SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
FINANCIAL STATEMENTS
JUNE 30, 2024

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
JUNE 30, 2024
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Making a Lasting Contribution
To our Clients, To our Community, To our Profession

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sierra-Sacramento Valley Emergency Medical Services Agency

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and major fund of the Sierra-Sacramento Valley Emergency Medical Services Agency (the Agency) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and major funds, of the Agency as of and for the year ended June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America and with the California State Controller's Minimum Audit Requirements and Reporting Guidelines for Special Districts.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information and CalPERS schedules on pages 4 through 8; 35 through 36; and 37 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Agency's internal control over financial reporting and compliance.

Jensen Smith

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
November 8, 2024

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR 2023-24

The Sierra-Sacramento Valley Emergency Medical Services Agency (S-SV EMS) is a Joint Powers Agency established to regulate emergency medical care in the counties of Placer, Yuba, Sutter, Nevada, Colusa, Butte, Tehama, Shasta, Siskiyou and Glenn. S-SV EMS functions as the Local EMS Agency (LEMSA) in accordance with the California Health and Safety Code, Division 2.5. Any EMS Agency that has three or more member counties is designated as a regional LEMSA by the State EMS Authority and is eligible for general fund monies. General responsibilities of LEMSA's include, but are not limited to: EMT-I certification, investigation, EMT-P accreditation, generating policies and procedures for patient treatment and destination and designating base hospitals and specialty centers. S-SV EMS (the Agency) is governed by one county supervisor from each member county. The JPA Governing Board of Directors meets every two months. The Agency has a number of advisory committees. The Governing Board has delegated the responsibility of the daily operations to the Regional Executive Director.

As Management of the Sierra-Sacramento Valley Emergency Medical Services Agency, we offer readers of the Agency's financial statements the following comments and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2024. This presentation is designed to provide an overview of the Agency's financial activity, (b) assist the reader in focusing on significant financial issues, (c) identify major changes in the Agency's financial position, and (d) identify material variations from the approved financial budgetary plan.

We encourage the readers to consider the information presented here in conjunction with the financial statements, which begin on page 9 of this report.

Financial Highlights

- The Agency's net position for our governmental activities increased this year by $459,427. This increase in net position was a result of this year's general operations. Due to an error in a prior year there is a prior period adjustment that increased the net position by $79,183. At year end the total net position was $5,734,651.
- The Agency's fund balance on the balance sheet increased by $353,649 including the prior period adjustment of $79,183 described in the footnotes to the financial statements for a total of $5,761,815. The differences between the fund balance on the balance sheet and the net position on the statement of net position is noted in the reconciliation on page 12.
- In the Statement of Activities, the net gain was $459,427. Operating revenues were $3,531,289, general revenues (expense) were $229,544 and program expenditures were $3,301,406.

- In the Statement of Revenues, Expenditures and Changes in Fund Balances the fund balance increased by $274,466. Operating revenues were $3,539,420 and expenditures were $3,299,620 and there was an other financing source for leases of $34,666. The differences between the Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balance is noted in the reconciliation on page 14.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise two components: 1) the government-wide and fund financial statements and 2) notes to the basic financial statements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements (pages 9-14). The government-wide financial statements (Statement of Net Position and the Statement of Activities) provide information about the activities of the Agency as a whole and present a longer-term view of the Agency's finances. The fund financial statements report the Agency's operations in more detail than the government-wide financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating. The total net position increased in FY 2023-2024.

The *statement of activities* presents information showing how the Agency's net position changed during the most recent fiscal year.

The financial statements report on the function of the Agency that is principally supported by intergovernmental revenues. The Agency's function is to regulate pre-hospital care pursuant to California Code of Regulations, Title 22, Division 9 and the Health & Safety Code, Division 2.5. These duties are funded primarily with member county contributions and State General Fund monies granted to regional LEMSAs. Other sources of revenues include certification fees, grants and specialty center fees.

The Agency applies for grants through the State EMS Authority and Department of Health Services for Hospital Preparedness Program (HPP) funding. HPP funding was applied for on behalf of the member counties. S-SV EMS agreed to act as fiscal agent for two of the ten member counties. Additionally, HPP funding is available to LEMSAs. These are federal grant monies and are reported as distinct revenues.

FINANCIAL ANALYSIS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by $5,734,651 at the close of the most recent fiscal year.

The Agency has $95,447 invested in capital assets net of accumulated depreciation including the lease assets required with the implementation of the Governmental Accounting Standards Board Statement No. 87. S-SVEMS's fixed assets are in equipment and leased assets. Any investment in fixed assets would restrict the use of assets for future spending.

The unrestricted and restrcited net position of the Agency is available for future use to provide program services.

Agency's Net Position	Fiscal Year 2023-2024	Fiscal Year 2022-2023
Current and other assets	$ 6,291,640	$ 5,762,986
Restricted assets	79,183	79,183*
Net OPEB Asset	876,045	876,156
Capital assets	95,477	202,399
Total assets	7,342,315	6,920,724
Deferred outflows of resources	1,013,120	1,083,584
Accrued expenses	107,485	74,710
Compensated absences	99,365	92,099
Lease Liabilities	72,729	159,166
Net pension liability	1,689,854	1,616,532
Total liabilities	1,969,433	1,942,507
Deferred inflows of resources	651,351	786,577
Net position:		
Unrestricted	5,560,021	4,993,642
Restricted	79,183	79,183*
Invested in fixed assets	95,447	202,399
Total net position	$ 5,734,651	$ 5,275,224

* restated for prior period adjustment.

The Agency's primary source of revenue is the State General Fund for regional agencies and contributions from member counties. The State General Fund allocation and the county contributions are based upon population. County contributions are $10,000 base rate plus $.42 per capita.

There was an increase in net position as a result of this year's general operations $229,883 and overall by $459,427 with the general revenues/expense. The increase in net position is due to the OPEB credit rather than expense in fiscal year as well as increases in funding for grants and charges for services. The federal grant year is not the same as the S-SV EMS fiscal year. In 2023-2024 there is a prior period adjustment for errors related to the funding of the CEPPT account and activities from prior years. The description of this adjustment is described in the footnote disclosures.

Agency's Change in Net Position		
Revenues:	2024	2023
Fees		
Charges for services	$ 1,419,755	$ 1,202,544
Program and General revenue:		
Intergovernmental – Grants	1,492,457	1,367,847
Member county contributions	619,077	617,973
Interest	172,767	85,607
Other revenue	56,777	(21,596)
Total revenues	3,760,833	3,252,375
Expenditures:		
Personnel Expenses	1,825,558	1,326,083
Operating Expenses	1,475,848	1,323,603
Total expenditures	3,301,406	2,649,686
Change in net position	459,427	602,689
Net position, beginning of year	5,196,041	4,543,808
Prior Period Adj.	79,183	49,544
Net position, end of year	$ 5,734,651	$ 5,196,041

The governmental fund activities are reported on the modified accrual basis and differ from the government-wide statements due to the following accounting differences:

- Timing of receivables
- Capital assets are expensed
- Long term liabilities are not reported such as accrued compensated absences, pension activities, OPEB activities and lease liabilities.

Detailed descriptions of these differences are noted on pages 12 and 14.

FIXED ASSETS

As of June 30, 2024, the Agency had $36,512 and $58,935 invested in fixed assets for office equipment and leased assets, respectively, net of accumulated depreciation.

BUDGETARY HIGHLIGHTS

Differences between the final budget and the actual expenditures resulted in a total of $204,584 less in expenses than budgeted. Differences between the budgeted and actual revenues resulted in a total of $69,882 more than the amount budgeted. A detailed comparison of the budget to actual can be found at page 35. These differences are mostly due to the timing of receivables and on grant revenues and expenses.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following factors were considered in preparing the Agency's budget for the 2024-2025 fiscal year:

- Designating any fund balance increases to a newly created fund within CalPERS to offset pension liability costs
- Continue to request reimbursement from the CERBT (OPEB) fund to pay for retiree health until we have reached 100% funded.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to S-SVEMS Agency, 535 Menlo Drive, Suite A, Rocklin, CA 95765.

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS	
Current Assets	
Cash and Cash Equivalents-held by Placer County	$ 5,450,817
Cash and Cash Equivalents - CEPPT	79,183
Unrealized Gain(Loss) on County Investment (GASB 31)	(65,896)
Grants and Accounts Receivable	697,296
Prepaid Expenses	209,423
Total Current Assets	6,370,823
Non-Current Assets	
Capital and Lease Assets- net of depreciation	95,447
Net OPEB Asset	876,045
Total Non-Current Assets	971,492
TOTAL ASSETS	7,342,315
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	585,580
Deferred Outflows Related to OPEB	427,540
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,013,120
LIABILITIES	
Current Liabilities	
Accounts Payable	61,344
Personnel Costs Payable	46,141
Total Current Liabilities	107,485
Non-Current Liabilities	
Compensated Absences	99,365
Lease Liabilities	72,729
Net Pension Liability	1,689,854
Total Non-Current Liabilities	1,861,948
TOTAL LIABILITIES	1,969,433
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	174,670
Deferred Inflows Related to OPEB	476,681
TOTAL DEFERRED INFLOWS OF RESOURCES	651,351
NET POSITION	
Invested in capital and lease assets	95,447
Restricted (for CEPPT)	79,183
Unrestricted	5,560,021
TOTAL NET POSITION	$ 5,734,651

OPEB = Other Post Employment Benefits

CEPPT = California Employers' Pension Prefunding Trust

See accompanying notes to financial statements

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

PROGRAM EXPENDITURES	
Personnel Costs	$ 1,825,558
Communications	25,950
Interest Expense	2,048
Insurance	5,394
Maintenance	-
Membership	4,050
Miscellaneous	6,892
Other Supplies	250,683
Postage	5,042
Professional Services Purchased	843,744
Rent-Building and Equipment	1,324
Services and Supplies	10,416
Special Department Expense (Trauma)	21,064
Travel and Transportation	77,626
Training	78,610
Utilities	1,387
Depreciation & Amortization Expense	141,618
TOTAL PROGRAM EXPENDITURES	3,301,406
PROGRAM REVENUES	
Intergovernmental - Grants	1,492,457
Member Contributions	619,077
Charges for Services	1,419,755
TOTAL PROGRAM REVENUES	3,531,289
NET PROGRAM REVENUES(EXPENSES)	229,883
GENERAL REVENUES	
Interest	172,767
Unrealized Gain (Loss) - GASB 31	56,777
TOTAL GENERAL REVENUES	229,544
CHANGE IN NET POSITION	459,427
NET POSITION, BEGINNING	5,196,041
Prior Period Adjustment	79,183
NET POSITION, ENDING	$ 5,734,651

See accompanying notes to financial statements

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2024

ASSETS		
Current Assets		
Cash and Cash Equivalents-held by Placer County	$	5,450,817
Cash and Cash Equivalents - CEPPT		79,183
Grants and Accounts Receivable		129,877
Prepaid Expenses		209,423
Total Current Assets		5,869,300
TOTAL ASSETS	$	5,869,300
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts Payable	$	61,344
Personnel Costs Payable		46,141
TOTAL LIABILITIES		107,485
FUND BALANCES		
Nonspendable		209,423
Unassigned		5,552,392
TOTAL FUND BALANCES		5,761,815
TOTAL LIABILITIES AND FUND BALANCES	$	5,869,300

See accompanying notes to financial statements

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
AND THE STATEMENT OF NET POSITION
JUNE 30, 2024

Fund Balance - Total Governmental Fund (from above)	$ 5,761,815
Amounts reported for governmental activities in the statement of net position are different because:	
Accounts receivable which are not collected within sixty days after fiscal year end are not included in fund assets.	567,419
Unrealized gains and losses on investments are not considered an available financial resource and therefore are not included in the fund assets.	(65,896)
Deferred Outflow of resources which are not collected within sixty days after fiscal year end are not included in fund assets.	1,013,120
Net OPEB Assets are not collected within sixty days after fiscal year end are not included in fund assets.	876,045
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the governmental fund activities.	33,511
GASB 87 was implemented in fiscal year 2021-22. Leases are captured in the governmental activities as lease assets with a related lease liability and then amortized over the life of the lease including imputed interest expense. In the governmental fund statements the leases are recorded as an expense in full in the initial year of the lease with a related other financing source and then the debt payments are recorded as expenes each year. In fiscal year 2023-24 there were the following differences between the two statements:	
Net Lease Assets	61,936
Lease Liabilities	(72,729)
Long-term liabilities, including notes payable, are not due and payable in the current period, and therefore are not reported in the governmental fund.	
Accrued Interest on Lease Liability	
Compensated Absences	(99,365)
Net Pension Liability	(1,689,854)
Deferred Inflow of Resources	(651,351)
Net Position of Governmental Activities	**$ 5,734,651**

See accompanying notes to financial statements

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024

REVENUES	
Intergovernmental - Grants	$ 1,327,821
Member Contributions	619,077
Charges for Services	1,419,755
Interest	172,767
Total Revenues	3,539,420
EXPENDITURES	
Personnel Costs	1,809,621
Communications	25,950
Interest Expense	2,048
Insurance	5,394
Maintenance	-
Membership	4,050
Miscellaneous	6,892
Other Supplies	250,683
Postage	5,042
Professional Services Purchased	843,744
Rent-Building and Equipment	35,990
Services and Supplies	10,416
Special Department Expense	21,064
Travel and Transportation	77,626
Training	78,610
Utilities	1,387
Debt Service	
Principal Payments on Leases	121,103
Total Expenditures	3,299,620
Excess (Deficiency) of Revenues over Expenditures	239,800
OTHER FINANCING SOURCES (USES)	
Leases	34,666
Total Other Financing Sources (Uses)	34,666
Change in Fund Balances	274,466
Fund Balances, Beginning	5,408,166
Prior Period Adjustment	79,183
Fund Balances, Ending	$ 5,761,815

See accompanying notes to financial statements

**SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net Change to Fund Balances - Total Governmental Fund	$	274,466
Receivables received more than 60 days after the year end are not considered financial resources and therefore are not reported in the fund financial statements		164,636
Unrealized gains and losses are not considered financial resources and therefore are not reported in the fund financial statements		56,777
GASB 87 was implemented in fiscal year 2021-22. Leases are captured in the governmental activities as lease assets with a related lease liability and then amortized over the life of the lease including imputed interest expense. In the governmental fund statements the leases are recorded as an expense in full in the initial year of the lease with a related other financing source and then the debt payments are recorded as expenes each year. In fiscal year 2023-2024 there were the following differences between the two statements:		
Debt Service Payments		121,103
Lease Amortization		(115,527)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund		
Change in Compensated Absences		(7,266)
Deferral/Expense of Pension and OPEB Related Expenses		(8,671)
Depreciation		(26,091)
Change in Net Position of Governmental Activities	**$**	**459,427**

See accompanying notes to financial statements

NOTE 1 – NATURE OF THE ORGANIZATION

Sierra-Sacramento Valley Emergency Medical Services Agency (Agency) was organized through a Joint Powers Agreement (JPA) in 1975. At June 30, 2024, the JPA bound ten member counties –Placer, Yuba, Sutter, Nevada, Colusa, Butte, Shasta, Tehama, Siskiyou, and Glenn Counties.

The Board of Directors of the Agency is composed of ten voting members and one non-voting member. The voting members are comprised of one representative from each of the ten member counties. The Regional Executive Director of the Agency serves as the non-voting member.

The Agency was developed to coordinate the provision of emergency medical services and to conduct various other specifically designated functions for the member counties. Some specific functions performed by the Agency are as follows:

- Development of procedures for the collection and analysis of data, collection and extrapolation of information from system dispatch, pre-hospital patient care, emergency department and special care patient records.

- Assessment of hospitals and specialty care centers (Trauma and Pediatric), STEMI and stroke centers.

- Development of procedures for training, testing and continuing education programs for Emergency Medical Services (EMS) personnel.

- Development of procedures to implement the technical aspects of accessing emergency medical services, dispatch and coordination of EMS resources, provision of medical controls, systems networking, and recommendations to management.

- Development of procedures for emergency response and emergency transportation needs.

- Development of procedures which promote public understanding of the Emergency Medical Services System.

- Certification review

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In determining the reporting entity, the Agency considered all governmental units that were members of the Agency. The reporting entity criteria do not require the inclusion of these entities in the Agency's financial statements principally because the Agency does not exercise oversight responsibility over any member.

Basis of Presentation and Accounting

The Management's Discussion and Analysis is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 issued in June 1999.

Government-wide and Fund Financial Statement
The Agency has a single program.

The government-wide financial statement information (i.e., the statement of net position and the statement of activities) reports information on the primary government (Agency) as a whole.

The statement of activities presents a comparison between direct expenses and program revenues for the Agency's governmental activity. Direct expenses are those that are clearly identifiable as specifically associated with the Agency. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of the Agency. Revenues that are not classified as program revenues, including investment income, are presented instead as general revenues.

Basis of Presentation

Government-wide and Fund Financial Statements:

The Agency has two sets of financial statements, the Government-Wide and Fund reporting. These reports are the Statement of Net Position and Statement of Activities and the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. These financial statements display information about the reporting government as a whole. They include all funds of the reporting entity. The Agency only has governmental activities.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Government-wide and Fund Financial Statements-Continued:

In the case of the Agency, there is only one governmental fund for reporting purposes. Operating revenues include member contributions, Federal and State grant awards and charges for services. Operating expenses include professional services, and general and administrative expenses. All other revenues and expenditures are considered non-operating.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within sixty days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred as under accrual accounting.

Fund Accounting
The Agency uses funds to maintain its financial records during the year. At June 30, 2024, the Agency had one governmental fund. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

The Governmental Fund was:
General Fund – The general operating fund of the Agency accounts for all financial resources except those required to be accounted for in another fund.

Accounts and Records/Cash and Cash Equivalents
Financial transactions initiated by the Agency are processed and accounted for by the County of Placer Auditor-Controller.

All of the Agency's cash, except for the $79,183 deposited with the California Employers' Pension Prefunding Trust described below, is included in the Placer County Treasurer's cash and investment pools which are described in the County's Comprehensive Annual Financial Report. Interest earnings from these pools are transferred to the Agency at month end.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Fixed Assets
Fixed assets purchased or acquired with an original cost of $5,000 or more are capitalized at historical cost or, if donated, at fair market value. Fixed assets are depreciated over their estimated useful lives (five to seven years). Depreciation is computed using the straight-line method. Upon sale or other disposition of assets, the asset and related accumulated depreciation are removed from the accounts and the resulting gain or loss, if any, is reflected in the Statement of Activities. Maintenance and repairs are charged to expense as incurred.

Deferred Outflows/Inflows of Resources
In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period which will only be recognized as an outflow of resources (expense) in the future. The Agency has two items that qualify for reporting in this category, which is the deferred outflows of resources related to the pension and other postemployment benefits (OPEB) which represents a reclassification of current year's pension and OPEB contributions, all of which will be amortized during fiscal year 2024-25, per accounting pronouncement GASB Statement No. 71 and 75. Additional information related to the pension and OPEB activities is included in Note 7 and Note 8 below. In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and would only be recognized as an inflow of resources (revenue) at that time. The Agency has two items that qualify for reporting in this category, which is the deferred inflows of resources related to the pension and other postemployment benefits (OPEB). Additional information related to the pension and OPEB activities is included in Note 7 and Note 8 below.

Compensated Absences
Employees accumulate vacation time based on years of service. The amount of vacation time vested and accrued depends on the years of service and date of hire. In addition, certain employees are allowed compensated time-off in lieu of overtime compensation.

Net Pension Liability
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Net OPEB Asset

For purposes of measuring the net OPEB asset and deferred outflows/inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Agency's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position/Fund Balances

Net Position - The government-wide financial statements utilize a net position presentation. The net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted. The Agency's net position is unrestricted.

Fund Balances - The Governmental Accounting Standards Board (GASB) has issued Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories as noted below.

- **Nonspendable –**
  This category includes elements of the fund balance that cannot be spent because of their form, or because they must be maintained intact. For example:
  - Assets that will never convert to cash, such as prepaid items and inventories of supplies;
  - Assets that will not convert to cash soon enough to affect the current period, such as non-financial assets held for resale; or
  - Resources that must be held intact pursuant to legal or contractual requirements, such as revolving loan fund capital or the principal of an endowment.
- **Restricted –**
  This category includes resources that are subject to constraints that are externally enforceable legal restrictions. Examples include:
  - Funding from the state or federal entities or foundations that are legally restricted to specific uses. For example, funds advanced by a federal entity under specific agreements for services, or matching funds for specific initiatives.
  - Funds legally restricted by County, state, or federal legislature, or a government's charter or constitution.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Net Position/Fund Balances-Continued:

- Amounts collected from non-spendable items, such as the long term portion of loan outstanding, if those amounts are also subject to legal constraints.
- Funding that has been designated for legally enforceable contracts but not yet spent. This includes multi-year contracts.

- **Committed –**
  Two criteria are used to determine the Agency's committed fund balance:

  1. Use of funds is constrained by limits imposed by the government's highest level of decision making. The highest level of decision making for the Agency would be the Board of Directors.
  2. Removal or modification of use of funds can be accomplished only by formal action of the authority (i.e., Board of Directors) that established the constraints.

  Both commitments and modifications or removal must occur prior to the end of reporting period; that is, the fiscal year being reported upon.

- **Assigned –**
  The assigned portion of the fund balance reflects the Agency's intended use of resources, which is established either by the Board of Directors, a body created by the Board, such as a finance committee, or an official designated by the Board (e.g., an Executive Director). The "assigned" component is similar to the "committed" component, with two essential differences, shown in the following table:

Key Differences Between Committed and Assigned Fund Balance		
	Committed	Assigned
A decision to use funds for a specific purpose requires action of the Board of Directors	Yes	No
Formal action of the Board of Directors is necessary to impose, remove or modify this constraint and formal action has taken place before end of reporting period	Yes	No

  Another key difference is that the purpose of the assignment must be narrower than the fund itself. Resources that fit into this category include:

  - Appropriation of a portion of existing fund balance sufficient to eliminate a projected deficit in the subsequent year's budget, where the Executive Director may decide whether to use the entire amount.
  - Resources assigned to a specific program or project or organization for which the Board has approved a plan or budget.
  - Resources approved by the Board for a long range financial plan where formal approval is not required to modify the amount.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-Continued

Net Position/Fund Balances-Continued:

- **Unassigned –**
  This category includes the fund balance that cannot be classified into any of the other categories.

  If situations arise where there is a possibility of assignment into more than one category, the committed amount will be reduced first, followed by assigned amounts and then unassigned amounts.

Budgets and Budgetary Accounting

The Agency operates under the general laws of the State of California and annually adopts a budget for its Governmental Fund effective July 1 for the ensuing fiscal year. From the effective date of the budget, which is adopted and controlled at the Agency level, the amounts stated therein as proposed expenditures become appropriations to the Governmental Fund. The Agency may amend the budget by approval from the Agency Board of Directors during the fiscal year. The annual budget is not adopted on a basis consistent with generally accepted accounting principles but rather on the inflows and outflows of funds.

Certain categories of operating expenditures are not recognized by the State in general fund invoicing. The Agency budgets for these expenditures in other categories on the Statement of Revenues, Expenses and Changes in Fund Balances – Budget and Actual.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Taxes

The Agency is exempt from federal income and California franchise taxes. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents were comprised of the following at June 30, 2024:

	June 30, 2024
Cash in Placer County investment pool	$ 5,450,817
Less unrealized gain(loss) on county investment	(65,896)
Investments held by pension trust CEPPT	79,183
Total Cash	$ 5,464,104

Investments in Pension Trust

The Agency established a Section 115 trust account with CalPERS entitled California Employer's Pension Prefunding Trust (CEPPT) to hold assets that are legally restricted for use in administering the Agency's pension plan. Trust account holders can select from two strategy options for investments. The Agency has invested in the asset allocation for the Strategy 1 portfolio. Both portfolios seek to provide capital appreciation and income, but the Strategy 1 portfolio has a higher allocation to equities than bonds.

Interest Rate Risk

The Agency does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2024, the Agency had no significant interest rate risk related to cash and investments held.

Credit Risk – Carrying Value and Market Value of Investments

The Agency does not have a formal investment policy that limits its investment choices other than the limitations of state law.

The Placer County Treasury is responsible for the investment of these funds in accordance with the investment policies of the County. The County's Investment Policy limits investments in commercial paper to the rating of A1 and P1 Moody's Investor Services, Standard & Poor's, or Fitch Financial Services. The County's Investment Policy also limits investments in corporate notes to the rating of A by two of the top three rating agencies: Moody's Investor Services, Standard & Poor's, and Fitch Investors Services. The investments of the County can be viewed in the Placer County financial reports.

The County established a treasury oversight committee in 1995 to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. The County Treasurer is accountable to the County Treasury Oversight Committee.

NOTE 3 – CASH AND CASH EQUIVALENTS – Continued

Credit Risk – Carrying Value and Market Value of Investments-Continued:
The Agency maintains substantially all of its cash in the Placer County Treasury. Cash in Placer County Treasury consists of cash deposited in the interest bearing Placer County Treasurer's Pooled Surplus Investment Fund. Investments are recorded at cost which approximates fair value. Because the Agency's deposits are maintained in a recognized pooled investment fund under the care of a third party and the Agency's share of the pool does not consist of specific, identifiable investment securities owned by the Agency, no disclosure of the individual deposits and investments or related custodial credit risk classification is required.

The Agency's deposits in the Fund are considered to be highly liquid. Interest earned is deposited quarterly into participation funds. Any investment losses are proportionately shared by all funds in the pool.

The Agency adopted GASB 31 "Accounting and Financial Reporting for Certain Investments and for External Investment Pools" during 1998. This statement requires investments to be carried at fair value if the difference between carrying value and fair value is material. Fair value is based on quoted market prices. The difference between the carrying amount and the fair value of cash and investments was $65,896 and was adjustment to fair value as required for GASB 31 compliance.

The Agency's carrying amount and fair value of investments as of June 30, 2024 were as follows:

Pooled Investments:	Carrying Amount	Fair Value	Difference
Placer County	$5,450,817	$5,384,921	$65,896

The Placer County Treasury is an external investment pool for the Agency and the Agency is considered an involuntary participant. The County Treasury is accountable to the County Treasury Oversight Committee. The Agency's fair value portion in the pool is the same as the Agency's pool share. The change in the fair value from the prior year to the current year was an increase of $56,777.

NOTE 4 - FIXED ASSETS

Depreciation expense for the year ended June 30, 2024 was $141,618 including the amortization of the right of use lease assets.

NOTE 4 - FIXED ASSETS – Continued

A schedule of changes in fixed assets for the year ended June 30, 2024 is shown below:

	Balance June 30, 2023	Additions	Disposals	Balance June 30, 2024
Furniture and equipment	$ 167,730	$ --	$ --	$167,730
Leased Assets	552,336	34,666	(29,687)	557,315
Less accumulated depreciation	(517,667)	(141,618)	29,687	(629,598)
Fixed assets, net	$ 202,399	$(106,952)	$ --	$ 95,447

NOTE 5 – LEASES COMMITMENTS AND CONTINGENCIES

<u>Leases</u>
Lease agreements are summarized as follows:

Describe	Date	Payment Terms	Annual Payment	Interest Rate	Total Lease Liability	Balance June 30, 2024
Rocklin	10/01/19	5 years	$107,687	1.50%	$342,604	$ 38,674
Redding	11/01/20	3 years	$ 9,914	0.13%	$ 23,080	$ --
Redding (new)	11/01/23	3 years	$ 12,000	4.64%	$ 34,666	$ 27,506
Copier	09/01/21	5 years	$ 2,940	0.86%	$ 14,394	$ 6,549

The Agency executed lease agreements for the buildings which currently house operations in Rocklin and in Redding. The Agency also has a lease for a copier. The lease terms are noted above. The leases require monthly payments as follows: Rocklin $8,798, Redding $1,000 (with a 3% increase for the second and third year), and for the Copier $245. The leases did not have stated interest rates so the Agency used the IRS applicable rate published for the month of at the beginning of each lease as stated above. The Agency exercised one of the options to extend the Rocklin office lease, which has one additional option to extend the lease but as the lease terms would be re-negotiated no amounts were added for the possible use of the options.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year ending June 30	Principal	Interest
2025	$ 51,314	$ 1,201
2026	15,027	521
2027	4,692	42
Total	$ 71,033	$ 1,764

NOTE 5 – LEASES COMMITMENTS AND CONTINGENCIES-Continued

Contingencies

The Agency is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the Agency.

The Agency has received Federal and State funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect on the Agency's financial position.

NOTE 6 - DEFERRED COMPENSATION

The Agency has a deferred compensation plan (Plan) available to all full-time Agency employees. The Plan qualifies under Internal Revenue Code Section 457, and employees are permitted to defer a portion of their compensation until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The assets under the Agency's 457 plan are held in trust and in accordance with the Small Business Act of 1996 these assets are considered protected from the general creditors of the Agency.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (GASB STATEMENT NO. 68)

Qualified employees are covered under a cost-sharing, multiple-employer defined benefit pension plan maintained by the Public Employees' Retirement System (CalPERS).

Plan Description and Provisions

All full-time employees participate in CalPERS, a cost-sharing, multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the state of California. The Agency is part of a "cost-sharing" pool within CalPERS. Employees are eligible for retirement as early as age 50 with five years of service. The Agency has 3 Tiers for retirement at different ages and depending on hire dates. If an employee retires at age 55 they are entitled to a monthly benefit of 2.7% of their single highest year of compensation. Employees retiring at age 60 or 62 (depending on hire date), are entitled to a monthly retirement benefit of 2.0% of the average of the three highest years of compensation.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (GASB STATEMENT NO. 68) - Continued

The plan also provides death and disability benefits. Retirement benefits fully vest after five years of credited service. Upon separation from CalPERS, members' accumulated contributions are refundable with interest credited through the date of separation. The Public Employees' Retirement Law (Part 3 of the *California Government Code*, Section 20000 et seq.) establishes benefit provisions for CalPERS. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from CalPERS, 400 Q Street, Sacramento, California 95811.

Funding Policy

Plan members are required to contribute a portion of their annual covered salary. In February 2011 the plan for the employees changed. Employees hired prior to February 2011 are in the First Tier Plan. Employees hired after February 2011 are in the Second Tier Plan. The required contribution rates were as follows:

For the year ended – Employer and Employee

	PEPRA	First Tier	Second Tier
June 30, 2024	7.680% & 7.75%	15.950% & 8%	10.10%& 7%
June 30, 2023	7.470% & 6.75%	14.030% & 8%	8.630%& 7%
June 30, 2022	7.590% & 6.75%	14.020% & 8%	8.650%& 7%
June 30, 2021	7.732% & 6.75%	14.194% & 8%	8.794%& 7%
June 30, 2020	6.985% & 6.25%	13.182% & 8%	8.081%& 7%
June 30, 2019	6.842% & 6.25%	12.212% & 8%	7.634%& 7%
June 30, 2018	6.533% & 6.25%	11.675% & 8%	7.200%& 7%
June 30, 2017	6.555% & 6.25%	11.634% & 8%	7.159%& 7%
June 30, 2016	6.250% & 6.25%	10.958% & 8%	6.709%& 7%
June 30, 2015	NA	19.365% & 8%	8.049% & 7%
June 30, 2014	NA	19.365% & 8%	8.049% & 7%
June 30, 2013	NA	19.336% & 8%	8.049% & 7%

The Agency is required to contribute at an actuarially determined rate. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For the years ended June 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016, the Agency contributed $121,712, $103,416, $109,378, $100,599, $158,689, $163,142, $134,405, $119,435, and $118,298, respectively for the employer and employee contributions equaled 100% of the required contribution for each year.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (GASB STATEMENT NO. 68) - Continued

Employees Covered

The following members' data was used for the June 30, 2023 valuation date:

Inactive employees or beneficiaries currently receiving benefits	7
Active employees	11
Total	18

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the Agency reported a net pension liability of $1,689,854 for the First, Second and PEPRA Tiers combined for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating Districts and the State, actuarially determined. At June 30, 2023, the Agency's proportionate share for the pension plans was 0.03455% a decrease of 0.00591%.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the years ended June 30, 2024 and 2023, the Agency recognized pension (credit)/expense of $215,405 and $(10,724), respectively. At June 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

First, Second and PEPRA Tier Plans June 30, 2024	**Deferred Outflows Resources**	**Deferred Inflows Resources**
Changes in assumptions	$102,024	$ --
Differences between expected and actual experience	86,327	8,351
Difference between projected and actual investment earnings	273,603	--
Differences between Employer's Contributions and Proportionate Share of Contributions	--	136,406
Change in Agency's proportion	1,914	24,873
Agency contributions subsequent to the measurement date	121,712	-
Total	$ 585,580	$ 174,670

NOTE 7 – DEFINED BENEFIT PENSION PLAN (GASB STATEMENT NO. 68) - Continued

An amount of $121,712 reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability at fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year Ended June 30,		
2025	$	57,253
2026		38,801
2027		185,292
2028		7,851
2029		--
Thereafter		--
Total	$	289,197

Discount Rate

The discount rate used to measure the total pension liability was 6.9 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change of Assumptions

There were no assumption changes for the measurement date of June 30, 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (GASB STATEMENT NO. 68) - Continued

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class (A)	Assumed Asset Alloc.	Real Return (A,B)
Global Equity – Cap-weighted	30.00%	4.54%
Global Equity – Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)

(A) An expected inflation of 2.3% used for this period
(B) Figures are based on the 2021 Asset Liability Management study.

Sensitivity of the Net Pension Liability to the Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.9%, as well as the net pension liability if it were calculated using a discount rate that is one percentage point lower (5.9%) or one percentage point higher (7.9%) than the current rate:

	1% Decrease (5.9%)	Current Discount Rate (6.9%)	1% Increase (7.9%)
Plan net pension liability – Misc.	$ 2,516,383	$ 1,689,854	$ 1,009,551

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial report.

Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation for CalPERS was determined using the following actuarial assumptions and applied to all periods included in the measurement:

NOTE 7 – DEFINED BENEFIT PENSION PLAN (GASB STATEMENT NO. 68) - Continued

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.9%
Inflation	2.3%
Payroll Growth	2.75%
Projected Salary Increase	Varies by entry age and service
(1) Net of pension plan investment expenses, including inflation	

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the *2021 CalPERS Experience Study and Review of Actuarial Assumption*. Mortality rates incorporate generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table please refer to the CalPERS Experience Study and the Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Subsequent Events
There were no subsequent events that would materially affect the results presented above.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (GASB STMT NO. 75)

The Agency has been under contract with CalPERS for medical plan (the Plan) coverage since 1994. Effective July 1, 2016, the Agency resolved to change from the unequal contribution method for retirees to an equal method for retirees (annuitants).

The Agency determined that the employer contribution shall be an equal amount for both employees and annuitants. That amount of the employer contribution is the amount necessary to pay the full cost of the employee's or annuitant's enrollment including the enrollment of family members up to a maximum of the Kaiser Region 1 Basic/Combination/Medicare premium on the employee or annuitant, plus 50% of the Kaiser Region 1 Basic/Combination/Medicare premium for dependents of the employee or annuitant per month, plus administrative fees and Contingency Reserve Fund assessments.

Employers participating in the Plan are required to report OPEB information in their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (GASB STMT NO. 75) – Continued

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

The accompanying schedules were prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations.

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability
The components of the Plan net OPEB liability as of June 30, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 (measurement dates June 30, 2017, 2018, 2019, 2020, 2021, 2022 and 2023) are as follows:

Reporting fiscal year ended June 30,	2018	2019	2020	2021	2022
Total OPEB Liability	$1,202,502	$ 1,297,709	$ 1,385,860	$ 1,480,655	$ 1,189,867
Less: Plan fiduciary net position	(1,668,432)	(1,876,787)	(2,029,863)	(2,041,423)	(2,547,099)
Net OPEB liability (asset)	$(465,930)	$ (579,078)	$ (644,003)	$ (560,768)	$(1,357,232)

Reporting fiscal year ended June 30,	2023	2024
Total OPEB Liability	$1,277,167	$ 1,349,416
Less: Plan fiduciary net position	(2,153,323)	(2,225,683)
Net OPEB liability (asset)	$ (876,156)	$ (876,267)

The Agency's proportionate share of the net OPEB liability of the Plan was measured as of June 30, 2023, using an actuarial valuation as of June 30, 2023.

The June 30, 2023 total OPEB liabilities for the Plan were based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023	
Measurement Date	June 30, 2023	
Actuarial Cost Method	Entry-Age Normal, level percent of pay	
Actuarial Assumptions		
Inflation:	2.5%	
Salary Increases:	3.0%	
Investment Rate of Return:	6.00%	
Healthcare cost trends rates	6.5% in 2025, decreases to 3.9% by 2075	
Mortality Improvement:	CalPERS 2021 Experience Study	
Retirement Formulas:	Misc.	
	Hired before 7/1/2011	2.7% @ 55
	Hired on or after 7/1/2011	2.0% @ 60
	PEPRA 2.0% @ 62	

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (GASB STMT NO. 75) - Continued

Discount Rate

The discount rate used for accounting purposes for the fiscal year ended June 30, 2023 was 6.0%. Known increases for 2024 were reflected; subsequent Healthcare Cost Trend was assumed to be 6.5% (increase effective January 1, 2025) and graded down to 3.9% for years 2075 and later. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Net OPEB Liability/(Asset) to Changes in Discount Rate

The following presents the net OPEB liability/(asset) as of the measurement date, calculated using the discount rate of 6.0 percent, as well as what the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.0 percent) or 1 percentage-point higher (7.0 percent) than the current rate:

	1% Decrease (5.0%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Total OPEB liability	$ 1,533,073	$ 1,349,416	$ 1,197,658
Net OPEB liability (asset)	$ (692,610)	$ (876,267)	$ (1,028,025)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in Healthcare Cost Trend Rate

Medical Cost Inflation was assumed to start at 6.5% and graded down to 3.9% for years 2075 and thereafter. The following presents the net OPEB liability/(asset) as of the measurement date, calculated using the healthcare cost trend rate of 1 percent higher as well as using trend rate 1 percent lower than the current trend rates:

	1% Decrease (Trend -1%)	Current Trend	1% Increase (Trend +1%)
Total OPEB liability	$ 1,172,255	$ 1,349,416	$ 1,568,277
Net OPEB liability (asset)	$ (1,053,428)	$ (876,267)	$ (657,406)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the plan's Expected Average Remaining Service Life ("EARSL"). The EARSL of 6.54 years is the period used to recognize such changes in the OPEB Liability arising during the current measurement period. Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years. Liability changes attributable to benefit changes occurring during the period are recognized immediately.

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (GASB STMT NO. 75) - Continued

For the year ended June 30, 2024, the Agency recognized an OPEB credit of $17,993. At June 30, 2024, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

Fiscal Year Ended June 30, 2024	Deferred Outflows Resources	Deferred Inflows Resources
Changes in assumptions	$ 34,724	$ 86,040
Differences between expected and actual experience	304,489	203,714
Net difference between projected and actual earnings on investments	21,077	186,927
Agency contributions subsequent to the measurement date	67,250	-
Total	$ 427,540	$ 476,681

There was $67,250 reported as deferred outflows of resources related to OPEBs resulting from the Agency's contributions to the Plan subsequent to the measurement date. This amount will be reduce the OPEB liability for the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Agency's OPEB plan will be recognized in pension expense(income) as follows:

Year Ended June 30,	
2025	(41,897)
2026	(50,638)
2027	39,418
2028	(58,863)
2029	(2,360)
Thereafter	(2,051)

NOTE 9 - CONCENTRATIONS

The majority of the funding for the Agency comes from government funded contracts and programs. If these contracts or programs are cancelled or not renewed, the Agency would be unable to continue the services funded by these contracts and programs.

NOTE 10 – PRIOR PERIOD ADJUSTMENT

For the year ended June 30, 2024, the Agency found an error related to the prior period. It was found that the contribution to the CEPPT had been recorded as an expense in a prior year. The account should have been reported as a cash account and restricted fund balance. The beginning balance has been adjusted to reflect the intial funding and activities for the prior periods as follows:

NOTE 10 – PRIOR PERIOD ADJUSTMENT - Continued

Initial Investment in June 2021	$80,000
Net Activity over prior years	(817)
Increase in Net Position at June 30, 2024	$79,183

NOTE 11 – SUBSEQUENT EVENTS

Events subsequent to June 30, 2024 have been evaluated through November 8, 2024, the date at which the Agency's audited financial statements were available to be issued. There were no events through this date that required disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original & Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 1,524,761	$ 1,327,821	$ (196,940)
Member Contributions	619,077	619,077	-
Charges for Services	1,261,500	1,419,755	158,255
Interest	20,000	172,767	152,767
Other	44,200	-	(44,200)
Total Revenues	3,469,538	3,539,420	69,882
EXPENDITURES			
Personnel Costs	1,846,830	1,809,621	(37,209)
Communications	33,900	25,950	(7,950)
Insurance	66,000	5,394	(60,606)
Membership	6,808	4,050	(2,758)
Miscellaneous	6,000	6,892	892
Other Supplies	185,000	250,683	65,683
Postage	4,500	5,042	542
Professional Services Purchased	896,050	843,744	(52,306)
Rent-Building and Equipment	131,000	124,475 *	(6,525)
Services and Supplies	100,000	10,416	(89,584)
Special Department Expense	5,000	21,064	16,064
Travel and Transportation	113,900	77,626	(36,274)
Training	73,050	78,610	5,560
Utilities	1,500	1,387	(113)
Total Expenditures	3,469,538	3,264,954	(204,584)
Excess of Revenues Over (Under) Budget	$ -	$ 274,466	$ 274,466

* Occupancy includes the principal payments on the leases and interest expense

BUDGET AND BUDGETARY ACCOUNTING

The Agency prepares and legally adopts a budget on or before June 30th of each fiscal year. The Agency operation, commencing July 1st, is governed by the proposed budget, adopted by the board of Directors by June of the prior fiscal year.

After the budget is approved, changes in the total budget amount must be approved by the Board of Directors. All such changes must be within the revenues and reserves estimated as available in the original budget or within revised revenue estimates as approved by the Board of Directors.

An operating budget is adopted each fiscal year in the accrual basis of accounting. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unpaid contracts in process at yearend are fully performed by year-end or purchase commitments satisfied. Unencumbered appropriations lapse a year-end and encumbrance balances that will not be honored are liquidated.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the fund level.

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
SCHEDULES OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
JUNE 30, 2024

NET PENSION LIABILITY

Fiscal Year ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016
Agency's proportion of the net pension liability	0.03379%	0.03455%	0.04046%	0.03225%	0.03119%	0.02982%	0.02938%	0.02970%	0.02904%
Agency's proportionate share of the net pension liability	$1,689,854	$1,616,673	$768,207	$1,360,528	$1,248,926	$1,123,118	$1,158,025	$1,011,991	$806,085
Agency's proportionate share of covered payroll	$1,108,146	$1,078,649	$968,796	$785,193	$762,323	$669,740	$568,237	$695,536	$695,536
Agency's proportionate share of the net pension liability as a percentage of covered employee payroll	152.5%	149.9%	79.3%	173.3%	163.8%	167.7%	203.8%	145.5%	115.9%
Plan fiduciary net position as a percentage of the total pension liability	78.0%	78.2%	90.5%	77.7%	77.7%	77.7%	75.4%	75.9%	79.9%
Measurement date - June 30,	2023	2022	2021	2020	2019	2018	2017	2016	2015

CONTRIBUTIONS

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contributions	$103,416	$109,378	$100,599	$158,689	$105,917	$75,786	$68,179	$63,700	$63,700
Contributions in relation to the actuarially determine contributions	(103,416)	(109,378)	(100,599)	(158,689)	(105,917)	(75,786)	(68,179)	(63,700)	(63,700)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Agency's covered-employee payroll*	$1,108,146	$1,078,649	$968,796	$785,193	$762,323	$669,740	$568,237	$695,536	$695,536
Contributions as a percentage of covered-employee payroll	9.33%	10.14%	10.38%	20.21%	13.89%	11.32%	12.00%	9.16%	9.16%
*Measurement period July-June	2023	2022	2021	2020	2019	2018	2017	2016	2015

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
SCHEDULES OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS
JUNE 30, 2024

CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	Fiscal Years Ended June 30,									
Total Pension Liability	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service cost	177,409	169,909	180,857	139,473	130,707	121,313	115,105	99,708	98,503	121,398
Interest on total pension liability	501,072	483,807	545,677	411,733	378,148	339,050	316,560	300,870	287,224	251,509
Changes of benefit terms	58	1,282	396	290	400	199	568	312	143	-
Changes of Assumptions	-	227,018	-	-	-	(42,587)	266,450	-	(71,124)	-
Actual vs. expected experience	102,475	(29,798)	68,399	24,958	78,378	58,482	(30,069)	(1,109)	7,518	-
Benefit payments, including refunds of employee contributions	(360,652)	(339,047)	(372,590)	(274,470)	(246,736)	(215,815)	(192,956)	(179,009)	(166,964)	(171,843)
Net change in total pension liability	420,362	513,171	422,439	301,984	340,897	260,642	475,658	220,772	155,300	201,064
Change in proportions	(163,020)	(1,179,389)	1,551,987	191,837	234,264	68,053	35,233	(34,167)	272,513	-
Total pension liability - beginning	7,410,940	8,077,156	6,102,730	5,608,909	5,033,749	4,705,054	4,194,164	4,007,559	3,579,746	3,378,682
Total pension liability - ending (a)	**7,668,282**	**7,410,940**	**8,077,156**	**6,102,730**	**5,608,910**	**5,033,749**	**4,705,054**	**4,194,164**	**4,007,559**	**3,579,746**
Plan Fiduciary Net Position										
Contributions – employer (proportionate)	248,534	300,553	287,472	211,880	180,660	148,960	134,207	118,502	110,742	78,690
Contributions – employee(proportionate)	77,776	72,258	79,947	63,774	57,593	52,698	49,416	46,825	45,281	55,947
Net investment income	350,097	(474,405)	1,351,677	225,272	269,971	307,462	359,925	16,698	70,690	435,843
Benefit payments	(360,652)	(339,047)	(372,590)	(274,470)	(246,737)	(215,815)	(192,956)	(179,009)	(166,963)	(171,843)
Net plan to plan resource movement	6	(2,890)	20,366	12,983	8,809	35,029	(7,652)	6,944	19,231	-
Administrative expense	(4,142)	(3,933)	(6,116)	(6,343)	(2,949)	(5,532)	(4,813)	(1,966)	(3,593)	-
Other Misc Income/(Expense)	-	-	-	-	10	(10,504)	-	-	-	16,130
Net change in plan fiduciary net position	311,619	(447,464)	1,360,756	233,096	267,357	312,298	338,127	7,994	75,388	414,767
Change in proportions	(127,457)	(1,067,218)	1,205,991	149,122	181,995	51,305	26,729	(27,295)	216,101	-
Plan fiduciary net position - beginning	5,794,267	7,308,949	4,742,202	4,359,984	3,910,632	3,547,029	3,182,173	3,201,474	2,909,985	2,495,218
Plan fiduciary net position - ending (b)	**5,978,429**	**5,794,267**	**7,308,949**	**4,742,202**	**4,359,984**	**3,910,632**	**3,547,029**	**3,182,173**	**3,201,474**	**2,909,985**
Net pension liability - ending (a)-(b)	**1,689,854**	**1,616,673**	**768,207**	**1,360,528**	**1,248,926**	**1,123,118**	**1,158,025**	**1,011,991**	**806,085**	**669,761**
Plan fiduciary net position as a percentage of the total pension liability	78.0%	78.2%	90.5%	77.7%	77.7%	77.7%	75.4%	75.9%	79.9%	81.3%
Measurement Date June 30,:	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS AND CONTRIBUTIONS

CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS

Total OPEB Liability	Fiscal Year 2023-24	Fiscal Year 2022-23	Fiscal Year 2021-2022	Fiscal Year 2020-2021	Fiscal Year 2019-2020	Fiscal Year 2018-2019	Fiscal year 2017-2018
Service cost	$ 68,448	$ 66,454	$ 72,193	$ 70,090	$ 66,834	$ 64,730	$ 54,785
Interest cost	78,775	73,791	91,207	85,532	93,444	86,737	96,770
Actual vs. expected experience	24,251	--	(289,812)	--	(160,329)	--	(278,875)
Assumption changes	(33,814)	--	(98,928)	--	147,454	--	127,791
Benefit payments, including refunds of employee contributions	(65,411)	(52,945)	(65,448)	(60,827)	(59,252)	(56,260)	(56,230)
Change in benefit terms	--	--	--	--	--	--	(44,875)
Net change in total OPEB liability	72,249	87,300	(290,788)	94,795	88,151	95,207	(100,081)
Total OPEB liability - beginning	1,277,167	1,189,867	1,480,655	1,297,709	1,297,709	1,202,502	1,302,583
Total OPEB liability - ending (a)	$ 1,349,416	$ 1,277,167	$ 1,189,867	$ 1,480,655	$ 1,385,860	$ 1,297,709	$1,202,502
Plan Fiduciary Net Position							
Contributions - employer	$ -	$ -	$ 6,257	$ 1,636	$ 96,416	$ 135,954	$ 483,861
Net Investment Income	138,397	(340,184)	565,643	71,743	116,315	131,775	150,336
Benefit payments	(65,411)	(52,945)	(65,448)	(60,827)	(59,252)	(56,260)	(56,230)
Administrative expense	(626)	(647)	(776)	(992)	(403)	(906)	(777)
Other expenses	--	--	--	--	--	(2,208)	--
Net change in plan fiduciary net position	72,360	(393,776)	505,676	11,560	153,076	208,355	577,190
Plan fiduciary net position - beginning	2,153,323	2,547,099	2,041,423	2,029,863	1,876,787	1,668,432	1,091,242
Plan fiduciary net position - ending (b)	$ 2,225,683	$ 2,153,323	$ 2,547,099	$ 2,041,423	$ 2,029,863	$ 1,876,787	$1,668,432
Net OPEB liability (asset) - ending (a)-(b)	$ (876,267)	$ (876,156)	$(1,357,232)	$ (560,768)	$ (644,003)	$ (579,078)	$ (465,930)
Covered payroll	1,108,146	1,078,649	968,796	785,193	762,323	740,627	669,740
Net OPEB liability as percentage of covered payroll	-79.08%	-81.23%	-140.09%	-71.42%	-84.48%	-78.19%	-69.57%
Measurement Date:	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17

CONTRIBUTIONS

Fiscal year ended:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Actuarially determined contributions	$ 31,067	$ -	$ -	$ -	$ -	$ 37,164	$ 82,232
Contributions in relation to the actuarially determined contribution	(67,250)	-	-	(6,257)	-	(96,416)	(82,232)
Contribution deficiency (excess)	$ (36,183)	$ -	$ -	$ (6,257)	$ -	$ (59,252)	$ -
Agency's covered employee payroll	$1,156,332	$1,108,146	$1,078,649	$968,796	$785,193	$762,323	$ 669,740
Contributions as a percentage of covered-employee payroll	5.82%	0.00%	0.00%	0.65%	0.00%	12.65%	12.28%
Measurement Date	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18	30-Jun-17

SIERRA-SACRAMENTO VALLEY
EMERGENCY MEDICAL SERVICES AGENCY
SCHEDULES OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS AND CONTRIBUTIONS

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

In accordance with Actuarial Standards of Practice, the following methods and assumptions were used for the June 30, 2023 actuarially determined contribution rates:

a) Actuarial valuation date: June 30, 2022

b) Actuarial cost method: Entry Age Normal

c) Amortization method: Level Percent of Payroll

d) Amortization period: 20 Year Period

e) Asset valuation method: Market Value

f) Discount rate: 6.00%

g) Inflation: 2.50%

h) Salary increases: 3.0%

i) Investment rate of return: 6.0%

j) Retirement age: 50 to 75

k) Mortality: CalPERS 2021 Experience Study

l) Mortality Improvement: The mortality improvement scale was updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2022, reflecting continued updates in available information.

m) Healthcare Trend – The healthcare trend below was developed using the Getzen model 2022_b published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth1.4%; Excess Medical Growth 1.0%; Expected Health Share of GDP in 2030 20.3%; Resistance Point 20%; Year after which medical growth is limited to growth in GDP 2075.

Medical plan premiums, PEMHCA vesting benefit caps and claims costs by age are assumed to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase	Effective January 1	Premium Increase	Effective January 1	Premium Increase	Effective January 1	Premium Increase
2024	Actual	2028	5.4%	2032-37	5.0%	2050-59	4.6%	2070	4.2%
2025	6.5%	2029	5.3%	2038-39	4.9%	2060-65	4.5%	2071-72	4.1%
2026	6.0%	2030	5.2%	2040-43	4.8%	2066-67	4.4%	2073-74	4.0%
2027	5.5%	2031	5.1%	2044-49	4.7%	2068-69	4.3%	After	3.9%

Summary of Plan Members Counts for the June 30, 2021 valuation:

Active plan members	12
Inactive plan members currently receiving benefits	6
Inactive plan members entitled to but not receiving benefits	0
TOTAL	18

The full GASB 75 Actuarial Report is available from the Agency.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Sierra-Sacramento Valley Emergency Medical Services Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of Sierra-Sacramento Valley Emergency Medical Services Agency (the Agency), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated November 8, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described below as 2024-001, that we consider to be a material weakness.

2024-001 Reliance upon Auditor for Drafting Financial Statements and Footnote Disclosures (uncorrected)

Condition: Currently, the Agency relies on the external auditors to ensure its financial statements are in accordance with generally accepted accounting principles (GAAP). The Agency relies on the auditors to draft for approval, the financial statements in accordance with GAAP. This is a repeat finding from prior years.

Criteria: Auditing Standards state that the auditor may not be a part of an organization's internal control system; specifically someone from the organization must be knowledgeable of generally accepted accounting principles to know if a misstatement has occurred in the financial statements including the notes to the financial statements.

Cause: The Agency does not have either an employee or contract with outside resources that would provide the Agency with the competencies needed to prepare GAAP compliant financial statements.

Effect: The risk of misstatement in the financial statements increases when management is not able to apply GAAP in recording the entity's financial transactions or preparing its financial statements, including the related notes. Also, by relying on the external auditors to ensure its financial statements are in accordance with GAAP, the Agency is considering the external auditors a part of its internal controls over the preparation of financial statements.

Recommendation: The Agency may consider the following possible actions:

- Provide training opportunities for its accounting staff that would enable them to become more familiar with the general disclosure requirements. This training should include, but is not limited to, the usage of a disclosure checklist, which provides guidance to the financial statement's content and whether a necessary disclosure has been overlooked.

- Hire an external Certified Public Accountant to confirm that the financial statements and related disclosures are in accordance with GAAP.

- Take no action. The Board may find that the costs outweigh the benefits to adhere to this standard. No action will result in a significant deficiency in the Commission's internal controls over the preparation of financial statements.

Response: Management has determined there is no cost-benefit to hiring an accountant familiar with generally accepted accounting principles and feels that the executive director provides reliable financial statements for management and board decision-making and reliance upon the auditor for generally accepted accounting principles and disclosures is cost effective. However, should the need arise for issuing financial statements to third-party users prior to the annual audit, management will consider the cost benefit of hiring an accountant familiar with generally accepted accounting principles or hiring an independent CPA firm to compile full disclosure financial statements.

The above response is consistent with the GFOA's (Government Finance Officers Association) Recommended Practice - Mitigating the Negative Effects of Statement on Auditing Standards No. 112 (2007)(CAAFR): "The GFOA does *not* recommend that governments engage the services of a second accounting firm to assist in preparing its financial statements solely to avoid having a significant deficiency or material weakness reported."

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Agency's Response to Findings

The Agency's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our 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. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jensen Smith

Jensen Smith
Certified Public Accountants, Inc.
Lincoln, California
November 8, 2024