



**INTERAGENCY COMMUNICATIONS  
INTEROPERABILITY SYSTEM  
JOINT POWERS AUTHORITY**

**MEETING OF THE GOVERNANCE BOARD  
GLENDALE CITY COUNCIL CHAMBERS  
613 E. BROADWAY, GLENDALE, CA 91206**

PLEASE TURN OFF CELLULAR

**AUGUST 7, 2014**

- 1. BUSINESS AGENDA – 1:00 pm**
  - a. Roll Call
  - b. Report of Staff, re: Posting of Agenda. The Agenda for the August 7, 2014 Governance Board Meeting was posted on August 4, 2014, on the ICIS Web Site and the Bulletin Board outside Glendale City Hall.
- 2. ORAL COMMUNICATIONS**

Discussion is limited to items NOT a part of this agenda. Each speaker is allowed five minutes. Members may question or respond to the speaker but there will be no debate or decision.
- 3. REPORTS - INFORMATION**
  - a. Reports Regarding Changes in Project Status from Previous Month
  - b. Report from Technical Committee
  - c. Report from Legislative Committee
  - d. Report from Operations Committee
  - e. Report Regarding LA RICS
  - f. Report Regarding 2012 and 2013 FY Audits by McGladrey LLC
- 4. CONSENT ITEMS**
  - a. Approval of the Minutes for the April 3, 2014 Meeting
  - b. Approval of the Minutes for the June 5, 2014 Meeting
- 5. ACTION ITEMS**
  - a. Discussion of affiliation process for LACPCA mutual aid agencies
    1. Motion to approve affiliation to specific cells and talk groups
  - b. Discussion regarding Agreement with auditor for annual audit reports
    1. Motion to approve Agreement with Vavrinik, Trine, Day & Co., LLP
  - c. Discussion regarding ICIS System Subscriber and Roaming Fees
    1. Resolution Amending Subscriber and Roaming Fees
  - d. Discussion regarding Subscriber request by City of Sierra Madre
    1. Resolution Approving Subscribership of Sierra Madre Police Department
  - e. Discussion regarding ICIS Annual Strategic Planning Session and Special Meeting
    1. Motion to host Strategic Planning Session and Special Meeting December 4, 2014
- 6. BOARD MEMBER COMMENTS**
- 7. STAFF COMMENTS**
- 8. ADJOURNMENT**

Next Regular Meeting will be held  
Thursday, September 4, 2014 at 1:00 pm.  
Glendale City Hall  
613 East Broadway, Glendale, CA 91206



FOR INTERAGENCY COMMUNICATIONS  
INTEROPERABILITY SYSTEM  
JOINT POWERS AUTHORITY

**Participating Agencies**

- City of Beverly Hills
- City of Burbank
- City of Culver City
- City of Glendale
- City of Montebello
- City of Pasadena
- City of Pomona
- City of San Fernando
- City of San Marino
- City of South Pasadena
- East San Gabriel Valley JPA
- American Red Cross
- Bob Hope Airport
- Glendale Community College
- Cal Poly Pomona
- Foothill Air Support Team
- Verdugo Fire Communications

**Minutes  
of the  
MEETING  
of the  
TECHNICAL COMMITTEE**

**Location:**  
**Glendale City Hall**  
**Emergency Operations Center**  
**613 E. Broadway**  
**Glendale, California**  
**Thursday, July 10, 2014**  
**Meeting will Convene at 10:30 Hours**

**1. REGULAR BUSINESS AGENDA**

- a. Roll call.
  - i. Pasadena and Pomona, absent
- b. Report regarding posting of the Agenda.
  - i. Posted Monday July 7, 2014 in compliance with the Brown Act.

**2. ORAL COMMUNICATIONS**

- a. Burbank: Recommends a book, "Land Mobile Radio Systems"
- b. Motorola: Introduction of Tony McIntosh, Manager, responsible for the areas of Hawaii and California.

**3. REPORTS – INFORMATION**

- a. Introductions and report of status of project implementation by each Member.
  - i. Beverly Hills: Preparing to go to counsel to approve new microwave, P.D. to Walker Drive.
  - ii. Burbank: Loaded encryption keys into three of the new consoles and replaced UPS.
  - iii. Culver City: Received confirmation they will obtain Orbital buses, via XEROX. XEROX doesn't know what will interconnect with their system. Some Apex radio will work or be compatible with XEROX.
  - iv. Glendale: Placing an order for VPN appliance for OTAP to connect via Internet. Will be accepting delivery of new Kenwood radios on Monday. P-25 implementation plan will be to start with local Government then move up to Police.
  - v. Montebello: Working with Ray on getting the information needed for grant funding and also working to determine final network configurations.
  - vi. East San Gabriel Valley JPA: Site 19 is fully cutover to PD with great success. T-1 having issues, possibly fixed at this time.
- b. Report regarding the status of the LA-RICS project.
  - i. Ray Edey: Had their Board meeting this morning, with no changes. Still waiting to see or hear how many cities will withdraw from the JPA. As an FYI, attended the LA County Police Chief's Conference in Temecula, 42 of 46 raised their hands indicating to withdraw from LA-RICS project. Mr. Fujioka of LA-RICS announced his retirement. LA-RICS can't get a realistic time frame for build-out or a funding plan.
- c. Report from the Executive Director regarding actions of the Governance Board.
  - i. No meeting in July.
- d. Report from Operations Committee Chair regarding actions of the Operations Committee.
  - i. No info. There will be a meeting next month.

**4. CONSENT ITEMS**

- a. Approval of Minutes of June 12, 2014 meeting.
  - i. 5-a-i: correction, "it is the box"
  - ii. Culver City motions, Glendale seconds approval of minutes with said changes.

**5. ACTION ITEMS**

- a. Discussion re: System technical issues, punch list items, and open cases.
  - i. None.
- b. Discussion re: Subscriber issues, including roaming.
  - i. None.

- c. Discussion re: Claremont P.D. requesting to connect into ICIS via Pomona and the related technical issues.
  - i. This will be postponed until next months meeting due to Pomona's absence at this meeting.
- d. Discussion re: Request from Sierra Madre P.D. to join ICIS as a subscriber agency.
  - i. Motion: Recommendation to the Governance Board.
  - ii. Glendale motions, Montebello seconds the approval for Sierra Madre's request.
- e. Discussion re: 7.13 – 7.14 system upgrade.
  - i. No action. Will wait for a proposal from Motorola.
- f. Discussion re: Project 25 subscriber needs for Member and Subscriber Agencies.
  - i. A listed needed to see who needs P-25 for mobile and portable radios. An email to be sent to Subscriber Agencies to see what their subscribers needs currently are.
- g. Discussion re: Site maintenance notification and coordination.
  - i. Burbank: A document is needed for response procedures, responsibility and point of contact for infrastructure. Will be moved to next month for further. Right now it's in the "whiteboard" phase.
- h. Discussion re: Microwave loop issues and loop redundancy.
  - i. Glendale: The Chair of the Governance Board wants a report to go out from the Executive Director to the Board members. Steve Hronek will finish the report and will work with Ray Edey to forward it to the Governance Board.
- i. Discussion re: ICIS Subscriber and Roaming Fees.
  - i. Ray: Discussion of Subscriber and roaming fees. Currently the fees are \$25 per month, per radios, per subscriber for cell access and an addition \$6.25 per month per radio for ICIS trunking fees. This equals \$31.25 per month per radio. After substantial discussion, the Subscriber fee for public safety agencies utilizing ICIS as their primary communications system will be recommended to change to \$9 and roaming fee will stay the same at \$6.25 for a total fee of \$15.25 for those agencies. Agencies subscribing partial service will remain at a suggested rate of \$25.

**6. NEW BUSINESS**

- a. None.

**7. COMMITTEE MEMBER COMMENTS**

- a. None.

**8. ADJOURNMENT**

- a. Glendale motions, Burbank seconds the adjournment.

**ICIS TECHNICAL COMMITTEE  
REPORT TO THE GOVERNANCE BOARD**

**RAD MUX ISSUES**

The following report has been submitted by the Technical Committee in the aftermath of a system failure associated with the RAD MUX components that are employed at ICIS microwave sites. The most recent and significant event was that of June 15, 2014 involving the RAD MUX equipment at Glendale FS21.

This report was prepared by the Master Site Administrator, Steve Hronek, and vetted through the Technical Committee.

Ray Edey  
Executive Director

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The Glendale, and ICIS, microwave systems are fully-redundant except for the RAD MUX units. The RAD MUX is the equipment which interfaces the microwave backbone network with the radio system equipment located at each radio site, and in the Master Site. Each RAD MUX has two cables connecting it to the microwave, and is programmed to only use one cable for data, keeping the other in reserve in case the active side fails.

All the original ICIS cells were connected back to the Master Site using a single microwave path traversing two or more microwave links. As dual independent paths were not available, the system design would only accommodate single site links, and ICIS sites were designed to accommodate only one site link. With the new microwave loops, it will become possible for ICIS cells to employ dual redundant site links, and Motorola has been asked to include this in its redesign of the links to the new Project 25 cells.

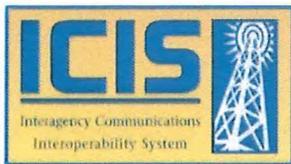
There have been several failures of the RAD MUX equipment, the most recent of which occurred on Sunday, June 15, 2014 (Father's Day) when a RAD MUX unit located at Glendale Fire Station 21 rebooted and lost the configuration identifying the second cable as a backup link. Having two links active created a loop, causing a packet storm which crippled the entire network (analogous to the feedback experienced when placing a microphone near a speaker). At this point, RAD has no explanation why the RAD MUX equipment is randomly rebooting, but its engineers are attempting to determine the root cause of the reboots.

To reduce (theoretically eliminate) the possibility of any RAD MUX rebooting and causing a packet storm, Motorola has removed the second link from each RAD MUX. The balance of the microwave network, other than the RAD MUX equipment, is fully-redundant, and has experienced no significant problems since installation nearly two years ago. It is actively monitored throughout each business day, and, in the event of a link failure, it will send alarms 24/7/365 to Motorola Network Monitoring Operations, and to Glendale technicians which are on-call 24/7/365. Should there be a single microwave link failure, it will not be service-affecting, as the microwave links remain fully-redundant.

Due to the system failures experienced by Glendale and ICIS, the causes of which were traced back to the RAD MUX equipment, Motorola has agreed with our assessment that the RAD MUX has proven to be sufficiently unreliable in the Glendale and ICIS microwave networks to warrant a redesign of both systems, and a deep, comprehensive, analysis of the RAD MUX equipment to definitively ascertain the root cause of the failure events.

This network redesign, and reconfiguration, is expected take three to six months to complete. In the interim, Glendale technicians will be watching the network closely for any anomaly, and Motorola will make available whatever resources are necessary to fully analyze and mitigate any detected issues.

ICIS Member agency technical staff will be kept apprised of the progress of this effort as it unfolds.



# INTERAGENCY COMMUNICATIONS INTEROPERABILITY SYSTEM JOINT POWERS AUTHORITY

## Participating Agencies

- City of Beverly Hills
- City of Burbank
- City of Culver City
- City of Glendale
- City of Montebello
- City of Pasadena
- City of Pomona
- City of San Fernando
- City of San Marino
- City of South Pasadena
- American Red Cross
- Bob Hope Airport
- Glendale Community College
- Cal Poly Pomona
- Verdugo Fire Communications
- Foothill Air Support Team
- San Gabriel Valley JPA

## REGULAR MEETING OF ICIS OPERATIONS And TECHNICAL COMMITTEES MINUTES

### Location:

**Glendale Fire Station 21  
421 Oak Street – 2<sup>nd</sup> Floor Community Room  
Glendale, California**

**Thursday June 12, 2014  
1300 Hours**

### 1. REGULAR BUSINESS AGENDA –

#### a. Roll Call

- i. Beverly Hills: Ron Derderian
- ii. Burbank: Gil Moreno
- iii. Culver City: Ken Powell
- iv. Glendale:
- v. Montebello:
- vi. Pasadena: Karen Peterson
- vii. Pomona: Tim Cooper
- viii. San Gabriel Valley JPA:

#### b. Report regarding posting of the Agenda for the June 12, 2014 meeting.

- i. Agenda was posted on June 4, 2014 on the bulletin board outside Glendale City Hall

### 2. ORAL COMMUNICATIONS

Discussion is limited to items NOT a part of this agenda. Each speaker is allowed five minutes. Members may question or respond to the speaker but there will be no debate or decision.

### 3. REPORTS – INFORMATION

#### a. Report by each member/participating agency on agency specific or system issues/concerns.

- i. Beverly Hills: No update
- ii. Burbank: No Update
- iii. Culver City: No Update
- iv. Glendale:
- v. Montebello:
- vi. Pasadena: Request for information on microwave outage of 5/5
- vii. Pomona: System outage on 6/8
- viii. San Gabriel Valley JPA: Operations Committee Member Needed
- ix. Participating Agencies:
  - 1. American Red Cross:
  - 2. Bob Hope Airport:
  - 3. CAL State Los Angeles:
  - 4. CAL-POLY Pomona:
  - 5. City of San Fernando:

6. City of San Marino:
  7. City of South Pasadena:
  8. Foothill Air Support Team:
  9. Glendale City College:
  10. Los Angeles City Fire:
  11. Los Angeles County Fire: Captain Tim Bloom was present and discussed the interaction between LA County Fire and the Verdugo Fire agencies. End result was that there will be a test with all LACoFD units that have Verdugo-issued radios, and determination of their IDs and capabilities will be made. [Follow-up on this is that there was a successful test with the exception of Steve not communicating with Verdugo FCOs sufficiently before the test starting. Results shared with Captain Bloom, and suggestion made that one agency (VFCC-directed) be assigned to take the responsibility of reprogramming all of the loaned radios to a common codeplug and provide training materials to LACoFD on behalf of the loaning agencies. All agencies except for SGB has responded in the affirmative. Chief Frieders will supply donuts and be convinced to join the rest of us. In progress as of 7/23/14]
  12. Manhattan Beach Fire:
  13. San Gabriel Police:
  14. Verdugo Fire:
- b. Report on ICIS Mailing Lists
  - c. Report on open cases with Motorola with operational impacts.
    - i. Burbank Cell Outage (4/29/14).No Update
    - ii. Little Loop Project Outage (5/2014) No Update
  - d. Report on ICIS Training Program.
    - i. Committee Members Action Item: Going to start with technician training first, similar to the APX training provided in City of Pasadena late last year.
  - e. Report from Operations sub-Committee re: Simplex channels for the Mutual-Aid Talkgroups. Postponed until next meeting when there will be a handout.
  - f. Report re: Confidential Requests by Fire Service for Law Enforcement; 10-Code vs. Clear Text. Committee Members Action Item: Each member to research in their own agency and provide recommendation to group. Discussion ensued, Captain Bloom informed that they used to use 'Code L' and then when he was in the field, he would just come up on the radio and ask for a first-alarm assignment and tell the dispatcher they were in a fight. More research on this is indicated. Steve will poll the MTUG folks from around the country when at APCO in August.
  - g. Report on status of Over-the-Air programming capability. ICIS has purchased a VPN appliance, and when it is in and installed, OTAP will be available.
  - h. Report on P25 status of the ICIS Network. Deferred for more definitive information from Glendale.
  - i. Report on LA-RICS. LA County Police Chiefs are going to meet and discuss at their next meeting. Expecting an exodus of agencies.
  - j. Report on FIRSTNET and/or WESTNET. No news
  - k. Report by Operations/Technical Committee Liaison. No information from ICIS on the outages.

#### 4. CONSENT ITEMS

- a. Approval of April 10, 2014 meeting minutes. Postponed to August 14 meeting.  
Motion: \_\_\_\_\_ Second: \_\_\_\_\_
- Ayes:  
Noes:  
Abstain:  
Absent:

#### 5. ACTION ITEMS

- a. Motion-4-06-12-2014 – Mutual-Aid Request – NTSB – Passed  
Motion: Burbank Second: Culver City

Ayes: 5  
Noes: 0  
Abstain: 0  
Absent: 2

**6. NEW BUSINESS**

- a. None

**7. COMMITTEE MEMBER COMMENTS**

- a. Burbank:
- b. Glendale:
- c. Pasadena:
- d. Montebello:
- e. Pomona:
- f. Culver City:
- g. Beverly Hills:

**8. ADJOURNMENT**

- a. Time: 14:52  
Motion: Burbank      Second: Culver City

Ayes: 5  
Noes: 0  
Abstain: 0  
Absent: 2



July 3, 2014

To the Board of Directors  
of the Interagency Communications  
Interoperability System  
Glendale, CA

We are pleased to present this report related to our audits of the basic financial statements of the Interagency Communications Interoperability System (the ICIS) as of and for the years ended June 30, 2013 and 2012. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the ICIS's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the ICIS.

*McGladrey LLP*

## Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statements audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process:

Area	Comments
<b>Our Responsibilities With Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated June 18, 2013.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.
<b>Accounting Policies and Practices</b>	<p><b>Preferability of Accounting Policies and Practices</b></p> <p>Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p><b>Adoption of, or Change in, Accounting Policies</b></p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the ICIS. Following is a description of significant accounting policies or their application that were either initially selected or changed during the year:</p> <ul style="list-style-type: none"> <li>• For the years ended June 30, 2013 and 2012, the ICIS adopted Governmental Accounting Standards Board (GASB) Statement No. 63, <i>Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position</i>; and GASB Statement No. 65, <i>Items Previously Reported as Assets and Liabilities</i>.</li> </ul> <p>The implementation of these GASB Statements impacted certain terminology used, and had no impact on the net position, fund balance or changes in fund net position at June 30, 2013 or 2012.</p> <p><b>Significant or Unusual Transactions</b></p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>

Area	Comments
<b>Accounting Policies and Practices (Continued)</b>	<p><b>Management's Judgments and Accounting Estimates</b></p> <p>Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.</p>
<b>Audit Adjustments</b>	<p>Audit adjustments proposed by us and recorded by the ICIS are shown in the attached Summary of Recorded Audit Adjustments.</p>
<b>Uncorrected Misstatements</b>	<p>We are not aware of any uncorrected misstatements, other than misstatements that are clearly trivial.</p>
<b>Disagreements With Management</b>	<p>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the basic financial statements.</p>
<b>Consultations With Other Accountants</b>	<p>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</p>
<b>Significant Issues Discussed With Management</b>	<p>No significant issues arising from the audit were discussed with or were the subject of correspondence with management.</p>
<b>Significant Difficulties Encountered in Performing the Audit</b>	<p>We did not encounter any significant difficulties in dealing with management during the audit.</p>
<b>Certain Written Communication Between Management and Our Firm</b>	<p>A copy of a certain written communication between our Firm and the management of the ICIS, the representation letter provided to us by management, is attached as the Exhibit.</p>

**Interagency Communications Interoperability System  
Summary of Significant Accounting Estimates  
Years Ended June 30, 2013 and 2012**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses its knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the ICIS's June 30, 2013 basic financial statements.

<u>Estimate</u>	<u>Accounting Policy</u>	<u>Management's Estimation Process</u>	<u>Basis for Our Conclusions on Reasonableness of Estimate</u>
<b>Useful Lives of Long-Lived Assets</b>	<p>The estimated useful life for equipment has been determined to be 10 years.</p> <p>These assets are depreciated using the straight-line method. Intangible assets have not been amortized since these assets are determined to be inexhaustible.</p>	<p>Management determines useful lives based on past experience, engineer estimates and industry norms. Management monitors and updates useful lives on a regular basis. The impacts of prominent events or circumstances may require management to assess whether an impairment of a capital asset has occurred.</p> <p>A capital asset is considered impaired if both the decline in the service utility of the capital asset is large in magnitude, and the event or change in circumstance is outside the normal life cycle of the capital asset.</p>	<p>We have tested the reasonableness of information underlying management's estimation on the useful lives of long-lived assets. Based on our procedures, we concluded that assigned useful lives of capital assets are reasonable.</p>

**Interagency Communications Interoperability System  
Summary of Recorded Audit Adjustments  
Years Ended June 30, 2013 and 2012**

**At June 30, 2012:**

Description	Effect—Increase (Decrease)				
	Assets	Liabilities	Equity	Revenue	Expenses
• To record the adjustment of negative liability accounts	\$ 10,423	\$ (10,423)	\$ -	\$ -	\$ -
• To correct the opening balance of equity, which was closed out in prior years when the fund was removed from the City of Glendale's financial statements	-	-	783,989	(783,989)	-
<b>Total effect</b>	-	-	-	\$ (783,989)	\$ -
<b>Balance sheet effect</b>	<u>\$ 10,423</u>	<u>\$ (10,423)</u>	<u>\$ 783,989</u>		

There were no audit adjustments recorded for the year ended June 30, 2013.

#### 5.a. Affiliation of LACPCA Agencies

The Board has previously approved a Motion authorizing the Chair to enter into Affiliate Agreements with Fire agencies that are members of the Los Angeles Area Fire Chief's Association (LAAFCA). Said Affiliates are vetted through the Verdugo Fire Communications Executive Director, the ICIS Executive Director, and the Technical and Operations Committees.

Staff recommends the Board entertain a Motion to approve like provisions for member agencies of the Los Angeles County Police Chief's Association (LACPCA). Said Affiliates would be vetted through the ICIS Executive Director and both the Technical and Operations Committees.

Once again, Affiliates are limited to those government public safety agencies who are members in good standing with the LAAFCA and LACPCA. Affiliate access is limited to Mutual Aid engagements physically involving ICIS Member agencies. The talk groups approved for each Affiliate are on a case by case basis and at the complete discretion of the Member agencies responsible for those talk groups.



May 13, 2014

To the Board of Directors and Mr. Raymond Edey  
Interagency Communications Interoperability System JPA

We are pleased to confirm our understanding of the services we are to provide the Interagency Communications Interoperability System JPA (ICIS JPA) for the year ended June 30, 2014. We will audit the financial statements of the governmental activities and each major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the ICIS JPA as of and for the year ended June 30, 2014. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the ICIS JPA's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the ICIS JPA's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) GASB required supplementary pension and other post employment benefit information

We have also been engaged to report on supplementary information other than RSI that accompanies the ICIS JPA's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole, in a separate written report accompanying our auditor's report on the financial statements:

- 1) Schedule of expenditures of federal awards.

In addition, we will prepare a letter communicating with those charged with governance and a management letter, if needed.

**Audit Objectives**

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on—

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. The OMB Circular A-133 report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of OMB Circular A-133, and will include tests of accounting records, a determination of major program(s) in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of the ICIS JPA. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements or the Single Audit compliance opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

**Management Responsibilities**

Management is responsible for the financial statements, schedule of expenditures of federal awards, and all accompanying information as well as all representations contained therein. Management is also responsible for identifying all federal awards received and understanding and complying with the compliance requirements, and for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the requirements of OMB Circular A-133. As part of the audit, we will assist with preparation of your financial statements, schedule of expenditures of federal awards, and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for (a) establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (b) following laws and regulations; (c) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (d) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

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You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review on September 15, 2014.

You are responsible for preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with OMB Circular A-133. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to [include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with OMB Circular A-133; (2) you believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with OMB Circular A-133; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon]. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

**Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

**Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and OMB Circular A-133.

**Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the ICIS JPA’s compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Circular A-133 Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the ICIS JPA’s major programs. The purpose of these procedures will be to express an opinion on the ICIS JPA’s compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

**Engagement Administration, Fees, and Other**

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. If applicable, we will provide copies of our report for you to include with the reporting package you will submit to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports to the JPA; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Vavrinek, Trine, Day & Co., LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to Oversight Agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Vavrinek, Trine, Day & Co., LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the Oversight Agency for Auditor. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately June 2014 and to issue our reports no later than November 17, 2014. David Showalter, CPA, is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

\* Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$8,000. If a single audit is required, the cost to audit each major federal program is \$3,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

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Vavrinek, Trine, Day & Co., LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business and Professions Code. It is not anticipated that any of the nonlicensee owners will be performing audit services for the JPA.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2011 peer review accompanies this letter.

We appreciate the opportunity to be of service to the ICIS JPA and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



David E. Showalter, *Partner*  
Vavrinek, Trine, Day & Co., LLP

DES: scm

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Attachment

RESPONSE:

This letter correctly sets forth the understanding of the ICIS JPA.

Management signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_