

EL DORADO COUNTY EMERGENCY
SERVICES AUTHORITY
DIAMOND SPRINGS, CALIFORNIA
ANNUAL FINANCIAL REPORT
JUNE 30, 2015

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

JUNE 30, 2015

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

JPA Governing Board
El Dorado County Emergency Services Authority
Diamond Springs, California

We have audited the accompanying financial statements of the governmental activities and the major fund of El Dorado County Emergency Services Authority as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the El Dorado County Emergency Services Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of El Dorado County Emergency Services Authority, as of June 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise El Dorado County Emergency Services Authority's basic financial statements. The financial and statistical information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial and statistical information listed as supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial and statistical information listed as supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2016, on our consideration of the El Dorado County Emergency Services Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering El Dorado County Emergency Services Authority's internal control over financial reporting and compliance.

GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
Certified Public Accountants

January 28, 2016

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The discussion and analysis of El Dorado County Emergency Services Authority's (JPA) financial performance provides an overall review of the JPA's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the JPA's financial performance as a whole. To provide a complete understanding of the JPA's financial performance, please read it in conjunction with the Independent Auditor's Report on page 1, notes to the basic financial statements and the JPA's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The JPA is a contract provider to the County of El Dorado with its primary funding source through 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 approved the implementation of cost saving measures by instituting caps on the amount member districts would be reimbursed for certain expenditures. This included a \$1,000,000 cap on the Class 30, salary and benefit expenses, and \$20,000 cap on the Class 40, services and supplies expenses.
- The JPA's total net position is \$726,231, an increase of \$10,913 from 2013-2014. This increase is the net of the change in capital assets, including additions, and the recognition of 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.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

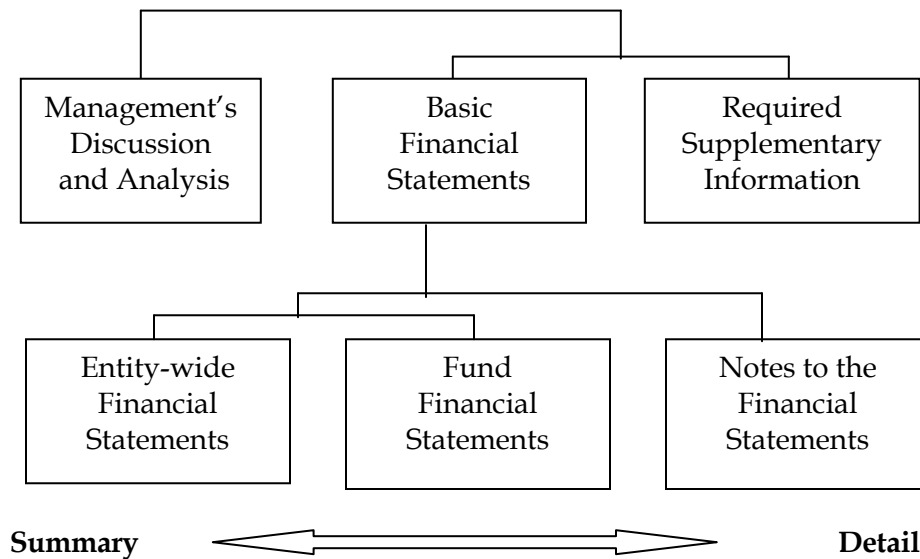
MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can understand the El Dorado County Emergency Services Authority as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Components of the Financial Section



The first two statements are *entity-wide financial statements*, the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the whole JPA, presenting both an aggregate view of the JPA's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. A comparison of the JPA's general fund budget is included.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Reporting the JPA as a Whole

Statement of Net Position and the Statement of Activities

These two statements provide information about the JPA as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the JPA's assets and liabilities using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the JPA as a whole and its activities in a way that helps answer the question, "How did we do financially during 2014-2015?"

These two statements report the JPA's net position and changes in that position. This change in net position is important because it tells the reader that, for the JPA as a whole, the financial position of the JPA has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the JPA's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the JPA's operating results. However, the JPA's goal is to provide emergency services to our communities, not to generate profits as commercial entities. One must consider many other non-financial factors, such as the quality of care provided to assess the overall health of the JPA.

- ◆ Increases or decreases in the net position of the JPA over time are indications of whether its financial position is improving or deteriorating, respectively.
- ◆ Additional non-financial factors such as condition of vehicles and changes to the property tax base of the JPA need to be considered in assessing the overall health of the JPA. The JPA serves semi-rural and wilderness areas, putting a lot of miles on the vehicles. The JPA has a replacement plan to replace two or three ambulances each year.

Fund Financial Statements

The fund financial statements provide more detailed information about the inflow and outflow of the JPA's resources in the current year – not the JPA as a whole.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

Reporting the JPA's Most Significant Funds (Concluded)

◆ Governmental Funds

All of the JPA's activities are reported in governmental funds. The General Fund is the JPA's only fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the JPA's operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the JPA's programs.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The JPA as a Whole

The JPA's net position was \$726 thousand at June 30, 2015, consisting of \$686 thousand invested in capital assets and \$40 thousand unrestricted. The government-wide data is presented in Table 1.

**(Table 1)
Comparative Statement of Net Position**

	Governmental Activities	
	2015	2014
ASSETS		
Cash	\$ 964,581	\$ 1,297,608
Receivables	34,711	156,593
Prepaid expenditures	39,739	34,566
Capital assets	686,492	680,752
Total assets	<u>\$ 1,725,523</u>	<u>\$ 2,169,519</u>
LIABILITIES		
Accounts payable and other current liabilities	\$ 650,321	\$ 1,110,949
Unearned revenue/due to CSA #7	192,041	125,830
Long-term liabilities	156,930	217,422
Total liabilities	<u>\$ 999,292</u>	<u>\$ 1,454,201</u>
NET POSITION		
Net investment in capital assets	\$ 686,492	\$ 680,752
Unrestricted	39,739	34,566
Total net position	<u>\$ 726,231</u>	<u>\$ 715,318</u>

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONTINUED)

The JPA as a Whole (Continued)

The JPA's net position increased \$11 thousand this fiscal year. (See Table 2) The JPA's expenses for providing ambulance and dispatch services represented 98% percent of total expenses. The purely administrative activities of the JPA accounted for the remaining 2% of total costs. (See Figure 2)

**(Table 2)
Comparative Statement of Change in Net Position**

	Governmental Activities	
	2015	2014
REVENUES		
Program revenues	\$ 10,189,950	\$ 9,723,454
General revenues		
Interest and investment earnings	(3,312)	(3,281)
Miscellaneous revenues	227,808	249,136
Total revenues	10,414,446	9,969,309
EXPENSES		
Regional ambulance and dispatch services	10,090,705	9,707,203
General administrative	312,828	313,396
Total expenses	10,403,533	10,020,599
Increase (decrease) in net position	\$ 10,913	\$ (51,290)

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

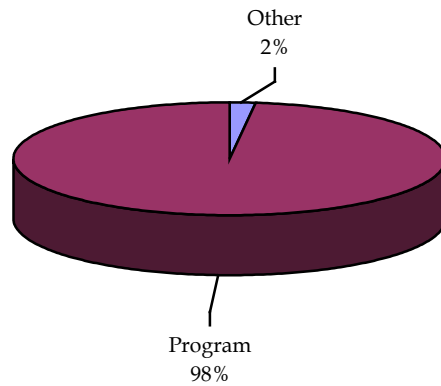
FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONCLUDED)

The JPA as a Whole (Concluded)

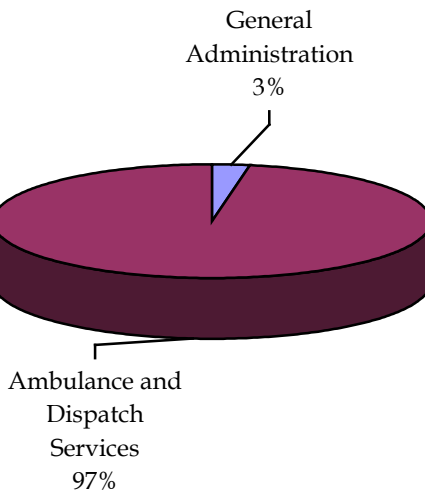
Governmental Activities

As reported in the Statement of Activities, the cost of all of the JPA's governmental activities this year was \$10.4 million. Program revenues totaled 98%. (See Figure 1)

Sources of Revenue for the 2014-2015 Fiscal Year
Figure 1



Expenses for the 2014-2015 Fiscal Year
Figure 2



EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the JPA's operations in more detail than the government-wide statements. The JPA's fund statements provide information on inflows and outflows of spendable resources. All funds budgeted in excess of actual expenditures are returned at the end of each fiscal year.

General Fund Budgetary Highlights

Over the course of the year, the JPA reviews the annual operating budget monthly. Once adopted, there are not any official changes unless significant. Funds are spent as expenses come in and the board is most concerned with the overall net amount rather than physically moving money from account to account. The significant budget adjustments fell into the following categories:

- ◆ At year-end, transfers are made from accounts with underspent appropriations to accounts with overspent appropriations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

	<u>2015</u>	<u>2014</u>	Difference Increase (Decrease)
Machinery and Equipment	<u>\$ 686,492</u>	<u>\$ 680,752</u>	<u>\$ 5,740</u>

During the 2014-2015 fiscal year the JPA put one new medic unit and one ambulance into service and recognized depreciation expense.

Long-term Debt

As of June 30, 2015, the JPA had \$157 thousand in long-term debt outstanding.

	<u>2015</u>	<u>2014</u>
Compensated Absences	<u>\$ 156,930</u>	<u>\$ 217,422</u>

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CONTACTING THE JPA'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the JPA's finances and to show the JPA's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact 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 POSITION

JUNE 30, 2015

	Governmental Activities
ASSETS	
Cash (Note 2)	\$ 964,581
Accounts Receivable (Note 3)	34,711
Prepaid Expenses (Note 1G)	39,739
Capital Assets, Net of Depreciation (Note 4)	<u>686,492</u>
Total Assets	<u><u>\$ 1,725,523</u></u>
LIABILITIES	
Accounts Payable and Other Current Liabilities	\$ 650,321
Unearned Revenue/Due to CSA #7 (Note 1G)	192,041
Long-term Liabilities (Note 5)	
Due Within One Year	<u>156,930</u>
Total Liabilities	<u><u>\$ 999,292</u></u>
NET POSITION	
Net Investment in Capital Assets	\$ 686,492
Unrestricted	<u>39,739</u>
Total Net Position	<u><u>\$ 726,231</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

			Net Revenue and Changes in Net Position
<u>Governmental Activities</u>	<u>Expenses</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Regional Ambulance and Dispatch Services	\$ 10,090,705	\$ 9,877,122	\$ (213,583)
General Administration	312,828	312,828	0
Total Governmental Activities	<u>\$ 10,403,533</u>	<u>\$ 10,189,950</u>	<u>(213,583)</u>
General Revenues:			
Interest and Investment Earnings (Expense)			(3,312)
Miscellaneous Revenues			227,808
Total General Revenues			<u>224,496</u>
Change in Net Position			10,913
Net Position Beginning			<u>715,318</u>
Net Position Ending			<u>\$ 726,231</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2015

	<u>General Fund</u>
ASSETS	
Cash (Note 2)	\$ 964,581
Due From Other Governments (Note 3)	34,711
Prepaid Expenditures (Note 1G)	<u>39,739</u>
Total Assets	<u><u>\$ 1,039,031</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ 423,775
Salaries and Benefits Payable	226,546
Unearned Revenue/Due to CSA #7 (Note 1G)	<u>192,041</u>
Total Liabilities	<u>842,362</u>
Fund Balance (Note 1G):	
Nonspendable	39,739
Restricted	<u>156,930</u>
Total Fund Balance	<u>196,669</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,039,031</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY
 RECONCILIATION OF THE GOVERNMENTAL FUNDS
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 JUNE 30, 2015

Total fund balance - governmental funds \$ 196,669

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

Capital assets: In governmental funds, only current assets are reported. In the statement of net position all assets are reported, including capital assets and accumulated depreciation.

Capital assets, at historical cost:	\$	3,063,188	
Accumulated depreciation:		<u>(2,376,696)</u>	
Net:			686,492

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences		<u>\$ 156,930</u>	
Total			<u>(156,930)</u>

Total net position - governmental activities \$ 726,231

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>
REVENUES	
Contract Service Area #7 Payments	\$ 10,189,950
Other Reimbursements	227,808
Interest	<u>(3,312)</u>
Total Revenues	<u>10,414,446</u>
EXPENDITURES	
Salaries and Related Benefits	7,797,775
Services and Supplies	2,232,328
Provider Administrative Fees	160,000
Capital Outlay	<u>279,662</u>
Total Expenditures	<u>10,469,765</u>
Excess of Revenues Over (Under) Expenditures	(55,319)
Fund Balances - July 1, 2014	<u>251,988</u>
Fund Balances - June 30, 2015	<u><u>\$ 196,669</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Net change (decrease) in fund balance - total governmental funds \$ (55,319)

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

Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$	279,662	
Depreciation expense:		<u>(273,922)</u>	
Net:			5,740

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:

60,492

Total change in net position - governmental activities \$ 10,913

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 ten (10) members governs the JPA. Each member is a representative of the public agencies that are a party to the agreement.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the JPA conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

A. Reporting Entity

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the JPA consists of all funds, departments, boards and agencies that are not legally separate from the JPA. For El Dorado County Emergency Services Authority, this includes the general operations of the JPA. The JPA has considered all potential component units in determining how to define the reporting entity, using criteria set forth in generally accepted accounting principles. The JPA determined that there are no potential component units that meet the criteria for inclusion within the reporting entity.

B. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the JPA and its component units.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Concluded)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the JPA's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The JPA does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the JPA, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the JPA.

Fund Financial Statements:

Fund financial statements report detailed information about the JPA.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current asset and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Revenues - exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the JPA, "available" means collectible within the current period or within 60 days after year-end.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Concluded)

Non-exchange transactions, in which the JPA receives value without directly giving equal value in return, include grants and entitlements. Under the accrual basis, revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the JPA must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the JPA on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the JPA's policy to use restricted resources first, then unrestricted resources as they are needed. Expenditures incurred in the unrestricted resources shall be reduced first from the committed resources, then from assigned resources and lastly, the unassigned resources.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Fund Accounting

The accounts of the JPA are organized on the basis of funds. The operations of the fund are accounted for with in a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. The JPA's accounts are organized using one fund as follows:

MAJOR GOVERNMENTAL FUND:

1. General Fund is the general operating fund of the JPA. It is used to account for all financial resources.

E. Budgets and Budgetary Accounting

An annual budget is adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the JPA's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The JPA's governing board satisfied these requirements.

This budget is reviewed by the JPA Governing Board during the year to give consideration to unanticipated income and expenditures. The original and final revised are presented for the General Fund as required supplementary information in the financial statements.

F. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

G. Assets, Liabilities and Equity

1. Deposits and Investments

The JPA has instructed the County of El Dorado to invest excess funds on deposit in their overall pooling of investments. The county pools these funds with those of other local agencies in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited monthly into participating funds. Any investments losses are proportionately shared by all funds in the pool.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

1. Deposits and Investments (Concluded)

Investments Valuation - In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. However, the JPA's financial statements do not reflect the fair value of investments as the differences between total investment cost and fair value has been determined to be immaterial.

The County is authorized to deposit cash and invest excess funds by California *Government Code* Section 53648 et seq. The funds maintained by the county either are secured by federal depository insurance or are collateralized.

Deposits and Investment Risk Disclosures - In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements, if applicable, for Deposits and Investment Risks are specified in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial
 - Concentrations of Credit Risk
- Foreign Currency Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

2. Prepaid Expenditures

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The JPA has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The JPA has chosen to report the expenditures in the period benefited.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Continued)

3. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over an estimated useful life of 5 to 10 years depending on the asset class.

4. Unearned Revenue

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.

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Deferred revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures.

5. Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental fund only if they have matured, for example, as a result of employee resignations and retirements.

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 a District may not pay out amounts for unused sick leave at termination, it may allow certain amounts as a credit to PERS upon retirement.

6. Net Position

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Assets, Liabilities and Equity (Concluded)

6. Net Position (Concluded)

Unrestricted Net Position - This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

7. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the JPA's policy is to apply restricted net position first.

8. Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned, based primarily on the extent to which the JPA is bound to honor constraints on how specific amounts are to be spent:

Nonspendable Fund Balance - Includes the portions of fund balance not appropriate for expenditures.

Restricted Fund Balance - Includes amounts subject to externally imposed and legally enforceable constraints.

Committed Fund Balance - Includes amounts subject to JPA constraints self-imposed by formal action of the JPA Governing Board.

Assigned Fund Balance - Includes amounts the JPA intends to use for a specific purpose. Assignments may be established by the JPA Governing Board with the recommendation of the Executive Director.

Unassigned Fund Balance - Includes the residual balance that has not been assigned to other funds and is not restricted, committed, or assigned to specific purposes.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

8. Fund Equity (Concluded)

Fund Balances

The JPA's fund balance at June 30, 2015 consisted of the following:

	<u>Total</u>
Nonspendable for:	
Prepaid expenditures	\$ 39,739
Restricted for:	
Unfunded vacation and sick leave liabilities	<u>156,930</u>
Total Fund Balance	<u>\$ 196,669</u>

Fund Balance Policy

The JPA does not have a formal fund balance policy.

H. Impact of Recently Issued Accounting Principles

The GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities* in March, 2014. GASB 65 was intended to compliment Statement No. 63 by identifying items previously reported as assets and liabilities that should be classified as deferred outflows or deferred inflows going forward. The JPA was required to implement the Statement 65 in 2014-2015. The adoption of GASB 65 does not have any impact on the JPA's financial statements.

The GASB issued Statement 68, *Accounting and Financial Reporting for Pensions* in June 2012 to amend Statements 27 and 50 and improve accounting and financial reporting by state and local governments for pensions. The Statement details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan. The Statement is effective beginning in fiscal year 2014-2015. The Statement does not apply to the JPA's financial statements as the JPA is not a contracting agency with the CalPERS defined benefit pension plan.

The GASB issued Statement 69, *Government Combinations and Disposals of Government Operations* in January 2014 to provide guidance for reporting mergers, acquisitions, transfers of operations, and disposals of government operations. The Statement is effective beginning in fiscal year 2014-2015.

The GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* in April 2014 to improve accounting and financial reporting by governments that extend and receive nonexchange financial guarantees. The Statement is effective beginning in fiscal year 2014-2015. The JPA does not have nonexchange financial guarantees and therefore the adoption of GASB 70 does not have any impact on the JPA's financial statements.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2 - CASH

A. Summary of Cash

The JPA had the following cash at June 30, 2015:

	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Credit Quality Rating</u>
Cash in County Treasury	\$ 965,437	\$ 964,581	Not Rated
Total Cash	<u>\$ 965,437</u>	<u>\$ 964,581</u>	

B. Cash in County Treasury

The JPA maintains all of its cash with the County Treasury as an involuntary participant of a common investment pool, which totaled \$429,492,937 on June 30, 2015. The fair market value of this pool as of that date, as provided by the pool sponsor, was \$429,874,113. Interest is deposited into participating funds. The balance available for withdrawal is based on the accounting records maintained by the county treasurer, which is recorded on the amortized cost basis.

C. Risk Disclosures

GASB Statement No. 40 requires a determination as to whether the JPA was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures.

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The JPA manages its exposure to interest rate risk by investing in the County Pool and having the pool purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

At June 30, 2015 the JPA had the following investment maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>		
		<u>Less than 1</u>	<u>1 to 4</u>	<u>More than 4</u>
County Treasury	<u>\$ 965,437</u>	<u>\$ 685,750</u>	<u>\$ 266,461</u>	<u>\$ 13,226</u>

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2 - CASH (CONCLUDED)

C. Risk Disclosures (Concluded)

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the JPA was not exposed to credit risk.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the JPA's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the JPA's name. At year end, the JPA was not exposed to custodial credit risk.

Concentration of Credit Risk - This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the JPA was not exposed to concentration of credit risk.

Foreign Currency Risk - This is the risk that exchange rate will adversely affect the fair value of an investment. At year end, the JPA was not exposed to foreign currency risk.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015 consist of the following:

El Dorado Hills Fire Department	\$	22,382
Cameron Park Community Service District		13,039
El Dorado County Fire Protection District		<u>(710)</u>
Total Accounts Receivable	\$	<u><u>34,711</u></u>

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 4 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2015, is shown below:

	Balance July 01, 2014	Additions	Deductions	Balance June 30, 2015
Total capital assets, not being depreciated	\$ 0	\$ 0	\$ 0	\$ 0
Capital assets being depreciated:				
Equipment	2,783,526	279,662		3,063,188
Total capital assets, being depreciated	2,783,526	279,662		3,063,188
Less accumulated depreciation for:				
Equipment	2,102,774	273,922		2,376,696
Total accumulated depreciation	2,102,774	273,922		2,376,696
Total capital assets, being depreciated, net	680,752	5,740		686,492
Governmental activities capital assets, net	\$ 680,752	\$ 5,740	\$	\$ 686,492

Depreciation expense was charged to Regional Ambulance and Dispatch Services on the Statement of Activities.

NOTE 5 - COMPENSATED ABSENCES

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015	Due Within One Year
El Dorado County Fire Protection District	\$ 63,554		\$ 63,554	\$ 0	\$ 0
Diamond Springs Fire Protection District	47,878		25,139	22,739	22,739
Georgetown Fire Protection District	97,638	\$ 27,652		125,290	125,290
El Dorado Hills Fire Department	8,352	549		8,901	8,901
JPA - Administration	0			0	0
Compensated Absences	\$ 217,422	\$ 28,201	\$ 88,693	\$ 156,930	\$ 156,930

On November 16, 1998, the El Dorado County Public Health Department recommended to the CSA # 7 Board of Directors a modification to the JPA budget in the amount of \$146,789 for the purposes of establishing a reserve account to cover unfunded liabilities such as vacation and sick leave when paid out. It was recommended this reserve be adjusted annually to the actual liability, \$156,930 at June 30, 2015.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 6 - OPERATING LEASES

The JPA has entered into a lease for office and storage space and two office equipment leases that extend beyond the current fiscal year. The JPA does not intend to purchase the building or buy-out the equipment at the end of the leases and historically has turned in the old equipment for new. The following is a schedule by year of minimum future rentals on non-cancelable operating leases as of June 30, 2015.

Year Ended <u>June 30</u>	Future Minimum Rent Payments
2016	\$ 2,196
2017	2,196
2018	<u>1,739</u>
Total	<u>\$ 6,131</u>

The JPA paid \$7,356 for related rents in 2014-2015. The JPA will receive no sublease rentals nor pay any contingent rentals for this equipment.

NOTE 7 - EMPLOYEE RETIREMENT BENEFITS

A. California Public Employees' Retirement System (CalPERS)

CalPERS retirement system consists of a defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issue a separate comprehensive annual financial report that includes financial statements and required supplemental information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Room 1820, Sacramento, CA 95814.

Funding Policy. The sub-contracting fire agencies acquire an actuarial to determine their CalPERS rate and active plan members are required to contribute a percentage of their salary to cover these costs. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute. The JPA is a separate entity apart from the member agencies and the sub-contracting fire districts and is not a CalPERS contracting agency.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 7 - EMPLOYEE RETIREMENT BENEFITS (CONCLUDED)

A. California Public Employees' Retirement System (CalPERS) (Concluded)

Plan Description. The fire districts that sub-contract with the JPA contribute to the Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

Funding Policy. Active plan members are required to contribute a percentage of their salary and the JPA is required to reimburse an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute.

B. Other Post-Employment Benefits

In addition to the retirement benefits described above, sub-contracting fire districts provide post-employment health care benefits to all qualified employees. A qualified employee would include those that meet age and length of service requirements. Every three years the fire districts acquire a current actuarial to determine the costs for these post-employment benefits. The fire districts use the cost information from the actuarial to determine annually how much they will invoice the JPA and CSA 7 for reimbursement. The fire districts are required to accumulate the annual reimbursements from the JPA and CSA 7 so that resources are available to pay the post-employment health care benefits for those employees who staffed and operated the ambulances. The JPA, County and CSA 7 have no obligation for post-employment health care premiums, beyond the annual reimbursement payments made to the fire districts.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

A. Litigation

The JPA may become involved in litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the JPA at June 30, 2015.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONCLUDED)

B. Joint Ventures

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 to five Provider Fire Districts within the County of El Dorado. The 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.

NOTE 9 - RISK MANAGEMENT

A. Property and Liability

The JPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2015, the JPA contracted with American Alternative Insurance Corporation for property, liability, auto and theft insurance coverage. Settled claims have not exceeded this commercial coverage in the last year.

B. Workers' Compensation

For fiscal year 2015, the JPA purchased workers' compensation insurance for its two employees from the State Compensation Insurance Fund.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 28, 2016, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget	Final (GAAP Basis)	Variance Positive (Negative)
REVENUES			
CSA # 7 Contract Payments	\$ 10,439,878	\$ 10,189,950	\$ (249,928)
Interest Income	21,130	(3,312)	(24,442)
Other Program Revenue-Reimbursements	400,000	227,808	(172,192)
Total Revenues	<u>10,861,008</u>	<u>10,414,446</u>	<u>(446,562)</u>
EXPENDITURES			
Salaries	6,434,294	5,214,942	1,219,352
Deferred Compensation		50,811	(50,811)
Payroll Tax	49,500	107,128	(57,628)
Health Insurance	480,403	699,936	(219,533)
Health Insurance-OPEB	407,552	353,171	54,381
Other Employee Benefits	931,501	1,371,787	(440,286)
Total Salaries and Benefits	<u>8,303,250</u>	<u>7,797,775</u>	<u>505,475</u>
Provider Administration Fee	<u>160,000</u>	<u>160,000</u>	<u>0</u>
Clothing and Personal Supplies	33,800	30,801	2,999
Telephone/Radio	1,110,000	1,074,251	35,749
Professional Fees/Contracts	50,060	53,440	(3,380)
Household/Food	15,100	2,479	12,621
Utilities	98,500	97,854	646
Insurance	30,000	26,145	3,855
Maintenance	169,500	166,334	3,166
Supplies	424,000	420,410	3,590
Dues/Memberships	400	1,308	(908)
Miscellaneous		5,799	(5,799)
Postage	900	754	146
Printing	150	1,388	(1,238)
Rent	160,300	175,905	(15,605)
Equipment	46,350	5,140	41,210
Special Project/Other	5,000	(2,616)	7,616
Education	92,150	18,788	73,362
Travel/Transportation	184,900	154,148	30,752
Total Services and Supplies	<u>2,421,110</u>	<u>2,232,328</u>	<u>188,782</u>
Fixed Asset - Equipment	<u>360,000</u>	<u>279,662</u>	<u>80,338</u>
Total Expenditures	<u>11,244,360</u>	<u>10,469,765</u>	<u>774,595</u>
Excess of Revenues Over (Under) Expenditures	<u>\$ (383,352)</u>	<u>\$ (55,319)</u>	<u>\$ 328,033</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - PURPOSE OF SCHEDULE

Budgetary Comparison Schedule

The JPA employs budget control by account code. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budget is reviewed during the year by the JPA Governing Board to provide for revised priorities. The final revised budget for the General Fund is presented as Required Supplementary Information.

SUPPLEMENTARY INFORMATION SECTION

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY
 COMBINING SCHEDULE OF EXPENDITURES
 DIAMOND SPRINGS, CALIFORNIA
 GOVERNMENTAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	El Dorado County Fire District	Diamond Springs/El Dorado Fire District	Georgetown Fire District	Cameron Park Community Service District	El Dorado Hills Fire And Water District	Total Program	Joint Powers Authority Administration	Total Joint Powers Authority
EXPENDITURES								
Permanent Employees/Elected Officials	\$ 1,809,502	\$ 465,381	\$ 461,694	\$ 976,501	\$ 345,575	\$ 4,058,653	\$ 137,304	\$ 4,195,957
Temporary Employees		4,730	30,962			35,692		35,692
Overtime	463,243	74,375	125,521		129,313	792,452		792,452
Other Compensation	160,378	25,751			3,146	189,275	1,566	190,841
Retirement-Employer	658,769	141,064	163,348		62,305	1,025,486		1,025,486
Payroll Taxes	36,027	42,064	10,695		6,850	95,636	11,492	107,128
Health Insurance-Employer	441,858	96,893	65,700		95,485	699,936		699,936
Health Insurance-OPEB							353,171	353,171
Long Term Disability-Employer	6,534	1,612	1,628		1,287	11,061		11,061
Deferred Compensation-Employer		18,208	32,603			50,811		50,811
Vision Insurance-Employer	5,771		1,054		11,490	18,315		18,315
Worker Compensation	145,848	76,697	46,718		41,379	310,642	1,401	312,043
Flexible Benefits		780	3,600		502	4,882		4,882
Total Salaries and Benefits	<u>3,727,930</u>	<u>947,555</u>	<u>943,523</u>	<u>976,501</u>	<u>697,332</u>	<u>7,292,841</u>	<u>504,934</u>	<u>7,797,775</u>
Provider Administration Fee	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>160,000</u>	<u>160,000</u>
Clothing and Personal Supplies	10,836	7,519	7,160	2,294	2,415	30,224	577	30,801
Telephone/Radio	88					88	1,074,163	1,074,251
Professional Fees/Contracts		145	4,013		2,043	6,201	47,239	53,440
Household/Food			6	2,239		2,245	234	2,479
Utilities		1,020	1,282			2,302	95,552	97,854
Insurance	1,653					1,653	24,492	26,145
Maintenance	1,695		2,789	137		4,621	161,713	166,334
Supplies	112		268	751	1,500	2,631	417,779	420,410
Dues/Memberships							1,308	1,308
Miscellaneous	1,800		984			2,784	3,015	5,799
Postage							754	754
Printing							1,388	1,388
Rent							175,905	175,905
Equipment	1,352	857	606	589	82	3,486	1,654	5,140
Special Project/Other	45					45	(2,661)	(2,616)
Education	9,993	673	737	1,225	4,200	16,828	1,960	18,788
Travel/Transportation				25	120	145	154,003	154,148
Total Services and Supplies	<u>27,574</u>	<u>10,214</u>	<u>17,845</u>	<u>7,260</u>	<u>10,360</u>	<u>73,253</u>	<u>2,159,075</u>	<u>2,232,328</u>
Fixed Asset - Equipment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>279,662</u>	<u>279,662</u>
Total Expenditures	<u>\$ 3,755,504</u>	<u>\$ 957,769</u>	<u>\$ 961,368</u>	<u>\$ 983,761</u>	<u>\$ 707,692</u>	<u>\$ 7,366,094</u>	<u>\$ 3,103,671</u>	<u>\$ 10,469,765</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS 11-0766 4A 39 of 46

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

NOTES TO SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - PURPOSE OF SCHEDULE

A. Combining Schedule of Expenditures

This schedule is presented for purposes of additional analysis, and is not a required part of the JPA's basic financial statements. This schedule presents more detailed information about the financial activities of the JPA's individual Districts.

OTHER INDEPENDENT AUDITORS REPORTS SECTION



JOHN L. GOODELL, CPA
VIRGINIA K. PORTER, CPA
BEVERLY A. SANCHEZ, CPA
SUZY H. BRIGHT, CPA
RICHARD J. GOODELL, CPA
MICHELLE M. HANSON, CPA

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

JPA Governing Board
El Dorado County Emergency Services Authority
Diamond Springs, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of El Dorado County Emergency Services Authority, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise El Dorado County Emergency Services Authority's basic financial statements and have issued our report thereon dated January 28, 2016.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Dorado County Emergency Services Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Goodell, Porter, Sanchez, & Bright, LLP

GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
Certified Public Accountants

January 28, 2016

FINDINGS AND RESPONSES SECTION

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

No matters are reported.

EL DORADO COUNTY EMERGENCY SERVICES AUTHORITY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2014 - 1: The JPA should establish procedures to provide for monitoring spending by each member District and a timely reconciliation and billing of any excess expenditures. In addition, each time a member District incurs expenditures for which the cap does not apply, a description and account of the expenditures should be presented to the JPA, these expenditures should be presented at the next Finance Committee meeting and the next Board meeting for approval as expenditures for which the cap will not apply.

Current Status:

Accepted

Implemented