



BOARD OF DIRECTORS MEETING

MONDAY, JANUARY 09, 2023 – 10:00 AM

LOMA LINDA-COMMUNITY ROOM 25541 BARTON RD, LOMA LINDA

AGENDA

The CONFIRE Board of Directors Meeting is scheduled for Monday, January 9, 2023, in the Loma Linda Fire Department Community Room, 25541 Barton Road, Loma Linda, California.

Reports and Documents relating to each agenda item are on file at CONFIRE and are available for public inspection during normal business hours.

The Public Comment portion of the agenda pertains to items NOT on the agenda and is limited to 30 minutes; 3 minutes allotted for each speaker. Pursuant to the Brown Act, no action may be taken by the Board of Directors at this time; however, the Board may refer your comments/concerns to staff or request that the item be placed on a future agenda.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact CONFIRE at (909) 356-2302. Notification 48 hours prior to the meeting will enable CONFIRE to make reasonable arrangements to ensure accessibility to this meeting. Later requests will be accommodated to the extent feasible.

A recess may be called at the discretion of the Board of Directors.

Liz Berry
1743 Miro Way, Rialto, CA 92376
909-356-2302
lberry@confire.org

OPENING

- a. Call to order
- b. Flag Salute

ROLL CALL

PUBLIC COMMENT

An opportunity provided for persons in the audience to make brief statements to the Board of Directors. (Limited to 30 minutes; 3 minutes allotted for each speaker)

INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Agenda items may require member abstentions due to conflict of interests and financial interests. Board Member abstentions shall be stated under this item for recordation on the appropriate item.

CONSENT ITEMS

The following items are considered routine and non-controversial and will be voted upon at one time by the Board of Directors. An item may be removed by a Board Member or member of the public for discussion and appropriate action.

- [1.](#) Approve the Board of Directors Minutes of September 15, 2022
- [2.](#) CONFIRE Operations Statement thru 11/30/22
- [3.](#) Interim Director of Communications - Budget Adjustment
- [4.](#) Call Summary YTD 2022
- [5.](#) Year to Date Billable Incidents
- [6.](#) PSAP Answer Time YTD 2022

UPDATE ON CONFIRE ACTIVITIES - CONFIRE Director to give an update on the various activities within CONFIRE.

OLD BUSINESS

NEW BUSINESS

- [7.](#) Financial Audit Report - **ACTION ITEM**
- [8.](#) Proposed Assistant Director Position - **ACTION ITEM**
- [9.](#) EMS Division Enterprise Fund & Updated Fund Policy - **ACTION ITEM**
10. Election of Officers: Section 12 of the Joint Powers Agreement requires that the Board elect officers (Chair-Vice Chair) each year. **ACTION ITEM**

CLOSED SESSION:

11. Conference with Legal Counsel - Anticipated Litigation - Significant exposure to litigation pursuant to Government Code section 54956.9(b): One potential Case
12. Conference with Labor Negotiator - Government Code section 54957.6
CONFIRE negotiator - Nathan Cooke
Employee Organization(s) - CWA Unrepresented

ADJOURNMENT

NEXT MEETING: To be determined.

POSTING:

This is to certify that on January 5, 2023, I posted a copy of the agenda:

- 1743 Miro Way, Rialto, CA
- on the Center's website which is www.confire.org
- 25541 Barton Rd., Loma Linda, CA

 /s/ Liz Berry

Liz Berry
Administrative Secretary I



**BOARD OF DIRECTORS MEETING
THURSDAY, SEPTEMBER 15, 2022 – 1:00 P.M.**

TEAMS

MINUTES

ROLL CALL

BOARD OF DIRECTORS COMMITTEE MEMBERS:

- Chairperson – Ernest R. Cisneros, Council Member – City of Colton
- Vice-Chairperson – Lynne Kennedy, Mayor Pro Tem – City of Rancho Cucamonga
- Dan Leary, Board President – Apple Valley Fire Protection District
- John DeMonaco, Board Member – Chino Independent Fire District
- Phill Dupper, Mayor – City of Loma Linda
- Denis Davis, Council Member – City of Redlands - *Absent*
- Andy Carrizales, Council Member – City of Rialto - *Absent*
- Dawn Rowe, 3rd District Supervisor – San Bernardino County
- Elizabeth Becerra, Council Member – City of Victorville

CALL TO ORDER

- a. Flag Salute
- b. Roll call/Introductions

PUBLIC COMMENT

An opportunity provided for persons in the audience to make brief statements to the Board of Directors (Limited to 30 minutes; 3 minutes allotted for each speaker)

INFORMATION RELATIVE TO POSSIBLE CONFLICT OF INTEREST

Agenda items may require committee member abstentions due to conflict of interests and financial interests. CONFIRE Board of Director member abstentions shall be stated under this item for recordation on the appropriate item.

No conflicts were announced.

CONSENT ITEMS

The following items are considered routine and non-controversial and will be voted upon at one time by the Board of Directors Committee. An item may be removed by a Committee Member or member of the public for discussion and appropriate action.

1. Approve the Board of Directors Minutes of July 21, 2022

ACTION REQUEST: The Administrative Committee requests the Board accept and approve consent item 1.

ACTION: *The CONFIRE Board of Directors accepts and approves consent item 1.*

Motion by: *Motion by Lynne Kennedy*

Second: *Elizabeth Becerra*

Ernest R. Cisneros-Yes

Dan Leary-Yes

John DeMonaco-Yes

Phill Dupper-Yes

Denise Davis-Absent

Andy Carrizales-Absent

Dawn Rowe-Yes

Ayes: 7

Noes: 0

Abstain: 0

Absent: 2

Motion Approved

UPDATE ON CONFIRE ACTIVITIES – CONFIRE Director to give an update on the various activities within CONFIRE.

- *CAD to CAD project is ready to go live with Riverside County Fire on 9/21/22, connecting CONFIRE with Riverside County Fire.*
- *CONFIRE continues to hire new employees but is still experiencing staffing challenges.*
- *Art Andres has elected to go on a long-term absence, potentially permanent. We will look to recruit for that position in the near future.*

OLD BUSINESS

NEW BUSINESS

2. Contracting Party – City of Yucaipa – **ACTION ITEM**

Board Policy 5.003 requires the following for the admission of a contracting agency:

- *Sponsorship by an existing member agency.*
- *Admission of the contracting party must be pursuant to terms acceptable to the Board of Directors*
- *Admission of contracting party must be approved by the Board of Directors.*

The City of Yucaipa has requested to become a contracting party, Chino Valley Independent Fire Distract has agreed to sponsor the City of Yucaipa. This was approved by the Administrative Committee on Aug. 23, 2022.

There are no fiscal impacts resulting from admitting the City of Yucaipa as a Contracting Agency.

ACTION: *The CONFIRE Board of Directors approves the City of Yucaipa for admission to CONFIRE as a contract agency pursuant to the terms and conditions of Consolidated Fire Agencies (CONFIRE) JPA existing MOU for contracting agencies.*

Motion by: *Phill Dupper*

Second: *Elizabeth Becerra*

Ernest R. Cisneros-Yes

Lynne Kennedy-Yes

Dan Leary-Yes

John DeMonaco-Yes

Denise Davis-Absent

Andy Carrizales-Absent

Dawn Rowe-Yes

Ayes: *7*

Noes: *0*

Abstain: *0*

Absent: *2*

Motion Approved

3. Memorandum of Understanding with CWA Local 9588, representing employees in the Emergency Services Unit – **ACTION ITEM**

CWA Local 9588 and Human Resources began negotiations for a successor memorandum of Understanding (MOU). The existing agreement expired on July 31, 2020. The parties reached an agreement covering wages, hours and other terms and conditions of employment thru February 28, 2025.

The approval of this Memorandum of Understanding will result in increased ongoing costs estimated to be \$275,000 in 2022-23, \$500,000 in 2023-24, \$720,000 in 2024-25, and \$750,000 ongoing. The MOU also includes a one-time cost of approximately \$95,000 for COVID-19 premium bonus pay. This cost is expected to be funded through American Rescue Plan Act (ARPA) funding, contingent upon the cost being eligible under ARPA guidelines.

ACTION: *The CONFIRE Board of Directors approves the proposed agreement between Communications Workers of America (CWA) Local 9588 and CONFIRE.*

Motion by: *Lynne Kennedy*

Second: *Phill Dupper*

Ernest R. Cisneros-Yes

Dan Leary-Yes
John DeMonaco-Yes
Denise Davis-Absent
Andy Carrizales-Absent
Dawn Rowe-Yes
Elizabeth Becerra-Yes

Ayes: 7
Noes: 0
Abstain: 0
Absent: 2

Motion Approved

CLOSED SESSION

5. Pursuant to California Government Code Section 54956.9(a) The Board of Directors will meet in closed session to be briefed regarding (1) case of litigation Claim No. CIV SB 2129232 LISA SEGOVIA vs. COUNTY OF SAN BERNARDINO, CONSOLIDATED FIRE AGENCIES (CONFIRE)

ADJOURNMENT

ACTION: *To adjourn the CONFIRE Board of Directors' Meeting*

MOTION BY: *Ernest Cisneros*

Ayes: 7
Noes: 0
Abstain: 0
Absent: 2

The meeting adjourned at 13:51.

Next Meeting: To be determined.

 /s/ Liz Berry
Liz Berry
Administrative Secretary I



**OPERATIONS FUND 5008
MONTHLY SUMMARY FY 2022-23**

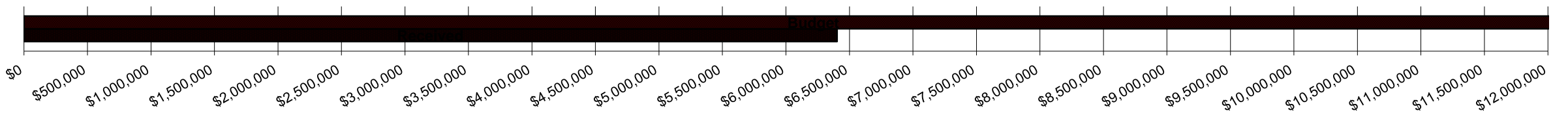
Transactions thru November 30 2022

Item 2.

Expenditures	3 PP											3 PP June	Total YTD Expended	2022/23 Budget	Bud - Exp Difference	% Used	
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May						
Salary/Benefits	479,125	474,647	480,955	536,867	722,854	-	-	-	-	-	-	-	2,694,448	8,160,358	\$5,465,910	33.0%	
Overtime/Call Back	30,415	32,897	33,822	32,497	46,289	-	-	-	-	-	-	-	175,920	323,000	\$147,080	54.5%	
Phone/Circuits/Internet	38,249	31,909	44,221	48,353	46,048	-	-	-	-	-	-	-	208,781	589,467	\$380,686	35.4%	
County IS/Data Services/Counsel	13,287	(6,244)	8,333	9,927	17,780	-	-	-	-	-	-	-	43,082	60,926	\$17,844	70.7%	
Radio/Pager, Console Maint	-	41,784	42,098	43,871	41,255	-	-	-	-	-	-	-	169,009	516,947	\$347,938	32.7%	
Computer Software	18,738	1,148,207	212,456	(64,623)	46,978	-	-	-	-	-	-	-	1,361,756	1,891,258	\$529,502	72.0%	
Computer Hardware	129	(129)	-	-	866	-	-	-	-	-	-	-	866	18,450	\$17,584	4.7%	
Office Exp/Copier Lease	6,539	2,693	3,383	4,027	4,574	-	-	-	-	-	-	-	21,217	98,245	\$77,028	21.6%	
Insurance/Auditing	31,987	-	22,522	4,788	8,000	-	-	-	-	-	-	-	67,297	69,792	\$2,495	96.4%	
Payroll/HR/Medical Director	74,878	904	5,473	10,081	8,570	-	-	-	-	-	-	-	99,906	352,183	\$252,277	28.4%	
Travel/Training	3,498	612	4,662	720	1,820	-	-	-	-	-	-	-	11,312	70,000	\$58,688	16.2%	
Auto/Structure/Fuel	-	1,942	4,309	2,319	6,905	-	-	-	-	-	-	-	15,475	30,077	\$14,602	51.5%	
Other/HDGC Rent/Equip Trans	13,658	13,789	26,416	141	14,273	-	-	-	-	-	-	-	68,278	251,488	\$183,210	27.1%	
Total	710,504	1,743,011	888,650	628,970	966,212	-	-	-	-	-	-	-	4,937,347	12,432,191	\$7,494,844	39.7%	
																% Fiscal Year Passed	41.7%



Revenue	3 PP											Received	Budget	Difference	% Rcvd		
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May					June	
Services	3,144,053	15	(7,103)	3,167,239	15	-	-	-	-	-	-	-	6,304,219	12,432,190	\$6,127,971	51%	
Interest	7,689	(7,689)	-	11,854	-	-	-	-	-	-	-	-	11,854	-	(\$11,854)		
Other	-	59,228	14,627	13,033	-	-	-	-	-	-	-	-	86,888	-	(\$86,888)		
Total	3,151,741	51,554	7,524	3,192,126	15	-	-	-	-	-	-	-	6,402,961	12,432,190	\$6,029,229	52%	
																% Fiscal Year Passed	41.7%




CONFIRE

STAFF REPORT

DATE: 01/09/2023

**FROM: Dan Harker, Administrative Committee Chair
Karen Hardy, Chief Financial Officer**

TO: CONFIRE Board of Directors

SUBJECT: Interim Director of Communication Budget Adjustment

RECOMMENDATION

Approve the budget adjustment to transfer appropriations in the amount of \$192,253.00 in the following Funds:

- Operations Fund (5008)
Transfer \$192,253 from Salaries and Benefits to Professional Services in Fund 5010 to cover the approved Interim Director Nathan Cooke's agreement with Chino Valley Fire for the last six-month costs.
- General Reserve Fund (5010)
Increase appropriations by \$192,253 in Other Professional & Special Services for FY 2023 to cover six-month costs of Interim Nathan's Cooke's agreement

BACKGROUND

The Administrative Board approved Interim Director Nathan Cooke for transition of the vacancy of Art Andres through June 30, 2023. The agreement was exercised with Chino Valley Fire. Since the JPA is actively responding to the ambulance RFP, it was decided to not permanently fill this position until the matter is decided. The first six-month costs were brought forward to the board in July. This will cover the estimated total costs extending his agreement until June 30th. There may be a potential need to extend the agreement for four months into the following Fiscal Year which, matter will be brought forward in FY 2024 Budget appropriations.

FISCAL IMPACT

There will be no fiscal impact. Adequate appropriation and revenue have been included in CONFIRE's FY22-23 budget utilizing the salary savings from Director's and other vacancies in Fund 5008. This motion is to authorize funds be move in the amount of \$192,253 from Fund 5008 to Fund 5010.

**CONFIRE JPA
5008 - Operations Fund
FY 2022-2023**

Item 3.

Description	Adopted Budget	July Budget Adjustment	Modified Budget (as of 07/21/22)	Proposed Budget Adjustment	Proposed Modified Budget
CONFIRE Operations Fund			-		-
4080 9970 Other Revenue			-		-
Revenue from Agencies	12,828,561	(396,371)	12,432,190	(192,253)	12,239,937
TOTAL REVENUE:	\$ 12,828,561	\$ (396,371)	\$ 12,432,190	\$ (192,253)	\$ 12,239,937
Description	Adopted Budget	Budget Adjustment	Modified Budget (as of 07/21/22)	Proposed Budget Adjustment	Proposed Modified Budget
5100 1010 SALARIES AND BENEFITS	8,879,728	(396,371)	8,483,357	(192,253)	8,291,104
5200 2027 STAFF UNIFORMS	14,400		14,400		14,400
5200 2031 PAYROLL SYSTEMS SERVICES (ISD/EMACS)	12,966		12,966		12,966
5200 2033 WAN & VPN ISD CONTRACT			-		-
CONFIRE	7,776		7,776		7,776
County Fire (BDC)	139,039		139,039		139,039
5200 2035 COMMUNICATIONS - Wireless Devices	209,249		209,249		209,249
5200 2036 COMMUNICATIONS - Wireline Connections	220,437		220,437		220,437
5200 2037 COMNET ISD Dial Tone-Phones Landlines	16,426		16,426		16,426
5200 2043 DATA SERVICES ISD Labor (ISF)	4,500		4,500		4,500
5200 2044 COMNET ISD (ISF)			-		-
Voice Mail	-		-		-
Global Tool Directory	-		-		-
5200 2062 800 MHZ RADIO CHGS (ISF)			-		-
NSCSO - Radio and Paging (ISD)	343,435		343,435		343,435
NSCSC-Dispatch Console Access/Maint.	170,013		170,013		170,013
5200 2070 FOOD			-		-
Dispatch (Incident / Meeting Meals)	2,000		2,000		2,000
5200 2075 MEMBERSHIPS			-		-
Active 911	130		130		130
AFSS	70		70		70
APCO	450		450		450
Cal Chiefs	50		50		50
Center for Internet Security	1,500		1,500		1,500
CFCA Comm Sect	200		200		200
County Chiefs	200		200		200
CSDA Annual Membership	1,750		1,750		1,750
GFOA	450		450		450
IAED *	-		-		-
MISAC	100		100		100
NENA (10 - Full, 60 partial)	2,200		2,200		2,200
US Domain Authority	376		376		376
5200 2110 FM REQUISITION CHARGES	1,500		1,500		1,500

CONFIRE JPA
5008 - Operations Fund
FY 2022-2023

Item 3.

Description	Adopted Budget	July Budget Adjustment	Modified Budget (as of 07/21/22)	Proposed Budget Adjustment	Proposed Modified Budget
5200 2115 COMPUTER SOFTWARE			-		-
Applications - Universal	947,615		947,615		947,615
Applications - Seat Based	943,643		943,643		943,643
5200 2116 COMPUTER HARDWARE (Misc Expenses)			-		-
Plotter Maintenance	3,200		3,200		3,200
Minolta (Fax - 2)	250		250		250
Miscellaneous Hardware	15,000		15,000		15,000
5200 2120 SMALL TOOLS	1,000		1,000		1,000
5200 2130 NON INVENTORIABLE EQUIP			-		-
Headsets	3,500		3,500		3,500
Admin/MIS Office Chairs	3,500		3,500		3,500
5200 2180 UTILITIES			-		-
MIS Shared Space in RIA (utilities/rent)	4,500		4,500		4,500
5200 2220 OTHER GENERAL LIABILITY (ISF)			-		-
Alliant - Medical Director	4,505		4,505		4,505
Alliant - SLIP	20,386		20,386		20,386
Alliant - SPIP	24,201		24,201		24,201
5200 2305 GENERAL OFFICE EXPENSE			-		-
Cable / Satellite TV	2,400		2,400		2,400
Employee Recognition / Outreach / Plaques	3,300		3,300		3,300
Kitchen Supplies	200		200		200
Office Supplies	12,000		12,000		12,000
Staples	7,500		7,500		7,500
Water	1,500		1,500		1,500
5200 2310 POSTAGE	1,500		1,500		1,500
5200 2323 COURIER & PRINTING (ISF)	100		100		100
5200 2400 PROF & SPECIALIZED SERVICES			-		-
DOJ	500		500		500
5200 2405 AUDITING			-		-
Annual Financial Audit	15,700		15,700		15,700
Single Audit (ARPA)	5,000		5,000		5,000
Single Audit (CARES Act)	-		-		-
5200 2415 AUDITOR/CONTROLLER-RECORDER			-		-
Payables/Data Entry/EFT	16,995		16,995		16,995
5200 2445 OTHER PROF SERVICES			-		-
Medical Director	18,540		18,540		18,540
EAP - Counseling Team	7,500		7,500		7,500
EMD QA	65,000		65,000		65,000
Enviro-Master System	15,000		15,000		15,000

CONFIRE JPA
5008 - Operations Fund
FY 2022-2023


Item 3.

Description	Adopted Budget	July Budget Adjustment	Modified Budget (as of 07/21/22)	Proposed Budget Adjustment	Proposed Modified Budget
RNA Facilities Management (Rialto Shared Space Cleaning)	17,904		17,904		17,904
McMath	20,000		20,000		20,000
Fratus	50,000		50,000		50,000
Messina Consultant	40,000		40,000		40,000
5200 2460 GIMS CHARGES (ISD/GIS) AERIAL IMAGERY	3,500		3,500		3,500
5200 2540 LEGAL SERVICES	40,000		40,000		40,000
5200 2840 MEDICAL EXPENSES	-		-		-
CEHW	5,000		5,000		5,000
Medical Supplies	2,000		2,000		2,000
5200 2855 GENERAL MAINT - EQUIPMENT	2,500		2,500		2,500
5200 2870 GENERAL MAINT - STRUCTURE	1,500		1,500		1,500
5200 2895 RENTS & LEASES - EQUIP					
Trailer Lease	11,250		11,250		11,250
Cort Furniture Rental	23,500		23,500		23,500
Copy Machine Lease	11,000		11,000		11,000
5200 2905 RENTS & LEASE STRUCTURE					
HDGC - Floor Space	83,164		83,164		83,164
HDGC - Equipment Space	17,755		17,755		17,755
Rialto - Floor Space	59,387		59,387		59,387
Rialto - ISD Vault	37,181		37,181		37,181
5200 2925 FLEET MANAGEMENT (Motor Pool Assigned)	19,845		19,845		19,845
Fleet Fuel Infrastructure	232		232		232
5294 2941 CONF/TRNG/SEMINAR FEES	38,700		38,700		38,700
5294 2942 HOTEL	12,500		12,500		12,500
5294 2943 MEALS	5,500		5,500		5,500
5294 2945 AIR TRAVEL	12,000		12,000		12,000
5294 2946 OTHER TRAVEL	1,300		1,300		1,300
5530 5030 OPERATING TRANSFER OUT	-		-		-
CAD to CAD Annual Maintenance (5019)	22,125		22,125		22,125
5540 5010 SALARIES AND BENEFITS TRANSFER OUT	-		-		-
Reimburse Cnty Fire for Payroll/HR	117,739		117,739		117,739
TOTAL EXPENDITURES:	\$ 12,828,561	\$ (396,371)	\$ 12,432,190	\$ (192,253)	\$ 12,239,937

CONFIRE JPA
5010 - General Reserve Fund
FY 2022-23

Item 3.

Description	Adopted Budget	ARPA Grant Carryover	July Budget Adjustments	Modified Budget (as of 07/21/22)	Proposed Budget Adjustments	Proposed Modified Budget
General Reserve Fund	-			-		-
Use of Fund Balance	-			-		-
Building CIP Reserves	40,000			40,000		40,000
EMD Optimization (ECNS) Project	-			-		-
General Reserve Fund Balance	429,687		84,663	514,350		514,350
40509094 Federal Grants	-			-		-
American Rescue Plan Act	1,050,000	864,235		1,914,235		1,914,235
40809970 Other Revenue	-			-		-
Revenue from Agencies	-		396,371	396,371	192,253	588,624
TOTAL REVENUE:	\$ 1,519,687	\$ 864,235	\$ 481,034	\$ 2,864,956	\$ 192,253	\$ 3,057,209
Description	Adopted Budget	ARPA Grant Carry Over	Budget Adjustments	Modified Budget (as of 07/21/22)	Proposed Budget Adjustments	Proposed Modified Budget
51001010 SALARIES AND BENEFITS	-			-		-
ECNS Nurses	655,580	655,579		1,311,159		1,311,159
52002031 ONLY)	1,456	1,456		2,912		2,912
52002037 COMNET CHARGES (ISF ONLY) - DIAL TONE	2,880	2,880		5,760		5,760
	-			-		-
52002115 COMPUTER SOFTWARE	-			-		-
Lansweeper License upgrade	1,000			1,000		1,000
License Upgrade for Core Routers in Building D - Vault	17,000			17,000		17,000
52002116 COMPUTER HARDWARE	-			-		-
Technology Upgrade Project	-			-		-
CAD Interface for HDGC	90,000			90,000		90,000
Valley Training Room Trailer (6 workstations)	10,000			10,000		10,000
Grant Funded Projects	-			-		-
Desert Dispatch Center - 26 Curved Monitors	26,000			26,000		26,000
Desert Dispatch Center - 50 Angled Monitor Arms and 50 - 5" Verticle Hub Extension	19,500			19,500		19,500
ECNS Workstations	72,960	(41,090)		31,870		31,870
52002130 NON INVENTORIABLE EQUIP	-			-		-
New Desk for Dispatch Manager and Asst Manager	3,000		3,000	6,000		6,000
Dispatch Chairs	-			-		-
52002135 SPECIAL DEPARTMENT EXPENSES	-			-		-
ECNS Supplies	3,500	3,500		7,000		7,000
EMD Card Sets	9,500			9,500		9,500
Quiet Room for Valley Dispatch	5,000			5,000		5,000
52002355 ADVERTISING	-			-		-
ECNS Marketing / Public Relations	10,000	10,000		20,000		20,000
52002905 RENT - STRUCTURES	-			-		-
ECNS Rent	9,164	9,164		18,328		18,328
52002445 OTHER PROF SERVICES	-			-		-
AP Triton	236,487		(52,619)	183,868		183,868
Dyntek - Consultation	2,200			2,200		2,200
MS CAD	50,000			50,000		50,000
SCCM Maintenance	15,000			15,000		15,000
Consulting	190,211	218,496	518,653	927,360	192,253	1,119,613
Legal	45,000			45,000		45,000
52002870 GENERAL MAINT - STRUCT	-			-		-
Trailer Renovations	5,000			5,000		5,000
Valley Floor Improvements	15,000			15,000		15,000
MIS Relocation	-		12,000	12,000		12,000
Miscellaneous Building Improvements	20,000			20,000		20,000
52002941 CONF/TRNG/SEMINAR FEES	1,000	1,000		2,000		2,000
52002942 HOTEL	1,000	1,000		2,000		2,000
52002943 MEALS	500	500		1,000		1,000
52002945 AIR TRAVEL	1,500	1,500		3,000		3,000
52002946 OTHER TRAVEL	250	250		500		500
TOTAL EXPENDITURES:	\$ 1,519,687	\$ 864,235	\$ 481,034	\$ 2,864,956	\$ 192,253	\$ 3,057,209



Call Summary

CONFIRE/Comm Center

1743 W Miro Way
Rialto, CA 92376 County: San Bernardino

Year: 2022

From: 1/1/2022

To: 12/31/2022

Period: Month

Group: All

Call Type: All

Abandoned: Include Abandoned

Filters:

Date	911	911 Abdn	Total 911	911 Abdn Percentage	10-Digit Emergency Inbound	10-Digit Emergency Abdn	Total 10-Digit Emergency	Admin Outbound	Admin Inbound	Admin Inbound Abandoned	Total Admin	Total All Calls	Average Call Duration
Jan-22	22276	1476	23752	6.21%	13048	709	13757	17186	5902	391	23479	60988	104.8
Feb-22	16543	155	16698	0.93%	11468	542	12010	14154	4729	189	19072	47780	110.7
Mar-22	18025	211	18236	1.16%	12092	1568	13660	13907	5199	142	19248	51144	108.7
Apr-22	17106	61	17167	0.36%	11494	760	12254	13521	5053	138	18712	48133	114
May-22	19109	83	19192	0.43%	12288	590	12878	14520	5286	136	19942	52012	113.8
Jun-22	19902	59	19961	0.30%	12834	886	13720	15245	5537	164	20946	54627	110
Jul-22	19578	65	19643	0.33%	12431	1870	14301	15072	5401	124	20597	54541	111.2
Aug-22	19490	45	19535	0.23%	12553	628	13181	14777	5552	139	20468	53184	112.6
Sep-22	18203	61	18264	0.33%	12516	561	13077	14799	5385	128	20312	51653	109.9
Oct-22	17935	77	18012	0.43%	11824	406	12230	14234	4936	107	19277	49519	94.7
Nov-22	19253	47	19300	0.24%	12065	493	12558	14342	4835	134	19311	51169	98.6
Dec-22	18370	60	18430	0.33%	11856	425	12281	13934	4961	107	19002	49713	97.8
2022 Totals	225855	2414	228269	1.06%	146469	9438	155907	175691	62776	1899	240366	624542	107.3
2021 Totals	219458	8951	228409	3.92%	171904	12463	184367	221608	114327	20404	356339	769115	100.8

CONFIRE Billable Incidents

Period: 01/01/2022 thru 12/31/2022

Jurisdiction	# of Incidents	% of Total
San Bernardino County	132,549	53.37%
VictorvilleFD	24,282	9.78%
RanchoCucamonga	17,988	7.24%
ChinoValleyFD	13,584	5.47%
AppleValley	12,946	5.21%
Rialto	11,711	4.71%
Redlands	11,301	4.55%
Colton	7,694	3.10%
MontclairFD	4,703	1.89%
Loma Linda	4,392	1.77%
Big Bear Fire	3,846	1.55%
San Manuel FD	1,755	0.71%
Baker Ambulance	815	0.33%
Running Springs	559	0.23%
Road Department	253	0.10%
Total	248,378	100%
BDC Division	# of Incidents	% of Total
East Valley	44,228	33.37%
Fontana	20,905	15.77%
Valley	18,818	14.20%
Hesperia	13,453	10.15%
North Desert	12,414	9.37%
South Desert	12,171	9.18%
Adelanto	5,178	3.91%
Mountain	5,158	3.89%
Hazmat	223	0.17%
Government	1	0.00%
Total	132,549	100%



PSAP Answer Time

CONFIRE/Comm Center
 1743 W Miro Way
 Rialto, CA 92376 County: San Bernardino

Month - Year: 1/1/2022 - 12/31/2022
 Agency Affiliation Fire

From: 1/1/2022
 To: 12/31/2022
 Period Group: Month
 Time Group: 60 Minute
 Time Block: 00:00 - 23:59
 Call Type: 911 Calls

Call Hour	Answer Times In Seconds							
	0 - 10	11-15	16 - 20	21 - 40	41 - 60	61 - 120	120+	Total
January 2022 Total	19,978	969	661	1,257	509	335	43	23,752
% answer time ≤ 10 seconds	84.11%	4.08%	2.78%	5.29%	2.14%	1.41%	0.18%	100.00%
% answer time ≤ 15 seconds	88.19%							
% answer time ≤ 40 seconds	96.27%							
February 2022 Total	14,286	596	460	829	281	210	36	16,698
% answer time ≤ 10 seconds	85.56%	3.57%	2.75%	4.96%	1.88%	1.28%	0.22%	100.00%
% answer time ≤ 15 seconds	89.12%							
% answer time ≤ 40 seconds	96.84%							
March 2022 Total	15,873	852	427	780	259	227	18	18,238
% answer time ≤ 10 seconds	87.04%	3.58%	2.34%	4.28%	1.42%	1.24%	0.10%	100.00%
% answer time ≤ 15 seconds	90.62%							
% answer time ≤ 40 seconds	97.24%							
April 2022 Total	14,784	607	429	804	294	227	22	17,167
% answer time ≤ 10 seconds	86.12%	3.54%	2.50%	4.68%	1.71%	1.32%	0.13%	100.00%
% answer time ≤ 15 seconds	89.65%							
% answer time ≤ 40 seconds	96.84%							
May 2022 Total	16,706	647	492	842	269	187	29	19,192
% answer time ≤ 10 seconds	87.05%	3.37%	2.56%	4.39%	1.51%	0.97%	0.15%	100.00%
% answer time ≤ 15 seconds	90.42%							
% answer time ≤ 40 seconds	97.37%							
June 2022 Total	17,118	857	519	858	296	192	21	19,961
% answer time ≤ 10 seconds	85.76%	4.29%	2.80%	4.80%	1.48%	0.96%	0.11%	100.00%
% answer time ≤ 15 seconds	90.05%							
% answer time ≤ 40 seconds	97.45%							
July 2022 Total	17,132	689	459	833	317	196	17	19,643
% answer time ≤ 10 seconds	87.22%	3.51%	2.34%	4.24%	1.61%	1.00%	0.09%	100.00%
% answer time ≤ 15 seconds	90.72%							
% answer time ≤ 40 seconds	97.30%							
August 2022 Total	16,461	934	611	1,014	310	176	9	19,535
% answer time ≤ 10 seconds	84.37%	4.78%	3.13%	5.19%	1.59%	0.90%	0.05%	100.00%
% answer time ≤ 15 seconds	89.15%							
% answer time ≤ 40 seconds	97.47%							
September 2022 Total	16,150	710	424	618	230	117	15	18,264
% answer time ≤ 10 seconds	88.43%	3.89%	2.32%	3.38%	1.28%	0.64%	0.08%	100.00%
% answer time ≤ 15 seconds	92.31%							
% answer time ≤ 40 seconds	98.02%							
October 2022 Total	16,330	634	297	535	152	64	0	18,012
% answer time ≤ 10 seconds	90.66%	3.52%	1.65%	2.97%	0.84%	0.36%	0.00%	100.00%
% answer time ≤ 15 seconds	94.18%							
% answer time ≤ 40 seconds	98.80%							
November 2022 Total	17,661	516	304	425	133	54	7	19,300
% answer time ≤ 10 seconds	92.54%	2.67%	1.58%	2.20%	0.69%	0.28%	0.04%	100.00%
% answer time ≤ 15 seconds	95.22%							
% answer time ≤ 40 seconds	98.99%							
December 2022 Total	17,323	482	253	285	59	27	0	18,430
% answer time ≤ 10 seconds	93.99%	2.62%	1.37%	1.55%	0.32%	0.15%	0.00%	100.00%
% answer time ≤ 15 seconds	96.61%							
% answer time ≤ 40 seconds	99.53%							
Year to Date 2022 Total	200,095	8,294	5,337	9,185	3,129	2,012	217	228,289
% answer time ≤ 10 seconds	87.66%	3.63%	2.34%	4.02%	1.37%	0.88%	0.10%	100.00%
% answer time ≤ 15 seconds	91.29%							
% answer time ≤ 40 seconds	97.65%							
Year to Date 2021 Total	192,549	11,573	7,035	10,507	3,955	2,467	323	228,409
% answer time ≤ 10 seconds	84.30%	5.07%	3.08%	4.60%	1.73%	1.08%	0.14%	100.00%
% answer time ≤ 15 seconds	89.37%							
% answer time ≤ 40 seconds	97.05%							



November 9, 2022

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To the Board of Directors
Consolidated Fire Agencies
Rialto, California

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We have audited the financial statements of the Consolidated Fire Agencies (the Agency) as of and for the year ended June 30, 2022, and have issued our report thereon dated November 9, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 28, 2022, our responsibility, as described by professional standards, is to form and express opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks

We have identified the possibility of the following significant risks:

Management's override of internal controls over financial reporting – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

Revenue recognition – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the Agency's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of capital asset depreciation is based on historical estimates of each capitalized item's useful life. We evaluated the key factors and assumptions used to develop the estimated useful lives and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the net pension liability and related deferred outflows and deferred inflows of resources is based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Agency's financial statements relate to:

The disclosure of fair value of investments in the financial statements represents amounts susceptible to market fluctuations.

The disclosure of accumulated depreciation in the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of net pension liability and related deferred outflows and deferred inflows of resources in the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has accepted all identified misstatements. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. These material misstatements were brought to the attention of, and accepted by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 9, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the Agency, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of the Agency and is not intended to be and should not be used by anyone other than these specified parties.

Rogers, Anderson, Malody & Scott, LLP.

November 9, 2022
San Bernardino, California



*Apple Valley Fire Protection District
Chino Valley Independent Fire District
Colton Fire Department
Loma Linda Fire Department
Rancho Cucamonga Fire Protection District
Redlands Fire Department
Rialto Fire Department
San Bernardino County Fire District
Victorville Fire Department*

Consolidated Fire Agencies

*1743 W. Miro Way, Rialto, CA 92376-8630
Phone 909-356-2302 Fax 909-356-3809*

November 9, 2022

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the basic financial statements of Consolidated Fire Agencies (CONFIRE) as of June 30, 2022 and for the fiscal year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, and results of operations of the various opinion units of CONFIRE in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 9, 2022:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 28, 2022, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

BOARD OF DIRECTORS

<i>Dan Leary.... Apple Valley</i>	<i>John DeMonaco.... Chino</i>
<i>Ernest R. Cisneros.... Colton</i>	<i>Dr. Rhodes Rigsby.... Loma Linda</i>
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<i>Andy Carrizales.... Rialto</i>	<i>Dawn Rowe.... San Bernardino County</i>
<i>Elizabeth Becerra.... Victorville</i>	

- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.

- The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
- The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to the preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- CONFIRE has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which CONFIRE is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).

- CONFIRE has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- With respect to the required supplementary information in the financial statements described above:
 - We acknowledge our responsibility for the presentation of the required supplementary information in accordance with accounting principles generally accepted in the United States of America.
 - We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with applicable criteria.
 - The methods of measurement of presentation have not changed from those used in prior periods.

Use of a Specialist

We agree with the findings of specialists (SBCERA) in evaluating our pension liability and related deferrals and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.



Nathan Cooke
Interim Director



CONSOLIDATED FIRE AGENCIES

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2022



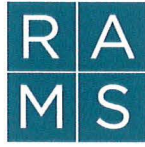
ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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Table of Contents
June 30, 2022

	Page
Independent Auditor's Report	1
 Financial Statements	
Statement of Net Position	4
Statement of Activities	5
Balance Sheet - Governmental Funds	6
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	9
Notes to the Basic Financial Statements	10
 Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund	29
CAD-to-CAD Special Revenue Fund	30
Schedule of Proportionate Share of the Net Pension Liability as of the Measurement Date	31
Schedule of Plan Contributions	32
Note to Required Supplementary Information	33
 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>	
	34

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Independent Auditor's Report

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Consolidated Fire Agencies (CONFIRE)
Rialto, California

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Demi Hite, CPA

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 Consolidated Fire Agencies (the Agency), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund, of the Agency as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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California Society of
Certified Public Accountants



Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

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

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

Required Supplementary Information

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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the 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 November 9, 2022, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 9, 2022

Statement of Net Position
June 30, 2022
ASSETS

Current assets:

Cash and investments	\$ 13,081,561
Due from other governments	617,379
Interest receivable	29,590
Prepaid expenses	<u>887,505</u>

Total current assets	<u>14,616,035</u>
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Non-current assets:

Capital assets, net of accumulated depreciation	<u>2,604,197</u>
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Total non-current assets	<u>2,604,197</u>
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Total assets	<u>17,220,232</u>
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DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>2,755,320</u>
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LIABILITIES

Current liabilities:

Accounts payable	150,976
Unearned revenue	36,000
Accrued liabilities	282,538
Due to other governments	<u>38,134</u>

Total current liabilities	<u>507,648</u>
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Non-current liabilities:

Compensated absences	546,662
Net pension liability	<u>1,702,432</u>

Total non-current liabilities	<u>2,249,094</u>
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Total liabilities	<u>2,756,742</u>
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DEFERRED INFLOWS OF RESOURCES

Pension related	<u>2,812,522</u>
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NET POSITION

Net investment in capital assets	2,604,197
Unrestricted	<u>11,802,091</u>

Total net position	<u>\$ 14,406,288</u>
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The accompanying notes are an integral part of the financial statements.

**Statement of Activities
For the Year Ended June 30, 2022**

PROGRAM EXPENSES

Governmental Activities:	
Public Safety - 911 Communications	<u>\$ 12,011,976</u>
Total program expenses	<u>12,011,976</u>

PROGRAM REVENUES

Operating grants and contributions	12,464,928
Capital grants and contributions	<u>1,217,826</u>
Total program revenues	<u>13,682,754</u>

Net program revenues (expense)	<u>1,670,778</u>
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GENERAL REVENUES

Investment income	<u>(241,399)</u>
Total general revenues	<u>(241,399)</u>

CHANGE IN NET POSITION	1,429,379
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NET POSITION, BEGINNING OF YEAR	<u>12,976,909</u>
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NET POSITION, END OF YEAR	<u><u>\$ 14,406,288</u></u>
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The accompanying notes are an integral part of the financial statements.

**Balance Sheet
Governmental Funds
June 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 12,743,792	\$ 337,769	\$ 13,081,561
Due from other governments	146,979	470,400	617,379
Interest receivable	28,919	671	29,590
Prepaid expenses	792,142	95,363	887,505
	<u>792,142</u>	<u>95,363</u>	<u>887,505</u>
Total assets	<u>\$ 13,711,832</u>	<u>\$ 904,203</u>	<u>\$ 14,616,035</u>
LIABILITIES			
Accounts payable	\$ 150,976	\$ -	\$ 150,976
Other liabilities	-	36,000	36,000
Accrued liabilities	282,538	-	282,538
Due to other governments	38,134	-	38,134
	<u>38,134</u>	<u>-</u>	<u>38,134</u>
Total liabilities	<u>471,648</u>	<u>36,000</u>	<u>507,648</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	64,582	470,400	534,982
	<u>64,582</u>	<u>470,400</u>	<u>534,982</u>
Total deferred inflows of resources	<u>64,582</u>	<u>470,400</u>	<u>534,982</u>
FUND BALANCE			
Nonspendable	792,142	95,363	887,505
Committed			
CAD to CAD System	-	302,440	302,440
Benefits reserve	1,610,781	-	1,610,781
Assigned			
Equipment replacement	2,235,361	-	2,235,361
Unassigned	8,537,318	-	8,537,318
	<u>8,537,318</u>	<u>-</u>	<u>8,537,318</u>
Total fund balance	<u>13,175,602</u>	<u>397,803</u>	<u>13,573,405</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 13,711,832</u>	<u>\$ 904,203</u>	<u>\$ 14,616,035</u>

The accompanying notes are an integral part of the financial statements.

**Reconciliation of the Balance Sheet of the Governmental Fund
to the Statement of Net Position
June 30, 2022**

Fund balance of the governmental funds	\$ 13,573,405
Net capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	2,604,197
Deferred outflows and inflows of resources related to pensions have not been included in the governmental fund activity:	
Deferred outflows of resources	2,755,320
Deferred inflows of resources	(2,812,522)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Compensated absences	(546,662)
Net pension liability	(1,702,432)
Revenues reported as unavailable revenue in the governmental funds are recognized in the Statement of Activities. These are classified as operating grants and contributions in the government-wide financial statements.	<u>534,982</u>
Net position of the governmental activities	<u><u>\$ 14,406,288</u></u>

The accompanying notes are an integral part of the financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Special Revenue Fund	Total Governmental Funds
REVENUES			
Contributions from agencies	\$ 12,452,928	\$ 12,000	\$ 12,464,928
Investment income	(238,360)	(3,039)	(241,399)
Intergovernmental - federal and state	1,547,813	-	1,547,813
Total revenues	<u>13,762,381</u>	<u>8,961</u>	<u>13,771,342</u>
EXPENDITURES			
Salaries and benefits	7,044,883	-	7,044,883
Services and supplies	4,341,702	436,821	4,778,523
Capital outlay	151,187	-	151,187
Total expenditures	<u>11,537,772</u>	<u>436,821</u>	<u>11,974,593</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	825,663	825,663
Transfers out	(825,663)	-	(825,663)
Total other financing sources (uses)	<u>(825,663)</u>	<u>825,663</u>	<u>-</u>
Net change in fund balance	1,398,946	397,803	1,796,749
FUND BALANCE, BEGINNING OF YEAR	<u>11,776,656</u>	<u>-</u>	<u>11,776,656</u>
FUND BALANCE, END OF YEAR	<u>\$ 13,175,602</u>	<u>\$ 397,803</u>	<u>\$ 13,573,405</u>

The accompanying notes are an integral part of the financial statements.

**Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2022**

Net change in fund balances - total governmental funds \$ 1,796,749

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The capital assets activity is reconciled as follows:

Capital additions	151,187
Depreciation expense	(913,180)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in compensated absences	(384)
Net pension related adjustments	724,994

Revenues reported as unavailable revenue in the governmental funds are recognized in the Statement of Activities. These are classified as operating grants and contributions in the government-wide financial statements.

	(329,987)
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Change in net position	\$ 1,429,379
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**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General

The Consolidated Fire Agencies (CONFIRE) (the Agency) was established pursuant to a Joint Powers Agreement dated August 20, 1990. The Agency is a cooperative association voluntarily established by its members pursuant to the Joint Exercise of Powers Act of Title 1, Division 7, Chapter 5 of the Government Code of the State of California. Its purpose is to provide hardware, software, services, and other items necessary and appropriate for the establishment, operation, and maintenance of a joint centralized public safety communications system and a cooperative program of fire-related functions for the mutual benefit of the members of the Agency; to provide such services on a contract basis to other governmental units; and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding public safety communications and related matters within member agencies.

The Agency has a Board of Directors, which consists of a representative of the governing body of each member city and district.

The activities of the Agency are financed by a cost-sharing formula, which requires a prorating among the participating members and contracted agencies based on the demand percentage on the system by the members to be determined by the Administrative Committee and approved by the Board of Directors.

B. Financial Statement Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The GASB determined that fund accounting is essential in helping governments to achieve fiscal accountability and that government-wide financial statements are needed to allow users of financial reports to assess a government's operational accountability.

The statement of net position and the statement of activities are the government-wide financial statements and report information on the governmental activities of the Agency.

The balance sheet and statement of revenues, expenditures and changes in fund balance report information on the general operating fund of the Agency.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to the Agency's members 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

Notes to the Basic Financial Statements
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Agency's assets and liabilities, including capital assets and long-term debt, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash receipts and disbursements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred.

The Agency reports one major governmental fund, the General Fund

The City reports the following major governmental funds:

- The General Fund, which is the Agency's primary operating fund. It accounts for all financial resources of the general government.
- The CAD-to-CAD Special Revenue Fund accounts for the financial resources and uses related to the implementation of the regional computer aided dispatch CAD-to-CAD system.

D. Budgetary Practice

The Agency's budget for the following fiscal year shall be submitted by the Communications Director to the Administrative Committee on or before January 15 of each year. The Administrative Committee shall adopt a tentative budget on or before February 1 of each year and forward the same to the Board of Directors for review. The Board of Directors shall adopt the annual budget for the Agency not later than March 1 of each year.

E. Capital Assets

Capital assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and updated for additions and retirements during the year. The Agency has a capitalization threshold of \$5,000. Donated capital assets are recorded at acquisition value. Improvements that add to the value of the asset or materially extend the asset's life are capitalized. The costs of normal maintenance and repairs are expensed.

Notes to the Basic Financial Statements
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Capital Assets (continued)

The cost of capital assets is depreciated over the estimated useful lives of the related assets using the straight-line method. The useful lives of capital assets for purposes of computing depreciation are as follows:

Buildings and leasehold improvements	25 years
Vehicles	5 years
Computer equipment and software	4 years
Radio consoles	10 years

F. Investments

Generally accepted accounting principles requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in the fair value of investments in the year in which the change occurred. Investments are included within the financial statement classifications of "cash and investments" and are stated at fair value.

G. Fund Balance

Generally accepted accounting principles establishes criteria for classification of fund balances into specifically-defined classifications and clarifies definitions for other governmental fund types. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted for specific purposes by external resource providers or by law through constitutional or enabling legislation are reported as restricted fund balance. Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority are reported as committed fund balance. The assigned fund balance consists of amounts that the government intends to use for specific purposes, but are neither restricted nor committed. The unassigned fund balance is the residual classification for the General Fund.

The Agency's Board of Directors is the body authorized to establish commitments through a formal action.

Amounts the Board of Directors intends to use for a specific purpose are considered assigned.

For the classification of fund balances, the Agency considers restricted amounts to have been spent before unrestricted if the expenditure meets the criteria for use of restricted funds. Unrestricted funds are used in the following order: committed, assigned, and unassigned funds.

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Program Revenues

Program revenues consist of three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions.

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating grants and contributions include revenues restricted to meeting the requirements of a particular operating function and may include state-shared revenues and grants. Capital grants and contributions include revenues restricted to meeting the requirements of a particular capital function and may include grants or other contributions. Other items not classified as program revenues are reported as general revenues.

I. Deferred Compensation Plan

The Agency offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Agency employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Management believes that the Agency has no fiduciary role under the revised Plan, and Plan funds are not available to the Agency's general creditors. Accordingly, the Agency has not reported Plan assets in the accompanying financial statements.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 expenses during the reporting period. Actual results could differ from those estimates.

K. Pension Plan

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the San Bernardino County Employees' Retirement Association (SBCERA) and additions to/deductions from SBCERA'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 currently due and payable in accordance with the benefit terms, and investments are reported at fair value.

Notes to the Basic Financial Statements
June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Pension Plan (continued)

SBCERA’s audited financial statements are publicly available reports that can be obtained at SBCERA’s website at www.sbcera.org.

Generally accepted accounting principles requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2021
Measurement Period (MP)	July 1, 2020 to June 30, 2021

NOTE 2 – CASH AND INVESTMENTS

In accordance with the Agency’s bylaws, the treasurer has the ability to deposit funds in banks, trust companies, or other depositories with the consent of the Board of Directors. Currently, all cash held by the Agency is on deposit with the San Bernardino County Treasury Pool.

The County of San Bernardino Treasurer pools its funds with other governmental agencies in the County and invests them as prescribed by the California Government Code and the County of San Bernardino’s Investment Policy. The Agency’s deposits in the County pool may be accessed at any time. The Agency is allocated interest income on monies deposited with the County based on its proportional share of the pooled investments. All investments are carried at fair value. Cash and investments as of June 30, 2022 consisted of the following:

	Credit Quality Ratings	Amount
Cash and investments	*	\$ 13,081,311
Imprest cash	Not rated	<u>250</u>
Total cash and investments		<u>\$ 13,081,561</u>

* All investments within the pool have a Standard & Poor’s Rating of A-1 or higher.

Investments were stated at fair value, resulting in the following investment income:

	Amount
Changes in fair value of investments	\$ (334,047)
Interest income	<u>92,648</u>
Total investment income	<u>\$ (241,399)</u>

Notes to the Basic Financial Statements
June 30, 2022

NOTE 2 – CASH AND INVESTMENTS (continued)

In accordance with generally accepted accounting principles, the portfolio for year-end reporting purposes is treated as if it were sold. Therefore, the fund balance must reflect the portfolio's change in fair value. The Agency relied on information provided by the San Bernardino County Treasurer in estimating the fair value of the Agency's cash and investments at June 30, 2022. The fair value of the Agency's cash and investments totaled \$13,081,561 of which the Agency had a contractual withdrawal value of \$11,381,210 as of June 30, 2022. These portfolio balance changes are unrealized unless sold.

The San Bernardino County Treasurer's Investment Pool is a governmental investment pool managed and directed by the elected San Bernardino County Treasurer. The County Pool is not registered with the Securities and Exchange Commission. An oversight committee comprised of local government officials and various participants provide oversight to the management of the fund. The daily operations and responsibilities of the pool fall under the auspices of the County Treasurer's office. The Agency is a voluntary participant in the investment pool.

The Agency is authorized under the California Government Code to make direct investments; however, the Agency has not adopted an investment policy and thus does not maintain policies for exposure to interest rate risk, credit risk, and concentration of credit risk. Investment policies and related credit, custodial credit, concentration of credit, interest rate, and foreign currency risks applicable to the Agency are those of the County and are disclosed in the County's basic financial statements. As of June 30, 2022, the cash and investments with the County Treasury were allocated as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Asset-Backed Security	\$ 478,776
Certificates of Deposit	1,734,582
Commercial Paper	1,641,705
Corporate Note	657,990
Federal Agency Bond/Note	2,455,361
Federal Agency Collateralized Mortgage Obligation	1,007,261
Federal Insured Cash Account	27,471
Joint Powers Authority	273,399
Money Market Mutual Fund	1,157,696
NOW Account	54,942
Supra-National Agency Bond/Note	272,091
Repurchase Agreement	54,942
U.S. Treasury Bond/Note	3,059,719
Cash Balance	<u>205,376</u>
 Total cash and investments with county treasury pool	 \$ <u>13,081,311</u>

See the County of San Bernardino's Annual Comprehensive Financial Report (ACFR) for details of their investment policy and disclosures related to investment types, credit risk, concentration of credit risk, interest rate risk and custodial credit risk. The County pool is rated AAA by Fitch.

Notes to the Basic Financial Statements
June 30, 2022

NOTE 2 – CASH AND INVESTMENTS (continued)

The Agency follows the County’s investment policy for permitted investments. The bond document allows the fiscal agent to invest in obligations of the United States government obligations, United States Agencies, deposit accounts, federal funds, bankers’ acceptances, certificates of deposit, commercial paper, municipal obligations, repurchase agreements, investment agreements and money market funds.

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County Pool values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. The Agency’s money market funds are valued at amortized cost. The Agency has no investments subject to the fair value hierarchy established by generally accepted accounting principles.

NOTE 3 – CAPITAL ASSETS

Changes in the capital assets during the year ended June 30, 2022 were as follows:

	Balance as of June 30, 2021	Additions	Deletions	Balance as of June 30, 2022
Capital assets, being depreciated				
Building	\$ 460,476	\$ -	\$ -	\$ 460,476
Leasehold improvements	84,680	-	-	84,680
Vehicles	104,027	75,704	-	179,731
Computer equipment and software	7,521,790	75,483	-	7,597,273
Total capital assets being depreciated	<u>8,170,973</u>	<u>151,187</u>	<u>-</u>	<u>8,322,160</u>
Accumulated depreciation				
Building	(317,729)	(18,419)	-	(336,148)
Leasehold improvements	(28,932)	(8,466)	-	(37,398)
Vehicles	(36,624)	(14,192)	-	(50,816)
Computer equipment and software	(4,421,498)	(872,103)	-	(5,293,601)
Total accumulated depreciation	<u>(4,804,783)</u>	<u>(913,180)</u>	<u>-</u>	<u>(5,717,963)</u>
Total capital assets, being depreciated, net	<u>3,366,190</u>	<u>(761,993)</u>	<u>-</u>	<u>2,604,197</u>
Total capital assets, net	<u>\$ 3,366,190</u>	<u>\$ (761,993)</u>	<u>\$ -</u>	<u>\$ 2,604,197</u>

For the fiscal year ended June 30, 2022, depreciation expense of \$913,180 was charged to Public Safety - 911 Communications.

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 4 – FUND BALANCE

The Agency's nonspendable fund balance classification consists of prepaid expenses. The committed fund balance consists of a term benefits reserve and a reserve for the implementation and operation tasks of the Agency's regional computer aided dispatch CAD-to-CAD system. The assigned classification consists of the equipment reserve. The unassigned classification includes a general reserve and the balance of the operations fund.

NOTE 5 – RISK MANAGEMENT

The Agency participates in the County of San Bernardino's self-insurance program for public liability, property damage, unemployment insurance, employee dental insurance, hospital and medical malpractice liability, and workers' compensation claims. Public liability claims are self-insured for up to \$1 million per occurrence. Excess insurance coverage over the self-insured retention (SIR) up to \$35 million is provided through a risk-pool agreement with California State Association of Counties (CSAC) Excess Insurance Authority (EIA) Liability Program 11.

Workers' compensation claims are self-insured up to \$2 million per occurrence and are covered by CSAC EIA for up to \$10 million for employer's liability and up to \$50 million for workers' compensation per occurrence.

Property damage claims are insured on an occurrence basis over a \$25,000 deductible and are insured with CSAC EIA Property Program.

All public officials and County employees are insured under a blanket comprehensive disappearance, destruction, and dishonesty policy covering County monies and securities, also with CSAC EIA, with excess limits up to \$5 million per occurrence.

The activities related to such programs are accounted for in the County of San Bernardino's Risk Management Fund (an Internal Service Fund). The IBNR and IBNS liabilities included in the Risk Management Fund are based on the results of actuarial studies and include amounts for claims incurred, but not reported, and allocated loss adjustment expense. The liabilities for these claims are reported using a discounted rate of 2.75%. It is the County's practice to obtain actuarial studies on an annual basis.

The Agency also purchases general liability, automobile liability, public official's errors and omissions, employment practices liability, special property insurance coverage and cyber liability coverage. The Agency is covered up to \$5 million per occurrence for general liability, automobile liability, and public officials errors and omissions, up to \$10 million per occurrence for cyber liability, up to \$2 million per occurrence for employment practices liability (with a \$10,000 deductible), and up to \$20 million per occurrence for special property insurance coverage.

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Description

The Agency participates in the San Bernardino County Employees' Retirement Association (SBCERA) pension plan – a cost-sharing multiple employer defined benefit retirement plan (the Plan). 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 greater than fifty percent of the full standard of hours required are members of SBCERA and are provided with pension benefits pursuant to Plan requirements.

The Plan operates under the provisions of the California County Employees' Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by SBCERA's Board of Retirement (Board). 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 County of San Bernardino Board of Supervisors and/or the SBCERA Board. SBCERA is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

SBCERA is a legally separate entity from the Agency, not a component unit, and there is no financial interdependency with the County of San Bernardino. For these reasons, the Agency's financial statements exclude the SBCERA pension plan as of June 30, 2022. SBCERA publishes its own comprehensive annual financial report that includes its financial statements and required supplementary information, that can be obtained by writing SBCERA at, 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415-0014 or visiting the website at: www.sbcera.org.

Benefits Provided

SBCERA provides retirement, disability, death and survivor benefits. The CERL and PEPRA establish benefit terms. Retirement benefits are calculated on the basis of age, average final compensation and service credit as follows:

Notes to the Basic Financial Statements
June 30, 2022

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

	General - Tier 1	General - Tier 2
Final average compensation	Highest 12 months	Highest 36 months
Normal retirement age	Age 55	Age 55
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
Benefit percent per year of service for normal retirement age	2% per year of final average compensation for every year of service credit	2.5% 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
Final average compensation limitation	Internal Revenue Code section 401(a)(17)	Government Code section 7522.10

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 number of 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 1 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, 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.

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Employee contribution rates for the fiscal year ended June 30, 2022 ranged between 9.50% and 15.14% for Tier 1 General members and between 9.09% and 9.10% for Tier 2 General members. The required employer contributions and the amount paid to SBCERA by the Agency for the year ended June 30, 2022 was \$1,327,134.

B. Net Pension Liability

At June 30, 2022, the Agency reported a net pension liability of \$1,702,432 for its proportionate share of SBCERA’s net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The Agency’s reported liability at June 30, 2022, decreased by \$5,677,434 from the Agency’s prior year liability of \$7,379,866 because of changes in the SBCERA net pension liability and the Agency’s proportionate share of that liability. The SBCERA’s publicly available financial report provides details on the change in the net pension liability.

The Agency’s proportion of the net pension liability at June 30, 2022 was based on the Agency’s contributions received by SBCERA during the measurement period for employer payroll paid from dates July 1, 2020 through June 30, 2021, relative to the total contributions received from all of SBCERA’s participating employers. At measurement date June 30, 2021, the Agency’s proportionate share of total employer contributions was 0.16%, which was a decrease of 0.06% from its proportion measured as of measurement date June 30, 2020. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Net Pension Liability

The significant actuarial assumptions and methods used to measure the net pension liability as of June 30, 2022 are as follows:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2021
Actuarial Cost Method	Entry age normal
Amortization Method	Level percent of payroll
Remaining Amortization Period	20-year closed period for each valuation
Asset Valuation Method	Market Value of Assets
Actuarial assumptions:	
Discount Rate	7.25%
Inflation	2.75%
Salary Increases ¹	General: 4.55% to 12.75% and Safety: 4.75% to 12.25%
Cost-of-Living-Adjustments	Contingent upon consumer price index with a 2% maximum
Administrative expenses	0.85% of payroll

¹ Includes inflation, real “across the board” salary increases of 0.50%, plus merit and promotional increases. Amounts vary by service.

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

B. Net Pension Liability (continued)

Mortality rates used in the June 30, 2021 and 2020 actuarial valuations are based on the Pub-2010 Amount-Weighted Above-Median Mortality Table projected generationally with the two-dimensional MP-2019 projection scale. For healthy General members, the General Healthy Retiree rates increased by 10% were used. For healthy Safety members, the Safety Healthy Retiree rates were used. For disabled General members, the Non-Safety Disabled Retiree rates were used. For disabled Safety members, the Safety Disabled Retiree rates were used. For beneficiaries, the General Contingent Survivor rates increased by 10% were used.

The actuarial assumptions used to determine the Net Pension Liability as of June 30, 2021 and 2020, were based on the results of an experience study for the period from July 1, 2016 through June 30, 2019. They are the same assumptions used in the June 30, 2021 and 2020 actuarial valuations. Key assumptions used in the actuarial valuations are presented on the next page.

The long-term expected rate of return on 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. This information is 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, and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocations approved by the SBCERA Board, and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions, are summarized in the following table. This information will change every three years based on the triennial actuarial experience study.

Notes to the Basic Financial Statements
June 30, 2022

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

B. Net Pension Liability (continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

SBCERA'S Long-Term Expected Real Rate of Return
As of June 30, 2021 (MD)

Asset Class	Investment Classification	Target Allocation⁽¹⁾	Long-Term Expected Real Rate of Return (Arithmetic)
Large Cap U.S. Equity	Domestic Common and Preferred Stock	11.00%	5.42%
Small Cap U.S. Equity	Domestic Common and Preferred Stock	2.00%	6.21%
Developed International Equity	Foreign Common and Preferred Stock	9.00%	6.50%
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%	1.13%
High Yield/Credit Strategies	Domestic Bonds/Foreign Bonds	13.00%	3.40%
Global Core Fixed Income	Foreign Bonds	1.00%	-0.04%
Emerging Market Debt	Emerging Market Debt	8.00%	3.44%
Real Estate	Real Estate	3.50%	4.57%
Value Added Real Estate	Real Estate	3.50%	6.50%
International Credit	Foreign Alternatives	11.00%	5.89%
Absolute Return	Domestic Alternative/Foreign Alternatives	7.00%	3.69%
Real Assets	Domestic Alternative/Foreign Alternatives	5.00%	10.64%
Private Equity	Domestic Alternative/Foreign Alternatives	16.00%	10.70%
Cash & Equivalents	Short-Term Cash Investment Funds	2.00%	-0.03%
Total		<u>100.00%</u>	

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

Change in Assumptions

There were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for the measurement period June 30, 2021. The projection of cash flows used to determine the discount rates assumed that contributions from participating employers and active Plan members are made at the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits of current Plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future members and their beneficiaries, as well as projected contributions from future members, are not included.

Notes to the Basic Financial Statements
June 30, 2022

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

B. Net Pension Liability (continued)

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on Plan investments of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2021.

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

The following table presents the Agency's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.25%, as well as what the Agency's proportionate share of the 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:

	Discount Rate - 1% (6.25%)	Current Discount Rate (7.25%)	Discount Rate + 1% (8.25%)
Agency's proportionate share of the County's net pension liability	\$ 6,018,775	\$ 1,702,432	\$ (1,828,880)

Pension Plan Fiduciary Net Position

Detailed information about the SBCERA's fiduciary net position is available in a separately issued SBCERA annual comprehensive financial report. That report may be obtained on the Internet at www.sbcera.org; by writing to SBCERA at 348 W. Hospitality Lane, Third Floor, San Bernardino, CA 92415; or by calling (909) 885-7980 or (877) 722-3721.

C. Proportionate Share of Net Pension Liability

The following table shows the Plans proportionate share of the net pension liability over the measurement period.

	Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
Balance at 6/30/2020 (MD)	\$ 26,322,042	\$ 18,942,176	\$ 7,379,866
Balance at 6/30/2021 (MD)	19,318,470	17,616,038	1,702,432
Net change	\$ (7,003,572)	\$ (1,326,138)	\$ (5,677,434)

Notes to the Basic Financial Statements
June 30, 2022

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability (continued)

The Agency’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The Agency’s proportion of the net pension liability was based on a projection of the Agency’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Agency’s proportionate share of the net pension liability for the Plan as of June 30, 2022 was as follows:

Proportionate share at June 30, 2022 (measurement date June 30, 2021)	0.16%
Proportionate share at June 30, 2021 (measurement date June 30, 2020)	<u>0.22%</u>
Change – Increase (Decrease)	<u>(0.06%)</u>

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Recognition of Gains and Losses

Under generally accepted accounting principles, 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:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) of all employees that are provided with pensions through SBCERA is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Plan. The EARSL for the Plan as of July 1, 2020 (the beginning of the measurement period ended June 30, 2021) is 5.47 years.

Notes to the Basic Financial Statements
June 30, 2022

NOTE 6 – DEFINED BENEFIT PENSION PLAN (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the Agency recognized pension expense of \$602,139 and reported its proportionate share of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 102,528	\$ (10,184)
Changes in assumptions	407,139	-
Net difference between projected and actual earnings on pension plan investments		(1,779,874)
Changes in proportion and differences between employer contributions and proportionate share of contributions	918,519	(1,022,464)
Employer contributions paid by Agency subsequent to the measurement date	<u>1,327,134</u>	<u>-</u>
Total	<u>\$ 2,755,320</u>	<u>\$ (2,812,522)</u>

The amounts above are net of outflows and inflows recognized in the 2020-2021 measurement period expense. Deferred outflows of resources related to contributions subsequent to the measurement date of \$1,327,134 will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ (67,222)
2024	(183,876)
2025	(360,537)
2026	(708,025)
2027	(64,676)
Thereafter	<u>-</u>
Total	<u>\$ (1,384,336)</u>

E. Payable to the Pension Plan

The Agency reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2022.

Notes to the Basic Financial Statements
June 30, 2022

NOTE 7 – SHORT-TERM LEASES

The Agency entered into a month-to-month lease and year-to-year leases that are cancelable by either the lessee or the lessor, which results in a noncancelable period less than one year and are considered short-term leases in accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*.

The Agency entered into a ten-year lease commencing on September 1, 2010, with the County of San Bernardino for a building in Rialto for \$1 per year. The lease agreement was amended beginning November 1, 2018, increasing the rent from \$1 to \$52,034 per year. The space is used to house the administrative, technology, and dispatch personnel for the Agency. Upon expiration of the initial term of the lease, the Agency is granted two consecutive five-year lease renewal options. The option must be exercised by the Agency, giving the landlord notice before the expiration of the initial term, or any option period, of its intention to exercise the option. In May 2021, the first option was executed for lease term beginning September 1, 2020. The lease expense for the year ended June 30, 2022, was \$57,379. The future minimum payments on the lease are as follows:

Fiscal Year Ending	Lease Payments
6/30/2023	\$ 59,387
6/30/2024	61,465
6/30/2025	63,615
6/30/2026	10,663
Total	<u>\$ 195,129</u>

The Agency entered into a three-year lease commencing April 2020 with Konica Minolta Business Solutions for three copiers. The lease expense for the year ended June 30, 2022 was \$7,728. The future minimum payments on the lease are as follows:

Fiscal Year Ending	Lease Payments
6/30/2023	\$ 5,796
Total	<u>\$ 5,796</u>

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 7 – SHORT-TERM LEASES (continued)

The Agency entered into a five-year lease agreement commencing on February 1, 2017, with ModSpace for the lease of modular office space. The lease expense for the year ended June 30, 2022 was \$5,732. The future minimum payments on the lease are as follows:

Fiscal Year Ending	Lease Payments
6/30/2023	\$ 5,884
6/30/2024	2,697
Total	<u>\$ 8,581</u>

The Agency entered into a five-year lease agreement commencing March 1, 2019 with the County of San Bernardino for the use of a portion of the County’s existing rack space within the County-owned equipment shelter located at 1743 W. Miro Way, Rialto, to install and operate electronic server system equipment. The lease expense for the year ended June 30, 2022 was \$34,708. The future minimum payments on the lease are as follows:

Fiscal Year Ending	Lease Payments
6/30/2023	\$ 35,924
6/30/2024	37,184
6/30/2025	25,360
Total	<u>\$ 98,468</u>

The Agency entered into a ten-year operating lease commencing on May 1, 2019, with the County of San Bernardino for a building in Hesperia for \$6,251 per month for the first year. The monthly lease payment is subject to an increase on each anniversary of the commencement date during the initial term of 3.5% over the monthly lease payment due immediately prior to each such anniversary date. Upon expiration of the initial term of the lease, the Agency is granted two consecutive five-year lease renewal options. The option must be exercised by the Agency, giving the landlord notice at least six (6) months prior to the expiration of the initial term, or any option period, of its intention to exercise the option.

**Notes to the Basic Financial Statements
June 30, 2022**

NOTE 7 – SHORT- TERM LEASES (continued)

The lease expense for the year ended June 30, 2022 was \$80,823. The future minimum payments on the lease are as follows:

Fiscal Year Ending	Lease Payments
6/30/2023	\$ 83,651
6/30/2024	86,579
6/30/2025	89,610
6/30/2026	92,746
6/30/2027	95,992
6/30/2028 - 6/30/2029	184,315
Total	<u>\$ 632,893</u>

NOTE 8 – COMPENSATED ABSENCES

The following table presents the compensated absences activity for the year ended June 30, 2022:

Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
\$ 546,278	\$ 557,753	\$ (557,369)	\$ 546,662

Vacation and sick leave benefits will be recorded as expenditures in the General Fund when the related expenditure is incurred.

REQUIRED SUPPLEMENTARY INFORMATION

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Contributions from agencies	\$ 12,914,825	\$ 14,002,714	\$ 12,452,928	\$ (1,549,786)
Investment income	-	-	(238,360)	(238,360)
Intergovernmental - federal and state	463,000	463,000	1,547,813	1,084,813
Total revenues	<u>13,377,825</u>	<u>14,465,714</u>	<u>13,762,381</u>	<u>(703,333)</u>
EXPENDITURES				
Salaries and benefits	8,448,051	8,448,051	7,044,883	1,403,168
Services and supplies	4,634,774	5,202,930	4,341,702	861,228
Capital outlay	295,000	964,733	151,187	813,546
Total expenditures	<u>13,377,825</u>	<u>14,615,714</u>	<u>11,537,772</u>	<u>3,077,942</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	825,663	825,663	-	(825,663)
Transfers out	(825,663)	(825,663)	(825,663)	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>(825,663)</u>	<u>(825,663)</u>
Net change in fund balance	-	(150,000)	1,398,946	1,548,946
FUND BALANCE, BEGINNING OF YEAR	<u>11,776,656</u>	<u>11,776,656</u>	<u>11,776,656</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 11,776,656</u>	<u>\$ 11,626,656</u>	<u>\$ 13,175,602</u>	<u>\$ 1,548,946</u>

See accompanying note to required supplementary information.

**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
CAD-to-CAD Special Revenue Fund
For the Year Ended June 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Contributions from agencies	\$ 36,500	\$ 36,500	\$ 12,000	\$ (24,500)
Investment income	-	-	(3,039)	(3,039)
Intergovernmental - federal and state	975,663	825,663	-	(825,663)
Total revenues	<u>1,012,163</u>	<u>862,163</u>	<u>8,961</u>	<u>(853,202)</u>
EXPENDITURES				
Services and supplies	<u>1,012,163</u>	<u>862,163</u>	<u>436,821</u>	<u>425,342</u>
Total expenditures	<u>1,012,163</u>	<u>862,163</u>	<u>436,821</u>	<u>425,342</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	825,663	825,663	825,663	-
Transfers out	<u>(825,663)</u>	<u>(825,663)</u>	<u>-</u>	<u>825,663</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>825,663</u>	<u>825,663</u>
Net change in fund balance	-	-	397,803	397,803
FUND BALANCE, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,803</u>	<u>\$ 397,803</u>

See accompanying note to required supplementary information.

Schedule of Proportionate Share of the Net Pension Liability as of the Measurement Date Last 10 Fiscal Years*

Measurement Date	Agency's proportion of the net pension liability	Agency's proportionate share of the net pension liability	Covered payroll ^{(1) (2)}	Agency's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
6/30/2014	0.23%	\$ 3,308,618	\$ 3,100,081	106.73%	82.47%
6/30/2015	0.21%	3,488,800	3,042,104	114.68%	80.98%
6/30/2016	0.22%	4,591,583	3,105,759	147.84%	76.86%
6/30/2017	0.22%	4,752,847	3,201,531	148.46%	77.90%
6/30/2018	0.23%	4,754,567	3,605,489	131.87%	79.89%
6/30/2019	0.23%	5,040,151	3,586,448	140.53%	79.61%
6/30/2020	0.22%	7,379,866	3,610,773	204.38%	71.96%
6/30/2021	0.16%	1,702,432	3,804,094	44.75%	91.19%

Notes to Schedule:

In 2022, there was 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 earnable. 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 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.

* Historical information is required only for measurement dates for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available. Fiscal Year 2015 was the first year of implementation.

(1) This covered payroll total is the actual amount based on the queries generated from the EMACS and may not match to the covered payroll total projected by Segal Consulting on the GASB 68 Report.

(2) Covered payroll for the measurement period.

See accompanying note to required supplementary information.

**Schedule of Plan Contributions
Last 10 Fiscal Years***

Fiscal Year	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll ⁽¹⁾	Contributions as a percentage of covered payroll
6/30/2015	\$ 596,791	\$ (817,404)	\$ (220,613)	\$ 3,042,104	26.87%
6/30/2016	621,004	(925,430)	(304,426)	3,105,759	29.80%
6/30/2017	705,250	(967,377)	(262,127)	3,201,531	30.22%
6/30/2018	787,889	(1,083,969)	(296,080)	3,605,489	30.06%
6/30/2019	906,488	(1,209,589)	(303,101)	3,586,448	33.73%
6/30/2020	874,979	(1,165,493)	(290,514)	3,610,773	32.28%
6/30/2021	940,816	(1,236,533)	(295,717)	3,804,094	32.51%
6/30/2022	1,014,893	(1,327,134)	(312,241)	3,803,552	34.89%

*Historical information is required only for measurement dates for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available. Fiscal Year 2015 was the first year of implementation.

⁽¹⁾ This covered payroll total is the actual amount based on the queries generated from the EMACS and may not match to the covered payroll total projected by Segal Consulting on the GASB 68 Report.

**Note to Required Supplementary Information
June 30, 2022**

BUDGET AND BUDGETARY ACCOUNTING

Consolidated Fire Agencies (Agency) prepares and legally adopts a final budget on or before June 30 of each fiscal year. The Agency's operation, commencing July 1, is governed by the proposed budget, which is adopted by the Agency's Board of Directors before June of the prior year. The legal level of budgetary control is at the fund level.

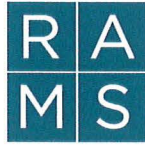
After the budget is approved, the appropriations can be added to, subtracted from, or changed only by resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within revised revenue estimates as approved by the Agency.

An operating budget is adopted each fiscal year on the modified accrual basis.

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OTHER REPORTS

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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**

PARTNERS

Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Brenda L. Odle, CPA, MST (Partner Emeritus)

Independent Auditor's Report

Board of Directors
Consolidated Fire Agencies (CONFIRE)
Rialto, California

MANAGERS / STAFF

Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
Xinlu Zoe Zhang, CPA, MSA
John Maldonado, CPA, MSA
Thao Le, CPA, MBA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA

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 the General Fund of Consolidated Fire Agencies (the Agency), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated November 9, 2022.

Report on Internal Control over Financial Reporting

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

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants

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



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

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

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.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 9, 2022

**CONFIRE****STAFF REPORT****DATE: January 9, 2023****FROM: Nathan Cooke
Interim Director****TO: CONFIRE Board of Directors**

SUBJECT: Proposed Assistant Director Position

Recommendation

Approve job classification for a proposed Assistant Director position, including salary range and associated adjustment to Director salary.

This is not a request to fund or hire the position at this time, although the request to fill will likely be included in the 2023/24 Budget Proposal

Background Information

As the size and complexity of the CONFIRE operation continues to increase, the need for an additional layer of administrative oversight is necessary to effectively manage the organization. CONFIRE has never had a second in command. This has caused some disruption when previous Director's have departed the organization unexpectedly. The span of control within the operation elements of the organization needs to be reinforced. This will enable the Director to properly oversee the entire organization, focus on fiscal, administrative and planning issues in conjunction with the Board of Directors and Administrative Committee, while ensuring the operational divisions are fully supported. This position inserts a succession planning element into the organization and helps ensure continuity in the temporary or permanent absence of the Director.

At the July 26, 2022 Admin meeting the Chiefs approved a proposal by staff to develop the job classification for an Assistant Director of Communications position. That work has been completed and was submitted to San Bernardino County HR for their review, the application is attached to this staff report. Staff was advised by County HR that the classification has been developed per the submitted application and is now awaiting CONFIRE Board approval. It also requires concurrent County Board of Supervisor approval. This item is on the BOS agenda for January 10.

The analysis by County HR resulted in the position being placed in the Exempt, Unclassified comp plan at a similar salary range (62B) as the existing Director classification (62C). This compaction resulted in a recommendation that the Director salary range increase approximately 10% to range 66B. That adjustment would become effective only upon approval by the County Board of Supervisors and with the hiring of a permanent Director of Communications. This will not impact the current costs of the Interim Director which are projected to continue for the remainder of the fiscal year

Fiscal Impact

The salary and benefits for an Assistant Director would be approximately \$239,000 annually. This would be encumbered only if the position were requested to be filled. A request to fill the position will likely be included in the FY 23/24 budget proposal.

The compaction study included in the classification resulted in a recommended increase of 10% for the Director position. This results in an approximately \$18,000 annual increase for that position. This would not have an impact until the Director position is filled.

The cost for this position and the increase in the Directors salary would be shared by all CONFIRE agencies per the allocations established in the annual budget commencing up the hiring of the position.



Study Number: HR Use Only

Section A – DEPARTMENT & CONTACT INFORMATION

Department Name: CONFIRE Department ID: 85570 Division: Admin

Contact for Study

Name: Mike Bell Job Title: Acting Director Phone Number: 909-816-4851

Section B – POSITION/CLASS REQUEST

Number of positions requested: 1-2

Indicate below if position is for **Existing** or **New** Class:

EXISTING CLASS <input type="checkbox"/> Check box and provide information below	NEW CLASS <input checked="" type="checkbox"/> Check box and provide information below
<p>Class Title: _____</p> <p>Job Code: _____ Representation Unit: _____ Salary Range: _____</p> <p>Number of total positions in this class in your department/division: _____</p> <p>Number of vacant positions in this class in your department/division: _____</p> <p>Is classification on Fast Pass list?</p> <p><input type="checkbox"/> Yes Complete Sections A - E and proceed to Section I (no organizational charts needed).</p> <p><input type="checkbox"/> No Complete Sections A – D, F, G, and I. Attach required organizational charts*</p>	<p>Requested New Class Information</p> <p>Class Title: <u>Assistant Director of Communications</u></p> <p>Salary Range: <u>Just below Director (may require adjustment)</u></p> <p>Representation Unit: <u>Exempt</u></p> <p><i>Complete Sections A – D and F - I. Attach required organizational charts*</i></p>

*The following **organizational charts** are **required** before a study is conducted for new position requests that are not Fast Pass:

1. Organizational chart illustrating **current** structure and chain of command, and
2. Organizational chart illustrating **new** structure and chain of command after the addition of the new position(s)/classification.

Both organizational charts must contain class titles and number of filled and vacant positions in each class.

Missing or incomplete organizational charts will delay completion of the study.

Section C – REASON FOR POSITION REQUEST

The following information is required for **all** new position requests including Fast Pass requests:

1. Indicate which of the categories below most closely illustrates the reason(s) for this request:

- Delivery of New Service Approximate start date of new service: _____
 Departmental Reorganization Other – briefly explain: _____
 Permanent Increased Workload – Reason for increased workload: Expanded organization, greater call volume, increased complexity _____

2. Describe the reason for the request, providing additional details about selection(s) above (e.g., describe reason for reorganization and/or increased workload; describe new service and its funding source; list any contracts, grants, new programs, or regulatory/licensing requirements related to this request):

CONFIRE is a stand alone, Board-governed entity, its public safety mission has expanded significantly over the years along with its staff and the complexity of the organization's governance (9-member Board and 9- Member Admin committee). The ability of the Director to remain abreast of developing issues, funding and budget challenges, political matters, changing technology and workforce dynamics is severely challenged by the level of daily management effort needed to manage the organization. There is a need for a clear second in command and a succession planning strategy for the organization to maintain continuity during periods of change and transition. Recent situations have exposed a vulnerability in CONFIRE's ability to absorb sudden changes in leadership and the demands placed on the Director to address the needs and concerns of 18 policy makers representing over 85% of the County's area and population. This classification better positions CONFIRE to meet those demands and address the increasing complexity of its service mission going forward.

3. Is position part of a mandate or law? Yes No

- a. If yes, please provide the code, effective date, and a brief description of the mandate/law and how this position will be used to support the new requirements.

4. If Department does not receive requested position, please explain immediate and long-term service impacts of not adding the position.

Increased inefficiency and vulnerability to legal and operational challenges as span of control is compromised. No meaningful succession planning for short or long-term management vacancies. Inability to forecast and adapt to rapidly changing technical and political environments of a board-governed public safety, critical infrastructure entity.

5. Are other classifications currently performing the same or similar job duties? If yes, indicate incumbent name or position number.

The current Director handles all day-to-day concerns as well as executive level needs, which continue to increase.

6. Explain why dividing the duties and responsibilities among existing staff cannot accomplish the workload.

CONFIRE's three organizational divisions have a manager assigned. The Director cannot adequately provide the daily support needed for those critical positions while also addressing the Executive level needs of the organization. All suffer for lack of such support.

Section C continued on next page

7. Will this new position perform, or support functions related to information systems (e.g., software, hardware, infrastructure, etc.), business systems, business applications, programming, or any other technology-related function?

Yes – Complete a and b below No – Proceed to Section D

a. Can duties be performed by an existing position/classification in the Innovation and Technology Department (ITD)? If not, explain why work cannot be performed by a position assigned to ITD?

b. Please provide the names of any applications, systems, or databases that are specific to the work in your department that may help support your request for a new position and/or classification outside of ITD.

Section E – FAST PASS REQUEST ONLY

New position requests for classes that perform routine and specific duties unique to a department may qualify for the Fast Pass streamlined procedure. **Please see [Fast Pass List](#) to verify if requested position is eligible.**

If position request is for a class on Fast Pass list, check the following boxes to confirm that your request is eligible for the Fast Pass process:

- The department will use the position consistent with the primary duties and class concepts described in the class specification.
- The contact person listed in Section A of this form certifies that the Department Head is aware of and approves of this request.

If you checked the boxes above, you may proceed to the signatures page at the end of this form.

If the above checkboxes do not apply to your requested position and/or class is not on Fast Pass List, complete Sections F and G (and H if New Class) as well as signatures page.

Section F – ESSENTIAL DUTIES OF POSITION

Must be approved and signed by Manager or Supervisor

Essential Duties: *Please do not copy from job description. In your own words, provide a detailed description of the primary functions of the position. Be sure to include the most important and most frequently performed duties.* Clearly and concisely describe specific actions. For example, rather than saying, “provide support,” describe specific duties performed in providing support. Incomplete or vague information may delay completion of the study.

Percentage of Time: In the second column, indicate the approximate percentage (%) of time spent performing each specific duty. (Please be sure the percentage of time does not exceed 100%.) Avoid entries 5% or less, group like duties together.

Essential Duties – DO NOT COPY FROM JOB DESCRIPTION	Percentage
Assists the CONFIRE Director in all aspects of managing the daily operations of CONFIRE. Provides direction and supervision of Division Managers, is the Liaison to the CONFIRE Operations Chiefs and Operations Committee, acts as CONFIRE Director as needed.	25%
Directly oversees Communications, EMS and Informations Services Divisions, sets priorities for work and establishes and monitors performance benchmarks for each direct report.	50
Provides mentoring and leadership development support to Managers and Supervisors.	10
Is primary Liasion for CONFIRE with the CONFIRE Operations Chiefs and Operations Committee, attends and assists with facilitating meetings, setting objectives and priorities and monitoring and reporting progress the the CONFIRE Admin Committee	10
Participates in associated professional organizations, County Ops Chiefs, CAL NENA and APCO, attends related training and seminars to increase knowledge of teh field and keep abreast of relevant changes in the industry. Fosters relations with colleagues in Law Enforcment communications centers.	5
Total Percentage	100%

Essential Duties Approved By:

Manager/Supervisor Name: Mike Bell

Signature: _____

Date: 8/11/22

Section G – CHAIN OF COMMAND & SUPERVISORY RESPONSIBILITIES

CHAIN OF COMMAND – Who does this position report to: Director

Who reports to this position: Communications Manager Information Services Manager

Nurse (ECNS) Manager

SUPERVISORY DUTIES

1a. This position performs **supervisory** duties 1b. This position performs **lead** duties

Yes No Yes No

2. If yes to 1a or 1b, list the employees supervised or led and include class title and position number:
 Tim Franke, Communications Manager (30720), Nurse Manager (new position, unfilled), IS Manager, Blessing Ugbo (99326)

3. Please check the supervisory or lead duties below that apply to this position:

Hires independently Participates in hiring Assigns work Reviews work

Has input on work performance evaluations (WPE) Writes WPEs Signs WPEs

Approves step advances Recommends disciplinary actions Implements disciplinary actions

4. Will position be assigned to Unclassified Service? Yes No

Section H – NEW CLASSIFICATION INFORMATION

1. Why is a new classification necessary?
 CONFIRE will continue to struggle to deliver on its public safety mission if all direction and oversight of the day to day operation is left to a single person (the Director). Furthermore, without a succession plan, CONFIRE is vulnerable to sudden and/or unforeseen changes in leadership.

2. What classification(s)/position(s) performed duties prior to this request?
Director of Communications

a. Explain why these classifications/positions cannot continue to perform duties?

Span of control, complexity of operations, political dynamics, changing workforce characteristics, continued growth and increasing service demands and expectations of the public and agencies served by CONFIRE

3. Does any law or regulation (e.g., Title 22) require a license, certificate or degree to perform these duties?
No

4. Will position/classification be subject to Conflict-of-Interest Code and Form 700 filing requirements?
[See Conflict of Interest Categories and Definitions](#)

Yes – Indicate applicable category below No To be determined

If yes, indicate reporting category

Category 1 Category 2 Category 3 Category 4 Category 5

Section I – SIGNATURES

Note: Organizational charts must be submitted with all position requests, except Fast Pass, as instructed in Section B of this form. **Incomplete information, missing signatures, or missing organizational charts will delay completion of the study.**

Signatures (a) through (d) in this Section must be obtained **prior** to submitting to CAO - Finance Analyst. CAO-Finance Analyst will forward this Position/Class Request Form to Human Resources once it is reviewed and approved by CAO Finance and Administration.

I certify that the statements made herein are accurate and complete.

a) REQUESTOR	<input checked="" type="checkbox"/> I concur with all information in the request.	<input type="checkbox"/> I have additional comments, attached.
	Name (Print): <u>Mike Bell</u>	Title: <u>Acting Director</u>
	Signature: _____	Date: <u>8-11-22</u>

b) HUMAN RESOURCES BUSINESS PARTNER	<input checked="" type="checkbox"/> I concur with all information in the request.	<input type="checkbox"/> I have additional comments, attached.
	Name (Print): _____	Date: <u>8-11-22</u>
	Signature: _____	

I have reviewed this request, and I certify that this request falls under the following category (select more than one if applicable):

c) DEPARTMENT HEAD	<input type="checkbox"/> Mandated Services	<input checked="" type="checkbox"/> Operational Necessity	<input type="checkbox"/> Revenue Generating	<input type="checkbox"/> To Fulfill Board Action To Increase Service(s)
	Name (Print): <u>Mike Bell</u>	Title: <u>Acting Director</u>		
	Signature: _____	Date: <u>8-11-22</u>		

d) EXECUTIVE REVIEWER	<input checked="" type="checkbox"/> I concur with all information in the request.	<input type="checkbox"/> I have additional comments, attached.
	Name (Print): <u>Dan Harker</u>	Title: <u>Chief (Admin Chair)</u>
	Signature: _____	Date: <u>8-11-22</u>

e) CAO FINANCE ANALYST	<input type="checkbox"/> Approval recommended to conduct study	<input type="checkbox"/> Pending Funding/Further Discussion	<input type="checkbox"/> Denied
	Name (Print): _____		
	Signature: _____	Date: _____	

Comments:

**CONFIRE****STAFF REPORT****DATE: 01/09/2023****FROM: Nathan Cooke, Interim Director
Karen Hardy, Interim Chief Financial Officer****TO: Board of Directors**

SUBJECT: EMS Division Enterprise Fund & Updated Fund Policy

Recommendation

It is recommended that the Board of Directors (BOD) establish an Emergency Medical Service (EMS) Division with budgetary authority along with updating the BP 4.002 Operations and General Reserve Fund Policy.

It is also recommended that the BOD direct staff to work with the County of San Bernardino Finance and Administration Department, to initiate and secure an Enterprise Fund for the EMS Division, to financially account for the EMS Division of CONFIRE.

Background Information

In anticipation of the issuance of the County of San Bernardino request for proposal (RFP) for ambulance and interfacility transport services, CONFIRE established the EMS Division, as well as the EMS Division Subsidiary Committee (AP Policy 6.002). To adhere to the policy, an EMS Division Fund will need to be established by the BOD.

Due to the unique nature and make-up of the EMS Division being operated similar to private business, it will be imperative that all EMS related financial transactions are handled separately from all other CONFIRE financial transactions according to Generally Accepted Accounting Principles (GAAP). Establishing the enterprise fund

will account for all EMS Division related costs for providing services and goods to the public to be recovered primarily by recuperated costs or subsidized finance transactions. It is imperative a separate EMS Fund be established according to Governmental Standards Statement No.1. The Fund Policy BP 4.002 Operations and General Reserve Funds Policy has been updated and includes the new proposed Enterprise Fund. This policy is reflective of the intentions of the funds. The Enterprise Fund is included in the policy which will only be used for EMS Division related transactions and accounting.

**CONSOLIDATED FIRE AGENCIES
POLICIES OF THE BOARD OF DIRECTORS**

POLICY: BP 4.002

TITLE: Operations and General Reserve Funds Policy

ADOPTED: [_____]

REVISED: [_____]

Purpose

The purpose of this Policy is to ensure that CONFIRE remains fiscally solvent and retains sufficient reserves to mitigate unforeseen fiscal challenges and to ensure adequate funds are available for planned equipment and capital expenditures.

1. Fund Descriptions and Funding Levels

a. General Operating Fund (5008) – Unassigned

- i. Primary fund utilized for CONFIRE’s core mission for administrative and operational tasks for the joint powers authority which are not reported in any other Fund.
- ii. This Fund is used for the general day to day expenditures for the Agency such as: Salaries and Benefits, Services and Supplies, Facility Charges, Training and Travel Expenses, and Other Debt Expenditures.
- iii. Revenue is generated through the approved budget cycle and billed out on a quarterly basis to all Contract Agencies and Members of CONFIRE JPA.
- iv. The fund balance is made up of the difference between the Revenue minus the Expenditures or appropriations spent in a year.
- v. CONFIRE maintains an Unassigned Fund Balance of five (5%) to ten(10%) percent of the operational budget, to be utilized for any unforeseen expenditures throughout the budget year.

b. Equipment Reserve Fund (5009) - Assigned/Committed

- i. This fund is to ensure CONFIRE Management Information Services (MIS) and the agencies it supports build and retain sufficient funds to procure updated information technology related equipment, software, and services on a programmed basis.
- ii. CONFIRE infrastructure equipment for all member and contract agencies are assessed each year based on the projected replacement cost and years of service for inventoried equipment.
- iii. Agencies that receive full information services from CONFIRE (Colton, Redlands, Rialto) are annually assessed for ‘agency’ equipment replacement.
- iv. This ensures adequate funds are in place to pay for equipment refreshes as well as new (non-replacement) equipment when needed.

c. General Reserve Fund (5010) – Unassigned/Assigned (Restricted)

- i. The general reserves are used to provide emergency or contingency funding for CONFIRE operations (5008) if the need arises due to lack of payment, catastrophe, or other unforeseen fiscal circumstances.

- ii. Capital purchases or projects (CIP) may also be made from this Fund with appropriate budget approval.
- iii. It shall be the recommended policy of CONFIRE to build and retain a level of cash above the restricted Fund balance in the General Reserve Fund to cover one quarter (25%) of the annual operating costs (5008) approved by the CONFIRE Board of Directors.
- iv. Along with carrying an excess of the 25% contingency in the General Reserves when appropriate, CONFIRE will build Restricted Fund balance for future capital projects(CIP) such as for building replacement, new capital Computer-Aid Dispatch (CAD) software replacement etc. as identified in the Planning Process and approved by the Administrative Committee.

d. Employee Term Benefit Fund (5011) - Assigned

- i. This fund is maintained to cover the liability of CONFIRE employee leave accruals as determined by an annual actuary along with pension liabilities.
- ii. It shall be the policy of CONFIRE to fully fund (100%) this reserve fund each year for leave accruals.
- iii. CONFIRE staff will determine and monitor pension liability and make recommendations for proposed funding levels for employee's benefit liabilities.

e. CAD to CAD Fund (5019) – Assigned (Restricted)

- i. This special revenue fund is restricted to spend on the implementation and operational tasks of the regional computer aided dispatch CAD to CAD system known as the Inland empire Public Safety Operations Platform (IE PSOP).
- ii. CONFIRE is the Administrative Agency for this system which is governed by a Memorandum of Understanding (MOU) between Member and Allied agencies.
- iii. Funding sources are from grants and/or through contracted agencies or partners involved with the IE PSOP.
- iv. The project revenue and expenditures are separate from CONFIRE'S operational funding sources.
- v. Fund balance may be allocated here if needed for Restricted funding.

f. Emergency Medical Services (EMS) Division (xxxx) – Enterprise Fund/Assigned

- i. This enterprise fund accounts for the financial operations of the Emergency Medical Services Division of CONFIRE.
- ii. The Enterprise Fund is to account for the business-type activities including services primarily funded by user charges but may be subsidized by government agencies.
- iii. This fund is separated to govern the division earned revenue, expenses incurred with net income to be appropriate for the capital maintenance, public policy, management control and accountability for Emergency Medical Service Division.
- iv. The EMS Division Committee is the governing body for all operations reporting to the Administration Committee and CONFIRE's Board of Director's.
- v. The EMS Division was established and governed through CONFIRE's Manual of Administrative Committee Policy 6.002 EMS Division Subsidiary Committee.
- vi. The membership or contract agencies will participate through MOU or contracts which will invest in the regional EMS delivery system accounted through this enterprise fund.
- vii. The Fund balance will need to accommodate the liabilities of the division along with a possible 5% to 10% of the yearly budget approved by the governing committees and CONFIRE's Board.

2. Policy Basis

- a. CONFIRE's Operating Fund (5008) is established through an annual planning and budget process that results in a fiscal year budget adopted by the CONFIRE Board of Directors. Once approved, the Administrative Committee is charged with expending the funds in support of the priorities established in the budget process and by applicable CONFIRE policies.
- b. The Administrative Committee delegates the day-to-day operations of the agency, managing and monitoring of the budget to the CONFIRE Director.
- c. The Director reports those activities to the Administrative Committee on a monthly basis.
- d. As part of the annual CONFIRE budget process an on-going analysis of current year expenditures and revenue will be conducted and reported to the Administrative Chiefs and Board of Directors.
- e. The Administrative Chiefs has the option to apply a portion of the projected prior year fund balance, to offset CONFIRE's agency current fiscal year revenue.

3. Distribution of Year End Operating Fund Balance

- a. At the close of the fiscal year, an independent audit is performed which may result in the determination of an Operating Fund balance.
- b. This report is presented to the Board of Directors at a late fall/early winter meeting.
- c. If a fund balance exists, the Director in collaboration with the Administrative Committee may recommend a portion of the fund balance be applied into the current fiscal year to augment operating costs or purchase planned or unexpected capital items.
- d. Any balance beyond what is approved for expenditure in the current fiscal year shall be distributed to either or both the General Reserve Fund (5010) or the Employee Term Benefit Fund (5011).
- e. Funds allocated to the General Reserve Fund (5010) may be apportioned into Capital Improvement allocation based on related program needs/goals.

4. The priority for the distribution of Operating Fund is as follows:

- a. General Reserves (5010)- Contingency (25% minimum of Current Year Budget)
- b. General Reserves (5010) - (CIP) Earmarked for specified project/purchase
- c. Term Benefit Fund (5011) – Employee Benefits absences liability and Board proposed projection of Unfunded Actuarial Accrued Liability (UAAL)
- d. Special Revenue Fund (5019) – Restricted for IE PSOP CAD to CAD Project
- e. Enterprise Fund – Restricted for the operation of Emergency Medical Services according to participating agencies governing committees and CONFIRE Board.

5. Authorization for Administrative Committee to Expend Reserve Funds

- a. Because of the frequency of the Board of Directors meetings, a policy is needed to clearly define the uses of the reserve funds and allow the Administrative Committee the flexibility to approve a fund transfer from the reserves on an emergency basis. This action would be reported to the Chairperson of the Board of Directors and ratified at the next scheduled Board of Directors meeting. Some possible reasons for authorizing a cash transfer from reserves would be if cash is needed to continue daily operations as a result of:
 - i. Agency payments are not received in a timely manner.

- ii. A critical, unbudgeted expenditure depletes operations funds (5008) cash account.
 - iii. Fees/expense such as a result of a legal action.
 - iv. A disaster results in emergency expenditures that deplete operations funds cash account and/or approved expenditure allocations from the Equipment Reserve Fund (5009) or General Reserve Fun (5010).
 - v. Approved grant expenditures (Unbudgeted).
- b. The recommended limit on the amount the Administrative Committee could authorize on an emergency basis would be equal to one (1) months of the operating budget.