

COUNTY OF EL DORADO

SINGLE AUDIT REPORT

JUNE 30, 2004

COUNTY OF EL DORADO

Single Audit Report
For the Year Ended June 30, 2004

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Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zuniga

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*

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 14, 2004. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of El Dorado's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the County of El Dorado in a separate letter dated December 14, 2004.

To the Board of Supervisors of
the County of El Dorado

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of El Dorado'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*.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, 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.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler + Ray, CPAs, Inc.

Roseville, California
December 14, 2004

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the County of El Dorado, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The County of El Dorado's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of El Dorado's management. Our responsibility is to express an opinion on the County of El Dorado's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of El Dorado's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of El Dorado's compliance with those requirements.

In our opinion, the County of El Dorado complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

To the Board of Supervisors of
the County of El Dorado

Internal Control Over Compliance

The management of the County of El Dorado is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of El Dorado's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County of El Dorado's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 04-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs which we have reported to management in a separate letter dated December 14, 2004.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, and business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado as of and for the year ended June 30, 2004, and have issued our report thereon dated December 14, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

To the Board of Supervisors of
the County of El Dorado

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, 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.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

Roseville, California
February 10, 2005

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Direct Programs:			
Taylor Grazing Fees	10.000	--	\$ 104
Cooperative Forestry Assistance-Drug Enforcement	10.664	02-LE-11051360-049	5,000
Cooperative Forestry Assistance-Visitor Protection	10.664	02-LE-11051360-049	19,075
Cooperative Forestry Assistance-Visitor Protection (FY 02/03)	10.664	02-LE-11051360-049	6,850
Cooperative Forestry Assistance: Lake Tahoe Restoration Act-Angora Wetlands Monitoring	10.664	02-DG-11051900-028	3,851
Cooperative Forestry Assistance: Lake Tahoe Restoration Act-Christmas Valley	10.664	03-DG-11051900-028	33,038
Subtotal			<u>67,814</u>
Total Direct Programs - U.S. Department of Agriculture			<u>67,918</u>
Passed through National Fish and Wildlife Foundation:			
Lake Tahoe Basin Weed Survey and Eradication Project	10.000	2003-0086-036	<u>13,000</u>
Passed through State Department of Education:			
<i>Child Nutrition Cluster</i>			
School Breakfast Program	10.553	09 10090 00930016	16,434
National School Lunch Program	10.555	09 10090 00930016	26,343
Subtotal - Child Nutrition Cluster			<u>42,777</u>
Passed through State Department of Health Services:			
Infants & Children	10.557	02-25672-01	134,535
Infants & Children	10.557	02-25672-02	313,726
Subtotal			<u>448,261</u>
Nutrition Education Program	10.561	03-75368	<u>12,808</u>
Passed through State Department of Social Services:			
<i>Food Stamp Cluster</i>			
State Administrative Matching Grants for Food Stamp Program	10.561 *	--	783,037

* Major Program

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u> (continued)			
Passed through State Department of Social Services (continued):			
<i>Food Stamp Cluster</i> (continued)			
State Administrative Matching Grants for Food Stamp Program (FY 02/03)	10.561 *	--	\$ 2,900
Subtotal - CFDA 10.561			<u>798,745</u>
Food Stamps	10.551 *	--	4,105,366
Subtotal - Food Stamp Cluster			<u>4,891,303</u>
Passed through State Department of Aging:			
Nutrition Services Incentive: Elderly Nutrition C-1	10.570	FF-0304-29	11,405
Nutrition Services Incentive: Elderly Nutrition C-2	10.570	FF-0304-29	10,305
Subtotal			<u>21,710</u>
Passed through State Controller's Office:			
Schools and Roads Grants to States	10.665	--	2,404,187
			<u>2,404,187</u>
Total U.S. Department of Agriculture			\$ <u>7,901,964</u>
<u>U.S. Department of Housing and Urban Development</u>			
Direct Program:			
Section 8 Housing Choice Vouchers	14.871	CA151VO	2,679,106
Passed through State Department of Housing and Community Development:			
2001 CDBG-Housing Rehab Program	14.228	01-STBG-1580	250,124
2002 EDBG- Micro Enterprise Grant	14.228	02-EDBG-877	91,067
2002 CDBG P&T - Employer's Needs Assessment	14.228	02-EDBG-850	33,172
Revolving Loan Fund Economic Development Block Grant	14.228	--	10,713
Revolving Loan Fund (RLF) Housing Rehabilitation	14.228	--	27,984
Subtotal			<u>413,060</u>
HOME Investment Partnership Program	14.239 *	02-HOME-0613	3,021,104
HOME Investment Partnership Program (Program Income)	14.239 *	02-HOME-0613 PI	2,260
Subtotal			<u>3,023,364</u>

* Major Program

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/Expenditures</u>
<u>U.S. Department of Housing and Urban Development (continued)</u>			
Passed through County of Sacramento Housing Authority:			
Housing Opportunities for Persons with AIDS	14.241	ELD-01-03	\$ 21,544
Housing Opportunities for Persons with AIDS	14.241	ELD-01-04	13,373
Subtotal			<u>34,917</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 6,150,447</u>
<u>U.S. Department of Interior</u>			
Direct Programs:			
Payment in Lieu of Taxes (FY 02/03)	15.226	--	103,143
Payment in Lieu of Taxes	15.226	--	97,976
Subtotal			<u>201,119</u>
Passed through Tahoe Resource Conservation District:			
Water Reclamation And Reuse Program	15.504	02-FG-200067	<u>2,228</u>
Total U.S. Department of Interior			<u>\$ 203,347</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
Public Safety Partnership and Community Policing Grants	16.710	01SHWX0330	26,337
Public Safety Partnership and Community Policing Grants	16.710	2002CMWX0165	59,306
Subtotal			<u>85,643</u>
Local Law Enforcement Block Grant 2003	16.592	2003-LB-BX-1273	36,491
Local Law Enforcement Block Grant 2002	16.592	2002-LB-BX-0501	2,587
Subtotal			<u>39,078</u>
State Criminal Alien Assistance Program	16.606	2004-AP-BX-0481	92,035
Bulletproof Vest Partnership Program	16.607	4023179	1,306
Drug-Free Communities Support Program Grants	16.729	2000-JN-FX-0045 (S3)	69,894
Domestic Cannabis Eradication/Suppression Program	16.000	GFAN-03-9008	13,958
Anti-Terrorism Advisory Council	16.000	--	23,193
Subtotal			<u>200,386</u>
Total Direct Programs - U.S. Department of Justice			<u>325,107</u>

* Major Program

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Justice (continued)</u>			
Passed through Douglas County (SLEDNET):			
Equitable Sharing of Federally Forfeited Property	16.000	--	\$ <u>2,952</u>
Passed through State Office of Emergency Services/Office of Criminal Justice Planning:			
Victims of Crimes Assistance Elder Abuse	16.575	EA98010090	43,092
Victims of Crimes Assistance Elder Abuse	16.575	EA03060090	7,282
Victim Witness Assistance	16.575	VW03220090	12,875
Victim Witness Assistance	16.575	VW033Q0090	71,682
Subtotal			<u>134,931</u>
Byrne Anti-Drug Abuse Task Force	16.579	DC02130090	8,874
Byrne Anti-Drug Abuse Task Force (ADA)	16.579	DC03140090	21,350
Byrne Anti-Drug Abuse Task Force (ADA)	16.579	DC033Q0090	66,703
Byrne Formula Grant Elder Abuse	16.579	EA03060090	40,615
Subtotal			<u>137,542</u>
Passed through State Board of Corrections/Office of Criminal Justice Planning:			
Juvenile Accountability Incentive Block Grants (OCJP)	16.523	IP02020090	5,713
Juvenile Accountability Incentive Block Grants (BOC)	16.523	IP02020090	19,630
Subtotal			<u>25,343</u>
Passed through State Board of Corrections:			
Violent Offenders Incarceration & Truth-in-Sentencing	16.586 *	BOC 048-00	<u>4,007,372</u>
Passed through National Children's Alliance:			
Crimes Victims Assistance/Discretionary Grants: MDIC 2003	16.582	170-PS03	7,845
Crimes Victims Assistance/Discretionary Grants	16.582	170-PS04	3,266
Subtotal			<u>11,111</u>
Total U.S. Department of Justice			<u>\$ 4,644,358</u>

* Major Program

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/Expenditures</u>
<u>U.S. Department of Transportation</u>			
Direct Programs:			
Airport Improvement Program (AIP): Master Plan Placerville	20.106	DTFA08-03-C-31445	\$ 7,232
AIP Master Plan Georgetown	20.106	DTFA08-03-C-31451	11,768
Airport Improvement Program Runway Rehabilitation FY0203	20.106	DTFA08-03-C-31395	34,632
Total Direct Programs - U.S. Department of Transportation			<u>\$ 53,632</u>
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205	BRLS-5925 (032)	181,796
Highway Planning and Construction (FY 02/03)	20.205	BRLO-5925 (024)	(38,578)
Highway Planning and Construction	20.205	BRLO-5925 (024)	535
Highway Planning and Construction	20.205	CML-5925 (039)	64,000
Subtotal			<u>207,753</u>
Formula Grants for Other Than Urbanized areas	20.509	SA-643127-00	<u>15,045</u>
Total U.S. Department of Transportation			<u>\$ 276,430</u>
<u>U.S. Department of Treasury</u>			
Passed through Douglas County (SLEDNET):			
Equitable Sharing of Federally Forfeited Property	21.000	--	<u>92,353</u>
Total U.S. Department of Treasury			<u>\$ 92,353</u>
<u>U.S. Department of Energy</u>			
Passed through State Department of Community Services and Development:			
Weatherization Assistance for Low-Income Persons	81.042	03C-1462	29,214
Weatherization Assistance for Low-Income Persons	81.042	04C-1512	<u>30,028</u>
Total U.S. Department of Energy			<u>\$ 59,242</u>
<u>U.S. Department of Education</u>			
Passed through State Department of Education:			
Special Education Grants to States	84.027	--	79,590
* Major Program			

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Education</u> (continued)			
Passed through State Department of Rehabilitation:			
Vocational Rehabilitation	84.126	--	\$ 32,820
Total U.S. Department of Education			<u>\$ 112,410</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program:			
Community Access Program (HCAP)	93.252	--	<u>248,264</u>
Passed through State Department of Aging:			
<i>Aging Cluster:</i>			
Special Programs for the Aging, Title III, Part C-1 - Nutrition Services	93.045	FF-0304-29	193,778
Special Programs for the Aging, Title III, Part C-2 - Nutrition Services	93.045	FF-0304-29	121,238
Subtotal			<u>315,016</u>
Nutrition Services Incentive: Elderly Nutrition C-1	93.053	FF-0304-29	40,756
Nutrition Services Incentive: Elderly Nutrition C-2	93.053	FF-0304-29	32,842
Subtotal			<u>73,598</u>
Special Programs for the Aging, Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect and Exploitation	93.041	FF-0304-29	203
Special Programs for the Aging, Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	FF-0304-29	5,835
Special Programs for the Aging, Title III, Part D - Disease Prevention and Health Promotion Services	93.043	FF-0304-29	12,681
Special Programs for the Aging, Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	FF-0304-29	182,254
Subtotal			<u>200,973</u>
Subtotal - Aging Cluster			589,587
Subtotal - Aging Cluster with CFDA 10.570 - \$611,597			
National Family Caregiver Support	93.052	FF-0304-29	<u>96,089</u>
Subtotal - Passed through State Department of Aging			<u>685,676</u>

* Major Program

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through County of Sacramento Department of Health & Human Services:			
HIV Emergency Relief Projects Grants	93.914	7275-03/04-709	\$ 127,180
HIV Emergency Relief Projects Grants	93.914	7275-04/05-709	60,735
Subtotal			<u>187,915</u>
Passed through State Department of Child Support Services:			
Child Support Enforcement	93.563	--	3,426,891
Child Support Enforcement (FY 02/03)	93.563	--	45,007
Child Support Enforcement Performance Incentives	93.563	--	1
Subtotal			<u>3,471,899</u>
Passed through State Department of Community Services and Development:			
L.I.H.E.A.P -A16/Outreach	93.568	03B-5213	29,248
L.I.H.E.A.P -HEAP	93.568	03B-5213	7,880
L.I.H.E.A.P -ECIP/WPO/FRR	93.568	03B-5213	245,755
L.I.H.E.A.P -WX (FY 02/03 Correction)	93.568	03B-5213	(2,120)
L.I.H.E.A.P -WX	93.568	03B-5213	173,961
L.I.H.E.A.P -Program/Interest Income WX	93.568	03B-5213 PI	2,166
L.I.H.E.A.P -A16/Outreach	93.568	04B-5263	13,067
L.I.H.E.A.P -HEAP	93.568	04B-5263	3,862
L.I.H.E.A.P -ECIP/WPO/FRR	93.568	04B-5263	211,917
L.I.H.E.A.P -WX	93.568	04B-5263	113,170
Subtotal			<u>798,906</u>
Community Services Block Grant	93.569	03F-4310	124,994
Community Services Block Grant	93.569	04F-4435	58,301
Subtotal			<u>183,295</u>
Subtotal - Passed through State Department of Community Services and Development			<u>982,201</u>
Passed through State Department of Health Services:			
Centers for Disease Control and Prevention, Investigations and Technical Assistance: Bioterrorism Program	93.283	--	317,327

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Health Services (continued)			
Centers for Disease Control and Prevention, Investigations and Technical Assistance: Bioterrorism	93.283	--	\$ 31,613
Subtotal			<u>348,940</u>
Immunization Grants: Immunization Project Subvention Preventive Health and Health Services Block Grant 314(D)	93.268	03-75128	62,579
Maternal and Child Health Block Grant to the States	93.994	2003-09	72,055
Subtotal - Passed Though State Department of Health Services			<u>489,199</u>
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	109,593
Promoting Safe and Stable Families (FY 02/03)	93.556	--	9,359
Subtotal			<u>118,952</u>
Temporary Assistance for Needy Families	93.558 *	--	7,770,403
Temporary Assistance for Needy Families (FY 02/03)	93.558 *	--	11,723
Temporary Assistance for Needy Families Performance	93.558 *	--	238,530
Subtotal			<u>8,020,656</u>
Community-Based Family Resource and Support Grants (FY 1998/99)	93.590	--	19,808
Community-Based Family Resource and Support Grants (FY 02/03)	93.590	--	4,361
Community-Based Family Resource and Support Grants	93.590	--	12,773
Subtotal			<u>36,942</u>
Adoption Incentive Payments (FY 02/03)	93.603	--	56,447
Adoption Incentive Payments	93.603	--	(54,847)
Subtotal			<u>1,600</u>

* Major Program

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services</u> (continued)			
Passed through State Department of Social Services (continued)			
Foster Care - Title IV-E	93.658 *	--	\$ 2,655,750
Foster Care - Title IV-E (FY 02/03)	93.658 *	--	<u>2,002</u>
Subtotal			<u>2,657,752</u>
Adoption Assistance	93.659	--	879,310
Adoption Assistance (FY 02/03)	93.659	--	<u>409</u>
Subtotal			<u>879,719</u>
Chafee Foster Care Independent Living	93.674	--	79,560
Chafee Foster Care Independent Living (FY 02/03)	93.674	--	<u>89</u>
Subtotal			<u>79,649</u>
Refugee and Entrant Assistance	93.566	--	2,208
Child Welfare Services - State Grants	93.645	--	76,660
Social Service Block Grant	93.667	--	<u>37,233</u>
Subtotal			<u>116,101</u>
Subtotal - Passed through State Department of Social Services			<u>11,911,371</u>
Passed through State Department of Mental Health:			
Projects for Assistance in Transition from Homelessness (PATH)	93.150	--	18,724
Block Grants for Community Mental Health Services	93.958	--	<u>119,849</u>
Subtotal			<u>138,573</u>
Passed through State Department of Alcohol and Drug Programs:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	County 09	<u>941,050</u>
<u>Medicaid Cluster</u>			
Passed through State Department of Aging:			
Medical Assistance Program - MSSP	93.778	MS-0203-35	(98)
Medical Assistance Program - MSSP	93.778	MS-0304-35	<u>127,463</u>
Subtotal			<u>127,365</u>

* Major Program

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services</u> (continued)			
<u>Medicaid Cluster</u> (continued)			
Passed through State Department of Alcohol and Drug Programs:			
Medical Assistance Program: Drug Medi-Cal	93.778	County 09	\$ <u>12,171</u>
Passed through State Department of Health Services:			
Medical Assistance Program: Child Health & Disability Prevention	93.778	--	100,734
Medical Assistance Program: Medi-Cal	93.778	--	1,704,141
Medical Assistance Program: Medi-Cal	93.778	--	3,627
Medi-Cal Administrative Activities (MAA)	93.778	01-15383	260,855
Medical Administration Activities (MAA)	93.778	02-25127	189,251
Medical Assistance Program: Maternal & Child Health Services	93.778	2002-09	(112)
Medical Assistance Program: Maternal & Child Health Services	93.778	2003-09	218,329
Medical Assistance Program: California Children's Services	93.778	--	<u>121,291</u>
Subtotal			<u>2,598,116</u>
Passed through State Department of Health Services via State Department of Social Services:			
Medical Assistance Program Title XIX	93.778	--	478,491
Medical Assistance Program Title XIX (FY 02/03)	93.778	--	<u>24,828</u>
Subtotal			<u>503,319</u>
In Home Supportive Services Public Authority			
Medical Assistance Program Title XIX	93.778	--	<u>91,871</u>
Passed through Department of Veterans' Affairs:			
Medi-Cal Cost Avoidance-CVSO	93.778	--	<u>9,025</u>
Total Medicaid Cluster			<u>\$ 3,341,867</u>
Total U.S. Department of Health and Human Services			<u>\$ 22,398,015</u>

COUNTY OF EL DORADO

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/Expenditures</u>
<u>U.S. Social Security Administration</u>			
Direct Program:			
Social Security Incentive Payment	96.000	--	\$ 7,600
Total U.S. Social Security Administration			\$ 7,600
<u>U.S. Department of Homeland Security</u>			
Passed through State Office of Emergency Services:			
FY 01 State Domestic Preparedness Equipment Program	97.004	2002-TE-CX-0088	11,036
FY 02 State Domestic Preparedness Program - Part I	97.004	2002-133	183,644
FY 03 State Homeland Security Grant Program - Part I	97.004	2003-167	119,192
FY 03 State Homeland Security Grant Program - Part II	97.004	2003-35	305,407
Subtotal			619,279
Disaster Relief DSR Prior FY Retention	97.036	FEMA-1155-DR	82,451
FY 03 Emergency Management Performance Grant	97.042	2003-302	18,783
FY 04 Emergency Management Performance Grant	97.042	2004-402	21,875
Subtotal			40,658
Supplemental Appropriate for Emergency Operations Planning	97.051	2003-313	81,699
Subtotal - Passed through Office of Emergency Services			824,087
Passed through Office of Planning and Research			
Citizen Corps CERT Program	97.053	CCOA#9	17,239
Total U.S. Department of Homeland Security			\$ 841,326
Total Expenditures of Federal Awards			\$ 42,687,492

COUNTY OF EL DORADO

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2004

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of El Dorado. The County of El Dorado's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is sometimes prepared on a basis other than that used to record transactions in the accounting records and as reported in the basic financial statements (such as cash basis). The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County of El Dorado provided federal awards to subrecipients as follows:

10.665	School and Roads-State Title III	\$ 305,146
14.228	2002 EDBG Micro Enterprise Grant	64,244
14.241	Housing Opportunities for People with AIDS	34,917
16.729	Drug Free Communities Support Program	30,248
93.252	Community Access Program	33,438
93.268	Immunization Grant: Immunization Project Subvention	31,178
93.556	Promoting Safe and Stable Families	180,822
93.590	Community Based Family Resource Program FFY9899	19,808
93.590	Community Based Family Resource Program FFY0203	4,361
93.590	Community Based Family Resource Program FFY0304	17,133
93.658	Foster Care (Maintenance Payments)	713,497
93.778	Medical Assistance	58,453
93.914	HIV Emergency Relief	169,082
93.959	Substance Abuse Prevention and Treatment Block Grant	<u>536,047</u>
	Total	<u>\$2,198,374</u>

COUNTY OF EL DORADO

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

Note 5: **Loans with Continuing Compliance Requirement**

Loans funded through federal programs, for which the federal government is at risk, carried the following balances as of June 30, 2004:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Outstanding</u>
14.228	Community Development Block Grant Revolving Loan Fund (RLF) Economic Development Revolving Loan Fund (RLF) Housing Rehabilitation	\$ 75,745 392,361
14.239	HOME Investment Partnership Program	2,999,900
93.558	Temporary Assistance for Needy Families	<u>12,002</u>
	TOTAL	<u>\$ 3,480,008</u>

COUNTY OF EL DORADO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Reportable conditions identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Reportable conditions identified not considered to be material weaknesses? | Yes |
| 2. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

- | | |
|--------|---|
| 10.551 | Food Stamps |
| 10.561 | State Administrative Matching Grants for Food Stamp Program |
| 14.239 | HOME Investment Partnership Program |
| 16.586 | Violent Offenders Incarceration & Truth-in-Sentencing |
| 93.658 | Foster Care – Title IV-E |
| 93.558 | Temporary Assistance for Needy Families |

COUNTY OF EL DORADO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|---|--------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 1,280,625 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes |

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

CFDA 10.551 and 10.561	Finding 04-1
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COUNTY OF EL DORADO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 04-1	
U.S. Department of Agriculture CFDA 10.551 & 10.561	<p><u>Criteria</u></p> <p>The California Department of Social Services Manual (California-DSS-Manual-EBT), § 16-410 “Food Stamp and Cash Reconciliation Process” provides that for the Food Stamp Program, “the county shall on a <i>daily basis</i> reconcile benefits entering into the EBT system with the county’s eligibility system.”</p> <p>Further, 7 CFR § 274.12 (k)(1) requires that reconciliations be conducted and records kept as follows: “(v) reconciliation of total funds entered into . . . the system <i>each day</i>.” The County eligibility system controls funds entering into the Food Stamp EBT system.</p> <p><u>Condition</u></p> <p>We inquired about the daily reconciliations between the EBT system and the county’s eligibility system (ISAWS) and were informed that the daily reconciliations were not being done. We were informed that a staff member responsible for the reconciliations had departed and that the reconciliations had not been performed since then. We reviewed the monthly DFA 885s and determined that monthly reconciliations were performed.</p> <p><u>Questioned Costs</u></p> <p>No costs are questioned.</p> <p><u>Effect of Condition</u></p> <p>If the daily reconciliations are not performed, cumulative reconciliations could become difficult to perform. As well, failure to reconcile the EBT system to the county’s ISAWS eligibility system could make the EBT cards and benefits more vulnerable to misappropriation. Finally, daily reconciliations are a federally required internal control, which must be followed.</p> <p><u>Recommendation</u></p> <p>We recommend that the county assign and train staff to perform the required daily reconciliation of the food stamp benefits entering into the EBT system with the county’s ISAWS eligibility system. Also, we recommend that the county monitor to insure that the EBT reconciliations are being performed every day as required.</p>

COUNTY OF EL DORADO

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004

<u>Program</u>	<u>Findings/Noncompliance</u>
Finding 04-1 (continued)	<u>Management Response</u>
U.S. Department of Agriculture CFDA 10.551 & 10.561	We concur with the finding. We have contacted Nevada County and received assistance with the reconciliation process. Just recently, an Account Tech was sent to EBT training, which will assist in the reconciliation process.
	<u>Corrective Action Plan</u>
	We have reconciled the Cash for the months of December 2004 and January, February 2005. We are in the process of reconciling Food Stamps for the months of December 2004 and January, February 2005. Daily reconciliations of Cash and Food Stamps will begin March 1, 2005. Initially, an Accountant/Account Tech will have performed the monthly reconciliations, but after proper training an Account Clerk will be responsible for performing the daily reconciliations, with oversight by an Accountant/Account Tech.
	Contact Person: Steve Moore

COUNTY OF EL DORADO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

Audit Reference Number	Status of Prior Year Audit Findings
Finding 99-4:	<u>Condition</u>
U.S. Department of Health & Human Services CFDA 93.558, 93.658, 93.659	The CA-800's are due each month within twenty (20) days. Three of the twelve Summary Report of Assistance Expenditures were not timely filed. This is a repeat finding but it should be noted that the number of timely filed reports have increased over the prior year.
	<u>Recommendation</u>
	Systems continue to need improvement to ensure the reports are timely filed.
	<u>Status</u>
	Partially corrected this year. Though there were several CA-800s which were filed past the due date, the CA-800s were tardy only by a day or two, which is an improvement over prior years.

COUNTY OF EL DORADO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

Audit Reference Number	Status of Prior Year Audit Findings
Finding 2001-5: U.S. Department of Health & Human Services CFDA 93.558, 93.575, 93.590	<p><u>Criteria</u></p> <p>Section 400(d) of OMB A-133 places responsibilities on pass-through entities. Those responsibilities include identifying Federal awards made, advising subrecipients of requirements imposed on them by Federal laws, regulations and contract provisions, having an adequate subrecipient monitoring and follow-up system.</p> <p><u>Condition</u></p> <p>Federal funds are being identified and requirements that are imposed on the federal funds are not being provided to subrecipients. Contracts do not clearly identify whether the contractor is a vendor or subrecipient. Monitoring subrecipients can have a material effect on the grant management and current procedures are not adequate.</p> <p><u>Recommendation</u></p> <p>Review all contracts to determine whether the monies contracted should be treated as a vendor contract or a subrecipient contract based on the federal requirements. Contract language should be specific as to the classification. For subrecipients, the federal program and CFDA title and number, award name and number, award year, amount of federal funds, audit and compliance requirements should be stated in the contract.</p> <p>A monitoring program is necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulation, and provisions of contracts or grant agreements and that performance goals are achieved. Policies and procedures for inspections should be established and the authority and the responsibility should be assigned. Documentation of a monitoring includes work papers detailed and selection process and a complete annual inspection program.</p>

COUNTY OF EL DORADO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

Audit Reference Number	Status of Prior Year Audit Findings
Finding 2001-5:	<u>Status</u>
U.S. Department of Health & Human Services CFDA 93.558, 93.575, 93.590 (continued)	Corrected. We agree with County Counsel's determination that Hand-in-Hand is not a subrecipient relationship, which clears the finding as to CFDA 93.558. The county no longer has a program under CFDA 93.575. The program manager for the Community-Based Family Resource and Support Grants (CFDA 93.590) is monitoring the subrecipient under this program as required by § 400(d) of OMB A-133.
Finding 2002-1:	<u>Criteria</u>
U.S. Department of Health & Human Services CFDA 93.558	California State Department of Social Services Fiscal Management and Control Manual Section 25-800 Reimbursement for Administrative Expenses requires the County to maintain a record keeping system which identified programs to which expenditures are allocable and cost to each program.
	<u>Condition</u>
	Social Services initially records expenditures in functional cost pools, and then distributes the costs to various programs based on original quarterly county expense claim (CEC) program total expenditure ratios, adjusting for county wide overhead. In the books of record, expenditures are allocated based on the original claim and do not reflect any adjustments among programs that were reported on supplemental claims.
	<u>Recommendation</u>
	It is recommended that the county's books include cost allocation adjustments that are reported on the supplemental claims.

COUNTY OF EL DORADO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

Audit Reference Number	Status of Prior Year Audit Findings
Finding 2002-1:	<u>Status</u>
U.S. Department of Health & Human Services CFDA 93.558 (continued)	<p>Corrected. We believe that the current reconciliation system between the general ledger and the County Expense Claim is sufficient, compiles with California State Department of Social Services Fiscal Management and Control Manual Section 25-800 and is consistent with the methods of reconciliation normally used by social services departments in the State of California.</p> <p>Under the California County Welfare Department Cost Allocation Plan (CWD CAP), administrative costs are allocated to the programs using a complicated procedure which is processed within the State CEC software. Because of this, we believe keeping separate funds or accounts for the administrative expenses of the various programs and adjusting them to the CEC claim would be time consuming and of little benefit.</p>
Finding 2003-1:	<u>Criteria</u>
Department of Health & Human Services CFDA 93.558, 93.658	<p>Claimed expenditures should be reconciled to the County's books of records.</p>
	<u>Condition</u>
	<p>Year-to-date reconciliations of County records to CA-800 claims were not fully reconciled. Social Services reconciles the current month's ISAWS system transactions to the County records. However, the CA-800s include manual adjustments</p> <p>that are not reflected on the monthly ISAWS generated payroll reports. These adjustments usually affect the aid code and can affect accumulation of the Federal and State funding source detail, and the distribution between Federal, State, and local funding. Adjustment through the ISAWS system is not always possible, e.g. prior month adjustment to reclassify TANF timed out code.</p>

COUNTY OF EL DORADO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

Audit Reference Number	Status of Prior Year Audit Findings
Finding 2003-1: Department of Health & Human Services CFDA 93.558, 93.658 (continued)	<u>Recommendation</u> The reconciliation worksheets should be cumulative and should be completed before the CA-800 is completed. Systems of internal control are designed to ensure the accuracy of the reports and to catch errors before they go out of the office. Adjustment to County records (and ISAWS, when possible) should be made to reflect the proper aid code. <u>Status</u> Partially corrected. The reconciliation of the CA-800s to ISAWS is being prepared and is cumulative. However, the reconciliations were not up to date at the time of the audit. At the current time, difficulties with aid code classification in the ISAWS software have necessitated manual adjustments between the CA 800s and ISAWS in numerous California counties using ISAWS software. We believe that this manual adjustment as between aid codes is effective until the ISAWS system is updated.
Finding 2003-2: Department of Health & Human Services CFDA 93.044	<u>Criteria</u> The Federal program requires the County provide matching funds and the County provided them both by cash and by in-kind services. These matched funds are reported in the cost report for the program. <u>Condition</u> The in-kind matching requires records similar to payroll, which means time cards that are signed by the volunteer and by the supervisor. Many of the records supporting the in-kind match did not have the volunteer's signature as evidence of the time spent. <u>Recommendation</u> To adequately support the in-kind services provided by the volunteers they should have a time record that is signed by both the volunteer and a supervisor.

COUNTY OF EL DORADO

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2004

Audit Reference Number	Status of Prior Year Audit Findings
Finding 2003-2:	<u>Status</u>
Department of Health & Human Services CFDA 93.044 (continued)	Corrected. The program manager instituted a policy that timesheets must be completed by all volunteers and must be signed by both the volunteer and his supervisor. This procedure was implemented just after the audit finding and is currently being followed.
Finding 2003-OCJP 1:	<u>Status</u>
California Office of Criminal Justice Planning Contract No. SRVP01040090	Partially corrected. The county acknowledges that the amount of \$3,910 must be returned to the state Office of Emergency Services (OES). However, the County is waiting to pay this amount until an adjustment letter is received from the OES. (The County receives no federal funds under this grant.)
Finding 2003-OCJP 2:	<u>Status</u>
California Office of Criminal Justice Planning Contract Nos. HT00010340/ HD01010340	The County has objected to this finding and awaits the California Office of Emergency Services' decision. The County contends that a written agreement between the grant recipient (County of Sacramento) and the County of El Dorado is the grant recipient's responsibility and that the costs should not be disallowed. (The County receives no federal funds under this grant.)

**SUPPLEMENTAL STATEMENTS
OF REVENUE AND EXPENDITURES**

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 03F-4310 (CSBG)
 For The Period January 1, 2003 through December 31, 2003

	January 1, 2003 through June 30, 2003	July 1, 2003 through December 31, 2003	Totals
<u>Revenue</u>			
Grant revenue	\$ 59,989	\$ 124,917	\$ 184,906
Interest/program income	3	--	3
	<hr/>	<hr/>	<hr/>
Total Revenue	<u>\$ 59,992</u>	<u>\$ 124,917</u>	<u>\$ 184,909</u>
 <u>Expenditures</u>			
Personnel Costs			
Salary and wages	\$ 42,702	\$ 87,537	\$ 130,239
Fringe benefits/payroll taxes	9,755	25,681	35,436
	<hr/>	<hr/>	<hr/>
Subtotal Personnel Costs	<u>52,457</u>	<u>113,218</u>	<u>165,675</u>
 Non-Personnel Costs			
Travel	381	1,822	2,203
Space cost rental	1,736	4,388	6,124
Consumable supplies	1,671	3,520	5,191
Lease/purchase equipment	43	386	429
Consultant services	135	256	391
Other costs	3,492	1,404	4,896
	<hr/>	<hr/>	<hr/>
Subtotal Non-Personnel Costs	<u>7,458</u>	<u>11,776</u>	<u>19,234</u>
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 59,915</u>	<u>\$ 124,994</u>	<u>\$ 184,909</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 04F-4435 (CSBG)
For The Period January 1, 2004 through December 31, 2004

	January 1, 2004 through June 30, 2004	July 1, 2004 through December 31, 2004	Totals
<u>Revenue</u>			
Grant revenue	\$ 58,301	\$ --	\$ 58,301
Total Revenue	<u>\$ 58,301</u>	<u>\$ --</u>	<u>\$ 58,301</u>
<u>Expenditures</u>			
Personnel Costs			
Salary and wages	\$ 50,764	\$ --	\$ 50,764
Subtotal Personnel Costs	<u>50,764</u>	<u>--</u>	<u>50,764</u>
Non-Personnel Costs			
Travel	275	--	275
Space cost rental	1,931	--	1,931
Consumable supplies	2,231	--	2,231
Lease/purchase equipment	207	--	207
Consultant services	10	--	10
Other costs	<u>2,883</u>	<u>--</u>	<u>2,883</u>
Subtotal Non-Personnel Costs	<u>7,537</u>	<u>--</u>	<u>7,537</u>
Total Expenditures	<u>\$ 58,301</u>	<u>\$ --</u>	<u>\$ 58,301</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 03C-1462 (DOE - WX)
 For The Period April 1, 2003 through January 31, 2004

	April 1, 2003 through June 30, 2003	July 1, 2003 through January 31, 2004	Totals
<u>Revenue</u>			
Grant revenue	\$ 24,984	\$ 29,214	\$ 54,198
Total Revenue	<u>\$ 24,984</u>	<u>\$ 29,214</u>	<u>\$ 54,198</u>
<u>Expenditures</u>			
Administration:			
Salaries & wages	\$ 1,380	\$ 299	\$ 1,679
Fringe benefits	295	110	405
Utilities	184	143	327
Telephone - communications	67	--	67
Travel in-state	226	--	226
Miscellaneous	4	2	6
Total Administration Costs	<u>2,156</u>	<u>554</u>	<u>2,710</u>
Program:			
Training & technical assistance	--	730	730
Health & safety	636	756	1,392
Measures	20,557	25,401	45,958
Outreach	545	591	1,136
Intake	545	591	1,136
Client education	545	591	1,136
Total Program Costs	<u>22,828</u>	<u>28,660</u>	<u>51,488</u>
Total Expenditures	<u>\$ 24,984</u>	<u>\$ 29,214</u>	<u>\$ 54,198</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 04C- 1512 (DOE - WX)
 For The Period April 1, 2004 through January 31, 2005

	<u>April 1, 2004 through June 30, 2004</u>	<u>July 1, 2004 through January 31, 2005</u>	<u>Totals</u>
<u>Revenue</u>			
Grant revenue	\$ 30,028	\$ --	\$ 30,028
Total Revenue	<u>\$ 30,028</u>	<u>\$ --</u>	<u>\$ 30,028</u>
<u>Expenditures</u>			
Administration:			
Miscellaneous	\$ 2,162	\$ --	\$ 2,162
Total Administration Costs	<u>2,162</u>	<u>--</u>	<u>2,162</u>
Program:			
Client education	584	--	584
Intake	584	--	584
Measures	24,122	--	24,122
Outreach	584	--	584
Health and safety	1,992	--	1,992
Total Program Costs	<u>27,866</u>	<u>--</u>	<u>27,866</u>
Total Expenditures	<u>\$ 30,028</u>	<u>\$ --</u>	<u>\$ 30,028</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 03B-5213 (HEAP)
For The Period January 1, 2003 through December 31, 2003

	January 3, 2003 through June 30, 2003	July 1, 2003 through January 31, 2003	Totals
<u>Revenue</u>			
Grant revenue	\$ 3,418	\$ 7,880	\$ 11,298
Total Revenue	<u>\$ 3,418</u>	<u>\$ 7,880</u>	<u>\$ 11,298</u>
<u>Expenditures</u>			
HEAP Outreach:			
Outreach - HEAP	\$ 3,418	\$ 7,880	\$ 11,298
Total HEAP Outreach	<u>3,418</u>	<u>7,880</u>	<u>11,298</u>
Total Expenditures	<u>\$ 3,418</u>	<u>\$ 7,880</u>	<u>\$ 11,298</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 03B-5213 (Assurance 16)
For The Period January 1, 2003 through December 31, 2003

	January 1, 2003 through June 30, 2003	July 1, 2003 through December 31, 2003	Totals
<u>Revenue</u>			
Grant revenue	\$ 11,773	\$ 29,248	\$ 41,021
Total Revenue	<u>\$ 11,773</u>	<u>\$ 29,248</u>	<u>\$ 41,021</u>
<u>Expenditures</u>			
Assurance 16 activity costs	\$ 11,773	\$ 29,248	\$ 41,021
Total Expenditures	<u>\$ 11,773</u>	<u>\$ 29,248</u>	<u>\$ 41,021</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 03B-5213 (ECIP/WPO/FRR)
 For The Period January 1, 2003 through December 31, 2003

	January 1, 2003 through June 30, 2003	July 1, 2003 through December 31, 2003	Totals
<u>Revenue</u>			
Grant revenue	\$ 43,852	\$ 245,755	\$ 289,607
Total Revenue	<u>\$ 43,852</u>	<u>\$ 245,755</u>	<u>\$ 289,607</u>
<u>Expenditures</u>			
Administration:			
Salaries & wages	\$ 3,132	\$ 7,016	\$ 10,148
Fringe benefits	860	2,228	3,088
Utilities	32	141	173
Equipment	--	3,067	3,067
Insurance/bonding	131	486	617
Office supplies	44	340	384
Miscellaneous	82	644	726
Intake	--	6,942	6,942
Total Administration Costs	<u>4,281</u>	<u>20,864</u>	<u>25,145</u>
Program:			
Outreach costs	242	4,838	5,080
WPO	39,329	213,020	252,349
Furnace repair	--	570	570
Furnace replace	--	6,463	6,463
Total Program Costs	<u>39,571</u>	<u>224,891</u>	<u>264,462</u>
Total Expenditures	<u>\$ 43,852</u>	<u>\$ 245,755</u>	<u>\$ 289,607</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 03B- 5213 (LIHEAP - WX)
 For The Period January 1, 2003 through December 31, 2003

	January 1, 2003 through June 30, 2003	July 1, 2003 through December 31, 2003	Totals
<u>Revenue</u>			
Grant revenue	\$ 38,368	\$ 171,841	\$ 210,209
Interest/program income	803	2,342	3,145
	<hr/>	<hr/>	<hr/>
Total Revenue	<u>\$ 39,171</u>	<u>\$ 174,183</u>	<u>\$ 213,354</u>
<u>Expenditures</u>			
Administration:			
Salaries & wages	\$ 1,708	\$ 2,996	\$ 4,704
Fringe benefits	371	998	1,369
Utilities	217	1,544	1,761
Equipment	--	4,993	4,993
Communications	16	266	282
Insurance - bonding	75	374	449
Office supplies	--	90	90
Miscellaneous	5	244	249
Intake	452	2,611	3,063
	<hr/>	<hr/>	<hr/>
Total Administration Costs	<u>2,844</u>	<u>14,116</u>	<u>16,960</u>
Program:			
Travel	43	3,174	3,217
Outreach	1,657	7,934	9,591
Dwelling assessment	1,529	7,332	8,861
Equipment - small tools	--	315	315
WX materials	15,746	71,778	87,524
Labor	14,429	69,196	83,625
Travel/transportation	--	2,092	2,092
Maintenance & repair	--	190	190
	<hr/>	<hr/>	<hr/>
Total Program Costs	<u>33,404</u>	<u>162,011</u>	<u>195,415</u>
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>\$ 36,248</u>	<u>\$ 176,127</u>	<u>\$ 212,375</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 04B-5263 (HEAP)
For The Period January 1, 2004 through December 31, 2004

	January 1, 2004 through June 30, 2004	July 1, 2004 through December 31, 2004	Totals
<u>Revenue</u>			
Grant revenue	\$ 3,862	\$ --	\$ 3,862
Total Revenue	<u>\$ 3,862</u>	<u>\$ --</u>	<u>\$ 3,862</u>
<u>Expenditures</u>			
HEAP Outreach:			
Outreach - HEAP	\$ 3,862	\$ --	\$ 3,862
Total HEAP Outreach	<u>3,862</u>	<u>--</u>	<u>3,862</u>
Total Expenditures	<u>\$ 3,862</u>	<u>\$ --</u>	<u>\$ 3,862</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 04B-5263 (Assurance 16)
For The Period January 1, 2004 through December 31, 2004

	January 1, 2004 through June 30, 2004	July 1, 2004 through December 31, 2004	Totals
<u>Revenue</u>			
Grant revenue	\$ 13,067	\$ --	\$ 13,067
Total Revenue	<u>\$ 13,067</u>	<u>\$ --</u>	<u>\$ 13,067</u>
<u>Expenditures</u>			
Program:			
Assurance 16 activity costs	\$ 13,067	\$ --	\$ 13,067
Total Expenditures	<u>\$ 13,067</u>	<u>\$ --</u>	<u>\$ 13,067</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
 CSD Contract No. 04B-5263 (ECIP/WPO/FRR)
 For The Period January 1, 2004 through December 31, 2004

	January 1, 2004 through June 30, 2004	July 1, 2004 through December 31, 2004	Totals
<u>Revenue</u>			
Grant revenue	\$ 211,917	\$ --	\$ 211,917
Total Revenue	<u>\$ 211,917</u>	<u>\$ --</u>	<u>\$ 211,917</u>
<u>Expenditures</u>			
Administration:			
Intake	\$ 8,180	\$ --	\$ 8,180
Administration costs	10,175	--	10,175
Total Administration Costs	<u>18,355</u>	<u>--</u>	<u>18,355</u>
Program:			
Outreach costs	10,810	--	10,810
WPO	178,841	--	178,841
Furnace repair	523	--	523
Furnace replace	3,388	--	3,388
Total Program Costs	<u>193,562</u>	<u>--</u>	<u>193,562</u>
Total Expenditures	<u>\$ 211,917</u>	<u>\$ --</u>	<u>\$ 211,917</u>

COUNTY OF EL DORADO

Supplemental Statement of Revenue and Expenditures
CSD Contract No. 04B- 5263 (LIHEAP - WX)
For The Period January 1, 2004 through December 31, 2004

	January 1, 2004 through June 30, 2004	July 1, 2004 through December 31, 2004	Totals
<u>Revenue</u>			
Grant revenue	\$ 106,762	\$ --	\$ 106,762
Interest/program income	3,136	--	3,136
	<u>109,898</u>	<u>--</u>	<u>109,898</u>
Total Revenue	<u>\$ 109,898</u>	<u>\$ --</u>	<u>\$ 109,898</u>
<u>Expenditures</u>			
Administrative cost	\$ 7,189	\$ --	\$ 7,189
Intake	1,011	--	1,011
Program cost	101,223	--	101,223
Outreach	3,747	--	3,747
	<u>113,170</u>	<u>--</u>	<u>113,170</u>
Total Expenditures	<u>\$ 113,170</u>	<u>\$ --</u>	<u>\$ 113,170</u>

**OFFICE OF EMERGENCY SERVICES,
BOARD OF CORRECTIONS, AND
OFFICE OF CRIMINAL JUSTICE PLANNING PROGRAMS**

Bartig, Basler & Ray

A Professional Corporation

Certified Public Accountants and Management Consultants

Frank V. Trythall
Brad W. Constantine
Bruce W. Stephenson
Roseanne M. Lopez
Jason J. Cardinet
Tyler K. Hunt

Curtis A. Orgill
M. Elba Zuniga

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON SUPPLEMENTARY INFORMATION – SCHEDULE OF THE OFFICE OF EMERGENCY SERVICES, BOARD OF CORRECTIONS AND OFFICE OF CRIMINAL JUSTICE PLANNING PROGRAMS

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of El Dorado, as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 14, 2004. The financial statements are the responsibility of the County of El Dorado, California's management. Our responsibility is to express an opinion on those basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* issued by the Comptroller General of the United States; Office of Criminal Justice Planning (OCJP) *Grants Audit Program*; *OCJP Handbook* and certain provisions of the *OCJP Subgrantee Handbook*; the Office of Emergency Services *Recipient Handbook*; and the Board of Corrections *Grant Administration and Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming opinions on the basic financial statements of the County of El Dorado, California, taken as a whole. The accompanying Schedule of the Office of Emergency Services, Board of Corrections, and the Office of Criminal Justice Planning Programs is presented for purposes of additional analysis and is not a required part of the basic financial statements.

To the Board of Supervisors of
the County of El Dorado

The information in that schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

Roseville, California
February 15, 2005

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE GRANTS AWARDED BY THE STATE OFFICE OF EMERGENCY SERVICES, BOARD OF CORRECTIONS AND OFFICE OF CRIMINAL JUSTICE PLANNING

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

We have audited the Schedule of the Office of Emergency Services, Board of Corrections, and the Office of Criminal Justice Planning Programs for the grants awarded by the State of California, Office of Emergency Services (OES), Board of Corrections (BOC), and Office of Criminal Justice Planning (OCJP), as noted below:

<u>Award Number</u>	<u>Audit Period</u>
DC03140090	7/1/03 to 9/30/03
DC033Q0090	10/1/03 to 6/30/04
DC02130090	7/1/03 to 9/30/03
EA98010090	7/1/03 to 9/30/03
EA03060090 (VOCA)	10/01/03 to 06/30/04
EA03060090 (Bryne)	10/01/03 to 06/30/04
HT00 01 0340/HT03 04 0340	7/01/03 to 6/30/04
VB3010090	7/1/03 to 06/03/04
VW03220090	7/1/03 to 9/30/03
VW033Q0090	10/1/03 to 6/30/04
IP02020090 (OCJP)	7/1/03 to 9/30/03
IP02020090 (OES)	10/1/03 to 6/30/04

The amounts included in the Schedule of the Office of Emergency Services, Board of Corrections and Office of Criminal Justice Planning are the responsibility of management. Our responsibility is to express an opinion on this schedule.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, as they pertain to financial audits. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the program statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts presented in the program

To the Board of Supervisors of
the County of El Dorado

statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the program statements. We believe that our audit provides a reasonable basis for our opinion.

El Dorado County prepares 201 Claims in accordance with OES, BOC and OCJP requirements. The accounting practices used to prepare the 201 Claims may differ in some respects from generally accepted accounting principles. Accordingly, the accompanying program statements, which are based in part on the 201 Claims, are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the Schedule referred to in the first paragraph presents fairly, in all material respects, the County's cumulative expenditures and the costs claimed and accepted for the period July 1, 2003 through June 30, 2004 in conformity with Office of Emergency Services, Board of Corrections, Office of Criminal Justice Planning, and United States Department of Justice requirements, as applicable.

This report is intended solely for the information and use of the State of California, Office of Emergency Services, Board of Corrections, and Office of Criminal Justice Planning and El Dorado County's management and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, CPAs, INC.

Bartig, Basler & Ray, CPAs, Inc.

Roseville, California
February 15, 2005

COUNTY OF EL DORADO

Schedule of the Office of Emergency Services,
Board of Corrections and Office of Criminal Justice Planning Programs
For the Year Ended June 30, 2004

California Office of Emergency Services/Office of Criminal Justice Planning Grants

The following represents costs claimed and accepted for Office of Emergency Services (OES) programs for the year ended June 30, 2004. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures. The Office of Emergency Services assumed the administration of these former Office of Criminal Justice Planning (OCJP) programs on October 1, 2003.

Program	Costs Claimed and Accepted For the Year Ended June 30, 2004			Share of Costs Current Year		
	Costs Claimed	Costs Accepted	Questioned Costs	Federal Share	State Share	County Share
<u>DC03140090 - Anti-Drug Abuse Task Force</u>						
Personal services	\$ 20,333	\$ 20,333	\$ --	\$ 20,333	\$ --	\$ --
Operating expenses	1,017	1,017	--	1,017	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 21,350</u>	<u>\$ 21,350</u>	<u>\$ --</u>	<u>\$ 21,350</u>	<u>\$ --</u>	<u>\$ --</u>
<u>DC033Q0090 - Anti-Drug Abuse Task Force</u>						
Personal services	\$ 49,638	\$ 49,638	\$ --	\$ 49,638	\$ --	\$ --
Operating expenses	148,385	17,065	131,320	17,065	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 198,023</u>	<u>\$ 66,703</u>	<u>\$ 131,320</u>	<u>\$ 66,703</u>	<u>\$ --</u>	<u>\$ --</u>
<u>DC02130090 - Anti-Drug Abuse Task Force</u> (Liquidation period)						
Personal services	\$ 1,081	\$ 1,081	\$ --	\$ 1,081	\$ --	\$ --
Operating expenses	4,089	4,089	--	4,089	--	--
Equipment	3,704	3,704	--	3,704	--	--
Totals	<u>\$ 8,874</u>	<u>\$ 8,874</u>	<u>\$ --</u>	<u>\$ 8,874</u>	<u>\$ --</u>	<u>\$ --</u>
<u>EA98010090 - Elder Abuse</u>						
Personal services	\$ 20,037	\$ 20,037	\$ --	\$ 9,264	\$ --	\$ 10,773
Operating expenses	7,948	7,948	--	7,948	--	--
Equipment	25,880	25,880	--	25,880	--	--
Totals	<u>\$ 53,865</u>	<u>\$ 53,865</u>	<u>\$ --</u>	<u>\$ 43,092</u>	<u>\$ --</u>	<u>\$ 10,773</u>
<u>EA03060090 - Elder Abuse (VOCA)</u>						
Personal services	\$ 12,615	\$ 12,615	\$ --	\$ 7,282	\$ --	\$ 5,333
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 12,615</u>	<u>\$ 12,615</u>	<u>\$ --</u>	<u>\$ 7,282</u>	<u>\$ --</u>	<u>\$ 5,333</u>

COUNTY OF EL DORADO

Schedule of the Office of Emergency Services,
Board of Corrections and Office of Criminal Justice Planning Programs
For the Year Ended June 30, 2004

California Office of Emergency Services/Office of Criminal Justice Planning Grants

(continued)

Program	Costs Claimed and Accepted For the Year Ended June 30, 2004			Share of Costs Current Year		
	Costs Claimed	Costs Accepted	Questioned Costs	Federal Share	State Share	County Share
<u>EA03060090 - Elder Abuse (Byrne)</u>						
Personal services	\$ 32,106	\$ 32,106	\$ --	\$ 32,106	\$ --	\$ --
Operating expenses	8,509	8,509	--	8,509	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 40,615</u>	<u>\$ 40,615</u>	<u>\$ --</u>	<u>\$ 40,615</u>	<u>\$ --</u>	<u>\$ --</u>
<u>HT00 01 0340/HT03 04 0340 - Hi-Tech Crimes Task Force</u>						
Personal services	\$ 59,028	\$ 59,028	\$ --	\$ --	\$ 59,028	\$ --
Operating expenses	2,199	2,199	--	--	2,199	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 61,227</u>	<u>\$ 61,227</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 61,227</u>	<u>\$ --</u>
<u>VB3010090 - Statutory Rape/Elder Abuse</u>						
Personal services	\$ 77,603	\$ 77,603	\$ --	\$ --	\$ 77,603	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 77,603</u>	<u>\$ 77,603</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 77,603</u>	<u>\$ --</u>
<u>VW00190090-Victim/Witness Assistance</u>						
<u>Liquidation Period</u>						
Personal services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	17,661	17,661	--	--	17,661	--
Totals	<u>\$ 17,661</u>	<u>\$ 17,661</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 17,661</u>	<u>\$ --</u>
<u>VW03220090 - Victim/Witness Assistance</u>						
Personal services	\$ 36,202	\$ 36,202	\$ --	\$ 12,875	\$ 23,327	\$ --
Operating expenses	3,391	3,391	--	--	3,391	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 39,593</u>	<u>\$ 39,593</u>	<u>\$ --</u>	<u>\$ 12,875</u>	<u>\$ 26,718</u>	<u>\$ --</u>
<u>VW033Q0090 - Victim/Witness Assistance</u>						
Personal services	\$ 118,319	\$ 118,319	\$ --	\$ 64,014	\$ 54,305	\$ --
Operating expenses	14,174	14,174	\$ --	7,668	6,506	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 132,493</u>	<u>\$ 132,493</u>	<u>\$ --</u>	<u>\$ 71,682</u>	<u>\$ 60,811</u>	<u>\$ --</u>

COUNTY OF EL DORADO

Schedule of the Office of Emergency Services,
Board of Corrections and Office of Criminal Justice Planning Programs
For the Year Ended June 30, 2004

California Board of Corrections/Office of Criminal Justice Planning Grants

The following represents costs for the California Board of Corrections (BOC) programs for the year ended June 30, 2004. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures. The Board of Corrections assumed administration of the following Office of Criminal Justice Planning (OCJP) programs on October 1, 2003.

Program	Costs Claimed and Accepted For the Year Ended June 30, 2004			Share of Costs Current Year		
	Expenditures Claimed	Expenditures Accepted	Questioned Costs	Federal Share	State Share	County Share
<u>IP02020090 - Juvenile Accountability Incentive (OCJP)</u>						
Personal services	\$ 5,771	\$ 5,771	\$ --	\$ 5,136	\$ --	\$ 635
Operating expenses	577	577	--	577	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 6,348</u>	<u>\$ 6,348</u>	<u>\$ --</u>	<u>\$ 5,713</u>	<u>\$ --</u>	<u>\$ 635</u>
<u>IP02020090 - Juvenile Accountability Incentive (OES)</u>						
Personal services	\$ 19,630	\$ 19,630	\$ --	\$ 17,667	\$ --	\$ 1,963
Operating expenses	1,963	1,963	--	1,963	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 21,593</u>	<u>\$ 21,593</u>	<u>\$ --</u>	<u>\$ 19,630</u>	<u>\$ --</u>	<u>\$ 1,963</u>

SCHEDULE OF FINDINGS

COUNTY OF EL DORADO

Schedule of Findings
For the Year Ended June 30, 2004

Audit Reference Number	Findings
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OES04-1

Anti-Drug Abuse Task Force (Grant No. DC033Q0090)

CFDA 16.579

Criteria

The Office of Emergency Services Recipient Handbook, § 6300, provides that: “[t]he recipient must expend cash before claiming an expenditure on the Report of Expenditures and Request for Funds (OES 201). The recipient must not request funds for expenses that have not been paid when the Report of Expenditures and Request for Funds (OES 201) is submitted.”

Condition

During the grant period from October 1, 2003 through June 30, 2004, costs were claimed totaling \$198,023. Included in these costs were \$131,320 in invoices, which were incurred prior to June 30, 2004 but were not paid until several months after June 30, 2004. Difficulties arose under this grant because of the transition over to the Office of Emergency Services (“OES”) and a related federal audit, which is ongoing. The county understood from the OES that the grant was going forward, but the OES did not sign the contract until after June 30, 2004. The costs were not encumbered, nor recorded for the year ended June 30, 2004, because county purchasing policy required an OES contract prior to encumbering funds. The program financial officer discussed with OES staff his intention to bill the invoiced, but unpaid, \$131,320 expenditures. The program financial officer further understood that in October, 2004 the OES extended the grant agreement through December 30, 2004, at least in part to accommodate these costs.

Effect of Condition

The County’s claim for \$131,320 for invoiced, but unpaid, expenditures violates § 6300 of the Office of Emergency Services Recipient Handbook.

Questioned Costs

We question costs in the sum of \$131,320, but only to the extent that the costs were claimed earlier than allowed under the contract, that is, the costs were claimed when the County received the invoice for \$131,320, rather than when this invoice was paid. Both the date claimed and the date the invoice was paid were during the contract term.

COUNTY OF EL DORADO

Schedule of Findings
For the Year Ended June 30, 2004

Audit Reference Number	Findings
OES04-1	<u>Recommendation</u>
CFDA 16.579 (continued)	We recommend that the financial officer use expenditure reports, adjusted to reflect general ledger cash transactions only, as a basis for preparation of the OES 201s. <u>Management response</u> We concur with the finding and recommendation. The amount should have been claimed in FY 2004/05 instead of FY 2003/04. The cumulative amount claimed for the grant period (extended to December 2004) remains correct, however the timing of the claimed costs was improper due to the unusual circumstances noted above. <u>Corrective Action Plan</u> We request that no action to return the questioned costs be taken, since this is a timing issue only. The fiscal officer will contact OES, to see how they wish to handle any revision of the final claim. For future grants, beginning with the June 2005 Quarter, the program's fiscal officer will prepare the claim based on expenditure reports, adjusted to reflect a cash basis for claiming. Contact: John Mitchell