

**REDWOOD EMPIRE DISPATCH COMMUNICATIONS AUTHORITY**

**ANNUAL REPORT  
FOR THE FISCAL YEARS ENDED  
JUNE 30, 2008**

**REDCOM**



**FIRE & EMS DISPATCH**



**RODNEY A. DOLE**  
SONOMA COUNTY  
AUDITOR-CONTROLLER  
TREASURER-TAX COLLECTOR

**REDWOOD EMPIRE DISPATCH COMMUNICATIONS AUTHORITY**

**Annual Report  
For the Fiscal Years Ended  
June 30, 2008**

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## **Auditor-Controller's Report**

The Board of Directors

Redwood Empire Dispatch Communications Authority

We have audited the accompanying financial statements of the Redwood Empire Dispatch Communications Authority, (REDCOM) as of and for the year ended June 30, 2008, as listed in the table of contents. These basic financial statements are the responsibility of the management of REDCOM. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As discussed in Note I.A, the basic financial statements of REDCOM are intended to present only the financial position and results of operations of REDCOM. They do not purport to, and do not, present fairly the financial position of American Medical Response (AMR), the County of Sonoma or member agencies as of June 30, 2008, and the respective changes in their financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note III.D of the Notes to the Basic Financial Statements, the Auditor-Controller is mandated by various statutes within the California Government Code to perform certain accounting, auditing and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. However, we believe adequate safeguards and divisions of responsibility exist.

In our opinion, except for the effects, if any, of the impairment to auditor independence, the basic financial statements referred to above present fairly, in all material respects, the financial position of REDCOM as of June 30, 2008 and the respective changes in its financial position for

the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (MD&A) on pages 1 through 5 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the MD&A. However, we did not audit the information and express no opinion on it.

April 20, 2009

**Redwood Empire Dispatch Communications Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2008**

As management of the Redwood Empire Dispatch Communications Authority (REDCOM) we offer readers of REDCOM's financial statements this narrative overview and analysis of the financial activities of REDCOM for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with REDCOM's financial statements and the accompanying notes to the basic financial statements.

REDCOM operates under a joint powers agreement between various fire protection districts, ambulance service providers, cities and the County of Sonoma. The primary mission of REDCOM is to provide dispatch and emergency communications functions for emergency response agencies in the County of Sonoma. In addition, REDCOM will perform as backup for LIFECOM (located in Salida, California), in emergency situations, such as communications failures, building facility failures, and evacuation requirements.

**Financial Highlights**

- The assets of REDCOM exceeded its liabilities at the close of the most recent fiscal year June 30, 2008 by \$654,225 (net assets) of which \$579,153 is unrestricted net assets and may be used to meet REDCOM's ongoing obligations to citizens and creditors.
- REDCOM's total net assets increased by \$343,421 compared to the prior year. This increase is a result of revenues exceeding expenses in REDCOM's activities.

**Overview of the Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to REDCOM's basic financial statements. REDCOM's basic financial statements are comprised of two components: 1) basic financial statements and 2) notes to the basic financial statements.

**Proprietary fund basic financial statements.** Proprietary fund reporting focuses on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise funds, which are used to account for business type activities. REDCOM follows the provisions of GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB 34 requires the use of enterprise funds when the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs. REDCOM recovers its costs by charging members an annual fee based on estimated annual operating costs.

**Redwood Empire Dispatch Communications Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2008**

REDCOM records its activities in an enterprise fund; all activities are presented in the following three basic financial statements:

- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Fund Net Assets
- Statement of Cash Flows

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the fund financial statements.

**Financial Analysis**

*Net Assets.* Over time, increases or decreases in net assets may indicate whether the financial position of REDCOM is improving or deteriorating. Net assets increased to \$654,225 for June 30, 2008 from \$310,804 for June 30, 2007. The following is a table summarizing the net assets for REDCOM's activities:

<b>Net Assets</b>		
<b>As of June 30,</b>		
	<u><b>2008</b></u>	<u><b>2007</b></u>
Current and other assets	\$ 766,190	\$ 464,934
Capital assets	<u>75,072</u>	<u>-</u>
Total assets	<u>841,262</u>	<u>464,934</u>
Liabilities outstanding	<u>187,037</u>	<u>154,130</u>
Net assets:		
Invested in capital assets, net of related debt	75,072	-
Unrestricted	<u>579,153</u>	<u>310,804</u>
Total net assets	<u>654,225</u>	<u>310,804</u>
Total liabilities and net assets	<u>\$ 841,262</u>	<u>\$ 464,934</u>

**Redwood Empire Dispatch Communications Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2008**

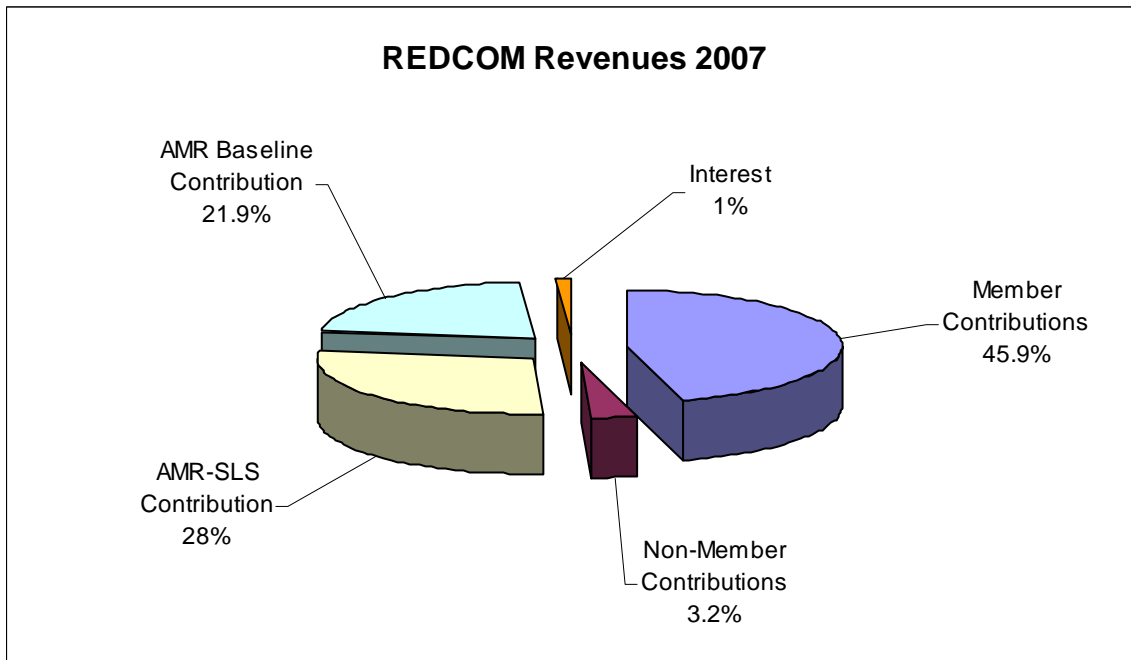
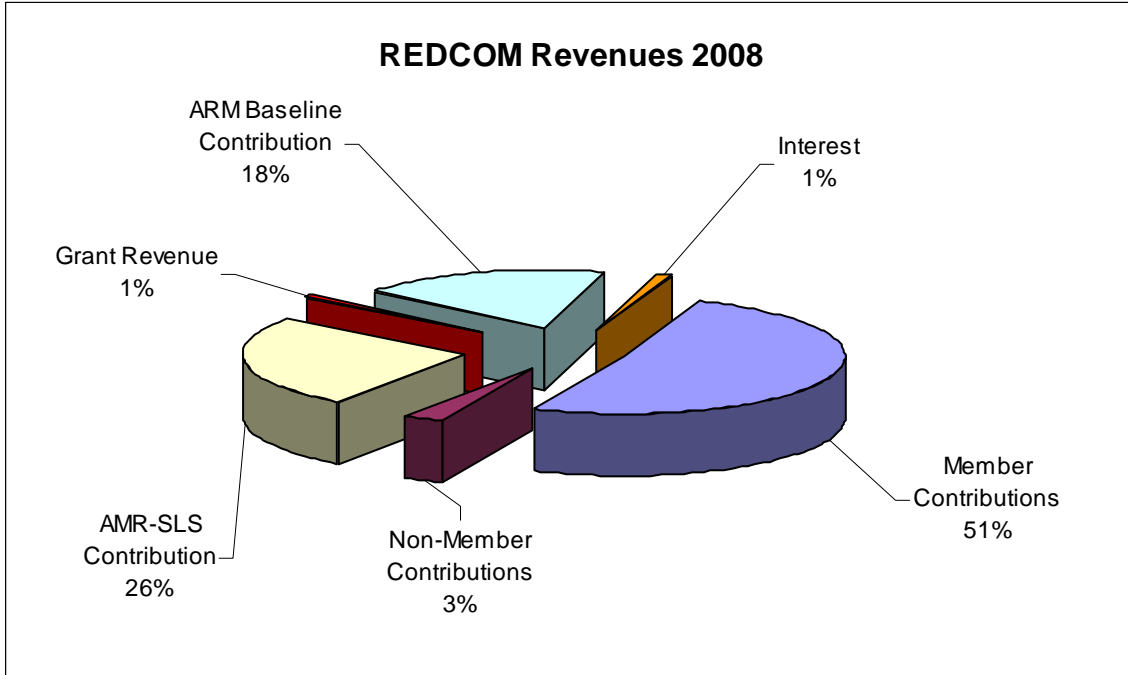
*Change in Net Assets.* Total revenues for the year ended June 30, 2008 were \$3,091,006 compared with expenses of \$2,747,585. The following table summarizes the changes in net assets for each year.

**Changes in Net Assets  
for the Fiscal Years Ended June 30,**

	<u>2008</u>	<u>2007</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 3,032,053	\$ 2,585,801
General Revenues:		
Contributions from other governments	-	4,935
Grants	26,785	-
Investment earnings	32,168	26,723
Total revenues	<u>3,091,006</u>	<u>2,617,459</u>
Expenses:		
Operating expenses	2,720,800	2,540,670
Non-operating expenses	26,785	-
Total expenses	<u>2,747,585</u>	<u>2,540,670</u>
Increase in net assets	343,421	76,789
Net assets - beginning of year	<u>310,804</u>	<u>234,015</u>
Net assets - end of year	<u>\$ 654,225</u>	<u>\$ 310,804</u>

**Redwood Empire Dispatch Communications Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2008**

The following chart shows REDCOM's revenue by source for fiscal year 2008 and 2007.



**Redwood Empire Dispatch Communications Authority  
Management's Discussion and Analysis  
For the Year Ended June 30, 2008**

**Capital Assets**

REDCOM's investment in capital assets, as of June 30, 2008, amounts to \$75,072. This investment in capital assets consists entirely of construction in progress for the dispatch center expansion project. All other capital assets used by REDCOM with useful lives of more than one year are owned by others. Additional information on capital assets can be found in the Notes to the Basic Financial Statements.

**Economic Outlook**

REDCOM's budget is driven primarily by the costs of the contract with American Medical Response (AMR) for dispatch services. AMR's charges to REDCOM are in turn driven largely by its internal costs, particularly the salary and benefit levels for dispatchers that AMR negotiates with its employees. The amount of staff turnover and leave also affect costs, particularly as those factors create the need to hire and train part-time staff to provide coverage. Other key factors include increasing health insurance costs and workers compensation insurance.

All of these factors were considered in preparing REDCOM's budget for the fiscal year ending June 30, 2009.

**Request for Information**

This financial report is designed to provide a general overview of REDCOM's finances for all those with an interest in REDCOM's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Redwood Empire Dispatch Communications Authority, 2796 Ventura Avenue, Santa Rosa, CA 95403.

**Redwood Empire Dispatch Communications Authority**  
**Statement of Net Assets**  
**June 30, 2008**

**Assets**

Current assets

Cash and investments	\$ 766,190
Capital assets not being depreciated:	
Construction in progress	<u>75,072</u>
Total assets	<u>\$ 841,262</u>

**Liabilities**

Current liabilities

Accounts payable	\$ 145,522
Deferred revenue	<u>41,515</u>
Total liabilities	<u>187,037</u>

**Net Assets**

Invested in capital assets, net of related debt	75,072
Unrestricted	<u>579,153</u>
Total net assets	<u>654,225</u>
Total liabilities and net assets	<u>\$ 841,262</u>

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

**Redwood Empire Dispatch Communications Authority**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**for the Fiscal Year Ended June 30, 2008**

<b>Operating Revenues</b>	
Charges for services	\$ <u>3,032,053</u>
<b>Operating Expenses</b>	
Public safety	
Communications	24,959
Insurance	8,031
Data processing	328,111
Dispatch services	2,253,516
Accounting Services	28,768
Other	<u>77,415</u>
Total operating expenses	<u>2,720,800</u>
Operating income	<u>311,253</u>
<b>Non-operating Revenues (Expenses)</b>	
Investment income	32,168
Grants	26,785
Contributions to other governments	<u>(26,785)</u>
Total non-operating revenues (expenses)	<u>32,168</u>
Change in net assets	343,421
Net assets, beginning of year	<u>310,804</u>
Net assets, end of year	\$ <u><u>654,225</u></u>

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

**Redwood Empire Dispatch Communications Authority**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2008**

**Cash Flows from Operating Activities**

Receipts from customers and users	\$ 3,033,193
Payments to suppliers	<u>(2,661,108)</u>
Net cash provided (used) by operating activities	<u>372,085</u>

**Cash Flows from Non-capital Financing Activities**

Contributions to other governments	<u>(26,785)</u>
Net cash provided (used) by non-capital financing activities	<u>(26,785)</u>

**Cash Flows from Capital and Related Financing Activities**

Acquisition of capital assets	<u>(75,072)</u>
Net cash provided (used) by capital and related financing activities	<u>(75,072)</u>

**Cash Flows from Investing Activities**

Interest received	<u>32,168</u>
Net cash provided (used) by investing activities	<u>32,168</u>
Net increase (decrease) in cash and investments	302,396
Cash and investments, beginning of year	<u>463,794</u>
Cash and investments, end of year	<u>\$ 766,190</u>

**Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities**

Operating income (loss)	\$ <u>311,253</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	1,140
Increase (decrease) in accounts payable	<u>59,692</u>
Total adjustments	<u>60,832</u>
Net cash provided (used) by operating activities	<u>\$ 372,085</u>

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

**Redwood Empire Dispatch Communications Authority**  
**Notes to the Basic Financial Statements**  
**June 30, 2008**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Redwood Empire Dispatch Communications Authority (REDCOM) was formed by a joint powers agreement (JPA) between fire districts, ambulance service districts, cities and the County of Sonoma. REDCOM was established to operate, and maintain a coordinated public safety dispatch system for fire and emergency medical services in the City-County area. The JPA took effect on June 30, 2002, operations began January 27, 2003. The JPA had an initial term of five (5) years, with a provision for an additional term agreed upon by the members. An amendment to the JPA was agreed to by the members, the amendment is effective June 30, 2007 and extends the term of the agreement until rescinded or terminated, as set forth in the amended JPA.

REDCOM uses the County's Financial Accounting Management Information System (FAMIS) and its budgetary recording and accounting control policies to account for all financial transactions affecting Enterprise Funds. The County, through the Auditor-Controller-Treasurer Tax Collector's Office tracks billing and collections for member agencies. The responsibility for the financial statements rests with REDCOM's Board of Directors. REDCOM does not have any component units.

REDCOM pays the County for staff services provided by the County of Sonoma. Services include, legal counsel, fiscal accounting, and other reasonable and necessary services requested by REDCOM.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

REDCOM uses proprietary (enterprise) funds to account for its activities. Proprietary funds are used to account for operations that are financed and operated in a manner similar to a private business enterprise where the intent of the governing body is that the cost of providing goods or services to individuals outside the governing body, on a continuing basis, be financed or recovered primarily through user charges.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units, including the reporting model defined by Governmental Accounting Standards Board (GASB) Statement No. 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Financial statements for REDCOM are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities associated with the operation of REDCOM are included on the statement of net assets. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows.

**Redwood Empire Dispatch Communications Authority**  
**Notes to the Basic Financial Statements**  
**June 30, 2008**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principle ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Non-exchange transactions, in which REDCOM gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. On an accrual basis, revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

REDCOM has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), are accounting principles generally accepted in the United States of America.

Cash and cash equivalents

REDCOM participates in a pool of cash and investments with the Sonoma County Auditor-Controller-Treasurer-Tax Collector. Cash and investments are reported at amortized cost, there is no material difference from fair value. All pooled cash and investments are fully insured or collateralized. For purposes of the accompanying statement of cash flows, all highly liquid investments with maturity of three months or less when purchased are considered to be cash equivalents.

Receivables and payables

Transactions representing accrual of revenues and expenses at year-end are referred to as either accounts receivable or accounts payable. Accounts receivable include transactions in which REDCOM has either earned or has met all eligibility requirements and is entitled the revenue. Accounts payable include transactions in which REDCOM has received goods and or services during the current year, but has not paid for them as of June 30<sup>th</sup>.

Revenue

Operating revenues are recognized in the accounting period in which they are earned. Amounts recorded as charges for services primarily represent payments from the members of REDCOM.

**Redwood Empire Dispatch Communications Authority**  
**Notes to the Basic Financial Statements**  
**June 30, 2008**

Expenses

On the statement of revenues, expenses and changes in fund net assets, expenses are recognized in the accounting period in which the related liability is incurred.

Capital assets

REDCOM's policy is to capitalize assets having a useful life of more than one year. Depreciation is computed using the straight-line method over estimated useful lives of equipment.

Net assets

Net assets are classified into three components - invested in capital asset (net of related debt), restricted and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt (if any) - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets (if any) - This component of net assets consists of net assets with limits on their use that are imposed by outside parties.
- Unrestricted net assets - This component of net assets consists of net assets that are not restricted for any project or other purpose.

Budgets

REDCOM adopts a preliminary budget no later than March 15 for the following fiscal year, as required by the JPA agreement. Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis. REDCOM's budgetary information was amended during fiscal year 2008 by resolution of the Board of Directors.

**Redwood Empire Dispatch Communications Authority**  
**Notes to the Basic Financial Statements**  
**June 30, 2008**

**II. DETAILED NOTES**

**A. Cash and Investments**

Investment in the Sonoma County Treasurer's Investment Pool

REDCOM's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for REDCOM. The amortized cost of REDCOM's investment in this pool is reported in the accompanying financial statements at amounts based upon REDCOM's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

The June 30, 2008 cash balance consists of:

	Amortized Cost	Fair Value
Cash with County Treasurer	\$ 766,190	\$ 767,133

The fair value of the cash investments with the Treasurer is \$943 greater than the amortized cost of those investments. An adjustment was not made for the difference between cost and fair value.

Investment Guidelines

REDCOM's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Room 100-F, Santa Rosa, California, 95403-2871.

**Redwood Empire Dispatch Communications Authority**  
**Notes to the Basic Financial Statements**  
**June 30, 2008**

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2008, approximately 63 percent of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 4% had a maturity of more than five years.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Treasury Pool's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

- The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under stated law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.
- The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

**Redwood Empire Dispatch Communications Authority**  
**Notes to the Basic Financial Statements**  
**June 30, 2008**

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2008 Sonoma County CAFR.

**B. Accounts receivable**

REDCOM obtains funding from both public companies and governmental agencies. There were no receivables from these agencies as of June 30, 2008.

**C. Deferred Revenue**

REDCOM received a grant from the Sonoma County Indian Gaming Local Community Benefit Committee during fiscal year 2005-06. REDCOM had met eligibility requirements for \$26,785 of the grant as of June 30, 2008. The remaining amount is recorded as a liability in the current year and will be recognized as revenue when earned.

**D. Capital Assets**

REDCOM does not currently own any depreciable assets, significant capital assets used by REDCOM have been provided by others. In connection with the JPA agreement, the County of Sonoma agreed to provide REDCOM with the use of space in the Sheriff's building for Dispatch Services. In addition, the County provided the use of six workstations, five of which have computer aided dispatch computers and software. The use of the equipment, facilities and access to the network and radio system infrastructure is being provided at no cost until June 30, 2013. REDCOM has chosen to expand the dispatch operations center, and has incurred design costs that are classified as construction in progress.

**E. Other operating expenses**

Other operating expenses for the fiscal year ended June 30, 2008 were comprised primarily of contracted services and training costs.

**Redwood Empire Dispatch Communications Authority**  
**Notes to the Basic Financial Statements**  
**June 30, 2008**

**III. OTHER INFORMATION**

**A. Joint Powers Agreement**

Pursuant to the Joint Exercise of Powers Act, California Government Code, chapter 5, article 1, section 6500-6536, fire protection districts, ambulance services districts, cities and the County of Sonoma entered into a Joint Powers Agreement (JPA) to establish and govern REDCOM, dated June 30, 2002. The original JPA was amended on February 27, 2007, and is effective June 30, 2007. REDCOM was established to operate, and maintain a coordinated public safety dispatch system for fire and emergency medical services.

REDCOM is governed by a board comprised of 7 members. The day to day operations are handled by REDCOM's Director of Communications who is an employee of American Medical Response (AMR).

According to the JPA, the Board adopts an annual budget thereby fixing the annual assessment against each member. The relative percentage allocation of annual operating expenses is based upon an updated rolling average of each provider's calls for the five preceding years.

**B. Risk Management**

The Redwood Empire Dispatch Communications Authority is exposed to various risks for which REDCOM carries insurance with coverage for bodily injury, property damage, personal injury, auto liability, and errors and omissions.

**C. Related Party Transactions**

American Medical Response (AMR) provides dispatch services for the Authority under an agreement with REDCOM. AMR also pays REDCOM for dispatch services, maintenance on Mobile Data Computer (MDC) units used in ambulances, as well as for annual dispatch service contract rights (AMR Baseline).

The following schedule lists receipts from and disbursements to related parties during fiscal year 2008:

Received by REDCOM	AMR
Dispatch services	726,664
AMR Baseline	556,808
MDC	79,071
Disbursed by REDCOM	AMR
Dispatch services	2,253,516

**Redwood Empire Dispatch Communications Authority**  
**Notes to the Basic Financial Statements**  
**June 30, 2008**

**D. Auditor Independence**

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. Specifically, "Auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant or material to the subject matter of the audit." Although the office of the Auditor-Controller is statutorily obligated to maintain accounts of departments, districts or funds that are contained within the County Treasury, we believe that adequate safeguards and divisions of responsibility exist. Therefore, we believe that subject to this qualification and disclosure, the reader can rely on the auditor's opinion contained in this report.

**REDWOOD EMPIRE DISPATCH COMMUNICATIONS AUTHORITY**

**June 30, 2008**

**BOARD OF DIRECTORS**

The Board of Directors, none of whom are employed by Redwood Empire Dispatch Communications Authority, as of July 1, 2008, are:

Mary Maddux-González	Chair
Chris Thomas (Designee for Bob Deis)	Vice-Chair
Bruce Varner	Secretary
Bryan Cleaver	Board Member
Scott Foster	Board Member
Dan Northern	Board Member
John Zanzi	Board Member