Close Out 06B)	\$	<u>192,811</u>	
Beginning Balance/Available Funds	\$	192,811	
Program Expenditures			
Client Assistance Payment		48,069	
Actual Labor Costs		23,245	
Total Program Expenditures		<u>71,314</u>	
Ending Balance (Close Out 08B)	\$	<u>121,497</u>	

a) Reported \$3,544 to the State on the 07B Close-Out Reconciliation Report.

The amount that should have been reported to the State is zero.

b) Reported \$2,645 to the State on the 06B Close-Out Reconciliation Report.

The amount that should have been reported to the State is \$1,300.

**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, 2009

Note 5: **Excess Revenue and Interest Income from Weatherization** (continued)

	Cumulative Through 6/30/08	For the Period Ended 6/30/09	Cumulative through 6/30/09
Open contracts			
Excess Revenues Used			
09B-5508 (WX)	\$ (8,764)	\$ --	\$ (8,764)
Interest	--	37	37 <sup>c</sup>
	<u>\$ (8,764)</u>	<u>\$ 37</u>	<u>\$ (8,727)</u>

c) Interest will be reported on next Close-Out Reconciliation Report to the State.



GALLINA<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS

**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 Honorable Members of the Board of Supervisors  
County of El Dorado  
Placerville, California

We have audited the accompanying Supplemental Statement of Revenues 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, California, as of and for the year ended June 30, 2009, and have issued our report thereon dated February 16, 2010. 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 *2009 Supplemental Audit Guide*.

**Internal Control Over Financial Reporting**

In planning and performing our audit we considered County of El Dorado'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 of El Dorado's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statement is more than inconsequential will not be prevented or detected by the entity's

To the Honorable Members of the Board of Supervisors  
County of El Dorado

internal control. We consider the deficiency described in the accompanying Schedule of Findings as finding 09-CSD-1 to be a significant deficiency in internal control over financial reporting.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of El Dorado'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 2009 *Supplemental Audit Guide*.

County of El Dorado's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the County of El Dorado's response and accordingly, we express no opinion on it.

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



Roseville, California  
February 16, 2010



GALLINA<sup>LLP</sup>

CERTIFIED PUBLIC ACCOUNTANTS

**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 Honorable Members of the Board of Supervisors  
County of El Dorado  
Placerville, California

Compliance

We have audited the compliance of the County of El Dorado with the types of compliance requirements described in the California Department of Community Services and Development *2009 Supplemental Audit Guide* that are applicable to programs listed in the accompanying Financial Statement of the California Department of Community Services and Development Programs (the “Programs”) for the year ended June 30, 2009. Compliance with the requirements of laws, regulations, contracts, and grants applicable to these Programs is the responsibility of the County of El Dorado’s management. Our responsibility is to express an opinion on the County of El Dorado’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 *2009 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 of El Dorado’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 of El Dorado’s compliance with those requirements.

In our opinion, the County of El Dorado complied, in all material respects, with the requirements referred to above that are applicable to the Programs for the year ended June 30, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with California Department of Community Services and Development *2009 Supplemental Audit Guide*, and which are described in the accompanying Schedule of Findings as finding 09-CSD-1.

To the Honorable Members of the Board of Supervisors  
County of El Dorado

Internal Control Over Compliance

The management of the County of El Dorado is responsible for establishing and maintaining effective internal control over compliance with the 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 with the requirements that could have a direct and material effect on the California Department of Community Services and Development Programs in order 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 with the California Department of Community Services and Development *2009 Supplemental Audit Guide*.

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 significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer the program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as finding 09-CSD-1 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings to be material weaknesses.

County of El Dorado's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the County of El Dorado's response and, accordingly, we express no opinion on it.

To the Honorable Members of 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, and El Dorado County's management and the El Dorado County 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 black ink that reads "Gallina LLP". The signature is written in a cursive, flowing style.

Roseville, California  
February 16, 2010

**CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES  
AND DEVELOPMENT PROGRAMS**

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



COUNTY OF EL DORADO

California Department of Community Services and Development Programs  
Schedule of Findings  
For the Year Ended June 30, 2009

<u>Finding/Program</u>	<u>Finding/Noncompliance</u>
<b>09-CSD-1</b>	<u>Criteria</u>
<i>Awards:</i> 06B-5358 (WX) 08B-5458 (WX) 09B-5508 (WX)	When billings for reimbursement are based upon actual labor hours spent, the department preparing the billings for reimbursement should reconcile those hours to source documentation kept by the weatherization crew.
Year: 2008-09	<u>Condition</u>
	The department preparing billings for reimbursement does not receive documentation of hours spent by the weatherization crew.
	<u>Cause</u>
	The weatherization crew provides dollar amounts charged, which are a set fee per project, but does not report actual hours spent on specific items. Actual hours must be derived from the charges provided by the weatherization crew.
	<u>Effect</u>
	Labor charges provided by the weatherization crew could be misstated because the department preparing grantor billings does not reconcile charges provided to time records supporting those charges.
	<u>Recommendation</u>
	We recommend the Program reconcile charges based on labor to actual labor hours spent.
	<u>Management Response</u>
	We concur with the finding and recommendation.

**COUNTY OF EL DORADO**

California Department of Community Services and Development Programs  
Schedule of Findings  
For the Year Ended June 30, 2009

Finding/Program

Finding/Noncompliance

**09-CSD-1**  
(continued)

Corrective Action Plan

In order to track actual labor hours for each weatherization measure performed, the Weatherization crew members will complete a Weatherization Time Sheet for every client. Each Time Sheet will include the date(s) work was done, with labor time recorded for each staff person completing the work for each activity or measure performed. A comments section will allow for documentation of circumstances requiring time spent beyond that usual for a specific measure or activity. Senior Energy/Weatherization Technician Wilbur Mott will review completed time sheets on a weekly basis to confirm accuracy. These source documents will be retained in the client file.

The Program Coordinator will review the source documents monthly to confirm full documentation and prepare the Weatherization component of the required monthly LIHEAP report to the State.

Gathering and documenting information in this manner will both facilitate program planning and create an appropriate audit trail. This Corrective Action Plan was implemented on April 1, 2009.

Contact Person: Program Coordinator, Telephone (530) 621-6158.

**COUNTY OF EL DORADO**

California Department of Community Services and Development Programs  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2009

Audit Reference  
Number

Status of Prior Year Audit Findings

**08-CSD-01**

Prior year finding 08-CSD-01 was renumbered to current year finding 09-CSD-1.