



## El Dorado County Emergency Services Authority

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### Special Board of Directors Meeting

Thursday, February 23, 2012, 9:00 a.m.

Diamond Springs Fire Conference Room, 501 Main Street, Diamond Springs, CA 95619

### MINUTES

1. **Call to Order/Roll Call/Introductions/Pledge/0850** Webb  
**Present:** *Battalion Chief Webb/Cameron Park, Interim Chief Combs/Diamond Springs, Chief Lacher/EDC Fire, Alternate Chief O’Camb/EDH, Alternate Asst Chief Bement/Garden Valley, Chief Dave/Mosquito, Chief Keating/Rescue*  
**Guests:** *Chris Timberlake/South Lake Tahoe, Dawn/Mountain Democrat*
  
2. **Approval of Agenda** Webb  
Director Marty Hackett requested that additional Item 5 be added as a correspondence and Item 6 moved to Adjournment. Motion to approve additional agenda item by Chief Keating and seconded by Chief Davis which carried unanimously.
  
3. **Public Comments** Webb  
No public comments.
  
4. **Old Business** Webb
  - 4.1 Review/Approve Request final audit reports from Mr. Eastman for FYs 05/06 – 08/09  
Director Hackett stated Mr. Eastman’s final audit reports have been completed for 05/06 through 08/09.  
  
Motion to approve final audits by Chief Keating, Seconded by Chief O’Camb. Chief Keating amended his motion to approve with the understanding of outstanding issue regarding El Dorado County Fire is still in dispute of Eastman’s findings. Motion carries unanimous.
  
  - 4.2 Review/Approve Action regarding County Fire’s past due Invoice Hackett  
Director Hackett stated JPA has 10 days from date of receipt to pay past due invoice according to Daniel Nielson for the amount of \$661,000.  
  
Discussion Items:
    - An El Dorado County Fire special sub-committee was formed to resolve the audit differences and move forward to come to an agreement.
    - Executive Director Hackett recommends (2)BOD members to meet with El Dorado County Fire to come to a resolution.
    - Chief Lacher recommends responding to the Public Health Dept. as this is key to letting them know we have scheduled meetings to discuss and resolve the issue – we have made efforts.
    - Chief Keating mentioned making a good faith payment and dispute the difference later. Chief Lacher stated he isn’t opposed to that but his board would have to make the decision and could delay a final decision.

- Mr. Neilson is fairly new and perhaps isn't aware of the attempts to resolve the issue between the JPA and El Dorado County Fire.
- County should have audited prior to now – 5 year audit. Diamond Springs offered to hire their own Auditor to prepare for the county instead of waiting for the county, who is delinquent in providing an audit for Diamond Springs.
- Negotiations for the next contract with the county should include and state a timely audit being prepared by the county in the future and within 120 days.
- Both Auditors should come to the next Board Meeting to explain their positions and methodologies for their findings and assumptions.

Chief Combs Motioned to create JPA Sub-Committee and to appoint Chiefs Schwab and Keating and Director Hackett to serve on the committee. JPA Sub-Committee is scheduled to meet with El Dorado County Fire board members to negotiate between auditors. Chief Keating seconded motion that carried with exception of Chief Lacher who abstained.

**5. Correspondence Letter by Daniel Neilson, Public Health Director**

Hackett

Director Hackett reported on the correspondence letter received by the JPA on 2.16.12 informing the board that within 10 working days county must receive satisfactory arrangements and correspondence regarding this open item from the JPA.

Director Marty Hackett will request that County issue timelines that are reasonable to report audit findings to JPA so that errors can be taken care of sooner. A letter will express that the JPA has been dutiful in negotiating settlement and that a committee has been established to resolve disputed amounts between the JPA and El Dorado County Fire Auditors. Director Hackett will provide audits to Mr. Harn and Mr. Neilson today, explaining Diamond Springs paid portion, and convey the JPA Board has appointed Chiefs Schwab and Keating and Director Hackett to a sub-committee meeting as early as Monday 2.27.12 along with Chief Lacher and two of his board members to discuss the audits and bring closure.

Board provided direction for Director Hackett to correspond with the above information.

Discussion items:

- Future changes the board would like to explore in payroll processes of straight time and overtime for cleaner tracking. Budgeted amounts and caps could be put in place instead of tracking per employee in order to reduce overtime costs.
- Tracking JPA funded employees are convoluted because Firefighter-Paramedics perform other assignments as well.

**6. Adjournment**

Webb

Motion to adjourn the meeting at 0927 by Chief Keating. Motion seconded by Chief Bement which carried unanimously.

*Prepared by Jannell Clanton, JPA Admin*



**EL DORADO COUNTY  
EMERGENCY SERVICES AUTHORITY  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2009**

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**Glen S. Eastman**

*Certified Public Accountant*

5410 Quail Valley Road, Placerville, CA 95667

To the Board of Directors  
El Dorado County  
Emergency Services Authority  
El Dorado County, CA

September 23, 2010

I have audited the accompanying financial statements of the governmental activities of El Dorado County Emergency Services Authority as of June 30, 2009, and for the year then ended. These financial statements are the responsibility of El Dorado County Emergency Services Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of El Dorado County Emergency Services Authority as of June 30, 2009 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the budgetary comparison information on page 12 is not a required part of the financial statements, but is supplemental information required by the accounting principles generally accepted in the United States of America. I have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

Glen S. Eastman, CPA  
Placerville, CA

El Dorado County  
Emergency Services Authority  
June 30, 2009

As management of the El Dorado County Emergency Services Authority (JPA), we offer readers of the JPA's financial statements this narrative overview and analysis of the financial activities of the JPA for the fiscal year ended June 30, 2009.

### **Financial Highlights**

The JPA is a contract provider to the El Dorado County Service Area #7 (CSA #7). All costs are budgeted expenditures through the El Dorado County Health Department. All funds budgeted in excess of actual expenditures are returned at the end of each fiscal year.

The JPA's total net assets are \$1,647,303 which is an increase of \$625,385 of which \$481,503 represents fixed assets purchased during the current year, less depreciation.

The JPA has no reserve for ambulance replacement and capital equipment. There is a Five-Year Plan projecting and planning for these costs, however, there is no fund set up within the JPA. The CSA #7 has a reserve fund, which the JPA is allowed to use for capital assets.

At the end of the current fiscal year, a reserve was set aside for compensated absences in an amount of \$204,650.

The JPA has not incurred debt during the current fiscal year or any previous years.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to JPA's basic financial statements. The JPA is a single program entity and the basic financial statements are comprised of two components: 1) government-wide financial statements, and 2) notes to the financial statements. This financial report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of JPA's finances, in a manner similar to a private-sector business. They present activities of the JPA that are principally supported by contract payments and charges for services. The JPA provides services for emergency medical, ambulance transportation and dispatch. The government-wide financial statements can be found on pages 5-6 of this report.

*The Statement of Net Assets and Changes in Governmental Fund Balance Sheet* presents information on all of JPA's assets and liabilities, with the difference between the two



reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of JPA is improving or deteriorating.

*The Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance* presents information showing how JPA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 8-13 of this report.

### **Government-wide financial analysis**

The JPA currently purchases capital assets (e.g. ambulances and equipment). The JPA uses these capital assets to provide ambulance services to citizens; consequently, these assets are not available for future spending.

### **Financial analysis of the JPA's Funds**

The focus of the JPA's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the JPA's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for funding future operational needs.

### **Capital Assets and Debt Administration**

The JPA's investment in capital assets for its government activities as of June 30, 2009 amounts to \$1,069,201 (net of accumulated depreciation). This investment in capital assets represents a major investment in ambulance equipment. The JPA has no debt. Additional information on the JPA's capital assets can be found in note 3 on page 11 of this report.

### **Requests for Information**

This financial report is designed to provide a general overview of the JPA's finances for all those with an interest in the JPA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, El Dorado County Emergency Services Authority, 480 Locust Road, Diamond Springs, CA 95619.

**EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY**  
**STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET**  
 June 30, 2009

<b>ASSETS</b>	General Fund	Adjustments	Statement of Net Assets
Cash in County Treasury	\$ 1,414,423	\$ -	\$ 1,414,423
Accounts Receivable	416,587	-	416,587
Due from Other Governments	-	-	-
Capital Assets (Note 4)	-	2,823,055	2,823,055
Less, Accumulated Depreciation	-	(1,753,854)	(1,753,854)
<b>TOTAL ASSETS</b>	<b>\$ 1,831,010</b>	<b>\$ 1,069,201</b>	<b>\$ 2,900,211</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 613,793	\$ -	\$ 613,793
Salaries And Benefits Payable	130,573	-	130,573
Compensated Absences Due After 1 Year	146,789	57,861	204,650
<b>TOTAL LIABILITIES</b>	<b>891,155</b>	<b>57,861</b>	<b>949,016</b>
<b>FUND BALANCES:</b>			
Reserved		-	-
Unreserved	939,855	(939,855)	-
<b>TOTAL FUND BALANCES</b>	<b>939,855</b>	<b>(939,855)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,831,010</b>		
<b>NET ASSETS</b>			
Invested in Capital Assets		1,069,201	1,069,201
Restricted		-	-
Unrestricted		881,994	881,994
<b>TOTAL NET ASSETS</b>		<b>\$ 1,951,195</b>	<b>\$ 1,951,195</b>

See notes to financial statements



**El Dorado County Emergency Services Authority**  
Adjustments-Total Government Fund Balance to  
Net Assets of Governmental Activities  
June 30, 2009

Total Government Fund Balance	\$ 939,855
 <b>Amounts in governmental activities in the statement of net assets are different because:</b>	
<b>Capital assets used in the governmental activities are not financial resources and are therefore not reported in the funds, net of depreciation.</b>	1,069,201
<b>Long-term liabilities, compensated absences, are not due and payable in the current period and therefore are not reported in the funds.</b>	<u>(57,861)</u>
 <b>Net Assets of the Governmental Activities</b>	 <b><u>\$ 1,951,195</u></b>

See notes to financial statements

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**7.) Retirement Plan (Continued):**

**B. Summary of Significant Accounting Policies**

Basis of Accounting: The financial statements of the plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The Districts contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchanges are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

**C. Post Employment Benefits Other than Pension**

In addition to the pension benefits provided by CALPERS, the JPA also provides post retirement health care benefits to all JPA funded District employees who retire on or after attaining certain age and length of service requirements. The post retirement health care benefits are funded based on an actuarial analysis as of July 1, 2005. The analysis recommends contributions from the JPA on the 20-year term funding method to finance the retiree program. Annual contributions of \$95,000 through 2024-25 will finance the expected benefits in that period.

For administrative employees, the JPA participates in the Old Age Survivors Disability Insurance (Social Security) program. Employer contributions are made by the JPA at a fixed percentage rate applied to gross wages as determined by public law.

REQUIRED SUPPLEMENTARY INFORMATION

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
STATEMENT OF REVENUES AND EXPENDITURES  
COMPARED TO BUDGET  
for the year ended June 30, 2009

	Budget	Actual	Favorable/ (Unfavorable)
<b>RECOURCES (INFLOWS)</b>			
CSA #7 Contract Payments	\$ 10,670,869	10,014,181	\$ (656,688)
Interest Income		2,779	2,779
Other Program Revenue-Reimbursements		11,053	11,053
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<b>10,670,869</b>	<b>10,028,013</b>	<b>(642,856)</b>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Salaries	5,300,691	4,980,171	320,520
Other compensation	27,758	39,657	(11,899)
Retirement Benefits	1,155,811	1,141,848	13,963
Health, Disability and Other Benefits	993,976	835,652	158,324
Worker's Compensation	530,323	212,816	317,507
<b>Total Salaries and Related Benefits</b>	<b>8,008,559</b>	<b>7,210,144</b>	<b>798,415</b>
Clothing and Personal Supplies	43,719	10,312	33,407
Telephone and Communications	766,426	714,805	51,621
Food and Food Products	800	365	435
Household Expense	12,599	13,310	(711)
Insurance	27,500	23,149	4,351
Maintenance - Equipment	41,542	31,685	9,857
Maintenance - Radio	11,962	3,979	7,983
Maintenance - Vehicles	133,625	155,255	(21,630)
Maintenance - Property	-	10	(10)
Medical Supplies	428,750	489,910	(61,160)
Memberships	2,400	375	2,025
Office Expense	11,700	11,908	(208)
Subscription/Newspaper/Journals	200	-	200
Professional Services	16,000	85,230	(69,230)
Publications and Legal Notices	-	2,994	(2,994)
Equipment Rental	3,000	1,497	1,503
Building Rent	15,000	12,114	2,886
Minor Equipment	10,964	1,795	9,169
Special Department Expense	16,300	453	15,847
Staff Development	30,667	21,219	9,448
Transportation and Travel	6,700	284	6,416
Fuel Purchases	151,678	127,495	24,183
Utilities	49,998	47,139	2,859
<b>Total Services and Supplies</b>	<b>1,781,530</b>	<b>1,755,283</b>	<b>26,247</b>
Fixed Assets	710,781	765,781	(55,000)
Provider Administrative Fees	169,999	164,849	5,150
<b>Total Other</b>	<b>880,780</b>	<b>930,630</b>	<b>(49,850)</b>
<b>Total Charges to Appropriations</b>	<b>10,670,869</b>	<b>9,896,057</b>	<b>774,812</b>
<b>Budgetary Balances June 30</b>	<b>\$ -</b>	<b>\$ 131,956</b>	<b>\$ 131,956</b>

See notes to financial statements

**El Dorado County Emergency Services Authority**  
**Statement of Budgetary Expenditures**  
**For the Year Ended June 30, 2009**

	PROGRAM PROVIDERS					Total Program	Joint Powers Authority Administration	Total Joint Powers Authority
	El Dorado County Fire	Diamond Springs/El Dorado Fire	Georgetown Fire	Cameron Park Fire	El Dorado Hills			
Permanent Employees	\$ 1,781,489	\$ 509,279	\$ 409,371	\$ 767,283	\$ 580,284	\$ 4,047,706	\$ 58,944	\$ 4,106,650
Temporary Employees	12,479	12,747	18,146	-	-	43,372	7,362	50,734
Overtime	401,697	71,947	183,712	-	155,239	812,595	10,192	822,787
Other Compensation	19,740	3,150	7,621	-	3,000	33,511	6,146	39,657
Employer Share Retirement	665,816	157,836	125,923	-	192,273	1,141,848	-	1,141,848
Social Security	816	38,604	3,745	-	-	43,165	4,491	47,656
Medicare	34,084	9,028	8,825	-	10,581	62,518	1,050	63,568
Health Insurance	338,437	104,093	43,186	-	76,957	562,673	95,000	657,673
Unemployment Insurance	-	-	-	-	-	-	(14)	(14)
Long-Term Disability	4,000	936	528	-	1,404	6,868	-	6,868
Deferred Compensation	-	21,881	19,060	-	-	40,941	-	40,941
Vision Insurance	4,685	-	786	-	12,240	17,711	-	17,711
Worker's Compensation	87,225	59,703	34,760	-	30,638	212,326	490	212,816
Flexible Benefits	-	702	-	-	547	1,249	-	1,249
<b>SALARIES AND BENEFITS</b>	<b>3,350,468</b>	<b>989,906</b>	<b>855,663</b>	<b>767,283</b>	<b>1,063,163</b>	<b>7,026,483</b>	<b>183,661</b>	<b>7,210,144</b>
Provider Administrative Fee	86,666	20,000	20,000	14,850	23,333	164,849	-	164,849
Clothing and Personal Supplies	-	-	1,481	4,005	949	6,435	-	6,435
Fire Turnouts	-	513	-	-	-	513	-	513
Uniforms	-	-	3,364	-	-	3,364	-	3,364
Telephone and Communications	1,323	1,829	2,052	2,899	3,759	11,862	702,943	714,805
Food and Food Products	-	-	306	-	-	306	59	365
Household Expense	3,047	4,338	1,911	1,014	900	11,210	115	11,325
Refuse Disposal	-	815	530	-	-	1,345	-	1,345
Extermination/Fumigation	-	275	-	-	-	275	365	640
Insurance	-	-	-	-	-	-	23,149	23,149
Maintenance - Equipment	858	30	23	579	-	1,490	29,879	31,369

Maintenance - Office Equipment	-	39	-	-	-	39	-	39
Maintenance - Radio	705	27	587	-	54	1,373	2,606	3,979
Maintenance - Equipment Parts	277	-	-	-	-	277	-	277
Maintenance - Vehicles	85,892	7,927	5,431	20,593	13,655	133,498	1,009	134,507
Maintenance - Supplies	1,205	7,056	8,790	213	-	17,264	19	17,283
Maintenance - Tires & Tubes	-	-	3,251	-	-	3,251	-	3,251
Maintenance - Oil & Grease	-	-	-	214	-	214	-	214
Maintenance - Building Supplies	10	-	-	-	-	10	-	10
Medical Supplies	229,081	40,782	45,614	54,451	70,713	440,641	49,269	489,910
Memberships	-	-	375	-	-	375	-	375
Office Expense	2,500	-	830	541	900	4,771	7,075	11,846
Postage	-	54	-	-	-	54	8	62
Subscriptions/Journals	-	-	-	-	-	-	-	-
Professional Services	-	-	-	5,150	-	5,150	78,822	83,972
Medical, Dental	-	1,258	-	-	-	1,258	-	1,258
Equipment Rental	-	-	-	-	-	-	1,497	1,497
Publications and Legal Notices	-	-	-	-	-	-	2,994	2,994
Building Rent	-	-	-	-	-	-	12,114	12,114
Small Tools	-	36	-	-	-	36	-	36
Minor Equipment	1,132	-	424	203	-	1,759	-	1,759
Special Department Expense	-	-	-	-	-	-	453	453
Educational Materials	-	-	487	-	-	487	-	487
Staff Development	-	795	-	-	-	795	(643)	152
Staff Development	3,291	2,247	4,877	2,125	3,790	16,330	4,250	20,580
Transportation and Travel	-	-	165	-	-	165	119	284
Mileage - Employee	-	-	-	-	-	-	-	-
Fuel Purchases	63,728	21,191	13,509	15,122	12,574	126,124	1,371	127,495
Utilities	21,000	5,017	6,548	6,450	6,450	45,465	1,674	47,139
<b>SERVICES AND SUPPLIES</b>	<b>500,715</b>	<b>114,229</b>	<b>120,555</b>	<b>128,409</b>	<b>137,077</b>	<b>1,000,985</b>	<b>919,147</b>	<b>1,920,132</b>
Fixed Assets - Equipment	-	-	-	-	-	-	765,781	765,781
Fixed Assets - Vehicles	-	-	-	-	-	-	-	-
<b>FIXED ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>765,781</b>	<b>765,781</b>
<b>Total Expenditures</b>	<b>\$ 3,851,183</b>	<b>\$ 1,104,135</b>	<b>\$ 976,218</b>	<b>\$ 895,692</b>	<b>\$ 1,200,240</b>	<b>\$ 8,027,468</b>	<b>\$ 1,868,589</b>	<b>\$ 9,896,057</b>



**EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY**  
**STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCE**  
for the year ended June 30, 2009

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
<b>PROGRAM EXPENDITURES/EXPENSES</b>			
Salaries and Related Benefits	\$ 7,210,144	\$ (35,044)	\$ 7,175,100
Materials and Services	1,755,283		1,755,283
Provider Administrative Fees	164,849		164,849
Capital Assets	765,781	(765,781)	-
Depreciation		284,279	284,279
<b>TOTAL PROGRAM EXPENDITURES/ EXPENSES</b>	<u>9,896,057</u>	<u>(516,546)</u>	<u>9,379,511</u>
 <b>PROGRAM REVENUES</b>			
CSA #7 Contract Payments	10,014,181	-	10,014,181
Other Program Revenue-Reimbursements	<u>11,053</u>	<u>-</u>	<u>11,053</u>
<b>TOTAL PROGRAM REVENUES</b>	<u>10,025,234</u>	<u>-</u>	<u>10,025,234</u>
<b>NET PROGRAM REVENUES (DEFICIT)</b>	129,177	516,546	645,723
 <b>GENERAL REVENUES</b>			
Investments Earnings	<u>2,779</u>	<u>-</u>	<u>2,779</u>
<b>EXCESS OF REVENUES (EXPENDITURES)/ CHANGE IN NET ASSETS</b>	131,956	516,546	648,502
 <b>FUND BALANCES/NET ASSETS</b>			
Beginning	<u>807,899</u>	<u>494,794</u>	<u>1,302,693</u>
Ending	<u>\$ 939,855</u>	<u>\$ 1,011,340</u>	<u>\$ 1,951,195</u>

See notes to financial statements

**El Dorado County Emergency Services Authority**  
**Adjustments-Total Government Fund Revenues, Expenditures**  
**and Changes in Fund Balances to Statement of Activities**  
**June 30, 2009**

**Net Change Governmental Fund Balance** **\$ 131,956**

Amounts reported in governmental activities in the statement of activities are different because:

Governmental funds reported capital outlays as expenditures, however, in the statement of activities the cost of those assets are capitalized as capital assets.

Expenditures for capital assets and related capital assets adjustments	\$ 765,781	
Less current year depreciation	<u>(284,279)</u>	481,502

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Current change in Compensated Absences	<u>35,044</u>
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**Change in Net Assets of Governmental Activities** **\$ 648,502**

See notes to financial statements

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**1. Organization:**

The El Dorado County Emergency Services Authority (JPA) (formerly: The El Dorado County Regional Prehospital Emergency Services Operations Authority) was established to provide a regional ambulance service to the western slope of El Dorado County and to provide a coordinated dispatch system within El Dorado County. The effective date of the notice of Joint Powers Agreement filed with the State of California, Secretary of State was September 1, 1996. The agreement is pursuant to Governmental Code Sections 6503.5 and 6503.7. Actual operations of the JPA commenced on January 1, 1997.

A board composed of 10 members governs the JPA. Each member is a representative of the public agencies that are a party to the agreement.

**2. Summary of Significant Accounting Policies:**

**Basis of Presentation**

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the JPA). These statements include the financial activities of the overall government.

The statement of activities presents a comparison between direct expenditures and program revenues for each function of the JPA's governmental activities. Direct expenditures are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the program and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the JPA's funds. The emphasis of fund financial statements is on major government funds.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**2. Summary of Significant Accounting Policies: (Continued)**

The JPA reports the following governmental fund:

The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the JPA. For the JPA, the General Fund includes such activities as general government, and emergency ambulance services.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the JPA does not give (or receive) equal value in exchange, includes property taxes, grants, entitlements, and donations, if any. On an accrual basis, revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are generally recognized when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

**Non-Current Governmental Assets/Liabilities**

GASB Statement No. 34 eliminates the presentation of accounting groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net assets.

**Cash and Investments**

The JPA has instructed the county of El Dorado to invest excess funds on deposit in their overall pooling of investments. The JPA's interest income is then allocated according to the average cash balance in the County Treasury based upon the overall investments of the County.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**2. Summary of Significant Accounting Policies: (Continued)**

The County maintains written investment policies which address a wide variety of investment practices, including primary investment objectives, investment authority, allowable investment vehicles, investment maturity terms, eligible financial institutions, capital preservation, and cash flow management. The County has not adopted the provisions of GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

All cash deposits at the County conform to the California Government Code Section 53646 and are fully collateralized by governmental securities pledged for the purpose of Public Deposit Collateral.

**Capital Assets and Depreciation**

Capital assets are recorded at historical cost, or at estimated historic cost, if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital equipment consists of purchased equipment with an initial, individual cost of more than \$1500 and an estimated useful life in excess of one year.

The estimated useful lives are from 3 to 20 years.

**Compensated Absences**

The JPA's policy is to allow employees of each Provider District to accumulate earned, but unused vacation (and in some Districts, sick leave), which will be paid to the employees upon separation of service. Even though that District may not pay out amounts for unused sick leave at termination, it may allow certain amounts as a credit to PERS upon retirement.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures during the reporting period. Actual results could differ from these estimates and the differences may be material.



EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS

**3.) Summary of changes in Capital Assets:**

Capital assets are recorded as expenditures in the general fund at the time of purchase. Such assets have been capitalized at cost in the general fixed assets group of accounts rather than in the governmental fund.

	<u>Beginning Balance</u>	<u>Acquisitions</u>	<u>Deletions and Adjustments</u>	<u>Ending Balance</u>
Equipment	\$2,057,273	\$ 765,782	\$ 0	\$ 2,823,055
Accumulated Depreciation	<u>(1,469,575)</u>	<u>(284,279)</u>	<u>0</u>	<u>(1,753,854)</u>
Net Capital Assets	<u>\$ 587,698</u>	<u>\$ 481,503</u>	<u>\$ 0</u>	<u>\$ 1,069,201</u>

**4.) Contracts, Commitments and Other Contingencies:**

County Service Area #7 (CSA #7) has initiated an agreement with the JPA, effective January 1, 1997. The agreement allows the JPA to provide prehospital ambulance and dispatch services. The JPA contracts the ambulance services out to five Provider Fire Districts within the county of El Dorado. Source of funding received by the JPA is based upon estimated budgeted need for the fiscal year and is allocated to the JPA from the CSA #7 funds.

The current contract with the County expires June 30, 2018. Continued operation of the JPA is contingent on annual funding agreements with CSA #7.

**Risk Management**

The JPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions.

For property, liability, directors and officers, and errors and omissions insurance, the JPA purchases commercial insurance.

**Litigation**

The JPA may at times be involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, based upon the opinion of the JPA's general counsel, management presently believes that the outcome of each such proceeding claim, if any, which may be pending or known to be threatened or all of them combined, will not have a material adverse effect on the JPA's financial position.



EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**5.) Liability for Compensated Absences:**

El Dorado County Fire Protection District	\$116,124
Diamond Springs/El Dorado Fire Protection District	36,128
Georgetown Fire Protection District	26,514
JPA – Administration	0
El Dorado Hills Fire Department	<u>25,884</u>
<b>TOTAL LIABILITY FOR COMPENSATED ABSENCES</b>	<b>\$204,650</b>
 Reserve established per agreement from CSA7 contingency for the purpose of covering Unfunded Liabilities as of December 31, 1996	 \$146,789

**6.) Deferred Compensation Plan:**

The JPA has made available to its management employee a tax sheltered annuity. This deferred compensation plan qualifies under Internal Revenue Code Section 457(b) as exempt from current income tax.

**7.) Retirement Plan:**

The policy of each of the Provider Districts is to fund retirement benefits with the State of California Public Employees' Retirement System (CALPERS). The amount of pension contributions by the Districts to CALPERS is actuarially determined under a program wherein contributions plus earnings of the retirement system are to provide the necessary funds to pay retirement benefits when due. The Districts rely on the competency of CALPERS in determining the funding method, the adequacy of funding and the spreading of actuarial gains and losses which is currently on a four-year basis. The confirmation of balances in the Districts' accounts was not yet available from CALPERS.

**A. Plan Description**

The Provider Districts contribute to CALPERS (an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California). CALPERS issues a publicly available financial report that includes financial statements and required supplementary information for the Provider Districts. The financial report may be obtained by writing to: CALPERS Actuarial Office, P.O. Box 942709, Sacramento, CA 94229-2709.

**Glen S. Eastman**

*Certified Public Accountant*

5410 Quail Valley Road, Placerville, CA 95667

Revised  
Mgmt  
Letter

September 23, 2010

To the Board of Directors  
El Dorado County Emergency Services Authority  
Diamond Springs, California

I have audited the financial statements of El Dorado County Emergency Services Authority (JPA) for the years ended June 30, 2008 and June 30, 2009, and have issued my report thereon dated September 23, 2010. As part of my audit, I made a study and evaluation of the JPA's system of internal accounting control to the extent that I considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. The purpose of my study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the JPA's financial statements. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of El Dorado County Emergency Services Authority is responsible for establishing and maintaining a system of internal accounting control. In fulfilling my responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objective of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of El Dorado County Emergency Services Authority taken as a whole. However, I have enclosed recommendations for your consideration.

This report was prepared based on information found during the audited period. It does not address whether or not items have been corrected since the audit. This report is intended solely for use of management and should not be used for any other purpose.

Sincerely,

Glen S. Eastman, CPA

## 1. EMS Training Documentation

Observation - JPA is responsible for maintaining records of all EMS training, continuing education and skills maintenance. Records are not currently maintained at JPA.

Recommendation - JPA should review EMS training files and document that review.

## 2. Payroll Review

Observation - There is no evidence of supervisor's review of payroll timesheets at Diamond Springs, County Fire or JPA. This is a material weakness in internal control and must be addressed immediately. It appears that County Fire overcharged JPA approximately \$146,000 in fiscal 2008 and \$185,000 in fiscal 2009 for employees working overtime. It also appears that the Diamond Springs Fire Department overcharged JPA approximately \$19,000 in fiscal 2008 and \$4,000 in fiscal 2009 due to coding errors and strike team charges. (See also #7 and #11 below).

Recommendation - The fire department supervisors and the JPA should review payroll timesheets and evidence that review.

## 3. Light Duty Personnel

Observation - JPA personnel assigned light duty worked at the fire departments, but were charged to JPA.

Recommendation - Where practical, consideration should be given to assigning light duty personnel to work on JPA related duties.

## 4. Employee Timecard Documentation

Observation - Employee timecards at the El Dorado Hills Fire Station did not have adequate documentation of the topics of the training being charged.

Recommendation - Timecards should have more documentation in regards to the classes taken so that it can be properly charged to the fire department or JPA.

## 5. Shift Employees vs. 80 Hour Employees

Observation - El Dorado County shift employees are "penalized" for taking sick and vacation time in relation to OT pay, while 80-hour employees are not.

Recommendation - OT pay should be calculated using similar methodologies.

## 6. Overtime

Observation - Regular full time employees are used to cover shifts, resulting in excessive overtime.

Recommendation - future MOU's should consider allowing part time personnel to cover shifts.

## 7. El Dorado County Loaned Labor Report Part I

Observation – The El Dorado County Loaned Labor report is a detail of the costs of labor loaned from County Fire to the JPA and visa versa. The net results of the report should be entered as a journal entry to the general ledgers of the County and JPA on a regular basis. This has not been done for several years, resulting in a material error, the results of which are included in the figures for item #2 above.

Recommendation – The net results of the Loaned Labor report should be recorded in the general ledgers no less than once a year.

## 8. El Dorado County Loaned Labor Report Part II

Observation - No overtime premium was included anytime the “ATM” code was used and employees changing pay rates within a 24 day FLSA pay period are overpaid for the first 2 weeks due to overtime rate differences.

Recommendation - Use of the “ATM” code has been eliminated. If used in the future, this should be corrected. The first two weeks of overtime after a pay raise should be checked for proper calculation and adjusted accordingly.

## 9. Employee Signatures on Timecards

Observation - Employee signatures were not found on timecards at several stations.

Recommendation - Employee signatures on timecards or electronic signatures, which are verifiable by a third party, should be maintained with payroll records.

## 10. JPA Payroll Reimbursement

Observation - The current method of payroll reimbursement by JPA to the departments does not encourage cost savings and is cumbersome.

Recommendation - The JPA should consider a fixed monthly payment to each fire station for staffing the ambulances.



## **11. Strike Teams**

Observation - Fire personnel working on strike teams were charged to JPA, resulting in double billing. JPA was billed once for the person working the strike team and once for the person covering their shift. Overcharges by Diamond Springs totaled \$9,379 for fiscal 2008 and \$918 for fiscal 2009. Overcharges by County Fire totaled \$26,173 for fiscal 2008 and \$7,016 for fiscal 2009. These amounts are included in item #2, above.

Recommendation - Strike teams are reimbursed and should not be charged to JPA.

## **12. Medical Supply Contract**

Observation - The medical supplies contract has not been put out to bid for an extended period of time.

Recommendation - The medical supplies contract should be put out to bid.

## **13. Actuarial Report**

Observation - The actuarial report used to determine contribution rates for retiree's health benefits was last done in 2005.

Recommendation - The actuarial report should be re-evaluated for adequate contribution rates.

## **14. Duplicate Payments**

Observation - Duplicate payments from accounts payable were noted in '07 and '08.

Recommendation - This issue has been resolved with the new method of preparing accounts payable.

## **15. New JPA Employee Notification**

Observation - There was insufficient notification to the JPA in regards to transferring employees into and out of JPA's funding by the fire districts.

Recommendation - The JPA should always be informed when an employee is transferred into or out of JPA's funding.



## **16. Management Fees for Fire Departments**

Observation - The billing of management fees by the departments was not consistent. Management fees were not charged to the JPA by Diamond Springs in 2008 totaling \$20,000.

Recommendation - Ensure that management fees are properly billed by the departments.

## **17. Training Reimbursements**

Observation - The allocation of personnel training costs by the fire districts was not consistent between the districts. Some districts allocated all payroll costs of any training of JPA personnel to the JPA, while some districts (EDH) allocated all training that fit within the JPA guidelines to the JPA, whether it was a JPA funded employee or not. The JPA manual does not appear to address the payroll costs of training, but only addresses the cost of the class itself.

Recommendation - This policy should be reviewed and consistently applied to all departments.

## **18. Coding of El Dorado Hills Training**

Observation - Telestaff reports are not consistent regarding training i.e. sometimes coded as special projects, OT, JPA department sponsored school, OT training, etc.

Recommendation - Coding for training should be standardized.

## **19. Georgetown Mechanic**

Observation - The Georgetown Fire Department charged the JPA for maintenance fees at a rate of \$85 per hour for maintenance. They paid their employees \$26.78 per hour for the work performed. There was no documentation of hours worked, and no contract for the maintenance. JPA was charged 8 hours per time period, totaling \$17,680 for fiscal 2008 and was charged \$19,127 for fiscal 2009. These charges were reflected as wages, rather than maintenance and therefore the information regarding the true cost of maintenance was not clearly reported in the financial reports.

Recommendation - A contract should be prepared for the maintenance. Work performed should be documented. Charges should be recorded as maintenance.

## 20. Dispatch Contract

Observation – The actual charges for covering shifts of absent JPA employees does not match the dispatch contract with the State of California. Based on the current contract, the JPA should be charged an allocated amount of wages for the on duty captain, but the State is charging all wages for the Captain during non-fire season and none during the fire season.

Recommendation – The contract should be amended to reflect the methodology that the State of California is using to charge the JPA for shift coverage.

**EI DORADO COUNTY**  
**EMERGENCY SERVICES AUTHORITY**

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**REPORT ON ACCOUNTING CONTROLS**  
**AND PROCEDURES**

**June 30, 2008 and June 30, 2009**

## **Glen S. Eastman**

*Certified Public Accountant*

5410 Quail Valley Road, Placerville, CA 95667

September 23, 2010

To the Board of Directors  
El Dorado County Emergency Services Authority  
Diamond Springs, California

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Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of El Dorado County Emergency Services Authority taken as a whole. However, I have enclosed recommendations for your consideration.

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Observation - JPA is responsible for maintaining records of all EMS training, continuing education and skills maintenance. Records are not currently maintained at JPA.

Recommendation - JPA should review EMS training files and document that review.

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Observation - There is no evidence of supervisor's review of payroll at Diamond Springs, County Fire or JPA. This is a material weakness in internal control and must be addressed immediately. It appears that County Fire overcharged JPA approximately \$120,000 in fiscal 2008 and \$160,000 in fiscal 2009 for employees working overtime. (See also #10 below).

Recommendation - The fire department supervisors and the JPA should review payroll and evidence that review.

## **3. Light Duty Personnel**

Observation - JPA personnel assigned light duty worked at the fire departments, but were charged to JPA.

Recommendation - Where practical, personnel assigned light duty should work on JPA related duties.

## **4. Employee Timecard Documentation**

Observation - Employee timecards at the El Dorado Hills Fire Station did not have adequate documentation of the topics of the training being charged.

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Observation - El Dorado County shift employees are "penalized" for taking sick and vacation time in relation to OT pay, while 80-hour employees are not.

Recommendation - OT pay should be calculated using similar methodologies.

## **6. Overtime**



Observation - Regular full time employees are used to cover shifts, resulting in excessive overtime.

Recommendation - future MOU's should consider allowing part time personnel to cover shifts.

#### **7. El Dorado County Loaned Labor Report**

Observation - No overtime premium was included any time the "ATM" code was used and employees changing pay rates within a 24 day FLSA pay period are overpaid for the first 2 weeks due to overtime rate differences.

Recommendation - Use of the "ATM" code has been eliminated. If used in the future, this should be corrected. The first two weeks of overtime after a pay raise should be checked for proper calculation and adjusted accordingly.

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Recommendation - The JPA should consider a fixed monthly payment to each fire station for staffing the ambulances.

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Recommendation - Strike teams are reimbursed and should not be charged to JPA.

#### **11. Medical Supply Contract**

Observation - The medical supplies contract has not been put out to bid for an extended period of time.

Recommendation - The medical supplies contract should be put out to bid.

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Observation - The actuarial report used to determine contribution rates for retiree's health benefits was last done in 2005.

Recommendation - The actuarial report should be re-evaluated for adequate contribution rates.

#### **13. Duplicate Payments**

Observation - Duplicate payments from accounts payable were noted in '07 and '08.

Recommendation - This issue has been resolved with the new method of preparing accounts payable.

#### **14. Red Dyed Diesel**

Observation - Red dyed diesel was not always being used by County Fire, resulting in higher than expected fuel costs.

Recommendation - The use of red dyed diesel should be used whenever possible.

#### **15. Management Fees for Fire Departments**

Observation - The billing of management fees by the departments was not consistent.

Recommendation - Ensure that management fees are properly billed by the departments.

#### **16. Training Reimbursements**

Observation - The allocation of personnel training costs by the fire districts was not consistent between the districts. Some districts allocated all payroll costs of any training of JPA personnel to the JPA, while some districts (EDH) allocated all training that fit within the JPA guidelines to the JPA, whether it was a JPA funded employee or not. The JPA manual does not appear to address the payroll costs of training, but only addresses the cost of the class itself.

Recommendation - This policy should be reviewed and consistently applied to all departments.

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Observation - Telestaff reports are not consistent regarding training i.e. sometimes coded as special projects, OT, JPA department sponsored school, OT training, etc.

Recommendation - Coding for training should be standardized.

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Recommendation - A contract should be prepared for the maintenance. Work performed should be documented. Charges should be recorded as maintenance.

#### **19. Dispatch Contract**

Observation - The actual charges for covering shifts of absent JPA employees does not match the dispatch contract with the State of California. Based on the current contract, the JPA should be charged an allocated amount of wages for the on duty captain, but the State is charging all wages for the Captain during non-fire season and none during the fire season.

Recommendation - The contract should be amended to reflect the methodology that the State of California is using to charge the JPA for shift coverage.

#### **20. Administration Fees**

Observation - Administration fees were not charged to the JPA by Diamond Springs in 2008 totaling \$20,000.

Recommendation - Ensure that all administration fees are charged by the Districts.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
 STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET  
 June 30, 2008

<b>ASSETS</b>	General Fund	Adjustments	Statement of Net Assets
Cash in County Treasury	\$ 1,253,182	\$ -	\$ 1,253,182
Accounts Receivable	15,012	-	15,012
Due from Other Governments	283,083	-	283,083
Capital Assets (Note 4)	-	2,057,273	2,057,273
Less, Accumulated Depreciation	-	(1,469,575)	(1,469,575)
<b>TOTAL ASSETS</b>	<b>\$ 1,551,277</b>	<b>\$ 587,698</b>	<b>\$ 2,138,975</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 478,862	\$ -	\$ 478,862
Salaries And Benefits Payable	117,727	-	117,727
Compensated Absences Due After 1 Year	146,789	92,904	239,693
<b>TOTAL LIABILITIES</b>	<b>743,378</b>	<b>92,904</b>	<b>836,282</b>
<b>FUND BALANCES:</b>			
Reserved		-	-
Unreserved	807,899	(807,899)	-
<b>TOTAL FUND BALANCES</b>	<b>807,899</b>	<b>(807,899)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,551,277</b>		
<b>NET ASSETS</b>			
Invested in Capital Assets		587,698	587,698
Restricted		-	-
Unrestricted		714,995	714,995
<b>TOTAL NET ASSETS</b>		<b>\$ 1,302,693</b>	<b>\$ 1,302,693</b>

See notes to financial statements

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
 STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCE  
 for the year ended June 30, 2008

	General Fund	Adjustments	Statement of Activities
<b>PROGRAM EXPENDITURES/EXPENSES</b>			
Salaries and Related Benefits	\$ 6,488,726	\$ 27,374	\$ 6,516,100
Materials and Services	1,627,348		1,627,348
Provider Administrative Fees	138,250		138,250
Capital Assets	453,557	(453,557)	-
Depreciation		395,284	395,284
<b>TOTAL PROGRAM EXPENDITURES/ EXPENSES</b>	<u>8,707,881</u>	<u>(30,899)</u>	<u>8,676,982</u>
<b>PROGRAM REVENUES</b>			
CSA #7 Contract Payments	8,979,899	-	8,979,899
Other Program Revenue-Reimbursements	8,209	-	8,209
<b>TOTAL PROGRAM REVENUES</b>	<u>8,988,108</u>	<u>-</u>	<u>8,988,108</u>
<b>NET PROGRAM REVENUES (DEFICIT)</b>	280,227	30,899	311,126
<b>GENERAL REVENUES</b>			
Investments Earnings	10,552	-	10,552
<b>EXCESS OF REVENUES (EXPENDITURES)/ CHANGE IN NET ASSETS</b>	290,779	30,899	321,678
<b>FUND BALANCES/NET ASSETS</b>			
Beginning	517,120	463,895	981,015
Ending	<u>\$ 807,899</u>	<u>\$ 494,794</u>	<u>\$ 1,302,693</u>

See notes to financial statements

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
 STATEMENT OF REVENUES AND EXPENDITURES  
 COMPARED TO BUDGET  
 for the year ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable)</u>
<b>RECOURCES (INFLOWS)</b>			
CSA #7 Contract Payments	\$ 9,071,904	8,979,899	\$ (92,005)
Interest Income		10,552	10,552
Other Program Revenue-Reimbursements		8,209	8,209
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<u>9,071,904</u>	<u>8,998,660</u>	<u>(73,244)</u>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Salaries	4,504,126	4,443,842	60,284
Other compensation	26,550	96,681	(70,131)
Retirement Benefits	1,007,046	991,772	15,274
Health, Disability and Other Benefits	823,355	737,049	86,306
Worker's Compensation	460,748	219,382	241,366
<b>Total Salaries and Related Benefits</b>	<u>6,821,825</u>	<u>6,488,726</u>	<u>333,099</u>
Clothing and Personal Supplies	31,500	29,073	2,427
Telephone and Communications	714,900	581,203	133,697
Food and Food Products	1,000	-	1,000
Household Expense	6,850	9,976	(3,126)
Insurance	30,000	23,216	6,784
Maintenance - Equipment	40,200	954	39,246
Maintenance - Radio	11,600	1,414	10,186
Maintenance - Vehicles	108,500	151,368	(42,868)
Maintenance - Property	1,000	843	157
Medical Supplies	349,000	497,679	(148,679)
Memberships	2,700	1,675	1,025
Office Expense	10,250	11,843	(1,593)
Subscription/Newspaper/Journals	700	85	615
Professional Services	21,000	87,344	(66,344)
Equipment Rental	31,300	-	31,300
Building Rent	15,000	14,758	242
Minor Equipment	13,502	1,011	12,491
Special Department Expense	51,300	372	50,928
Staff Development	39,320	10,556	28,764
Transportation and Travel	6,700	1,505	5,195
Fuel Purchases	108,940	154,047	(45,107)
Utilities	44,817	48,426	(3,609)
<b>Total Services and Supplies</b>	<u>1,640,079</u>	<u>1,627,348</u>	<u>12,731</u>
Fixed Assets	460,000	453,557	6,443
Provider Administrative Fees	150,000	138,250	11,750
<b>Total Other</b>	<u>610,000</u>	<u>591,807</u>	<u>18,193</u>
<b>Total Charges to Appropriations</b>	<u>9,071,904</u>	<u>8,707,881</u>	<u>364,023</u>
Budgetary Balances June 30	\$ -	\$ 290,779	\$ 290,779

See notes to financial statements





**EL DORADO COUNTY  
EMERGENCY SERVICES AUTHORITY  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2009**

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## Glen S. Eastman

*Certified Public Accountant*

5410 Quail Valley Road, Placerville, CA 95667

To the Board of Directors  
El Dorado County  
Emergency Services Authority  
El Dorado County, CA

September 23, 2010

I have audited the accompanying financial statements of the governmental activities of El Dorado County Emergency Services Authority as of June 30, 2009, and for the year then ended. These financial statements are the responsibility of El Dorado County Emergency Services Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of El Dorado County Emergency Services Authority as of June 30, 2009 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the budgetary comparison information on page 12 is not a required part of the financial statements, but is supplemental information required by the accounting principles generally accepted in the United States of America. I have applied limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, I did not audit the information and express no opinion on it.

Glen S. Eastman, CPA  
Placerville, CA

El Dorado County  
Emergency Services Authority  
June 30, 2009

As management of the El Dorado County Emergency Services Authority (JPA), we offer readers of the JPA's financial statements this narrative overview and analysis of the financial activities of the JPA for the fiscal year ended June 30, 2009.

### **Financial Highlights**

The JPA is a contract provider to the El Dorado County Service Area #7 (CSA #7). All costs are budgeted expenditures through the El Dorado County Health Department. All funds budgeted in excess of actual expenditures are returned at the end of each fiscal year.

The JPA's total net assets are \$1,647,303 which is an increase of \$625,385 of which \$481,503 represents fixed assets purchased during the current year, less depreciation.

The JPA has no reserve for ambulance replacement and capital equipment. There is a Five-Year Plan projecting and planning for these costs, however, there is no fund set up within the JPA. The CSA #7 has a reserve fund, which the JPA is allowed to use for capital assets.

At the end of the current fiscal year, a reserve was set aside for compensated absences in an amount of \$204,650.

The JPA has not incurred debt during the current fiscal year or any previous years.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to JPA's basic financial statements. The JPA is a single program entity and the basic financial statements are comprised of two components: 1) government-wide financial statements, and 2) notes to the financial statements. This financial report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of JPA's finances, in a manner similar to a private-sector business. They present activities of the JPA that are principally supported by contract payments and charges for services. The JPA provides services for emergency medical, ambulance transportation and dispatch. The government-wide financial statements can be found on pages 5-6 of this report.

*The Statement of Net Assets and Changes in Governmental Fund Balance Sheet* presents information on all of JPA's assets and liabilities, with the difference between the two

reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of JPA is improving or deteriorating.

The *Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance* presents information showing how JPA's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 8-13 of this report.

#### **Government-wide financial analysis**

The JPA currently purchases capital assets (e.g. ambulances and equipment). The JPA uses these capital assets to provide ambulance services to citizens; consequently, these assets are not available for future spending.

#### **Financial analysis of the JPA's Funds**

The focus of the JPA's *governmental fund* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the JPA's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for funding future operational needs.

#### **Capital Assets and Debt Administration**

The JPA's investment in capital assets for its government activities as of June 30, 2009 amounts to \$1,069,201 (net of accumulated depreciation). This investment in capital assets represents a major investment in ambulance equipment. The JPA has no debt. Additional information on the JPA's capital assets can be found in note 3 on page 11 of this report.

#### **Requests for Information**

This financial report is designed to provide a general overview of the JPA's finances for all those with an interest in the JPA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, El Dorado County Emergency Services Authority, 480 Locust Road, Diamond Springs, CA 95619.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
 STATEMENT OF NET ASSETS AND GOVERNMENTAL FUND BALANCE SHEET  
 June 30, 2009

ASSETS	General Fund	Adjustments	Statement of Net Assets
Cash in County Treasury	\$ 1,414,423	\$ -	\$ 1,414,423
Accounts Receivable	416,587	-	416,587
Due from Other Governments	-	-	-
Capital Assets (Note 4)	-	2,823,055	2,823,055
Less, Accumulated Depreciation	-	(1,753,854)	(1,753,854)
<b>TOTAL ASSETS</b>	<b>\$ 1,831,010</b>	<b>\$ 1,069,201</b>	<b>\$ 2,900,211</b>
LIABILITIES			
Accounts Payable	\$ 613,793	\$ -	\$ 613,793
Salaries And Benefits Payable	130,573	-	130,573
Compensated Absences Due After 1 Year	146,789	57,861	204,650
<b>TOTAL LIABILITIES</b>	<b>891,155</b>	<b>57,861</b>	<b>949,016</b>
FUND BALANCES:			
Reserved		-	-
Unreserved	939,855	(939,855)	-
<b>TOTAL FUND BALANCES</b>	<b>939,855</b>	<b>(939,855)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,831,010</b>		
NET ASSETS			
Invested in Capital Assets		1,069,201	1,069,201
Restricted		-	-
Unrestricted		881,994	881,994
<b>TOTAL NET ASSETS</b>		<b>\$ 1,951,195</b>	<b>\$ 1,951,195</b>

See notes to financial statements



**El Dorado County Emergency Services Authority**  
Adjustments-Total Government Fund Balance to  
Net Assets of Governmental Activities  
June 30, 2009

Total Government Fund Balance	\$ 939,855
Amounts in governmental activities in the statement of net assets are different because:	
Capital assets used in the governmental activities are not financial resources and are therefore not reported in the funds, net of depreciation.	1,069,201
Long-term liabilities, compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	<u>(57,861)</u>
Net Assets of the Governmental Activities	<u>\$ 1,951,195</u>

See notes to financial statements

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

7.) Retirement Plan (Continued):

B. Summary of Significant Accounting Policies

Basis of Accounting: The financial statements of the plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The Districts contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchanges are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

C. Post Employment Benefits Other than Pension

In addition to the pension benefits provided by CALPERS, the JPA also provides post retirement health care benefits to all JPA funded District employees who retire on or after attaining certain age and length of service requirements. The post retirement health care benefits are funded based on an actuarial analysis as of July 1, 2005. The analysis recommends contributions from the JPA on the 20-year term funding method to finance the retiree program. Annual contributions of \$95,000 through 2024-25 will finance the expected benefits in that period.

For administrative employees, the JPA participates in the Old Age Survivors Disability Insurance (Social Security) program. Employer contributions are made by the JPA at a fixed percentage rate applied to gross wages as determined by public law.

REQUIRED SUPPLEMENTARY INFORMATION

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
STATEMENT OF REVENUES AND EXPENDITURES  
COMPARED TO BUDGET  
for the year ended June 30, 2009

	Budget	Actual	Favorable/ (Unfavorable)
<b>RECOURCES (INFLOWS)</b>			
CSA #7 Contract Payments	\$ 10,670,869	10,014,181	\$ (656,688)
Interest Income		2,779	2,779
Other Program Revenue-Reimbursements		11,053	11,053
<b>AMOUNTS AVAILABLE FOR APPROPRIATION</b>	<b>10,670,869</b>	<b>10,028,013</b>	<b>(642,856)</b>
<b>CHARGES TO APPROPRIATIONS (OUTFLOWS)</b>			
Salaries	5,300,691	4,980,171	320,520
Other compensation	27,758	39,657	(11,899)
Retirement Benefits	1,155,811	1,141,848	13,963
Health, Disability and Other Benefits	993,976	835,652	158,324
Worker's Compensation	530,323	212,816	317,507
<b>Total Salaries and Related Benefits</b>	<b>8,008,559</b>	<b>7,210,144</b>	<b>798,415</b>
Clothing and Personal Supplies	43,719	10,312	33,407
Telephone and Communications	766,426	714,805	51,621
Food and Food Products	800	365	435
Household Expense	12,599	13,310	(711)
Insurance	27,500	23,149	4,351
Maintenance - Equipment	41,542	31,685	9,857
Maintenance - Radio	11,962	3,979	7,983
Maintenance - Vehicles	133,625	155,255	(21,630)
Maintenance - Property	-	10	(10)
Medical Supplies	428,750	489,910	(61,160)
Memberships	2,400	375	2,025
Office Expense	11,700	11,908	(208)
Subscription/Newspaper/Journals	200	-	200
Professional Services	16,000	85,230	(69,230)
Publications and Legal Notices	-	2,994	(2,994)
Equipment Rental	3,000	1,497	1,503
Building Rent	15,000	12,114	2,886
Minor Equipment	10,964	1,795	9,169
Special Department Expense	16,300	453	15,847
Staff Development	30,667	21,219	9,448
Transportation and Travel	6,700	284	6,416
Fuel Purchases	151,678	127,495	24,183
Utilities	49,998	47,139	2,859
<b>Total Services and Supplies</b>	<b>1,781,530</b>	<b>1,755,283</b>	<b>26,247</b>
Fixed Assets	710,781	765,781	(55,000)
Provider Administrative Fees	169,999	164,849	5,150
<b>Total Other</b>	<b>880,780</b>	<b>930,630</b>	<b>(49,850)</b>
<b>Total Charges to Appropriations</b>	<b>10,670,869</b>	<b>9,896,057</b>	<b>774,812</b>
Budgetary Balances June 30	\$ -	\$ 131,956	\$ 131,956

See notes to financial statements

**El Dorado County Emergency Services Authority**  
**Statement of Budgetary Expenditures**  
**For the Year Ended June 30, 2009**

	PROGRAM PROVIDERS					Total Program	Joint Powers Authority Administration	Total Joint Powers Authority
	El Dorado County Fire	Diamond Springs/El Dorado Fire	Georgetown Fire	Cameron Park Fire	El Dorado Hills			
Permanent Employees	\$ 1,781,489	\$ 509,279	\$ 409,371	\$ 767,283	\$ 580,284	\$ 4,047,706	\$ 58,944	\$ 4,106,650
Temporary Employees	12,479	12,747	18,146	-	-	43,372	7,362	50,734
Overtime	401,697	71,947	183,712	-	155,239	812,595	10,192	822,787
Other Compensation	19,740	3,150	7,621	-	3,000	33,511	6,146	39,657
Employer Share Retirement	665,816	157,836	125,923	-	192,273	1,141,848	-	1,141,848
Social Security	816	38,604	3,745	-	-	43,165	4,491	47,656
Medicare	34,084	9,028	8,825	-	10,581	62,518	1,050	63,568
Health Insurance	338,437	104,093	43,186	-	76,957	562,673	95,000	657,673
Unemployment Insurance	-	-	-	-	-	-	(14)	(14)
Long-Term Disability	4,000	936	528	-	1,404	6,868	-	6,868
Deferred Compensation	-	21,881	19,060	-	-	40,941	-	40,941
Vision Insurance	4,685	-	786	-	12,240	17,711	-	17,711
Worker's Compensation	87,225	59,703	34,760	-	30,638	212,326	490	212,816
Flexible Benefits	-	702	-	-	547	1,249	-	1,249
<b>SALARIES AND BENEFITS</b>	<b>3,350,468</b>	<b>989,906</b>	<b>855,663</b>	<b>767,283</b>	<b>1,063,163</b>	<b>7,026,483</b>	<b>183,661</b>	<b>7,210,144</b>
Provider Administrative Fee	86,666	20,000	20,000	14,850	23,333	164,849	-	164,849
Clothing and Personal Supplies	-	-	1,481	4,005	949	6,435	-	6,435
Fire Turnouts	-	513	-	-	-	513	-	513
Uniforms	-	-	3,364	-	-	3,364	-	3,364
Telephone and Communications	1,323	1,829	2,052	2,899	3,759	11,862	702,943	714,805
Food and Food Products	-	-	306	-	-	306	59	365
Household Expense	3,047	4,338	1,911	1,014	900	11,210	115	11,325
Refuse Disposal	-	815	530	-	-	1,345	-	1,345
Extermination/Fumigation	-	275	-	-	-	275	365	640
Insurance	-	-	-	-	-	-	23,149	23,149
Maintenance - Equipment	858	30	23	579	-	1,490	29,879	31,369

Maintenance - Office Equipment	-	39	-	-	-	39	-	39
Maintenance - Radio	705	27	587	-	54	1,373	2,606	3,979
Maintenance - Equipment Parts	277	-	-	-	-	277	-	277
Maintenance - Vehicles	85,892	7,927	5,431	20,593	13,655	133,498	1,009	134,507
Maintenance - Supplies	1,205	7,056	8,790	213	-	17,264	19	17,283
Maintenance - Tires & Tubes	-	-	3,251	-	-	3,251	-	3,251
Maintenance - Oil & Grease	-	-	-	214	-	214	-	214
Maintenance - Building Supplies	10	-	-	-	-	10	-	10
Medical Supplies	229,081	40,782	45,614	54,451	70,713	440,641	49,269	489,910
Memberships	-	-	375	-	-	375	-	375
Office Expense	2,500	-	830	541	900	4,771	7,075	11,846
Postage	-	54	-	-	-	54	8	62
Subscriptions/Journals	-	-	-	-	-	-	-	-
Professional Services	-	-	-	5,150	-	5,150	78,822	83,972
Medical, Dental	-	1,258	-	-	-	1,258	-	1,258
Equipment Rental	-	-	-	-	-	-	1,497	1,497
Publications and Legal Notices	-	-	-	-	-	-	2,994	2,994
Building Rent	-	-	-	-	-	-	12,114	12,114
Small Tools	-	36	-	-	-	36	-	36
Minor Equipment	1,132	-	424	203	-	1,759	-	1,759
Special Department Expense	-	-	-	-	-	-	453	453
Educational Materials	-	-	487	-	-	487	-	487
Staff Development	-	795	-	-	-	795	(643)	152
Staff Development	3,291	2,247	4,877	2,125	3,790	16,330	4,250	20,580
Transportation and Travel	-	-	165	-	-	165	119	284
Mileage - Employee	-	-	-	-	-	-	-	-
Fuel Purchases	63,728	21,191	13,509	15,122	12,574	126,124	1,371	127,495
Utilities	21,000	5,017	6,548	6,450	6,450	45,465	1,674	47,139
<b>SERVICES AND SUPPLIES</b>	<b>500,715</b>	<b>114,229</b>	<b>120,555</b>	<b>128,409</b>	<b>137,077</b>	<b>1,000,985</b>	<b>919,147</b>	<b>1,920,132</b>
Fixed Assets - Equipment	-	-	-	-	-	-	765,781	765,781
Fixed Assets - Vehicles	-	-	-	-	-	-	-	-
<b>FIXED ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>765,781</b>	<b>765,781</b>
<b>Total Expenditures</b>	<b>\$ 3,851,183</b>	<b>\$ 1,104,135</b>	<b>\$ 976,218</b>	<b>\$ 895,692</b>	<b>\$ 1,200,240</b>	<b>\$ 8,027,468</b>	<b>\$ 1,868,589</b>	<b>\$ 9,896,057</b>



EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES.  
EXPENDITURES AND CHANGES IN FUND BALANCE  
for the year ended June 30, 2009

	General Fund	Adjustments	Statement of Activities
<b>PROGRAM EXPENDITURES/EXPENSES</b>			
Salaries and Related Benefits	\$ 7,210,144	\$ (35,044)	\$ 7,175,100
Materials and Services	1,755,283		1,755,283
Provider Administrative Fees	164,849		164,849
Capital Assets	765,781	(765,781)	-
Depreciation		284,279	284,279
<b>TOTAL PROGRAM EXPENDITURES/ EXPENSES</b>	<b>9,896,057</b>	<b>(516,546)</b>	<b>9,379,511</b>
 <b>PROGRAM REVENUES</b>			
CSA #7 Contract Payments	10,014,181	-	10,014,181
Other Program Revenue-Reimbursements	11,053	-	11,053
<b>TOTAL PROGRAM REVENUES</b>	<b>10,025,234</b>	<b>-</b>	<b>10,025,234</b>
<b>NET PROGRAM REVENUES (DEFICIT)</b>	<b>129,177</b>	<b>516,546</b>	<b>645,723</b>
 <b>GENERAL REVENUES</b>			
Investments Earnings	2,779	-	2,779
<b>EXCESS OF REVENUES (EXPENDITURES)/ CHANGE IN NET ASSETS</b>	<b>131,956</b>	<b>516,546</b>	<b>648,502</b>
 <b>FUND BALANCES/NET ASSETS</b>			
Beginning	807,899	494,794	1,302,693
Ending	<b>\$ 939,855</b>	<b>\$ 1,011,340</b>	<b>\$ 1,951,195</b>

See notes to financial statements

**El Dorado County Emergency Services Authority**  
**Adjustments-Total Government Fund Revenues, Expenditures**  
**and Changes in Fund Balances to Statement of Activities**  
**June 30, 2009**

Net Change Governmental Fund Balance \$ 131,956

Amounts reported in governmental activities in the statement of activities are different because:

Governmental funds reported capital outlays as expenditures, however, in the statement of activities the cost of those assets are capitalized as capital assets.

Expenditures for capital assets and related capital assets adjustments	\$ 765,781	
Less current year depreciation	<u>(284,279)</u>	481,502

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Current change in Compensated Absences	<u>35,044</u>
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Change in Net Assets of Governmental Activities	<u>\$ 648,502</u>
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See notes to financial statements

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**1. Organization:**

The El Dorado County Emergency Services Authority (JPA) (formerly: The El Dorado County Regional Prehospital Emergency Services Operations Authority) was established to provide a regional ambulance service to the western slope of El Dorado County and to provide a coordinated dispatch system within El Dorado County. The effective date of the notice of Joint Powers Agreement filed with the State of California, Secretary of State was September 1, 1996. The agreement is pursuant to Governmental Code Sections 6503.5 and 6503.7. Actual operations of the JPA commenced on January 1, 1997.

A board composed of 10 members governs the JPA. Each member is a representative of the public agencies that are a party to the agreement.

**2. Summary of Significant Accounting Policies:**

**Basis of Presentation**

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the JPA). These statements include the financial activities of the overall government.

The statement of activities presents a comparison between direct expenditures and program revenues for each function of the JPA's governmental activities. Direct expenditures are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the program and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the JPA's funds. The emphasis of fund financial statements is on major government funds.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**2. Summary of Significant Accounting Policies: (Continued)**

The JPA reports the following governmental fund:

The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the JPA. For the JPA, the General Fund includes such activities as general government, and emergency ambulance services.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the JPA does not give (or receive) equal value in exchange, includes property taxes, grants, entitlements, and donations, if any. On an accrual basis, revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are generally recognized when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

**Non-Current Governmental Assets/Liabilities**

GASB Statement No. 34 eliminates the presentation of accounting groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net assets.

**Cash and Investments**

The JPA has instructed the county of El Dorado to invest excess funds on deposit in their overall pooling of investments. The JPA's interest income is then allocated according to the average cash balance in the County Treasury based upon the overall investments of the County.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**2. Summary of Significant Accounting Policies: (Continued)**

The County maintains written investment policies which address a wide variety of investment practices, including primary investment objectives, investment authority, allowable investment vehicles, investment maturity terms, eligible financial institutions, capital preservation, and cash flow management. The County has not adopted the provisions of GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

All cash deposits at the County conform to the California Government Code Section 53646 and are fully collateralized by governmental securities pledged for the purpose of Public Deposit Collateral.

**Capital Assets and Depreciation**

Capital assets are recorded at historical cost, or at estimated historic cost, if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital equipment consists of purchased equipment with an initial, individual cost of more than \$1500 and an estimated useful life in excess of one year.

The estimated useful lives are from 3 to 20 years.

**Compensated Absences**

The JPA's policy is to allow employees of each Provider District to accumulate earned, but unused vacation (and in some Districts, sick leave), which will be paid to the employees upon separation of service. Even though that District may not pay out amounts for unused sick leave at termination, it may allow certain amounts as a credit to PERS upon retirement.

**Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures during the reporting period. Actual results could differ from these estimates and the differences may be material.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
 NOTES TO FINANCIAL STATEMENTS

**3.) Summary of changes in Capital Assets:**

Capital assets are recorded as expenditures in the general fund at the time of purchase. Such assets have been capitalized at cost in the general fixed assets group of accounts rather than in the governmental fund.

	<u>Beginning Balance</u>	<u>Acquisitions</u>	<u>Deletions and Adjustments</u>	<u>Ending Balance</u>
Equipment	\$2,057,273	\$ 765,782	\$ 0	\$ 2,823,055
Accumulated Depreciation	<u>(1,469,575)</u>	<u>(284,279)</u>	<u>0</u>	<u>(1,753,854)</u>
Net Capital Assets	<u>\$ 587,698</u>	<u>\$ 481,503</u>	<u>\$ 0</u>	<u>\$ 1,069,201</u>

**4.) Contracts, Commitments and Other Contingencies:**

County Service Area #7 (CSA #7) has initiated an agreement with the JPA, effective January 1, 1997. The agreement allows the JPA to provide prehospital ambulance and dispatch services. The JPA contracts the ambulance services out to five Provider Fire Districts within the county of El Dorado. Source of funding received by the JPA is based upon estimated budgeted need for the fiscal year and is allocated to the JPA from the CSA #7 funds.

The current contract with the County expires June 30, 2018. Continued operation of the JPA is contingent on annual funding agreements with CSA #7.

**Risk Management**

The JPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions.

For property, liability, directors and officers, and errors and omissions insurance, the JPA purchases commercial insurance.

**Litigation**

The JPA may at times be involved in legal and administrative proceedings and claims of various types. While any litigation contains an element of uncertainty, based upon the opinion of the JPA's general counsel, management presently believes that the outcome of each such proceeding claim, if any, which may be pending or known to be threatened or all of them combined, will not have a material adverse effect on the JPA's financial position.



EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY  
NOTES TO FINANCIAL STATEMENTS

**5.) Liability for Compensated Absences:**

El Dorado County Fire Protection District	\$116,124
Diamond Springs/El Dorado Fire Protection District	36,128
Georgetown Fire Protection District	26,514
JPA – Administration	0
El Dorado Hills Fire Department	<u>25,884</u>

TOTAL LIABILITY FOR COMPENSATED ABSENCES \$204,650

Reserve established per agreement from CSA7 contingency for the purpose of covering Unfunded Liabilities as of December 31, 1996 \$146,789

**6.) Deferred Compensation Plan:**

The JPA has made available to its management employee a tax sheltered annuity. This deferred compensation plan qualifies under Internal Revenue Code Section 457(b) as exempt from current income tax.

**7.) Retirement Plan:**

The policy of each of the Provider Districts is to fund retirement benefits with the State of California Public Employees' Retirement System (CALPERS). The amount of pension contributions by the Districts to CALPERS is actuarially determined under a program wherein contributions plus earnings of the retirement system are to provide the necessary funds to pay retirement benefits when due. The Districts rely on the competency of CALPERS in determining the funding method, the adequacy of funding and the spreading of actuarial gains and losses which is currently on a four-year basis. The confirmation of balances in the Districts' accounts was not yet available from CALPERS.

**A. Plan Description**

The Provider Districts contribute to CALPERS (an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California). CALPERS issues a publicly available financial report that includes financial statements and required supplementary information for the Provider Districts. The financial report may be obtained by writing to: CALPERS Actuarial Office, P.O. Box 942709, Sacramento, CA 94229-2709.

**Glen S. Eastman**

*Certified Public Accountant*

5410 Quail Valley Road, Placerville, CA 95667

Revised  
Mgmt  
Letter

September 23, 2010

To the Board of Directors  
El Dorado County Emergency Services Authority  
Diamond Springs, California

I have audited the financial statements of El Dorado County Emergency Services Authority (JPA) for the years ended June 30, 2008 and June 30, 2009, and have issued my report thereon dated September 23, 2010. As part of my audit, I made a study and evaluation of the JPA's system of internal accounting control to the extent that I considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. The purpose of my study and evaluation was to determine the nature, timing, and extent of the auditing procedures necessary for expressing an opinion on the JPA's financial statements. My study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of El Dorado County Emergency Services Authority is responsible for establishing and maintaining a system of internal accounting control. In fulfilling my responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of control procedures. The objective of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

My study and evaluation made for the limited purpose described in the first paragraph would not necessarily disclose all material weaknesses in the system. Accordingly, I do not express an opinion on the system of internal accounting control of El Dorado County Emergency Services Authority taken as a whole. However, I have enclosed recommendations for your consideration.

This report was prepared based on information found during the audited period. It does not address whether or not items have been corrected since the audit. This report is intended solely for use of management and should not be used for any other purpose.

Sincerely,

Glen S. Eastman, CPA

## 1. EMS Training Documentation

Observation - JPA is responsible for maintaining records of all EMS training, continuing education and skills maintenance. Records are not currently maintained at JPA.

Recommendation - JPA should review EMS training files and document that review.

## 2. Payroll Review

Observation - There is no evidence of supervisor's review of payroll timesheets at Diamond Springs, County Fire or JPA. This is a material weakness in internal control and must be addressed immediately. It appears that County Fire overcharged JPA approximately \$146,000 in fiscal 2008 and \$185,000 in fiscal 2009 for employees working overtime. It also appears that the Diamond Springs Fire Department overcharged JPA approximately \$19,000 in fiscal 2008 and \$4,000 in fiscal 2009 due to coding errors and strike team charges. (See also #7 and #11 below).

Recommendation - The fire department supervisors and the JPA should review payroll timesheets and evidence that review.

## 3. Light Duty Personnel

Observation - JPA personnel assigned light duty worked at the fire departments, but were charged to JPA.

Recommendation - Where practical, consideration should be given to assigning light duty personnel to work on JPA related duties.

## 4. Employee Timecard Documentation

Observation - Employee timecards at the El Dorado Hills Fire Station did not have adequate documentation of the topics of the training being charged.

Recommendation - Timecards should have more documentation in regards to the classes taken so that it can be properly charged to the fire department or JPA.

## 5. Shift Employees vs. 80 Hour Employees

Observation - El Dorado County shift employees are "penalized" for taking sick and vacation time in relation to OT pay, while 80-hour employees are not.

Recommendation - OT pay should be calculated using similar methodologies.

## 6. Overtime

Observation - Regular full time employees are used to cover shifts, resulting in excessive overtime.

Recommendation - future MOU's should consider allowing part time personnel to cover shifts.

## 7. El Dorado County Loaned Labor Report Part I

Observation – The El Dorado County Loaned Labor report is a detail of the costs of labor loaned from County Fire to the JPA and visa versa. The net results of the report should be entered as a journal entry to the general ledgers of the County and JPA on a regular basis. This has not been done for several years, resulting in a material error, the results of which are included in the figures for item #2 above.

Recommendation – The net results of the Loaned Labor report should be recorded in the general ledgers no less than once a year.

## 8. El Dorado County Loaned Labor Report Part II

Observation - No overtime premium was included anytime the “ATM” code was used and employees changing pay rates within a 24 day FLSA pay period are overpaid for the first 2 weeks due to overtime rate differences.

Recommendation - Use of the “ATM” code has been eliminated. If used in the future, this should be corrected. The first two weeks of overtime after a pay raise should be checked for proper calculation and adjusted accordingly.

## 9. Employee Signatures on Timecards

Observation - Employee signatures were not found on timecards at several stations.

Recommendation - Employee signatures on timecards or electronic signatures, which are verifiable by a third party, should be maintained with payroll records.

## 10. JPA Payroll Reimbursement

Observation - The current method of payroll reimbursement by JPA to the departments does not encourage cost savings and is cumbersome.

Recommendation - The JPA should consider a fixed monthly payment to each fire station for staffing the ambulances.

## 11. Strike Teams

Observation - Fire personnel working on strike teams were charged to JPA, resulting in double billing. JPA was billed once for the person working the strike team and once for the person covering their shift. Overcharges by Diamond Springs totaled \$9,379 for fiscal 2008 and \$918 for fiscal 2009. Overcharges by County Fire totaled \$26,173 for fiscal 2008 and \$7,016 for fiscal 2009. These amounts are included in item #2, above.

Recommendation - Strike teams are reimbursed and should not be charged to JPA.

## 12. Medical Supply Contract

Observation - The medical supplies contract has not been put out to bid for an extended period of time.

Recommendation - The medical supplies contract should be put out to bid.

## 13. Actuarial Report

Observation - The actuarial report used to determine contribution rates for retiree's health benefits was last done in 2005.

Recommendation - The actuarial report should be re-evaluated for adequate contribution rates.

## 14. Duplicate Payments

Observation - Duplicate payments from accounts payable were noted in '07 and '08.

Recommendation - This issue has been resolved with the new method of preparing accounts payable.

## 15. New JPA Employee Notification

Observation - There was insufficient notification to the JPA in regards to transferring employees into and out of JPA's funding by the fire districts.

Recommendation - The JPA should always be informed when an employee is transferred into or out of JPA's funding.



## 16. Management Fees for Fire Departments

Observation - The billing of management fees by the departments was not consistent. Management fees were not charged to the JPA by Diamond Springs in 2008 totaling \$20,000.

Recommendation - Ensure that management fees are properly billed by the departments.

## 17. Training Reimbursements

Observation - The allocation of personnel training costs by the fire districts was not consistent between the districts. Some districts allocated all payroll costs of any training of JPA personnel to the JPA, while some districts (EDH) allocated all training that fit within the JPA guidelines to the JPA, whether it was a JPA funded employee or not. The JPA manual does not appear to address the payroll costs of training, but only addresses the cost of the class itself.

Recommendation - This policy should be reviewed and consistently applied to all departments.

## 18. Coding of El Dorado Hills Training

Observation - Telestaff reports are not consistent regarding training i.e. sometimes coded as special projects, OT, JPA department sponsored school, OT training, etc.

Recommendation - Coding for training should be standardized.

## 19. Georgetown Mechanic

Observation - The Georgetown Fire Department charged the JPA for maintenance fees at a rate of \$85 per hour for maintenance. They paid their employees \$26.78 per hour for the work performed. There was no documentation of hours worked, and no contract for the maintenance. JPA was charged 8 hours per time period, totaling \$17,680 for fiscal 2008 and was charged \$19,127 for fiscal 2009. These charges were reflected as wages, rather than maintenance and therefore the information regarding the true cost of maintenance was not clearly reported in the financial reports.

Recommendation - A contract should be prepared for the maintenance. Work performed should be documented. Charges should be recorded as maintenance.

## 20. Dispatch Contract

Observation – The actual charges for covering shifts of absent JPA employees does not match the dispatch contract with the State of California. Based on the current contract, the JPA should be charged an allocated amount of wages for the on duty captain, but the State is charging all wages for the Captain during non-fire season and none during the fire season.

Recommendation – The contract should be amended to reflect the methodology that the State of California is using to charge the JPA for shift coverage.