

# RVPA Staff Report

**TO:** RVPA Board

**FROM:** Cathy Orme, Administrative Services Director

**SUBJECT:** Receive and Acknowledge the Annual FY2017/18 Audit of the Ross Valley Paramedic Authority Basic Financial Statements

**MEETING DATE:** February 7, 2019

## **BACKGROUND**

Annually, RVPA contracts for the services of an independent auditor to verify the state of the Authority's finances by examining our financial records and financial condition.

Maze & Associates provides us with a new team of accountants so that our financial records receive a "fresh" review, unaffected by prior years' examinations. As a result of this kind of thorough review, we are able to identify potential issues and correct them.

We would like to report that we are pleased with the detailed nature of this independent audit of our records, given that there is a heightened interest in the effect of accounting policies and procedures on the fiscal health of organizations. A representative from Maze & Associates will present the audit.

## **STAFF RECOMMENDATION**

The Board receive and accept the annual audit.

Respectfully submitted,

Cathy Orme  
Administrative Services Director

## **Attachments:**

1. Ross Valley Paramedic Authority Basic Financial Statements FY2017/18
2. Ross Valley Paramedic Authority Memorandum on Internal Control and Required Communication FY 2017/18

**ROSS VALLEY PARAMEDIC AUTHORITY**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**A Joint Powers Agency of the**  
**Town of Fairfax**  
**Kentfield Fire Protection District**  
**City of Larkspur**  
**County of Marin**  
**Town of Ross**  
**Town of San Anselmo**  
**Sleepy Hollow Fire Protection District**

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**ROSS VALLEY PARAMEDIC AUTHORITY  
 BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Board of Directors  
of the Ross Valley Paramedic Authority  
Larkspur, California

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Ross Valley Paramedic Authority (Authority) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the 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 the 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. 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority'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 opinions.

### *Opinions*

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 General Fund of the Authority as of June 30, 2018, and the respective changes in financial position and the budgetary comparison listed in the Table of Contents as part of the basic financial statements 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 Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents 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 the Authority's basic financial statements. The Statistical Information as listed in the Table of Contents is presented for purposes of additional analysis and is not required parts of the basic financial statements.

The Statistical Information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly we do not express an opinion or provide any assurance on it.

*Maze & Associates*

Pleasant Hill, California  
December 19, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Authority is issuing its financial statements in the format prescribed by the provisions of Government Accounting Standards Board Statement 34 (GASB 34), which requires the Authority to provide this overview of its financial activities for the fiscal year.

Please read this overview in conjunction with your reading of the accompanying Basic Financial Statements.

### **THE PURPOSE OF THE AUTHORITY**

The Authority is a joint-powers authority of seven municipal entities in Marin County, California that provides paramedic services to its members' citizens. The Authority's operations are financed by a special tax on residential and commercial property and transport billings.

### **FISCAL 201-2018 FINANCIAL HIGHLIGHTS**

Financial highlights of the year ended June 30, 2018 include the following:

#### *Authority-wide:*

- The Authority's total net position was \$981,519. The Authority had \$718,063 in cash and investments and \$238,274 in capital assets.
- Total Authority revenues include \$747,314 in charges for services and \$1,569,398 in special taxes.
- The Authority Board of Directors voted to increase the special assessment for FY 17/18 to \$66.00 per unit to maintain pace with expenses and insure a proper reserve balance.

#### *Fund Basis:*

- General Fund assets totaled \$780,948 of which \$718,063 was cash and investments.
- General Fund revenues were \$2,362,026 close to budgeted revenues.
- General Fund expenditures of \$2,411,872 included \$1,473,083 in Marin County contract services, and engine company paramedic programs for Larkspur of \$120,000, and \$209,398 for Ross Valley Fire Department for a total of \$329,389.
- The decrease in the fund balance of the General Fund was \$49,846.

### **The Basic Financial Statements**

With the implementation of GASB 34, the Authority now issues Authority-wide and individual Fund financial statements, called Basic Financial Statements. Since the Authority has only one fund, the difference between these two statements is limited to the recording of the Authority's capital assets in the Authority-wide statements only.

The Authority-wide Financial Statements provide a longer-term view of the Agency's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the Authority as a whole, including all its capitals assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the Authority's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the Agency's programs.



The Fund Financial Statements report the Authority's operations in more detail than the government-wide statements and focus primarily on the short-term activities of the Authority's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Net positions are as follows:

	2018	2017	Increase / Decrease
Current and other assets	\$718,063	\$1,547,136	-54%
Account receivable	62,885	41,744	51%
Capital assets	238,274	4,733	4934%
Total assets	<u>1,019,222</u>	<u>1,593,613</u>	<u>-36%</u>
Total liabilities	<u>37,703</u>	<u>795,789</u>	<u>-95%</u>
Net position:			
Net investment in capital assets	238,274	4,733	4934%
Unrestricted	743,254	793,091	-6%
Total net position	<u>\$981,528</u>	<u>\$797,824</u>	<u>23%</u>

Changes in net positions are as follows:

	2018	2017	Increase / Decrease
Revenues			
Program revenues			
Charges for services	\$747,314	\$823,668	-9%
Operating contributions	1,569,398	1,440,342	9%
General revenues			
Investment earnings	8,034	6,210	29%
Other	<u>37,280</u>	<u>5,267</u>	<u>608%</u>
Total revenues	<u>2,362,026</u>	<u>2,275,487</u>	<u>4%</u>
Expenses			
General government	<u>2,178,331</u>	<u>2,163,103</u>	<u>1%</u>
Increase(decrease) in net position	183,695	112,384	63%
Net position - beginning	<u>797,824</u>	<u>685,440</u>	<u>16%</u>
Net position - ending	<u>\$981,519</u>	<u>\$797,824</u>	<u>23%</u>

Comparisons of Budget and Actual financial information are also presented for the General Fund.

## CAPITAL ASSETS

Under GASB 34, the Authority is required to record all its capital assets at their historical cost, and to depreciate these assets over their estimated useful lives. During fiscal year 2018, the Agency purchased defibrillators costing \$262,119 accounting for the increase in capital assets. Total capital assets, net of accumulated depreciation as of June 30, 2018 is \$238,274. Further detail on capital assets may be found in Note 3 to the financial statements.

## **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances. Questions about this Report should be directed to the Finance Department, at 400 Magnolia Avenue, Larkspur, California 94939.

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**ROSS VALLEY PARAMEDIC AUTHORITY**

**STATEMENT OF NET POSITION  
AND STATEMENT OF ACTIVITIES**

The purpose of the Statement of Net Position and the Statement of Activities is to summarize the entire Authority's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the Authority's assets and deferred outflows of resources and all its liabilities and deferred inflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the Authority's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between Authority funds have been eliminated.

The Statement of Net Position summarizes the financial position of all the Authority's financial position in a single column.

The Statement of Activities reports increases and decreases in the Authority's net position. It is also prepared on the full accrual basis, which means it includes all the Authority's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, deferred outflows/inflows of resources, available revenues and measurable expenditures.

The Statement of Activities presents the Authority's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental program. The Authority's general revenues are then listed in the Governmental Activities, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

These financial statements along with the fund financial statements and footnotes are called *Basic Financial Statements*.

ROSS VALLEY PARAMEDIC AUTHORITY  
STATEMENT OF NET POSITION  
JUNE 30, 2018

ASSETS

Cash and investments (Note 2)	\$718,063
Accounts receivable	62,885
Capital assets, net of accumulated depreciation (Note 3)	<u>238,274</u>
Total Assets	<u>1,019,222</u>

LIABILITIES

Accounts payable	25,478
Deposits payable	<u>12,225</u>
Total Liabilities	<u>37,703</u>

NET POSITION (Note 4A)

Net investment in capital assets	238,274
Unrestricted	<u>743,245</u>
Total Net Position	<u><u>\$981,519</u></u>

See accompanying notes to financial statements

ROSS VALLEY PARAMEDIC AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

Program Expenses:	
Paramedic services	<u>\$2,178,331</u>
Program Revenues:	
Charges for services	747,314
Operating contributions from member agencies	<u>1,569,398</u>
Total Program Revenues	<u>2,316,712</u>
Net Program Expense	<u>(138,381)</u>
General Revenues:	
Investment earnings	8,034
Miscellaneous revenue	<u>37,280</u>
Total General Revenues	<u>45,314</u>
Change in Net Position	183,695
Net Position-Beginning	<u>797,824</u>
Net Position-Ending	<u><u>\$981,519</u></u>

See accompanying notes to financial statements

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## FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

The Authority's **General Fund** is its only fund and is therefore a major fund. It is used to account for all financial resources. General operating expenditures, fixed charges and capital costs are paid from this fund.



ROSS VALLEY PARAMEDIC AUTHORITY  
 GOVERNMENTAL FUND  
 BALANCE SHEET  
 JUNE 30, 2018

	General Fund
<b>ASSETS</b>	
Cash and investments (Note 2)	\$718,063
Accounts receivable	62,885
	\$780,948
<b>LIABILITIES</b>	
Accounts payable	\$25,478
Deposits payable	12,225
	37,703
<b>FUND BALANCE</b>	
Fund balance (Note 4B):	
Unassigned:	
General Fund reserve	100,000
Remaining unassigned	643,245
	743,245
Total Liabilities & Fund Balance	\$780,948

See accompanying notes to financial statements

ROSS VALLEY PARAMEDIC AUTHORITY  
Reconciliation of the  
GOVERNMENTAL FUND -- BALANCE SHEET  
with the  
STATEMENT OF NET POSITION  
JUNE 30, 2018

Total fund balance reported on the governmental funds balance sheet \$743,245

Amount reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Fund. 238,274

NET POSITION \$981,519

See accompanying notes to financial statements

ROSS VALLEY PARAMEDIC AUTHORITY  
GOVERNMENTAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>
<b>REVENUES</b>	
Parcel tax revenue from member agencies:	
Town of Fairfax	\$258,175
Kentfield Fire Protection District	194,634
City of Larkspur	526,509
County of Marin Service Area #27	51,564
Town of Ross	66,384
Town of San Anselmo	408,728
Sleepy Hollow Fire Protection District	63,404
Transport billing	747,314
Investment earnings	8,034
Miscellaneous revenue	<u>37,280</u>
Total Revenues	<u>2,362,026</u>
<b>EXPENDITURES</b>	
Meeting stipends	3,040
Accounting and auditing	47,736
Transport billing	18,886
Legal and consulting services	4,905
Marin County contractual services	1,473,083
Tax collection service	7,918
Disposable medical supplies	70,726
EMS training/supply reimbursement	90,000
Engine company paramedic programs	329,398
ALS back up	41,521
Insurance	4,702
Rent	28,835
Automotive fuel and repairs	19,169
Miscellaneous	8,938
Capital outlay	<u>263,015</u>
Total Expenditures	<u>2,411,872</u>
NET CHANGE IN FUND BALANCE	(49,846)
FUND BALANCE, BEGINNING OF YEAR	<u>793,091</u>
FUND BALANCE, END OF YEAR	<u><u>\$743,245</u></u>

See accompanying notes to financial statements

ROSS VALLEY PARAMEDIC AUTHORITY  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2018

The schedule below reconciles the Net Changes in Fund Balance reported on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUND	(\$49,846)
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capitalized expenditures are added back to fund balance	262,119
Depreciation expense is deducted from the fund balance	<u>(28,578)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$183,695</u></u>
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See accompanying notes to financial statements

ROSS VALLEY PARAMEDIC AUTHORITY  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Parcel tax revenues from member agencies:				
Town of Fairfax	\$260,036	\$260,036	\$258,175	(\$1,861)
Kentfield Fire Protection District	196,143	196,143	194,634	(1,509)
City of Larkspur	526,000	526,000	526,509	509
County of Marin Service Area #27	50,750	50,750	51,564	814
Town of Ross	66,535	66,535	66,384	(151)
Town of San Anselmo	414,000	414,000	408,728	(5,272)
Sleepy Hollow Fire Protection District	63,250	63,250	63,404	154
Transport billing	796,000	796,000	747,314	(48,686)
Investment earnings	2,200	2,200	8,034	5,834
Miscellaneous revenue			37,280	37,280
	<u>2,374,914</u>	<u>2,374,914</u>	<u>2,362,026</u>	<u>(50,168)</u>
Total Revenues				
EXPENDITURES				
Meeting stipends	7,000	7,000	3,040	3,960
Accounting and auditing	47,326	47,326	47,736	(410)
Transport billing	40,000	40,000	18,886	21,114
Legal and consulting services	17,000	17,000	4,905	12,095
Physio-control - defibrillation units	71,000			
Marin County contractual services	1,477,204	1,477,204	1,473,083	4,121
Tax collection service	8,000	8,000	7,918	82
Disposable medical supplies	75,000	75,000	70,726	4,274
EMS training/supply reimbursement	90,000	90,000	90,000	
Engine company paramedic programs	319,000	319,000	329,398	(10,398)
ALS back up	62,500	62,500	41,521	20,979
Insurance	8,000	8,000	4,702	3,298
Rent	28,835	28,835	28,835	
Automotive fuels and repairs	14,500	14,500	19,169	(4,669)
Miscellaneous	11,000	11,000	8,938	2,062
Capital outlay	2,000	260,144	263,015	(2,871)
	<u>2,278,365</u>	<u>2,465,509</u>	<u>2,411,872</u>	<u>53,637</u>
Total Expenditures				
NET CHANGE IN FUND BALANCE	<u>\$96,549</u>	<u>(\$90,595)</u>	<u>(49,846)</u>	<u>\$40,749</u>
FUND BALANCE, BEGINNING OF YEAR			<u>793,091</u>	
FUND BALANCE, END OF YEAR			<u>\$743,245</u>	

See accompanying notes to financial statements

**ROSS VALLEY PARAMEDIC AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Ross Valley Paramedic Authority (Authority) is a joint powers authority created in 1982 by the Town of Fairfax, Kentfield Fire Protection District, City of Larkspur, County of Marin, Town of Ross, Town of San Anselmo and Sleepy Hollow Fire Protection District. The purpose of the Authority is to provide paramedic services to the citizens of these entities. The Authority is controlled by a seven member board consisting of one member from each of the participating entities. None of the entities exercise specific control over the budgeting and financing of the Authority's activities. The County of Marin Fire Department by contract provides full-time County employees including supervision by County fire department officers to render the paramedic services. Administrative and accounting services are provided by the City of Larkspur.

The Authority's operations are financed by a parcel tax on each residential unit and an equivalent amounts for commercial property and transport billings. During the fiscal year ended June 30, 2018, the tax rate was \$69 per unit, including a collection fee of \$0.50 levied by the County of Marin.

The accounting policies of the Ross Valley Paramedic Authority conform with generally accepted accounting principles as applicable to governments. The following is a summary of the significant policies:

**B. Basis of Presentation**

The Authority's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Statements require that the financial statements described below be presented.

**Government-wide Statements:** The Statement of Net Position and the Statement of Activities include the financial activities of the overall Authority. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the Authority and for each function of the Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and *contributions* that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about the Authority's fund. The emphasis of fund financial statements is on major individual governmental fund displayed in a column.

**ROSS VALLEY PARAMEDIC AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Major Fund**

The Authority's **General Fund** is its only fund. It is used to account for all financial resources. General operating expenditures, fixed charges and capital costs are paid from this fund.

**D. Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Thus, fund revenues are recognized when they become measurable *and* available as net current assets. Measurable means the amount of the transaction can be determined and available means the amount is collectible within the current period or soon enough thereafter (generally sixty days) to be used to pay liabilities of the current period. Amounts which could not be measured or were not available were not accrued as revenue in the current fiscal year.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The Authority considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are contributions from member agencies, interest revenue and charges for services. Fines and forfeitures are not susceptible to accrual because they are not measurable until received in cash.

*Non-exchange transactions*, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**E. Budgets and Budgetary Accounting**

The Authority follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to the end of the fiscal year, a proposed operating budget is submitted to the Board of Directors for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted through passage of a resolution.

**ROSS VALLEY PARAMEDIC AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2018**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- b. Formal budgetary integration is employed as a management control device during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles.
- c. The budget is legally enacted through passage of a resolution before July 1.

**F. Expenditures in Excess of Appropriations**

The departments below incurred expenditures in excess of appropriations in the amounts below. These General Fund had sufficient fund balance or revenues to finance these expenditures.

	Excess of Expenditures Over Appropriations
General Fund:	
Accounting and Auditing	\$410
Engine company paramedic programs	10,398
Automotive fuel and repairs	4,669
Capital Outlay	2,871

**G. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**H. Estimates and Assumptions**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



**ROSS VALLEY PARAMEDIC AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2018**

**NOTE 2 - CASH AND INVESTMENTS**

As of June 30, 2018, the Authority held cash and investments in the City of Larkspur investment pool so that it can be invested at maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. The City's investment policy and the California Government Code permit investments in United States Treasury Obligations, United States Agency Securities, Bankers' Acceptances, Medium-Term Notes, Commercial Paper, Repurchase Agreements, Certificates of Deposit, the California Local Agency Investment Fund (LAIF), Money Market Mutual Funds and the Investment Trust of California (CALTrust). Please see the City of Larkspur's basic financial statements for the year ended June 30, 2018, for more information.

***Fair Value Hierarchy***

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The investments in CalTrust, classified in Level 2 of the fair value hierarchy, are valued based on the fair value factor provided by CalTrust, which is calculated as the average cost to net asset value per share of the Fund. At June 30, 2018, the fair value approximated the Authority's cost. Fair value is defined as the quoted market value on the last trading day of the period.

Investments in LAIF are not subject to the fair value hierarchy.

**NOTE 3 - CAPITAL ASSETS**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Authority has assigned the useful life of 10 years with a capitalization threshold of \$5,000.

Changes in the capital assets are as follows:

	Balance June 30, 2017	Additions	Balance June 30, 2018
Capital assets being depreciated:			
Machinery & Equipment	\$391,141	\$262,119	\$653,260
Less accumulated depreciation for:			
Machinery & Equipment	(386,408)	(28,578)	(414,986)
	<u>\$4,733</u>	<u>\$233,541</u>	<u>238,274</u>

**ROSS VALLEY PARAMEDIC AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2018**

**NOTE 4 – NET POSITION AND FUND BALANCES**

**A. Net Position**

Net Position is the excess of all the Authority's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

*Net Investment in Capital Assets* describes the portion of Net Position which is represented by the current net book value of the Authority's capital assets.

*Unrestricted* describes the portion of Net Position which is not restricted to use.

**B. Fund Balance**

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The Authority classifies its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the Authority prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

*Nonspendable* represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact and assets not expected to be converted to cash, such as prepaids, are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category. As of June 30, 2018 the Authority does not have any nonspendable fund balance.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. As of June 30, 2018 the Authority does not have any restricted fund balance.

*Committed* fund balances have constraints imposed by formal action of the Board which may be altered only by formal action of the Board. Nonspendable amounts subject to Board commitments are included along with spendable resources. As of June 30, 2018, the Authority does not have any committed fund balance.

*Assigned* fund balances are amounts constrained by the Authority's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the Board or its designee and may be changed at the discretion of the Board or its designee. This category includes Nonspendables, when it is the Board's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, which have not been restricted or committed.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

**ROSS VALLEY PARAMEDIC AUTHORITY**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2018**

**NOTE 4 – NET POSITION AND FUND BALANCES (Continued)**

**C. Minimum Fund Balance and Reserve Policies**

The Authority adopted a Fund Balance Reserve Policy with Resolution 01/16, which established a minimum fund balance policy as well as a vehicle/equipment replacement reserve as follows:

*Minimum Unassigned Fund Balance Reserve Level:* It is the goal of the Authority to maintain a General Fund Reserve of, at a minimum, 20% of the projected operating expenditures for each fiscal year. The reserve is intended to be used in the event of a financial shortfall and for the purpose of providing sufficient working capital. Should the General Fund Reserve fall below 20%, the Authority will implement measures to restore the reserve percentage to 20%. The amount of the General Fund Reserve was \$100,000 as of June 30, 2018 and is included with the unassigned fund balance of the Authority.

*Vehicle/Equipment Replacement Reserve:* The purpose of the reserve is to provide for the orderly and timely replacement of ambulances and emergency equipment. The assigned fund balance of the reserve at June 30, 2018 was \$0.

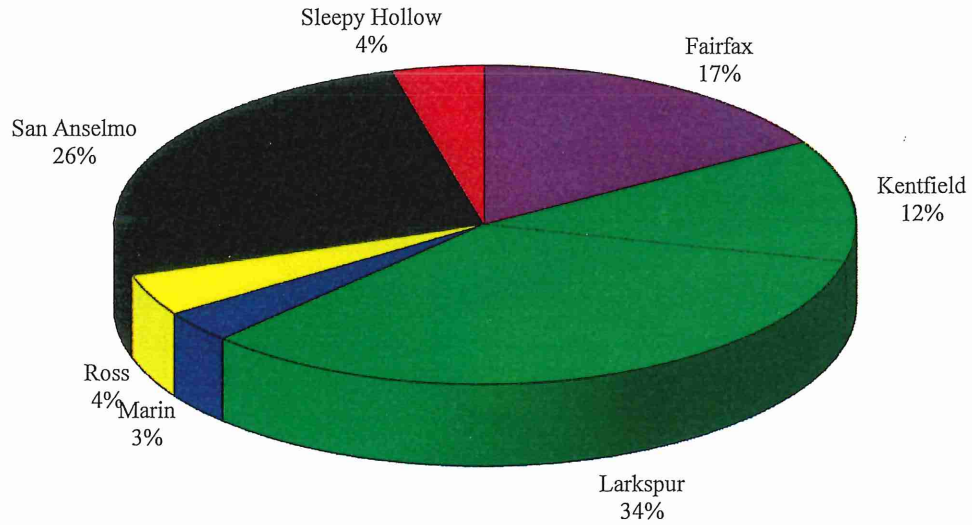
**NOTE 5 - INSURANCE COVERAGE**

The Authority’s insurance coverage is as follows:

Type	Limits
Commercial Excess Liability (Aggregate)	\$3,000,000
Business Automobile	1,000,000
Business Property	43,822
Employee Theft	100,000
General Liability	1,000,000

**STATISTICAL INFORMATION**

ROSS VALLEY PARAMEDIC AUTHORITY  
 CHART OF REVENUES FROM MEMBER AGENCIES  
 FOR THE YEAR ENDED JUNE 30, 2018



<u>PARCEL TAX REVENUE</u>	<u>General Fund</u>
Town of Fairfax	\$258,175
Kentfield Fire Protection District	194,634
City of Larkspur	526,509
County of Marin Service Area #27	51,564
Town of Ross	66,384
Town of San Anselmo	408,728
Sleepy Hollow Fire Protection District	<u>63,404</u>
 Total Member Contributions	 <u><u>\$1,569,398</u></u>

**ROSS VALLEY PARAMEDIC AUTHORITY**  
**MEMORANDUM ON INTERNAL CONTROL**  
**AND**  
**REQUIRED COMMUNICATIONS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**ROSS VALLEY PARAMEDIC AUTHORITY  
MEMORANDUM ON INTERNAL CONTROL  
AND  
REQUIRED COMMUNICATIONS**

**For The Year Ended June 30, 2018**

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## MEMORANDUM ON INTERNAL CONTROL

To the Board of Directors  
Ross Valley Paramedic Authority  
Larkspur, California

In planning and performing our audit of the basic financial statements of the Ross Valley Paramedic Authority (Authority) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing 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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies in internal control included on the Schedule of Material Weaknesses to be material weaknesses.

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.

Included in the Schedule of Other Matters are recommendations not meeting the above definitions that we believe are opportunities for strengthening internal controls and operating efficiency.

Management's written responses included in this report have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Maze & Associates*

Pleasant Hill, California  
December 19, 2018

**ROSS VALLEY PARAMEDIC AUTHORITY  
MEMORANDUM ON INTERNAL CONTROLS  
SCHEDULE OF MATERIAL WEAKNESSES**

**2018-01:        Segregation of Duties, Review and Approval in Major Control Areas**

This comment is an update of matters repeated in prior years as discussed in comment 2017-01 as well as comments 2016-01 and 2015-01, which are not repeated in this report, since they are substantially redundant with our comments below.

The City of Larkspur is the custodian for the Authority's financial records and maintains the Authority's general ledger. We noted the following control areas in which review and approval by a second employee could mitigate potential control weaknesses. We noted that due to the limited number of Finance staff, the City's Finance Director is performing many of the key accounting functions.

**Super-User Rights and Access to Accounting Records and Assets**

**Criteria:** A super-user is an individual who has full access over the Authority's financial system including all modules and all functions. This type of access should be limited to as few employees as possible. If possible, super-user rights should be removed from the Finance Department employees. During our review of the Authority's internal controls for proper segregation of duties and procedures, we noted areas in which controls need to be improved and employee's access and/or duties revised. Good internal controls require that employees with access to the Authority's assets not have access to make changes to the Authority's accounting records for the same assets.

**Condition:** Due to the limited number of finance staff, the Finance Director is performing many of the key accounting functions as noted below. In addition, the Finance Director is a super-user of the Authority's financial system and can perform the following functions:

- Cash Receipts – The Finance Director prepares the bank reconciliations as well as collects cash receipts, prepares the accounts receivable reconciliations, performs write-offs and adjusts the general ledger.
- Accounts Payable – The Finance Director can process accounts payable, has access to blank check stock, is a check signer, has access to the vendor database, reviews the check registers.
- Payroll – The Finance Director can process payroll, is a check signer, has access to blank check stock, reviews the check runs, can adjust the general ledger and performs the bank reconciliations.
- Budget – The Finance Director can adjust the budget, adjust the general ledger and has full access to the accounts payable.

**Effect:** Internal controls are weakened when a super-user is also involved with the daily functions in the Finance Department such as the review process. Inappropriate access to records and access could potentially result in undetected errors or unauthorized transactions.

**Cause:** Limited number of City employees in the Finance Department.

**ROSS VALLEY PARAMEDIC AUTHORITY  
MEMORANDUM ON INTERNAL CONTROLS  
SCHEDULE OF MATERIAL WEAKNESSES**

**2018-01: Segregation of Duties, Review and Approval in Major Control Areas  
(Continued)**

**Recommendation:** The Authority should review the necessity of granting any employee the super-user rights to the financial system. For any module within the financial system that the Finance Director does not need, the access should be limited to read-only. While we have discussed the conditions we noted during the audit with Authority staff, the Authority will need to review the current duties assigned to each Finance employee and determine whether duties need to be revised or whether additional review procedures need to be implemented in order to separate the accounting records from the associated assets.

***Management's Response:***

Super-User Rights and Access to Accounting Records and Assets-Due to the small size of the City, the finance staff is small and lean and does not have enough staff for a designated super user that is not involved in processing financial transactions. The City contracts out the IS services and it has been determined the additional cost to add a license to Tyler, our financial software system, for a contract service is not cost efficient. Tyler Technologies has super user rights, however, Tyler is located in Texas they and their help support does not cover all of the City's working hours. Therefore, it is necessary for the Finance Director, who understands all financial function to be a super user.

**ROSS VALLEY PARAMEDIC AUTHORITY  
MEMORANDUM ON INTERNAL CONTROLS  
SCHEDULE OF OTHER MATTERS**

**2018-02:        NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE**

The following comment represents new pronouncements taking affect in the next few years. We cite them here to keep you informed of developments.

**Effective in fiscal year 2018-19:**

**GASB 83 –        Certain Asset Retirement Obligations**

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

**GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements**

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

***How the Changes in This Statement Improve Financial Reporting***

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

**ROSS VALLEY PARAMEDIC AUTHORITY  
MEMORANDUM ON INTERNAL CONTROLS  
SCHEDULE OF OTHER MATTERS**

**2018-02: NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE (CONTINUED)**

**Effective in fiscal year 2019-20:**

**GASB 84 – Fiduciary Activities**

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

**ROSS VALLEY PARAMEDIC AUTHORITY  
MEMORANDUM ON INTERNAL CONTROLS  
SCHEDULE OF OTHER MATTERS**

**2018-02:        NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET  
EFFECTIVE (CONTINUED)**

***GASB 90 - Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61***

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.



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**ROSS VALLEY PARAMEDIC AUTHORITY  
MEMORANDUM ON INTERNAL CONTROLS  
STATUS OF PRIOR YEAR MATERIAL WEAKNESSES**

**2017-01: Segregation of Duties, Review and Approval in Major Control Areas**

This comment is an update of matters repeated in prior years as discussed in comment 2016-01 as well as comment 2015-01, which is not repeated in this report, since it is substantially redundant with our comments below.

The City of Larkspur is the custodian for the Authority's financial records and keeps Authority's books. We noted the following control areas in which review and approval by a second employee could mitigate potential control weaknesses. We noted that due to the limited number of Finance staff, the City's Finance Director is performing many of the key accounting functions.

**Super-User Rights and Access to Accounting Records and Assets**

**Criteria:** A super-user is an individual who has full access over the Authority's financial system including all modules and all functions. This type of access should be limited to as few employees as possible. If possible, super-user rights should be removed from the Finance Department employees. During our review of the Authority's internal controls for proper segregation of duties and procedures, we noted areas in which controls need to be improved and employee's access and/or duties revised. Good internal controls require that employees with access to the Authority's assets not have access to make changes to the Authority's accounting records for the same assets.

**Condition:** Due to the limited number of finance staff, the Finance Director is performing many of the key accounting functions as noted below. In addition, the Finance Director is a super-user of the Authority's financial system and can perform the following functions:

- Cash Receipts – The Finance Director prepares the bank reconciliations as well as collects cash receipts, prepares the accounts receivable reconciliations, performs write-offs and adjusts the general ledger.
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- Payroll – The Finance Director can process payroll, is a check signer, has access to blank check stock, reviews the check runs, can adjust the general ledger and performs the bank reconciliations.
- Budget – The Finance Director can adjust the budget, adjust the general ledger and has full access to the accounts payable.

**Effect:** Internal controls are weakened when a super-user is also involved with the daily functions in the Finance Department such as the review process. Inappropriate access to records and access could potentially result in undetected errors or unauthorized transactions.

**Cause:** Limited number of City employees in the Finance Department.

**ROSS VALLEY PARAMEDIC AUTHORITY  
MEMORANDUM ON INTERNAL CONTROLS  
STATUS OF PRIOR YEAR MATERIAL WEAKNESSES**

**2017-01: Segregation of Duties, Review and Approval in Major Control Areas  
(Continued)**

**Recommendation:** The Authority should review the necessity of granting any employee the super-user rights to the financial system. For any module within the financial system that the Finance Director does not need, the access should be limited to read-only. While we have discussed the conditions we noted during the audit with Authority staff, the Authority will need to review the current duties assigned to each Finance employee and determine whether duties need to be revised or whether additional review procedures need to be implemented in order to separate the accounting records from the associated assets.

***Current Status:***  
See comment 2018-01.

## REQUIRED COMMUNICATIONS

To the Board of Directors  
Ross Valley Paramedic Authority  
Larkspur, California

We have audited the basic financial statements of the Ross Valley Paramedic Authority (Authority) for the year ended June 30, 2018. Professional standards require that we communicate to you the following information related to our audit under generally accepted auditing standards.

### **Significant Audit Findings**

#### ***Accounting Policies***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year.

The following GASB pronouncements became effective, but did not have a material effect on the financial statements:

***GASB 75 – Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions***

***GASB 81 - Irrevocable Split-Interest Agreements***

***GASB 85 - Omnibus 2017***

***GASB 86 - Certain Debt Extinguishment Issues***

#### ***Unusual Transactions, Controversial or Emerging Areas***

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

#### ***Accounting Estimates***

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Authority's financial statements were:

*Estimated Fair Value of Investments:* As of June 30, 2018, the Authority held approximately \$718 thousand of cash and investments as measured by fair value as disclosed in Note 2 to the financial statements. Fair value is essentially market pricing in effect as of June 30, 2018. These fair values are not required to be adjusted for changes in general market conditions occurring subsequent to June 30, 2018.

*Estimate of Depreciation:* Management's estimate of the depreciation is based on useful lives determined by management. These lives have been determined by management based on the expected useful life of assets as disclosed in Note 3 to the financial statements. We evaluated the key factors and assumptions used to develop the depreciation estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole.

### ***Disclosures***

The financial statement disclosures are neutral, consistent, and clear.

### ***Difficulties Encountered in Performing the Audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Professional standards require us to accumulate all known and likely uncorrected misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We have no such misstatements to report to the Board of Directors.

### ***Disagreements with Management***

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### ***Management Representations***

We have requested certain representations from management that are included in a management representation letter dated December 19, 2018.

***Management Consultations with Other Independent Accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Other Audit Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Information Accompanying the Financial Statements**

We applied certain limited procedures to the required supplementary information that accompanies and supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on the required supplementary information.

We were engaged to report on the supplementary information, which accompanies the financial statements but is not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

\*\*\*\*\*

This information is intended solely for the use of Board of Directors and management and is not intended to be, and should not be, used by anyone other than these specified parties.

*Maze & Associates*

Pleasant Hill, California  
December 19, 2018

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**Group Summary**

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<b>Fund: 705 - ROSS VALLEY PARAMEDIC</b>						
Revenue	2,501,051.12	2,501,051.12	970,564.89	1,398,740.14	-1,102,310.98	44.07 %
Expense	2,388,679.74	2,388,679.74	804,796.01	923,285.51	1,465,394.23	61.35 %
<b>Fund: 705 - ROSS VALLEY PARAMEDIC Surplus (Deficit):</b>	<b>112,371.38</b>	<b>112,371.38</b>	<b>165,768.88</b>	<b>475,454.63</b>	<b>363,083.25</b>	<b>-323.11 %</b>
<b>Report Surplus (Deficit):</b>	<b>112,371.38</b>	<b>112,371.38</b>	<b>165,768.88</b>	<b>475,454.63</b>	<b>363,083.25</b>	<b>-323.11 %</b>



**Fund Summary**

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
705 - ROSS VALLEY PARAMEDIC	112,371.38	112,371.38	165,768.88	475,454.63	363,083.25
Report Surplus (Deficit):	112,371.38	112,371.38	165,768.88	475,454.63	363,083.25



City of Larkspur, CA

# Detail Report Account Detail

Date Range: 12/01/2018 - 12/31/2018

Account	Name	Beginning Balance	Total Activity	Ending Balance				
<b>Fund: 705 - ROSS VALLEY PARAMEDIC</b>								
<a href="#">705-0046-000-003000</a>	PART TIME	1,940.00	760.00	2,700.00				
<b>Post Date</b>	<b>Packet Number</b>	<b>Source Transaction</b>	<b>Pmt Number</b>	<b>Description</b>	<b>Vendor</b>	<b>Project Account</b>	<b>Amount</b>	<b>Running Balance</b>
12/13/2018	APPKT04453	RVPA 12/06/2018	74909	RVPA - Board Meeting Minutes 12/06/20...	1236 - DeFrancis, Toni		60.00	2,000.00
12/17/2018	APPKT04461	12/06/2018	74962	RVPA - Board Stipend 12/06/2018	1465 - Corbett, Bruce		100.00	2,100.00
12/17/2018	APPKT04461	RVPA 12/06/2018	74973	RVPA - Board Stipend 12/06/2018	1072 - Finn, Thomas J.		100.00	2,200.00
12/17/2018	APPKT04461	RVPA 12/06/2018	74954	RVPA - Board Stipend 12/06/2018	5553 - Bailey, Sloan		100.00	2,300.00
12/17/2018	APPKT04461	RVPA 12/06/2018	75004	RVPA - Board Stipend 12/06/2018	2758 - Reed, John		100.00	2,400.00
12/17/2018	APPKT04461	RVPA 12/06/2018	75002	RVPA - Board Stipend 12/06/2018	1688 - Przybylski, Janice		100.00	2,500.00
12/17/2018	APPKT04461	RVPA 12/06/2018	74989	RVPA - Board Stipend 12/06/2018	3092 - Meagor, Roger		100.00	2,600.00
12/17/2018	APPKT04461	RVPA 12/06/2018	74978	RVPA - Board Stipend 12/06/2018	1590 - Hillmer, Dan		100.00	2,700.00
<a href="#">705-0046-001-012038</a>	TRANSPORT BILLING FEES	222.87	19,844.15	20,067.02				
<b>Post Date</b>	<b>Packet Number</b>	<b>Source Transaction</b>	<b>Pmt Number</b>	<b>Description</b>	<b>Vendor</b>	<b>Project Account</b>	<b>Amount</b>	<b>Running Balance</b>
12/07/2018	APPKT04438	18-433459	74898	RVPA - 201827679672600 - Theresa Garcia	2128 - Kaiser		2,442.07	2,664.94
12/13/2018	APPKT04453	18100247	74949	RVPA - Billing Services OCT 2018	1162 - WITTMAN ENTERPRISES, LLC		17,402.08	20,067.02
<a href="#">705-0046-001-018000</a>	COUNTY CONTRACT	0.00	756,576.87	756,576.87				
<b>Post Date</b>	<b>Packet Number</b>	<b>Source Transaction</b>	<b>Pmt Number</b>	<b>Description</b>	<b>Vendor</b>	<b>Project Account</b>	<b>Amount</b>	<b>Running Balance</b>
12/13/2018	APPKT04453	2019ARVPA	74918	RVPA - FY 2018/19 1 of 2 Paramedic Staff...	1371 - MARIN COUNTY FIRE DEPARTMENT		756,576.87	756,576.87
<a href="#">705-0046-002-028010</a>	DISPOSABLE MEDICAL SUPPLIES	29,194.10	2,922.97	32,117.07				
<b>Post Date</b>	<b>Packet Number</b>	<b>Source Transaction</b>	<b>Pmt Number</b>	<b>Description</b>	<b>Vendor</b>	<b>Project Account</b>	<b>Amount</b>	<b>Running Balance</b>
12/13/2018	APPKT04453	83042709	74905	RVPA - Disposable Medical Supplies	4495 - Bound Tree RVPA		130.00	29,324.10
12/13/2018	APPKT04453	CREDIT000000018644	74905	RVPA - CREDIT000000018644 Naloxone Re...	4495 - Bound Tree RVPA		-60.00	29,264.10
12/17/2018	APPKT04461	83053547	74958	RVPA - Disposable Medical Supplies	4495 - Bound Tree RVPA		2,316.77	31,580.87
12/17/2018	APPKT04461	9958187307	74950	RVPA - Oxygen Rental	1644 - AIRGAS USA, LLC		280.25	31,861.12
12/17/2018	APPKT04461	9958189418	74950	RVPA - Oxygen Rental	1644 - AIRGAS USA, LLC		255.95	32,117.07
<a href="#">705-0046-007-073008</a>	TAX COLLECTION SERVICE	0.00	5,935.92	5,935.92				
<b>Post Date</b>	<b>Packet Number</b>	<b>Source Transaction</b>	<b>Pmt Number</b>	<b>Description</b>	<b>Vendor</b>	<b>Project Account</b>	<b>Amount</b>	<b>Running Balance</b>
12/30/2018	GLPKT06644	JN03320		Property Tax			5,935.92	5,935.92

**Detail Report**

Date Range: 12/01/2018 - 12/31/2018

Account	Name	Beginning Balance	Total Activity	Ending Balance				
<a href="#">705-0046-007-074000</a>	RENT	14,777.91	14,777.91	29,555.82				
<b>Post Date</b>	<b>Packet Number</b>	<b>Source Transaction</b>	<b>Pmt Number</b>	<b>Description</b>	<b>Vendor</b>	<b>Project Account</b>	<b>Amount</b>	<b>Running Balance</b>
12/17/2018	APPKT04461	FY2018/19 2 of 2 Medi...	75006	RVPA - 1/2 Rent for Medic Unit FY2018/19 ..	1057 - Ross Valley Fire Department		14,777.91	29,555.82
<a href="#">705-0046-008-087001</a>	OTHER EQUIPMENT/BUILDING	387.25	77.45	464.70				
<b>Post Date</b>	<b>Packet Number</b>	<b>Source Transaction</b>	<b>Pmt Number</b>	<b>Description</b>	<b>Vendor</b>	<b>Project Account</b>	<b>Amount</b>	<b>Running Balance</b>
12/13/2018	APPKT04453	8155 30 005 0005735 ...	74907	RVPA - Internet Services DEC 2018	4741 - Comcast - RVPA / Rescue 40		77.45	464.70
<a href="#">705-0046-008-087008</a>	OTHER EQUIPMENT	0.00	3,900.74	3,900.74				
<b>Post Date</b>	<b>Packet Number</b>	<b>Source Transaction</b>	<b>Pmt Number</b>	<b>Description</b>	<b>Vendor</b>	<b>Project Account</b>	<b>Amount</b>	<b>Running Balance</b>
12/13/2018	APPKT04453	2037299	74938	RVPA - Vehicle Communications Kit	5779 - STC, INC. / Sun Transformer		3,900.74	3,900.74
<b>Total Fund: 705 - ROSS VALLEY PARAMEDIC:</b>		<b>Beginning Balance:</b>	<b>46,522.13</b>	<b>Total Activity:</b>	<b>804,796.01</b>	<b>Ending Balance:</b>	<b>851,318.14</b>	
<b>Grand Totals:</b>		<b>Beginning Balance:</b>	<b>46,522.13</b>	<b>Total Activity:</b>	<b>804,796.01</b>	<b>Ending Balance:</b>	<b>851,318.14</b>	

### Fund Summary

<b>Fund</b>	<b>Beginning Balance</b>	<b>Total Activity</b>	<b>Ending Balance</b>
705 - ROSS VALLEY PARAMEDIC	46,522.13	804,796.01	851,318.14
<b>Grand Total:</b>	<b>46,522.13</b>	<b>804,796.01</b>	<b>851,318.14</b>

**INVOICE 18120247**

**TO:** Ross Valley RPA  
**FROM:** Wittman Enterprises  
**DATE:** January 10, 2019  
**FOR:** Billing Services Performed in **December 2018**

Gross Collections	\$	79,834.90
Less Refunds	\$	17,457.78
Net Collections	\$	62,377.12
Fee Based on 3.99% of Net Collections	\$	2,488.85

**CURRENT MONTH BALANCE: \$ 2,488.85**

**Prior month (November) balance: \$ 4,444.86**

**TOTAL AMOUNT: \$ 6,933.71**









**Management Summary Report**  
**Monthly and Fiscal Year to Date**  
**Ross Valley RPA**  
**December 2018**

Financial Class	Number of Accounts	Percent of Total	Year to Date Total Accts.	Percent of Total YTD	Charges	Percent of Total	Year to Date Total Charges	Percent of Total YTD	Payments	Percent of Total	Year to Date Payments	Percent of Total YTD
Medicare	59	41.55%	295	34.30%	\$143,371.56	46.98%	\$699,008.62	22.17%	\$29,023.57	36.35%	\$169,365.05	26.76%
Medicare HMO	2	1.41%	22	2.56%	\$5,005.24	1.64%	\$56,133.15	1.78%	\$4,244.33	5.32%	\$8,504.85	1.34%
Medi-Cal	0	0.00%	11	1.28%	\$0.00	0.00%	\$24,281.61	0.77%	\$47.09	0.06%	\$2,322.95	0.37%
Medi-Cal HMO	10	7.04%	45	5.23%	\$20,742.58	6.80%	\$93,584.58	2.97%	\$1,281.43	1.61%	\$9,150.72	1.45%
Insurance	10	7.04%	86	10.00%	\$24,423.98	8.00%	\$195,961.43	6.22%	\$23,638.05	29.61%	\$125,764.47	19.87%
Private Pay	15	10.56%	108	12.56%	\$15,727.84	5.15%	\$165,525.05	5.25%	\$855.15	1.07%	\$13,067.93	2.06%
Kaiser	6	4.23%	46	5.35%	\$16,516.14	5.41%	\$113,342.41	3.60%	\$13,406.74	16.79%	\$215,706.67	34.08%
Kaiser Medical	0	0.00%	4	0.47%	\$0.00	0.00%	\$8,377.95	0.27%	\$379.94	0.48%	\$3,592.21	0.57%
Kaiser Medicare	20	14.08%	108	12.56%	\$47,317.22	15.50%	\$271,171.95	8.60%	\$5,308.33	6.65%	\$82,338.79	13.01%
Other	20	14.08%	135	15.70%	\$26,439.59	8.66%	\$205,774.37	6.53%	\$1,650.27	2.07%	\$3,149.41	0.50%
Prior Sales					\$5,661.52	1.85%	\$1,319,421.24	41.85%				
<b>Sub Total</b>	<b>142</b>	<b>100.00%</b>	<b>860</b>	<b>100.00%</b>	<b>\$305,205.67</b>	<b>100.00%</b>	<b>\$3,152,582.36</b>	<b>100.00%</b>	<b>\$79,834.90</b>	<b>100.00%</b>	<b>\$632,963.05</b>	<b>100.00%</b>
Dry Runs	0	0.00%	0	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
<b>Total</b>	<b>142</b>	<b>100.00%</b>	<b>860</b>	<b>100.00%</b>	<b>\$305,205.67</b>	<b>100.00%</b>	<b>\$3,152,582.36</b>	<b>100.00%</b>	<b>\$79,834.90</b>	<b>100.00%</b>	<b>\$632,963.05</b>	<b>100.00%</b>