



YOLO EMERGENCY COMMUNICATIONS AGENCY

Independent Auditor's Reports,
Basic Financial Statements and
Required Supplementary information

For the Fiscal Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Yolo Emergency Communications Agency
Woodland, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Yolo Emergency Communications Agency (YECA) as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise YECA's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of YECA as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

To the Board of Directors
Yolo Emergency Communications Agency

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in net OPEB liability and related ratios, schedule of the proportionate share of the net pension liability, schedule of pension contributions and budgetary comparison information 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise YECA's financial statements. The budgetary comparison schedules by budgetary unit are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2021 on our consideration of YECA'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 YECA's internal control over financial reporting and compliance.

Richardson & Company, LLP

January 14, 2021

BASIC FINANCIAL STATEMENTS

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YOLO EMERGENCY COMMUNICATIONS AGENCY

Statement of Net Position
Governmental Activities
June 30, 2020

ASSETS	
Cash and investments	\$ 2,758,324
Accounts receivable	2,919
Due from other governments	145,500
Prepaid expense	212,770
Capital assets:	
Depreciable, net	3,809,720
Total Assets	<u>6,929,233</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Related to OPEB	1,317,232
Related to pensions	1,218,293
	<u>2,535,525</u>
 LIABILITIES	
Accounts payable	86,984
Salaries and benefits payable	196,720
Accrued interest	12,971
Due to other governments	43,354
Long-term liabilities:	
Due within one year:	
Capital leases	268,049
Accrued compensated absences	192,879
Due in more than one year:	
Capital leases	1,330,816
Net OPEB obligation	3,115,979
Net pension liability	3,287,611
Total Liabilities	<u>8,535,363</u>
 DEFERRED INFLOWS OF RESOURCES	
Related to pensions	<u>362,808</u>
 NET POSITION	
Net investment in capital assets	2,210,855
Unrestricted	(1,644,268)
Total Net Position	<u>\$ 566,587</u>

See accompanying notes to the basic financial statements

YOLO EMERGENCY COMMUNICATIONS AGENCY

Statement of Activities
Governmental Activities
For the Fiscal Year Ended June 30, 2020

PROGRAM EXPENSES

Public safety - 911 communications	
Salaries and employee benefits	\$ 5,145,191
Services and supplies	1,132,875
Other	44,274
Depreciation	627,246
Interest on long-term debt	114,297
Total Program Expenses	<u>7,063,883</u>

PROGRAM REVENUES

Charges for services	123,704
Operating grants and contributions	5,930,939
Capital grants and contributions	601,544
Total Program Revenues	<u>6,656,187</u>

Net Program Revenue	<u>(407,696)</u>
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GENERAL REVENUES

Interest	112,513
Loss on disposal of capital assets	<u>(27,395)</u>
Total General Revenues	<u>85,118</u>

Change in Net Position	(322,578)
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Net Position - beginning of year	<u>889,165</u>
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Net Position - end of year	<u>\$ 566,587</u>
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See accompanying notes to the basic financial statements

YOLO EMERGENCY COMMUNICATIONS AGENCY

Balance Sheet
General Fund
June 30, 2020

ASSETS	
Cash and investments	\$ 2,758,324
Accounts receivable	2,919
Due from other governments	145,500
Prepaid items	212,770
Total Assets	<u><u>\$ 3,119,513</u></u>
 LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 86,984
Salary and benefits payable	196,720
Due to other governments	43,354
Total Liabilities	<u><u>327,058</u></u>
 Fund Balance:	
Nonspendable - prepaid items	212,770
Assigned:	
Encumbrances	14,008
Equipment Failures	50,000
Capital asset replacement	585,000
Subsequent year's budget	300,000
Reserves	1,068,000
Unassigned	562,677
Total Fund Balance	<u><u>2,792,455</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 3,119,513</u></u>

See accompanying notes to the basic financial statements

YOLO EMERGENCY COMMUNICATIONS AGENCY

Reconciliation of the Balance Sheet
to the Statement of Net Position
June 30, 2020

Fund balance - General Fund	\$ 2,792,455
Amounts reported in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the General Fund.	3,809,720
Deferred outflows of resources related to pensions and OPEB are not reported in the General Fund.	2,535,525
Deferred inflows of resources related to pensions are not reported in the General Fund.	(362,808)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the General Fund.	
Net OPEB obligation	(3,115,979)
Net pension liability	(3,287,611)
Accrued interest	(12,971)
Capital lease	(1,598,865)
Compensated absences	<u>(192,879)</u>
Net position - Governmental Activities	<u>\$ 566,587</u>

See accompanying notes to the basic financial statements

YOLO EMERGENCY COMMUNICATIONS AGENCY

Statement of Revenues, Expenditures, and
Change in Fund Balance - General Fund
For the Fiscal Year Ended June 30, 2020

REVENUES

Intergovernmental:

State	\$	19,536
Other governmental agencies		163,386
Member contributions		6,235,751
Interest		112,513
Charges for services		123,704
Other		113,810
Proceeds from sales of capital assets		5,000
Total Revenues		<u>6,773,700</u>

EXPENDITURES

Current:

Public safety - 911 communications		
Salaries and employee benefits		4,640,697
Services and supplies		1,132,875
Other Charges		44,274
Debt service:		
Principal		258,732
Interest		116,396
Capital outlay		289,941
Total Expenditures		<u>6,482,915</u>

Change in Fund Balance 290,785

Fund Balance - beginning of year 2,501,670

Fund Balance - end of year \$ 2,792,455

See accompanying notes to the basic financial statements

YOLO EMERGENCY COMMUNICATIONS AGENCY

Reconciliation of the Statement of Revenues, Expenditures,
and Change in Fund Balance to the Statement of Activities
For the Fiscal Year Ended June 30, 2020

Change in fund balance - General Fund		\$ 290,785
Amounts reported in the statement of activities are different because:		
The General Fund reports capital outlay as expenditures. However, in the statement of activities, the cost of those items is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	\$ 289,941	
Loss on disposal of capital assets	(27,395)	
Proceeds from sale of capital assets	(5,000)	
Depreciation expense	<u>(627,246)</u>	(369,700)
Repayment of long-term liabilities are expenditures in the General Fund, but reduce long-term liabilities in the statement of net position.		258,732
Other expenses in the statement of activities that do not use current financial resources are not reported as expenditures in the General Fund.		
Change in compensated absences	(24,333)	
Change in net OPEB liability and related amounts	(127,304)	
Change in net pension liability and related amounts	(352,857)	
Change in accrued interest	<u>2,099</u>	<u>(502,395)</u>
Change in net position - Governmental Activities		<u>\$ (322,578)</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Yolo Emergency Communications Agency (YECA), was established June 21, 1988 by Agreement No. 88-133, which is a Joint Exercise of Powers Agreement (Agreement) pursuant to Government Code 6500 et seq.

YECA includes all operating activities considered to be a part of YECA. YECA reviewed the criteria developed by the Governmental Accounting Standards Board (GASB) in its issuance of Statement No. 14, which was amended by Statement No. 61, relating to the financial reporting entity to determine whether YECA is financially accountable for other entities. YECA has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in YECA's financial statements.

The parties making up the Joint Powers Agency (JPA) are the County of Yolo and the cities of Woodland, West Sacramento, Winters and the Yocha Dehe Wintun Nation. The parties each appoint members to the governing board of YECA.

YECA was created to provide mutual benefits, such as cost savings and greater operational efficiency, to the county and the cities through the sharing of communication facilities, emergency services, and increased management control.

Each party retains ownership of its radio frequencies, but allows the use of those frequencies by YECA.

Under the Agreement, each party in YECA contributes to the budget of YECA. These contributions are based on various formulas outlined in Section 9.2 of the JPA Agreement.

Basis of Presentation and Accounting

Government-Wide Statements

The Statement of Net Position and Statement of Activities display information about the primary government (YECA). These statements include the financial activities of the overall government.

The Statement of Activities presents a comparison between direct expenses and program revenues for YECA's governmental activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges for services, grants and contributions, as well as contributions received from JPA members that are restricted to meeting the operational or capital requirements of YECA. Revenues that are not classified as program revenues, including investment income, are presented instead as general revenues.

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 at the time liabilities are incurred, regardless of when the related cash flows take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation and Accounting (continued)

Fund Financial Statements

Separate financial statements are provided for the General Fund. YECA's General Fund accounts for all of its financial resources and activities. The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available to finance expenditures of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. YECA uses an availability period of 365 days for revenue recognition for its General Fund revenues. Those revenues susceptible to accrual include charges for services, intergovernmental revenues, contributions, and investment income. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Nonexchange transactions, in which YECA gives (or receives) value without directly receiving (or giving) value in exchange, include grants, entitlements, and donations. On a modified accrual basis, revenues from nonexchange transactions are recognized when all eligibility requirements have been satisfied and have met the 365-day availability criteria.

Cash in County Treasury

YECA maintains cash and investments with the Yolo County Treasurer (Treasurer) in a cash and investment pool. On a quarterly basis, the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding the categorization of investments and other deposit and investment risk disclosures can be found in the County of Yolo's (County) Comprehensive Annual Financial Report (CAFR). The County's financial statements may be obtained by contacting the County's Department of Financial Services (DFS) at 625 Court Street, Room 103, Woodland, California 95776 or from the County's website at www.yolocounty.org. The Yolo County Treasury Oversight Committee oversees the Treasurer's investments and policies.

YECA has no deposit or investment policy that addresses interest rate, credit, or custodial credit risk. Investments held in the County's investment pool are available on demand and are stated at fair value.

Capital Assets

Capital assets have been acquired for general operational purposes. Assets purchased are recorded as expenditures in the General Fund and capitalized at cost or estimated cost where no historical records are available in the government-wide financial statements. Donated capital assets are valued at their estimated fair market value on the date contributed. YECA defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets, including intangible assets, are depreciated using the straight-line method over their estimated useful lives of 2 to 15 years in the government-wide financial statements.

Maintenance and repairs are charged to operations when incurred. Costs of assets sold or retired, and the related amounts of accumulated depreciation, are eliminated in the year of sale or retirement, and the resulting gain or loss is recognized in operations. In governmental funds, the sale of capital assets is included in the statement of revenues, expenditures, and changes in fund balance as proceeds from sale.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB Statement No. 68 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, 2018
Measurement Date:	June 30, 2019
Measurement Period:	July 1, 2018 to June 30, 2019

Other Postemployment Benefits other than Pensions (OPEB)

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the YECA Retiree Benefits 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 the Plan. For this purpose, the Plan recognizes benefit payments (including refunds of employee contributions) when currently due and payable in accordance with the benefit terms.

GASB Statement No. 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, 2019
Measurement Date:	June 30, 2019
Measurement Period:	July 1, 2018 to June 30, 2019

Compensated Absences

Unused vacation leave, compensatory time off, floating holidays and additional time off, may be accumulated up to a specified maximum and is paid at the time employment with YECA is terminated. YECA is not obligated to pay for unused sick leave if employment is terminated prior to retirement.

The accumulated benefits will be liquidated in future years as employees elect to use them. In the normal course of business, compensated absences do not require the use of current financial resources as all payments of these accumulated benefits will be funded from appropriations of the year in which they are to be paid; therefore, the total liability is recorded in the government-wide financial statements only. A liability for compensated absences is reported in governmental funds only if they have matured, for example, because of employee resignations and retirements and is currently payable. In accordance with the provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance/Net Position

Fund Balance

The provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established the following classification of fund balance:

- *Nonspendable Fund Balance* – amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. YECA has nonspendable fund balance for the prepaid items (not in spendable form).
- *Restricted Fund Balance* – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. YECA has no restricted fund balance.
- *Committed Fund Balance* – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action by the entity’s “highest level of decision-making authority,” which YECA considers to be resolutions adopted by YECA’s Board of Directors. YECA has no committed fund balance.
- *Assigned Fund Balance* – includes amounts of fund balance that reflect YECA's intended use of resources for specific purposes that are neither restricted nor committed. YECA has assigned fund balance for encumbrances, the portion used to balance the subsequent year’s budget, and reserves.
- *Unassigned Fund Balance* – includes resources in fund balance that cannot be classified into any of the other categories.

YECA's spending priority is to spend restricted fund balance first, followed by committed, assigned, and unassigned fund balance.

Reserves

YECA has established a policy to set aside funds into three designated reserves to address unforeseen emergencies or disasters, significant changes in the economic environment, and key infrastructure and capital projects. These three reserves are the Equipment Failure, General Reserve and the Capital/Special Projects Reserve. The balance of these reserves as of June 30, 2019 are \$50,000, \$1,068,000 and \$585,000 respectively.

Reserve Levels – YECA commits to maintaining the General Reserve at a minimum of 20% of General Fund annual operating expenditures (minus one-time expenditures). The General Fund Reserve policy is reviewed by the Board as part of the annual operating budget review and adoption process. Appropriations of any reserve require formal Board authorization.

General Reserve – Funds reserved under this category shall be used to mitigate costs associated with unforeseen emergencies, including natural disasters or catastrophic events that impair the operating infrastructure of YECA’s communications. Should unforeseen and unavoidable events occur that require the expenditure of YECA’s resources beyond those provided for in the annual budget, the Executive Director or designee shall have authority to approve appropriations with the knowledge of the Chair or Co-chair of the Board. The Executive Director or designee shall then present to the Board a budget amendment confirming the nature of the emergency and authorizing the appropriation of reserve funds. Other funds reserved under this category shall be used to mitigate budgetary issues and/or one-time expenditures that will result in future efficiencies and/or budget savings or as deemed by the Board for authorization.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance/Net Position (continued)

Fund Balance (continued)

In keeping with the principles discussed in this policy, the Board will develop a 1 to 7 year reserve replenishment plan to meet the minimum threshold of 20% of General Fund ongoing expenditures, excluding one-time expenditures.

At the end of each fiscal year, YECA reports on the audited year-end budgetary fiscal results. Should actual General Fund revenues exceed expenditures, a year-end operating surplus shall be reported. Any year-end surplus that results in the General Fund balance exceeding the level required by the reserve policy shall be available for allocation for the following, subject to Board approval:

- Capital/Special Projects Reserve
- One-time funding, non-recurring needs
- Member share reductions

Capital/Special Projects Reserve – Funds reserved under this category are designated for key infrastructure and capital/special projects as identified in YECA's 10-year Capital Improvement Plan, as there is no ongoing funding source to support YECA's capital needs.

Net Position

Net position comprises the various net earnings from YECA's revenues, expenses, and contributions of capital. Net position is classified in the following three components:

- *Net Investment in Capital Assets* – Consists of all capital assets, net of accumulated depreciation and any related outstanding debt attributable to the acquisition, construction, or improvements of those assets.
- *Restricted Net Position* – Restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- *Unrestricted Net Position* – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is YECA's policy to use restricted resources first, and then unrestricted resources as they are needed.

Members' Contributions

Each member of YECA contributes annually based on YECA's budget. Members' contributions are determined by various formulas set forth in the Joint Powers Agreement. Contributions are payable in quarterly installments before the first day of each quarter.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

Deposits held in the County's investment pool are available on demand and are stated at fair value. As of June 30, 2020, YECA's total cash in the County of Yolo Treasury was \$2,758,024.

Cash and investments as of June 30, 2020, are classified in the accompanying statement of net position as follows:

Cash in County Treasury	\$ 2,758,024
Imprest cash	300
Total Cash and Investments	<u>\$ 2,758,324</u>

Investments Authorized by the California Government Code

The table below identifies the investment types that are authorized for YECA by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	No limit	No limit
U.S. Treasury Obligations	5 years	No limit	No limit
U.S. Agency Securities	5 years	No limit	No limit
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	No limit
Repurchase Agreements	1 year	No limit	No limit
Reverse Repurchase Agreements	92 days	20% of base value	No limit
Medium-Term Notes	5 years	30%	No limit
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	No limit
County Pooled Investment Funds	N/A	No limit	No limit
Local Agency Investment Fund (LAIF)	N/A	No limit	No limit
JPA Pools (other investment pools)	N/A	No limit	No limit

Investments in the County of Yolo Investment Pool

YECA’s cash is held in the County of Yolo Treasury. The County maintains an investment pool and allocates interest quarterly to the various funds based upon quarterly average daily cash balances. Investments held in the County’s investment pool are available on demand and are stated at fair value. The fair value of the County’s investment pool is determined by the fair value of the underlying investments, which represent level 2 inputs under the fair value hierarchy. Information regarding fair value measurements of the County pool may be found in the notes to the County of Yolo financial statements at <http://countyofyolo.org/general-government/general-government-departments/financial-services/publications>.

NOTE 2: CASH AND INVESTMENTS (continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. The weighted average maturity of the County’s external investment pool as of June 30, 2020 was 416 days.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (Standard and Poor’s). The County’s external investment pool is not rated.

Custodial Credit Risk

Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government’s indirect deposits or investments in securities with governmental investment pools (such as the County of Yolo investment pool).

NOTE 3: CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2020, is as follows:

	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
<i>Capital assets not being depreciated:</i>					
Construction in process	\$ 145,623	\$ 29,335	\$ -	\$ (174,958)	\$ -
<i>Capital assets being depreciated:</i>					
Improvements other than buildings	150,000	-	-	174,958	324,958
Equipment	6,933,723	260,606	(70,335)	-	7,123,994
Furniture and fixtures	129,033	-	-	-	129,033
Vehicles	40,520	-	(23,478)	-	17,042
Total capital assets, being depreciated	<u>7,253,276</u>	<u>260,606</u>	<u>(93,813)</u>	<u>174,958</u>	<u>7,595,027</u>
<i>Less accumulated depreciation:</i>					
Improvements other than buildings	(74,670)	(13,332)	-	-	(88,002)
Equipment	(2,982,099)	(612,773)	37,940	-	(3,556,932)
Furniture and fixtures	(122,190)	(1,141)	-	-	(123,331)
Vehicles	(40,520)	-	23,478	-	(17,042)
Total accumulated depreciation	<u>(3,219,479)</u>	<u>(627,246)</u>	<u>61,418</u>	<u>-</u>	<u>(3,785,307)</u>
Total capital assets, being depreciated, net	<u>4,033,797</u>	<u>(366,640)</u>	<u>(32,395)</u>	<u>174,958</u>	<u>3,809,720</u>
Governmental activities capital assets, net	<u>\$ 4,179,420</u>	<u>\$ (337,305)</u>	<u>\$ (32,395)</u>	<u>\$ -</u>	<u>\$ 3,809,720</u>

Depreciation expense was charged to the public safety - 911 communications function in the amount of \$627,246 for the fiscal year ended June 30, 2020.

NOTE 4: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the fiscal year ended June 30, 2020:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Amounts Due Within One Year
Capital lease	\$ 1,857,597	\$ -	\$ (258,732)	\$ 1,598,865	\$ 268,049
Compensated absences	168,546	228,194	(203,861)	192,879	192,879
Net OPEB liability	1,748,382	1,367,597	-	3,115,979	-
Net pension liability	3,407,342	-	(119,731)	3,287,611	-
Total Long-Term Liabilities	<u>\$ 7,181,867</u>	<u>\$ 1,595,791</u>	<u>\$ (582,324)</u>	<u>\$ 8,195,334</u>	<u>\$ 460,928</u>

NOTE 5: LEASES

Operating Leases

YECA is committed under various non-cancelable operating leases for equipment and property. In 2019, YECA exercised the option to renew for an additional 10 years and has the option to extend for four more 10 year terms, subject to adjustment of the rent to current market rate. Future minimum operating lease commitments are as follows:

Fiscal Year Ending June 30,	Equipment	Property	Total
2021	\$ 4,367	\$ 44,849	\$ 49,216
2022	259	46,194	46,453
2023	-	47,580	47,580
2024	-	49,007	49,007
2025	-	50,477	50,477
2026-2030	-	217,513	217,513
	<u>\$ 4,626</u>	<u>\$ 455,620</u>	<u>\$ 460,246</u>

Rent expenditures were \$48,451 for the year ended June 30, 2020.

NOTE 5: LEASES (continued)

Capital Leases

On November 18, 2010, YECA and the County of Yolo as co-issuer, issued \$3,724,000 in ARRA-Recovery Zone Economic Development Bonds (the Bonds) to finance (and reimburse for prior expenditures related to) the expansion, refurbishment, improvement, and equipping of its regional emergency communications system. Net proceeds, after the payment of issuance costs, were deposited with Deutsch Bank, acting as trustee. Concurrently, YECA along with the County of Yolo as co-issuer, entered into a Master Equipment Lease/Purchase Agreement with Bank of America to finance the lease purchase of emergency communications equipment, which is considered a direct borrowing. The agreement is collateralized by the equipment. Lease payments will be used to finance the repayment of the Bonds. The Bonds provide for a Federal subsidy of 45% of the interest paid on the Bonds to the issuer. The interest rate on the lease is 6.49%, with a maturity date of November 18, 2025. To obtain the subsidy, YECA must file a claim with the Internal Revenue Service (IRS) when an interest payment on the Bonds is made. The agreement contains default provisions whereby Bank of America may take possession of the equipment but cannot accelerate rental payments.

	Stated Interest Rate	Present Value of Remaining Payments as of June 30, 2020
Governmental Activities:		
Equipment	6.49%	\$ 1,598,865

The cost of the equipment and related accumulated depreciation under capital lease is as follows:

	Governmental Activities
Equipment	\$ 3,670,736
Less: Accumulated Depreciation	(1,754,761)
	<u>\$ 1,915,975</u>

Future debt service requirements at June 30, 2019, are as follows:

Year Ending June 30,	Payments
2021	\$ 367,505
2022	359,607
2023	351,424
2024	342,947
2025	334,164
2026-2030	163,690
Total Future Lease Payments	1,919,337
Less: Interest	(320,472)
Net Capital Lease	<u>\$ 1,598,865</u>

NOTE 6: PENSION PLANS

General Information about the Pension Plans

Plans Description – All of YECA’s qualified employees are eligible to participate in the YECA’s Miscellaneous Plan or PEPRAs Miscellaneous Plan (Plans), cost-sharing multi-employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). A full description of the Plans regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2018 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation reports. These reports and CalPERS’ audited financial statements are publicly available reports that can be obtained at CalPERS’ website at www.calpers.ca.gov under Forms and Publications.

The California Legislature passed and the Governor signed the “Public Employees’ Pension Reform Act of 2013” (PEPRA) on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions under the Plans and other requirements are established by State statute and YECA resolution.

Benefits Provided – The benefits for the Plans are based on members’ years of services, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

The Plans’ provisions and benefits in effect as of June 30, 2020 are summarized as follows:

Hire date	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 to 67	52 to 67
Monthly benefits, as a % of eligible compensation	1.426 to 2.418%	1.000 to 2.500%

Contributions – Section 20814(c) of the California Public Employees Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contributions are determined through the CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. YECA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

NOTE 6: PENSION PLANS (continued)**General Information about the Pension Plans** (continued)

For the measurement period ended June 30, 2017 (the measurement date), the active employee contribution rate was 7.000% and 6.250% of member earnings and the employer contribution rate was 20.6580% and 7.076% of member earnings for the Miscellaneous Plan and PEPRM Miscellaneous Plan, respectively. Employer contribution rates may change if plan contracts are amended. It is the responsibility of YECA to make necessary accounting adjustments to reflect the impact due to any employer-paid member contributions or situations where members are paying a portion of the employer contribution.

For the fiscal year ended June 30, 2020, the actual contributions totaled \$491,292.

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

As of June 30, 2020, YECA reported a liability of \$3,287,611 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. YECA's net pension liability is the difference between its proportion of the total pension liability based on its share of the actuarial accrued liability and its proportion of the fiduciary net position based on its share of the market value of assets. YECA's proportion of the net pension liability as of June 30, 2020 and 2019 was 0.032084% and 0.035360%, respectively, for a decrease of 0.003276%.

For the fiscal year ended June 30, 2020, YECA recognized pension expense of \$844,149. At June 30, 2020, YECA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 491,292	\$ -
Differences between expected and actual experience	228,339	17,693
Changes in assumptions	156,767	55,573
Net differences between projected and actual earnings on pension plan investments	-	57,480
Change in employer's proportion	115,697	124,811
Differences between the employer's contributions and the employer's proportionate share of contributions	226,198	107,251
Totals	<u>\$ 1,218,293</u>	<u>\$ 362,808</u>

NOTE 6: PENSION PLANS (continued)

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

The \$491,292 reported as deferred outflows of resources related to pension contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. The remainder reported as deferred outflows and inflows of resources will be recognized as pension expense as follows:

Year Ending June 30	Deferred Inflows (Outflows) of Resources
2021	\$ 282,202
2022	14,186
2023	56,189
2024	11,616
2025	-
Thereafter	-
Total	<u>\$ 364,193</u>

Actuarial Assumptions – The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2018, and rolling forward total pension liability to June 30, 2019 using the following actuarial assumptions, applied to all periods included in the measurement. The June 30, 2019 total pension liability was based on the following actuarial method and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997-2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvements using 90% of scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

NOTE 6: PENSION PLANS (continued)

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

Change of Assumptions – None.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. 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.

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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the Public Employees Retirement Funds’ asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset classes can be found in CalPERS’s Annual Comprehensive Financial Report (CAFR) for the fiscal year ended June 30, 2019.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 ⁽¹⁾	Real Return Years 11+ ⁽²⁾
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

⁽¹⁾ In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

⁽²⁾ An expected inflation of 2.0% used for this period.

⁽³⁾ An expected inflation of 2.92% used for this period.

NOTE 6: PENSION PLANS (continued)

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

Sensitivity of YECA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

	<u>Discount Rate</u> <u>- 1% (6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate</u> <u>+ 1% (8.15%)</u>
YECA's Proportionate Share of Plans' Net Pension Liability	\$ 5,722,746	\$ 3,287,611	\$ 1,277,579

Amortization of Deferred Outflows and Deferred Inflows of Resources – The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over the remaining amortization periods. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

Deferred Outflows of Resources and Deferred Inflows of Resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the measurement period ending June 30, 2019 is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of all active employees) by 140,593 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due an event other than receiving a cash refund.

Pension Plans Fiduciary Net Position – Detailed information about the Plans' fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 7: DEFINED CONTRIBUTION PLAN

YECA offers to each non-safety employee a 401(a) Money Purchase Plan (MPP) administered by the VALIC Retirement Services Company. Each participant has an individual account with VALIC into which all contributions are recorded. The participants are offered various investment options through the MPP and are allowed to invest moneys in their account, at their own discretion, among the options. YECA may amend, modify, or terminate the MPP, upon approval of such amendment, modification, or termination by YECA’s Board of Director’s approval. Employees covered by the MPP are eligible to participate from the date of employment. The MPP defines YECA contributions which range from 3-6 percent of an employee’s base salary based on the employee’s designated employee group. Employee contributions to the MPP are not permitted. Under the MPP each participant is 100 percent vested in the amounts credited to the participants account at all times. During the fiscal year ended June 30, 2020, contributions paid to the MPP were \$9,654.

NOTE 8: OTHER POSTEMPLOYEMENT BENEFITS (OPEB)

Plan Description

YECA sponsors a single-employer defined benefit plan to provide postemployment health benefits to eligible retirees and their spouses through CalPERS (the Plan). Benefit allowance provisions are established through resolution between YECA and three employee groups: general, supervisor, and management. The Plan does not issue a publicly available financial report.

Plan members include current retirees and active employees of YECA. Eligible plan members are YECA employees who have retired from active employment with YECA and have five years of service credit with CalPERS. There is not a minimum service period with YECA to be eligible for the retiree health/medical benefit.

Benefits Provided

The benefit allowance provides a lifetime allowance to eligible plan members and their surviving spouses, if applicable. The benefit allowance is provided in conjunction with the MOU terms allowing retirees to continue their current health insurance which also covers active members. For eligible plan members, YECA provides a maximum monthly benefit allowance of \$253 for general and supervisor members and \$700 per month for management. Any, and all insurance premium costs incurred by retirees above the monthly benefit allowance are borne by the retiree.

Employees Covered by Benefit Terms

At the OPEB liability measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefit payments	16
Inactive employees entitled but not receiving benefit payments	2
Active employees	43
	<hr/>
	61
	<hr/> <hr/>

Contributions

YECA does not currently have a pre-funding plan and is on a pay-as-you-go basis.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Net OPEB Liability

At June 30, 2020, YECA reported a net OPEB liability of \$3.115.979. The total OPEB liability was measured as of June 30, 2019. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Discount rate	2.79%
Salary increases	3.00%
General inflation rate	2.50%
Healthcare cost trend rate	Actual for 2020; 5.40% 2021; decreasing to 4.00% to 2076 and thereafter

Pre-retirement and post-retirement mortality rates were based on the CalPERS 2017 Experience Study, using data from 1997 to 2015.

Actuarial assumptions used in the June 30, 2019 valuation were based on a review of plan experience during the period June 30, 2018 to June 30, 2019.

The following changes in assumptions were made in the June 30, 2019 valuation:

- Discount rate. The discount rate was changed from 2.98% as of June 30, 2018 to 2.79% as of June 30, 2019, based on the published change in return for the applicable municipal bond index.
- Demographic. Assumed rates of retirement, termination and mortality were updated to be based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015.
- Mortality. Projection of future improvement in mortality rates was updated, applying MacLeod Watts Scale 2018 on a generational basis from 2015 forward.
- Spouse coverage. The percentage of non-management employees assumed to be married and elect coverage for their spouses in retirement was decreased from 80% to 50%.
- Trend on PEMHCA MEC Benefit. We assumed the PEMHCA Minimum Employer Contribution (MEC) will increase by 3.75% per year.

Discount Rate

GASB 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position, if any, is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
- b) A yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) or not met.

The discount rate used to measure YECA’s total OPEB liability is based on the S&P general obligation bond 20-year high grade.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position (i.e. Fair value of Plan assets), and the net OPEB liability during the measurement period ending on June 30, 2019.

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2019	\$ 1,748,382	\$ -	\$ 1,748,382
Changes for the year:			
Service cost	60,873	-	60,873
Interest	52,769	-	52,769
Changes of benefit terms	-	-	-
Difference between expected and actual experience	395,233	-	395,233
Changes of assumptions	935,661	-	935,661
Contributions - employer *	-	(76,939)	(76,939)
Net investment income	-	-	-
Benefit payments *	(76,939)	76,939	-
Administrative expense	-	-	-
Net changes	<u>1,367,597</u>	<u>-</u>	<u>1,367,597</u>
Balances at 6/30/2020	<u>\$ 3,115,979</u>	<u>\$ -</u>	<u>\$ 3,115,979</u>

* \$76,158 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amount of \$781.

Sensitivity of the Net OPEB liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.79%) or 1-percentage point higher (3.79%) than the current discount rate:

	Current -1% 1.79%	Current 2.79%	Current +1% 3.79%
Net OPEB liability	\$ 3,591,309	\$3,115,979	\$ 2,730,140

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Sensitivity of the Net OPEB liability to changes in the healthcare cost trend rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (4.40% decreasing to 3.00%) or 1-percentage point higher (6.40% decreasing to 5.00%) than the current healthcare cost trend rates:

	1% Decrease (4.40% decreasing to 3.00%)	Trend rate (5.40% decreasing to 4.00%)	1% Increase (6.40% decreasing to 5.00%)
Net OPEB liability	\$ 2,829,173	\$ 3,115,979	\$ 3,517,272

OPEB Expense and Deferral of Outflow of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020 YECA recognized OPEB expense of \$257,678. OPEB expense represents the change in net OPEB liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, and actuarial assumptions or method.

At June 30, 2020 YECA reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Employer contributions subsequent to measurement date	\$ 130,374
Differences between actual and expected experience	352,459
Changes in assumptions	834,399
Total	<u>\$ 1,317,232</u>

The amount reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the following fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2021	\$ 144,036
2022	144,036
2023	144,036
2024	144,036
2025	144,036
Thereafter	466,678
	<u>\$ 1,186,858</u>

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Expense and Deferral of Outflow of Resources and Deferred Inflows of Resources Related to OPEB

Recognition of Deferred Outflows of and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between expected and actual experience and changes of assumptions are recognized over the expected average remaining service lifetime (EARSL), which was 9.24 years at the June 30, 2019 valuation date.

NOTE 9: RISK MANAGEMENT

YECA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters.

YECA participates in the Yolo County Public Agency Risk Management Insurance Agency (YCPARMIA), a joint power agency (risk-sharing pool) made up of other governmental entities within the County. YECA is covered for general and automobile, workers' compensation, property, pollution, fidelity, and cyber through YCPARMIA. Through YCPARMIA membership in the California Joint Powers Risk Management Authority (CJPRMA), YECA is provided with an excess coverage fund for catastrophic general and automobile losses. Through YCPARMIA membership in the CSAC Excess Insurance Authority (CSAC), YECA is provided with an excess coverage fund for catastrophic workers' compensation, property, and pollution losses. Through YCPARMIA membership in the Fidelity and Deposit Company of Maryland (FDCM), YECA is provided with an excess coverage fund for catastrophic fidelity losses. Through YCPARMIA membership in Lloyd's of London, YECA is provided with an excess coverage fund for catastrophic cyber losses. Loss contingency reserves established by YCPARMIA are funded by contributions from member agencies.

The annual contribution YCPARMIA charges to each agency is based upon its pro-rata share of excess insurance premiums, charges for the pooled risk (losses) recognizing the deductible selected, claims adjusting and legal costs, and administrative and other costs to operate the YCPARMIA. Settled claims from these risks did not exceed coverage for the past three years. YECA's deductible and maximum coverage are as follows:

Coverage	Deductible	YCPARMIA	CJPRMA	CSAC	FDMD	Lloyd's of London
General and automobile	\$ 1,000	\$ 500,000	\$ 40,000,000	\$ -	\$ -	\$ -
Workers' compensation	1,000	500,000	-	50,000,000	-	-
Property	1,000	25,000	-	959,357,100	-	-
Pollution	-	100,000	-	10,000,000	-	-
Fidelity	1,000	25,000	-	-	2,000,000	-
Cyber Liability						1,000,000

NOTE 10: COMMITMENTS

On February 11, 2020, the Yolo County Board of Supervisors approved an Energy Services Agreement with Trane U.S., for energy-related improvements in County-owned buildings. The total cost of the improvements is \$10,065,791 which the County is financing over 15 years through a lease purchase agreement. YECA is located in a County-owned building known as the Communications Center. This building's planned improvements include replacement of one HVAC system and 128 units of lighting at a cost of \$72,496. YECA will reimburse the County \$142,939 over 15 years beginning with a \$2,701 payment in fiscal year 2020-21 continuing with payments of \$10,017 beginning in fiscal year 2021-22 through fiscal year 2034-2035.

NOTE 11: FUTURE IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING STANDARDS

GASB Statement No. 84, "Fiduciary Activities", issued January 2017, addresses more specific details in reporting fiduciary funds. Existing standards aren't detailed enough which led to variances in how activities are recognized and reported. The new criteria focus on whether a government is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported include (1) pension (and other employee benefit) trust fund, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The new requirements take effect for reporting periods beginning after December 15, 2019. (FY20/21)

GASB Statement No. 87, "Leases", issued in June 2017, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. (FY 21/22)

GASB Statement No. 92, "Omnibus 2020", issued January 2020, addresses practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports, (2) reporting of intra-entity transfers between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment plan, (3) the applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits, (4) the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements, (5) Measurement of Liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, (6) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, (7) reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and (8) terminology used to refer to derivative instruments. The requirements of this Statement are effective for the reporting periods beginning after June 15, 2022. (FY 22-23)

NOTE 11: FUTURE IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING STANDARDS (continued)

GASB Statement No. 97, “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84 and a Supersession of GASB Statement No. 32”, in June 2020 which the primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

This Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

The requirements of this Statement are effective for the reporting periods beginning after June 15, 2021. (FY 21/22)

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REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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YOLO EMERGENCY COMMUNICATIONS AGENCY

Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Last 10 Fiscal Years *

	2020	2019	2018
Total OPEB liability			
Service cost	\$ 60,873	\$ 59,699	\$ 57,960
Interest	52,769	53,426	50,842
Changes of benefit terms	-	-	-
Difference between expected and actual experience	395,233	-	-
Changes of assumptions	935,661	32,927	-
Benefit payments	(76,939)	(89,719)	(81,581)
Net change in total OPEB Liability	<u>1,367,597</u>	<u>56,333</u>	<u>27,221</u>
Total OPEB liability - beginning	1,748,382	1,692,049	1,664,828
Total OPEB liability - ending (a)	<u><u>\$ 3,115,979</u></u>	<u><u>\$ 1,748,382</u></u>	<u><u>\$ 1,692,049</u></u>
 Plan fiduciary net position			
Contributions - employer	\$ 76,939	\$ 89,719	\$ 81,581
Net investment income	-	-	-
Benefit payments	(76,939)	(89,719)	(81,581)
Administrative expense	-	-	-
Net change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Net OPEB liability - ending (a) - (b)	<u><u>\$ 3,115,979</u></u>	<u><u>\$ 1,748,382</u></u>	<u><u>\$ 1,692,049</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
 Covered employee payroll	\$ 2,973,096	\$ 2,827,312	\$ 2,709,609
 Net OPEB liability as a percentage of covered employee payroll	104.81%	61.84%	62.45%
 Measurement date	6/30/2019	6/30/2017	6/30/2017

* FY 2018 is the first year of GASB 75. Additional years will be presented as they become available.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Required Supplementary Information

Schedule of YECA's Proportionate Share
of the Net Pension Liability
Last 10 Years*

<u>Fiscal Year</u>	<u>Measurement Period</u>	<u>YECA's Proportion of the Net Pension Liability</u>	<u>YECA's Proportionate Share of the Net Pension Liability</u>	<u>YECA's Covered-Employee Payroll</u>	<u>YECA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll</u>	<u>Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability</u>
2020	2019	0.032084%	\$ 3,287,611	\$ 2,973,096	110.58%	81.84%
2019	2018	0.035360%	3,407,342	2,848,657	119.61%	79.90%
2018	2017	0.035150%	3,485,446	2,968,839	117.40%	77.86%
2017	2016	0.034104%	2,951,088	2,787,717	105.86%	74.06%
2016	2015	0.035719%	2,451,730	2,661,283	92.13%	78.40%
2015	2014	0.038235%	2,379,173	2,587,390	91.95%	80.43%

* This is the fifth year of implementation, therefore only five years are presented. Additional years will be presented as they become available. Amounts presented above were determined as of June 30.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Required Supplementary Information

Schedule of YECA's Pension Contributions
Last 10 Years*

Measurement Year	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Excess	YECA's Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2020	\$ 491,292	\$ 491,292	-	\$ 3,111,965	15.79%
2019	420,943	920,943	500,000	2,973,096	30.98%
2018	351,623	351,623	-	2,848,657	12.34%
2017	323,079	323,079	-	2,968,839	10.88%
2016	348,330	588,764	240,434	2,787,717	21.12%
2015	292,497	292,497	-	2,661,283	10.99%

NOTE 1: SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLAN – SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

YECA has not adopted a formal funding plan, and as such is on a pay-as-you-go basis.

The actuarial funding method and assumptions used to determine the net OPEB:

Measurement date	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarial cost method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial assumptions:		
Discount rate	2.79%	2.98%
Salary increase	3.00%	3.00%
General inflation rate	2.50%	2.75%
	Actual for 2020; 5.40% for 2021; decreasing to 4.00% to 2076 and thereafter.	6% in 2017 and trend downward to 5% in 2018 and thereafter.
Healthcare trend rates		

NOTE 2: SCHEDULE OF YECA’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

In 2020 there were no changes to the benefit terms nor to financial reporting. The June 30, 2019 valuation was based on the results of an actuarial experience study from 1997 to 2015 (December 2017 study), including updates to salary increases, mortality and retirement rates.

NOTE 3: SCHEDULE OF YECA'S PENSION CONTRIBUTIONS

The actuarial methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2020 were from the actuarial valuation as of June 30, 2017.

Measurement date	June 30, 2019	June 30, 2018
Valuation date	June 30, 2017	June 30, 2016
Actuarial cost method	Entry-Age Normal	Entry-Age Normal
Actuarial assumptions:		
Inflation	2.625%	2.750%
Salary increase	Varies ⁽¹⁾	Varies
Payroll growth	2.88% ⁽²⁾	3.00%
Investment rate of return	7.250%	7.375%
Retirement age	2017 Experience Study ⁽³⁾	2014 Experience Study ⁽⁵⁾
Mortality	2017 Experience Study ⁽⁴⁾	2014 Experience Study ⁽⁶⁾

(1) Depending on age, service, and type of employment.

(2) Net of pension plan investment and administrative expenses, including inflation.

(3) The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.

(4) The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period 1997-2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvements using 90% of scale MP-2016 published by Societies of Actuaries.

(5) The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

(6) The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period 1997-2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvements using Scale BB published by Societies of Actuaries.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2020

TOTAL YECA

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental revenue:				
State	\$ 70,000	\$ 70,000	\$ 19,536	\$ (50,464)
Other	-	140,000	163,386	23,386
Contributions	6,235,751	6,235,751	6,235,751	-
Interest	22,726	22,726	112,513	89,787
Other	166,033	166,033	242,514	76,481
Transfers in	5,051,591	5,332,591	4,904,596	(427,995)
Total Revenues	<u>11,546,101</u>	<u>11,967,101</u>	<u>11,678,296</u>	<u>(288,805)</u>
EXPENDITURES				
Current:				
Public safety - 911 communications				
Salaries and employee benefits	4,927,542	4,927,542	4,640,697	286,845
Services and supplies	1,159,665	1,194,665	1,146,883	47,782
Other	2,499	2,499	44,274	(41,775)
Debt service:				
Principal	258,730	258,730	258,732	(2)
Interest	116,396	116,396	116,396	-
Capital outlay	265,920	452,920	289,941	162,979
Transfers out	5,051,594	5,332,594	4,904,596	427,998
Contingency	-	-	-	-
Total Expenditures	<u>11,782,346</u>	<u>12,285,346</u>	<u>11,401,519</u>	<u>883,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(236,245)</u>	<u>(318,245)</u>	<u>276,777</u>	<u>595,022</u>
Fund Balance - beginning of year	<u>443,245</u>	<u>771,245</u>	<u>2,501,670</u>	<u>1,730,425</u>
Fund Balance - end of year	<u>\$ 207,000</u>	<u>\$ 453,000</u>	<u>\$ 2,778,447</u>	<u>\$ 2,325,447</u>

YOLO EMERGENCY COMMUNICATIONS AGENCY

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2020

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Sources/inflows of resources

Total revenue from Budget and Actual schedule \$ 11,678,296

Differences - budget to GAAP:

Transfers from other budget units/funds are inflows of budgetary resources but are not revenues for financial reporting purposes. (4,904,596)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance. \$ 6,773,700

Uses/outflows of resources

Total Expenditures from Budget and Actual schedule \$ 11,401,519

Differences - budget to GAAP:

Encumbrances are not expenditures for financial reporting purposes but are outflows of budgetary resources (14,008)

Transfers to other budget units/funds are outflows of budgetary resources but are not expenditures for financial reporting purposes. (4,904,596)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance. \$ 6,482,915

NOTE 1: BUDGET AND BUDGETARY ACCOUNTING

YECA prepares and legally adopts a final budget, on or before October 2 of each fiscal year. YECA's fiscal year begins on July 1 and ends on June 30. In practice budgets are usually adopted before the new fiscal year begins on July 1. However, if budgets are adopted after July 1, operations commencing July 1 is governed by the proposed budget presented to the JPA Board of Directors by March 1.

After the budget is approved, the Executive Director is authorized to execute transfers within accounting units, as long as the total expenditures for each accounting unit remains unchanged.

An operating budget is adopted each fiscal year on the modified accrual basis. Unexpended contract and purchase order amounts at year-end represent the estimated amount of expenditures ultimately to result if the unperformed contracts in process at year-end are completed or purchase commitments satisfied. Such year-end unexpended contract and purchase order balances are reported as assigned fund balance and do not constitute expenditures or liabilities because the commitments may be honored during the subsequent year and included in the subsequent year's budget.

Excess Expenditures over Appropriations

None.

SUPPLEMENTARY INFORMATION
(Unaudited)

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YOLO EMERGENCY COMMUNICATIONS AGENCY

Supplementary Information

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2020

ADMINISTRATION (8350)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental revenue:				
State	\$ 70,000	\$ 70,000	\$ 1,029	\$ (68,971)
Contributions	6,235,751	6,235,751	6,235,751	-
Interest	22,726	22,726	112,513	89,787
Other	166,033	166,033	241,808	75,775
Total Revenues	<u>6,494,510</u>	<u>6,494,510</u>	<u>6,591,101</u>	<u>96,591</u>
EXPENDITURES				
Current:				
Public safety - 911 communications				
Salaries and employee benefits	906,741	906,741	935,460	(28,719)
Services and supplies	335,875	335,875	361,418	(25,543)
Other	2,499	2,499	44,274	(41,775)
Debt service:				
Principal	258,730	258,730	258,732	(2)
Interest	116,396	116,396	116,396	-
Capital outlay	231,000	278,000	121,886	156,114
Transfers out	5,051,594	5,332,594	4,904,596	427,998
Total Expenditures	<u>6,902,835</u>	<u>7,230,835</u>	<u>6,742,762</u>	<u>488,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(408,325)</u>	<u>(736,325)</u>	<u>(151,661)</u>	<u>584,664</u>
Changes in Fund Balance	(408,325)	(736,325)	(151,661)	584,664
Fund Balance - beginning of year	408,325	736,325	2,490,592	1,754,267
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,338,931</u>	<u>\$ 2,338,931</u>

YOLO EMERGENCY COMMUNICATIONS AGENCY

Supplementary Information

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2020

DISPATCH (8351)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental revenue:				
State	\$ -	\$ -	\$ 18,507	\$ 18,507
Other	-	-	706	706
Transfers in	4,163,301	4,163,301	3,802,707	(360,594)
Total Revenues	<u>4,163,301</u>	<u>4,163,301</u>	<u>3,821,920</u>	<u>(341,381)</u>
EXPENDITURES				
Current:				
Public safety - 911 communications				
Salaries and employee benefits	4,020,801	4,020,801	3,705,237	315,564
Services and supplies	142,500	142,500	122,567	19,933
Capital outlay	5,885	5,885	-	5,885
Total Expenditures	<u>4,169,186</u>	<u>4,169,186</u>	<u>3,827,804</u>	<u>341,382</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,885)</u>	<u>(5,885)</u>	<u>(5,884)</u>	<u>1</u>
Changes in Fund Balance	(5,885)	(5,885)	(5,884)	1
Fund Balance - beginning of year	<u>5,885</u>	<u>5,885</u>	<u>5,885</u>	<u>-</u>
Fund Balance - end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 1</u></u>

YOLO EMERGENCY COMMUNICATIONS AGENCY

Supplementary Information

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2020

IT (8356)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Transfers in	\$ 681,290	\$ 716,290	\$ 648,889	\$ (67,401)
Total Revenues	<u>681,290</u>	<u>716,290</u>	<u>648,889</u>	<u>(67,401)</u>
EXPENDITURES				
Current:				
Public safety - 911 communications				
Services and supplies	681,290	716,290	662,898	53,392
Total Expenditures	<u>681,290</u>	<u>716,290</u>	<u>662,898</u>	<u>53,392</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(14,009)</u>	<u>(14,009)</u>
Changes in Fund Balance	-	-	(14,009)	(14,009)
Fund Balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,009)</u>	<u>\$ (14,009)</u>

RUMSEY RADIO (8357)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental revenue:				
Other	\$ -	\$ -	\$ 24,366	
Total Revenues	<u>-</u>	<u>-</u>	<u>24,366</u>	<u>-</u>
EXPENDITURES				
Capital outlay	29,035	29,035	29,035	-
Total Expenditures	<u>29,035</u>	<u>29,035</u>	<u>29,035</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,035)</u>	<u>(29,035)</u>	<u>(4,669)</u>	<u>-</u>
Changes in Fund Balance	(29,035)	(29,035)	(4,669)	-
Fund Balance - beginning of year	<u>29,035</u>	<u>29,035</u>	<u>5,193</u>	<u>23,842</u>
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 524</u>	<u>\$ 23,842</u>

YOLO EMERGENCY COMMUNICATIONS AGENCY

Supplementary Information

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2020

RADIO CONSOLE UPGRADE (8358)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental revenue:				
Other	\$ -	\$ 140,000	\$ 139,020	\$ (980)
Total Revenues	<u>-</u>	<u>140,000</u>	<u>139,020</u>	<u>(980)</u>
EXPENDITURES				
Capital outlay	-	140,000	139,020	980
Total Expenditures	<u>-</u>	<u>140,000</u>	<u>139,020</u>	<u>980</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Changes in Fund Balance	-	-	-	-
Fund Balance - beginning of year	-	-	-	-
Fund Balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YECA RESERVES (8359)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Transfers in	207,000	453,000	453,000	-
Total Revenues	<u>207,000</u>	<u>453,000</u>	<u>453,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	207,000	453,000	453,000	-
Changes in Fund Balance	207,000	453,000	453,000	-
Fund Balance - beginning of year	-	-	-	-
Fund Balance - end of year	<u>\$ 207,000</u>	<u>\$ 453,000</u>	<u>\$ 453,000</u>	<u>\$ -</u>

OTHER REPORTS

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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
Yolo Emergency Communications Agency
Woodland, California

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 Yolo Emergency Communications Agency (YECA) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise YECA's basic financial statements, and have issued our report thereon dated January 14, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered YECA's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of YECA's internal control. Accordingly, we do not express an opinion on the effectiveness of YECA'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 YECA'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether YECA'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*.

To the Board of Directors
Yolo Emergency Communications Agency

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 result of that testing, and not to provide an opinion on the effectiveness of YECA's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering YECA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

January 14, 2021