

RVPA Staff Report

TO: RVPA Board

FROM: Jason Weber, Executive Officer

SUBJECT: Receive and Acknowledge the Annual FY2022-23 Audit of the Ross Valley Paramedic Authority Basic Financial Statements

MEETING DATE: March 7, 2024

BACKGROUND

Annually, Ross Valley Paramedic Authority (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.

The Authority has a contracted with Badawi and Associates for the annual audit services. The audit contract is a three-year term to cover fiscal years, June 30, 2019, 2020 and 2021 with an option to extend two additional one-year periods. The agency has retained Badawi's audit services for two additional years. Staff intend to extend the agreement with Badawi for another fiscal year.

Staff would like to report that the financial statements are fairly presented in all material respects of the financial position of governmental activities and are in accordance the Generally Accepted Accounting Standards.

Ahmed Badawi president of Badawi & Associates will present the audit.

STAFF RECOMMENDATION

The Board receive and accept the annual audit.

Respectfully submitted,

Jason Weber
Executive Officer

Attachments:

1. Ross Valley Paramedic Authority Basic Financial Statements FY2022-23
2. Auditor's Communication with Those Charged with Governance FY 2022-23
3. Ross Valley Paramedic Authority Management Representation Letter FY 2022-23
4. Auditor Presentation of FY 2022-23 Audit Results to Ross Valley Paramedic Authority Board

ROSS VALLEY PARAMEDIC AUTHORITY
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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

**ROSS VALLEY PARAMEDIC AUTHORITY
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and respective budgetary comparison for the General Fund and the related notes to the financial statements, which collectively comprise Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and general fund information of the Authority, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Authority's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

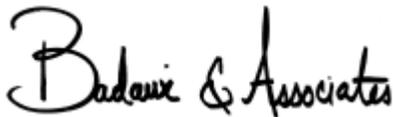
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting 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

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

Management is responsible for the other information. The other information comprises the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
January 15, 2024

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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 2022-2023 FINANCIAL HIGHLIGHTS

Financial highlights of the year ended June 30, 2023, include the following:

Authority-wide:

- The Authority's total net position was \$3,297,051.
- Cash and investments were \$3,259,095 and capital assets \$245,054.
- Total Authority revenues include \$1,328,451 in charges for services and \$2,031,366.
- in special taxes.
- The Authority Board of Directors voted to increase the special assessment for FY 2022/23 to \$91.00 per unit to maintain pace with expenses and insure a proper reserve balance.

Fund Basis:

- General Fund assets totaled \$3,269,125 of which \$3,259,095 were cash and investments.
- General Fund revenues were \$3,485,562 for property tax and transportation billing.
- General Fund expenditures of \$2,795,470 included \$1,822,499 in Marin County contract services, and engine company paramedic programs for Larkspur of \$175,433 and \$296,189 for Ross Valley Fire Department for a total of \$471,622.
- The increase in the fund balance of the General Fund was \$690,092.

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 a 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:

	<u>2022-23</u>	<u>2021-22</u>	<u>Inc. (Dec.)</u>
Cash and other assets	\$ 3,259,095	\$ 3,298,831	\$ (39,736)
Accounts receivable	10,030	11,391	(1,361)
Capital assets	<u>245,054</u>	<u>299,308</u>	<u>(54,254)</u>
Total assets	<u>3,514,179</u>	<u>3,609,530</u>	<u>(95,351)</u>
Total liabilities	<u>217,128</u>	<u>948,317</u>	<u>(731,189)</u>
Net position:			
Net investment in capital assets	245,054	299,308	(54,254)
Unrestricted	<u>3,051,997</u>	<u>2,361,905</u>	<u>690,092</u>
Total net position	<u>\$ 3,297,051</u>	<u>\$ 2,661,213</u>	<u>\$ 635,838</u>

- The decrease in total liabilities is primarily due to the recording of a fiscal year 2021-22 invoice for \$831,077 prior to June 30, 2022, that was paid in fiscal 2022-23. The invoice for the following year was paid within the same fiscal year it was recorded, resulting in a decrease of liability compared to the previous fiscal year.
- The decrease in net investment in capital assets is due to depreciation expense.
- The increase of \$690,095 in unrestricted position is primarily due to the Authority receiving more revenue than originally budgeted in the amount of \$498,796 for transport billing.

Changes in net positions are as follows:

	<u>2022-23</u>	<u>2021-22</u>	<u>Inc. (Dec.)</u>	<u>Inc. (Dec.)</u>
Revenues				
Program revenues				
Charges for services	\$ 1,328,451	\$ 1,207,554	\$ 120,897	10%
Operating contributions	2,031,366	1,939,633	91,733	5%
General revenues				
Investment earnings	29,902	(14,237)	44,139	-310%
Other	<u>95,841</u>	<u>2,818</u>	<u>93,023</u>	3301%
Total revenues	<u>3,485,560</u>	<u>3,135,768</u>	<u>349,792</u>	11%
Expenses				
General government	<u>2,849,722</u>	<u>2,663,175</u>	<u>186,547</u>	7%
Increase (decrease) in net position	635,838	472,593	163,245	35%
Net position - beginning	<u>2,661,213</u>	<u>2,188,620</u>	<u>472,593</u>	22%
Net position - ending	<u>\$ 3,297,051</u>	<u>\$ 2,661,213</u>	<u>\$ 635,838</u>	24%

For fiscal year 2023, Charges for services includes Transportation billing and Medicare payments. Charges for service revenues increased by 10% from prior year. Operating contributions are from property tax. Other revenue included Medi-Cal Provider Ground Emergency Medical Transportation Intergovernmental Transfer Program – Assembly Bill 1705. Investment earnings are positive after applying the fair market value. The Financial Accounting Standards Board (FASB) issued Statement No. 157, Fair Value Measurement, the difference between the transaction price and fair value is recognized as a gain or loss in earnings.

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 2019, the Agency purchased an ambulance costing \$280,416. Total capital assets, net of accumulated depreciation as of June 30, 2023, is \$245,054. Further details on capital assets may be found in Note 3 of 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 Administrative Services Director located in City Hall 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, 2023

ASSETS

Cash and investments:	\$	3,259,095
Accounts receivable		10,030
Capital assets, net of accumulated depreciation		<u>245,054</u>
Total assets		<u>3,514,179</u>

LIABILITIES

Accounts payable		200,791
Deposits payable		<u>16,337</u>
Total liabilities		<u>217,128</u>

NET POSITION

Net investment in capital assets		245,054
Unrestricted (deficit)		<u>3,051,997</u>
Total net position	\$	<u><u>3,297,051</u></u>

See accompanying Notes to Basic Financial Statements.

ROSS VALLEY PARAMEDIC AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30,2023

Program Expenses:

Paramedic services	\$ 2,849,722
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Program Revenues:

Charges for services	1,328,451
Operating Contributions from member agencies	2,031,366

Total Program Revenues	3,359,817
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Net Program Expense	(510,095)
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General Revenues:

Investment earnings	29,902
Miscellaneous revenue	95,841

Total General Revenues	125,743
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Change in Net Position	635,838
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Net Position-Beginning	2,661,213
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Net Position-Ending	\$ 3,297,051
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See accompanying Notes to Basic 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.

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ROSS VALLEY PARAMEDIC AUTHORITY
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2023

	General Fund
ASSETS	
Cash and investments	\$ 3,259,095
Accounts receivable	10,030
	\$ 3,269,125
Liabilities:	
Accounts payable	\$ 200,791
Deposits payable	16,337
	217,128
Fund Balances: (Note 12)	
Assigned:	
Vehicle/Equipment Replacement Reserve	300,000
Unassigned:	
General Fund Reserve	800,000
Remaining Unassigned	1,951,997
	3,051,997
Total fund balances	3,051,997
Total liabilities and fund balances	\$ 3,269,125

See accompanying Notes to Basic Financial Statements.

ROSS VALLEY PARAMEDIC AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances reported on the governmental fund balance sheet	<u>\$ 3,051,997</u>
Amounts 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.	<u>245,054</u>
Net Position of Governmental Activities	<u><u>\$ 3,297,051</u></u>

See accompanying Notes to Basic Financial Statements.

ROSS VALLEY PARAMEDIC AUTHORITY
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30,2023

	General Fund
REVENUES:	
Parcel tax revenue from member agencies:	
Town of Fairfax	\$ 339,330
Kentfield Fire Protection District	255,227
City of Larkspur	659,849
County of Marin Service Area #27	67,818
Town of Ross	87,691
Town of San Anselmo	537,963
Sleepy Hollow Fire Protection District	83,490
Transport billing	1,328,451
Investment earnings	29,902
Miscellaneous revenue	95,841
Total revenues	3,485,562
EXPENDITURES:	
Meeting stipends	3,280
Accounting and auditing	50,793
Transport billing	52,861
Legal and consulting services	1,494
Marin County contractual services	1,822,499
Tax collection service	7,907
Disposable medical supplies	46,048
EMS training/supply reimbursement	62,791
Engine company paramedic programs	471,622
ALS backup	100,000
Insurance	5,348
Rent	32,624
Automotive fuel and repairs	33,818
Miscellaneous	15,525
Defibrillators	9,676
Payment to other agencies	66,087
Capital outlay	13,097
Total expenditures	2,795,470
Net change in fund balances	690,092
FUND BALANCES, Beginning of year	2,361,905
FUND BALANCES, End of year	\$ 3,051,997

See accompanying Notes to Basic Financial Statements.

ROSS VALLEY PARAMEDIC AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS-STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30,2023

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	\$ 690,092
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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.

Depreciation expense is deducted from the fund balance	<u>(54,254)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 635,838</u></u>
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ROSS VALLEY PARAMEDIC AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30,2023

	Budgeted Original	Final Budgeted	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Parcel tax revenue from member agencies:				
Town of Fairfax	\$ 340,997	\$ 340,997	\$ 339,330	\$ (1,667)
Kentfield Fire Protection District	257,211	257,211	255,227	(1,984)
City of Larkspur	657,917	657,917	659,849	1,932
County of Marin Service Area #27	66,551	66,551	67,818	1,267
Town of Ross	87,250	87,250	87,691	441
Town of San Anselmo	542,897	542,897	537,963	(4,934)
Sleepy Hollow Fire Protection District	82,943	82,943	83,490	547
Transport billing	950,000	950,000	1,328,451	378,451
Investment earnings	1,000	1,000	29,902	28,902
Miscellaneous revenue	-	-	95,841	95,841
Total revenues	<u>2,986,766</u>	<u>2,986,766</u>	<u>3,485,562</u>	<u>498,796</u>
EXPENDITURES:				
Meeting stipends	24,205	24,205	3,280	20,925
Accounting and auditing	54,308	54,308	50,793	3,515
Transport billing	52,530	52,530	52,861	(331)
Legal and consulting services	8,755	8,755	1,494	7,261
Marin County contractual services	1,821,817	1,821,817	1,822,499	(682)
Tax collection service	8,500	8,500	7,907	593
Disposable medical supplies	77,250	77,250	46,048	31,202
EMS training/supply reimbursement	90,000	90,000	62,791	27,209
Engine company paramedic programs	468,700	468,700	471,622	(2,922)
ALS backup	72,100	72,100	100,000	(27,900)
Insurance	5,665	5,665	5,348	317
Rent	33,990	33,990	32,624	1,366
Automotive fuel and repairs	17,210	17,210	33,818	(16,608)
Miscellaneous	16,375	16,375	15,525	850
Defibrillators	12,360	12,360	9,676	2,684
Payment to other agencies	50,000	50,000	66,087	(16,087)
Capital outlay	75,000	75,000	13,097	61,903
Total expenditures	<u>2,888,765</u>	<u>2,888,765</u>	<u>2,795,470</u>	<u>93,295</u>
Net change in fund balance	<u>\$ 98,001</u>	<u>\$ 98,001</u>	690,092	<u>\$ 592,091</u>
FUND BALANCES, Beginning of year			<u>2,361,905</u>	
FUND BALANCES, End of year			<u>\$ 3,051,997</u>	

See accompanying Notes to Basic Financial Statements.

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ROSS VALLEY PARAMEDIC AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023, the tax rate was \$91 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 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.

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.

ROSS VALLEY PARAMEDIC AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
- 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.

ROSS VALLEY PARAMEDIC AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:	
Automotive fuel and repairs	\$ 16,608
Marin County contractual services	682
ALS backup	27,900
Transport Billing	331
Engine Company Paramedic Programs	2,922
Payment to other Agencies	16,087

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, 2023

NOTE 2 - CASH AND INVESTMENTS

As of June 30, 2023, 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, 2023, 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.

Certificates of Deposit and Federal Agency Bonds are classified in Level 2 of the fair value hierarchy. At June 30, 2023, 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 and CalTrust are not subject to the fair value hierarchy.

The Authority also invests in Money Market Funds, which are not subject to the requirements of fair value hierarchy.

NOTE 3 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimate 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 6/30/2022	Additions	Deletions	Balance 6/30/2023
Capital assets being depreciated:				
Machinery & Equipment	\$ 776,276	\$ -	\$ -	\$ 776,276
Less accumulated depreciation for:				
Machinery & Equipment	(476,968)	(54,254)	-	(531,222)
	<u>\$ 299,308</u>	<u>\$ (54,254)</u>	<u>\$ -</u>	<u>\$ 245,054</u>

ROSS VALLEY PARAMEDIC AUTHORITY
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023 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, 2023 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, 2023, 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, 2023

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 \$800,000 as of June 30, 2023 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, 2023 was \$300,000.

NOTE 5 - INSURANCE COVERAGE

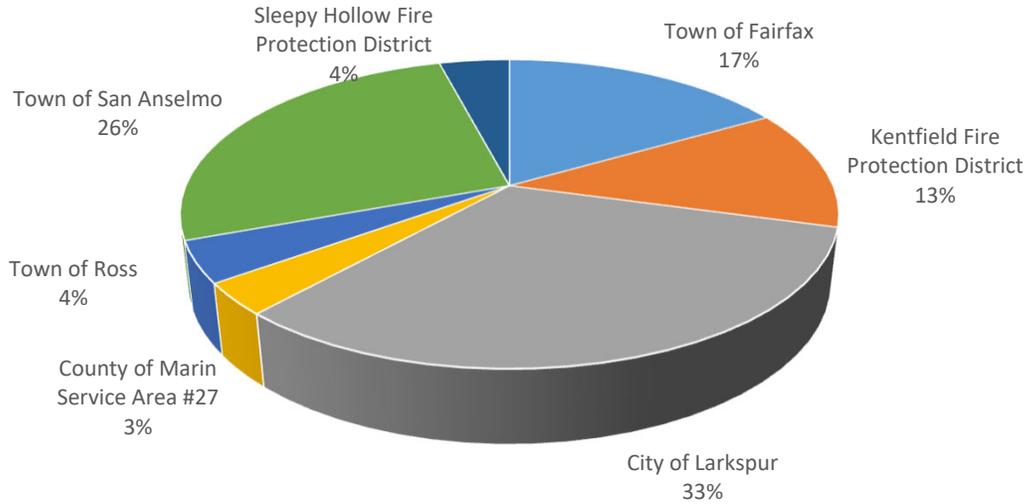
The Authority's insurance coverage is as follows:

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

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ROSS VALLEY PARAMEDIC AUTHORITY
 CHART OF REVENUES FROM MEMBER AGENCIES
 FOR THE YEAR ENDED JUNE 30, 2023



PARCEL TAX REVENUES

General Fund

Town of Fairfax	\$ 339,330
Kentfield Fire Protection District	255,227
City of Larkspur	659,849
County of Marin Service Area #27	67,818
Town of Ross	87,691
Town of San Anselmo	537,963
Sleepy Hollow Fire Protection District	<u>83,490</u>
 Total Member Contributions	 <u><u>\$ 2,031,368</u></u>

Ross Valley Paramedic Authority

Larkspur, California

*Auditor's Communication with
Those Charged with Governance*

For the year ended June 30, 2023





January 15, 2024

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

We have audited the financial statements of the Ross Valley Paramedic Authority (Authority) as of and for the year ended June 30, 2023, and have issued our report thereon dated January 15, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 24, 2023, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

To the Honorable Directors
of the Board of Directors of the Ross Valley Paramedic Authority
Larkspur, California
Page 2

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

- *Risk of Management Override of Internal Controls* - A risk of management override of internal controls exists at any entity where management can change or decide not to perform that entity's internal controls.
- *Revenue Recognition Risk* - Errors in revenue recognition can affect the net position of the Authority.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements is capital asset depreciation and useful life.

To the Honorable Directors
of the Board of Directors of the Ross Valley Paramedic Authority
Larkspur, California
Page 3

Management's estimate of capital assets depreciation and useful life is based on historical useful lives of such assets, and actuarial assumptions, respectively. We evaluated the key factors and assumptions used to develop the estimate of capital assets depreciation and useful life and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to:

- Summary of Significant Accounting Policies
- Cash and Investments
- Capital Assets

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

To the Honorable Directors
of the Board of Directors of the Ross Valley Paramedic Authority
Larkspur, California
Page 4

Disagreements with Management

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

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 15, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information (RSI) that 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 RSI and do not express an opinion or provide any assurance on the RSI.

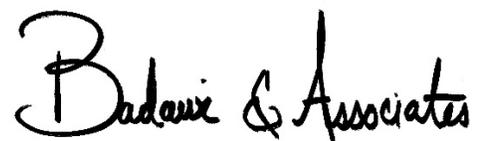
To the Honorable Directors
of the Board of Directors of the Ross Valley Paramedic Authority
Larkspur, California
Page 5

Other Information Included in Basic Financial Statement Report

Pursuant to professional standards, our responsibility as auditors for chart of revenues from member agencies, whether financial or nonfinancial, included in the Authority's basic financial statement report, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

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

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
January 15, 2024

January 15, 2024

Badawi & Associates, CPAs
2855 Telegraph Ave, Suite 312
Berkeley, CA 94705

This representation letter is provided in connection with your audit of the financial statements of the Ross Valley Paramedic Authority (Authority) as of June 30, 2023, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the Authority in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 15, 2024:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 24, 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
5. We have reviewed, approved, and taken responsibility for the financial statements and related notes.
6. We have a process to track the status of audit findings and recommendations.

7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
9. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
10. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
16. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
17. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
18. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
19. All interfund and intra-entity transactions and balances have been properly classified and reported.
20. Special items and extraordinary items have been properly classified and reported.
21. Deposit and investment risks have been properly and fully disclosed.
22. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.

23. All required supplementary information is measured and presented within the prescribed guidelines.
24. With regard to investments and other instruments reported at fair value:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
25. With respect to providing assistance in preparation of the financial statements and related notes of the Authority, we have performed the following:
 - a. Made all management decisions and performed all management functions;
 - b. Assigned a competent individual to oversee the services;
 - c. Evaluated the adequacy of the services performed;
 - d. Evaluated and accepted responsibility for the result of the service performed; and
 - e. Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

26. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
27. The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
28. All transactions have been recorded in the accounting records and are reflected in the financial statements.
29. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
30. We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
31. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

- a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
32. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
 33. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
 34. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
 35. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
 36. The Authority has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
 37. We have disclosed to you all guarantees, whether written or oral, under which the Authority is contingently liable.
 38. We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
 39. For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
 40. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
 41. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
 42. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.

- b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - d. Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
43. The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
44. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
45. We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records reflected in the financial statements.
46. The Authority has satisfactory title to all owned assets (not right to use assets that are leased), and there are no liens or encumbrances on such capital assets; nor has the Authority pledged any capital assets as collateral.
47. There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for a loss contingency, or otherwise considered when preparing the financial statements.
48. The methods and significant inputs and assumptions used to determine fair values of financial instruments are determined by the Authority's investment custodians. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes and are in accordance with the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*.
49. With respect to the chart of revenue from member agencies (Supplementary Information) on which an in-relation opinion is issued accompanying the financial statements:
- a. We acknowledge our responsibility for the presentation of the Supplementary Information in accordance with U.S. GAAP.
 - b. We believe the Supplementary Information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There were no significant assumptions or interpretations underlying the measurement of the Supplementary Information.
 - e. When the Supplementary Information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the Supplementary Information no later than the date of issuance by the entity of the Supplementary Information and the auditor's report thereon.

- f. We acknowledge our responsibility to include the auditor's report on the Supplementary Information in any document containing the Supplementary Information and that indicates the auditor reported on such Supplementary Information.
- g. We acknowledge our responsibility to present the Supplementary Information with the audited financial statements or, if the Supplementary Information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the Supplementary Information no later than the date of issuance by the entity of the Supplementary Information and the auditor's report thereon.

50. With respect to the management's discussion and analysis (RSI) accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the RSI in accordance with U.S. GAAP.
- b. We believe the RSI, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. There were no significant assumptions or interpretations underlying the measurement or presentation of the RSI.

DocuSigned by:

Jason Weber

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Jason Weber, Executive Director

DocuSigned by:

Emilia Gabriele

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Emilia Gabriele, Administrative Services Director

Ross Valley Paramedic Authority

Presentation to the Board of Directors

March 7, 2024

Presented by: **Ahmed Badawi, CPA**
Partner



Agenda

- Deliverables and Scope of the Audit
- Areas of Primary Emphasis
- Auditor's Report and Financial Statements
- Required Communications
- New Accounting Standards
- Conclusion & Discussion/Questions

Deliverables and Scope of the Audit

- Report of Independent Auditors on Ross Valley Paramedic Authority Basic Financial Statements (BFS).
- Communications With Those Charged With Governance.
 - Letter used to summarize communication of various significant matters to those charged with governance.

Areas of Primary Audit Emphasis

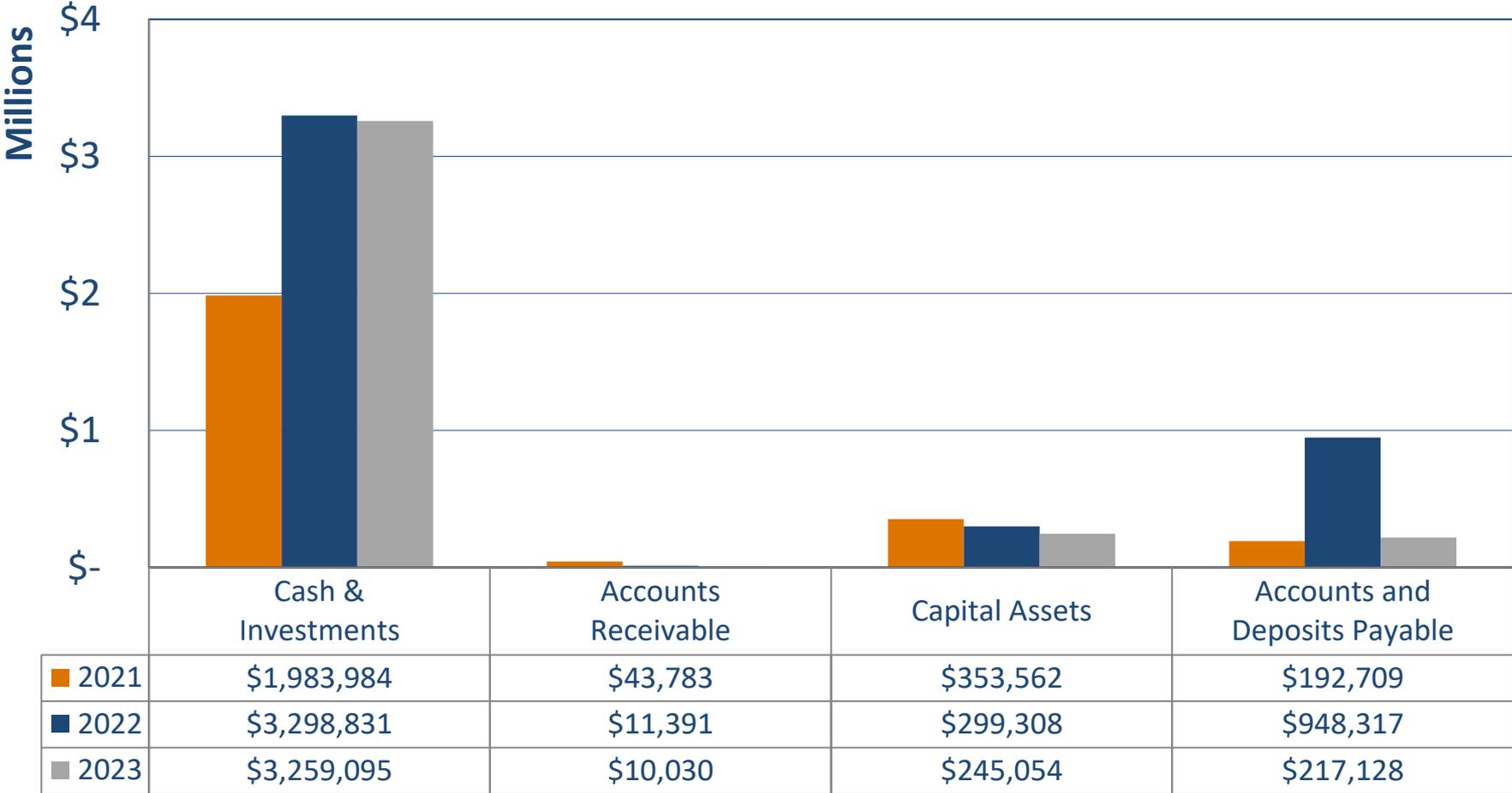
- The risk of management override of controls is addressed by the following procedures:
 - Assignment of audit staff based on consideration of audit risk.
 - Procedures to incorporate an element of unpredictability in the audit from period to period.
 - Consideration of the selection and application of significant accounting principles.
 - Examination of journal entries.
 - Review of accounting estimates for bias.
 - Evaluation of business rationale for unusual transactions.
 - Evaluation of the appropriateness of fraud-related inquiries performed
- Revenues & Receivables (Tax, Grants, Notes, etc.): Improper revenue recognitions
 - Governmental Funds: Confirm/validate property taxes & other significant revenues/receivables.

Auditor's Report

- Unmodified opinion
- Financial statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements

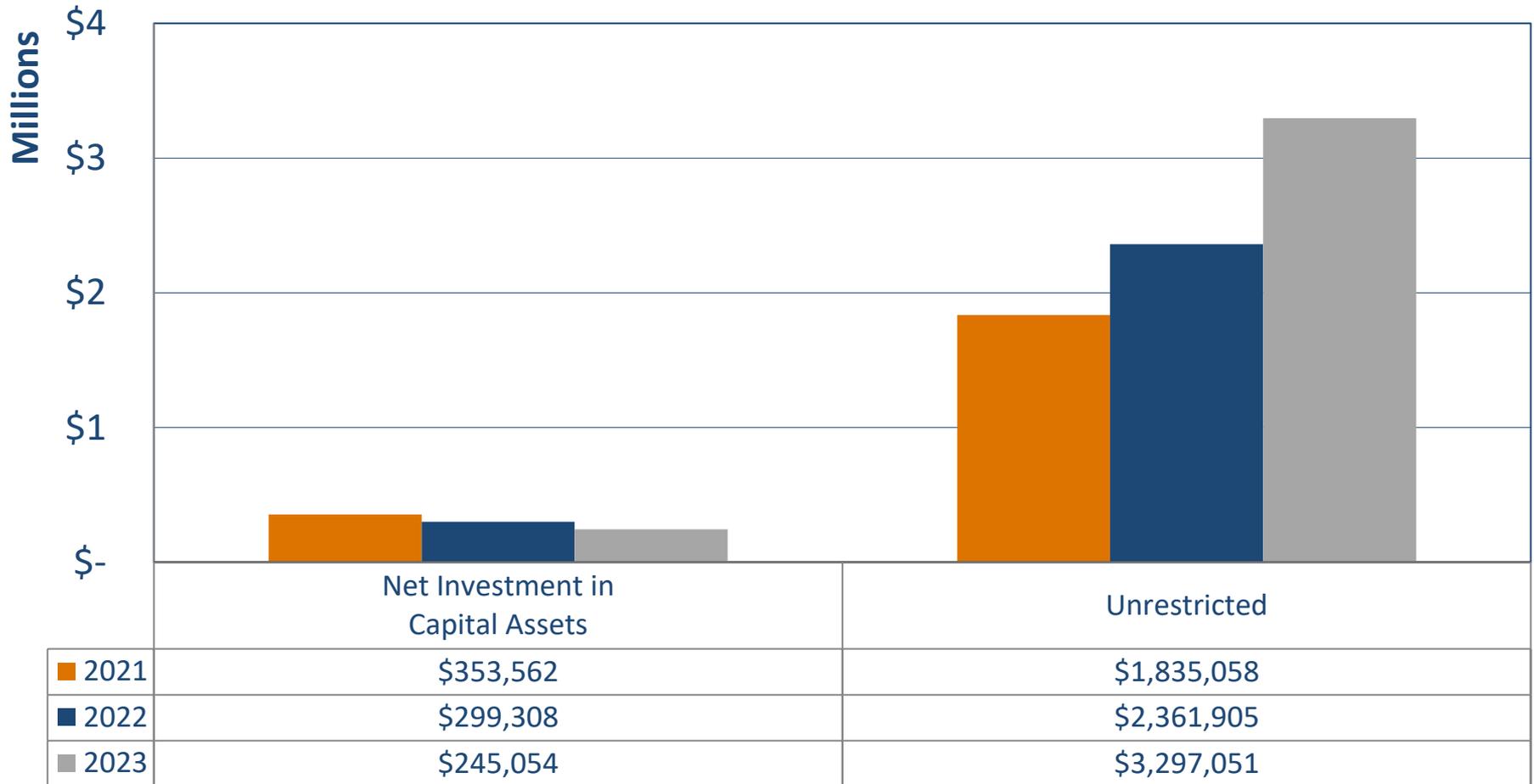
Government-Wide Financial Statements

Assets and Liabilities



Government-Wide Financial Statements

Net Position



General Fund

Expenditure Coverage

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Unrestricted Fund Balance	<u>\$ 1,685,058</u>	<u>\$ 2,361,905</u>	<u>\$ 3,051,997</u>
Total Expenditures	<u>\$ 2,511,234</u>	<u>\$ 2,608,923</u>	<u>\$ 2,795,470</u>
Unrestricted Fund Balance as a % of Total Expenditures	<u>67.10%</u>	<u>90.53%</u>	<u>109.18%</u>
Number of months	8.05	10.86	13.10

GFOA recommendation No less than 2 months

Measure of Authority's ability to operate with no revenues using available fund balance.

Required Communications

• Our Responsibility Under U.S. GAAS

- Opinion on whether financial statements are fairly stated in accordance with U.S. GAAP
- Evaluate internal control over financial reporting including tone at the top
- Ensure financial statements are clear and transparent
- Communicate with the governing body

• Management Responsibility

- Management is responsible for the financial statements
- Establish and maintain internal control over financial reporting
- Making all financial records available to us
- Adjust the financial statements to correct material misstatements
- Establish internal control to prevent and detect fraud
- Inform us of all known and suspected fraud
- Comply with laws and regulations
- Take corrective action on audit findings

Required Communications

- Significant Accounting Policies and Unusual Transactions



The Authority adopted the following new pronouncements during the year:

- GASB Statement No. 91, Conduit Debt
- GASB Statement No. 94, Public-Private Partnerships
- GASB Statement No. 96, Subscription-Based Information Technology Arrangements

- Management Judgment and Accounting Estimates



Significant management estimates impacting the financial statements include the following:

- Useful lives of Capital Assets and Depreciation

Required Communications

- Sensitive Disclosures



The most sensitive disclosures affecting the financial statements relate to:

- Summary of Significant Accounting Policies
- Cash and Investments
- Capital Assets

- Significant Audit Adjustments and Unadjusted Differences Considered by Management to be Immaterial



We did not have any significant audit adjustments.

- Potential Effect on the Financial Statements of Any Significant Risks and Exposures



No significant risks or exposures were identified. Legal matters and potential liabilities are disclosed in the financial statements

Required Communications

- Disagreement with Management



We are pleased to report that there were no disagreements with management.

- Deficiencies in Internal Control over Financial Reporting



None.

Required Communications

- Other Material Written Communications



Other than the engagement letters and management representation letters, there have been no other significant communications

- Material Uncertainties Related to Events and Conditions



There were no material uncertainties relating to events and conditions

- Fraud and Illegal Acts



We have not become aware of any instances of fraud or illegal acts, which was not disclosed by the Authority.

New Accounting Standards

2024

- GASB Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62

2025

- GASB Statement No. 101 – Compensated Absences
- GASB Statement No. 102 – Certain Risk Disclosures

**Thank You
For Allowing Us to Provide Audit Services
to the Ross Valley Paramedic Authority**

