STATE OF MINNESOTA

Office of the State Auditor

Rebecca Otto
State Auditor

SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD
ROCHESTER, MINNESOTA

YEAR ENDED JUNE 30, 2017

Description of the Office of the State Auditor

The mission of the Office of the State Auditor is to oversee local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities.

Through financial, compliance, and special audits, the State Auditor oversees and ensures that local government funds are used for the purposes intended by law and that local governments hold themselves to the highest standards of financial accountability.

The State Auditor performs approximately 150 financial and compliance audits per year and has oversight responsibilities for over 3,300 local units of government throughout the state. The office currently maintains five divisions:

Audit Practice - conducts financial and legal compliance audits of local governments;

Government Information - collects and analyzes financial information for cities, towns, counties, and special districts;

Legal/Special Investigations - provides legal analysis and counsel to the Office and responds to outside inquiries about Minnesota local government law; as well as investigates allegations of misfeasance, malfeasance, and nonfeasance in local government;

Pension - monitors investment, financial, and actuarial reporting for approximately 650 public pension funds; and

Tax Increment Financing - promotes compliance and accountability in local governments' use of tax increment financing through financial and compliance audits.

The State Auditor serves on the State Executive Council, State Board of Investment, Land Exchange Board, Public Employees Retirement Association Board, Minnesota Housing Finance Agency, and the Rural Finance Authority Board.

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SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD ROCHESTER, MINNESOTA

Year Ended June 30, 2017

Audit Practice Division
Office of the State Auditor
State of Minnesota

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SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD ROCHESTER, MINNESOTA

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Introductory Section

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SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD
ROCHESTER, MINNESOTA

ORGANIZATION
JUNE 30, 2017

Name	Representing	Position
Board Members		
John Allen	Dodge County	
Mitch Lentz	Fillmore County	
Dan Belshan	Freeborn County	
Jason Majerus	Goodhue County	
Teresa Walter	Houston County	
Tim Gabrielson	Mower County	Chair
Kenneth Brown	Olmsted County	
Steve Bauer	Rice County	
Rick Gnemi	Steele County	
Cheryl Key	Wabasha County	Vice Chair
Marcia Ward	Winona County	
Officer		
Don Hauge		Director

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Financial Section

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STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

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INDEPENDENT AUDITOR'S REPORT

Joint Powers Board
Southeastern Minnesota Emergency Medical Services
Joint Powers Board
Rochester, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Southeastern Minnesota Emergency Medical Services Joint Powers Board (the Board) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Board'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 Board'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 Southeastern Minnesota Emergency Medical Services Joint Powers Board as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not 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.

/s/Rebecca Otto	*/s/Greg Hierlinger*
REBECCA OTTO STATE AUDITOR	GREG HIERLINGER, CPA DEPUTY STATE AUDITOR

October 17, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

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SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD ROCHESTER, MINNESOTA

MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2017
(Unaudited)

The Southeastern Minnesota Emergency Medical Services Joint Powers Board’s (the Board) Management’s Discussion and Analysis (MD&A) provides an overview of the Board’s financial activities for the fiscal year ended June 30, 2017. Since this information is designed to focus on the current year’s activities, resulting changes, and currently known facts, it should be read in conjunction with the Board’s financial statements.

FINANCIAL HIGHLIGHTS

- Total net position is $126,071, of which $15,023 is the net investment in capital assets.

- The Board’s net position decreased by $21,347 for the year ended June 30, 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the basic financial statements. The Board’s basic financial statements consist of two statements which combine government-wide financial statements and fund financial statements, and notes to the financial statements. The MD&A (this section) is required to accompany the basic financial statements and, therefore, is included as required supplementary information.

There are two financial statements. The first column of each statement presents governmental fund data, which focus on how money flows in and out and the balances left at year-end available for spending. These columns are reported using an accounting method called modified accrual accounting. This method measures cash and all other financial assets that can be readily converted to cash. This column provides a detailed short-term view of the Board’s operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Board’s programs. We reconcile the relationship (or differences) between the governmental fund and governmental activities (reported in the third column) in the center column of each statement.

The third column in each statement presents the Statement of Net Position and the Statement of Activities, which provide information about the activities of the Board as a whole and present a longer-term view of the Board’s finances. These columns tell how these services were financed in the short term as well as what remains for future spending.

THE BOARD AS A WHOLE

The Board's combined net position decreased from $147,418 to $126,071. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Board's governmental activities.

Table 1
Net Position

	2017	2016	Percent (%) Change
Assets			
Current and other assets	$ 260,345	$ 284,436	(8)
Capital assets	17,967	5,287	240
Total Assets	$ 278,312	$ 289,723	(4)
Deferred Outflows of Resources			
Deferred pension outflows	$ 87,214	$ 31,174	180
Liabilities			
Long-term liabilities	$ 188,589	$ 125,954	50
Other liabilities	15,717	11,543	36
Total Liabilities	$ 204,306	$ 137,497	49
Deferred Inflows of Resources			
Deferred pension inflows	$ 35,149	$ 35,982	(2)
Net Position			
Net investment in capital assets	$ 15,023	$ 1,239	1,113
Unrestricted	111,048	146,179	(24)
Total Net Position	$ 126,071	$ 147,418	(14)

Net position of the Board decreased by 14 percent. Unrestricted net position--the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements--changed from a $146,179 surplus at June 30, 2016, to $111,048 on June 30, 2017.

Table 2
Changes in Net Position

	2017		2016		Percent (%) Change
Revenues					
Program revenues					
Charges for services	$	117,422	$	118,076	(1)
Operating grants		184,161		182,550	1
General revenues					
Investment income		23		278	(92)
Other		7,401		1,710	333
Contributed capital		14,495		-	100
Total Revenues	$	323,502	$	302,614	7
Expenses					
Health					
EMS systems management	$	179,003	$	162,453	10
EMS personnel training		74,967		75,365	(1)
Public safety involvement		3,412		-	100
Healthcare FAC involvement		1,950		1,997	(2)
Operational expenses of emergency		49,990		59,003	(15)
Other health programs		33,712		32,011	5
Depreciation		1,815		3,538	(49)
Total Expenses	$	334,849	$	334,367	0
Increase (Decrease) in Net Position	$	(21,347)	$	(31,753)	(33)
Net Position, July 1		147,418		179,171	(18)
Net Position, June 30	$	126,071	$	147,418	(14)

The Board's General Fund

As the Board completed the year, its governmental fund (as presented in the first column of the statements) reported an unassigned fund balance of $246,856, which is a decrease of ten percent from last year's unassigned fund balance of $275,097. This decrease is due largely to a decrease in seat belt funding. The Board has adopted grant budgets for the various grant periods. These budgets are re-evaluated during each fiscal year and changes made if seat belt funds trend downward during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2017, the Board had $17,967 invested in capital assets. (See Table 3 below.) This amount represents a net increase (including additions and deductions) of $12,680.

Table 3
Capital Assets at Year-End

	2017	2016	Percent (%) Change
Equipment	$ 92,628	$ 78,133	19
Less: accumulated depreciation	(74,661)	(72,846)	2
Net Capital Assets	$ 17,967	$ 5,287	240

This year's changes included $1,815 of depreciation expense.

Debt

As of June 30, 2017, the Board had $2,944 in a capital lease outstanding. (See Table 4 below.) This amount represents total payments made during the year of $1,104.

Table 4
Outstanding Debt at Year-End

	2017	2016	Percent (%) Change
Capital leases	$ 2,944	$ 4,048	(27)

More detailed information about the Board's long-term liabilities is presented in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S GRANT BUDGETS AND RATES

With the financial uncertainty of the economy, both on a state and national level, the Joint Powers Board considered many factors when planning for the fiscal year ending June 30, 2017. Some of the decisions made in fiscal year 2016 regarding a reduction in spending while increasing revenue-producing activities were continued in fiscal year 2017.

- The Emergency Medical Services (EMS) Support Act grant funds to regional EMS programs through the Minnesota EMS Regulatory Board for fiscal year 2017 remained the same as in fiscal year 2016. As seat belt funds continue to decrease in FY 2017 *(Special Relief Fund)*, the Regional System continued to fund programs which are vital to our EMS agencies such as the Medical Direction Consortium and CISM as examples, this caused some decrease in our net position.

- The decrease in total net position for fiscal year 2017 was primarily a result of reduction of seat belt fund revenues and an attempt to continue vital programs with decreased funding. In FY 2017, the Mayo Clinic informed the Board that it would no longer be able to support our email or electronic storage due to tightening security of Mayo's electronic network. This forced the Board to fund its own email accounts as well as its electronic storage and backups for our data storage. This also contributed to a decrease in our net position for FY 2017.

- The Board reviews monthly expenditure reports to ensure programs and administrative expenses are within the operating budget. During fiscal year 2017, the Board:

  - continued increasing user and registration fees as the consumer market would accept;

  - continued the increase of educational programs offered by the regional program such as First Responder initial and refresher courses; also increased the number of CPR classes that are offered in the region as well as working to increase attendance at our annual EMS Conference; and

  - continued to work with the Joint Powers Board to prioritize and maximize the use of current funding and continues to seek opportunities to increase funding sources.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Board's finances and to show the Board's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Southeastern Minnesota Emergency Medical Services Joint Powers Board Director, Donovan Hauge, 1130½ - 7th Street Northwest, Suite 201, Rochester, Minnesota 55901.

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BASIC FINANCIAL STATEMENTS

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SOUTHEASTERN MINNESOTA EMERGENCY
MEDICAL SERVICES JOINT POWERS BOARD
ROCHESTER, MINNESOTA

EXHIBIT 1

GENERAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2017

	General Fund	Reconciliation	Governmental Activities
Assets and Deferred Outflows of Resources			
Assets			
Cash and pooled investments	$ 240,959	$ -	$ 240,959
Petty cash and change funds	10	-	10
Accounts receivable	65	-	65
Due from other governments	19,311	-	19,311
Capital assets			
Depreciable - net	-	17,967	17,967
Total Assets	**$ 260,345**	**$ 17,967**	**$ 278,312**
Deferred Outflows of Resources			
Deferred pension outflows	-	71,400	71,400
Total Assets and Deferred Outflows of Resources	**$ 260,345**	**$ 89,367**	**$ 349,712**
Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position			
Liabilities			
Current liabilities			
Accounts payable	$ 444	$ -	$ 444
Salaries payable	8,744	-	8,744
Compensated absences	-	1,124	1,124
Unearned revenue	4,301	-	4,301
Capital lease	-	1,104	1,104
Total current liabilities	**$ 13,489**	**$ 2,228**	**$ 15,717**
Long-term liabilities			
Capital lease due after one year	-	1,840	1,840
Net pension liability	-	186,749	186,749
Total Liabilities	**$ 13,489**	**$ 190,817**	**$ 204,306**
Deferred Inflows of Resources			
Deferred pension inflows	**$ -**	**$ 19,335**	**$ 19,335**

SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD ROCHESTER, MINNESOTA

EXHIBIT 1 (Continued)

GENERAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2017

	General Fund	Reconciliation	Governmental Activities
Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position (Continued)			
Fund Balance/Net Position			
Fund Balance			
Unassigned	**$ 246,856**	**$ (246,856)**	
Net Position			
Net investment in capital assets		$ 15,023	$ 15,023
Unrestricted		111,048	111,048
Total Net Position		**$ 126,071**	**$ 126,071**
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	**$ 260,345**	**$ 89,367**	**$ 349,712**

Reconciliation of the General Fund Balance to Net Position	
Fund Balance - General Fund	**$ 246,856**
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	17,967
Deferred outflows resulting from pension obligations are not available resources and, therefore, are not reported in governmental funds.	71,400
Long-term liabilities, including the capital lease, compensated absences, and pension liability, are not due and payable in the current period and, therefore, are not reported in governmental funds.	(190,817)
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore, are not reported in governmental funds.	(19,335)
Net Position - Governmental Activities	**$ 126,071**

SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD ROCHESTER, MINNESOTA

EXHIBIT 2

GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES OF GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Reconciliation	Governmental Activities
Revenues			
State sources			
Emergency medical services (EMS) grant	$ 73,125	$ -	$ 73,125
Seat belt grant	91,493	-	91,493
Narcan grant	14,543	-	14,543
Federal sources			
Paul Coverdell National Acute Stroke Program National Center for Chronic Disease Prevention and Health Promotion	5,000	-	5,000
Charges for services	117,422	-	117,422
Investment earnings	23	-	23
Miscellaneous	6,683	718	7,401
Contributed capital	-	14,495	14,495
Total Revenues	**$ 308,289**	**$ 15,213**	**$ 323,502**
Expenditures/Expenses			
Current			
Health			
EMS systems management	$ 171,395	$ 7,608	$ 179,003
EMS personnel training	74,967	-	74,967
Public safety involvement	3,412	-	3,412
Healthcare FAC involvement	1,950	-	1,950
Operational expenses of emergency	49,990	-	49,990
Other	33,712	-	33,712
Principal payments for capital lease	1,104	(1,104)	-
Depreciation	-	1,815	1,815
Total Expenditures/Expenses	**$ 336,530**	**$ 8,319**	**$ 344,849**
Net Change in Fund Balance/Net Position	**$ (28,241)**	**$ 6,894**	**$ (21,347)**
Fund Balance/Net Position - July 1	**275,097**	**(127,679)**	**147,418**
Fund Balance/Net Position - June 30	**$ 246,856**	**$ (120,785)**	**$ 126,071**

The notes to the financial statements are an integral part of this statement.

SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD ROCHESTER, MINNESOTA

EXHIBIT 2
(Continued)

GENERAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE AND STATEMENT OF ACTIVITIES OF GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2017

Reconciliation of the Statement of General Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities of Governmental Activities	
Net Change in Fund Balance	**$ (28,241)**
Issuing a long-term capital lease provides current financial resources to governmental funds, while the repayment of debt consumes current financial resources. Neither transaction, however, has any effect on net position.	
Principal repayments on capital leases	1,104
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences payable	(24)
Change in net pension liability	(63,739)
Change in deferred outflows of resources	40,226
Change in deferred inflows of resources	16,647
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the statement of activities, only the gain or loss on the disposal is reported; whereas, in governmental funds, the proceeds from the sale increase financial resources. The change in net position differs from the change in fund balance by the net book value of assets disposed of.	
Depreciation expense for the current period	(1,815)
Contributed capital	14,495
Change in Net Position of Governmental Activities	**$ (21,347)**

The notes to the financial statements are an integral part of this statement.

1. Summary of Significant Accounting Policies

The Southeastern Minnesota Emergency Medical Services Joint Powers Board's (the Board) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for the year ended June 30, 2017. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

A. Financial Reporting Entity

The Southeastern Minnesota Emergency Medical Services Joint Powers Board was established February 1, 1983, by Minn. Stat. § 471.59. It was established under a joint powers agreement between 11 counties in Southeastern Minnesota to provide training primarily for policemen, firemen, and ambulance personnel in emergency medical procedures and also to assist in purchasing medical supplies.

The Board is governed by an 11-member Board of Commissioners. Each member county appoints one of its County Commissioners to the EMS Board. The Board is organized with a chair and vice chair elected at the annual meeting in February of each year.

The Board is a separate entity independent of the counties that formed it. In accordance with GAAP, the Board's financial statements are not included in any member county's financial statements. No single member county retains control over the operations or is financially accountable for the Board.

B. Basic Financial Statements

The financial statements combine fund level financial statements and government-wide financial statements (the governmental activities column). These statements include the overall financial activities of the Board.

1. Summary of Significant Accounting Policies

B. Basic Financial Statements (Continued)

The government-wide columns are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Board's net position is reported in three parts: (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position. The Board first utilizes restricted resources to finance qualifying activities.

C. Measurement Focus and Basis of Accounting

The governmental activities columns are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund columns (General Fund) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. The Board considers all revenues as available if collected within 60 days after the end of the current period. Interest is considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for compensated absences, principal on long-term debt, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources in governmental fund financial statements. When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first and then unrestricted resources as needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1. Cash and Pooled Investments

The Board's cash and pooled investments include cash on hand and two demand deposits with Wells Fargo Bank. The demand deposits consist of Board-controlled checking accounts.

1. Summary of Significant Accounting Policies

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

2. Receivables

Receivables are collectible within one year.

3. Capital Assets

Capital assets are defined by the Board as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Equipment of the Board is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Office furnishings	5 - 15
Computer equipment	3 - 7
Medical equipment	3 - 5

4. Compensated Absences

The Board has adopted personnel policies regarding paid time off (PTO). Under these policies, employees are granted PTO in varying amounts based on their length of service and hours worked per week.

The liability for compensated absences reported in the financial statements consists of unused accumulated and vested PTO balances. The liability has been calculated using the vesting method outlined in the personnel policies. PTO may be utilized for any purpose subject to the needs of the employer to return appropriate staffing and service levels. Unvested PTO is not paid to employees at termination. The liability is reported in governmental funds only if they have matured (as a result of employee resignations and retirements).

1. Summary of Significant Accounting Policies

   D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

      4. Compensated Absences (Continued)

         Unused accumulated and vested PTO is accrued as compensated absences when incurred in the government-wide financial statements. The current portion of the liability was determined to be short-term based on historical average.

      5. Unearned Revenue

         Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received, but not yet earned.

      6. Long-Term Obligations

         Long-term debt is reported as liabilities in the governmental activities statement of net position. The face amount of the debt issued is reported as an other financing source.

      7. Pension Plan

         For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

1. Summary of Significant Accounting Policies

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

8. Deferred Outflow/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expenditure/expense) until then. Currently, the Board has one item, deferred pension outflows, that qualifies for reporting in this category. These outflows arise only under the full accrual basis of accounting and consist of pension plan contributions paid subsequent to the measurement date, the differences between projected and actual earnings of pension plan investments, differences between expected and actual pension plan economic experience, and changes in actuarial assumptions and, accordingly, are reported only in the statement of net position.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Currently, the Board is reporting one item, deferred inflows related to pension obligations. Deferred pension inflows arise only under an accrual basis of accounting and, accordingly, are reported only in the statement of net position. This amount consists of differences between expected and actual pension plan economic experience and pension plan changes in proportionate share.

9. Classifications of Net Position

Net position in government-wide statements is classified in the following categories:

Net investment in capital assets - the amount of net position representing capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

1. Summary of Significant Accounting Policies

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

9. Classifications of Net Position (Continued)

Restricted net position - the amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - the amount of net position that does not meet the definition of restricted or net investment in capital assets.

10. Classifications of Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the use of the resources in the General Fund. The classifications are as follows:

Nonspendable - amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

Restricted - amounts for which constraints have been placed on the use of resources either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can be used only for the specific purposes imposed by formal action of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

1. Summary of Significant Accounting Policies

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

10. Classifications of Fund Balances (Continued)

Assigned - amounts in the assigned fund balance classification are for the amounts the Board intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The Board has designated the Executive Director as having authority to assign fund balance.

Unassigned - the residual classification for the General Fund; it includes all spendable amounts not contained in the other fund balance classifications.

The Board applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

11. Minimum Fund Balance

The Board has adopted a minimum fund balance policy to provide for operating expenditure needs for the General Fund. The Board has determined the need to maintain a minimum unassigned fund balance in the General Fund to provide for six months of operating expenditures in the event of delay in receiving grant funding from the state.

12. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources; 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.

2. Detailed Notes

   A. Assets

      1. Deposits

As of June 30, 2017, the Board had $240,959 on deposit with Wells Fargo Bank in checking accounts. The Board has established a $10 change fund.

The Board is authorized by Minn. Stat. §§ 118A.02 and 118A.04 to designate a depository for public funds and to invest in certificates of deposit. The Board is required by Minn. Stat. § 118A.03 to protect deposits with insurance, surety bond, or collateral. The market value of collateral pledged shall be at least ten percent more than the amount on deposit at the close of the financial institution's banking day, not covered by insurance or bonds.

Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better and revenue obligations rated "AA" or better; irrevocable standby letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned or controlled by the financial institution furnishing the collateral.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned to it. The Board does not have a deposit policy for custodial credit risk. As of June 30, 2017, the Board's deposits were not exposed to custodial credit risk.

2. Detailed Notes

A. Assets (Continued)

2. Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets depreciated				
Furniture and equipment	$ 78,133	$ 14,495	$ -	$ 92,628
Less: accumulated depreciation for				
Furniture and equipment	72,846	1,815	-	74,661
Total Capital Assets Depreciated, Net	$ 5,287	$ 12,680	$ -	$ 17,967

Depreciation expense of $1,815 was charged to the health function.

B. Liabilities

1. Compensated Absences

Changes in the Board's compensated absences balances are:

Payable - July 1, 2016	$ 1,100
Net change in compensated absences	24
Payable and due within one year - June 30, 2017	$ 1,124

2. Leases

Operating Lease

The Board leases office space under an operating lease. Total costs for the lease were $15,600 for the year ended June 30, 2017. The future minimum lease payments for the lease are as follows:

2. Detailed Notes

B. Liabilities

2. Leases

Operating Lease (Continued)

Year Ending June 30	Amount
2018	$ 17,446
2019	17,446
2020	17,446
2021	2,908

Capital Lease

The Board has entered into a lease agreement as lessee for financing the acquisition of a copier. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date. The capital lease consists of the following at June 30, 2017.

	Maturity	Installment	Payment Amount	Original	Balance
Copier	2020	Monthly	$ 92	$ 5,520	$ 2,944

The amount of the capital lease balance due within one year is $1,104.

The future minimum lease obligations as of June 30, 2017, were as follows:

Year Ended June 30	Governmental Activities
2018	$ 1,104
2019	1,104
2020	736
Total	$ 2,944

3. Pension Plans

A. Defined Benefit Pension Plan

1. Plan Description

All full-time and certain part-time employees of the Board are covered by a defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan, which is a cost-sharing, multiple-employer retirement plan. The plan is established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

The General Employees Retirement Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security and Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Retirement Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service.

2. Benefits Provided

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Benefit recipients receive a future annual 1.0 percent post-retirement benefit increase. If the funding ratio reaches 90 percent for two consecutive years, the benefit increase will revert to 2.5 percent. If, after reverting to a 2.5 percent benefit increase, the funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will decrease to 1.0 percent.

3. Pension Plans

A. Defined Benefit Pension Plan

2. Benefits Provided (Continued)

The benefit provisions stated in the following paragraph of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Employees Retirement Plan Coordinated and Basic Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first ten years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989. Minneapolis Employees Retirement Fund members have an annuity accrual rate of 2.0 percent of average salary for each of the first ten years of service and 2.5 percent for each remaining year.

For General Employees Retirement Plan members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. Disability benefits are available for vested members and are based on years of service and average high-five salary.

3. Pension Plans

A. Defined Benefit Pension Plan (Continued)

3. Contributions

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. General Employees Retirement Plan Basic members, Coordinated members, and Minneapolis Employees Retirement Fund members were required to contribute 9.10 percent, 6.50 percent, and 9.75 percent, respectively, of their annual covered salary in 2017.

In 2017, the Board was required to contribute the following percentages of annual covered salary:

General Employees Retirement Plan	
Basic Plan members	11.78%
Coordinated Plan members	7.50
Minneapolis Employees Retirement Fund members	9.75

The employee and employer contribution rates did not change from the previous year.

The Board's contribution for the General Employees Retirement Plan for the year ended June 30, 2017, was $10,315. The contribution is equal to the contractually required contributions as set by state statute.

4. Pension Costs

At June 30, 2017, the Board reported a liability of $186,749 for its proportionate share of the General Employees Retirement Plan's net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Board's proportion of the net pension liability was based on the Board's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2017, the Board's proportion was 0.0023 percent. It was 0.0023 percent measured as of June 30, 2016.

3. Pension Plans

A. Defined Benefit Pension Plan

4. Pension Costs (Continued)

The Board recognized pension expense of $7,584 for its proportionate share of the General Employees Retirement Plan's pension expense.

The Board also recognized $718 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's contribution to the General Employees Retirement Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute $6 million to the General Employees Retirement Plan each year, starting September 15, 2015, through September 15, 2031.

Board's proportionate share of the net pension liability	$ 186,749
State of Minnesota's proportionate share of the net pension liability associated with the Board	2,408
Total	$ 189,157

The Board reported its proportionate share of the General Employees Retirement Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 599	$ 15,298
Changes in actuarial assumptions	40,587	-
Difference between projected and actual investment earnings	19,899	-
Changes in proportion	-	4,037
Contributions paid to PERA subsequent to the measurement date	10,315	-
Total	$ 71,400	$ 19,335

3. Pension Plans

A. Defined Benefit Pension Plan

4. Pension Costs (Continued)

The $10,315 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Pension Expense Amount
2017	$ 10,751
2018	6,131
2019	18,124
2020	6,744

5. Actuarial Assumptions

The total pension liability in the June 30, 2016, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.50 percent per year
Active member payroll growth	3.25 percent per year
Investment rate of return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants in the General Employees Retirement Plan were based on RP-2014 tables. The cost of living benefit increases for retirees is assumed to be 1.0 percent.

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies. The experience study in the General Employees Retirement Plan was for the period 2008 through 2015.

3. Pension Plans

A. Defined Benefit Pension Plan

5. Actuarial Assumptions (Continued)

The long-term expected rate of return on pension plan investments is 7.50 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic stocks	45%	5.50%
International stocks	15	6.00
Bonds	18	1.45
Alternative assets	20	6.40
Cash	2	0.50

6. Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent in 2016, a reduction of the 7.90 percent used in 2015. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Retirement Plan was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

3. Pension Plans

A. Defined Benefit Pension Plan (Continued)

7. Changes in Actuarial Assumptions

The following changes in actuarial assumptions occurred in 2017:

General Employees Retirement Plan

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.

- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

8. Pension Liability Sensitivity

The following presents the Board's proportionate share of the net pension liability calculated using the discount rate disclosed in the preceding paragraph, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.0 percentage point lower or 1.0 percentage point higher than the current discount rate:

	Proportionate Share of the General Employees Retirement Plan	
	Discount Rate	Net Pension Liability
1% Decrease	6.50%	$ 265,238
Current	7.50	186,749
1% Increase	8.50	122,094

3. Pension Plans

A. Defined Benefit Pension Plan (Continued)

9. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at www.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

4. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The Board has entered into a joint powers agreement with Minnesota counties to form the Minnesota Counties Intergovernmental Trust (MCIT) to protect against liabilities from workers' compensation and property and casualty. There were no significant reductions in insurance from the prior year or settlements in excess of insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at $500,000 per claim in 2016 and 2017. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the Board in a method and amount to be determined by MCIT.

The Property and Casualty Division of MCIT is self-sustaining, and the Board pays an annual premium to cover current and future losses. The MCIT carries reinsurance for its property lines to protect against catastrophic losses. Should the MCIT Property and Casualty Division liabilities exceed assets, MCIT may assess the Board in a method and amount to be determined by MCIT.

5. Summary of Significant Contingencies and Other Items

Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures that may be disallowed by the grantor cannot be determined at this time, although the Board expects such amounts, if any, to be immaterial.

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REQUIRED SUPPLEMENTARY INFORMATION

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SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD ROCHESTER, MINNESOTA

EXHIBIT A-1

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PERA GENERAL EMPLOYEES RETIREMENT PLAN JUNE 30, 2017

Measurement Date	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability Associated with Southeastern Minnesota Emergency Medical Services Joint Powers Board (b)	Employer's Proportionate Share of the Net Pension Liability and the State's Related Share of the Net Pension Liability (Asset) (a + b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll (a/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	0.0023%	$ 186,749	$ 2,408	$ 189,157	$ 137,537	135.78%	68.91%
2016	0.0023	123,010	N/A	123,010	137,195	89.66	78.20
2015	0.0023	117,063	N/A	117,063	132,690	88.22	78.75

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The measurement date for each year is June 30.
N/A - Not Applicable

SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD ROCHESTER, MINNESOTA

EXHIBIT A-2

SCHEDULE OF CONTRIBUTIONS
PERA GENERAL EMPLOYEES RETIREMENT PLAN
JUNE 30, 2017

Year Ending	Statutorily Required Contributions (a)	Actual Contributions in Relation to Statutorily Required Contributions (b)	Contribution (Deficiency) Excess (b - a)	Covered Payroll (c)	Actual Contributions as a Percentage of Covered Payroll (b/c)
2017	$ 10,315	$ 10,315	$ -	$ 137,537	7.50%
2016	10,289	10,289	-	137,195	7.50
2015	9,787	9,787	-	132,690	7.38

This schedule is intended to show information for ten years. Additional years will be displayed as they become available.
The Board's year-end is June 30, 2017.

The notes to the required supplementary information are an integral part of this schedule.

Defined Benefit Pension Plans - Changes in Significant Plan Provision, Actuarial Methods, and Assumption

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the year ended June 30, 2017:

General Employees Retirement Plan

- The assumed post-retirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter, to 1.00 percent for all future years.

- The assumed investment rate was changed from 7.90 percent to 7.50 percent. The single discount rate was also changed from 7.90 percent to 7.50 percent.

- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed payroll growth and inflation were decreased by 0.25 percent. Payroll growth was reduced from 3.50 percent to 3.25 percent. Inflation was reduced from 2.75 percent to 2.50 percent.

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Management and Compliance Section

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REBECCA OTTO
STATE AUDITOR

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OFFICE OF THE STATE AUDITOR

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INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Joint Powers Board
Southeastern Minnesota Emergency Medical Services
Joint Powers Board
Rochester, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the accompanying financial statements of the governmental activities and the General Fund of the Southeastern Minnesota Emergency Medical Services Joint Powers Board (the Board) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated October 17, 2017.

The *Minnesota Legal Compliance Audit Guide for Counties*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories, except that we did not test for compliance with the provisions for tax increment financing because the Board does not administer tax increment financing districts.

In connection with our audit, nothing came to our attention that caused us to believe that Southeastern Minnesota Emergency Medical Services Joint Powers Board failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Counties*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Board's noncompliance with the above referenced provisions.

This report is intended solely for the information and use of the Joint Powers Board and management of the Southeastern Minnesota Emergency Medical Services Joint Powers Board and the State Auditor, and is not intended to be, and should not be, used by anyone other than those specified parties.

/s/Rebecca Otto

REBECCA OTTO
STATE AUDITOR

/s/Greg Hierlinger

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

October 17, 2017

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SOUTHEASTERN MINNESOTA EMERGENCY MEDICAL SERVICES JOINT POWERS BOARD ROCHESTER, MINNESOTA

SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2017

PREVIOUSLY REPORTED ITEM RESOLVED

2016-001 Insufficient Collateral

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REPRESENTATION OF
SOUTHEASTERN MINNESOTA EMERGENCY
MEDICAL SERVICES JOINT POWERS BOARD
ROCHESTER, MINNESOTA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

Finding Number: 2016-001
Finding Title: Insufficient Collateral

Summary of Condition: The Southeastern Minnesota Emergency Medical Services Joint Powers Board (the Board) had deposits at Wells Fargo Bank that were not adequately covered by federal deposit insurance coverage (FDIC) on June 30, 2016.

Summary of Corrective Action Previously Reported: The Southeastern Minnesota Emergency Medical Services Joint Powers Board will establish a procedure in which the regional office will receive a monthly statement from the Federal Reserve assuring adequate collateral is pledged to secure deposits in both accounts held at Wells Fargo Bank in accordance with Minn. Stat. § 118.A.03.

Status: Fully Corrected. Corrective action was taken.
Was corrective action taken significantly different than the action previously reported?
Yes _______ No ___X___