


El Dorado County Emergency Services
Authority

Board of Directors Meeting
Wednesday, November 18, 2009
9:00 a.m.

El Dorado County EOS Conference Room
330 Fair Lane, Placerville, CA 95667

Minutes

1. Call to Order

Chairman Brian Veerkamp called the regular meeting to order at 9:35 a.m. There was no Pledge of Allegiance. Robin Souza took the roll call. The Directors in attendance were: Chief Brian Veerkamp of El Dorado Hills Fire, Chief Todd Cunningham of Diamond Springs/El Dorado Fire, Battalion Chief Joe Tyler of Cameron Park Fire, Chief Greg Schwab of Georgetown Fire, Chief Robert Gill of Pioneer Fire, Chief Tom Keating of Rescue Fire, Chief Chris Couper of Latrobe Fire and as Alternate Director was Chief Robert Bement of Garden Valley Fire. There were no representatives from Mosquito Fire.

2. Approval of Agenda

Director Cunningham motioned to approve the agenda. The motion was seconded by Director Keating and carried unanimously.

3. Public Comments

None

Consent Calendar

Director Cunningham motioned to accept the Consent Calendar, Agenda Items 4.1 through 4.3. The motion was seconded by Director Bement and carried unanimously.

5. Correspondence

5.1 Letter from El Dorado County regarding ACH debits

Chairman Veerkamp reviewed the correspondence and stated he will follow up with Bank of America on this issue.

6. Reports

6.1 Review and discuss Medical Response Statistics for October 2009

Chairman Veerkamp reviewed the October 2009 statistics.

At this time, Chairman Veerkamp requested to return to Agenda Item 3 Public Comments as El Dorado County Board of Supervisor Ray Nutting and El Dorado County Fire Board member Dr. Curt Wiedmer joined the meeting.

Supervisor Nutting reported on upcoming discussions at the January 10, 2010 El Dorado County Board of Supervisor's meeting regarding Fire agencies charges for tear-down of buildings. Chairman Veerkamp explained that the Fire Chiefs Association meeting was over and this was the El Dorado County JPA meeting. Fire agency issues needed to be discussed at the El Dorado County Fire Chiefs Association meeting.

6.2 Report from JPA Systems Management Committee Meeting of September 23, 2009

Assistant Chief Peterson reported on the meeting. Director Schwab gave an update on the E-PCR issue and discussion ensued. Chairman Veerkamp gave direction for the JPA Executive Director Marty Hackett to work with the Systems Management Committee and EMS Agency Director Rich Todd to quantify financial benefits of E-PCRs.

Assistant Chief Peterson reported that the November JPA Systems Management Committee meeting was canceled due to the holiday and the next meeting would be held Thursday December 10th 9:00 a.m. at Station #49.

6.3 Executive Director Report

Chairman Veerkamp stated Executive Director Hackett's report was included in the agenda packet and directed to receive and file the report.

7. **Fiscal Items**

7.1 September 2009 Variance Report

Robin Souza reported there was no Variance Report as the County had not closed October as of yesterday and there were no final numbers.

7.2 Review final audits JPA fiscal years 2007/08 & 2008/09

Chairman Veerkamp stated the final audits were in the agenda packet and clarified the agenda was incorrect as the completed audits were for fiscal years 2005/06 and 2006/07. EMS Agency Director Todd will check with County for further action if necessary.

Director Keating motioned to accept the audits. The motion was seconded by Director Gill.

El Dorado County Fire Board member Weidmer questioned why there were no recommendations. Director Cunningham explained the exit interview with the auditor. EDC Board member Weidmer requested the recommendations from the auditor to be put in writing. Robin Souza explained that the auditor's recommendations were included in the last several monthly JPA Board meeting agenda packets in the Executive Director reports.

With a motion and a second on the floor, Chairman Veerkamp called for the vote. The motion carried unanimously to accept the audits and receive and file.

8. **Old Business**

None.

9. **New Business**

9.1 Discuss and approve take action on Tort Claim from Lynda McKenzie

Chairman Veerkamp reviewed the accident and Tort claim. He stated the recommendation was to deny the Tort Claim.

Director Lacher motioned to deny the Tort Claim from Lynda McKenzie. The motion was seconded by Director Schwab and carried unanimously.

10. **Director Items**

Director Tyler reported Cameron Park Fire sent their staff and benefit rate changes to the JPA Board and the Executive Director which shows approximate \$11,000 savings. He reported ECC dispatch rates will also be reduced.

Chairman Veerkamp reported the ECC formal dispatch contract should be received next month.

Director Schwab reported Georgetown had an airbag issue with the new Dodge that was repaired under warranty with no problems.

11. **Adjournment**

Director Lacher motioned to adjourn the meeting. The motion was seconded by Director Keating and carried unanimously. The meeting was adjourned at 10:03 a.m.

**EL DORADO COUNTY REGIONAL
PREHOSPITAL EMERGENCY SERVICE
OPERATIONS AUTHORITY
ANNUAL FINANCIAL REPORT
JUNE 30, 2006**

**EL DORADO COUNTY REGIONAL
PREHOSPITAL EMERGENCY SERVICE
OPERATIONS AUTHORITY**

June 30, 2006

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VAUGHN JOHNSON, CPA

INDEPENDENT AUDITOR'S REPORT

To: Board of Directors
El Dorado County
Regional Prehospital
Emergency Services
Operations Authority
El Dorado County, California

I have audited the accompanying financial statements of the governmental activities of El Dorado County Regional Prehospital Emergency Services Operations Authority as of and for the year ended June 30, 2006, which collectively comprise the Authority's financial statements as listed in the table of contents. These financial statements are the responsibility of El Dorado County Regional Prehospital Emergency Services Operations Authority's management. My responsibility is to express an opinion on these financial statements based upon my audit.

I conducted my audit in accordance with auditing 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 respective financial position of the governmental activities of the El Dorado County Regional Prehospital Emergency Services Operations Authority as of June 30, 2006, 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 14, is not a required part of the financial statements, but is supplemental information required by accounting principles generally accepted in the United States of America. I have applied certain 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.

Vaughn Johnson

Vaughn Johnson.
September 10, 2009

**EL DORADO COUNTY REGIONAL
PREHOSPITAL EMERGENCY SERVICES
OPERATIONS AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2006**

As management of the El Dorado County Regional Prehospital Emergency Services Operation Authority (JPA), we offer readers of the JPA's financial statements this narrative overview and analysis of the financial activities of the fire District for the fiscal year ended June 30, 2006.

Financial Highlights

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

The JPA's total net assets are \$1,915,314, which is an increase of \$744,199 of which \$10,105 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 liability for compensated absences in an amount of \$199,049.

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 the Ambulance 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 contain other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Ambulance JPA's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Ambulance 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 the Ambulance District is improving or deteriorating.

The *statement of activities* present information showing how JPA's net asset 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 only result in cash flows in future fiscal periods (e.g., uncollected ambulance revenue).

**EL DORADO COUNTY REGIONAL
PREHOSPITAL EMERGENCY SERVICES
OPERATIONS AUTHORITY
Management's Discussion and Analysis
For the Year Ended June 30, 2006**

The government-wide financial statements 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 5-8 of this report.

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 fund financial statements. The notes to the financial statements can be found on pages 9-13 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 services to citizens; consequently, these assets are not available for future spending.

Changes in Net Assets

	<u>Governmental Activities</u>	
	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Revenues:		
Program revenues:		
Contract payments	\$8,525,327	\$ 8,494,953
Miscellaneous revenue		53,839
Investment earnings-interest	<u>73,682</u>	<u>36,584</u>
Total Revenues	8,599,009	8,585,376
Expenses:		
Personnel costs	6,030,770	5,906,591
Services and supplies	1,305,833	1,207,673
Depreciation	358,207	315,406
Provider Administration Fee	<u>160,000</u>	<u>160,000</u>
Total Expenses	<u>7,854,810</u>	<u>7,589,670</u>
Excess of Revenues Over Expenditures	744,199	995,706
Net assets—beginning	1,871,998	1,208,896
Residual Equity Transfer	<u>(700,883)</u>	<u>(332,388)</u>
Net assets—ending	<u>\$1,915,314</u>	<u>\$1,871,998</u>

**EL DORADO COUNTY REGIONAL
PREHOSPITAL EMERGENCY SERVICES
OPERATIONS AUTHORITY**

**Management's Discussion and Analysis
For the Year Ended June 30, 2006**

Financial Analysis of the Authority's Funds

Governmental 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 Asset and Debt Administration

Capital assets. The JPA's investment in capital assets for its government activities as of June 30, 2006, amounts to \$889,653 (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.

Capital Assets
(Net of accumulated depreciation)

	<u>Governmental Activities</u>	
	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Equipment		
Net Assets-ending	<u>\$889,653</u>	<u>\$ 1,237,755</u>

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 Authority's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, El Dorado County Regional Prehospital Operations Authority, 480 Locust Road, Diamond Springs CA 95619.

El Dorado County Regional Prehospital Emergency Service Operations Authority

Balance Sheet and Statement of Net Assets

June 30, 2006

	<u>General</u> <u>Fund</u>	<u>Adjustments</u>	<u>Statement of</u> <u>Net Assets</u>
ASSETS			
Cash in county treasury	\$1,623,493	\$	\$1,623,493
Accounts Receivable	3,487		3,487
Capital assets net of accumulated depreciation		889,653	889,653
Total Assets	<u>\$1,626,980</u>	<u>\$889,653</u>	<u>\$2,516,633</u>
LIABILITIES			
Accounts payable	\$ 330,487	\$	330,487
Salaries and benefits payable	71,783		71,783
Compensated absences			-
Due after one year	146,789	52,260	199,049
Due to other governments			-
Total Liabilities	<u>549,059</u>	<u>52,260</u>	<u>601,319</u>
FUND BALANCE/NET ASSETS			
Fund Balances:			
Reserved for imprest cash			
Unreserved			
Designated			
Undesignated	<u>1,077,921</u>	<u>(1,077,921)</u>	
Total Fund Balance	<u>1,077,921</u>	<u>(1,077,921)</u>	
Total Liabilities and Fund Balances	<u>\$ 1,626,980</u>		
NET ASSETS			
Invested in capital assets net of related debt		889,653	889,653
Restricted			
Unrestricted		<u>1,025,661</u>	<u>1,025,661</u>
TOTAL NET ASSETS		<u>1,915,314</u>	<u>1,915,314</u>

See notes to financial statements.

El Dorado County Regional Prehospital Emergency Service Operations Authority
Adjustments-Total Government Fund Balance to
Net Assets of Governmental Activities
June 30, 2006

Total Governmental Fund Balance	\$1,077,921
Amounts reported in governmental activities in the statement of net assets are different because;	
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds, net of depreciation allocated	889,653
Long-term liabilities, compensated absences, are not due and payable in the current period and therefore are not reported in the funds	<u>(52,260)</u>
Net Assets of Governmental Activities	<u>\$ 1,915,314</u>

See notes to financial statements

El Dorado County Regional Prehospital Emergency Service Operations Authority
Statement of Activities and Governmental Funds Revenues
For the Year Ended June 30, 2006

	<u>General Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
PROGRAM EXPENSES			
Public safety-fire protection			
Salaries and related benefits	\$6,045,152	\$ (14,382)	\$6,030,770
Materials and services	1,305,833		1,305,833
Provider administrative fees	160,000		160,000
Capital assets	10,105	(10,105)	-
Depreciation		358,207	358,207
	<u>7,521,090</u>	<u>333,720</u>	<u>7,854,810</u>
PROGRAM REVENUES			
Contract payments	8,525,327		8,525,327
Other program revenues			-
	<u>8,525,327</u>		<u>8,525,327</u>
NET PROGRAM REVENUES (DEFICIT)	<u>1,004,237</u>	<u>(333,720)</u>	<u>670,517</u>
GENERAL REVENUES			
Investment earnings	73,682		73,682
	<u>73,682</u>		<u>73,682</u>
EXCESS (DEFIENCIENCY) OF REVENUES AND TRANSFERS IN OVER EXPENDITURES AND TRANSFERS OUT	1,077,919		-
INCREASE IN NET ASSETS		(333,720)	744,199
FUND BALANCE/NET ASSETS			
Beginning of the year	700,885	1,171,113	1,871,998
Residual equity transfer to County Service Area #7	(700,883)		(700,883)
End of the year	<u>\$ 1,077,921</u>	<u>\$ 837,393</u>	<u>\$ 1,915,314</u>

See notes to financial statements.

El Dorado County Regional Prehospital Emergency Service Operations Authority
Adjustments-Total Government Fund Revenues, Expenditures and
Changes in Fund Balance to Statement of Activities
For the Year Ended June 30, 2006

Net Change in Governmental Fund Balance		\$ 1,077,919
Amounts reported for the 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	\$ 10,105	
Less minor capital purchases allocated to material and services		
Less current year depreciation	<u>(358,207)</u>	(348,102)
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>14,382</u>
Change in Net Assets of Governmental Activities		<u><u>\$ 744,199</u></u>

See notes to financial statements.

**EL DORADO COUNTY REGIONAL
PREHOSPITAL EMERGENCY SERVICE
OPERATIONS AUTHORITY**

Notes to Financial Statements

June 30, 2006

1.) ORGANIZATION AND HISTORY

General: The El Dorado County Regional Prehospital Emergency Operations Authority was established to provide a regional Prehospital Emergency Services Operations Authority 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 Government Code Sections 6503.5 and 6503.7. Actual operations of the Authority commenced on January 1, 1997.

The El Dorado County Regional Prehospital Emergency Services Operations Authority is governed by a board composed of ten members. Each member is a representative of the public agencies that are 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 Authority). These statements include the financial activities of the overall government.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Direct expenses 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 programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, are presented as general revenues.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

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

The Authority 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 Authority. For the Authority, the General Fund includes such activities as general government, and emergency ambulance services.

**EL DORADO COUNTY REGIONAL
PREHOSPITAL EMERGENCY SERVICE
OPERATIONS AUTHORITY**

Notes to Financial Statements

June 30, 2006

2.) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the 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 expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Authority does not give (or receive) equal value in exchange, includes property and sales 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 recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims, and judgments, 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 account 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 Authority has instructed the county of El Dorado to invest excess funds on deposit in their overall pooling of investment. The Authority's interest is then allocated according to the average cash balance in the County Treasury based upon the overall investments of the County.

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 Statement 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.

**EL DORADO COUNTY REGIONAL
PREHOSPITAL EMERGENCY SERVICES
OPERATIONS AUTHORITY**

Notes to Financial Statements

June 30, 2006

2.) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

Capital Assets and Depreciation

Capital assets are recorded at historical cost, or at estimated historic cost, if actual historical cost is not available. Contributed fixed 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 \$1,500 and an estimated useful life in excess of one year.

The estimated useful lives are as follows:

Equipment	3-20 Years
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Compensated Absences

The Authority's policy is to allow employee of each Provider District to accumulate earned, but unused vacation and in some District's sick leave, which will be paid to employees upon separation from the District's 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.

Governmental Funds-Due to the fact that vacation balances do not require the use of financial resources, no liability is recorded within the governmental funds. However, this liability is reflected in the government-wide statement of net asset. The Authority has accrued a liability of compensated absences of \$146,759 based upon an advance of funds from County Service Area #7.

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 expenses during the reporting period. Actual results could differ from these estimates and the differences may be material.

2.) **SUMMARY OF CHANGES IN CAPITAL ASSETS**

Capital fixed assets are recorded as expenditures in the budgetary funds 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>Balance Beginning</u>	<u>Acquisitions</u>	<u>Deletions and Adjustments</u>	<u>Balance Ending</u>
Equipment	\$ 1,791,035	\$ 10,105	\$	\$ 1,801,140
Accumulated depreciation	(553,280)	(358,207)		(911,487)
Net Capital Assets	\$ 1,237,755	\$(348,302)	\$	\$ 889,653

EL DORADO COUNTY REGIONAL
PREHOSPITAL EMERGENCY SERVICES
OPERATIONS AUTHORITY
Notes to Financial Statements

June 30, 2006

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 the State 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 were not yet available from CALPERS.

A. Plan Description

The Provider Districts contribute to the California Public Employees' Retirement System (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.

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 exchange 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 the California Public Employees' Retirement System (CALPERS), the Districts also provide post retirement health care benefits to all employees who retire from the District on or after attaining a certain age and length of service requirements. The post retirement health care benefits are funded by each District's General Fund on a pay-as-you-go basis.

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

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	Variance with Final Budget Positive (Negative)
Budgetary fund balances and reserves July 1				-
Resources (inflows)				
Contract payments	8,525,326	8,525,326	8,525,326	-
Interest income			73,682	73,682
Other program revenue-reimbursements				
Amounts Available for Appropriation	<u>8,525,326</u>	<u>8,525,326</u>	<u>8,599,008</u>	<u>73,682</u>
Charges to appropriations (outflows)				
Salaries	4,508,085	4,508,085	3,945,446	562,639
Other compensation	26,490	26,490	106,129	(79,639)
Retirement benefits	971,411	971,411	852,964	118,447
Health, disability and other benefits	749,779	749,779	674,911	74,868
Workers compensation	352,051	352,051	465,699	(113,648)
Total Salaries and Related Benefits	<u>6,607,816</u>	<u>6,607,816</u>	<u>6,045,149</u>	<u>562,667</u>
Clothing and personal supplies	32,000	32,000	28,325	3,675
Communications	670,200	670,200	577,975	92,225
Food & household expense	7,060	7,060	5,743	1,317
Insurance	40,000	40,000	27,334	12,666
Maintenance-equipment	41,600	41,600	27,480	14,120
Maintenance-telephone	15,500	15,500	8,160	7,340
Maintenance-vehicles/supplies	65,500	65,500	78,539	(13,039)
Maintenance-buildings and grounds	1,000	1,000	837	163
Medical, dental and laboratory supplies	380,000	380,000	303,295	76,705
Memberships	1,850	1,850	2,314	(464)
Minor equipment	16,000	16,000	1,046	14,954
Office expense	9,800	9,800	8,426	1,374
Professional and specialized service	61,600	61,600	41,757	19,843
Rent and leases-equipment	30,800	30,800	2,856	27,944
Rent and leases-building	8,400	8,400	1,650	6,750
Special department expense	64,000	64,000	17,781	46,219
Staff development	52,000	52,000	18,683	33,317
Transportation and travel	7,000	7,000	355	6,645
Fuel purchases	98,500	98,500	112,835	(14,335)
Utilities	44,700	44,700	40,444	4,256
Total Services and Supplies	<u>1,647,510</u>	<u>1,647,510</u>	<u>1,305,835</u>	<u>341,675</u>
Fixed Assets	<u>110,000</u>	<u>110,000</u>	<u>10,105</u>	<u>99,895</u>
Service between funds	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Total charges to appropriations	<u>8,525,326</u>	<u>8,525,326</u>	<u>7,521,089</u>	<u>1,004,237</u>
Budgetary Balances June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,077,919</u>	<u>\$ 1,077,919</u>

SUPPLEMENTARY INFORMATION

El Dorado County Regional Prehospital Emergency Service Operations Authority

Budgetary Comparison Schedule

General Fund

For the Year Ended June 30, 2006

PROGRAM PROVIDERS

ADMINISTRATION

	El Dorado County Fire	Diamond Springs/El Dorado Fire	Georgetown Fire	Cameron Park Fire	El Dorado Hills	Total Program	Joint Powers Authority Administration	Total Joint Powers Authority
Permanent employees	\$ 1,261,233	\$ 488,730	360,762	720,850	\$ 435,900	\$ 3,267,475	\$ 88,577	\$ 3,356,052
Temporary employees	18,932	57,230	48,166			124,328		124,328
Overtime	256,438	97,779	57,967		52,882	465,066		465,066
Uniform allowance-other compensation	24,221	51,054	27,854		3,000	106,129		106,129
Employer share retirement	445,221	162,883	114,884		129,976	852,964		852,964
Social security	1,239	43,976	1,094			46,309	5,492	51,801
Medicare	22,520	10,285	6,847		7,087	46,739	1,284	48,023
Health insurance	210,112	112,585	37,292		57,452	417,441	95,000	512,441
Long-term disability	3,096	1,296			1,152	5,544		5,544
Vision insurance/life insurance/flexible benefits	3,120	981	3,718		12,187	20,006		20,006
Deferred compensation		18,358	18,738			37,096		37,096
Workers' compensation	269,791	120,899	49,097		30,343	470,130	(4,431)	465,699
Total Salaries and Related Benefits	2,515,923	1,166,056	726,419	720,850	729,979	5,859,227	185,922	6,045,149
Administration fees provider	70,000	30,000	20,000	20,000	20,000	160,000		160,000
Clothing	13,827	8,288	2,006	2,372	1,832	28,325		28,325
Communication	1,670	2,306	790	1,486	2,042	8,294	569,681	577,975
Food & household expense	2,329	1,023	1,081	650	660	5,743		5,743
Fuel purchase	49,530	24,638	11,262	14,119	11,490	111,039	1,796	112,835
Insurance						-	27,334	27,334
Maintenance vehicles and equipment	39,493	19,753	4,259	9,238	10,918	83,661	31,355	115,016
Medical supplies	135,913	60,059	37,141	49,062	41,569	323,744	(20,449)	303,295
Memberships	2,200			89		2,289	25	2,314
Office expense	2,197	384	780	600	600	4,561	3,865	8,426
Professional services	2,481	3,515	2,002		1,684	9,682	32,075	41,757
Rent and leases						-	4,506	4,506
Small tools and equipment	28	500	196			724	322	1,046
Special department expense		80	288		2,105	2,473	15,308	17,781
Staff development	8,259	1,131	3,636	1,847	3,810	18,683		18,683
Transportation/travel	17	338				355		355
Utilities	18,900	4,948	5,400	5,400	5,400	40,048	396	40,444
Total Services and Supplies	346,844	156,963	88,841	104,863	102,110	799,621	666,214	1,465,835
Fixed Assets							10,105	10,105
Total Charges to Appropriations	\$ 2,862,767	\$ 1,323,019	815,260	825,713	\$ 832,089	\$ 6,658,848	\$ 862,241	\$ 7,521,089

MANAGEMENT COMMUNICATIONS

Board of Directors
El Dorado County Regional Prehospital Emergency Services Operations Authority
480 Locust Road
Diamond Springs, California 95619

I have audited the financial statements of El Dorado County Regional Prehospital Emergency Services Operations Authority for the years ended June 30, 2007 and 2006, and have issued my report thereon dated September 10, 2009. Professional standards require that I provide you with the following information relating to my audit.

MY RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS*

As stated in my engagement letter dated May 28, 2009, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement. Because an audit is designed to provide reasonable, but not absolute assurance and because I did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by me.

As part of my audit, I considered the internal control of El Dorado County Regional Prehospital Emergency Services Operations Authority. Such considerations were solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of El Dorado County Regional Prehospital Emergency Services Operations Authority's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my tests was not to provide an opinion on compliance with such provisions.

SIGNIFICANT ACCOUNTING POLICIES

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by El Dorado County Regional Prehospital Emergency Services Operations Authority are described in Note 1 to the financial statements. No new accounting policies entered into by El Dorado County Regional Prehospital Emergency Services Operations Authority during the year that were both significant and unusual, and of which, under professional standards, I am required to inform you or transactions for which there is a lack of authoritative guidance or consensus.

VAUGHN JOHNSON, CPA

ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant estimates.

AUDIT ADJUSTMENTS

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in my judgment, may not have been detected except through my auditing procedures. An audit adjustment may or may not indicate matters that could have significant effect on the El Dorado County Regional Prehospital Emergency Services Operations Authority's financial reporting process (that is, cause future financial statements to be materially misstated). In my judgment, none of the adjustments I proposed, whether recorded or unrecorded by the El Dorado County Regional Prehospital Emergency Services Operations Authority, either individually or in the aggregate, indicate matters that could have a significant effect on the El Dorado County Regional Prehospital Emergency Services Operations Authority's financial reporting process.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the El Dorado County Regional Prehospital Emergency Services Operations Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

ISSUE DISCUSSED PRIOR TO RETENTION OF INDEPENDENT AUDITORS

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the El Dorado County Regional Prehospital Emergency Services Operations Authority's auditor. However, these discussions occurred in the normal course of my professional relationship and my responses were not a condition of my retention.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

I encountered no significant difficulties in dealing with management in performing my audit.

VAUGHN JOHNSON, CPA

FINDINGS

In the following section I will discuss certain observations that I believe warrant attention and/or future monitoring by the Executive Director:

POST RETIREMENT POLICY

Finding:

Medical insurance for retirees has been on the increase for the last few years. The increase is due to additional employees retiring and medical insurance premiums going up. As time goes on, cost for insurance will go up and more individuals will retire. These benefits will have to be funded from future revenues of the general fund, which in turn will reduce the funds available for fire protection if funds are not set aside. The Government Accounting Standards Board (GASB) will start requiring recognition of this liability in 2009-2010.

Recommendation:

The Board should consider permanently restricting a certain amount of funds per year to address this unfunded liability. In order to determine the correct amounts to budget the District should consider an actuarial valuation of the retiree medical program to determine the funding requirements.

Finding:

The District needs to implement certain administrative policies including record retention. The different Districts are reimbursed for expenses using different procedures.

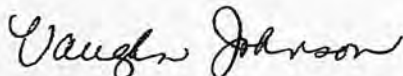
Recommendation:

The Board should implement administrative policies including consistent cost reimbursement to each District.

DISTRICT ADMINISTRATION

I would like to extend my appreciation to Executive Director Marty Hackett and Robin Souza for their cooperation during my audit.

This information is intended solely for the use of the El Dorado County Office of Auditor-Controller, the California State Controller's Office of Local Government Affairs and management of El Dorado County Regional Prehospital Emergency Services Operations Authority and is not intended to be and should not be used by anyone other than these specified parties.



Vaughn Johnson

September 10, 2009



**El Dorado County
Emergency Services Authority**

Policy Subject Matter: **Retiree Health Benefits Reserve Funding**
Policy number: **309**
Revision date:
Creation date: **04.27.2010**

I. Policy:

The El Dorado County Emergency Services Authority (JPA) contributes annually to the retiree health benefits reserve for JPA funded employees as delineated by a current actuarial.

II. Purpose:

The purpose of this policy is to establish a procedure for funding a retiree health benefits reserve for the JPA member agencies that provide medical insurance benefits to their retirees.

III. Procedure:

The JPA will annually contribute to the retiree health benefits reserve. This calculation will be determined by one of the following:

- a. The member agency can request the amount the JPA needs to contribute according to calculations based on their agency's actuarial with the following guidelines:
 - Member agencies shall provide a current actuarial no more than three (3) years old.
 - Member agencies provide a copy of the worksheet used showing the calculation of costs with their JPA fiscal year budget request.
 - The requested amount must be included prior to each fiscal year JPA budget adoption.
- b. In the event the member agency does not have a current actuarial or cannot meet the guidelines stated above, the JPA will use the calculation from the current JPA actuarial for the annual contribution amount to that agency's health benefits reserve.



Marty Hackett
Executive Director



**El Dorado County
Emergency Services Authority**

Policy Subject Matter: **Records Management**
Policy number: **208**
Revision date:
Creation date: **02.17.2010**

I. Policy:

Business records and documents of the El Dorado County Emergency Services Authority (JPA) will be protected and maintained according to local, state, and federal laws, rules, and accepted business practices. Records and documents that are no longer needed will be disposed of at the proper time, and in a manner that protects personal and financial information.

II. Purpose:

This policy has been created for the purposes of providing JPA employees and its member agencies with specific instructions on how business records and documents are to be retained, protected and the disposal process.

III. Procedure:

Business records and documents will be retained as follows:

- a. **Administration:** The Executive Director of the JPA will be the records management administrator for all JPA records and documents relating to business operations. This policy excludes patient medical records and documents that are managed by other agencies. The records management administrator will have the responsibility for:
 - Ensuring records and documents are retained and disposed of in accordance with all applicable local, state and federal laws and accepted business practices;
 - The administrator will have the authority to make modifications to this policy as deemed necessary to maintain compliance;
 - When the administrator becomes aware of a pending governmental investigation, audit, and or civil litigation that will involve the JPA, records and documents relating to the matter will be retained as long as deemed necessary, and on the advice of counsel. The administrator will additionally and promptly notify all JPA employees, member agencies, and the EMS agency of the pending matter.
- b. **JPA Employees:** JPA employees will retain and protect records and documents in compliance with this policy and all applicable local, state, and federal laws, and accepted business practices. When a JPA employee become aware of a pending governmental investigation, audit, and or civil litigation that may involve the JPA, the JPA Executive Director will be immediately informed.
- c. **Sub-contractors:** JPA member agencies will maintain a records management policy that complies with local, state, and federal laws, rules, and accepted business practices. When a member agency become aware of a pending

governmental investigation, audit, and or civil litigation that may involve the JPA, the JPA Executive Director will be notified immediately.

- d. Computer File Back-up: Records and documents stored in JPA owned computers at the office will be automatically backed up on a daily basis.
- e. Email Messages and Attached Documents: Email messages and emails with attached documents shall be retained in a like manner as we would with hard-copy records and documents. Email messages that are to be retained should be printed out and kept in an appropriate file. Additionally, the email message should be forwarded to the "archive" file when deemed appropriate.
- f. Confidentiality: Certain records such as patient medical records and personal identity information must be maintained in a safe and secure place. JPA employees and sub-contractors will comply with all local, state, and federal laws, rules, and regulations relating to the release of confidential information.
- g. Records and Document Disposition: As stated below, certain records and documents will have to be retained permanently while others have an identified time period. Once these time periods have passed and the continued retention of these records and documents serves no useful purpose, they may be destroyed. The JPA and its sub-contractors may elect Not to retain certain documents they have received since the agency that produced the document(s) will by policy retain them as outlined below. Destruction of financial and personnel-related materials will be accomplished through shredding. Office space is limited and the disposition of records and documents is appropriate when done in compliance with this policy.
- h. Retention Periods: The following list includes records and documents that are to be retained and the time periods for that retention. Documents that are not specifically listed, but substantially similar to a listed type of document will be retained in the same manner. Time periods begin on the date in which a JPA record or document is created, and or on the date when a record-document is received from another agency.

1. Joint Powers Authority Records:

- | | |
|--|-----------|
| • Annual reports to State agencies | Permanent |
| • JPA articles | Permanent |
| • Board and Committee Meetings-Minutes | Permanent |
| • Board Policies | Permanent |
| • Fixed Asset Records-Inventories | Permanent |
| • IRS and Tax documents | Permanent |
| • Contracts (after expiration) | 7 years |
| • Correspondence (general) | 3 years |

2. Accounting and Finance:

- | | |
|-------------------------------|-----------|
| • Annual audits | Permanent |
| • Financial statements | Permanent |
| • General Ledgers | Permanent |
| • Accounts receivable ledgers | 7 years |
| • Accounts payable ledgers | 7 years |
| • Business expense records | 7 years |

- Journal entries 7 years
 - Invoices 7 years
 - Sales records 5 years
 - Credit card and cash receipts 3 years
3. Bank records:
- Check registers Permanent
 - Bank deposit slips 7 years
 - Bank statements and reconciliation 7 years
 - Electronic fund transfers 7 years
4. Payroll and Employment Tax Records:
- Payroll records Permanent
 - State unemployment Tax records Permanent
 - Earnings records 7 years
 - Garnishment records 7 years
 - Payroll tax returns 7 years
 - W-2 statements 7 years
5. Employee Records:
- Employment and termination agreements Permanent
 - Retirement and Pension Plan agreements Permanent
 - Promotion, demotion, discharge records 7 years
 - Accident – exposure reports 7 years
 - Worker’s Compensation records 7 years
 - Salary schedules 5 years
 - Employment applications 3 years
 - Time cards 2 years – see grants
6. Grants:
- Audits Permanent
 - Original grant proposal 7 years
 - Grant agreements 7 years
 - Grant expenditures (payroll –equipment) 7 years
7. Legal Counsel:
- Insurance policies – loss records Permanent
 - Real estate and rental agreements Permanent
 - Legal Counsel correspondence Permanent
 - Civil Court actions Permanent



 Marty Hackett
 Executive Director



**El Dorado County
Emergency Services Authority**

480 Locust Road
Diamond Springs, CA 95619
Tel (530) 642-0622 Fax (530) 642-0628
www.edcjsa.org

RECEIVED
MAR 29 2011
EMERGENCY MEDICAL
SERVICES AGENCY

March 29, 2011

Rich Todd
El Dorado County Emergency Services Agency
415 Placerville Dr., Suite J
Placerville, CA 95667

Dear Mr. Todd:

In June 2009, The El Dorado County Emergency Services Authority (JPA) contracted with Ms. Vaughn Johnson, CPA to conduct an audit for FY's 05/06 and 06/07. After completing her audit, Ms. Johnson submitted a final report that found no negative findings, and identified deficiencies to be corrected. During meetings with Ms. Johnson, she recommended the JPA establish policies and procedures for records management, depreciation scheduling, billing procedures, cost controls, a fixed asset replacement schedule, and to identify the expenditure authority of the Executive Director. Ms. Johnson's audit report for FY 05/06 can be found in Section One, and FY 06/07 in Section Two.

On Wednesday, November 18, 2009, the JPA Board of Directors reviewed and approved the final audit reports for FY's 05/06 and 06/07. Copies of the November 2009 Board agenda and meeting minutes can be found in Section Three.

After submitting the audit reports to County Public Health, an accounting error was found in the FY 06/07 audit report, located on page 5, titled Liability for Compensated Absences. The error was brought to Ms. Johnson's attention and she corrected the error and produced a new report. The corrected report is what is located in Section Two. Ms. Johnson included, along with the corrected audit report, a Management Communication letter addressed to the JPA Board of Directors that outlines two recommendations she believes warrant attention and/or future monitoring by the JPA Executive Director. The first recommendation was to address unfunded liabilities associated with retiree medical insurance. The second recommendation was to create policies for records retention and cost reimbursement. The JPA Board of Directors has since approved policies addressing unfunded retiree medical insurance (Retiree Health Benefits Funding Policy) and records retention (Records Management Policy). Standardizing cost reimbursement procedures are currently being discussed. Copies of the Management Communication letter and the policies can be found in Section Four.

On Wednesday, March 17, 2010, the JPA Board of Directors reviewed and approved the revised FY 06/07 audit. Copies of the March 2010 Board agenda and meeting minutes can be found in Section Five.

In March of 2010, the JPA contracted with CPA Glen Eastman to conduct an audit of FY's 07/08 and 08/09. After completing his audit, Mr. Eastman provided the JPA with a draft audit report and management letter

outlining his findings. Mr. Eastman's management letter was revised after he met with the JPA Finance Committee where each finding was discussed. The draft audit report and management letter and the revised management letter can be found in Section Six.

Two of Mr. Eastman's findings showed that errors were found in the payrolls of El Dorado County Fire (County Fire) and Diamond Springs-El Dorado Fire (Diamond Fire) and that each agency potentially over billed the JPA. Concerned that these same payroll errors may have occurred in previous years, the JPA contracted with Mr. Eastman to examine the payroll records for County Fire and Diamond Fire for FY's 05/06 and 06/07. After his examination, Mr. Eastman reported that the errors he found in FY's 07/08 and 08/09 were also present for both agencies in FY's 05/06 and 06/07 and that the JPA was over billed. Mr. Eastman's initial report can be found in Section Seven. A more detailed report on Diamond Fire's examination can be found in Section Eight and County Fire in Section Nine.

Initially, both County Fire and Diamond Fire disputed Mr. Eastman's findings associated with their agencies. Since then, Diamond Fire has met with Mr. Eastman and has reached a consensus agreement on the errors found and the amount Diamond Fire owes to the JPA. A letter from Mr. Eastman dated February 11, 2011 regarding that agreement can be found in Section Ten. County Fire is currently in the process of conducting their own audit for the FY's mentioned, and in a letter to the JPA dated February 24, 2011 they expect to have their audit review completed in early March. A copy of County Fire's letter can also be found in Section Ten.

On Wednesday, February 16, 2011, the JPA Board of Directors reviewed and approved Mr. Eastman's audit report and the JPA response letter to his management letter findings. Copies of the Board agenda, draft meeting minutes and JPA response letter can be found in Section Eleven. Approval of the February Board meeting minutes will take place at the March Board meeting, after which time I will forward a copy of the approved minutes to your attention.

Mr. Eastman has informed us that once the issue with County Fire has been resolved he will be able to produce for us his final audit report.

Per your direction, the JPA is submitting the enclosed audit reports to your office for further consideration and action.

If you have any questions, please do hesitate to call me.

Respectfully,



Marty Hackett
Executive Director

Enclosure



**El Dorado County
Emergency Services Authority**

480 Locust Road
Diamond Springs, CA 95619
Tel (530) 642-0622 Fax (530) 642-0628
www.edcjsa.org

RECEIVED

MAR 29 2011

**EMERGENCY MEDICAL
SERVICES AGENCY**

March 29, 2011

Rich Todd
El Dorado County Emergency Services Agency
415 Placerville Dr., Suite J
Placerville, CA 95667

Dear Mr. Todd:

As requested, Mr. Eastman has summarized his audit findings in the attached letter. If you have any questions, please do hesitate to call me.

Respectfully,

A handwritten signature in cursive script that reads "Marty Hackett".

Marty Hackett
Executive Director

Enclosure

Glen S. Eastman

Certified Public Accountant

5410 Quail Valley Road, Placerville, CA 95667

To the Board of Directors
El Dorado County Emergency Services Authority (JPA)
480 Locust Road
Diamond Springs, CA
95619

March 3, 2011

I was asked to perform an audit of the JPA for the fiscal years ended June 30, 2008 and June 30, 2009 in March of 2010. Based on my audit, I found the following:

- During the course of the fiscal year, County Fire billed the JPA its full complement of 22 JPA employees (at straight time) even though there were vacancies with personnel leaving for other employment. Open shifts, caused by the vacancies, were staffed by other County Fire personnel working overtime, which were also billed to the JPA. In these instances, the JPA paid for both the straight time and overtime, when only the overtime should have been billed. Upon discussion with County Fire Chief Bruce Lacher, he stated that he was told by the JPA executive director at the time to "just bill for 22 employees", hence the full complement of 22 employees appearing on the payroll registers. Based on his statements, the regular payroll registers were, therefore, incorrect and should have indicated less than the filled 22 positions. JPA should not be charged for the full 22 employees plus charges for open position coverage at overtime rates.
- The JPA was being charged for Strike Team coverage. Since Strike Team coverage is already reimbursed to the County Fire it should not be also billed to the JPA.
- The County Fire maintains a "Loaned Labor" document that indicates loaned labor to and from the JPA. The results of this document need to be posted to the respective general ledgers no less than annually. This was not done.
- It appears that County Fire overcharged JPA approximately \$146,000 in fiscal 2008 and \$185,000 in fiscal 2009. These amounts include PERS, health insurance and payroll taxes.
- 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. The JPA was billed once for the person working the strike team and once for the person covering their shift.
- The Diamond Springs Fire Department was entitled in fiscal year 07/08 to a \$20,000 administrative fee reimbursement from the JPA. As these errors offset, no adjustment was considered necessary.

I was asked to perform agreed upon procedures to the fiscal years ended June 30, 2006 and June 30, 2007 as a result of the above findings, which was completed in December 2010. Based upon those procedures I found the following:


- The net results of the "Loaned Labor" report should be posted to the JPA and District trial balances on no less than an annual basis. This entry was not made.
- Employees working or covering for other employees working on strike teams were charged to the JPA. Strike teams are reimbursed by the federal or state government and charges related to those strike teams should not be charged to the JPA.
- In addition to strike team overcharges, there were extensive charges for open positions. The District was authorized to charge 22 regular employees to the JPA during the years examined, plus charges for covering sick, holiday, etc. Open position charges are in excess of the amounts authorized by the JPA. The District charged the JPA for the 22 authorized positions, plus open positions.
- Overcharges by the County Fire for the fiscal year ended June 30, 2006 and 2007 totaled approximately \$98,000 and \$211,000 respectively.
- Diamond Springs Employees working or covering for other employees working on strike teams were charged to the JPA. Strike teams are reimbursed by the federal or state government and charges related to those strike teams should not be charged to the JPA.
- In addition to strike team overcharges, there were several instances of "coding errors", whereby Diamond Springs expenses were charged to the JPA and visa versa.
- Overcharges for the fiscal year ended June 30, 2006 and 2007 totaled approximately \$3,000 and \$15,000 respectively.
- I met with Chief Cunningham of the Diamond Springs Fire Department and his payroll staff to discuss the strike team and coding error overcharges by the Diamond Springs Fire Department found as a result of my examination. We reviewed my initial findings and came to a consensus that \$18,000 is owed by the Diamond Springs Fire Department to the JPA for the periods ended June 30, 2006 and June 30, 2007.

I was not engaged to, and did not perform an audit of the fiscal years ended June 30, 2006 or 2007, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the JPA and is not intended to be used by anyone other than those specified parties.

Additional administrative findings are are outlined in my management letter.

Sincerely,



Glen S. Eastman, CPA