



YOLO EMERGENCY COMMUNICATIONS AGENCY

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

For the Fiscal Year Ended June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of the governmental activities and major fund of the Yolo Emergency Communications Agency (YECA) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise YECA'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 fund of YECA as of June 30, 2024, 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.

Basis for Opinions

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. 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 YECA 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 YECA'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.

To the Board of Directors
Yolo Emergency Communications Agency

Auditor's Responsibility 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 YECA'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 YECA'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 schedule of the proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in net OPEB liability and related ratios 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.

To the Board of Directors
Yolo Emergency Communications Agency

Supplementary 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 authority 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 budgetary comparison schedules by budgetary authority are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2025 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 6, 2025

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BASIC FINANCIAL STATEMENTS

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YOLO EMERGENCY COMMUNICATIONS AGENCY

Statement of Net Position

Governmental Activities

June 30, 2024

ASSETS

Cash and investments	\$ 4,397,082
Due from other governments	213,061
Prepaid expense	85,387
Lease receivable	524,277
Capital assets:	
Capital assets, non-depreciable	128,470
Capital assets, depreciable/amortizable, net	<u>1,979,727</u>
Total capital assets	<u>2,108,197</u>
Total Assets	<u>7,328,004</u>

DEFERRED OUTFLOWS OF RESOURCES

Related to pension plan	2,545,666
Related to OPEB	960,560
	<u>3,506,226</u>

LIABILITIES

Accounts payable	68,817
Salaries and benefits payable	161,543
Accrued interest	3,791
Long-term liabilities:	
Due within one year:	
Compensated absences	200,669
Loans	312,987
Lease liabilities	43,817
SBITA liabilities	26,961
Due in more than one year:	
Loans	225,009
Lease liabilities	199,690
Net pension liability	5,176,860
Net OPEB liability	2,862,919
Total Liabilities	<u>9,283,063</u>

DEFERRED INFLOWS OF RESOURCES

Related to lease receivable	503,545
Related to pension plan	448,327
Related to OPEB	703,935
	<u>1,655,807</u>

NET POSITION

Net investment in capital assets	1,299,733
Unrestricted	<u>(1,404,373)</u>
Total Net Position	<u>\$ (104,640)</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, 2024

PROGRAM EXPENSES

Public safety - 911 communications	
Salaries and employee benefits	\$ 6,021,140
Services and supplies	1,196,501
Other	2,099
Depreciation and amortization	674,873
Interest on long-term debt	65,577
Total Program Expenses	<u>7,960,190</u>

PROGRAM REVENUES

Charges for services	188,941
Operating grants and contributions	6,658,744
Capital grants and contributions	533,942
Total Program Revenues	<u>7,381,627</u>
Net Program Revenue	<u>(578,563)</u>

GENERAL REVENUES

Investment income	248,266
Rents and concessions	20,130
Gain on disposal of capital assets	4,815
Total General Revenues	<u>273,211</u>
Change in Net Position	(305,352)
Net Position - beginning of year	<u>200,712</u>
Net Position - end of year	<u>\$ (104,640)</u>

See accompanying notes to the basic financial statements

YOLO EMERGENCY COMMUNICATIONS AGENCY

Balance Sheet
General Fund
June 30, 2024

ASSETS

Cash and investments	\$ 4,397,082
Due from other governments	213,061
Prepaid items	85,387
Lease receivable	<u>524,277</u>
Total Assets	<u><u>\$ 5,219,807</u></u>

**LIABILITIES DEFERRED INFLOW OF RESOURCES AND FUND
BALANCE**

Liabilities:	
Accounts payable	\$ 68,817
Salary and benefits payable	<u>161,543</u>
Total Liabilities	<u>230,360</u>
Deferred Inflows of Resources:	
Related to lease receivable	503,545
Fund Balance:	
Nonspendable - prepaid items	85,387
Assigned:	
Encumbrances	2,925
Equipment failures	50,000
Capital/special projects	1,719,166
Grant match	200,000
Subsequent year's budget	375,000
General reserve	1,449,000
Unassigned	<u>604,424</u>
Total Fund Balance	<u>4,485,902</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u><u>\$ 5,219,807</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, 2024

Fund balance - General Fund \$ 4,485,902

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. 2,108,197

Deferred outflows of resources related to pensions and OPEB are not
reported in the General Fund. 3,506,226

Long-term liabilities are not due and payable in the current period and,
therefore, are not reported in the General Fund.

Accrued interest	(3,791)
Compensated absences	(200,669)
Loans payable	(537,996)
Lease liabilities	(243,507)
SBITA liabilities	(26,961)
Net pension liability	(5,176,860)
Net OPEB obligation	(2,862,919)

Deferred inflows of resources related to pensions and OPEB are not
reported in the General Fund. (1,152,262)

Net position - Governmental Activities \$ (104,640)

YOLO EMERGENCY COMMUNICATIONS AGENCY

Statement of Revenues, Expenditures, and
Change in Fund Balance - General Fund
For the Fiscal Year Ended June 30, 2024

REVENUES

Intergovernmental:

Federal	\$ 205,583
State	6,476
Other governmental agencies	4,129
Member contributions	6,955,987
Use of property and money	248,266
Rents and concessions	20,130
Charges for services	188,941
Other	20,511
	<hr/>
Total Revenues	7,650,023

EXPENDITURES

Current:

Public safety - 911 communications	
Salaries and employee benefits	5,303,335
Services and supplies	1,196,501
Other Charges	2,099
Debt service:	
Principal	367,205
Interest	67,995
Capital outlay	278,902
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Total Expenditures	7,216,037

Excess of revenues over expenditures	<hr/> 433,986
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Other financing sources:

Proceeds from sales of capital assets	4,815
Loan issued	74,521
	<hr/>
Total Other Financing Sources	79,336

Change in Fund Balance	513,322
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Fund Balance - beginning of year	<hr/> 3,972,580
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Fund Balance - end of year	<hr/> <hr/> \$ 4,485,902
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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, 2024

Change in fund balance - General Fund		\$ 513,322
Amounts reported in the statement of activities are different because:		
The General Fund reports other financing sources arising from the issuance of a new loan. However, the statement of activities does not report this revenue, rather it is reported as an increase in liabilities on the statement of net position.		
		(74,521)
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	\$ 278,902	
Depreciation and amortization expense	<u>(674,873)</u>	(395,971)
Repayment of long-term liabilities are expenditures in the General Fund, but reduce long-term liabilities in the statement of net position.		
		367,205
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 accrued interest	2,418	
Change in compensated absences	(44,173)	
Change in net pension liability and related amounts	(511,747)	
Change in net OPEB liability and related amounts	(161,885)	<u>(715,387)</u>
Change in net position - Governmental Activities		<u><u>\$ (305,352)</u></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, 2024

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 other 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 their 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.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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 distributes 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 acquisition 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 20 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.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Right-to-use Lease and Subscription-Based Information Technology (SBITA) Assets

Right-to-use lease and subscription assets are recognized at the lease/subscription commencement date and represent the right to use an underlying asset for the lease/subscription term. Right-to-use lease/subscription assets are measured at the initial value of the lease/subscription liability plus any lease payments made to the lessor/vendor before the commencement of the lease/subscription term, less any incentives received at or before the commencement of the term, plus any initial direct costs necessary to place the asset in service. Right-to-use lease/subscription assets are amortized over the shorter of the lease/subscription term or the useful life of the underlying asset using the straight-line method. Short-term leases/subscriptions payments are expensed as incurred.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension plan, 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, 2022
Measurement Date:	June 30, 2023
Measurement Period:	July 1, 2022 to June 30, 2023

Other Postemployment Benefits other than Pensions (OPEB)

For purposes of measuring the net OPEB 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, 2023
Measurement Date:	June 30, 2023
Measurement Period:	July 1, 2022 to June 30, 2023

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Unused vacation leave, compensatory time off, 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.

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.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance/Net Position (continued)

Reserves

YECA has established a policy to set aside funds into four designated reserves to address grant matches, unforeseen emergencies or disasters, significant changes in the economic environment, and key infrastructure and capital projects. These four reserves are the Equipment Failure, Capital/Special Projects, Grant Match, and General Reserve. The balance of these reserves as of June 30, 2024, are \$50,000, \$1,719,166, \$200,000 and \$1,449,000 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.

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.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance/Net Position (continued)

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 and other capital payables 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.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Implementation of New GASB Statements

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement enhances comparability in accounting and financial reporting and consistency in authoritative literature, including the classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions of Statement 87, *Leases*, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement term, classification as short-term and recognition of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, related to the focus of the government-wide financial statements; terminology updates related to provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement No. 53 to refer to resource flows statements. The provisions of this Statement are effective immediately through periods beginning after June 15, 2023. This GASB had no impact on YECA.

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections, an Amendment of GASB Statement No. 62*. This Statement prescribes the accounting and financial reporting for each type of accounting change, including changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity, and error corrections. This Statement requires changes in accounting principles and error corrections to be reported retroactively by restating prior periods; requires changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period; and requires changes in accounting estimates to be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of new pronouncements in absence of specific transition provisions in the new pronouncement. This Statement also requires the aggregate amount of adjustments to and restatements of beginning net position, fund balance or fund net position, as applicable, to be displayed by reporting unit in the financial statements. Furthermore, this Statement requires information presented in required supplementary information or supplementary information to be restated for error corrections, if practicable, but not for changes in accounting principles. The provisions of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. This GASB had no impact on YECA.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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, 2024, YECA's total cash in the County of Yolo Treasury was \$4,396,782.

Cash and investments as of June 30, 2024, are classified in the accompanying statement of net position as follows:

Cash in County Treasury	\$ 4,396,782
Imprest cash	<u>300</u>
Total Cash and Investments	<u>\$ 4,397,082</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.

Investments Authorized by the California Government Code

<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>.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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, 2024 was 466 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).

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 3: CAPITAL ASSETS, RIGHT-TO-USE LEASE ASSETS, AND SBITA ASSETS

Capital, right-to-use lease and SBITA asset activity for the year ended June 30, 2024, includes the following adjusted amounts:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
<i>Capital assets, non-depreciable:</i>				
Construction in process	\$ -	\$ 128,470	\$ -	\$ 128,470
<i>Capital assets, depreciable:</i>				
Leasehold improvements	-	74,521	-	74,521
Improvements other than buildings	387,744	-	-	387,744
Equipment	7,280,853	42,552	-	7,323,405
Furniture and fixtures	129,033	-	-	129,033
Vehicles	17,042	33,359	(17,042)	33,359
Total capital assets, being depreciated	<u>7,814,672</u>	<u>150,432</u>	<u>(17,042)</u>	<u>7,948,062</u>
<i>Less accumulated depreciation for:</i>				
Leasehold improvements	-	(6,210)	-	(6,210)
Improvements other than buildings	(145,117)	(19,387)	-	(164,504)
Equipment	(5,335,620)	(576,681)	-	(5,912,301)
Furniture and fixtures	(126,752)	(1,141)	-	(127,893)
Vehicles	(17,042)	(973)	17,042	(973)
Total accumulated depreciation	<u>(5,624,531)</u>	<u>(604,392)</u>	<u>17,042</u>	<u>(6,211,881)</u>
Total capital assets, depreciable, net	<u>2,190,141</u>	<u>(453,960)</u>	<u>-</u>	<u>1,736,181</u>
<i>Right-to-use lease assets, amortizable:</i>				
Land	339,966	-	-	339,966
Equipment	15,407	-	-	15,407
Total right-to-use lease assets, amortizable:	<u>355,373</u>	<u>-</u>	<u>-</u>	<u>355,373</u>
<i>Less accumulated amortization for:</i>				
Land	(84,992)	(42,496)	-	(127,488)
Equipment	(6,162)	(3,081)	-	(9,243)
Total accumulated amortization	<u>(91,154)</u>	<u>(45,577)</u>	<u>-</u>	<u>(136,731)</u>
Total right-to-use lease assets, amortizable, net	<u>264,219</u>	<u>(45,577)</u>	<u>-</u>	<u>218,642</u>
<i>Software-based IT arrangements, amortizable</i>				
Software	74,712	-	-	74,712
Total right-to-use SBITA assets, amortizable:	<u>74,712</u>	<u>-</u>	<u>-</u>	<u>74,712</u>
<i>Less accumulated amortization for:</i>				
Software	(24,904)	(24,904)	-	(49,808)
Total accumulated amortization	<u>(24,904)</u>	<u>(24,904)</u>	<u>-</u>	<u>(49,808)</u>
Total right-to-use SBITA assets, amortizable, net	<u>49,808</u>	<u>(24,904)</u>	<u>-</u>	<u>24,904</u>
Total governmental activities, net	<u>\$ 2,504,168</u>	<u>\$ (395,971)</u>	<u>\$ -</u>	<u>\$ 2,108,197</u>

Depreciation and amortization expense was charged to the public safety - 911 communications function in the amount of \$604,392 and \$70,481 for the fiscal year ended June 30, 2024, respectively.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 4: LONG-TERM LIABILITIES

The following is a summary of long-term liabilities transactions for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amounts Due Within One Year
Direct Borrowings:					
Communications equipment loan	\$ 765,409	\$ -	\$ (298,065)	\$ 467,344	\$ 308,799
Loan from County	-	74,521	(3,869)	70,652	4,188
Total Direct Borrowings	765,409	74,521	(301,934)	537,996	312,987
Compensated absences	\$ 156,496	\$ 44,173	\$ -	\$ 200,669	\$ 200,669
Leases	283,929	-	(40,422)	243,507	43,817
SBITA	51,810	-	(24,849)	26,961	26,961
Net pension liability	4,646,659	530,201	-	5,176,860	-
Net OPEB liability	2,805,021	57,898	-	2,862,919	-
Total Long-Term Liabilities	\$ 8,709,324	\$ 706,793	\$ (367,205)	\$ 9,048,912	\$ 584,434

Direct Borrowing

Communications equipment loan

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.

Loan from County

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 improvements include replacement of one HVAC system and 128 units of lighting at a cost of \$72,496. YECA will reimburse the County \$120,204 over 12 years beginning with a \$10,017 payment in fiscal year 2023-24 through fiscal year 2034-2035.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 4: LONG-TERM LIABILITIES (continued)

The following is a schedule of total debt service requirements on long-term debt as of June 30, 2024:

FYE June 30,	Communications Equipment Loan			Loan from County			Totals	
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest
2025	\$ 308,799	\$ 25,365	\$334,164	\$ 4,188	\$ 5,829	\$ 10,017	\$ 312,987	\$ 31,194
2026	158,545	5,145	163,690	4,534	5,483	10,017	163,079	10,628
2027	-	-	-	4,908	5,109	10,017	4,908	5,109
2028	-	-	-	5,313	4,704	10,017	5,313	4,704
2029	-	-	-	5,751	4,266	10,017	5,751	4,266
2030	-	-	-	6,225	3,792	10,017	6,225	3,792
2031	-	-	-	6,739	3,278	10,017	6,739	3,278
2032	-	-	-	7,295	2,722	10,017	7,295	2,722
2033	-	-	-	7,897	2,120	10,017	7,897	2,120
2034	-	-	-	8,548	1,469	10,017	8,548	1,469
2035	-	-	-	9,254	763	10,017	9,254	763
	<u>\$ 467,344</u>	<u>\$ 30,510</u>	<u>\$497,854</u>	<u>\$ 70,652</u>	<u>\$39,535</u>	<u>\$ 110,187</u>	<u>\$ 537,996</u>	<u>\$ 70,045</u>

NOTE 5: LEASES

Leases as Lessee

All Leases are recognized as having an inception date as of July 1, 2021. YECA has entered into (2) lease agreements as a lessee for right-to-use land and equipment.

The equipment (copiers) lease terminates in July 2027 at which time YECA has the option to continue month-to-month or return the equipment to the lessor. The required monthly principal and interest payment is \$331 utilizing the implied agreement rate of 10.51%.

YECA has entered into an agreement to lease a portion of property located atop Bald Mountain, the location of a communications tower. The initial agreement is for ten years with the option to extend the term of the agreement for 5 additional terms of 10 years each. YECA has exercised the first option to extend the term for an additional 10 years. YECA is required to renegotiate future rent payments to exercise the additional 4 options to extend. The required monthly principal and interest payments for the remaining years of the first 10-year option term range from \$3,850 in FY 2022 to \$4,734 in FY 2029. The payments are subject to a 3% annual increase. An incremental borrowing rate of 4.25% was utilized.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 5: LEASES (continued)

Principal and interest payments to maturity are as follows:

FYE June 30,	Land Lease			Equipment Lease			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 40,433	\$ 10,046	\$ 50,479	\$ 3,384	\$ 591	\$ 3,975	\$ 43,817	\$ 10,637	\$ 54,454
2026	43,665	8,327	51,992	3,759	217	3,976	47,424	8,544	55,968
2027	47,081	6,471	53,552	-	-	-	47,081	6,471	53,552
2028	50,688	4,470	55,158	-	-	-	50,688	4,470	55,158
2029	54,497	2,316	56,813	-	-	-	54,497	2,316	56,813
	<u>\$ 236,364</u>	<u>\$ 31,630</u>	<u>\$267,994</u>	<u>\$ 7,143</u>	<u>\$ 808</u>	<u>\$ 7,951</u>	<u>\$ 243,507</u>	<u>\$ 32,438</u>	<u>\$ 275,945</u>

Leases as Lessor

YECA (lessor) entered into a communications site lease agreement with MetroPCS, now T-Mobile (lessee) granting the lessee the right to install, maintain, upgrade, operate, replace, repair, modify and remove communications equipment and appurtenances on YECA’s tower.

The amended site lease was entered into on July 14, 2021, the initial five year term begins on 6/1/2021 and ends on 5/31/26. Thereafter the term may renew for three (3) successive renewal terms of five (5) years each with the YECA’s board approval; provided that the lessee may elect not to renew by providing notice prior to the expiration of the current term or renewal term. Monthly rent payments of \$2,884 commenced on 9/1/2022 and shall increase 3% each year with the June 1st payment. Payments were discounted at 4.85%.

Principal and interest payments to maturity are as follows:

FYE June 30,	Land Lease		
	Principal	Interest	Total
2025	\$ 11,634	\$ 25,173	\$ 36,807
2026	13,340	24,571	37,911
2027	15,165	23,884	39,049
2028	17,115	23,106	40,221
2029	19,197	22,230	41,427
2030-2034	132,426	94,115	226,541
2035-2039	209,307	53,316	262,623
2040-2041	106,093	5,260	111,353
	<u>\$ 524,277</u>	<u>\$ 271,655</u>	<u>\$ 795,932</u>

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 6: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

YECA (lessor) entered into a three-year SBITA for the use of certain software installed on YECA computers. The agreement begins January 1, 2023 and ends on December 31, 2025. The discount rate used was the federal prime rate as of January 2023 + 1%, or 8.5%. Subscription asset cost was \$74,712 and accumulated amortization was \$49,800 for the governmental activities as of June 30, 2024.

Principal and interest payments to maturity are as follows:

FYE June 30,	Software		
	Principal	Interest	Total
2025	\$ 26,961	\$ 2,291	\$ 29,252

NOTE 7: PENSION PLAN

General Information about the Pension Plan

Plan Description

All of YECA’s qualified employees are eligible to participate in the YECA’s cost-sharing multi-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). YECA participates in the CalPERS Miscellaneous Risk Pool and two rate plans, the Miscellaneous Rate Plan and PEPRAs Miscellaneous Rate Plan. A full description of the Plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2022 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. The Miscellaneous Risk Pool is closed to new members that are not already CalPERS participants. Benefit provisions under the Plan and other requirements are established by State statute and YECA resolution.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 7: PENSION PLAN (continued)

General Information about the Pension Plan (continued)

Benefits Provided

The benefits for the Plan 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 Plan's provisions and benefits in effect as of June 30, 2024, are summarized as follows:

	Miscellaneous Prior to January 1, 2013	PEPRA Miscellaneous On or After January 1, 2013
Hire date		
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 are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan 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. YECA's contribution rates may change if plan contracts are amended. Payments made by YECA to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2024, the active employee contribution rate was 7.00% and 7.75% of member earnings and the employer contribution rate was 30.45% and 7.68% of member earnings for the Miscellaneous Rate Plan and PEPRA Miscellaneous Rate 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.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 7: PENSION PLAN (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2024, YECA reported a liability of \$5,176,860 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023 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, 2024 and 2023 was 0.041497% and 0.040228%, respectively, for an increase of 0.001269%.

For the fiscal year ended June 30, 2024, YECA recognized pension expense of \$1,130,490.

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

At June 30, 2024, YECA reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 312,551	\$ -
Pension contributions subsequent to measurement date	618,743	-
Differences between expected and actual experience	264,463	41,024
Net differences between projected and actual earnings on pension plan investments	838,181	-
Change in employer's proportion	511,728	75,661
Differences between the employer's contributions and the employer's proportionate share of contributions	-	331,642
Totals	<u>\$ 2,545,666</u>	<u>\$ 448,327</u>

The amount reported as deferred outflows of resources related to pension contributions subsequent to measurement date above will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. 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
2025	\$ 446,204
2026	378,897
2027	629,445
2028	24,050
Total	<u>\$ 1,478,596</u>

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 7: PENSION PLAN (continued)

Actuarial Assumptions and Assumptions Used to Determine Total Pension Liability

The June 30, 2022 valuation was rolled forward to determine the June 30, 2023 total pension liability, based on the following actuarial method and assumptions:

Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.80%
Mortality rate table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post retirement benefit increase	The lesser of contract COLA or 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 rates incorporate Generational Mortality to capture ongoing improvement using 80% of scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 CalPERS Experience Study and Review of Actuarial Assumptions report that can be found on the CalPERS website.

Change of Assumptions

There were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. 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.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 7: PENSION PLAN (continued)

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 long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long-term. This discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The table below reflects long-term expected real rate of return by asset class.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 ^(1,2)
Global equity - cap weighted	30.0%	4.54%
Global equity non-cap weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-back securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
	100.0%	

⁽¹⁾ An expected inflation rate of 2.3% used for this period

⁽²⁾ Figures are based on the 2021-22 Asset Liability Management Study.

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 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Discount Rate - 1% (5.90%)	Current Discount Rate (6.9%)	Discount Rate + 1% (7.90%)
YECA's proportionate share of Plan's net pension liability	\$ 8,415,145	\$ 5,176,860	\$ 2,511,473

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 7: PENSION PLAN (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

Timing of recognition: Changes in the total pension liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of gain or loss:

- The net difference between projected and actual earnings on pension plan investments is amortized over a five-year period on a straight-line basis.
- All other amounts are amortized using straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (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 Plan Fiduciary Net Position

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

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

YECA provides a 401(a) Money Purchase Plan (MPP administered by the VALIC Retirement Services Company. Participants have individual accounts with VALIC into which all contributions are recorded. The participants are offered various investment options through the MPP and are allowed to invest money 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. YECA contributions 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% vested in the amounts credited to the participant's account at all times. During the fiscal year ended June 30, 2024 contribution paid to the MPP were \$10,398. Currently, one member of senior staff is the only participant.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 9: OTHER POSTEMPLOYMENT 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. Benefit provisions were established by and may be amended by the Board of Directors, subject to the requirements of the memorandum of understanding (MOU). 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, 2023, the following employees were covered by the benefit terms:

Active employees	39
Inactive employees or beneficiaries receiving benefit payments	21
Inactive employees or beneficiaries not receiving benefit payments	<u>4</u>
Total Participants	<u><u>64</u></u>

Contributions

YECA does not currently have a pre-funding plan and is on a pay-as-you-go basis. Contributions during the year ended June 30, 2024 were \$129,002, consisting of retiree health insurance premiums of \$84,855 and implicit subsidy payments of \$44,147.

Net OPEB Liability

At June 30, 2024, YECA reported a net OPEB liability of \$2,862,919. The total OPEB liability was measured as of June 30, 2023. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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	4.13%
Salary increases	3.00%
General inflation rate	2.50%
Healthcare cost trend rate	6.5% in 2025; tending down to 3.9% by 2075.

Pre-retirement and post-retirement mortality rates were based on the CalPERS 2021 Experience Study, using data from 2000 to 2019.

Actuarial assumptions used in the June 30, 2023 valuation were based on a review of plan experience during the period June 30, 2021 to June 30, 2023.

The following changes in assumptions were made in the June 30, 2023 valuation:

- Discount rate. The discount rate was changed from 4.09% as of June 30, 2022 to 4.13% as of June 30, 2023, based on the published change in return for the applicable municipal bond index.
- Demographic. Updated demographic assumptions from those in the 2017 CalPERS Experience Study to those recommended in the 2021 CalPERS Experience Study using data from 2000 to 2019.
- Medical Trend: Updated from Getzen 2022_b to Gentzen 2023 healthcare trend model sponsored by the Society of Actuaries.
- Participation Rate for Non-Management Employees: Non-management employees are assumed to elect coverage on a graded scale: 90% in 2023 grading down in steps of 2% to an ultimate rate of 60% in 2038. In the prior valuation, we assumed 90% in 2021 grading down in steps of 2% to an ultimate rate of 60% in 2036.

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 municipal bond index.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 9: 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, 2023.

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2023	\$ 2,805,021	\$ -	\$ 2,805,021
Changes for the year:			
Service cost	94,935	-	94,935
Interest	115,882	-	115,882
Difference between expected and actual experience	634	-	634
Changes in assumptions	(20,265)	-	(20,265)
Contributions - employer *	-	(133,288)	(133,288)
Benefit payments *	(133,288)	133,288	-
Net changes	57,898	-	57,898
Balances at 6/30/2024	\$ 2,862,919	\$ -	\$ 2,862,919

* \$85,667 of pay-as-you-go contributions were made from sources outside of trust, plus an implicit subsidy amount of \$47,621.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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 (3.13%) or 1-percentage point higher (5.13%) than the current discount rate:

	Current -1% 3.13%	Current 4.13%	Current +1% 5.13%
	<u> </u>	<u> </u>	<u> </u>
Net OPEB liability	\$ 3,280,364	\$ 2,862,919	\$ 2,524,583

Sensitivity of the Net OPEB liability to changes in the healthcare 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 (5.5% decreasing to 2.9%) or 1-percentage point higher (7.50% decreasing to 4.90%) than the current healthcare cost trend rate:

	1% Decrease (5.5% decreasing to 2.9%)	Trend rate (6.5% decreasing to 3.9%)	1% Increase (7.50% decreasing to 4.9%)
	<u> </u>	<u> </u>	<u> </u>
Net OPEB liability	\$ 2,580,959	\$ 2,862,919	\$ 3,242,034

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

For the year ended June 30, 2024 YECA recognized OPEB expense of \$290,887. 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, 2024 YECA reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Employer contributions subsequent to measurement date	\$ 129,002	\$ -
Differences between actual and expected experience	181,923	30,850
Changes in assumptions	<u>649,635</u>	<u>673,085</u>
Total	<u>\$ 960,560</u>	<u>\$ 703,935</u>

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

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:

<u>Year Ended June 30</u>	
2025	\$ 80,070
2026	80,070
2027	80,070
2028	80,070
2029	(29,396)
Thereafter	<u>(163,261)</u>
	<u>\$ 127,623</u>

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 8.62 years at the June 30, 2023 valuation date.

NOTE 10: 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 Public Risk Innovation, Solutions, and Management (PRISM) insurance risk sharing pool, 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.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 10: RISK MANAGEMENT (continued)

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 and there have been not significant reductions in insurance coverage. YECA's deductible and maximum coverage are as follows:

Coverage	Deductible	YCPARMIA	CJPRMA	PRISM	FDMD	Lloyd's of London
General and automobile	\$ 1,000	\$ 1,000,000	\$ 40,000,000	\$ -	\$ -	\$ -
Workers' compensation	1,000	1,000,000	-	5,000,000	-	-
Property	1,000	50,000	-	600,000,000	-	-
Pollution	-	-	-	10,000,000	-	-
Fidelity	1,000	25,000	-	-	2,000,000	-
Cyber Liability	-	-	-	-	-	2,000,000

NOTE 11: COMMITMENT AND CONTINGENT LIABILITY

Commitment:

The Agency has a contract for the Yolo County 911 Dispatch Center Tenant Improvement Project in the amount of \$324,510 of which all remains unexpended at June 30, 2024.

NOTE 12: FUTURE IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING STANDARDS

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

NOTE 12: FUTURE IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING STANDARDS (continued)

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a primary government, or reporting unit that reports a liability for revenue debt, vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. If the criteria in the Statement have been met for a concentration or constraint, the government should disclose information in notes to financial statements in sufficient detail to enable users of financial statements understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The provisions of this Statement are effective for years beginning after June 15, 2024.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability, including 1) certain topics and disclosures in Management's Discussion and Analysis; 2) requiring the display of inflows and outflows of unusual and infrequent items to be reported separately as the last presented flow(s) of resources prior to the net change in resources flows in the government-wide, governmental fund, and proprietary fund statement of resources flows; 3) changing the definition of proprietary fund nonoperating revenues and expenses to include subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the disposal of capital assets and inventory and investment income and expenses and defines operating revenues and expenses as revenue and expenses other than nonoperating revenue and expenses; 4) requires major component units to be presented separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and 5) requires budgetary comparison schedules to be reported as Required Supplementary Information (RSI), requires the presentation of variances between original and final budget amounts and final budget and actual amounts in the RSI and requires the explanation of significant variances to be reported in notes to the RSI. The provisions of this Statement are effective for years beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires lease assets recognized in accordance with GASB Statement No. 87, *Leases*, right-to-use assets recognized in accordance with GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, subscription assets recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and other intangible assets to be disclosed separately in capital assets footnote disclosures. This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should disclose the ending historical cost and accumulated depreciation by major class of asset and the carrying amount of debt for which the assets are pledged as collateral by major class of asset held for sale under this Statement. This provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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YOLO EMERGENCY COMMUNICATIONS AGENCY

Required Supplementary Information (Unaudited)

Schedule of YECA's Proportionate Share
of the Net Pension Liability

Last 10 Years

Fiscal Year	Measurement Period	YECA's Proportion of the Net Pension Liability	YECA's Proportionate Share of the Net Pension Liability	YECA's Covered-Employee Payroll	YECA's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
2024	2023	0.041497%	\$ 5,176,860	\$ 3,154,310	164.12%	78.38%
2023	2022	0.040228%	4,646,659	3,038,759	152.91%	79.22%
2022	2021	0.026305%	1,422,635	3,051,195	46.63%	93.08%
2021	2020	0.034151%	3,715,790	3,111,965	119.40%	80.72%
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%

YOLO EMERGENCY COMMUNICATIONS AGENCY

Required Supplementary Information (Unaudited)

Schedule of YECA's Pension Contributions

Last 10 Years

Fiscal 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
2024	\$ 618,743	\$ 618,743	\$ -	\$ 3,317,301	18.65%
2023	610,188	610,188	-	3,154,310	19.34%
2022	560,022	560,022	-	3,038,759	18.43%
2021	533,360	533,360	-	3,051,195	17.48%
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%

YOLO EMERGENCY COMMUNICATIONS AGENCY

Required Supplementary Information (Unaudited)

Schedule of Changes in Net OPEB Liability and Related Ratios

Last 10 Fiscal Years *

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	\$ 94,935	\$ 145,326	\$ 127,204	\$ 119,741	\$ 60,873	\$ 59,699	\$ 57,960
Interest	115,882	79,414	88,120	88,458	52,769	53,426	50,842
Difference between expected and actual experience	634	-	(46,405)	-	395,233	-	-
Changes of assumptions	(20,265)	(843,709)	282,291	57,512	935,661	32,927	-
Benefit payments	(133,288)	(147,036)	(131,500)	(130,374)	(76,939)	(89,719)	(81,581)
Net change in total OPEB Liability	57,898	(766,005)	319,710	135,337	1,367,597	56,333	27,221
Total OPEB liability - beginning	2,805,021	3,571,026	3,251,316	3,115,979	1,748,382	1,692,049	1,664,828
Total OPEB liability - ending (a)	<u>\$ 2,862,919</u>	<u>\$ 2,805,021</u>	<u>\$ 3,571,026</u>	<u>\$ 3,251,316</u>	<u>\$ 3,115,979</u>	<u>\$ 1,748,382</u>	<u>\$ 1,692,049</u>
Plan fiduciary net position							
Contributions - employer	\$ 133,288	\$ 147,036	\$ 131,500	\$ 130,374	\$ 76,939	\$ 89,719	\$ 81,581
Net investment income	-	-	-	-	-	-	-
Benefit payments	(133,288)	(147,036)	(131,500)	(130,374)	(76,939)	(89,719)	(81,581)
Administrative expense	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a) - (b)	<u>\$ 2,862,919</u>	<u>\$ 2,805,021</u>	<u>\$ 3,571,026</u>	<u>\$ 3,251,316</u>	<u>\$ 3,115,979</u>	<u>\$ 1,748,382</u>	<u>\$ 1,692,049</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 3,154,310	\$ 3,038,759	\$ 3,950,509	\$ 3,910,169	\$ 2,973,096	\$ 2,827,312	\$ 2,709,609
Net OPEB liability as a percentage of covered employee payroll	90.76%	92.31%	90.39%	83.15%	104.81%	61.84%	62.45%
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	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.

NOTE 1: SCHEDULE OF YECA’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

In 2024 there were no changes to the benefit terms nor to financial reporting. The June 30, 2022 valuation was based on the results of an actuarial experience study from 2000 to 2019 (November 2021 study), including updates to salary increases, mortality and retirement rates.

NOTE 2: SCHEDULE OF YECA’S PENSION CONTRIBUTIONS

The actuarial methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2024 were from the actuarial valuation as of June 30, 2021.

Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial cost method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Actuarial assumptions:						
Inflation	2.300%	2.500%	2.500%	2.500%	2.625%	2.750%
Salary increase	Varies ⁽¹⁾	Varies ⁽¹⁾	Varies ⁽¹⁾	Varies ⁽¹⁾	Varies	Varies
Payroll growth	2.80% ⁽²⁾	2.75% ⁽²⁾	2.75% ⁽²⁾	2.75% ⁽²⁾	2.88%	3.00%
Investment rate of return	6.800%	7.000%	7.000%	7.000%	7.250%	7.375%
Retirement age	2021 Exp Study ⁽⁵⁾	2017 Exp Study ⁽³⁾	2017 Exp Study ⁽³⁾	2017 Exp Study ⁽³⁾	2017 Exp Study ⁽³⁾	2014 Exp Study ⁽⁴⁾
Mortality	2021 Exp Study ⁽⁵⁾	2017 Exp Study ⁽³⁾	2017 Exp Study ⁽³⁾	2017 Exp Study ⁽³⁾	2017 Exp Study ⁽³⁾	2014 Exp Study ⁽⁴⁾

⁽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 and mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 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.

⁽⁴⁾ The probabilities of retirement and 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.

⁽⁵⁾ The probabilities of retirement and mortality are based on the 2021 CalPERS Experience Study based on data observed from 2000 to 2019. Pre retirement and post retirement retirement mortality rates are generationally for future years using 80% of Scale MP-2020 published by the Society of Actuaries.

NOTE 3: 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	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial cost method	Entry-Age Normal Cost	Entry-Age Normal Cost	Entry-Age Normal Cost	Entry-Age Normal Cost	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial assumptions:						
Discount rate	4.13%	4.09%	2.18%	2.66%	2.79%	2.98%
Salary increase	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
General inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%
Healthcare trend rates	Actual for 2024, 6.5% for 2025 trending down to 3.9% in 2075 and thereafter.	5.80% for 2023; down to 3.9% in 2076.	Actual for 2022; 5.80% for 2023; fluctuates until ultimate rate of 3.9% in 2076 and thereafter.	Actual for 2020; 5.40% for 2021; fluctuates until ultimate rate of 4.00% in 2076 and thereafter.	Actual for 2020; 5.40% for 2021; decreasing to 4.00% to 2076 and thereafter.	6% in 2017 and trend downward to 5.00% in 2018 and thereafter.

YOLO EMERGENCY COMMUNICATIONS AGENCY

Required Supplementary Information (Unaudited)

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual - General Fund - Non-GAAP Budgetary Basis

For the Fiscal Year Ended June 30, 2024

TOTAL YECA

	Original Budget	Final Budget	Total Budgetary Expenditures	Variance with Final Budget
REVENUES				
Intergovernmental revenue:				
Federal	\$ 163,903	\$ 163,903	\$ 205,583	\$ 41,680
State	-	-	6,476	6,476
Other	-	-	4,129	4,129
Contributions	6,955,987	6,955,987	6,955,987	-
Use of property and money	20,000	20,000	248,266	228,266
Rents and concessions	35,640	35,640	20,130	(15,510)
Other charges for services	181,138	181,138	188,941	7,803
Other	27,193	27,193	20,511	(6,682)
Total Revenues	<u>7,383,861</u>	<u>7,383,861</u>	<u>7,650,023</u>	<u>266,162</u>
EXPENDITURES				
Current:				
Public safety - 911 communications				
Salaries and employee benefits	5,634,621	5,634,621	5,303,335	331,286
Services and supplies	1,266,001	1,266,001	1,199,426	66,575
Other	2,500	2,500	2,099	401
Debt service:				
Principal	298,065	298,065	367,205	(69,140)
Interest	44,882	44,882	67,995	(23,113)
Capital outlay	533,359	533,359	278,902	254,457
Total Expenditures	<u>7,779,428</u>	<u>7,779,428</u>	<u>7,218,962</u>	<u>560,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(395,567)</u>	<u>(395,567)</u>	431,061	826,628
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	4,815	4,815
Loan issued	-	-	74,521	74,521
	-	-	79,336	79,336
Change in Fund Balance	<u>(395,567)</u>	<u>(395,567)</u>	<u>510,397</u>	<u>905,964</u>
Fund Balance - beginning of year	<u>427,470</u>	<u>427,470</u>	<u>3,972,580</u>	<u>3,545,110</u>
Fund Balance - end of year	<u>\$ 31,903</u>	<u>\$ 31,903</u>	<u>\$ 4,482,977</u>	<u>\$ 4,451,074</u>

Explanation of Differences between Budgetary Outflows and GAAP Expenditures:

Uses/outflows of resources

Total Expenditures from Budget and Actual schedule \$ 7,218,962

Differences - budget to GAAP:

 Encumbrances are not expenditures for financial reporting purposes but are
 outflows of budgetary resources (2,925)

Total expenditures as reported on the statement of revenues, expenditures, and changes
in fund balance. \$ 7,216,037

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 and between budget units, as long as the total appropriations, agency-wide, remains unchanged. The major budget units are:

- 10-30 – Administration
- 10-40 – Dispatch Operations
- 10-50 – Information Technology
- 10-60 – Grants
- 20-30 – YECA Reserves

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.

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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 by Budget Authority - General Fund

For the Fiscal Year Ended June 30, 2024

ADMINISTRATION (10-30)

	Original Budget	Final Budget	Total Budgetary Expenditures	Variance with Final Budget
REVENUES				
Intergovernmental revenue:				
Federal	\$ 163,903	\$ 163,903	\$ -	\$ (163,903)
Contributions	6,955,987	6,955,987	6,955,987	-
Use of property and money	20,000	20,000	231,079	211,079
Rents and concessions	35,640	35,640	20,130	(15,510)
Charges for services	181,138	181,138	186,264	5,126
Other	27,193	27,193	20,511	(6,682)
Total Revenues	<u>7,383,861</u>	<u>7,383,861</u>	<u>7,413,971</u>	<u>30,110</u>
EXPENDITURES				
Current:				
Public safety - 911 communications				
Salaries and employee benefits	1,076,798	1,076,798	1,027,296	49,502
Services and supplies	441,210	441,210	386,515	54,695
Other charges	2,500	2,500	2,099	401
Debt service:				
Principal	298,065	298,065	342,356	(44,291)
Interest	44,882	44,882	63,591	(18,709)
Capital outlay	533,359	533,359	128,446	404,913
Total Expenditures	<u>2,396,814</u>	<u>2,396,814</u>	<u>1,950,303</u>	<u>446,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,987,047</u>	<u>4,987,047</u>	<u>5,463,668</u>	<u>476,621</u>
OTHER FINANCING SOURCES				
Proceeds from sale of capital assets	-	-	4,815	\$ 4,815
Loan issued	-	-	74,521	74,521
	<u>-</u>	<u>-</u>	<u>79,336</u>	<u>79,336</u>
Changes in Fund Balance	4,987,047	4,987,047	5,543,004	555,957
Fund Balance - beginning of year	<u>408,359</u>	<u>408,359</u>	<u>1,073,803</u>	<u>665,444</u>
Fund Balance - end of year	<u>\$ 5,395,406</u>	<u>\$ 5,395,406</u>	<u>\$ 6,616,807</u>	<u>\$ 1,221,401</u>

YOLO EMERGENCY COMMUNICATIONS AGENCY

Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual by Budget Authority - General Fund

For the Fiscal Year Ended June 30, 2024

DISPATCH (10-40)

	Original Budget	Final Budget	Total Budgetary Expenditures	Variance with Final Budget
REVENUES				
Intergovernmental revenue:				
State	\$ -	\$ -	\$ 6,476	\$ 6,476
Charges for services	-	-	2,677	2,677
Total Revenues	<u>-</u>	<u>-</u>	<u>9,153</u>	<u>9,153</u>
EXPENDITURES				
Current:				
Public safety - 911 communications				
Salaries and employee benefits	4,557,823	4,557,823	4,276,039	281,784
Services and supplies	93,880	93,880	41,446	52,434
Total Expenditures	<u>4,651,703</u>	<u>4,651,703</u>	<u>4,317,485</u>	<u>334,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,651,703)</u>	<u>(4,651,703)</u>	<u>(4,308,332)</u>	<u>343,371</u>
Changes in Fund Balance	<u>(4,651,703)</u>	<u>(4,651,703)</u>	<u>(4,308,332)</u>	<u>343,371</u>
Fund Balance - beginning of year	-	-	-	-
Fund Balance - end of year	<u><u>\$ (4,651,703)</u></u>	<u><u>\$ (4,651,703)</u></u>	<u><u>\$ (4,308,332)</u></u>	<u><u>\$ 343,371</u></u>

INFORMATION TECHNOLOGY (10-50)

	Original Budget	Final Budget	Total Budgetary Expenditures	Variance with Final Budget
EXPENDITURES				
Current:				
Public safety - 911 communications				
Services and supplies	\$ 730,911	\$ 730,911	\$ 707,106	\$ 23,805
Debt service:				
Principal	-	-	24,849	(24,849)
Interest	-	-	4,404	(4,404)
Total Expenditures	<u>730,911</u>	<u>730,911</u>	<u>736,359</u>	<u>(5,448)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(730,911)</u>	<u>(730,911)</u>	<u>(736,359)</u>	<u>(5,448)</u>
Changes in Fund Balance	<u>(730,911)</u>	<u>(730,911)</u>	<u>(736,359)</u>	<u>(5,448)</u>
Fund Balance - beginning of year	19,111	19,111	19,111	-
Fund Balance - end of year	<u><u>\$ (711,800)</u></u>	<u><u>\$ (711,800)</u></u>	<u><u>\$ (717,248)</u></u>	<u><u>\$ (5,448)</u></u>

YOLO EMERGENCY COMMUNICATIONS AGENCY

Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual by Budget Authority - General Fund

For the Fiscal Year Ended June 30, 2024

GRANTS (10-60)

	Original Budget	Final Budget	Total Budgetary Expenditures	Variance with Final Budget
REVENUES				
Intergovernmental revenue:				
Federal	\$ -	\$ -	\$ 205,583	\$ 205,583
Other	-	-	4,129	4,129
Total Revenues	-	-	209,712	209,712
EXPENDITURES				
Current:				
Public safety - 911 communications				
Services and supplies	-	-	64,359	(64,359)
Capital outlay	-	-	150,456	(150,456)
Total Expenditures	-	-	214,815	(214,815)
Excess (deficiency) of revenues over (under) expenditures	-	-	(5,103)	(5,103)
Changes in Fund Balance	-	-	(5,103)	(5,103)
Fund Balance - beginning of year	-	-	-	-
Fund Balance - end of year	\$ -	\$ -	\$ (5,103)	\$ (5,103)

YECA RESERVES (20-30)

	Original Budget	Final Budget	Total Budgetary Expenditures	Variance with Final Budget
REVENUES				
Use of property and money	\$ -	\$ -	\$ 17,187	\$ 17,187
Total Revenues	-	-	17,187	17,187
Excess (deficiency) of revenues over (under) expenditures	-	-	17,187	17,187
Changes in Fund Balance	-	-	17,187	17,187
Fund Balance - beginning of year	-	-	2,879,666	2,879,666
Fund Balance - end of year	\$ -	\$ -	\$ 2,896,853	\$ 2,896,853

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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 governmental activities and major fund of the Yolo Emergency Communications Agency (YECA) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise YECA's basic financial statements, and have issued our report thereon dated January 6, 2025.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that have not been identified.

Report on 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 financial statements. 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

To the Board of Directors
Yolo Emergency Communications Agency

no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 6, 2025