



OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE PLACERVILLE, CALIFORNIA 95667-4193 Phone: (530) 621-5487 Fax: (530) 295-2535 JOE HARN, CPA Auditor-Controller

BOB TOSCANO Assistant Auditor-Controller

September 15, 2014

Board of Supervisors El Dorado County 330 Fair Lane Placerville, CA 95667

LATE DISTRIBUTION

RE: Budget Addenda FY 2014-15 dated 9-10-2014

**Dear Board Members:** 

The purpose of this letter is to document my opposition to the CAO's Budget Recommendation.

The CAO's Recommendation will result in a much bigger general fund budget problem in Fiscal 2015-16. The County needs to cut spending now to avoid drastic cuts and drastic layoffs next summer.

The CAO's Forced Salary Savings is a gimmick to balance the general fund budget on paper. It will not result in what is necessary, a cut in general fund spending.

The CAO's most recent 5 year general fund forecast indicates a \$17,000,000 shortfall for Fiscal 2015-16. The Forced Salary Savings gimmick will significantly increase this projected shortfall.

If you have any questions, please contact me.

Sincerely,

Joe Harn Auditor-Controller



## County of El Dorado

OFFICE OF AUDITOR-CONTROLLER

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September 16, 2014

Board of Supervisors County of El Dorado 330 Fair Lane Placerville, California 95667

Subject: June 30, 2014 Fiscal Year End Financial Position

Ladies and Gentlemen:

The purpose of this letter is to give you a short report on the County's financial position as of June 30, 2014.

During the year ending June 30, 2014, the County's General Fund cash balance and combined unreserved fund balance decreased significantly. The General Fund's cash balance was \$45,106,043, a \$9,355,305 decrease from June 2013. The General Fund's combined unreserved fund balance at June 30, 2014, was \$39,361,180, a decrease of \$8,334,993. A key factor in this adverse financial trend was that the General Fund's Salaries and Benefits costs increased by \$13,600,439.

It is important that your Board, the CAO, and the County's Department Heads take immediate, decisive action to reverse this adverse financial trend. Further, it is important to remember that during fiscal 2014 we did nothing to resolve or pay down the significant unfunded obligations to our employees and retirees for retirement benefits and our retirees' health program. Generally accepted accounting principals and our General Fund general ledger do not adequately reflect these monumental obligations.

Sincerely,

Joe Harn, CPA Auditor-Controller

CC: Terri Daly, CAO





360 FAIR LANE PLACERVILLE, CALIFORNIA 95667-4193 Phone: (530) 621-5487 Fax: (530) 295-2535 JOE HARN, CPA Auditor-Controller

BOB TOSCANO Assistant Auditor-Controller

September 15, 2014

Board of Supervisors El Dorado County 330 Fair Lane Placerville, CA 95667

RE: Cash Loans as of June 30, 2014

**Dear Board Members:** 

The attached schedule lists the loans that the general fund made at June 30, 2014 to various other funds at the County.

I am providing your Board with this schedule as we have done historically during the budget hearings.

If you have any questions, please contact me.

Sincerely,

Joe Harn Auditor-Controller



County of El Dorado OFFICE OF AUDITOR-CONTROLLER

360 FAIR LANE PLACERVILLE, CALIFORNIA 95667-4193 Phone: (530) 621-5487 Fax: (530) 295-2535 JOE HARN Auditor-Controller

BOB TOSCANO Assistant Auditor-Controller

September 17, 2014

Board of Supervisors County of El Dorado 330 Fair Lane Placerville, CA 95667

Subject: June 30, 2014 Budget Performance Report

Ladies and Gentlemen:

The Auditor-Controller recommends that the Board of Supervisors receive and file the attached Departmental Budget Performance Report. The report indicates that all General Fund operating departments, except Child Support Services, I.T., and HHSA met their budget targets established by your Board.

The main cause of the failure of HHSA and Child Support Services to meet their net county cost targets was the State's recovery of the I.T. cost applieds that were charged to federal and state programs in fiscal 2011-12. I.T. missed its net county cost target because in fiscal 2013-14 I.T. stopped billing for most of the services it provides departments. In the future the County will receive partially reimburse for these services via the OMB A-87 cost allocation plan.

Also attached you will find a schedule that reports Non-General Fund Departmental Performance.

If you have any questions, please call me at 621-5456.

Sincere⁄tx oe Harn. CPA

Auditor-Controller

cc: Terri Daly, CAO

Cost Feriorimatice     FY 20132014     FY 20132014 <th>FY 2013/2014     FY 2013/2014&lt;</th>	FY 2013/2014     FY 2013/2014<
FY 2013/2014 FY 2013/2014 FY 20   FY 2013/2014 FY 2013/2014 FY   Actual Rev Variance Budget Budget   Actual Rev Variance Budget FY   Revenues 3,179 (6,228) 7   1,778,921 34,359 23,363   1,778,921 34,359 2   533,641 10,0931 3   533,641 100,931 2   533,641 100,931 2   533,641 100,931 2   533,641 100,931 2   533,641 100,931 2   533,641 100,931 2   533,641 100,931 2   533,641 100,931 2   533,641 100,931 2   1,151,792 (70,660) 1   1,161,792 (70,660) 1   1,161,792 (192,629) 1   1,161,792 (388,356) 1   1,161,792 (388,356) 1   1,161,792 (388,356) 1   1,161,792 (388,356) 1   1,161,792 (388,356) 1   1,161,792 (388,	FY     Z013/2014     Z012/2014     Z012/2014 <thz01 2014<="" th="">     Z012/2014     Z012/2014</thz01>
FY 2013/2014FY 2013/2014FY 2013/2014FY 2013/2014FY 2013/2014Rev. VarianceActualRev. VarianceActualNetr/(Under)Budget $3,179$ (6.22)1,778,921 $34,35$ 1,778,921 $34,35$ 1,778,921 $34,35$ 1,778,921 $34,35$ 1,778,921 $34,35$ 1,778,921 $34,35$ 1,778,921 $34,35$ 1,778,921 $34,35$ 533,641 $100,93$ 533,641 $100,93$ 533,643 $(115,94)$ 7,10 $887,531$ 633,643 $(115,94)$ 7,10 $887,531$ 7,10 $(115,94)$ 88,7,531 $(53,36)$ 89,074 $(135,05)$ 101,662 $(12,00,5)$ 89,074 $(1200,5)$ 89,074 $(1200,5)$ 89,074 $(1200,5)$ 89,074 $(1200,5)$ 89,074 $(1200,5)$ 89,074 $(1200,5)$ 818,937 $(115,035)$ 818,937 $(115,035)$ 818,937 $(115,035)$ 818,937 $(115,035)$ 818,937 $(1250,5)$ 818,937 $(115,035)$ 818,937 $(126,65)$ 818,937 $(126,65)$ 818,937 $(126,65)$ 818,937 $(126,65)$ 818,937 $(170,66)$ 818,937 $(170,66)$ 818,937 $(175,63)$ 818,937 $(175,63)$ 818,937 $(170,66)$ 818,937 $(175,65)$ 81	FY 2013/2014FY 2013/2014FY 2013/2014FY 2013/2014FY 2013/2014FY 2013/2014ActualRev. VarianceActualRev. VarianceSign $3,179$ Geodet $3,179$ Geodet $3,179$ $3,179$ $66,22$ $1,78,9237$ $(15,943)$ $1,78,9237$ $(28,98)$ $1,78,9237$ $(28,98)$ $1,78,9237$ $(28,98)$ $1,78,923641$ $100,93$ $351,641$ $100,93$ $353,641$ $100,93$ $368,7,531$ $100,93$ $368,7,531$ $100,932$ $368,33,338$ $(1,200,54)$ $4,693,693$ $(1,50,59)$ $32,232,651$ $(1,200,56)$ $33,1357$ $(1,293,63)$ $33,1357$ $(1,293,63)$ $33,1357$ $(1,293,63)$ <
OSL F ETIOTITIATICE. FY 2013/2014 Budgeted Revenues 9,407 1,728,079 455,820 1,744,562 432,710 467,750 1,431,231 144,773,770 0 1,431,231 80,415 144,773,770 0 1,431,231 80,415 144,773,770 0 1,345,500 2,115,271 1,431,231 1,431,231 80,415 1,431,231 1,431,231 1,431,231 1,431,231 1,431,231 1,431,231 1,432,606 1,540,090 8,361,153 1,540,090 8,361,153 1,540,090 8,361,153 1,430,096 8,361,153 1,540,090 1,544,155 1,540,090 1,544,1555 1,	AL FOND NEL COUNTY COST FET OUTTAINE   Ear 2013/2014   Department   Ery 2013/2014   Department   Budgeted   Name   Revenues   9,407   Administration   Information   Treasurer/Tax   1,728,079   Administration   Budgeted   Name   Revenues   9,407   Administration   Information   Treasurer/Tax   1,728,079   Auditor   Treasurer/Tax   1,744,562   Auditor   Treasurer/Tax   1,728,079   Auditor   1,728,079   Auditor   1,728,079   Auditor   1,733,770   O   Human Resources   Aurophy Promotion   1,431,231   Superior Court MOE   1,44,773,770   1,431,53   Superior Court MOE   2,115,271   Human Resources   2,014,050   1,431,53   Superior Court MOE   2,015   1,44,773,770   0   Superior Court MOE   2,011,153 </td
	ear 2013/2014 Department Name Name Administration Adminis

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ž ⊑ - ∼	Non-Genera Fiscal Year	enerai Fund Departmental Performance Year 2013/2014	nce											
м					Revenue			Expenditure	Budget	Actual Increase/		Beginning	Other	Ending
-	Fund	Department	Budgeted	Actual	Variance	Budget	Actual	Variance	Increase or	(Decrease) to		Fund Balance	Find Balance	Eurof Balance
· · · ·	Number	Name	Revenues	Revenues	Over/(Under)	Appropriations	Expenditures	Under/(Over)	(Use) of	Fund Balance		July 1, 2013	Adjustments	June 30, 2014
0 1					Budget			Budget	Fund Balance	from FY 13/14			FY 13/14	
8 8	Special Rev	Revenue Funds			(non - non)			(Col. G - Col. H)	(Col C - Col G)	(Col D - Col H)	Variance			(Col L + Col N + Col P)
1		101 Erosion Control	2.774.848	1.609.451	(1.165 397)	2 774 848	1 654 975	1 110 873		UNE EDAN	146 6043	02.70		
10	103	3 Road Fund	73,007,984	54,187,168	(18,820,816)	76.877.705	49.500.888	27 376 817	(3 869 721)	(42,224) 4 686 280	(420,024) 8 556 001	5 04,724	(64,724)	(45,524)
11	104	4 Road District Tax	4,672,500	4,971,566	299,066	4,760,597	4 509 890	250 707	(120,000)	461.676	6,000,001	000,140,0	(067'00'1')	110,116,8
12	105	15 Special Aviation	20,000	20,005	ی ۲	20,000	20.000		-		5 - 10 to	00,097	•	4/2/240
13	106	6 Fish and Game	7,666	2,464	(5,202)	7,666	2.741	4.925		(770)	(1770)	00 860 N	•	90
14	107	7 Community Services	8,728,741	6,781,358	(1,947,383)	9,898,801	6,834,991	3.063.810	(1 170 060)	(53,633)	1 116 427	1 170 061	- 10 TEEN	1 112 672
15	108	8 HCED	4,142,597	623,310	(3,519,287)	4,142,597	558,230	3,584,367		65,080	65.080		(001,2)	1,113,073
16	109	9 Health Department	19,548,811	15,114,828	(4,433,983)	26,274,064	12,500,270	13,773,794	(6.725.253)	2.614.558	9.339.811	6 725 254	(150)	a
17	110		9,893,807	10,233,461	339,654	11,598,846	9,638,069	1,960,777	(1,705,039)	595,392	2.300.431	1 075 039		
18	110	0 Mental Health MHSA	9,201,475	6,273,965	(2,927,510)	15,092,226	4,721,488	10,370,738	(5,890,751)	1.552.477	7 443 228	9 430 465		10 080 040
6	113		100	130	30	56,237	(1,248)	57,485	(56,137)	1.378	57.515	56 137		57 515
2	114		'	59	59	ı	•			59	69	25.478		25.526
5	115		20	-	(19)	13,975	13,956	19	(13,955)	(13.955)	; 0	13.955		
52	116	6 Federal Forest Reserve	25,219	161,912	136,693	51,000	51,000	r	(25,781)	110.912	136.693	25,781		136 603
53	118	118 Jail Commissary	357,950	400,718	42,768	1,282,187	277,838	1,004,349	(924,237)	122,880	1.047.117	924.238	· ,	1 047 117
54	115	119 Placerville Union Cemetery	31,320	35,674	4,354	94,511	33,961	60,550	(63.191)	1.713	64 904	63 192	(31 141)	23 764
····-	200	0	19,362,033	6,766,154	(12,595,879)	21,875,818	7,424,661	14,451,157	(2,513,785)	(658,507)	1.855.278	4.525.616		3 867 109
	502-5/9	Countywide Special Revenue	48,808,918	68,557,301	19,748,383	69,338,912	51,987,605	17,351,307	(20,529,994)	16,569,696	37,099,690	26,569,481	(4,188,555)	38,950,622
28 28 B	Board Gove	Governed Special Districts												
_	2	152 County Service Area #2	00 160			000 1000							•	
300	153	2 County Service Area #2	00,4J0 A 555 216	30, 143	1,031	220,192	130,016	90,176	(131,734)	(39,868)	91,867	79,556	52,178	91,866
8 6	175	155 County Service Area #5	2017/00/4	000,000,0	(000) 3 440	0,047,010	3,543,702	3,103,914	(2,092,400)	149,648	2,242,048	2,475,611	(379,730)	2,245,530
33	157	157 County Service Area #7	10 935 942	11 0.024	3,412 BE 775	10,132	10 622 402	6//'61	23,367	42,558	19,191	8,227	(31,594)	19,191
33	159	159 County Service Area #9	1.256.108	1 304 412	48.304	1 995 290	10,332,102	0,133,322 1 610 633	(790'677'C)	490,535 840,554	6,220,097	5,719,563		6,210,098
34	160	160 County Service Area #10	4,269,066	4,461,173	192,107	7,497,544	3 742 608	3 754 936	(301,02)	718 565	0,000,000 2,047,042	Z,009,714	(1,296,986)	1,592,382
35	161	1 Air Quality Control	1,563,595	1,797,936	234,341	3,006,999	1,468,314	1.538.685	(1 443 404)	379 622	0,341,040 1 773 076	3,302,003	(1,722,141)	4,478,000
36	172	2 Water Agency	2,174,555	2,265,397	90,842	3,824,555	1,991,334	1,833,221	(1.650,000)	274.063	1 924 063	2 020 123	(000,027,1)	2,2,12,2
37	174	4 EDC Development Projects		9,217	9,217					9.217	9 217	148 616		457 833
88	175	175 IHSS Public Authority	916,629	695,398	(221,231)	903,385	698,576	204,809	13.244	(3.178)	(16.422)	(13 244)	16 558	124
gg	176	6 EDC Housing Authority	3,380,298	3,004,850	(375,448)	3,656,512	3,172,902	483,610	(276,214)	(168,053)	108,161	276,214	000	108 161
- i-	Internal Server	Service/Enterprise Funds												
47	405	405 SLI Iransit		•			•		I	1	,		•	
43	414	414 Airport	1,331,659	866,512	(465,147)	1,345,853	1,125,278	220,575	(14,194)	(258,766)	(244,572)	2,139,087	220,389	2,100,710
ŧ		450 Kisk Management	33,132,182	33,261,766	129,584	45,827,072	41,257,425	4,569,647	(12,694,890)	(7,995,659)	4,699,231	(41,457,541)	(4,507,933)	(53,961,133)
<del>1</del>	400	400 Fleet Management	1,847,091	1,729,722	(117,369)	1,877,091	1,704,664	172,427	(30,000)	25,058	55,058	(6,096)	(465,564)	(446,602)
46														

## Funds Requiring Temporary Loans at June 30, 2014

	Fund Name	Negative Cash	Loan Amount	
Community Services 11-107-001 11-107-015 11-107-019 11-107-102	Community Services Grant Programs 2003 CDBG 1st Time Homebuyers Grant WIA Program Multi Purpose Senior Services Prgm	(87,029.88) (252.54) (184,782.51) (23,646.59)	88,000.00 1,000.00 185,000.00 24,000.00	531112 531274 531182 531430
<u>HCED</u> 11-108-001	Housing, Community & Economic Dev	(11,564.84)	12,000.00	119000
Public Health 11-109-009	CDC/BT Funding	(58,359.61)	59,000.00	401130
IHSS Public Authority 12-175-001	IHSS Public Authority	(191,826.65)	192,000.00	531510
EDC Public Housing Author 12-176-001	EDC Public Housing Authority	(16,918.81)	17,000.00	531210
<u>Airport</u> 31-414-101 31-414-102	Placerville Capital Improvement Georgetown Capital Improvement	(71,634.23) (4,433.01)	72,000.00 5,000.00	307132 307142
Risk Management 32-450-003	Risk Management Health	(1,822,839.31)	1,823,000.00	083522
TOTAL		(2,473,287.98)	2,478,000.00	