



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, CPA
Auditor-Controller

BOB TOSCANO
Assistant Auditor-
Controller

September 15, 2014

LATE DISTRIBUTION
DATE 9/15/14

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

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,

A handwritten signature in blue ink that reads "Joe Harn".

Joe Harn
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,

A handwritten signature in blue ink that reads "Joe Harn".

Joe Harn, CPA
Auditor-Controller

CC: Terri Daly, CAO



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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,

A handwritten signature in blue ink that reads "Joe Harn".

**Joe Harn
Auditor-Controller**



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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 applied 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.

Sincerely,

A handwritten signature in cursive script that reads "Joe Harn".

Joe Harn, CPA
Auditor-Controller

cc: Terri Daly, CAO

**FINAL REPORT OF
GENERAL FUND Net County Cost Performance
Fiscal Year 2013/2014**

Dept. Number	Department Name	FY 2013/2014 Budgeted Revenues	FY 2013/2014 Actual Revenues	FY 2013/2014 Rev. Variance Over/(Under) Budget	FY 2013/2014 Budget Appropriations	FY 2013/2014 Actual Expenditures	FY 2013/2014 Exp. Variance Under/(Over) Budget	Budgeted Net County Cost	Actual Net County Cost	Net County Cost Variance Under/(Over)
01	Board of Supervisors	9,407	3,179	(6,228)	1,731,811	1,359,674	372,137	1,722,404	1,356,495	365,909
02	Administration	1,728,079	1,243,687	(484,392)	7,989,833	7,310,909	678,924	6,261,754	6,067,221	194,533
03	Auditor	455,820	426,837	(28,983)	3,191,478	2,553,922	637,556	2,735,658	2,127,085	608,573
04	Treasurer/Tax	1,744,562	1,778,921	34,359	2,911,501	2,398,415	515,086	1,166,939	617,494	549,445
05	Assessor	432,710	533,641	100,931	3,549,674	3,131,339	418,335	3,116,964	2,597,698	519,266
07	County Counsel	467,750	351,803	(115,947)	3,021,156	2,756,559	264,597	2,553,406	2,404,756	148,650
08	Human Resources	0	70	70	1,740,731	1,336,659	404,072	1,740,731	1,336,589	404,142
10	Information Technology	2,115,271	101,662	(2,013,609)	5,141,861	6,848,829	(1,706,968)	3,026,590	6,747,168	(3,720,578)
11	County Promotion	1,431,231	887,531	(543,701)	3,813,273	2,395,982	1,417,291	2,382,042	1,508,452	873,591
12	Surveyor	80,415	89,074	8,659	1,645,917	1,441,177	204,740	1,565,502	1,352,103	213,399
15	GF Other Opera.	144,773,770	145,610,914	837,144	45,389,241	24,001,608	21,387,633	(99,384,529)	(121,609,306)	22,224,777
19	Grand Jury	0	0	0	83,449	50,950	32,499	83,449	50,950	32,499
20	Superior Court MOE	1,345,500	1,537,540	192,040	3,066,000	3,023,918	42,082	1,720,500	1,486,378	234,122
22	District Attorney	2,666,918	2,614,486	(52,432)	8,240,220	8,168,657	71,563	5,573,302	5,554,171	19,131
23	Public Defender	353,698	283,038	(70,660)	3,129,974	2,972,472	157,502	2,776,276	2,689,434	86,842
24	Sheriff	14,889,828	13,689,288	(1,200,540)	56,615,772	50,335,495	6,280,277	41,725,944	36,646,207	5,079,737
25	Probation	4,850,877	4,693,963	(156,914)	14,940,749	12,894,187	2,046,562	10,089,872	8,200,224	1,889,648
26	Ag Commissioner	797,384	818,937	21,553	1,316,871	1,192,533	124,338	519,487	373,596	145,891
28	Recorder-Clerk	2,407,506	2,015,035	(392,471)	3,485,430	2,631,133	854,297	1,077,924	616,098	461,826
30	GF - Dept. Trans	1,540,090	1,151,734	(388,356)	2,365,441	1,848,766	516,675	825,351	697,032	128,319
34	Development Services	8,361,153	7,908,524	(452,629)	12,452,145	9,593,124	2,859,021	4,090,992	1,684,600	2,406,392
40	Health Dept.	1,430,036	1,115,792	(314,244)	2,662,522	2,021,498	641,024	1,232,486	905,706	326,780
42	Environmental Mgmt	2,314,482	1,716,239	(598,243)	2,314,482	1,716,237	598,245	-	-	2
45	Hlth & Human Serv Agn	4,054,455	3,197,930	(856,525)	4,071,455	3,643,484	427,971	17,000	445,554	(428,554)
51	Veterans Services	54,424	54,424	0	394,782	388,736	6,046	340,358	334,312	6,046
53	Social Services	44,116,304	39,232,651	(4,883,653)	45,640,321	41,247,311	4,393,010	1,524,017	2,014,660	(490,643)
60	Library	2,134,608	1,842,194	(292,414)	3,650,189	3,357,775	292,414	1,515,581	1,515,581	-
79	Child Support Services	5,827,279	5,031,357	(795,922)	5,827,279	5,065,714	761,565	-	34,357	(34,357)
		250,383,557	237,930,451	(12,453,107)	250,383,557	205,685,063.84	44,698,494	0	(32,245,387)	32,245,387
					June 30, 2014 Ending Fund Balance					32,245,387
								Fund Balance in June Budget		33,525,656 (1,280,269)

**Funds Requiring Temporary Loans
at June 30, 2014**

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