

COUNTY OF EL DORADO

**CALIFORNIA DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT**

PROGRAM SPECIFIC GRANT AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2014

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

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INDEPENDENT AUDITOR'S REPORT

To the Honorable 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 (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, 2014 (described in the following table), and the related notes to the financial statements, which collectively comprise the grant program's financial statements as listed in the table of contents.

<u>Award Number</u>	<u>Program Title</u>	<u>Grant Period</u>
13F-3009	Community Services Block Grant (CSBG)	01/01/2013-04/30/2014
14F-3009	CSBG	01/01/2014-12/31/2014
12B-5807	Low Income Home Energy Assistance Program (LIHEAP) Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)	01/01/2012-06/30/2013
13B-5007	LIHEAP ECIP A16 HEAP	01/01/2013-01/31/2014
14B-5007	LIHEAP ECIP A16 HEAP	01/01/2014-01/31/2015
12B-5807	Low Income Home Energy Assistance Program (LIHEAP) Weatherization (WX)	01/01/2012-06/30/2013
13B-5007	LIHEAP WX	01/01/2013-01/31/2014
14B-5007	LIHEAP WX	01/01/2014-01/31/2015
11C-1807	Department of Energy (DOE) Weatherization (WX)	12/01/2011-01/31/2014

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the County's California Department of Community Services and Development programs, as of June 30, 2014, in accordance with the requirements of the California Department of Community Services and Development.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the statements referred to previously present only the financial activities of various grants. Accordingly, the accompanying statements do not purport to, and do not, present fairly the changes in financial position of the County in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2015 on our consideration of the Grant'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. 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* in considering the County's internal control over compliance.



Roseville, California
April 3, 2015

**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 13F-3009
\$262,422

For the Period January 1, 2013 through April 30, 2014

	January 1, 2013 through June 30, 2013	July 1, 2013 through April 30, 2014	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>					
Grant Revenue	\$ 131,211	\$ 131,211	\$ 262,422		\$ 262,422
* County General Fund Contribution	12,921	(9,338)	3,583		
TOTAL REVENUE	<u>\$ 144,132</u>	<u>\$ 121,873</u>	<u>\$ 266,005</u>		<u>\$ 262,422</u>
<u>EXPENDITURES</u>					
Administrative Costs					
Salaries and Wages	\$ 72,154	\$ 52,625	\$ 124,779	\$ 155,040	\$ 155,040
Fringe Benefits	32,220	8,458	40,678	65,572	69,373
Operating Expenses & Equipment	39,758	60,790	100,548	41,810	38,009
Total Administrative Costs	<u>144,132</u>	<u>121,873</u>	<u>266,005</u>	<u>262,422</u>	<u>262,422</u>
TOTAL COSTS	<u>\$ 144,132</u>	<u>\$ 121,873</u>	<u>\$ 266,005</u>	<u>\$ 262,422</u>	<u>\$ 262,422</u>
* County General Fund Contribution	(12,921)	9,338	(3,583)		
TOTAL COSTS - FEDERAL	<u>\$ 131,211</u>	<u>\$ 131,211</u>	<u>\$ 262,422</u>		

* Total Costs include General Fund (GF) paid portion in the amount of \$3,583, specifically FY 12/13 reported GF contribution of \$12,921 reduced by \$9,338 for funds not used in FY 13/14.

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 14F-3009
\$265,790

For the Period January 1, 2014 through December 31, 2014

	January 1, 2014 through June 30, 2014	July 1, 2014 through Dec 31, 2014	Total Costs	Total Reported Expenditures	Total Budget
<u>REVENUE</u>					
Grant Revenue	\$ 59,951	\$ --	\$ 59,951		\$ 265,790
TOTAL REVENUE	<u>\$ 59,951</u>	<u>\$ --</u>	<u>\$ 59,951</u>		<u>\$ 265,790</u>
<u>EXPENDITURES</u>					
Administrative Costs					
Salaries and Wages	\$ 10,427	\$ --	\$ 10,427	\$ 16,943	\$ 66,742
Fringe Benefits	5,620	--	5,620	8,716	38,937
Operating Expenses & Equipment	24,594	--	24,594	14,982	50,000
Other Costs	19,310	--	19,310	19,310	110,111
Total Administrative Costs	<u>59,951</u>	<u>--</u>	<u>59,951</u>	<u>59,951</u>	<u>265,790</u>
TOTAL COSTS	<u>\$ 59,951</u>	<u>\$ --</u>	<u>\$ 59,951</u>	<u>\$ 59,951</u>	<u>\$ 265,790</u>

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)
Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)
CSD Contract Number 12B-5807

\$766,765

For the Period January 1, 2012 through June 30, 2013

	January 1, 2012 through June 30, 2013	Close-out Adjustment November 2013	Total Costs	Total Reported Expenditures	Total Budget
REVENUE					
* Grant Revenue	\$ 501,442	\$ (3,989)	\$ 497,453		\$ 766,765
** County General Fund Contribution	--	3,989	3,989		
TOTAL REVENUE	\$ 501,442	\$ --	\$ 501,442		\$ 766,765
EXPENDITURES					
Assurance 16 Costs	\$ 30,116	\$ --	\$ 30,116	\$ 30,116	\$ 75,416
** Administrative Costs EHA 16	38,493	--	38,493	38,493	52,170
Intake Costs ECIP and HEAP	16,606	--	16,606	16,606	54,935
Outreach Costs ECIP and HEAP	26,024	--	26,024	26,024	54,935
Training and Technical Assistance	5,164	--	5,164	5,164	21,974
Subtotal	116,403	--	116,403	116,403	259,430
ECIP HEAP Costs:					
Cooling Service Repair/Replacement	\$ --	\$ --	\$ --	\$ --	\$ 12,000
Heating Service Repair/Replacement	9,628	--	9,628	9,738	16,587
Water Heater Repair/Replacement	2,108	--	2,108	2,108	8,000
ECIP Other Program Costs	--	--	--	132	--
HEAP Wood, Propane, and Oil	372,549	--	372,549	372,549	416,669
Liability Insurance	403	--	403	403	2,650
Workers' Compensation	109	--	109	109	1,429
Automation Supplemental	--	--	--	--	50,000
Subtotal	384,797	--	384,797	385,039	507,335
TOTAL COSTS	\$ 501,200	\$ --	\$ 501,200	\$ 501,442	\$ 766,765
** Disallowed Administration Costs	--	(3,989)	(3,989)	(3,989)	
TOTAL COSTS - FEDERAL	\$ 501,200	\$ (3,989)	\$ 497,211	\$ 497,453	

Excess Revenue Earned / (Used) for 12B LIHEAP/ECIP and 12B LIHEAP/WX \$ 242
was netted to zero and reported at time of close out (See Notes 4 and 5).

* Of the \$501,442 in Grant Revenue received from the State, Administrative Costs EHA 16 of \$3,989 were disallowed and paid back to State. Adjusted Grant Revenue is \$497,453.

** Of the \$38,493 reported Administrative Costs EHA 16, State disallowed \$3,989 because the final reported expenditures were less than the contract amount and the maximum allowable administrative costs were calculated as a factor of the total project spending. The County General Fund paid for the disallowed costs. Adjustment was not reported on FY 13/14 SEFA.

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)
Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)
CSD Contract Number 13B-5007

\$680,031

For the Period January 1, 2013 through January 31, 2014

	January 1, 2013 through June 30, 2013	July 1, 2013 through January 31, 2014	Total Costs	Total Reported Expenditures	Total Budget
REVENUE					
Grant Revenue	\$ 16,166	\$ 480,159	\$ 496,325		\$ 680,031
TOTAL REVENUE	\$ 16,166	\$ 480,159	\$ 496,325		\$ 680,031
EXPENDITURES					
Assurance 16 Activities	\$ 2,987	\$ 33,447	\$ 36,434	\$ 36,434	\$ 68,932
Administrative Costs EHA 16	310	29,400	29,710	29,710	44,167
Intake	387	25,288	25,675	25,675	74,982
Outreach ECIP and HEAP	3,462	28,685	32,147	32,147	46,864
Training and Technical Assistance	321	1,447	1,768	1,768	18,745
Subtotal	7,467	118,267	125,734	125,734	253,690
ECIP HEAP Costs:					
ECIP EHCS Diagnostics	\$ 28	\$ 707	\$ 735	\$ 141	\$ 500
Cooling Service Repair/Replacement	2,026	6,040	8,066	8,066	8,335
Heating Service Repair/Replacement	3,445	26,610	30,055	30,065	24,000
Water Heater Repair/Replacement	--	1,440	1,440	1,440	6,500
ECIP Other Program Costs	--	--	--	--	500
HEAP Wood, Propane, and Oil	3,200	297,200	300,400	297,598	322,806
Liability Insurance	--	--	--	--	1,200
Workers' Compensation	--	--	--	--	500
General Operating Expenditures	--	4,333	4,333	4,333	12,000
Automation Supplemental	--	28,948	28,948	28,948	50,000
Subtotal	8,699	365,278	373,977	370,591	426,341
TOTAL COSTS	\$ 16,166	\$ 483,545	\$ 499,711	\$ 496,325	\$ 680,031

Excess Revenue Used was reported at the time of close out. \$ (3,386)
(See Notes 4 and 5).

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)
Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP)
CSD Contract Number 14B-5007

\$1,086,243

For the Period January 1, 2014 through January 31, 2015

	January 1, 2014 through June 30, 2014	July 1, 2014 through January 31, 2015	Total Costs	Total Reported Expenditures	Total Budget
REVENUE					
Grant Revenue	\$ 242,262	\$ --	\$ 242,262		\$ 1,086,243
TOTAL REVENUE	\$ 242,262	\$ --	\$ 242,262		\$ 1,086,243
EXPENDITURES					
Assurance 16 Activities	\$ 16,242	\$ --	\$ 16,242	\$ 16,242	\$ 121,791
Administrative Costs	21,720	--	21,720	21,720	85,983
Intake	15,417	--	15,417	15,417	126,764
Outreach ECIP and HEAP	16,624	--	16,624	16,624	79,227
Training and Technical Assistance	2,912	--	2,912	2,912	31,692
Subtotal	72,916	--	72,916	72,915	445,457
ECIP HEAP Costs:					
ECIP EHCS Diagnostics	\$ 183	\$ --	\$ 183	\$ 151	\$ 3,283
Cooling Service Repair/Replacement	--	--	--	8,912	22,500
Heating Service Repair/Replacement	--	--	--	3,480	31,000
Water Heater Repair/Replacement	--	--	--	--	13,500
HEAP Wood, Propane, and Oil	137,446	--	137,446	137,446	570,503
Liability Insurance	1,818	--	1,818	1,818	--
Workers' Compensation	1,141	--	1,141	1,141	--
General Operating Expenditures	11,717	--	11,717	11,717	--
Automation Supplemental	4,682	--	4,682	4,682	--
Subtotal	156,987	--	156,987	169,347	640,786
TOTAL COSTS	\$ 229,903	\$ --	\$ 229,903	\$ 242,262	\$ 1,086,243

Excess Revenue Earned will be reported at the time of close out \$ 12,359
(See Notes 4 and 5).

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 12B-5807
\$368,696

For the Period January 1, 2012 through June 30, 2013

	January 1, 2012 through June 30, 2013	Close-out Adjustment November 2013	Total Costs	Total Reported Expenditures	Total Budget
REVENUE					
* Grant Revenue	\$ 198,816	\$ (7,930)	\$ 190,886		\$ 368,696
** County General Fund Contribution	35,978	7,930	43,908		
TOTAL REVENUE	\$ 234,794	\$ --	\$ 234,794		\$ 368,696
EXPENDITURES					
** Administrative Costs	\$ 23,201	\$ --	\$ 23,201	\$ 23,201	\$ 29,496
Weatherization Program Costs:					
Intake	\$ --	\$ --	\$ --	\$ --	\$ 18,435
Outreach	--	--	--	--	18,435
Training and Technical Assistance	17,200	--	17,200	17,200	18,435
Direct Program Activities	192,772	--	192,772	156,552	278,001
Liability Insurance	1,332	--	1,332	1,332	3,829
Workers' Compensation	531	--	531	531	2,065
Total Program Costs	211,835	--	211,835	175,615	339,200
TOTAL COSTS	\$ 235,036	\$ --	\$ 235,036	\$ 198,816	\$ 368,696
** Disallowed Administration Costs	--	(7,930)	(7,930)	(7,930)	
County General Fund Contribution	(35,978)	--	(35,978)	--	
TOTAL COSTS - FEDERAL	\$ 199,058	\$ (7,930)	\$ 191,128	\$ 190,886	

Excess Revenue Earned / (Used) for 12B LIHEAP/ECIP and 12B LIHEAP/WX \$ (242)
was netted to zero and reported at time of close out (See Notes 4 and 5).

* Of the \$198,816 in Grant Revenue received from the State, Administrative Costs of \$7,930 were disallowed and paid back to State. Adjusted Grant Revenue is \$190,886.

** Of the \$23,201 reported Administrative Costs, State disallowed \$7,930 because the final reported expenditures were less than the contract amount and the maximum allowable administrative costs were calculated as a factor of the total project spending. The County General Fund paid for the disallowed costs. Adjustment was not reported on FY 13/14 SEFA.

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 13B-5007
\$360,700
For the Period January 1, 2013 through January 31, 2014

	January 1, 2013 through June 30, 2013	July 1, 2013 through January 31, 2014	Total Costs	Total Reported Expenditures	Total Budget
REVENUE					
Grant Revenue	\$ 116,166	\$ 244,534	\$ 360,700		\$ 360,700
County General Fund Contribution	--	99	99		
TOTAL REVENUE	\$ 116,166	\$ 244,633	\$ 360,799		\$ 360,700
EXPENDITURES					
Administrative Costs	\$ 5,453	\$ 22,275	\$ 27,728	\$ 27,728	\$ 28,805
Weatherization Program Costs:					
Intake	\$ --	\$ --	\$ --	\$ --	\$ 28,805
Outreach	--	--	--	--	18,004
Training and Technical Assistance	1,493	4,351	5,844	5,844	18,004
Direct Program Activities	97,585	211,196	308,781	308,781	252,322
Liability Insurance	--	--	--	--	2,700
Workers' Compensation	--	--	--	--	1,060
General Operating Expenditures	11,635	6,811	18,446	18,347	11,000
Total Program Costs	110,713	222,358	333,071	332,972	331,895
TOTAL COSTS	\$ 116,166	\$ 244,633	\$ 360,799	\$ 360,700	\$ 360,700
County General Fund Contribution	--	(99)	(99)		
TOTAL COSTS - FEDERAL	\$ 116,166	\$ 244,534	\$ 360,700		

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 14B-5007
\$697,498
For the Period January 1, 2014 through January 31, 2015

	January 1, 2014 through June 30, 2014	July 1, 2014 through January 31, 2015	Total Costs	Total Reported Expenditures	Total Budget
REVENUE					
Grant Revenue	\$ 216,902	\$ --	\$ 216,902		\$ 697,498
TOTAL REVENUE	\$ 216,902	\$ --	\$ 216,902		\$ 697,498
EXPENDITURES					
Administrative Costs	\$ 25,176	\$ --	\$ 25,176	\$ 25,176	\$ 55,800
Weatherization Program Costs:					
Intake	\$ --	\$ --	\$ --	\$ --	\$ 55,801
Outreach	--	--	--	--	34,877
Training and Technical Assistance	4,281	--	4,281	4,281	34,877
Direct Program Activities	162,669	--	162,669	162,669	492,843
Liability Insurance	2,319	--	2,319	2,319	1,000
Workers' Compensation	1,455	--	1,455	1,455	300
General Operating Expenditures	21,002	--	21,002	21,002	22,000
Total Program Costs	191,726	--	191,726	191,726	641,698
TOTAL COSTS	\$ 216,902	\$ --	\$ 216,902	\$ 216,902	\$ 697,498

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 11C-1807
\$53,196

For the Period December 1, 2011 through January 31, 2014

	Dec 1,2011 through June 30, 2013	July 1, 2013 through January 31, 2014	Total Costs	Total Reported Expenditures	Total Budget
REVENUE					
Grant Revenue	\$ 41,208	\$ 11,436	\$ 52,644		\$ 53,196
TOTAL REVENUE	\$ 41,208	\$ 11,436	\$ 52,644		\$ 53,196
EXPENDITURES					
Administrative Costs	\$ 1,036	\$ 822	\$ 1,858	\$ 1,858	\$ 3,155
Weatherization Program Costs:					
Training and Technical Assistance	\$ 2,983	\$ --	\$ 2,983	\$ 2,983	\$ 3,854
Liability Insurance	--	4	4	--	300
Minor Equipment	17,639	2,928	20,567	20,551	8,000
Workers' Compensation	--	--	--	--	150
Genera/Operating Expenses	1,161	410	1,571	1,461	1,000
Health & Safety	2,575	1,641	4,216	5,665	9,177
Direct Program Activities	13,075	6,173	19,248	20,126	27,560
Total Program Costs	37,433	11,156	48,589	50,786	50,041
TOTAL COSTS	\$ 38,469	\$ 11,978	\$ 50,447	\$ 52,644	\$ 53,196

Total Reported Expenditures exceeded total actual cost; to be reported at the time of close out. (See Note 4) \$ 2,197

See accompanying Notes to Supplemental Statements.

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**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, 2014

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, 2013 through June 30, 2014 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 actual 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, 2014

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>
13F-3009 (CSBG)			
Jan 1, 2013-June 30, 2013	\$ 144,132	\$ (12,921)	\$ 131,211
July 1, 2013-April 30, 2014	121,873	9,338	131,211
General Fund Contribution	<u>(3,583)</u>	<u>3,583</u>	<u>--</u>
Total Costs	<u>\$ 262,422</u>	<u>\$ --</u>	<u>\$ 262,422</u>
14F-3009 (CSBG)			
Jan 1, 2014-June 30, 2014	\$ 59,951	\$ --	\$ 59,951
Total Costs	<u>\$ 59,951</u>	<u>\$ --</u>	<u>\$ 59,951</u>
12B-5807 (LIHEAP/ECIP/A16/HEAP)			
Jan 1, 2012-June 30, 2012	\$ --	\$ --	\$ --
July 1, 2012-June 30, 2013	501,200	242	501,442
Disallowed Administrative Costs	<u>(3,989)</u>	<u>--</u>	<u>(3,989)</u>
Total Costs	<u>\$ 497,211</u>	<u>\$ 242</u> a	<u>\$ 497,453</u>
13B-5007 (LIHEAP/ECIP/A16/HEAP)			
Jan 1, 2013-June 30, 2013	\$ 16,166	\$ --	\$ 16,166
July 1, 2013-Jan 31, 2014	<u>483,545</u>	<u>(3,386)</u> b	<u>480,159</u>
Total Costs	<u>\$ 499,711</u>	<u>\$ (3,386)</u> b	<u>\$ 496,325</u>
14B-5007 (LIHEAP/ECIP/A16/HEAP)			
Jan 1, 2014-June 30, 2014	<u>\$ 229,903</u>	<u>\$ 12,359</u> c	<u>\$ 242,262</u>
Total Costs	<u>\$ 229,903</u>	<u>\$ 12,359</u> c	<u>\$ 242,262</u>
12B-5807 (LIHEAP/WX)			
Jan 1, 2012-June 30, 2012	\$ --	\$ --	\$ --
July 1, 2012-June 30, 2013	235,036	(36,220)	198,816
General Fund Contribution	(35,978)	35,978	--
Disallowed Administrative Costs	<u>(7,930)</u>	<u>--</u>	<u>(7,930)</u>
Total Costs	<u>\$ 191,128</u>	<u>\$ (242)</u> a	<u>\$ 190,886</u>
13B-5007 (LIHEAP/WX)			
Jan 1, 2013-June 30, 2013	\$ 116,166	\$ --	\$ 116,166
July 1, 2013-Jan 31, 2014	244,633	(99)	244,534
General Fund Contribution	<u>(99)</u>	<u>99</u>	<u>--</u>
Total Costs	<u>\$ 360,700</u>	<u>\$ --</u>	<u>\$ 360,700</u>
14B-5007 (LIHEAP/WX)			
Jan 1, 2014-June 30, 2014	<u>\$ 216,902</u>	<u>\$ --</u>	<u>\$ 216,902</u>
Total Costs	<u>\$ 216,902</u>	<u>\$ --</u>	<u>\$ 216,902</u>

**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, 2014

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>
11C-1807 (DOE/WX)				
Dec 1, 2011-June 30, 2012	\$ 4,220	\$ 1,774	d	\$ 5,994
July 1, 2012-June 30, 2013	34,249	965	d	35,214
July 1, 2013-Jan 31, 2014	<u>11,978</u>	<u>(542)</u>	e	<u>11,436</u>
Total Costs	<u>\$ 50,447</u>	<u>\$ 2,197</u>	d	<u>\$ 52,644</u>

- a) Excess Revenue Earned / (Used) for 12B LIHEAP/ECIP and 12B LIHEAP/WX was netted to zero and reported at the time of 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, 2014

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	\$	--
Interest		--
Available Funds		<u>--</u>
Program Expenditures		
Client Assistance 12B		--
Client Assistance 13B *		--
Total Program Expenditures		<u>--</u>
Ending Balance (Close Out 12B and 13B)	\$	<u><u>--</u></u>

	<u>Cumulative through 6/30/13</u>	<u>For the Period Ended 6/30/14</u>	<u>Cumulative through 6/30/14</u>
Open contracts			
Excess Revenue Earned (Used)			
14B-5007 (LIHEAP/ECIP)	\$ --	\$ 12,359	\$ 12,359
Total	<u>\$ --</u>	<u>\$ 12,359</u>	<u>\$ 12,359</u>

* Program expenditures are reported as zero as there are no "Available Funds" above on which to draw.



**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 AND THE CALIFORNIA
COMMUNITY SERVICES AND DEVELOPMENT GUIDELINES**

To the Honorable 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, 2014, and have issued our report thereon dated April 3, 2015. 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 *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 Standards* or the California Department of Community Services and Development *Supplemental Audit Guide*.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly this communication is not suitable for any other purpose.

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

Roseville, California
April 3, 2015

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

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

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

Schedule of Findings
For the Year Ended June 30, 2014

None reported.

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

Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2014

None reported.