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MINUTES

EMS Oversight Commission

Thursday June 11, 2009

Seymour Town Hall – Flaherty Room

Members Present: Rosalie Averill, Lucy McConologue, Diane Ricciardi (alternate), Irene Jecusco (joined meeting at 7:30pm).

Others: Doug Thomas, Finance Director, Mike Konwerski, SAA, Debbi Laurancshuk, SAA, Shannon McDaniel SAA, Scott Andrews, Ambulance Chief, Chris Eck, MJK & Company CPA's, John M. Roller, MJK & Company CPA's, Regina Mann, SAA, Jesse Rallis, SAA.

ITEM # 1 Pledge of Allegiance.

Pledge of Allegiance led by Chairman Rosalie Averill.

ITEM # 3 Discussion of Financials and any other reports.

Chairman explains that there is an updated set of financials that became available to the Commission today but as yet to be reviewed by the members. Finance Director Doug Thomas had a chance to review the financials and will address his questions to the Association.

-Question from Chairman on how many leases the SAA has on vehicles. Scott Andrews explains that the Association has no leases on any vehicles at the present moment.

-Questions from Chairman about the BALANCE SHEET

1. under Total Current Liabilities the Note Payable – Peoples#1 is leftover from the Marcuccio era.
2. on the BALANCE SHEET under Total Current Liabilities the Note Payable – New Alliance#2 is for the 2007 ambulance that was purchased.

Auditor John Roller explains that discrepancies in Note Payable on the STATEMENT OF CASH FLOWS and Note Payable on the BALANCE SHEET come from a difference in the timing of the two reports. The BALANCE SHEET is a monthly report and the STATEMENT OF CASH FLOW is measured on a yearly basis. He further explains that the BALANCE SHEET is a picture in time showing assets owned and what liabilities are owed at any given point in time. The STATEMENT OF CASH FLOW is a measure of a period and it tells about the whole year.

- The ambulance that was purchased was paid in cash from savings.
- The settlement fee from the lawsuit was recorded on the PROFIT AND LOSS statement under Fees and Other Income on October 2008.

- Chairman asks how it is possible to have Budgeted Income \$294,375 and Budgeted Expenses \$517,891 not match. Auditor explains that a public charities can budget a profit or a deficit.
- Doug Thomas asks about Bad Debt Expense and a breakout by payor and what the Bad Debt Expense is for the Private Pay, in other words what is the balance for Accounts Receivables for Private Payor, how much was budgeted for, and how much is in reserve for the Bad Debts. Auditor John M. Rolleri explains that at the end of the year there is approximately \$137,000 in Gross Receivable for Private Pays, that number gets reduced by about \$46,000 for contractual adjustments with insurance companies, an additional \$31,000 for bad debt reserve for private pays, using 34% for contractual and 65% for private pays. Based on the history from 2006 the findings show that for contractual the numbers are slightly better than the history but with private pays the numbers are eroding and that makes a lot of sense in an economy like this.
- Doug Thomas points out that the Association has done really well this year especially considering the economy.

Chief Scott Andrew points out that although the Association has made about \$2,000 less than last year, the number is not telling the whole picture. Write-offs this year were more than usual due to the economy. Andrews predicts this number will continue to increase until the economy takes a turn.

AUDITORS REPORT

Auditor John M. Rolleri points out that the 2006 audit was extremely difficult to complete. In the past year the recommendations made where applied and implemented, the Association is very responsive and is doing a great job and needs to be commended for that. The organization is in healthy shape which is nice and was able to purchase an ambulance this year and paid for it in cash.

Auditor John M. Rolleri explains that the 2006 audit looked much different than the audit he performed this year for the fiscal year 2008. It was extremely difficult to perform the audit back in 2006, he said, however, now the organization is in a healthy condition and has generated enough cash for the SAA to purchase a new ambulance in cash. He predicts the same will happen next year.

The first document presented to EMSOC was a Letter to Board of Directors saying that Mr. Rolleri was hired to do an audit in accordance with the general accepted auditing standards and prepared financial statements according to the general accepted accounting principals. No issues surface during the audit and the issues pointed out in previous letters no longer exist. No significant adjustments were made this year as opposed to the previous years and no further disagreements with management.

The article included with the audit from FRAUD Magazine pointed out that the best internal control is owner oversight especially with small organizations. In the case of SAA this person is Scott Andrews and having him involved in the daily affairs makes a difference. Also having the EMSOC is beneficial to the Association as well.

Management Letter

The Management Letter made the three following points:

1. There is no one in the Association that can prepare financial statements according to the general accepted accounting principals and the organization is in the norm when it comes to this.
2. During the examination of the medical billing the auditors noted numerous instances of call reports being submitted late to the billing company. This is due to the fact that not all call reports are being submitted to management in a timely manner. Management is aware of this issue and since has converted to an electronic system. This switch should correct the problem.
3. The Association used to have a secretary that recorded the meeting but the minutes were not being documented. This presented the auditor with a problem, however the Association now has a new secretary and is filing and documenting all meetings.

Financial Statements

Page 1

Clean opinion. No problems.

Page 2

* The Grant Receivable - a grant was received from FEMA in the amount of \$56,000 and was used to purchase uniforms.

* Leasehold improvements, vehicles and equipment - the significant increase reflects the ambulance being purchased, about \$113,000, also included is depreciation, that reduced the amount.

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* Current portion of long term debt and Long-Term Debt - there is a significant drop and the drop is twofold: 1) The Association is paying off debt, 2) paid off \$18,000 in one of the People's Bank Notes.

* Obligations - under capital lease arrangements the number is zero. The Association had three capital leases that have expired and were paid off.

* Other accrued liabilities - a small reserve is included in the amount to cover anything unexpected that might happened during the year.

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* Patient Billing – the past year was a good year. The number reflects net of contractual adjustments.

* Municipal Contract - a re-negotiation occurred effective July 1, 2008 reflecting the increase.

* Contributions and Grants – is down due to the grant received from FEMA the previous year, a non-recurring grant, for uniforms.

* Donated Grant – according to general accepted accounting principals the Association needs to report the fair market value for the \$1.00 rent paid to the Town of Seymour. That fair market value amount is about \$25,000.

* Miscellaneous Revenues - is \$20,198, \$17,00 of which represent the settlement from the lawsuit.

* Net Assets Released From Restriction – acquisition of uniform. Pulled out of the temporarily restricted fund and put into the restricted fund to be able to pay for the uniforms.

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* Auditor John M. Rolleri explains that typically he does not go over the Cash Flow Statement because it is too complicated but in this case he would like to go over it because it tells a good story. The year was started off with \$102,882 in cash and the year was ended with \$87,192. Now, the Association made about \$63,000 in Income, so what to the income? Where did it go? The Organization had good operating income of about \$162,000, \$113,000 of which the organization used to purchase a new vehicle. They also paid down some debt. According to the Auditor these were both very smart moves and he recommends this position is maintained and improved in the future.

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* Statement of Functional Expenses – looking at the Salary and employees benefits the slight increase is due to Kyle Kelly been on board for the full year. This was not the case for the previous fiscal year. Also there was an increase in wage bases and the distribution of stipends to the EMT's. Under Uniforms the cost went from about \$14,000 to \$55,000 causing an increase in Total Expenses. Under Bad Debt is Private Pays of which only about .32 cents on the dollars is being collected. Auditor agrees with Mr. Andrews that this is a very costly area not easily remedied.

Chairman Rosalie Averill asks to explain a bit further the difference in Total Expenses from 2008 and 2009, respectively \$576,110 and \$650,909. Auditor John M. Rolleri explains that the difference is due to: 1) more depreciation for the ambulance purchase; 2) increased salary; 3) EMT stipends; 4) uniform costs.

Notes

Page 10 Note 5

Fixed Assets Under Capital Lease - capital leases are leases recorded as an asset. Operating leases are just leasing that get recorded as an expense. Association is done with capital leases for now and the note demonstrated that all the assets that were in possession of the Association, where pushed and transferred them into Leasehold improvements of vehicles and equipment. The actual transfer has taken place.

Page 10 Note 6

GMAC note was paid in full that's why the balance is \$ 0. The New Alliance note still carries a balance.

Page 11 Note 6

People's Bank note the balance is \$0, the \$18,000 remaining balance of the note were paid in full. Another People's Bank note carries a balance of \$7,375.

No further comments from Auditor John M. Rolleri about the audit this year.

Chairman Rosalie Averill points out, based on the Management Letter and on the impression that the Association is now running like a business, that over the past few meetings it looks like the SAA is doing a great job.

Finance Director Doug Thomas agrees with the Chairman.

Scott Andrews points out that the SAA has been getting busier and busier over the past year and thanks to the efforts of everybody. He says everyone is stepping up and being as professional as ever. He says that the goal of the Association is to have enough of a reserve to ward off any losses that the economy might bring.

Item # 2 Approve minutes from March 12, 2009 meeting.

Motion to accept minutes as presented.

Motion: Diane Ricciardi

Second: Irene Jecusco

Vote: Yes-3(I. Jecusco, D. Ricciardi, L. McConologue) No-0 Abstain-1(R. Averill)

Chairman Averill points out that the Activity Report for the months of January, February, and March are missing from the information they have received. Scott Andrews explains that the report is now electronically generated and after May 1 they will no longer be able to print it. Chairman feels that it's important to know for example how many calls the SAA is missing.

Chairman Averill points out that the contract refers to Exhibit A and Exhibit B and that the exhibits are missing. She asked Mr. Andrews to make sure that the signed copies on file with the Town include the Exhibits and to also provide the Commission with a copy of those exhibits. The recording secretary will check with the First Selectman to see what is officially on file with the Town.

Chairman Averill asked why the Commission has not yet received a budget for the Fiscal Year 2009-2010. She points out that according to the contract the Budget is supposed to be submitted to EMSOC May 1st. Mr. Andrews will forward the Budget to secretary Nancy Onofrio, which will then forward to all the EMSOC members.

ITEM # 4 Old Business.

Chairman Rosalie Averill asked the SAA members whatever happened with the bricks purchased with donations made by residents. Andrews explains that the bricks donated were not enough to cover the area and that is why they have not been laid yet.

Chairman Averill asked what happened to the old bricks that people donated \$99 for it and what happened to the project. Mr. Andrews explained the plans were to put in a patio around the memorial at the Ambulance Corp. building. He continued by explaining that the project will cost approximately \$5,000 dollars and also the number of bricks sold were not enough to cover the area.

ITEM # 5 New Business.

Wants to inform the Commission on what the Ambulance has been doing over the past year or so. He explains that in addition to responding to ambulance calls in Town, the SAA also donates quite a bit of time to the various organizations in the Town of Seymour with standbys and such. The Association participates in the events up at the Land Trust like the Halloween and Christmas activities. They also participate in the Take-a-Stand Day in Seymour and it's activities like these he feels that are attracting young and enthusiastic people to the SAA that are enjoying what they are doing. A number of new members have joined the Association, probably the highest ever, and this is all happening without having to recruit. The Association is building a reputation that is attracting more and more positive interest.

ITEM # 6 Public Comment.

No public comment.

ITEM # 7 Adjournment.

Motion to adjourn meeting at 8:23pm.

Motion: Lucy McConologue

Second: Diane Ricciardi

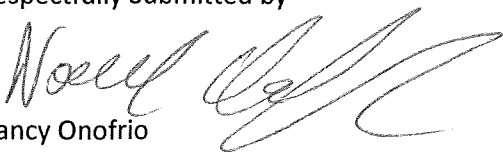
Vote: Yes-4 No-0

Abstain-0

Disqualified-0

Not present-0

Respectfully Submitted by

A handwritten signature in black ink, appearing to read 'Nancy Onofrio', written over a horizontal line.

Nancy Onofrio

Recording Secretary