

**EXETER DISTRICT AMBULANCE**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**Years Ended June 30, 2023 and 2022**

**EXETER DISTRICT AMBULANCE**

**JUNE 30, 2023**

**BOARD OF DIRECTORS AND ADMINISTRATION**

Marilyn Rankin	President
Myra Crookshanks	Vice-President
Rachel Orosco	Secretary
Vacant	Director
Vacant	Director
Stuart Nickels	District Manager

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## Independent Auditors' Report

Board of Directors  
Exeter District Ambulance

### Opinion

We have audited the financial statements of Exeter District Ambulance, as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of Exeter District Ambulance, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years 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 and the State Controller's Minimum Audit Requirements for California Special Districts. 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 the District, 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 these 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 District'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 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, 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 District'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 District'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 District's proportionate share of the net pension liability and schedule of the District's pension contributions 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 section 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.

*M. Green and Company LP*

Tulare, California  
March 25, 2024



**EXETER DISTRICT AMBULANCE**

**STATEMENTS OF NET POSITION  
JUNE 30, 2023 AND 2022**



**LIABILITIES AND NET POSITION**

**CURRENT LIABILITIES:**

	<u>2023</u>	<u>2022</u>
Curren portion of long-term debt	\$ 83,250	\$ -
Accounts payable	108,338	78,287
Accrued wages and payroll taxes	53,106	31,555
Compensated absences payable	30,090	27,649
Interest payable	1,796	-
	<u>276,580</u>	<u>137,491</u>

**LONG-TERM LIABILITIES:**

Notes payable, net of current portion	230,257	146,175
Pension liability	<u>364,830</u>	<u>422,585</u>
	<u>595,087</u>	<u>568,760</u>

**DEFERRED INFLOWS OF RESOURCES**

	<u>270,420</u>	<u>226,250</u>
Total liabilities and deferred inflows of resources	<u>1,142,087</u>	<u>932,501</u>

**NET POSITION:**

Net investment in capital assets, net of related debt	224,707	339,063
Unrestricted	<u>454,112</u>	<u>138,790</u>
	<u>678,819</u>	<u>477,853</u>
Total net position	<u>678,819</u>	<u>477,853</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,820,906</u>	<u>\$ 1,410,354</u>

See notes to financial statements.

## EXETER DISTRICT AMBULANCE

### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION YEARS ENDED JUNE 30, 2023 AND 2022

<u>OPERATING REVENUES:</u>	<u>2023</u>	<u>2022</u>
Service revenues	\$ 6,052,747	\$ 6,156,977
Contractual write downs	(3,894,515)	(3,658,768)
Other charges write downs	(82,744)	(485,474)
Grant income	-	64,528
Bad debt recovery	28,666	46,585
Miscellaneous	10,232	139,270
	<u>2,114,386</u>	<u>2,263,118</u>
Total operating revenues		
<u>OPERATING EXPENSES:</u>		
Salaries, wages, and benefits	1,332,087	1,579,161
Bad debts	502,654	481,095
Bank service charges	1,163	1,555
Communications	86,445	110,837
Fines and assessments	9,739	17,407
Fuel and oil	76,368	64,190
Insurance	33,173	44,264
Legal and professional	131,395	142,465
Memberships	279	1,019
Office expense	23,299	28,481
Repairs and maintenance	92,913	86,014
Special district expense	42,073	95,968
Supplies	56,696	50,127
Travel, training and seminars	5,713	1,787
Uniforms	12,868	9,795
Utilities	21,972	22,211
Miscellaneous	7,204	11,250
Depreciation	45,145	25,149
	<u>2,481,186</u>	<u>2,772,775</u>
Total operating expenses		
Loss from operations	<u>(366,800)</u>	<u>(509,657)</u>

(continued)

## EXETER DISTRICT AMBULANCE

### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Loss from operations, from previous page	\$ (366,800)	\$ (509,657)
<b><u>NONOPERATING REVENUES (EXPENSES):</u></b>		
Interest income	1,216	133
Property taxes	363,238	339,630
Interest expense	(3,909)	-
Gain on sale of asset	45,744	1,250
GEMT reimbursements	161,477	-
Total nonoperating revenues (expenses)	567,766	341,013
Increase (decrease) in net position	200,966	(168,644)
Net position, at beginning of year	477,853	646,497
Net position, at end of year	\$ 678,819	\$ 477,853

See notes to financial statements.



# EXETER DISTRICT AMBULANCE

## STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2023 AND 2022

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2023</u>	<u>2022</u>
Cash received from customers	\$ 1,980,190	\$ 2,040,903
Other cash receipts	38,898	250,383
Cash payments to suppliers for goods and services	(1,391,475)	(1,490,272)
Cash payments to employees for services	<u>(1,043,694)</u>	<u>(1,105,194)</u>
Net cash used by operating activities	<u>(416,081)</u>	<u>(304,180)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Property taxes received	<u>531,825</u>	<u>338,516</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Capital asset acquisitions	(87,424)	-
Payments on note payables	(3,796)	-
Cash received from sale of assets	60,000	1,250
Cash paid for interest	<u>(2,113)</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(33,333)</u>	<u>1,250</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest income	<u>1,363</u>	<u>775</u>
Net increase in cash and cash equivalents	83,774	36,361
Cash and cash equivalents, at beginning of year	<u>348,039</u>	<u>311,678</u>
Cash and cash equivalents, at end of year	<u>\$ 431,813</u>	<u>\$ 348,039</u>

(continued)

## EXETER DISTRICT AMBULANCE

### STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2023 AND 2022

**RECONCILIATION OF OPERATING  
LOSS TO NET CASH USED BY  
OPERATING ACTIVITIES:**

	2023	2022
Operating loss	\$ (366,800)	\$ (509,657)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	45,145	25,149
(Increase) decrease in:		
Accounts receivable	(95,298)	28,168
Prepaid expenses	18,239	7,689
Other current assets	-	778
Deferred outflows of resources	(57,825)	62,548
Increase (decrease) in:		
Accounts payable	30,051	(25,913)
Accrued wages and payroll taxes	21,551	(314)
Accumulated compensated absences	2,441	(11,787)
Pension liability	(57,755)	(28,175)
Deferred inflows of resources	44,170	147,334
	44,170	147,334
Net cash used by operating activities	\$ (416,081)	\$ (304,180)

**SUPPLEMENTAL DISCLOSURE OF  
CASH FLOW INFORMATION:**

	2023	2022
Non-cash capital and related financing transactions:		
Capital asset acquisitions	\$ (258,552)	\$ (247,275)
Financed acquisitions	171,128	247,275
Cash paid for capital assets	\$ (87,424)	\$ -

See notes to financial statements.



# EXETER DISTRICT AMBULANCE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 1 – Summary of Significant Accounting Policies

#### Organization

Exeter District Ambulance (the District) was organized in May 1977 under provisions of Section 32002.1 of the California Health and Safety Code to provide emergency medical assistance and transportation for the residents within the tax district and the surrounding areas.

#### Reporting Entity

The District's basic financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District
- exclusion of the organization would render the financial statements incomplete or misleading

Based on these criteria, the District has no component units. Additionally, the District is not a component unit of any other reporting entity as defined by the GASB statements.

#### Fund Accounting

The operations of the District are accounted for in an enterprise fund. An enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where costs (expenses, including depreciation) of providing services to the general public on a continuing basis are financed primarily through user charges.

#### Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts of the District and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The accrual basis of accounting is required for enterprise funds and is utilized by the District. Under this method, revenues are recorded when earned and expenditures or expenses are recorded when incurred.

#### Operating and Nonoperating Revenues

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as interest dividends and investment earnings, result from nonexchange transactions or ancillary activities.

#### Budgetary Procedures

The District operates under a budget prepared and approved annually by the Board of Directors. The budget is prepared on a detailed line item basis. Revenues are budgeted by source and expenditures or expenses are budgeted by use (salaries and employee benefits, services and supplies, other charges, fixed asset acquisitions, and contingencies). Once approved, the Board of Directors may amend the adopted budget when unexpected modifications are required in estimated revenue and expenditures or expenses.



# EXETER DISTRICT AMBULANCE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 1 – Summary of Significant Accounting Policies (continued)

#### Pensions

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

#### Cash and Cash Equivalents

For the purposes of these financial statements, the District considers cash in checking, cash in savings, and all other highly liquid investments with original maturities of three months or less at date of purchase to be cash and cash equivalents.

#### Allowance for Doubtful Accounts

The District has provided for an allowance for doubtful accounts consisting of estimated write-offs based on historical experience. This is further adjusted based on review of aged accounts receivable as deemed necessary. The allowance at June 30, 2023 and 2022, was \$478,000 and \$472,000, respectively.

#### Capital Assets

All capital assets are recorded at historical cost. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the District's statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation. The estimated useful life for the District's capital assets is as follows:

Office equipment	5 – 8 years
Vehicles and equipment	5 – 10 years
Buildings and improvements	10 – 20 years

#### Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as a liability of the District at June 30, 2023 and 2022, and are calculated using the employees current pay rate. Employees do not gain a vested right to accumulated sick leave; therefore, accumulated employee sick leave benefits are not recognized as a liability of the District but are recorded as expenses in the year sick leave is taken.

#### Equity Classifications

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

*Net investment in capital assets* – consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.



# EXETER DISTRICT AMBULANCE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 1 – Summary of Significant Accounting Policies (continued)

#### Equity Classifications (continued)

*Restricted net position* – net position is considered restricted if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. The District did not have any restricted net position as of June 30, 2023 and 2022.

*Unrestricted net position* – consists of all other net position that does not meet the definition of the above two components and is available for general use by the District.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, management applies restricted net position first, unless a determination is made to use unrestricted net position. The District's policy concerning which to apply first varies with the intended use and legal requirements. Management typically makes this decision on a transactional basis at the incurrence of the expenditure.

#### Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. These taxes are levied from July 1 through June 30. Taxes are payable in two installments; November 1 and February 1 and are collected December 10 and April 10. Unsecured taxes are payable in one installment on or before August 31. The County of Tulare bills and collects the taxes for the District.

#### Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

#### Income Taxes

The District is a governmental agency and is not subject to income taxes.

#### Use of 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Accordingly, actual results could differ from those estimates.

# EXETER DISTRICT AMBULANCE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 2 – Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2023 and 2022, consisted of the following:

	<u>2023</u>	<u>2022</u>
Cash on hand	\$ 150	\$ 150
Cash in bank	351,874	269,460
Local Agency Investment Fund	<u>79,789</u>	<u>78,429</u>
Total cash and cash equivalents	<u>\$ 431,813</u>	<u>\$ 348,039</u>

Statutes authorize districts to invest cash in obligations of the U.S. Treasury and U.S. agencies, certificates of deposit, banker's acceptances, repurchase agreements, insured money market accounts, commercial paper, county investment pools and the State Treasurer's Local Agency Investment Fund.

The District maintains its cash accounts as authorized by the California Government Code (the code) and is further defined by the District's Investment Policy which is reviewed annually by the Board of Directors. District investments are limited to bank or savings and loan association accounts fully insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the pledging financial institution.

The California Government code requires California banks and savings and loan associations to collateralize a district's deposits by pledging government securities. The market value of the pledged securities must equal at least 110 percent of a district's deposits. California law also allows financial institutions to collateralize a district's deposits by pledging first trust deed mortgage notes having a value of 150 percent of a district's total deposits. The district may waive collateral requirements for deposits which are fully insured up to \$250,000 by Federal Deposit Insurance.

At June 30, 2023 and 2022, the carrying amounts of the District's cash in Bank of the Sierra (including amounts in checking and money market) were \$351,874 and \$269,460, respectively, and the bank's balances were \$378,061 and \$303,959, respectively. The difference between the bank balances and the carrying amounts represent outstanding checks. The District maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. Cash deposits in excess of federally insured limits at June 30, 2023 and 2022 are \$128,061 and \$53,959, respectively.

The District's cash and cash equivalents in the Local Agency Investment Fund was not subject to credit risk categorization and is carried at cost which approximated fair value. All funds are regulated by the California Government Code.



## EXETER DISTRICT AMBULANCE

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

#### NOTE 3 – Capital Assets

The following is a summary of changes in capital assets:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
<u>Capital assets not being depreciated:</u>				
Land	\$ 141,820	\$ -	\$ -	\$ 141,820
<u>Other capital assets:</u>				
Building and improvements	505,360	-	(2,235)	503,125
Vehicles and equipment	580,596	258,552	(145,687)	693,461
Office equipment	74,523	-	(313)	74,210
Grant equipment	5,145	-	-	5,145
Total other capital assets at historical cost	1,165,624	258,552	(148,235)	1,275,941
Accumulated depreciation	(968,381)	(45,145)	133,979	(879,547)
Other capital assets, net	197,243	213,407	(14,256)	396,394
Capital assets, net	<u>\$ 339,063</u>	<u>\$ 213,407</u>	<u>\$ (14,256)</u>	<u>\$ 538,214</u>

#### NOTE 4 – Notes Payable

##### Stryker Monitors

Due to Flex Financial, payable in 26 monthly installments of \$6,024, including interest at 6.21 percent. The first payment was due 12 months from receipt of the monitors beginning August 1, 2023. The debt is secured by the assets.

##### Ambulances

Due to Obligator and Tax-Exempt Leasing Corp, payable in 72 monthly installments of \$2,955 including interest at 7.57 percent. The first payment was due June 2023 and the final payment is due May 2029. The debt is secured by the assets.

## EXETER DISTRICT AMBULANCE

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

#### NOTE 4 – Notes Payable (continued)

Changes in long-term debt are as follows:

	Balance June 30, 2022	Additions	Principal Payments	Balance June 30, 2023
Notes from direct borrowings:				
Stryker Monitors	\$ 146,175	\$ -	\$ -	\$ 146,175
Ambulances	-	171,128	3,796	167,332
<b>Totals</b>	<b>\$ 146,175</b>	<b>\$ 171,128</b>	<b>\$ 3,796</b>	<b>\$ 313,507</b>

Future principal and interest repayment requirements are as follows:

	Stryker Monitors		Ambulances	
	Principal	Interest	Principal	Interest
2024	\$ 59,458	\$ 6,801	\$ 23,792	\$ 11,665
2025	68,832	3,449	25,626	9,830
2026	17,885	186	27,601	7,855
2027	-	-	29,729	5,727
2028	-	-	32,021	3,435
Thereafter	-	-	28,563	984
<b>Totals</b>	<b>\$ 146,175</b>	<b>\$ 10,436</b>	<b>\$ 167,332</b>	<b>\$ 39,496</b>

#### NOTE 5 – Pension Plan

##### General Information about the Pension Plan

##### Plan Description

Qualified employees are covered under a multiple-employer, cost-sharing defined benefit pension plan, the Public Employees' Retirement Fund (PERF C), administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. The benefit terms of the CalPERS plan may be amended through legislation and Public Employers' Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website, <http://www.calpers.ca.gov/page/forms-publications>.



# EXETER DISTRICT AMBULANCE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 5 – Pension Plan (continued)

#### General Information about the Pension Plan (continued)

##### Benefits Provided

CalPERS – PERF C provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. To be eligible for retirement, the member must be at least age 50 and have a minimum of five years of credited service. If you become a member on or after January 1, 2013, you must be at least age 52.

Monthly benefits are based on three factors: service credit, benefit factor, and final compensation. Service credit is based on years of credited service, equal to one year of full-time employment. The benefit factor, which is a percentage of pay to which the member is entitled for each year of service, is determined by their age at retirement and the retirement formula based on their membership date with each employer.

There is one miscellaneous retirement formula: 2 percent at age 55, with benefit factors ranging from 1.100 percent to 2.500 percent with retirement ages of 50 to 63. If you become a member on or after January 1, 2013, the miscellaneous retirement formula is 2 percent at age 62, with benefit factors ranging from 1.092 percent to 2.418 percent with retirement ages of 50 to 63. Final compensation is the highest average pay rate and special compensation during any consecutive three-year period.

##### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective July 1 following notice of a change in the rate. The CalPERS board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' periodic actuarial valuation process or by State statute. 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. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. The contribution rates are expressed as a percentage of annual payroll. For the years ended June 30, 2023 and 2022, for employees hired prior to January 1, 2013, the active employee contribution rate is 6.92 percent of annual pay, and the employer's contribution rate is 10.32 percent. For employees hired after January 1, 2013, the active employee contribution rate is 6.75 percent of annual pay, and the employer's contribution rate is 7.47 percent. The District entered into an agreement with the District's employees regarding the percentages each party will contribute to CalPERS and PEPR. The District's contributions to CalPERS for the fiscal years ended June 30, 2023 and 2022, were \$67,930 and \$52,947, respectively.

##### Pension Assets, Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023 and 2022, the District reported net pension liability of \$364,830 and \$422,585 respectively, for its proportionate shares of the net pension liability for the Miscellaneous Plan.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.



# EXETER DISTRICT AMBULANCE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 5 – Pension Plan (continued)

#### Pension Assets, Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

A comparison of the District's proportionate share at measurement date of June 30, 2022, to its proportionate share at measurement date June 30, 2021, is as follows:

Proportionate share at June 30, 2022	0.009650%
Proportionate share at June 30, 2021	<u>0.009390%</u>
Change increase	<u><u>0.000260%</u></u>

For the years ended June 30, 2023 and 2022, the District recognized pension expense of \$71,410 and \$181,707, respectively. At June 30, 2023 and 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,995	\$ -	\$ 19,994	\$ -
Change of assumptions	46,270	-	-	-
Net difference between projected and actual earnings on plan investments	82,711	-	-	155,645
Changes in proportion and differences between District contributions and proportionate share of District's contributions	50,569	270,420	103,294	70,605
District contributions subsequent to the measurement date	<u>76,216</u>	<u>-</u>	<u>77,648</u>	<u>-</u>
Totals	<u><u>\$ 258,761</u></u>	<u><u>\$ 270,420</u></u>	<u><u>\$ 200,936</u></u>	<u><u>\$ 226,250</u></u>



# EXETER DISTRICT AMBULANCE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 5 – Pension Plan (continued)

#### Pension Assets, Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$76,216 and \$77,648 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as an increase to the net pension asset or reduction of the net pension liability in the years ended June 30, 2023 and 2022. The other amounts 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>Pension Expense</u>
2024	\$ 41,606
2025	51,496
2026	45,362
2027	<u>(50,589)</u>
Total	<u>\$ 87,875</u>

#### Actuarial Methods and Assumptions

	<u>Miscellaneous Plan</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Salary Increases	Varies by Entry Age and Service
Experience Study	7/1/2000 - 6/30/2019
Investment Rate of Return	6.90%
Post-Retirement Benefit Increase	2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

#### Mortality Assumptions

CalPERS uses mortality tables developed based on CalPERS specific data for all funds. The mortality table includes 15 years of mortality improvements using the Society of Actuaries 80 percent of scale MP 2020.

# EXETER DISTRICT AMBULANCE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 5 – Pension Plan (continued)

#### Long-Term Expected Rate of Return

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 return for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

#### Discount Rate

CalPERS' discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount 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 pension 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.



# EXETER DISTRICT AMBULANCE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023 AND 2022

### NOTE 5 – Pension Plan (continued)

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous Plan</u>
1.00% Decrease Net Pension Liability	5.90% \$592,809
Current Discount Rate Net Pension Liability	6.90% \$364,830
1.00% Increase Net Pension Liability	7.90% \$177,260

#### Pension Plan Fiduciary Net Position

The plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report on their website.

#### Summary of Changes of Benefits or Assumptions

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

### NOTE 6 - Subsequent Events

Management has evaluated subsequent events through March 25, 2024, the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**



## EXETER DISTRICT AMBULANCE

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – LAST TEN YEARS\*

Fiscal Year End	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
June 30, 2015	June 30, 2014	0.024396%	\$ 602,934	\$ 161,635	373.02%	40.03%
June 30, 2016	June 30, 2015	0.020757%	\$ 569,452	\$ 222,410	256.04%	44.71%
June 30, 2017	June 30, 2016	0.016935%	\$ 588,299	\$ 349,591	168.28%	46.95%
June 30, 2018	June 30, 2017	0.012398%	\$ 488,739	\$ 558,692	87.48%	68.89%
June 30, 2019	June 30, 2018	0.013402%	\$ 505,067	\$ 666,506	75.78%	69.64%
June 30, 2020	June 30, 2019	0.011919%	\$ 477,281	\$ 683,703	69.81%	71.89%
June 30, 2021	June 30, 2020	0.010686%	\$ 450,760	\$ 726,489	62.05%	73.23%
June 30, 2022	June 30, 2021	0.009390%	\$ 422,585	\$ 681,038	62.05%	76.85%
June 30, 2023	June 30, 2022	0.009650%	\$ 364,830	\$ 610,004	59.81%	82.07%

\*The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for ten years. Only nine years are presented because ten year data is not yet available.

#### Notes to the Schedule:

##### Change of Assumptions

Fiscal Year End	Measurement Date	Discount Rate	Inflation	Payroll Growth	Projected Salary Increase <sup>(1)</sup>	Experience Study	Investment Rate of Return
June 30, 2015	June 30, 2014	7.50%	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2016	June 30, 2015	7.65% (2)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2017	June 30, 2016	7.65% (2)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2018	June 30, 2017	7.15% (2)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2019	June 30, 2018	7.15% (2)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.50%
June 30, 2020	June 30, 2019	7.15% (2)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.15%
June 30, 2021	June 30, 2020	7.15% (2)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.15%
June 30, 2022	June 30, 2021	7.15% (2)	2.50%	2.75%	Varies	7/1/1996-6/30/2016	7.15%
June 30, 2023	June 30, 2022	6.90% (2)	2.30%	2.80%	Varies	7/1/2000-6/30/2019	6.90%

(1) Varies on entry age and service

(2) Excludes reduction of pension plan administrative expenses

As of the June 30, 2022 measurement date, the discount rate decreased from 7.15% to 6.90%

See independent auditors' report.

## EXETER DISTRICT AMBULANCE

### SCHEDULE OF CONTRIBUTIONS TO CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM – LAST TEN YEARS\*

Fiscal Year End	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2015	\$ 88,282	\$ 88,282	\$ -	\$ 161,635	54.618%
June 30, 2016	\$ 106,340	\$ 106,340	\$ -	\$ 222,410	47.813%
June 30, 2017	\$ 99,016	\$ 99,016	\$ -	\$ 349,591	28.323%
June 30, 2018	\$ 99,354	\$ 99,354	\$ -	\$ 558,692	17.783%
June 30, 2019	\$ 96,953	\$ 96,953	\$ -	\$ 666,506	14.546%
June 30, 2020	\$ 102,442	\$ 102,442	\$ -	\$ 683,703	14.983%
June 30, 2021	\$ 167,338	\$ 167,338	\$ -	\$ 726,489	23.034%
June 30, 2022	\$ 77,648	\$ 77,648	\$ -	\$ 681,038	25.906%
June 30, 2023	\$ 76,216	\$ 76,216	\$ -	\$ 610,004	10.320%

\*The amounts presented for each fiscal year were determined as of June 30. This schedule is presented to illustrate the requirement to show information for ten years. Only nine years are presented because ten year data is not yet available.

#### Notes to the Schedule:

##### Change of Assumptions

Fiscal Year End	Measurement Date	Discount Rate	Inflation	Payroll Growth	Projected Salary Increase <sup>(1)</sup>	Experience Study	Investment Rate of Return
June 30, 2015	June 30, 2014	7.50%	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2016	June 30, 2015	7.65% (2)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2017	June 30, 2016	7.65% (2)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2018	June 30, 2017	7.15% (2)	2.75%	3.00%	Varies	7/1/1996-6/30/2011	7.50%
June 30, 2019	June 30, 2018	7.15% (2)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.50%
June 30, 2020	June 30, 2019	7.15% (2)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.15%
June 30, 2021	June 30, 2020	7.15% (2)	2.50%	2.75%	Varies	7/1/1996-6/30/2015	7.15%
June 30, 2022	June 30, 2021	7.15% (2)	2.50%	2.75%	Varies	7/1/1996-6/30/2016	7.15%
June 30, 2023	June 30, 2022	6.90% (2)	2.30%	2.80%	Varies	7/1/2000-6/30/2019	6.90%

(1) Varies on entry age and service

(2) Excludes reduction of pension plan administrative expenses

As of the June 30, 2022 measurement date, the discount rate decreased from 7.15% to 6.90%

See independent auditors' report.