

COUNTY OF EL DORADO

**CALIFORNIA DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT**

PROGRAM SPECIFIC GRANT AUDIT REPORT

FOR THE YEAR ENDED JUNE 30, 2017



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COUNTY OF EL DORADO
CALIFORNIA DEPARTMENT OF
COMMUNITY SERVICES AND DEVELOPMENT
PROGRAM SPECIFIC GRANT AUDIT REPORT

For The Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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 to the County of El Dorado (CSD Grant Program) by the State of California, Health and Human Services Agency (HHSA), as of and for the year ended June 30, 2017 (described in the following table), and the related notes to the financial statements, which collectively comprise the CSD Grant Program's financial statements as listed in the table of contents.

| Award Number | Program Title | Grant Period |
|---------------------|---|-------------------------|
| 16F-5009 | Community Services Block Grant (CSBG) | 01/01/2016 - 12/31/2016 |
| 16F-5531 | Community Services Block Grant (CSBG) Discretionary | 06/15/2016 - 05/31/2017 |
| 17F-2009 | Community Services Block Grant (CSBG) | 01/01/2017 - 12/31/2017 |
| 15B-3008 | Low Income Home Energy Assistance Program (LIHEAP) Energy Crisis Intervention Program (ECIP) Assurance 16 (A16) Home Energy Assistance Program (HEAP) | 01/01/2015 – 09/30/2016 |
| 16B-4007 | LIHEAP ECIP A16 HEAP | 01/01/2016 – 09/30/2017 |
| 17B-3007 | LIHEAP ECIP A16 HEAP | 10/01/2016 – 12/31/2017 |
| 15B-3008 | LIHEAP Weatherization (WX) | 01/01/2015 – 09/30/2016 |
| 16B-4007 | LIHEAP WX | 01/01/2016 – 09/30/2017 |
| 17B-3007 | LIHEAP WX | 10/01/2016 – 12/31/2017 |
| 16C-6007 | Department of Energy (DOE) WX | 07/01/2016 – 09/30/2017 |

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 and the California Department of Community Services and Development Supplemental Audit Guide; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 and requirements described in the California Department of Community Services and Development Supplemental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 CSD Grant Program'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 CSD Grant Program'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 CSD Grant Program's revenues and expenditures as of and for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America and with the requirements of the California Department of Community Services and Development.

Emphasis of Matter

As discussed in Note 1, the financial statements are intended to present only the financial activities of above listed grants and do not purport to, and do not present fairly the financial position of the County of El Dorado as of June 30, 2017, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2018, on our consideration of the CSD Grant Programs' 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 CSD Grant Programs' internal control over financial reporting and compliance.



Pleasant Hill, California
March 28, 2018

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 16F-5009

\$284,569

For the Period January 1, 2016 through December 31, 2016

| | January 1, 2016 through June 30, 2016 | July 1, 2016 through Dec 31, 2016 | Total Costs | Total Reported Expenditures | Total Budget |
|----------------------------|---|---|-------------------|-----------------------------------|-------------------|
| <u>REVENUE</u> | | | | | |
| Grant Revenue | \$ 137,551 | \$ 147,018 | \$ 284,569 | | \$ 284,569 |
| TOTAL REVENUE | \$ 137,551 | \$ 147,018 | \$ 284,569 | | \$ 284,569 |
| <u>EXPENDITURES</u> | | | | | |
| Administrative Costs | | | | | |
| Salaries and Wages | \$ 46,957 | \$ 50,218 | \$ 97,175 | \$ 97,175 | \$ 97,446 |
| Fringe Benefits | 25,347 | 26,436 | 51,783 | 51,783 | 56,073 |
| Operating Expenses | 3,200 | 2,482 | 5,682 | 5,682 | 6,850 |
| Other Costs | 62,047 | 67,882 | 129,929 | 129,929 | 124,200 |
| Total Administrative Costs | 137,551 | 147,018 | 284,569 | 284,569 | 284,569 |
| TOTAL COSTS | \$ 137,551 | \$ 147,018 | \$ 284,569 | \$ 284,569 | \$ 284,569 |

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

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

Supplemental Statement of Revenue and Expenditures

Community Services Block Grant (CSBG) **Discretionary**

CSD Contract Number 16F-5531

\$32,078

For the Period June 15, 2016 through May 31, 2017

| | June 15, 2016 through June 30, 2016 | July 1, 2016 through May 31, 2017 | Total Costs | Total Reported Expenditures | Total Budget |
|-----------------------------------|---|---|------------------|-----------------------------------|------------------|
| <u>REVENUE</u> | | | | | |
| Grant Revenue | \$ 287 | \$ 31,791 | \$ 32,078 | | \$ 32,078 |
| TOTAL REVENUE | <u>\$ 287</u> | <u>\$ 31,791</u> | <u>\$ 32,078</u> | | <u>\$ 32,078</u> |
| <u>EXPENDITURES</u> | | | | | |
| Administrative Costs | | | | | |
| Salaries and Wages | \$ 147 | \$ (147) * | \$ -- | \$ -- | \$ -- |
| Fringe Benefits | 87 | (87) * | -- | -- | -- |
| Other Costs | 53 | 3,165 | 3,218 | 3,218 | 3,849 |
| Total Administrative Costs | <u>287</u> | <u>2,931</u> | <u>3,218</u> | <u>3,218</u> | <u>3,849</u> |
| Program Costs | | | | | |
| Salaries and Wages | \$ -- | \$ 8,916 * | \$ 8,916 | \$ 8,916 | \$ 8,205 |
| Fringe Benefits | -- | 4,873 * | 4,873 | 4,873 | 4,946 |
| Subcontractor/Consultant Services | -- | 15,071 | 15,071 | 15,071 | 15,078 |
| Total Program Costs | <u>--</u> | <u>28,860</u> | <u>28,860</u> | <u>28,860</u> | <u>28,229</u> |
| TOTAL COSTS | <u>\$ 287</u> | <u>\$ 31,791</u> | <u>\$ 32,078</u> | <u>\$ 32,078</u> | <u>\$ 32,078</u> |

* July 1, 2016 through Dec 31, 2016 Administrative Costs were reduced and Program Costs were increased per contract Amendment #2 dated 3/28/2017. Specifically, Salaries and Wages and Fringe Benefits were reclassified from Administrative Costs to Program Costs.

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

**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 17F-2009
\$284,569
For the Period January 1, 2017 through December 31, 2017

| | January 1, 2017 through June 30, 2017 | July 1, 2017 through Dec 31, 2017 | Total Costs | Total Reported Expenditures | Total Budget |
|----------------------------|---|---|-------------------|-----------------------------------|-------------------|
| <u>REVENUE</u> | | | | | |
| Grant Revenue | \$ 130,681 | \$ -- | \$ 130,681 | | \$ 284,569 |
| TOTAL REVENUE | \$ 130,681 | \$ -- | \$ 130,681 | | \$ 284,569 |
| <u>EXPENDITURES</u> | | | | | |
| Administrative Costs | | | | | |
| Salaries and Wages | \$ 47,375 | \$ -- | \$ 47,375 | \$ 47,375 | \$ 111,000 |
| Fringe Benefits | 26,508 | -- | 26,508 | 26,508 | 62,843 |
| Operating Expenses | 8,175 | -- | 8,175 | 8,175 | 16,300 |
| Other Costs | 48,623 | -- | 48,623 | 48,623 | 94,426 |
| Total Administrative Costs | 130,681 | -- | 130,681 | 130,681 | 284,569 |
| TOTAL COSTS | \$ 130,681 | \$ -- | \$ 130,681 | \$ 130,681 | \$ 284,569 |

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

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 15B-3008
\$1,034,008
For the Period January 1, 2015 through September 30, 2016

| | January 1, 2015 through June 30, 2016 | July 1, 2016 through Sept 30, 2016 | Total Costs | Total Reported Expenditures | Total Budget |
|--|---|--|-------------------|-----------------------------------|---------------------|
| <u>REVENUE</u> | | | | | |
| Grant Revenue | \$ 932,026 | \$ 23,814 | \$ 955,840 | | \$ 1,034,008 |
| TOTAL REVENUE | <u>\$ 932,026</u> | <u>\$ 23,814</u> | <u>\$ 955,840</u> | | <u>\$ 1,034,008</u> |
| <u>EXPENDITURES</u> | | | | | |
| Assurance 16 Activities | \$ 93,710 | \$ -- | \$ 93,710 | \$ 93,699 | \$ 113,750 |
| Administrative Costs | 113,024 | 3,152 * | 116,176 | 116,187 | 121,805 |
| Intake | 91,390 | 172 | 91,562 | 91,562 | 109,000 |
| Outreach ECIP and HEAP | 74,609 | -- | 74,609 | 74,609 | 74,609 |
| Training and Technical Assistance | 9,627 | -- | 9,627 | 9,627 | 14,844 |
| Subtotal | <u>382,360</u> | <u>3,324</u> | <u>385,684</u> | <u>385,684</u> | <u>434,008</u> |
| ECIP/HEAP Costs: | | | | | |
| ECIP EHCS Diagnostics | \$ 689 | \$ -- | \$ 689 | \$ 689 | \$ 1,000 |
| ECIP EHCS Cooling Service Repair/Replacement | 10,260 | -- | 10,260 | 10,260 | 12,000 |
| ECIP EHCS Heating Service Repair/Replacement | 18,482 | -- | 18,482 | 18,482 | 20,000 |
| ECIP EHCS Water Heater Repair/Replacement | 9,023 | -- | 9,023 | 9,023 | 10,000 |
| ECIP EHCS Other Program Costs | 2,215 | -- | 2,215 | 2,215 | -- |
| SWEATS Drought 2015 | -- | -- | -- | -- | 2,500 |
| HEAP Wood, Propane, and Oil | 454,313 | 20,487 | 474,800 | 474,800 | 492,300 |
| Liability Insurance | 2,083 | 1 | 2,084 | 2,084 | 2,000 |
| Minor Vehicle and Equipment | 1,227 | -- | 1,227 | 1,227 | 5,000 |
| Workers' Compensation | 1,409 | 2 | 1,411 | 1,411 | 1,500 |
| General Operating Expenditures | 40,437 | -- | 40,437 | 40,437 | 48,000 |
| Automation Supplemental | 9,528 | -- | 9,528 | 9,528 | 5,700 |
| Subtotal | <u>549,666</u> | <u>20,490</u> | <u>570,156</u> | <u>570,156</u> | <u>600,000</u> |
| TOTAL COSTS | <u>\$ 932,026</u> | <u>\$ 23,814</u> | <u>\$ 955,840</u> | <u>\$ 955,840</u> | <u>\$ 1,034,008</u> |

* July 1, 2016 through September 30, 2016 Total Costs include recouped Administrative Costs of \$2,947 not previously reported in FY 15-16, comprised of \$4,058 FY 15-16 Administrative Costs not previously reported, reduced by \$1,111 FY 15-16 Program Income (fixed assets sale) not previously reported. This Program Income and its expenditure were reported at the time of close out. As a result, there was no net excess revenue or program income remaining from the close out of this program (See Note 5).

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

**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 16B-4007
\$1,041,828
For the Period January 1, 2016 through September 30, 2017

| | January 1, 2016 through June 30, 2016 | July 1, 2016 through June 30, 2017 | July 1, 2017 through Sept 30, 2017 | Total Costs | Total Reported Expenditures | Total Budget |
|---|---|--|--|-------------------|-----------------------------------|---------------------|
| <u>REVENUE</u> | | | | | | |
| Grant Revenue | \$ 486,457 | \$ 512,634 | \$ -- | \$ 999,091 | | \$ 1,041,828 |
| TOTAL REVENUE | \$ 486,457 | \$ 512,634 | \$ -- | \$ 999,091 | | \$ 1,041,828 |
| <u>EXPENDITURES</u> | | | | | | |
| Assurance 16 Activities | \$ 34,540 | \$ 67,469 | \$ -- | \$ 102,009 | \$ 102,009 | \$ 106,357 |
| Administrative Costs | 54,992 | 58,900 | | 113,892 | 113,892 | 116,217 |
| Subtotal | 89,532 | 126,369 | -- | 215,901 | 215,901 | 222,574 |
| Program Support Costs: | | | | | | |
| Intake | \$ 53,572 | \$ 58,606 | \$ -- | \$ 112,178 | \$ 112,178 | \$ 112,178 |
| Outreach | 60,837 | 9,274 | -- | 70,111 | 70,111 | 70,111 |
| Training and Technical Assistance | 2,174 | 11,528 | -- | 13,702 | 13,702 | 13,706 |
| Minor Vehicle and Equipment | -- | 1,885 | -- | 1,885 | 1,885 | 5,000 |
| General Overhead Costs | 6,074 | 18,195 | -- | 24,269 | 24,269 | 20,000 |
| Automation Supplemental | 768 | 11,675 | -- | 12,443 | 12,443 | 12,600 |
| Subtotal | 123,425 | 111,163 | -- | 234,588 | 234,588 | 233,595 |
| Program Service Costs: | | | | | | |
| ECIP Emergency Heating & Cooling Services | \$ -- | \$ 28,624 | \$ -- | \$ 28,624 | \$ 28,624 | \$ 38,000 |
| SWEATS | -- | -- | -- | -- | -- | 5,000 |
| Wood, Propane, and Oil | 273,500 | 246,478 | -- | 519,978 | 519,978 | 542,659 |
| Subtotal | 273,500 | 275,102 | -- | 548,602 | 548,602 | 585,659 |
| TOTAL COSTS | \$ 486,457 | \$ 512,634 | \$ -- | \$ 999,091 | \$ 999,091 | \$ 1,041,828 |

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

**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 17B-3007
\$1,022,187
For the Period October 1, 2016 through December 31, 2017

| | October 1, 2016 through June 30, 2017 | July 1, 2017 through Dec 31, 2017 | Total Costs | Total Reported Expenditures | Total Budget |
|---|---|---|-------------------|-----------------------------------|---------------------|
| REVENUE | | | | | |
| Grant Revenue | \$ 575,440 | \$ -- | \$ 575,440 | | \$ 1,022,187 |
| TOTAL REVENUE | \$ 575,440 | \$ -- | \$ 575,440 | | \$ 1,022,187 |
| EXPENDITURES | | | | | |
| Assurance 16 Activities | \$ 53,795 | \$ -- | \$ 53,795 | \$ 53,795 | \$ 111,827 |
| Administrative Costs | 66,330 | -- | 66,330 | 66,330 | 111,827 |
| Subtotal | 120,125 | -- | 120,125 | 120,125 | 223,654 |
| Program Support Costs: | | | | | |
| Intake | \$ 68,657 | \$ -- | \$ 68,657 | \$ 68,657 | \$ 108,276 |
| Outreach | 41,848 | -- | 41,848 | 41,848 | 67,672 |
| Training and Technical Assistance | 4,769 | -- | 4,769 | 4,769 | 18,998 |
| Out of State Travel | -- | -- | -- | -- | 5,000 |
| Minor Vehicle and Equipment | -- | -- | -- | -- | 2,000 |
| Liability Insurance | 684 | -- | 684 | 684 | 1,000 |
| General Operating Costs | 1,895 | -- | 1,895 | 1,895 | 7,000 |
| Automation Supplemental | 3,780 | -- | 3,780 | 3,780 | 10,000 |
| Subtotal | 121,633 | -- | 121,633 | 121,633 | 219,946 |
| Program Service Costs: | | | | | |
| ECIP Emergency Heating & Cooling Services | \$ -- | \$ -- | \$ -- | \$ -- | \$ 25,000 |
| SWEATS | -- | -- | -- | -- | 5,000 |
| Wood, Propane, and Oil | 327,000 | -- | 327,000 | 327,000 | 536,587 |
| Other Program Costs | 6,682 | -- | 6,682 | 6,682 | 12,000 |
| Subtotal | 333,682 | -- | 333,682 | 333,682 | 578,587 |
| TOTAL COSTS | \$ 575,440 | \$ -- | \$ 575,440 | \$ 575,440 | \$ 1,022,187 |

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

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 15B-3008
\$607,549
For the Period January 1, 2015 through September 30, 2016

| | January 1, 2015 through June 30, 2016 | July 1, 2016 through Sept 30, 2016 | Total Costs | Total Reported Expenditures | Total Budget |
|-----------------------------------|---|--|-------------------|-----------------------------------|-------------------|
| <u>REVENUE</u> | | | | | |
| Grant Revenue | \$ 606,551 | \$ -- | \$ 606,551 | | \$ 607,549 |
| TOTAL REVENUE | \$ 606,551 | \$ -- | \$ 606,551 | | \$ 607,549 |
| <u>EXPENDITURES</u> | | | | | |
| Weatherization Program Costs: | | | | | |
| Intake | \$ -- | \$ -- | \$ -- | \$ -- | \$ 48,604 |
| Outreach | -- | -- | -- | -- | 30,377 |
| Training and Technical Assistance | 18,125 | -- | 18,125 | 18,125 | 30,377 |
| Direct Program Activities | 554,424 | -- | 554,424 | 554,424 | 457,570 |
| Liability Insurance | 2,469 | -- | 2,469 | 2,469 | 2,900 |
| Minor Vehicle and Field Equipment | 801 | -- | 801 | 801 | -- |
| Workers' Compensation | 1,757 | -- | 1,757 | 1,757 | 1,900 |
| General Operating Expenditures | 28,975 | -- | 28,975 | 28,975 | 35,821 |
| Total Program Costs | 606,551 | -- | 606,551 | 606,551 | 607,549 |
| TOTAL COSTS | \$ 606,551 | \$ -- | \$ 606,551 | \$ 606,551 | \$ 607,549 |

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

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 16B-4007

\$579,946

For the Period January 1, 2016 through September 30, 2017

| | January 1, 2016 through June 30, 2016 | July 1, 2016 through June 30, 2017 | July 1, 2017 through Sept 30, 2017 | Total Costs | Total Reported Expenditures | Total Budget |
|---------------------------------------|---|--|--|-------------------|-----------------------------------|-------------------|
| <u>REVENUE</u> | | | | | | |
| Grant Revenue | \$ 207,088 | \$ 370,369 | \$ -- | \$ 577,457 | | \$ 579,946 |
| TOTAL REVENUE | \$ 207,088 | \$ 370,369 | \$ -- | \$ 577,457 | | \$ 579,946 |
| <u>EXPENDITURES</u> | | | | | | |
| Weatherization Program Support Costs: | | | | | | |
| Training and Technical Assistance | \$ 4,348 | \$ 6,969 * | \$ -- | \$ 11,317 | \$ 11,317 | \$ 12,000 |
| Out of State Travel | 5,567 | -- | -- | 5,567 | 5,567 | 10,000 |
| Minor Vehicle and Field Equipment | 7,360 | 6,650 | -- | 14,010 | 14,010 | 10,000 |
| General Overhead Costs | 89,968 | 163,282 | -- | 253,250 | 253,250 | 265,000 |
| Total Program Support Costs | 107,243 | 176,901 | -- | 284,144 | 284,144 | 297,000 |
| Weatherization Direct Program Costs: | | | | | | |
| Direct Program Activities | 99,845 | 193,468 | -- | 293,313 | 293,313 | 282,946 |
| TOTAL COSTS | \$ 207,088 | \$ 370,369 | \$ -- | \$ 577,457 | \$ 577,457 | \$ 579,946 |

* July 1, 2016 through June 30, 2017 Total Costs include FY15-16 Training and Technical Assistance costs of \$5,076 not previously reported due to budget increase in September 2016.

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

**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 17B-3007
\$543,852

For the Period October 1, 2016 through December 31, 2017

| | October 1, 2016 through June 30, 2017 | July 1, 2017 through Dec 31, 2017 | Total Costs | Total Reported Expenditures | Total Budget |
|---------------------------------------|---|---|-------------------|-----------------------------------|-------------------|
| <u>REVENUE</u> | | | | | |
| Grant Revenue | \$ 297,063 | \$ -- | \$ 297,063 | | \$ 543,852 |
| TOTAL REVENUE | \$ 297,063 | \$ -- | \$ 297,063 | | \$ 543,852 |
| <u>EXPENDITURES</u> | | | | | |
| Weatherization Program Support Costs: | | | | | |
| Training and Technical Assistance | \$ 7,079 | \$ -- | \$ 7,079 | \$ 7,079 | \$ 16,264 |
| Out of State Travel | 6,004 | -- | 6,004 | 6,004 | 8,729 |
| Minor Vehicle and Field Equipment | 1,687 | -- | 1,687 | 1,687 | 10,000 |
| Liability Insurance | 957 | -- | 957 | 957 | 2,000 |
| General Operating Costs | 2,625 | -- | 2,625 | 2,625 | 9,000 |
| Total Program Support Costs | 18,352 | -- | 18,352 | 18,352 | 45,993 |
| Weatherization Direct Program Costs: | | | | | |
| Direct Program Activities | \$ 119,549 | \$ -- | \$ 119,549 | \$ 119,549 | \$ 214,079 |
| Other Program Costs | 159,162 | -- | 159,162 | 159,162 | 283,780 |
| Total Direct Program Costs | 278,711 | -- | 278,711 | 278,711 | 497,859 |
| TOTAL COSTS | \$ 297,063 | \$ -- | \$ 297,063 | \$ 297,063 | \$ 543,852 |

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

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 16C-6007

\$64,892

For the Period July 1, 2016 through September 30, 2017

| | July 1, 2016 through June 30, 2017 | July 1, 2017 through Sept 30, 2017 | Total Costs | Total Reported Expenditures | Total Budget |
|----------------------------|--|--|------------------|-----------------------------------|------------------|
| <u>REVENUE</u> | | | | | |
| Grant Revenue | \$ 49,678 | \$ -- | \$ 49,678 | | \$ 64,892 |
| TOTAL REVENUE | \$ 49,678 | \$ -- | \$ 49,678 | | \$ 64,892 |
| <u>EXPENDITURES</u> | | | | | |
| Administrative Costs | \$ 3,153 | \$ -- | \$ 3,153 | \$ 3,153 | \$ 3,870 |
| Program Costs: | | | | | |
| Direct Program Activities | \$ 34,026 | \$ -- | \$ 34,026 | \$ 34,026 | \$ 49,852 |
| General Overhead Costs | 10,855 | -- | 10,855 | 10,855 | 1,000 |
| Health & Safety | 1,644 | -- | 1,644 | 1,644 | 10,170 |
| Total Program Costs | 46,525 | -- | 46,525 | 46,525 | 61,022 |
| TOTAL COSTS | \$ 49,678 | \$ -- | \$ 49,678 | \$ 49,678 | \$ 64,892 |

See accompanying Notes to Supplemental Statement of Revenue and Expenditures.

**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, 2017**

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, 2016 through June 30, 2017 and are not intended to present fairly the financial position or changes in financial position of the County of El Dorado (County) 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 audits 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 TOTAL REPORTED EXPENDITURES TO TOTAL COSTS

The following reconciliations identify differences between "Total Costs" and "Total Reported Expenditures" columns for the CSD programs.

Low Income Home Energy Assistance Program (LIHEAP) 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. "Excess revenue" is that amount of the County's LIHEAP grant allocation for which the County receives reimbursement in excess of the County's actual cost.

**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, 2017

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> |
|--|--------------------|-------------------|------------------------------------|
| 16F-5009 (CSBG) | | | |
| Jan 1, 2016-June 30, 2016 | \$ 137,551 | \$ -- | \$ 137,551 |
| July 1, 2016-Dec 31, 2016 | 147,018 | -- | 147,018 |
| Total Costs | <u>\$ 284,569</u> | <u>\$ --</u> | <u>\$ 284,569</u> |
| 16F-5531 (CSBG) | | | |
| June 15, 2016-June 30, 2016 | \$ 287 | \$ -- | \$ 287 |
| July 1, 2016-May 31, 2017 | 31,791 | -- | 31,791 |
| Total Costs | <u>\$ 32,078</u> | <u>\$ --</u> | <u>\$ 32,078</u> |
| 17F-2009 (CSBG) | | | |
| Jan 1, 2017-June 30, 2017 | \$ 130,681 | \$ -- | \$ 130,681 |
| Total Costs | <u>\$ 130,681</u> | <u>\$ --</u> | <u>\$ 130,681</u> |
| 15B-3008 (LIHEAP/ECIP/A16/HEAP) | | | |
| Jan 1, 2015-June 30, 2015 | \$ 404,178 | \$ 2,724 a | \$ 406,902 |
| July 1, 2015-June 30, 2016 | 527,848 | (2,724) a | 525,124 |
| July 1, 2016-Sept 30, 2016 | 23,814 | -- | 23,814 |
| Total Costs | <u>\$ 955,840</u> | <u>\$ --</u> | <u>\$ 955,840</u> |
| 16B-4007 (LIHEAP/ECIP/A16/HEAP) | | | |
| Jan 1, 2016-June 30, 2016 | \$ 486,457 | \$ -- | \$ 486,457 |
| July 1, 2016-June 30, 2017 | 512,634 | -- | 512,634 |
| Total Costs | <u>\$ 999,091</u> | <u>\$ --</u> | <u>\$ 999,091</u> |
| 17B-3007 (LIHEAP/ECIP/A16/HEAP) | | | |
| Oct 1, 2016-June 30, 2017 | \$ 575,440 | \$ -- | \$ 575,440 |
| Total Costs | <u>\$ 575,440</u> | <u>\$ --</u> | <u>\$ 575,440</u> |
| 15B-3008 (LIHEAP/WX) | | | |
| Jan 1, 2015-June 30, 2015 | \$ 179,384 | \$ -- | \$ 179,384 |
| July 1, 2015-June 30, 2016 | 427,167 | -- | 427,167 |
| July 1, 2016-Sept 30, 2016 | -- | -- | -- |
| Total Costs | <u>\$ 606,551</u> | <u>\$ --</u> | <u>\$ 606,551</u> |

a) Net to zero; no Excess Revenue reported at the time of close out. See Note 5.

**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, 2017

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> |
|-----------------------------|--------------------|-------------------|------------------------------------|
| 16B-4007 (LIHEAP/WX) | | | |
| Jan 1, 2016-June 30, 2016 | \$ 207,088 | \$ -- | \$ 207,088 |
| July 1, 2016-June 30, 2017 | 370,369 | -- | 370,369 |
| Total Costs | <u>\$ 577,457</u> | <u>\$ --</u> | <u>\$ 577,457</u> |
| 17B-3007 (LIHEAP/WX) | | | |
| Oct 1, 2016-June 30, 2017 | \$ 297,063 | \$ -- | \$ 297,063 |
| Total Costs | <u>\$ 297,063</u> | <u>\$ --</u> | <u>\$ 297,063</u> |
| 16C-6007 (DOE/WX) | | | |
| July 1, 2016-June 30, 2017 | \$ 49,678 | \$ -- | \$ 49,678 |
| Total Costs | <u>\$ 49,678</u> | <u>\$ -- a</u> | <u>\$ 49,678</u> |

NOTE 5: EXCESS REVENUE AND INTEREST INCOME FROM LIHEAP

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 reimbursements and the County's actual costs during the contract term, excess revenues for open contracts are not added to the excess revenue balance until the end of the contract.

Interest income is defined as the interest earned by the County directly as a result of unexpended LIHEAP grant funds at the end of a contract term period. This type of interest 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 | -- |
| Excess Revenue | -- |
| Program Income Earned | <u>1,111</u> |
| Available Funds | <u>1,111</u> |
| Program Expenditures | |
| Administrative Costs | <u>1,111</u> |
| Total Program Expenditures | <u>1,111</u> |
| Ending Balance (Close Out 15B) | <u>\$ --</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, 2017

NOTE 5: **EXCESS REVENUE AND INTEREST INCOME FROM LIHEAP** (continued)

| | <u>Cumulative through 6/30/16</u> | <u>For the Period Ended 6/30/17</u> | <u>Cumulative through 6/30/17</u> |
|------------------------------|---------------------------------------|---|---------------------------------------|
| Open contracts | | | |
| Excess Revenue Earned (Used) | | | |
| 16B-4007 (ECIP & WX) | \$ -- | \$ -- | \$ -- |
| 17B-3007 (ECIP & WX) | -- | -- | -- |
| Total | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> |

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING,
ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND THE CALIFORNIA DEPARTMENT OF COMMUNITY SERVICES
AND DEVELOPMENT SUPPLEMENTAL AUDIT GUIDE**

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

We have audited, in accordance with the 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, 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 to the County of El Dorado (CSD Grant Program) by the State of California, Health and Human Services Agency (HHSA), as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2018.

Internal Control Over Financial Reporting and Compliance

In planning and performing our audit of the financial statements, we considered the CSD Grant Program's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CSD Grant Program's internal control. Accordingly, we do not express an opinion on the effectiveness of the CSD Grant Program's internal control.

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 CSD Grant Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CSD Grant Program's financial statements are free from 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. Our procedures included the applicable audit procedures contained in the California Department of Community Services and Development Supplemental Audit Guide and tests of compliance with the applicable provisions of the Supplemental Audit Guide. 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*.

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 result of that testing, and not to provide an opinion on the effectiveness of the CSD Grant Program's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CSD Grant Program's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the California Department of Community Services and Development, management, Board of Supervisors, others within the County, and federal awarding agencies and pass-through entities and 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 "Mary & Associates". The script is cursive and fluid.

Pleasant Hill, California
March 28, 2018

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

Schedule of Findings
For the Year Ended June 30, 2017

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, 2017

None reported.