



**County of El Dorado**  
**OFFICE OF AUDITOR-CONTROLLER**

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**JOE HARN, CPA**  
Auditor-Controller

**BOB TOSCANO**  
Assistant Auditor-Controller

**August 27, 2012**

**Board of Supervisors  
County of El Dorado  
360 Fair Lane  
Placerville, California 95667**

**Subject: \$2,000,000 Loan to City of Placerville**

**Ladies and Gentlemen:**

**The purpose of this letter is to document my concerns related to the CAO's proposed loan to the City of Placerville.**

**The City's audited financial statements for the year ended June 30, 2011, are not yet available. It is unusual for most local government agencies to have their audit reports issued late, but not unusual for the City of Placerville. The Federal government required both the City and the County to have their audits completed by March 31, 2012.**

**Also, to the best of my knowledge, the City of Placerville has never asked for this loan in writing and articulated the need for this loan in writing.**

**Because of the above, I am uncomfortable with the County making this loan based on the documents that are before us at this time.**

**Sincerely,**

A handwritten signature in black ink, appearing to read "Joe Harn".

**Joe Harn  
Auditor-Controller**

**cc: CAO  
Assistant CAO**