

CALIFORNIA TAHOE
EMERGENCY SERVICES OPERATIONS AUTHORITY
SOUTH LAKE TAHOE, CALIFORNIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2015

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

JUNE 30, 2015

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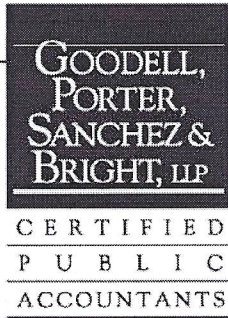
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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
California Tahoe Emergency Services Operations Authority
South Lake Tahoe, California

We have audited the accompanying financial statements of the governmental activities and the major fund of California Tahoe Emergency Services Operations Authority as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the California Tahoe Emergency Services Operations 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.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund of California Tahoe Emergency Services Operations Authority, as of June 30, 2015, and the respective changes in fund balance 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 California Tahoe Emergency Services Operations 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 February 26, 2016, on our consideration of the California Tahoe Emergency Services Operations 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 California Tahoe Emergency Services Operations Authority's internal control over financial reporting and compliance.

Goodell, Porter, Sanchez & Bright, LLP

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

February 26, 2016

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The discussion and analysis of California Tahoe Emergency Services Operations 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 #3 (CSA #3.) 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 \$1.1 million, a decrease of \$234,702 from 2013-2014. This decrease is primarily the reduction in cash.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

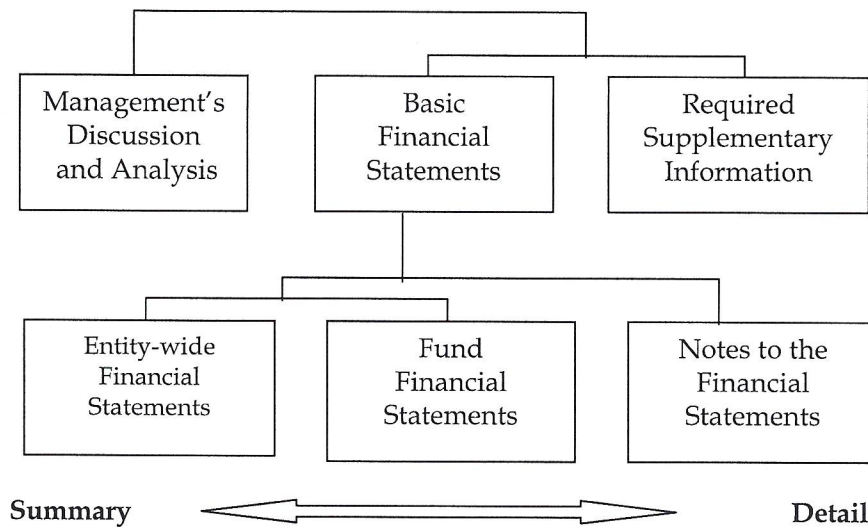
MANAGEMENT DISCUSSION AND ANALYSIS

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 California Tahoe Emergency Services Operations 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.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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 for ambulances based on mileage. The current replacement plan calls for one ambulance to be replaced or remounted approximately every two years.

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.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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 \$1.13 million at June 30, 2015, consisting of \$558 thousand invested in capital assets and \$571,424 unrestricted. The government-wide data is presented in Table 1.

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

	Governmental Activities	
	2015	2014
ASSETS		
Cash	\$ 757,341	\$ 1,003,887
Receivables	608	
Prepaid expenditures	6,102	4,587
Performance deposit	50,000	50,000
Capital assets	557,917	553,541
Total assets	<u>\$ 1,371,968</u>	<u>\$ 1,612,015</u>
LIABILITIES		
Accounts payable and other current liabilities	\$ 242,627	\$ 247,972
Total liabilities	<u>\$ 242,627</u>	<u>\$ 247,972</u>
NET POSITION		
Net investment in capital assets	\$ 557,917	\$ 553,541
Unrestricted	571,424	810,502
Total net position	<u>\$ 1,129,341</u>	<u>\$ 1,364,043</u>

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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 decreased \$235 thousand this fiscal year. (See Table 2) The JPA's expenses for providing ambulance and dispatch services represented 99% percent of total expenses. (See Figure 2)

(Table 2)
Comparative Statement of Change in Net Position

	<u>Governmental Activities</u>	
	<u>2015</u>	<u>2014</u>
REVENUES		
Program revenues	\$ 2,061,304	\$ 2,046,920
General revenues		
Interest and investment earnings	2,050	2,332
Total revenues	<u>2,063,354</u>	<u>2,049,252</u>
EXPENSES		
Regional ambulance and dispatch services	<u>2,298,056</u>	<u>1,928,138</u>
Total expenses	<u>2,298,056</u>	<u>1,928,138</u>
Increase (decrease) in net position	<u>\$ (234,702)</u>	<u>\$ 121,114</u>

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

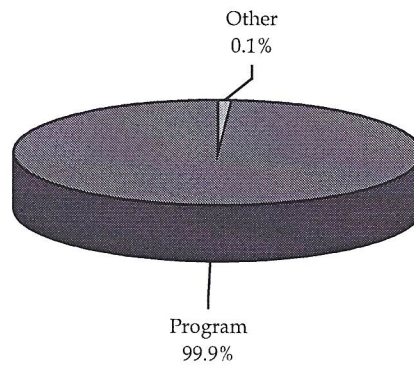
FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONCLUDED)

The JPA as a Whole (Concluded)

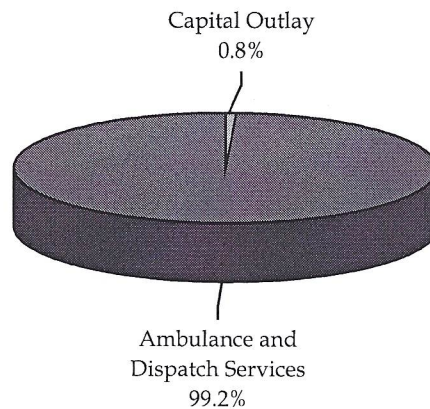
Governmental Activities

As reported in the Statement of Activities, the cost of all of the JPA's governmental activities this year was \$2.3 million. Program revenues totaled 99.9%. (See Figure 1)

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



Expenses for the 2014-2015 Fiscal Year
Figure 2



CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Table 3
Comparative Schedule of Capital Assets
(net of depreciation)
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>	Difference Increase (Decrease)
Machinery and Equipment	\$ 557,917	\$ 553,541	\$ 4,376

Long-term Debt

For 2014-2015 the JPA has no outstanding debt.

Table 4
Comparative Schedule of Outstanding Debt
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Lake Valley FPD	\$ 0	\$ 0

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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, Ryan Wagoner, California Tahoe Emergency Services Operations Authority, 2211 Keetak Street, South Lake Tahoe, CA 96150.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

STATEMENT OF NET POSITION

JUNE 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Cash (Note 2)	\$ 757,341
Accounts Receivable	608
Prepaid Expenses (Note 1G)	6,102
Performance Deposit	50,000
Capital Assets, Net of Depreciation (Note 4)	<u>557,917</u>
Total Assets	<u>\$ 1,371,968</u>
LIABILITIES	
Accounts Payable and Other Current Liabilities	<u>\$ 242,627</u>
Total Liabilities	<u>\$ 242,627</u>
NET POSITION	
Net Investment in Capital Assets	\$ 557,917
Unrestricted	<u>571,424</u>
Total Net Position	<u>\$ 1,129,341</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		<u>Program Revenues</u>		<u>Net Revenue and Changes in Net Position</u>
<u>Governmental Activities</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Regional Ambulance and Dispatch Services	\$ 2,298,056	\$ 3,102	\$ 2,058,202	\$ (236,752)
Total Governmental Activities	<u>\$ 2,298,056</u>	<u>\$ 3,102</u>	<u>\$ 2,058,202</u>	<u>(236,752)</u>
General Revenues:				
Interest and Investment Earnings (Expense)				<u>2,050</u>
Total General Revenues				<u>2,050</u>
Change (Decrease) in Net Position				(234,702)
Net Position Beginning				<u>1,364,043</u>
Net Position Ending				<u>\$ 1,129,341</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2015

	<u>General Fund</u>
ASSETS	
Cash (Note 2)	\$ 757,341
Accounts Receivable (Note 3)	608
Prepaid Expenditures (Note 1G)	6,102
Performance Deposit	<u>50,000</u>
Total Assets	<u>\$ 814,051</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts Payable	<u>\$ 242,627</u>
Total Liabilities	<u>242,627</u>
Fund Balance (Note 1G):	
Nonspendable	6,102
Committed	300,000
Unassigned	<u>265,322</u>
Total Fund Balance	<u>571,424</u>
Total Liabilities and Fund Balance	<u>\$ 814,051</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY
 RECONCILIATION OF THE GOVERNMENTAL FUND
 BALANCE SHEET TO THE STATEMENT OF NET POSITION
 JUNE 30, 2015

Total fund balance - governmental funds	\$	571,424
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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:	\$	1,516,560	
Accumulated depreciation:		<u>(958,643)</u>	
Net:			<u>557,917</u>

Total net position - governmental activities	\$	<u><u>1,129,341</u></u>
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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 #3 Payments	\$ 2,058,202
Other Program Revenue	3,102
Interest	2,050
Total Revenues	2,063,354
EXPENDITURES	
Services and Supplies	2,128,804
Capital Outlay	173,628
Total Expenditures	2,302,432
Excess of Revenues Over Expenditures	(239,078)
Fund Balances - July 1, 2014	810,502
Fund Balances - June 30, 2015	\$ 571,424

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Net change (decrease) in fund balance - total governmental funds \$ (239,078)

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:	\$	173,628	
Depreciation expense:		<u>(169,252)</u>	
Net:			<u>4,376</u>

Total change (decrease) in net position - governmental activities \$ (234,702)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

California Tahoe Emergency Services Operations Authority (JPA) was organized under the laws of the State of California on January 24, 2001 and began operations on September 1, 2001. The JPA is a joint exercise of powers entity (JPA) between the City of South Lake Tahoe Fire Department (the "City"), and the Lake Valley Fire Protection District ("Lake Valley").

The purpose of the JPA is to provide ambulance and other emergency medical services within the Lake Tahoe basin and other portions of El Dorado County, as specified by a service agreement with El Dorado County. Powers of the JPA are exercised through a four member Board of Directors made up of each participating entity.

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 California Tahoe Emergency Services Operations 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.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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:

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.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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 \$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

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. 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.

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."

6. 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.

7. 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.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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)

7. Fund Equity (Concluded)

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.

Fund Balances

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

	<u>Total</u>
Nonspendable	
Prepaid insurance	\$ 6,102
Committed for	
Ambulance replacements	300,000
Unassigned	<u>265,322</u>
Total Fund Balance	<u>\$ 571,424</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, 2013. 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 adoption of GASB 68 does not have any impact on the JPA's financial statements.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

H. Impact of Recently Issued Accounting Principles (Concluded)

The GASB issued Statement 69, *Government Combinations and Disposals of Government Operations* in January 2013 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 2013 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.

The GASB issued Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* which amends Statement 68 by requiring that, at transition, a government should recognize a beginning deferred outflow of resources for its pension contributions made after the measurement date of the beginning net pension liability. The Statement is effective beginning in fiscal year 2014-2015. The adoption of GASB 71 does not have any impact on the JPA's financial statements.

NOTE 2 - CASH

A. Summary of Cash

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

	Fair Value	Carrying Amount	Credit Quality Rating
Cash in County Treasury	\$ 383,937	\$ 383,597	Not Rated
Money Market Account	373,744	373,744	Not Rated
Total Cash	<u>\$ 757,681</u>	<u>\$ 757,341</u>	

B. Cash in County Treasury

The JPA maintains all operating 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. Cash in Commercial Banks

The JPA also maintains cash in an interest bearing money market account. This account is insured by the Federal Deposit Insurance Corporation to the amount of \$250,000. As of June 30, 2015, the carrying amount of the JPA's accounts was \$373,744, of which \$123,744 was not insured.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 2 - CASH (CONCLUDED)

C. Risk Disclosures (Concluded)

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 2</u>	<u>More than 2</u>
County Treasury	<u>\$383,937</u>	<u>\$ 272,711</u>	<u>\$ 105,967</u>	<u>\$ 5,259</u>

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.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 3 - ACCOUNTS RECEIVABLE

As of June 30, 2015 the JPA had the following accounts receivables:

Lake Tahoe Visitors Authority	\$ 608
Total Accounts Receivable	<u>\$ 608</u>

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
Capital assets being depreciated:				
Equipment	\$ 1,532,379	\$ 173,628	\$ 189,447	\$ 1,516,560
Total capital assets, being depreciated	<u>1,532,379</u>	<u>173,628</u>	<u>189,447</u>	<u>1,516,560</u>
Less accumulated depreciation for:				
Equipment	978,838	169,252	189,447	958,643
Total accumulated depreciation	<u>978,838</u>	<u>169,252</u>	<u>189,447</u>	<u>958,643</u>
Total capital assets, being depreciated, net	<u>553,541</u>	<u>4,376</u>	<u>0</u>	<u>557,917</u>
Governmental activities capital assets, net	<u>\$ 553,541</u>	<u>\$ 4,376</u>	<u>\$ 0</u>	<u>\$ 557,917</u>

The deductions represent the net effect of the addition of previously unreported fully depreciated assets and deletion of previously disposed fully depreciated assets.

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

NOTE 5 - 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.

B. El Dorado County Contract

El Dorado County has contracted with the JPA to provide full service emergency and non-emergency pre-hospital advanced life support services, dispatch services, and non-emergency transports for the area known in El Dorado County as CSA No. 3 South Shore area, except for the Tahoe West Shore Zone of Benefit. Under the terms of this agreement, the JPA receives a set amount per month, which is adjusted annually for volume changes and the consumer price index.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 - COMMITMENTS AND CONTINGENCIES (CONCLUDED)

B. El Dorado County Contract (Concluded)

Under the terms of the contract, audits may be required and certain items may be questioned as not being appropriate under the terms of the contract. Such audits could lead to request for reimbursement to the County.

The JPA has been awarded the bid from El Dorado County for the new contract term starting September 1, 2011. The contract is a ten year contract (five year contract with five one-year extensions).

NOTE 6 - RISK MANAGEMENT

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.

NOTE 7 - SUBSEQUENT EVENTS

On December 7, 2015, the City of South Lake Tahoe announced at its city council meeting the South Lake Tahoe Fire Department would be pulling out of the JPA in 120 days.

Management has evaluated subsequent events through February 26, 2016, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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			
Contract Payments	\$ 2,026,000	\$ 2,058,202	\$ 32,202
Other Program Revenue	16,000	3,102	(12,898)
Interest Income	800	2,050	1,250
Total Revenues	2,042,800	2,063,354	20,554
EXPENDITURES			
Telephone/Radio	8,700	8,267	433
Professional Fees/Contracts	1,600,056	1,776,857	(176,801)
Insurance	15,000	13,185	1,815
Maintenance	35,384	30,482	4,902
Supplies	102,000	113,921	(11,921)
Contingency	1,325	2,320	(995)
Dispatch Contract	150,000	138,472	11,528
Equipment	2,000	671	1,329
Education	13,600	4,230	9,370
Travel/Transportation	33,000	40,399	(7,399)
Total Services and Supplies	1,961,065	2,128,804	(167,739)
Fixed Asset - Equipment	277,000	173,628	103,372
Total Expenditures	2,238,065	2,302,432	(64,367)
Excess of Revenues Over Expenditures	\$ (195,265)	\$ (239,078)	\$ (43,813)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS 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

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

SOUTH LAKE TAHOE, CALIFORNIA

JUNE 30, 2015

ORGANIZATION

The California Tahoe Emergency Services Operations Authority (JPA) is administered through a Board of Directors that is represented by two members for each of the member agencies. The Executive Director of the JPA is selected by the Board and is retained under contract to provide operational oversight of financial operations, contract negotiations and compliance in collaboration with the Fire Chiefs and member agencies.

BOARD OF DIRECTORS

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Robert Bettencourt	Chair	December 2016
Angela Swanson	Member	December 2014
Jo Ann Conner	Member	December 2016
Tom Davis	Member	December 2016
Dave Huber	Member	December 2018
Wendy David	Member	December 2019

ADMINISTRATION

Ryan Wagoner
Executive Director

Jeff Meston
Fire Chief
South Lake Tahoe Fire Department

Gareth Harris
Fire Chief
Lake Valley Fire Department

OTHER INDEPENDENT AUDITORS REPORTS SECTION

GOODELL,
PORTER,
SANCHEZ &
BRIGHT, LLP

CERTIFIED
PUBLIC
ACCOUNTANTS

JOHN L. GOODELL, CPA
VIRGINIA K. PORTER, CPA
BEVERLY A. SANCHEZ, CPA
SUZY H. BRIGHT, 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

To the Board of Directors
California Tahoe Emergency Services Operations Authority
South Lake Tahoe, 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 California Tahoe Emergency Services Operations Authority, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise California Tahoe Emergency Services Operations Authority's basic financial statements and have issued our report thereon dated February 26, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered California Tahoe Emergency Services Operations 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 California Tahoe Emergency Services Operations Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of California Tahoe Emergency Services Operations 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.

To the Board of Directors
California Tahoe Emergency Services Operations Authority
Page Two

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 California Tahoe Emergency Services Operations 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

February 26, 2016

FINDINGS AND RESPONSES SECTION

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

SCHEDULE OF AUDIT FINDINGS AND RESPONSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

There were no matters reported.

CALIFORNIA TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2014-001 - The JPA should maintain current capital asset inventory records. An annual physical inventory should be completed.

Current Status:

Accepted
Implemented

2014-002: Each JPA expenditure should be supported by a completed purchase order. All documentation in support each expenditure should be retained in an orderly manner. A Board member should review and approve invoices submitted by the Executive Director. The Board should review and approve purchases made by the JPA at each meeting.

Current Status:

Accepted
Implemented in 2015-2016, comment not repeated.

2014-003 - Supporting documentation should be retained for all deposits.

Current Status:

Accepted
Implemented - The JPA no longer accepts any deposits.

2014-004 - The Board and management should adopt and monitor formal financial operating policies and procedures.

Current Status:

Accepted
Implemented

CA TAHOE EMERGENCY SVCS OPERATION AUTHORITY
SUMMARY
ACTUAL TO BUDGET
2015 / 2016

	June 30 2016 <u>Actual</u>	2015 / 2016 <u>Budget</u>	Variance <u>Over / (Under)</u>
Revenue From County	\$ 2,078,599	\$ 2,381,220	\$ (302,621)
Sale of Equipment - Ambulance	12,500	10,000	2,500
Interest Income	1,704	800	904
 Total Revenue	 \$ 2,092,803	 \$ 2,392,020	 \$ (299,217)
 Communications	 10,274	 8,700	 1,574
Central Dispatch Contract	150,000	150,000	-
Insurance Premium - Liability/W. Comp	27,286	30,000	(2,714)
Maintenaance - Equipment	5,986	5,384	602
Vehicle Maintenance - Service Contract	30,000	24,000	6,000
Medical, Dental & Lab Supplies	115,094	100,000	15,094
Office Expense	525	2,000	(1,475)
Professional & Specialized Services	1,704,910	1,605,156	99,754
Equipment - Computer		2,000	(2,000)
Special Dept Expense	1,815	-	1,315
Staff Development	1,770	10,000	(8,230)
Transportation & Travel	165	-	165
Fuel Purchases	30,520	35,000	(4,480)
			-
Fixed Asset Equipment	206,032	192,000	14,032
Contingencies		5,000	(5,000)
			-
To Reserve		222,780	(222,780)
 Total Expenses	 \$ 2,284,377	 \$ 2,392,020	 \$ (107,543)
 Expenses over Revenue	 \$ (191,574)	 \$ -	 \$ (191,574)

CA TAHOE EMERGENCY SVCS OPERATION AUTHORITY
SUMMARY
ACTUAL TO BUDGET
3 MONTHS ENDED SEPTEMBER 30, 2016

	YTD <u>Actual</u>	YTD <u>Budget</u>	Variance <u>Over / (Under)</u>
Regular Assessments	\$ 345,106	\$ 520,000	\$ (174,894)
Fund - New Ambulance	160,000	160,000 *	-
Dispatch Increase - One Time	60,000	60,000 *	-
Interest Income	83	200	(117)
Total Revenue	\$ 565,189	\$ 740,200	\$ (175,011)
PPE/Uniforms	156	1,250	(1,094)
Communications / Cell	5,024	2,500	2,524
Computer Equipment	-	1,250	(1,250)
Equipment Purchase	34,754	40,000 *	(5,246)
Empl Exp / Phys / Backgr	1,209	-	1,209
Employee Health Ins	2,290	3,750	(1,460)
Employee Workm Comp	12,509	17,500	(4,991)
Lake Valley Mgmt Fee	-	36,250	(36,250)
Supplies - Medical	25,008	25,000	8
Office Expense	1,447	2,500	(1,053)
Prof Fees - Attorney	6,667	7,725	(1,058)
Prof Fees - Accounting	300	1,025	(725)
Prof Fees - Executive Dir	27,500	27,500	-
Prof Fees - Lake Valley	107,203	112,821	(5,618)
Prof Fees - Paychex	3,435	-	3,435
Salaries	156,690	222,318	(65,628)
Station Supplies	-	750	(750)
Dispatch Contract	25,000	37,500	(12,500)
Equipment Maintenance	5,349	8,846	(3,497)
Fuel	4,090	10,000	(5,910)
Training & Certification	-	6,250	(6,250)
New Amulance	-	160,000 *	(160,000)
Total Expenses	\$ 418,631	\$ 724,735	\$ (306,104)
Revenue over Expenses	\$ 146,558	\$ 15,465	\$ 131,093

* Represents budget for the year

Draft Budget

CAL TAHOE EMERGENCY SERVICES OPERATIONS AUTHORITY 2016/2

INCOME		Draft Budget 16/17	
1200	Revenue from Governmental Agencies	\$	2,080,000.00
	Dispatch Increase	\$	60,000.00
1940	1 Time Ambulance increase	\$	160,000.00
400	Interest	\$	800.00
22	Fund Balance	\$	126,291.98
	Subtotal	\$	2,427,091.98
	TOTAL REVENUE	\$	2,427,091.98

EXPENSES		Draft Budget 16/17	
4040	Communications (Telephor	\$	10,000.00
4043	Dispatch Contract	\$	150,000.00
4100	Insurance Premium	\$	15,000.00
4140	Equipment Maintenance	\$	5,384.00
4160	Vehicle Maintenance	\$	30,000.00
4200	Medical Supplies	\$	100,000.00
4260	Office Supplies	\$	10,000.00
4300	Lake Valley Payroll	\$	451,284.00
4300	Lake Valley Management Fee	\$	145,000.00
4300	JPA Benefits	\$	70,000.00
4300	JPA Payroll	\$	889,272.00
4300	Professional Services	\$	145,000.00
4462	Computer Equipment	\$	5,000.00
4503	Training & Certificates	\$	25,000.00
4606	Fuel	\$	40,000.00
	JPA uniforms	\$	5,000.00
	Station Supplies	\$	3,000.00
	Subtotal - Expenses	\$	2,098,940.00

CAPITAL EXPENSES

6040	Ambulance	\$	160,000.00
	Monitor	\$	108,387.00
	Power load	\$	40,000.00
	Subtotal - Capital Expense	\$	308,387.00
	TOTAL EXPENSES	\$	2,407,327.00

BALANCE \$ **19,764.98**