

Inland Counties Emergency Medical Agency

(A Component Unit of San Bernardino County)

San Bernardino, California

Annual Financial Report

For the Year Ended June 30, 2024

**Inland Counties Emergency Medical Agency
Annual Financial Report
For the Year Ended June 30, 2024**

Table of Contents

	<u>Page</u>
Table of Contents.....	i
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report on the Financial Statements	1
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5
 Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
 Fund Financial Statements:	
Balance Sheet.....	15
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	18
Notes to the Basic Financial Statements.....	21
 Required Supplementary Information (Unaudited):	
Budgetary Comparison Schedule – General Fund	39
Schedule of Proportionate Share of the Net Pension Liability	40
Schedule of Pension Contributions	41

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Inland Counties Emergency Medical Agency
San Bernardino, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Inland Counties Emergency Medical Agency ("ICEMA"), a component unit of San Bernardino County, California as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise ICEMA'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 each major fund of ICEMA, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ICEMA, 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 ICEMA'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 ICEMA'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 ICEMA'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 Budgetary Comparison Schedule, the Schedule of ICEMA's Proportionate Share of the Plan's Net Pension Liability, and the Schedule of ICEMA's Contributions to the Pension Plan, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management’s Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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 October 31, 2024, on our consideration of ICEMA’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 solely 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 the effectiveness of ICEMA’s 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 ICEMA’s internal control over financial reporting and compliance.

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Santa Ana, California
October 31, 2024

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**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***

Independent Auditors' Report

Governing Board
Inland Counties Emergency Medical Agency
San Bernardino, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Inland Counties Emergency Medical Agency (“ICEMA”), a component unit of San Bernardino County as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprises ICEMA’s basic financial statements, and have issued our report thereon dated October 31, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ICEMA’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ICEMA’s internal control. Accordingly, we do not express an opinion on the effectiveness of ICEMA’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 ICEMA’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 and significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ICEMA’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 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 results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Santa Ana, California
October 31, 2024

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Inland Counties Emergency Medical Agency
Statement of Net Position
June 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 9,204,183
Accounts receivable	336,007
Due from other governments	1,137,393
Due from other County Departments	36,000
Total current assets	10,713,583
Noncurrent assets:	
Capital assets:	
Depreciable/amortizable, net	1,490,390
Total capital assets, net	1,490,390
Total noncurrent assets	1,490,390
Total assets	12,203,973
 DEFERRED OUTFLOWS OF RESOURCES	
Pension-related deferred outflows of resources	521,831
Total deferred outflows of resources	521,831
 LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	191,471
Accrued payroll and related liabilities	69,591
Due to other County Departments	130,255
Interest payable	284
Compensated absences - due within one year	38,892
Long-term debt - due within one year	392,653
Total current liabilities	830,683
Noncurrent liabilities:	
Compensated absences - due in more than one year	51,330
Long-term debt - due in more than one year	594,527
Net pension liability	678,205
Total noncurrent liabilities	1,324,062
Total liabilities	2,154,745
 DEFERRED INFLOWS OF RESOURCES	
Pension-related deferred inflows of resources	571,487
Total deferred inflows of resources	571,487
 NET POSITION	
Net investment in capital assets	503,210
Restricted	1,230,623
Unrestricted	8,265,739
Total net position	\$ 9,999,572

Inland Counties Emergency Medical Agency
Statement of Activities
For the Year Ended June 30, 2024

	Governmental Activities
PROGRAM EXPENSES:	
Emergency medical services:	
Salaries and benefits	\$ 1,360,375
Services and supplies	1,716,916
Operating transfers	229,861
Depreciation and amortization	457,470
Interest expense	20,742
Total program expenses	3,785,364
PROGRAM REVENUES:	
Fines and forfeitures	682,939
Federal and state grants	1,597,980
Fee ordinances	2,721,788
Other revenues	176,768
Total program revenues	5,179,475
Net program revenue (expense)	1,394,111
GENERAL REVENUES:	
Investment income	403,095
Loss on disposal of capital assets	(1,002)
Other revenues	56,799
Total general revenues	458,892
Change in net position	1,853,003
NET POSITION:	
Beginning of year	8,146,569
End of year	\$ 9,999,572

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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Inland Counties Emergency Medical Agency
Governmental Funds
Balance Sheet
June 30, 2024

	Major Funds		
	General Fund	Pediatric Trauma Fund	Total
ASSETS			
Cash and investments	\$ 7,973,560	\$ 1,230,623	\$ 9,204,183
Accounts receivable	336,007	-	336,007
Due from other governments	1,137,393	-	1,137,393
Due from other County Departments	36,000	-	36,000
Total assets	\$ 9,482,960	\$ 1,230,623	\$ 10,713,583
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 191,471	\$ -	\$ 191,471
Accrued payroll and related liabilities	69,591	-	69,591
Due to other County Departments	130,255	-	130,255
Total liabilities	398,854	-	398,854
Fund Balances:			
Restricted	-	1,230,623	1,230,623
Unassigned	9,084,106	-	9,084,106
Total fund balances	9,084,106	1,230,623	10,314,729
Total liabilities and fund balances	\$ 9,482,960	\$ 1,230,623	\$ 10,713,583

Inland Counties Emergency Medical Agency
Reconciliation of the Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
June 30, 2024

Fund Balances - Governmental Funds	\$ 10,314,729
Amounts reported for governmental activities in the statement of net position are difference because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	1,490,390
Deferred outflows and inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	
Pension-related deferred outflows of resources	521,831
Pension-related deferred inflows of resources	(571,487)
Long-term liabilities applicable to ICEMA are not due and payable in the current period and accordingly are not reported as fund liabilities.	
Interest payable	(284)
Compensated absences - due within one year	(38,892)
Compensated absences - due in more than one year	(51,330)
Long-term debt - due within one year	(392,653)
Long-term debt - due in more than one year	(594,527)
Aggregate net pension liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	<u>(678,205)</u>
Net Position of Governmental Activities	<u><u>\$ 9,999,572</u></u>

Inland Counties Emergency Medical Agency
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Major Funds		
	General Fund	Pediatric Trauma Fund	Total
REVENUES:			
Fines and forfeitures	\$ 516,792	\$ 166,147	\$ 682,939
Investment income	356,088	47,007	403,095
Federal and state grants	1,597,980	-	1,597,980
Fee ordinances	2,721,788	-	2,721,788
Other revenues	176,768	-	176,768
Total revenues	5,369,416	213,154	5,582,570
EXPENDITURES:			
Salaries and wages	1,136,284	-	1,136,284
Employee benefits	466,391	-	466,391
Services and supplies	1,716,916	-	1,716,916
Capital outlay	301,006	-	301,006
Debt service:			
Principal	389,696	-	389,696
Interest and fiscal charges	20,854	-	20,854
Total expenditures	4,031,147	-	4,031,147
REVENUES OVER (UNDER) EXPENDITURES	1,338,269	213,154	1,551,423
OTHER FINANCING SOURCES (USES):			
Transfers from County Departments	56,799	-	56,799
Transfers to County Departments	(229,861)	-	(229,861)
Total other financing sources (uses)	(173,062)	-	(173,062)
CHANGES IN FUND BALANCES	1,165,207	213,154	1,378,361
FUND BALANCES:			
Beginning of year	7,918,899	1,017,469	8,936,368
End of year	\$ 9,084,106	\$ 1,230,623	\$ 10,314,729

Inland Counties Emergency Medical Agency
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2024

Net Change in Fund Balances - Governmental Funds	\$ 1,378,361
 Amounts reported for governmental activities in the statement of activities are difference because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	301,006
Depreciation and amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but it did not require the use of current financial resources. Therefore, depreciation and amortization expense was not reported as expenditures in the Governmental Funds.	(457,470)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(1,002)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment of long-term debt	389,696
Certain long-term expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Changes in interest payable	112
Changes in compensated absences	38,892
Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in pension-related deferred outflows of resources	(26,337)
Changes in net pension liabilities	395,976
Changes in pension-related deferred inflows of resources	(166,231)
Changes in Net Position of Governmental Activities	<u>\$ 1,853,003</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Organization and Operations of the Reporting Entity

The Inland Counties Emergency Medical Agency (“ICEMA”) was established under a Joint Powers Agreement between the counties of Inyo, Mono and San Bernardino on April 8, 1975. It was established to maintain a multi-county Emergency Medical Services (“EMS”) program charged with coordination, evaluation and monitoring within public and private pre-hospital providers, specialty hospitals, paramedic base hospitals, as well as the effectiveness of EMS educational programs and medical disaster preparedness. The Board of Supervisors of San Bernardino County serves as the governing board of ICEMA.

The accompanying financial statements reflect only the accounts of ICEMA and are not intended to present the financial position of San Bernardino County, California (the “County”) taken as a whole.

Because ICEMA meets the reporting entity criteria established by the Governmental Accounting Standards Board (“GASB”), ICEMA's financial statements have also been included in the Annual Comprehensive Financial Report of the County as a "blended component unit" for the fiscal year ended June 30, 2024.

Basis of Presentation

ICEMA’s financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Governmental Accounting Standards Board (“GASB”) is the acknowledged standards setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Fees and fines are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenses are recorded when a liability is incurred.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the reporting entity. As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Basis of Accounting and Measurement Focus (Continued)

Fund Financial Statements

Governmental funds 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.

In the fund financial statements, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Fees and fines are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. ICEMA considers items available if received within nine-months of year end, for voluntary non-exchange transactions such as federal and state grants and government-mandated non-exchange transactions.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and leases are reported as other financing sources.

ICEMA reports the following major governmental funds:

General Fund

The General Fund is ICEMA's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The General Fund includes "Liquidated Damages" to account for liquidated damages and assessments from EMS providers relative to late runs occurring within a defined service area and other failures to meet required standards to be utilized for the purpose of enhancing the EMS system. The General Fund also includes the "Hospital Preparedness Program", to account for grant funds received to maintain, refine and enhance healthcare systems to be prepared for all-hazards events and "Hospital Preparedness Program for H1N1" to account for grant funds received to plan, prepare for, and respond to an H1N1 influenza pandemic.

Pediatric Trauma Special Revenue Fund

The Pediatric Trauma Special Revenue Fund is used to account for penalties collected by the San Bernardino Superior Court to be used to compensate emergency medical care providers when other sources of compensation are absent.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, and amounts deposited in the San Bernardino County Pool (the “County Pool”). ICEMA maintains all of its cash on deposit with the County Treasurer.

Due from Other Governments

Claims made for reimbursement of costs incurred during the fiscal year have been accrued as due from the State of California Department of Public Health, the Emergency Medical Services Authority, or other governmental agencies in the same fiscal year.

Leases – Lessee

ICEMA has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. ICEMA recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commencement of a lease, ICEMA initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that ICEMA has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how ICEMA determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- ICEMA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, ICEMA generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that ICEMA is reasonably certain to exercise.

ICEMA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right-to-use along with other capital assets and lease liabilities are reported with long-term debt on the Government-Wide Statement of Net Position.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and structures and improvements, are reported under the governmental activities in the government-wide financial statements. Capital assets are defined by ICEMA as assets with an initial, individual cost of more than \$5,000 (for improvements to land and structures and equipment) and have an estimated useful life in excess of one year. Structures with an initial cost of \$100,000 are considered capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value (an entry price) at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of ICEMA are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Useful Lives
Vehicles	6 years
Equipment	5-15 years
Purchased software	5 years
Lease assets	5-15 years

Deferred Outflows/Inflows of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time.

Compensated Absences

Accumulated vacation, holiday benefits, sick pay and compensatory time off, are recorded as an expense and liability as the benefits are paid on the fund statements but recorded when earned by the employee on the statement of net position. In the event of retirement or termination, an employee is paid 100% of accumulated vacation pay. ICEMA is not obligated to pay for unused sick leave if an employee terminates or retires.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense related to pensions, information about the fiduciary net position of ICEMA's San Bernardino County Employees' Retirement Association ("SBCERA") 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 SBCERA. For this purpose, employer and employee contributions are recognized in the period the related salaries are earned and become measurable pursuant to formal commitments, statutory or contractual requirements, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms, and investments are reported at fair value.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Pension Plan (Continued)

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

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. 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 the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

Net Position

Net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding debt that is attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of net amount of assets that are not included in the determination of *restricted* or *investment in capital assets*.

Fund Balance

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Types Definitions*, the following classifications describe the relative strength of the spending constraints placed on the purposes for which the resources can be used:

Nonspendable Fund Balance: Amounts cannot be spent because they are: (a) not in spendable form or (b) legally or contractually required to be maintained intact. Due to the nature or form of the resources, they generally cannot be expected to be converted into cash or a spendable form.

Restricted Fund Balance: Amounts are restricted by external parties, i.e., creditors, grantors, contributors, or laws/regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Committed Fund Balance: Amounts can only be used for a specific purpose pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the governing board). The formal action must occur prior to the end of the reporting period, however, the amount may be determined in the subsequent period. These are self-imposed limitations on available resources. These committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same level of action it employed to previously commit those amounts. These committed amounts would be approved and adopted by formal action of the governing board.

Assigned Fund Balance: Amounts are constrained by ICEMA's intent to be used for specific purposes that are neither restricted nor committed. The intent will be expressed by the body or official to which the governing body has delegated the authority.

Unassigned Fund Balance: Amounts represent fund balance that has not been restricted, committed, or assigned and may be utilized by ICEMA for any purpose.

It is the ICEMA's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

Stewardship, Compliance and Accountability

Budgetary Information

In accordance with provisions of Section 29000 - 29143 of the Government Code of the State of California, commonly known as the County Budget Act, ICEMA prepares and adopts a budget on or before August 30 for each fiscal year. Budgets are prepared on the modified accrual basis of accounting. The legal level of budgetary control is the object level and the sub-object level for fixed assets within each fund. ICEMA did not prepare a budget for the Pediatric Trauma Special Revenue Fund for the year ended June 30, 2024.

Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Amendments or transfers of appropriations between funds or departments must be approved by the Board. Transfers at the sub-object level or cost center level may be done at the discretion of ICEMA's Administration Department head. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning available fund balances as provided for in the County Budget Act.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Reporting Entity and Summary of Significant Accounting Policies (Continued)

Stewardship, Compliance and Accountability (Continued)

Implementation of New GASB Pronouncements for the Year Ended June 30, 2024

During fiscal year ended June 30, 2024, ICEMA has implemented the following new GASB Pronouncements:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Implementation of this Statement did not have a significant effect on Authority’s financial statements for the fiscal year ended June 30, 2024.

Note 2 – Cash and Investments

Cash and investments include the cash balances of monies deposited with the County Treasurer which are pooled and invested for the purpose of increasing earnings through investment activities. Interest earned on pooled investments is deposited to ICEMA's account based upon ICEMA's average daily deposit balance during the allocation period.

ICEMA pools its cash and investments with the County. ICEMA's portion or share of the County's cash and investment pool is reflected on the balance sheet and statement of net position as cash and investments. ICEMA has no separate investments in the pool and ICEMA's equity in the cash and investment pool is managed by the San Bernardino County Treasury. ICEMA is a component unit of the County and is required to participate in the pool.

California Law and the San Bernardino County Treasury Pool Investment Policy (where more restrictive) place limitations on the purchase of investments in the County Treasury Pool. ICEMA's investment in the County Treasury Pool is rated annually and currently has a rating of AAA/V1 from Fitch. Cash on deposit in the County Pool at June 30, 2024, are made on the basis of \$1 and not fair value.

Deposits and withdrawals in the County Treasury Pool are made on the basis of \$1 and not fair value. Accordingly, ICEMA’s proportionate share of investments in the County Treasury Pool at June 30, 2024 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. At June 30, 2024, ICEMA’s balance in the County Treasury Pool was \$9,204,183.

Investments Authorized by the California Government Code and the ICEMA’s Investment Policy

The succeeding table identifies the investment types that are authorized for ICEMA 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 credit risk. This table does not address investment of debt proceeds held by a bond trustee that are governed by the provisions of debt agreements of the ICEMA, rather than the general provisions of the California Government Code or ICEMA investment policy.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

Investments Authorized by the California Government Code and the ICEMA’s Investment Policy (Continued)

Investment Type	Maximum Maturity		Maximum % of Pool		Maximum \$ per Issuer		Minimum Rating ^{1,2}	
	CGC	Investment Policy	CGC	Investment Policy	CGC	Investment Policy	CGC	Investment Policy ³
U.S. Treasury Securities	5 years	5.5 years ⁹	None	None	None	None	None	None
U.S. Government Securities	5 years	5.5 years ⁹	None	None	None	None	None	None
Negotiable Certificates of Deposit	5 years	3 years	30%	30%	None	5%	None	A-1/P-1/A-/A3
Collateralized Certificates of Deposit	5 years	1 year	None	10%	None	None	None	None
Commercial Paper	270 days	270 days	40%	40%	10%	5%	A-1/A	A-1/P-1/F1
Repurchase Agreements	1 year	180 days	None	40%	None	None	None	None
Reverse Repurchase Agreements	92 days ⁴	92 days ⁴	20%	10%	None	None	None ⁵	None ⁵
Municipal Debt	5 years	5 years	None	10%	None	None	None	AAA by 2 NRSROs
Medium-Term Corporate Notes	5 years	38 months	30%	10%/20% ⁶	None	200MM/5% ⁶	A-1/A	A- by 2 NRSROs
Insured Placement Services Accounts	5 years	Immediate liquidity	30%	5%	None	100MM ⁷	None	N/A
JPA Investment Pools	N/A	Immediate liquidity	None	5%	None	300MM	None	AAAm
Money Market Mutual Funds	N/A	Immediate liquidity	20%	15%	None	10%	AAAm by 2 NRSROs	AAAm by 2 NRSROs
Supranationals	5 years	5 years	30%	30%	None	None	AA	AA
Asset-Backed Securities	5 years	5 years	20%	10%	None	200MM/5% ⁶	AA	AA

Footnote:

¹Minimum credit rating categories are without regard to ratings modifiers (+/-)

²Standard & Poor's Ratings (quoted) or the equivalent NRSRO rating

³The County uses the credit ratings issued by the following nationally recognized statistical rating organizations: Standard & Poor's Ratings Services, Moody's Investors Service, and Fitch Ratings.

⁴May exceed 92 days if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale and final maturity dates of the same security.

⁵May have held the securities used for the agreements for at least 30 days.

⁶Maximum \$200MM par value of any one issuer, subject to 5% overall corporate issuer limit.

⁷FICA account balances are fully covered by FDIC insurance. Term deposits are not permitted. Maximum \$100MM per selected depository institution. Maximum \$100MM per placement service.

⁸Maximum portfolio Medium-Term Corporate Notes exposure is 20% with a limit of 10% on maturities over 13 months.

⁹California GC Section 53601 allows for purchases of US Treasury and Agency securities beyond 5 years with approval of the Board of Supervisors.

Disclosure Relating to 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 investments, the greater the sensitivity of its fair value to changes in market interest rates.

Disclosure Relating to 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.

Concentration of Credit Risk

The investment policy of ICEMA contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represents 5% or more of total ICEMA investments.

Custodial Credit Risk

Custodial credit risk for *deposits* exists when, in the event of a depository financial institution failure, a government may be unable to recover deposits or collateral securities that are in the possession of an outside party. The *California Government Code* and ICEMA’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the *California Government Code* requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure ICEMA deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

Custodial Credit Risk (Continued)

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the ICEMA’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of a mutual fund or government investment pool.

Note 3 – Capital Assets

Summary of changes in capital assets for the year ended June 30, 2024 were as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets, being depreciated				
Vehicles	\$ 498,564	\$ -	\$ (85,759)	\$ 412,805
Equipment	965,513	301,006	(7,220)	1,259,299
Purchased software	667,930	-	-	667,930
Total capital assets, being depreciated	<u>2,132,007</u>	<u>301,006</u>	<u>(92,979)</u>	<u>2,340,034</u>
Accumulated depreciation for:				
Vehicles	(463,879)	(7,854)	85,759	(385,974)
Equipment	(725,130)	(61,858)	6,218	(780,770)
Purchased software	(667,930)	-	-	(667,930)
Total accumulated depreciation	<u>(1,856,939)</u>	<u>(69,712)</u>	<u>91,977</u>	<u>(1,834,674)</u>
Total capital assets, being depreciated, net	<u>275,068</u>	<u>231,294</u>	<u>(1,002)</u>	<u>505,360</u>
Lease assets, being amortized				
Building	2,148,763	-	-	2,148,763
Total lease assets, being amortized	<u>2,148,763</u>	<u>-</u>	<u>-</u>	<u>2,148,763</u>
Accumulated amortization for:				
Building	(775,975)	(387,758)	-	(1,163,733)
Total accumulated amortization	<u>(775,975)</u>	<u>(387,758)</u>	<u>-</u>	<u>(1,163,733)</u>
Total lease assets, being amortized, net	<u>1,372,788</u>	<u>(387,758)</u>	<u>-</u>	<u>985,030</u>
Total capital assets, net	<u>\$ 1,647,856</u>	<u>\$ (156,464)</u>	<u>\$ (1,002)</u>	<u>\$ 1,490,390</u>

Note 4 – Transactions with the County

ICEMA uses the treasury function of the County and at times maintains a cash overdraft with the County which can be repaid only through collection of receivables. ICEMA Center had no cash overdrafts as of June 30, 2024.

ICEMA is allocated a portion of the County's overhead costs. Such expenses totaled \$69,526 for the year ended June 30, 2024 and are included as operating expenses in the accompanying statements of revenues, expenses, and changes in net position.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 4 – Transactions with the County (Continued)

Transfers from other County Departments were \$56,799 for the year ended June 30, 2024. Current year transfers were to fund the Homeland grant reimbursement. Transfers to other County Departments were \$229,861 for the year ended June 30, 2024. Current year transfers were to reimburse the Innovation and Technology Department, Purchasing Department, and Real Estate Services Department for software licensing, office supplies, and warehouse lease reimbursements respectively.

Amounts due to other County Departments in the amounts of \$130,255 for the year ended June 30, 2024, represents amounts due to County Counsel and Teamsters Union for legal services and to fund the newly approved medical trust fund. The year-end due to/due from balances previously noted are expected to be received and repaid within the next fiscal year.

Note 5 – Compensated Absences

Summary of changes in the compensated absences balance for the year ended June 30, 2024 was as follows:

	Balance			Balance June 30, 2024	Classification	
	July 1, 2023	Additions	Deletions		Due within One Year	Due in More Than One Year
Compensated absences	\$ 129,114	\$ 117,389	\$ (156,281)	\$ 90,222	\$ 38,892	\$ 51,330

Note 6 – Long-Term Debt

A summary of changes in the long-term debt of the governmental activities for the year ended June 30, 2024, is as follows:

	Balance			Balance June 30, 2024	Classification	
	July 1, 2023	Debt Issued	Debt Retired		Due within One Year	Due in More Than One Year
Lease liability	\$ 1,376,876	\$ -	\$ (389,696)	\$ 987,180	\$ 392,653	\$ 594,527

Lease Liability

ICEMA has entered into leases for the use of a building. The remaining term of the 15-year agreement is 3 years. The calculated interest rates vary from 0.75% based on the length of the lease.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 392,653	\$ 6,059	\$ 398,712
2026	395,608	3,104	398,712
2027	198,919	437	199,356
Total	\$ 987,180	\$ 9,600	\$ 996,780

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Defined Benefit Pension Plan

ICEMA participates in the following County-Wide Retirement Plan. ICEMA contributes to the plan an amount determined by the County.

Plan Description

The County provides pension benefits to eligible employees through a cost sharing multiple-employer defined benefit pension plan (the “Plan”) administered by the San Bernardino County Employees' Retirement Association (“SBCERA”).

The Plan is governed by the SBCERA Board of Retirement (Board) under the provisions of the California County Employees' Retirement Law of 1937 (“CERL”) and the California Public Employees' Pension Reform Act of 2013 (“PEPRA”). The Plan's authority to establish and amend the benefit terms are set by the CERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the San Bernardino County Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401 (a) of the Internal Revenue Code.

SBCERA publishes its own annual comprehensive financial report that includes its financial statements and required supplementary information, which can be obtained by writing to SBCERA, Attention: Fiscal Services Department, 348 W. Hospitality Lane Suite 100, San Bernardino, CA 92408 or visiting their website at www.SBCERA.org.

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. SBCERA administers the Plan which provides benefits for two membership classifications, General and Safety, and those benefits are tiered based upon date of SBCERA membership. Safety membership is extended to those involved in active law enforcement and fire suppression. All other members are classified as General members. Generally, those who become members prior to January 1, 2013 are Tier 1 members. All other members are Tier 2. An employee who is appointed to a regular position, whose service is at least fifty percent of the full standard of hours required is a member of SBCERA and is provided with pension benefits pursuant to Plan requirements. The CBRL and PEPRA establish benefit terms.

Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

	General - Tier 1	General - Tier 2	Safety - Tier 1	Safety - Tier 2
Final Average Compensation	Highest 12 consecutive months	Highest 36 consecutive months	Highest 12 consecutive months	Highest 36 consecutive months
Normal Retirement Age	The later of age 55 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 55 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 50 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70	The later of age 50 or the age at which the member vests in his/her benefits under the CERL, but not later than age 70
Early Retirement: Years of Service required and/or age eligible for	Age 70 any years 10 years age 50 30 years any age	Age 70 any years 5 years age 52 N/A	Age 70 any years 10 years age 50 20 years any age	Age 70 any years 5 years age 50 N/A
Benefit	At normal retirement age, 2.00% per year of final average compensation for every year of service credit	At age 67, 2.50% per year of final average compensation for every year of service credit	At normal retirement age, 3.00% per year of final average compensation for every year of service credit	At age 57, 2.70% per year of final average compensation for every year of service credit
Benefit Adjustments	Reduced before age 55, increased after 55 up to age 65	Reduced before age 67	Reduced before age 50	Reduced before age 57
Final Average Compensation Limitation	Internal Revenue Code Section 401(a)(17)	Government Code Section 7522.10	Internal Revenue Code Section 401(a)(17)	Government Code Section 7522.10

**Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024**

Note 7 – Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

An automatic cost of living adjustment is provided to benefit recipients based on changes in the local region Consumer Price Index (“CPI”) up to a maximum of 2% per year. Any increase greater than 2% is banked and may be used in years where the CPI is less than 2%. There is a one-time 7% increase at retirement for members hired before August 19, 1975. The Plan also provides disability and death benefits to eligible members and their beneficiaries, respectively. For retired members, the death benefit is determined by the retirement benefit option chosen.

For all other members, the beneficiary is entitled to benefits based on the members’ years of service or if the death was caused by employment. General members are also eligible for survivor benefits which are payable upon a member's death.

Contributions

Participating employers and active members are required by statute to contribute a percentage of covered salary to the Plan. This requirement is pursuant to Government Code Sections 31453.5 and 31454 for participating employers, and Government Code Sections 31621.6, 31639.25, and 7522.30 for active members. The contribution requirements are established and may be amended by the SBCERA Board pursuant to Article I of the CERL, which is consistent with the Plan's actuarial funding policy.

The contribution rates are adopted yearly based on an annual actuarial valuation, which is conducted by an independent actuary, that requires actuarial assumptions with regard to mortality, expected future service (including age at entry into the Plan, if applicable, and tier), and compensation increases of the members and beneficiaries. The combined active member and employer contribution rates are expected to finance the costs of benefits for employees that are allocated during the year, with an additional amount to finance any unfunded accrued liability. Participating employers may pay a portion of the active members' contributions through negotiations and bargaining agreements.

Employee and employer contribution rates for the fiscal year ended June 30, **2024** are as follows:

Description	General - Tier 1	General - Tier 2	Safety - Tier 1	Safety - Tier 2
Employee contribution rates	9.17% - 15.82%	9.08%	12.59% - 18.53%	15.77%
Employer contribution rates	25.54%	22.53%	61.93%	53.58%

For the year ended June 30, **2024**, ICEMA's contribution to the Plan of \$224,207 equaled the actuarially determined required employer contributions.

Net Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, **2024**, ICEMA reported a liability of 678,205 for its proportionate share of the County’s net pension liability. The net pension liability was measured as of June 30, **2023**, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. ICEMA’s proportion of the County’s net pension liability was based on ICEMA’s fiscal year **2023** actual contributions to the County’s pension plan relative to the total contributions of the County as a whole. At measurement date June 30, **2023**, ICEMA’s proportion was 0.0337 percent, which was a decrease of 0.0216 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, **2024**, ICEMA recognized a pension expense of \$20,799.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Defined Benefit Pension Plan (Continued)

Net Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

At June 30, 2024, ICEMA reported its proportionate share of the County's deferred outflows of resources and deferred inflows of resources related to pensions, from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 224,207	\$ -
Changes in proportion and differences between employer contributions and proportionate share of contributions	190,979	531,899
Differences between expected and actual experience	55,791	11,410
Changes of assumptions	26,312	28,178
Net differences between projected and actual investment earnings on pension plan investments	24,542	-
Total deferred outflows/inflows of resources	\$ 521,831	\$ 571,487

The total amount of \$224,207 reported as deferred outflows of resources related to contributions to the Plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. The resulting negative net amount of (\$273,863) reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30</u>	<u>Balance</u>
2025	\$ (87,799)
2026	(157,227)
2027	19,892
2028	(42,228)
2029	(6,501)
Total	\$ (273,863)

Discount Rate

The discount rate used to measure the Plan's total pension liability was 7.25% for the measurement period ended June 30, 2023. The projection of cash flows used to determine the discount rate assumed employer and member contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. 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 returns on the Plan investments of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

ICEMA’s proportion of the County's total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Entry age actuarial cost method
Actuarial Assumptions:	
Investment rate of return	7.25%, net of pension plan investment expenses, including inflation
Inflation rate	2.50%
Real across-the-board salary	0.50%
Projected salary increases	General: 4.30% to 9.5% and Safety: 4.75% to 10.00%
Cost of living adjustments	2.00% (actual increases contingent upon CPI increases with a 2.00% maximum)
Administrative expenses	0.90% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member.

Mortality rates used in the June 30, **2023** actuarial valuation were based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2021 projection scale. For healthy General members, the General Healthy Retiree rates (increased by 10%) were used. For disabled General members, the Non-Safety Disabled Retiree rates (decreased by 5% for females) were used. For beneficiaries not currently in Pay Status, the General Healthy Retiree rates (increased by 10%) were used. For beneficiaries currently in Pay Status, the General Contingent Survivor rates (increased by 5% for males and 15% for females) were used.

The actuarial assumptions used to determine the total pension liability as of June 30, **2023** were based on the results of the Actuarial Experience Study dated May 24, 2023, which covered the period from July 1, 2019 through June 30, 2022. They are the same assumptions used in the June 30, **2023** actuarial valuations.

The long-term expected rate of return on the Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Defined Benefit Pension Plan (Continued)

Actuarial Assumptions (Continued)

The June 30, 2023 target allocation (approved by the SBCERA Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, used in the derivation of the long-term expected investment rate of return assumption are summarized in the table as follows:

<u>Investment Type</u>	<u>Investment Classification</u>	<u>Target Allocation¹</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap U.S. Equity	Domestic Common and Preferred Stock	14.50%	6.00%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.50%	6.65%
Developed International Equity	Foreign Common and Preferred Stock	7.00%	7.01%
Emerging Market Equity	Foreign Common and Preferred Stock	6.00%	8.80%
U.S. Core Fixed Income	U.S. Government and Municipals/Domestic Bonds	2.00%	1.97%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	6.48%
Emerging Market Debt	Emerging Market Debt	6.00%	4.76%
Real Estate Core	Real Estate	2.50%	3.86%
Real Estate Non-Core	Real Estate	2.50%	5.40%
International Credit	Foreign Alternatives	11.00%	7.10%
Absolute Return	Domestic Alternatives/Foreign Alternatives	7.00%	7.10%
Real Assets	Domestic Alternatives/Foreign Alternatives	6.00%	10.10%
Private Equity	Domestic Alternatives/Foreign Alternatives	18.00%	9.84%
Cash and Equivalents	Short-Term Cash Investment Funds	2.00%	0.63%
Total		<u>100.00%</u>	

¹ For actuarial purposes, target allocations only change once every three years based on the triennial actuarial experience study.

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

The following presents ICEMA's proportionate share of the County's net pension liability, calculated using the discount rate of 7.25%, as well as what ICEMA's proportionate share of the County's net pension liability would be if it were calculated using a discount rate that is 1 -percentage-point lower (6.25%) or 1 -percentage-point higher (8.25%) than the current rate:

<u>Description</u>	<u>Discount Rate - 1%</u> <u>6.25%</u>	<u>Current Discount</u> <u>Rate 7.25%</u>	<u>Discount Rate + 1%</u> <u>8.25%</u>
ICEMA's proportionate share of the net pension liability	\$ 1,492,778	\$ 678,205	\$ 12,039

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued SBCERA Annual Comprehensive Financial Report.

Inland Counties Emergency Medical Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Risk Management

ICEMA is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, errors and omissions, general liabilities, workers' compensation, injuries to employees and others, and natural disasters. Through the County, internal service funds are utilized where assets are set aside for claim settlements up to certain limits and the County has obtained excess liability coverage through a combination of insurance policies. No claim settlements have exceeded insurance coverage in any of the past three years.

ICEMA participates in the County's self-insurance programs for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, and workers' compensation claims. Refer to the County's Annual Comprehensive Financial Report for further details.

Note 9 – Fund Balances

At June 30, 2024, fund balances were classified as follows:

	General (SMI, CYX, CYZ, XJM)	Pediatric Trauma (CYY)	Total
Restricted:			
Pediatric Trauma	\$ -	\$ 1,230,623	\$ 1,230,623
Unassigned:			
Unassigned	9,084,106	-	9,084,106
Total	\$ 9,084,106	\$ 1,230,623	\$ 10,314,729

Note 10 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30, 2024 consisted of the following:

	Governmental Activities
Net investment in capital assets:	
Capital assets, depreciable/amortizable, net	\$ 1,490,390
Long-term debt:	
Lease liability	(987,180)
Total net investment in capital assets	\$ 503,210

Note 11 – Commitment and Contingencies

Federal and State Grants

ICEMA receives funds from various Federal and State Agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of the funds.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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Inland Counties Emergency Medical Agency
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable/ (Unfavorable)
REVENUES:				
Fines and forfeitures	\$ 541,000	\$ 541,000	\$ 516,792	\$ (24,208)
Investment income	65,000	65,000	356,088	291,088
Federal and state grants	2,038,993	2,738,993	1,597,980	(1,141,013)
Fee ordinances	2,212,235	2,212,235	2,721,788	509,553
Other revenues	-	622,350	176,768	(445,582)
Total revenues	<u>4,857,228</u>	<u>6,179,578</u>	<u>5,369,416</u>	<u>(810,162)</u>
EXPENDITURES:				
Salaries and wages	1,574,794	1,574,794	1,136,284	438,510
Employee benefits	618,398	618,398	466,391	152,007
Services and supplies	1,417,620	2,138,245	1,716,916	421,329
Capital outlay	150,000	483,755	301,006	182,749
Debt service:				
Principal	10,244	400,523	389,696	10,827
Interest and fiscal charges	-	9,016	20,854	(11,838)
Total expenditures	<u>3,771,056</u>	<u>5,224,731</u>	<u>4,031,147</u>	<u>1,193,584</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,086,172</u>	<u>954,847</u>	<u>1,338,269</u>	<u>383,422</u>
OTHER FINANCING SOURCES (USES):				
Transfers from County Departments	63,000	63,000	56,799	(6,201)
Transfers to County Departments	(6,396,333)	(1,171,822)	(229,861)	941,961
Total other financing sources (uses)	<u>(6,333,333)</u>	<u>(1,108,822)</u>	<u>(173,062)</u>	<u>935,760</u>
CHANGES IN FUND BALANCE	<u>\$ (5,247,161)</u>	<u>\$ (153,975)</u>	<u>1,165,207</u>	<u>\$ 1,319,182</u>
FUND BALANCE:				
Beginning of year			<u>7,918,899</u>	
End of year			<u>\$ 9,084,106</u>	

Inland Counties Emergency Medical Agency
Schedule of Proportionate Share of Net Pension Liability
Last Ten-Year Schedules

Fiscal Year:	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Measurement Date:	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Proportion of the net pension liability	0.0337%	0.0553%	0.0443%	0.0715%	0.0696%
Proportionate share of the net pension liability	\$ 678,205	\$ 1,074,181	\$ 473,488	\$ 2,378,608	\$ 1,545,336
Covered payroll	\$ 741,789	\$ 1,042,348	\$ 1,031,093	\$ 1,135,213	\$ 1,124,306
Proportionate share of the net pension liability as a percentage of covered payroll	91.43%	103.05%	45.92%	209.53%	137.45%
Plan fiduciary net position as a percentage of the total pension liability	85.57%	85.12%	91.19%	71.96%	79.61%

Fiscal Year:	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement Date:	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Proportion of the net pension liability	0.0687%	0.0716%	0.0905%	0.0928%	0.1044%
Proportionate share of the net pension liability	\$ 1,420,319	\$ 1,560,630	\$ 1,857,223	\$ 1,506,558	\$ 1,501,344
Covered payroll	\$ 1,078,835	\$ 1,050,929	\$ 1,245,905	\$ 1,324,444	\$ 1,428,541
Proportionate share of the net pension liability as a percentage of covered payroll	131.65%	148.50%	149.07%	113.75%	105.10%
Plan fiduciary net position as a percentage of the total pension liability	79.89%	77.90%	76.86%	80.98%	82.47%

In 2024, the actuarial assumptions used in the June 30, 2023 valuation were based on the results of the 2020 Triennial Actuarial Experience Study, which covered the period from July 1, 2019 through June 30, 2022. Amounts reported in 2024 primarily reflect a decrease of 0.25% for inflation rate, an increase of 0.05% of payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates used in the June 30, 2023 actuarial valuation were based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2021 projection scale rather than MP-2019 projection scale.

In 2023, there were no changes of assumptions. Amounts reported in 2023 primarily reflect the -2.37% return on the market value of assets during 2021-2022 that was lower than the assumed return of 7.25%. Additionally, the results of the Board adopted Resolution 2020-5 in this valuation reflect the refunds of member contributions previously paid in conjunction with certain pay items for inclusion in compensation earnable, which increased the net pension liability by \$12.3 million.

In 2022, there were no changes of assumptions. Amounts reported in 2022 primarily reflect the 32.61% return on the market value of assets during 2020-2021 that was higher than the assumed return of 7.25% and the changes in benefit terms based on a decision in the Alameda County Deputy Sheriffs' Assn. et al. v. Alameda County Employees' Retirement Assn. litigation issued by the California Supreme Court on July 30, 2020. The Board of Retirement adopted Resolution 2020-5, which detailed the implementation of the Alameda decision including reclassifying certain pay items for inclusion in compensation aimable. The results in this valuation reflect the reclassification of those pay codes, which reduced the Plan's net pension liability by \$132.8 million.

In 2021, the actuarial assumptions used in the June 30, 2020 valuation were based on the results of the actuarial experience study for the period from July 1, 2016 through June 30, 2019. Amounts reported in 2021 primarily reflect a decrease of 0.25% inflation rate, an increase of 0.15% payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates were based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2019 projection scale.

In 2019 and 2020, there were no changes of assumptions. In 2018, the actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the three year period of July 1, 2013 through June 30, 2016. Amounts reported in 2018 primarily reflect a decrease of 0.25% for both the investment rate of return and inflation rate, an increase of 0.1% of payroll for administrative expenses, and adjustments of projected salary increases and mortality rates to more closely reflect actual experience. Mortality rates used in the June 30, 2017 actuarial valuation were based on the Headcount-Weighted RP 2014 Healthy Annuitant Mortality Table rather than on the RP-2000 Combined Healthy Mortality Table, which was used to determine amounts reported prior to 2018.

Inland Counties Emergency Medical Agency
Schedule of Pension Contributions
Last Ten-Year Schedules

Fiscal Year:	<u>June 30, 2024</u>	<u>June 30, 2023**</u>	<u>June 30, 2022</u>	<u>June 30, 2021*</u>	<u>June 30, 2020</u>
Actuarially determined contributions	\$ 224,207	\$ 185,147	\$ 285,307	\$ 261,664	\$ 282,015
Contributions in relation to the actuarially determined contributions	(224,207)	(185,147)	(285,307)	(261,664)	(282,015)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	<u>\$ 960,210</u>	<u>\$ 741,789</u>	<u>\$ 1,042,348</u>	<u>\$ 1,031,093</u>	<u>\$ 1,135,213</u>
Contributions as a percentage of the covered payroll	<u>23.35%</u>	<u>24.96%</u>	<u>27.37%</u>	<u>25.38%</u>	<u>24.84%</u>
Fiscal Year:	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially determined contributions	\$ 277,934	\$ 235,364	\$ 231,574	\$ 279,246	\$ 268,187
Contributions in relation to the actuarially determined contributions	(277,934)	(235,364)	(231,574)	(279,246)	(268,187)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	<u>\$ 1,124,306</u>	<u>\$ 1,078,835</u>	<u>\$ 1,050,929</u>	<u>\$ 1,245,905</u>	<u>\$ 1,324,444</u>
Contributions as a percentage of the covered payroll	<u>24.72%</u>	<u>21.82%</u>	<u>22.04%</u>	<u>22.41%</u>	<u>20.25%</u>

Notes to Schedule:

* 2021 Contributions was revised due to the Plan corrected an error on the 415 replacement benefit plan adjustment.

** 2023 Contributions was revised due to the Plan write off memo adjustment.

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