Sacramento Regional Fire/EMS Communications Center

10230 Systems Parkway, Sacramento, CA 95827-3006
www.srfecc.ca.gov

MEETING AGENDA
REGULAR MEETING OF THE GOVERNING BOARD OF SRFECC

Tuesday, November 16, 2026 **9:00 AM** **Sacramento Regional Fire/EMS Communications Center Annex 10240 Systems Pkwy Suite 200, CA 95827**

THE BOARD WILL CONVENE IN AN OPEN SESSION AT 9:00 A.M.

Call to Order	Chairperson
Roll Call of Member Agencies	Clerk of the Board

PRIMARY BOARD MEMBERS

Matt McGee, Chairperson	Assistant Chief, Folsom Fire Department
Joseph Fiorica, Vice Chairperson	Deputy Chief, Sacramento Metropolitan Fire District
Derek Parker, Board Member	Deputy Chief, Sacramento Fire Department
Josh Freeman, Board Member	Deputy Chief, Cosumnes Community Services District

PLEDGE OF ALLEGIANCE

AGENDA UPDATE: An opportunity for Board members to (1) reorder the agenda; and (2) remove agenda items that are not ready for presentation and/or action at the present Board meeting.

PUBLIC COMMENT: An opportunity for members of the public to address the Governing Board on items within the subject matter jurisdiction of the Board. The duration of the comment is limited to three (3) minutes.

Microsoft Teams Meeting
Join: https://teams.microsoft.com/meet/23768849946220?p=hi9RSyeURLLzKhuGbi
Meeting ID: 237 688 499 462 20
Passcode: kd9Sg372

PUBLIC COMMENT:
The Board of Directors welcomes public comments on matters within the jurisdiction of the Sacramento Regional Fire and EMS Communications Center (SRFECC), including items listed on the agenda and matters not listed on the agenda. Members of the public wishing to address the Board are invited to state their name for the record. Public comments are limited to three (3) minutes per speaker, subject to the discretion of the Board Chair. In accordance with the Brown Act, the Board generally may not discuss or take action on matters that are not listed on the agenda. The Board may refer such matters to staff or schedule them for consideration at a future meeting, as appropriate.

PRESENTATION:

1. Richardson & Company FY 25/26 Audit Presentation Page 8

*INDICATES NO ATTACHMENT

CORRESPONDENCE:

RECESS TO CLOSED SESSION:

1. CONFERENCE WITH LABOR NEGOTIATOR*
   Pursuant to Government Code Section 54957.6

Center Negotiator(s)	Lindsay Moore, Counsel Parker Wilbourn, Chief Executive Director
Employee Organization(s)	Local 522 Unrepresented Administrators

2. PERSONNEL ISSUES*
   Pursuant to California Governing Code Section 54957

Employee Evaluation:	Chief Executive Director Deputy Director of Administration Deputy Director of Operations Medical Director

3. CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation*
   Pursuant to California Government Code Section 54956.9(b) The Board will meet in closed session to discuss significant exposure to litigation.

   One (1) potential case(s).

RECONVENE TO OPEN SESSION:

CONSENT AGENDA: Matters of routine approval including, but not limited to Board meeting synopsis, payroll reports, referral of issues to the committee, and other consent matters. The Consent Agenda is acted upon as one unit unless a Board member requests separate discussion and/or action.

1. Regular Board Meeting Synopsis (October 27, 2026) Page 4

PROPOSED ACTION: Motion to Approve Consent Agenda

STAFF REPORTS/ACTION ITEMS:

1. **SUBJECT: Westnet Radio Interference Controller** (Staff Report 26-48) Page 62

Recommendation:

1. The Center recommends the Board of Directors approve a seven-year subscription agreement with Westnet for the replacement of the Center's fire station alerting Radio Interference Controller (RIC), with a first-year cost of $160,000 and a seven-year total of $1,011,107.10.

DISCUSSION/POSSIBLE ACTION:

INFORMATION:

1. Center Stats – October 2026 Page 64
2. Service Anniversaries – October 2026 Page 68

*INDICATES NO ATTACHMENT

CENTER REPORTS:

1. Deputy Director of Administration Marissa Shmatovich*
2. Deputy Director of Operations Casey Quintard*
3. Chief Executive Director Wilbourn*

ITEMS FOR DISCUSSION AND POTENTIAL PLACEMENT ON A FUTURE AGENDA:

BOARD MEMBER COMMENTS:

ADJOURNMENT:

The next scheduled Board Meeting is Monday, December 14, 2026.

LOCATION: SRFECC Annex
10240 Systems Pkwy – Suite 200, Sacramento CA, 95827

TIME: 9:00 a.m.
Board Members, Alternates, and Chiefs

POSTED: 10230 Systems Parkway, Sacramento, CA 95827
10240 Systems Pkwy. Suite 200, Sacramento, CA 95827
www.srfecc.ca.gov

DISABILITY INFORMATION:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Chief Executive Director's Office at (916) 228-3070. Notification at least 48 hours prior to the meeting will enable the Center to make reasonable arrangements to ensure accessibility to this meeting.

POSTING:

This is to certify that on November 13, 2026, a copy of the agenda was posted at the following locations:

- 10230 Systems Parkway, Sacramento, CA 95827
- 10240 Systems Parkway – Suite 200, Sacramento, CA 95827
- The Center's website at – www.srfecc.ca.gov

ATTEST:

Mellisa Gingery

MELLISA GINGERY
CLERK OF THE BOARD

*INDICATES NO ATTACHMENT

MEETING MINUTES
GOVERNING BOARD MEETING

Tuesday, October 27, 2026 **9:00 AM** **Sacramento Regional Fire/EMS Communications Center Annex 10240 Systems Pkwy Suite 200, CA 95827**

GOVERNING BOARD MEMBERS PRESENT

Joseph Fiorica, Vice Chairperson	Deputy Chief, Sacramento Metropolitan Fire District
Derek Parker, Board Member	Deputy Chief, Sacramento Fire Department
Josh Freeman, Board Member	Deputy Chief, Cosumnes Community Services District

GOVERNING BOARD MEMBERS ABSENT

Matt McGee, Chairperson	Assistant Chief, Folsom Fire Department

COMMUNICATIONS CENTER MANAGEMENT

Parker Wilbourn	Executive Director
Marissa Shmatovich	Deputy Director of Administration
Casey Quintard	Deputy Director of Operations

OTHERS IN ATTENDANCE

Lindsay Moore	Counsel, SRFECC
Brad Dorsett	IT Manager, SRFECC
Bayleigh Nichols	HR Technician, SRFECC
Courtney McClelland	Payroll and Benefits Administrator, SRFECC
Kerry Kier	Systems Engineer, SRFECC
Jenn Edwards	Dispatcher, SRFECC
Julia McDaniel	Dispatcher, SRFECC
Mellisa Gingery	Executive Assistant, SRFECC

The meeting was called to order and roll call was taken at 9:09 a.m.

1. The Pledge of Allegiance was recited.
2. There were no agenda updates.
3. There was one public comment:
    - Dispatcher Edwards and Dispatcher McDaniel addressed the Board requesting turnout gear from each member fire agency to display in shadow boxes on the SRFECC dispatch floor as a way to strengthen connection between dispatchers and the fire agencies they serve, and as a reminder of the impact of their work.

PRESENTATION:

1. A presentation was provided by Dispatcher Edwards and Dispatcher McDaniel on the progress made by the re-branding committee.

CORRESPONDANCE:

None

*INDICATES NO ATTACHMENT

CLOSED SESSION:

1. CONFERENCE WITH LABOR NEGOTIATOR*
   Pursuant to Government Code Section 54957.6

Center Negotiator(s)	Lindsay Moore, Counsel Derek Parker, Chief Executive Director
Employee Organization(s)	Local 522 – Labor Local 522 – Managers and Supervisors Unrepresented Administrators

2. PERSONNEL ISSUES*
   Pursuant to California Governing Code Section 54957

   a. Employee Evaluation: Chief Executive Director
      Deputy Director of Administration
      Dispatch Managers

3. CONFERENCE WITH LEGAL COUNSEL: Anticipated Litigation*
   Pursuant to California Government Code Section 54956.9 (b) The Board will meet in closed session to discuss significant exposure to litigation.

   One (1) potential case(s)

The closed session was convened at 9:15 a.m.

The open session was reconvened at 10:14 a.m.

1. The Board received an update; no formal action was taken
2. The Board received an update; no formal action was taken
3. The Board received an update; no formal action was taken

CONSENT AGENDA: Matters of routine approval including, but not limited to Board meeting synopsis, payroll reports, referral of issues to committee, other consent matters. A Consent Agenda is acted upon as one unit unless a Board member requests separate discussion and/or action.

1. A motion was made by Chief Parker and seconded by Chief Freeman to approve the Consent Agenda for the following:

   a. Regular Board Meeting Synopsis (September 22, 2026)
   b. Transition to Anthropic AI Accounts (Staff Report 26-46)

   AYES: Sacramento Fire Department, Sacramento Metropolitan Fire, Cosumnes Community Services District
   NOES:
   ABSENT: Folsom Fire Department
   ABSTAIN:

   Motion passed.

ACTION ITEMS:

1. Motorola AXS Radio Consoles (Staff Report 26-47)

   a. A motion was made by Chief Parker and seconded by Chief Freeman to approve the Motorola quote of $358,244 for six (6) dispatch radio consoles

AYES: Sacramento Fire Department, Sacramento Metropolitan Fire, Cosumnes Community Services District

*INDICATES NO ATTACHMENT

NOES:
ABSENT: Folsom Fire Department
ABSTAIN:

Motion passed.

DISCUSSION/POSSIBLE ACTION:

None

INFORMATION:

None

CENTER REPORTS:

Deputy Director of Administration Marissa Shmatovich: Marissa provided updates on the financial audit, which remains ahead of schedule for presentation at the November 16 Board meeting, completion of the compensations study in preparation for labor negotiations, and progress on the facility feasibility study. Additional updates included ongoing technology improvements including Peraton, AVL and Tablet Command; the launch of the Center's new logo and name; and the recent employee resiliency event hosted by the Peer Support Team. Appreciation was expressed to staff and sponsors for their contributions, and employee service anniversaries were acknowledged.

Deputy Director of Operations Casey Quintard: Casey report highlighted the successful annual air show and continued improvements to the Viewpoint mapping system, along with progress on the ADRR and Info Index projects. Updates were also provided on upcoming ProQA protocol changes, continued collaboration with Mobile Integrated Health (MIH), and achievement of all ACE compliance thresholds for the third quarter. Training updates included nine recruits in Academy 26-2, upcoming CTO and acting supervisor training, and recognition of employee service anniversaries. Appreciation was expressed to all teams for their continued hard work and contributions.

Chief Executive Director Parker Wilbourn: Chief Wilbourn provided updates on the Center's ongoing priorities of member agency engagement, future readiness, and external engagement. Highlights included the upcoming graduation of nine recruits from Academy 26-2, continued progress on the Center's re-branding efforts, emergency operations and disaster recovery planning, facility security improvements, and the upcoming facility feasibility study with Mission Critical Partners. The Chief Executive Director also recognized the Peer Support Team for the successful resiliency event, highlighted a recent visit to Alameda County's communications center, and acknowledged the CPR Life Save event and its impact on the community. Appreciation was expressed to staff, partners, and award recipients for their continued contributions.

CORRESPONDENCE:

None

ITEMS FOR DISCUSSION AND POTENTIAL PLACEMENT ON A FUTURE AGENDA:

BOARD MEMBER COMMENTS:

Chief Fiorica: Chief Fiorica thanked staff for their hard work and recognized the quality of the reports and presentations provided. They noted strong attendance at the recent resiliency event and commended the efforts that went into its success. Congratulations were extended to employees celebrating service anniversaries, and appreciation was expressed for the often behind-the-scenes work to staff, emphasizing that their contributions

are valued and recognized.

Chief Parker: Chief Parker expressed appreciation for the Center's staff and recognized the important role of administrative and IT support in enabling dispatch operations. They commended the dispatchers' work, noted the positive feedback received from the field, and expressed continued support for the Center moving forward.

Chief Freeman: Chief Freeman expressed pride in the Center and appreciation for staff contributions beyond their daily responsibilities, specifically recognizing the CPR Life Save event, Peer Support Team, and rebranding efforts. They voiced support for the Center's new name and logo, acknowledged ongoing initiatives including classification and compensation, reaccreditation, and budget development, and encouraged staff interested in becoming CTOs to pursue training opportunities and help develop future generations of dispatchers.

ADJOURNMENT:

The meeting was adjourned at 10:32 a.m.

ATTEST:

Mellisa Gingery

MELLISA GINGERY
CLERK OF THE BOARD

MATTHEW MCGEE
CHAIRPERSON

JOSEPH FIORICA
VICE CHAIRPERSON

*INDICATES NO ATTACHMENT

SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER

SUMMARY OF JUNE 30, 2026 AUDIT RESULTS

Reports issued
- Audited Financial Statements with auditor's opinion
- Internal Control and Compliance Reports
- Required communications letter
- Management letter with recommendations

Independent Auditor's Report
- Unmodified (clean) opinion

Highlights of financial statements
- Management Discussion and Analysis (page 3 to 12)
- GASB 103 was implemented, which impacted the MD&A
- $373,000 still owed on CAD financing
- OPEB liability decreased $1.0 million due to changes in actuarial assumptions
- Pension liability decreased $1.1 million due to changes in actuarial assumptions
- Negative unrestricted net position is due to the pension and OPEB liabilities of $16.3 million
- Operating revenues increased by $1.5 million due to higher member assessments and more reimbursements from other agencies
- Expenses increased by $0.8 million due to higher salaries and benefits and higher services and supplies
- Change in net position in fiscal year 2026 was a $0.5 million increase
- Pension and OPEB footnote describe methods and assumptions
- Reserves set aside by Board totaling $1.7 million for contingencies and $0.3 million for construction (page 31)
- Contractual commitments on CAD system (page 32)

Reports on Internal Control and Compliance (pages 36 and 37)
- Clean report - no internal control weaknesses or compliance issues

Required Communications Letter
- 9 closing entries and audit adjustments identified
- No difficulties in performing the audit and no unusual accounting practices

Management letter
- Verification that opening balances match last year ending balances
- Reporting of accounts payables
- Threshold for recording prepaid expenses, leases, and subscription agreements
- Review and approval of journal entries

SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER

Audited Financial Statements and
Compliance Report

June 30, 2026 and 2025

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SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER

Audited Financial Statements and
Compliance Report

June 30, 2026 and 2025

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 36

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RICHARDSON & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

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Sacramento, California 95825

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sacramento Regional Fire/EMS Communications Center
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Sacramento Regional Fire/EMS Communications Center (SRFECC) as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise SRFECC'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 financial position of the SRFECC as of June 30, 2026 and 2025, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financials Statements section of our report. We are required to be independent of SRFECC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 SRFECC'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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SRFECC'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 SRFECC'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 management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, and schedule of changes in the net OPEB liability and related ratios to 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2026 on our consideration of SRFECC'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 SRFECC's internal control over financial reporting and compliance.

Richardson & Company, LLP

November 10, 2026

SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2026

As management of the Sacramento Regional Fire/EMS Communications Center (the Center or SRFECC), we offer readers of the Center's financial statements this narrative overview and analysis of the financial activities of the Center for the fiscal year ended June 30, 2026 (FY26).

Agency Overview

The Sacramento Regional Fire/EMS Communications Center is a 9-1-1 Secondary PSAP (Public Safety Answering Point) receiving approximately 350,000 phone calls a year and dispatching over 199,000 fire and medical emergency incidents. SRFECC provides fire protection and emergency medical service (EMS) dispatching for nearly all of Sacramento County and part of Placer County, covering over 1,000 square miles and serving over 1.4 million residents. As a PSAP, SRFECC's mission is to answer emergency service requests for both fire and medical aid when citizens have dialed 9-1-1. Calls are generally then identified by a dispatcher with a type code. The type codes are used to determine the nature of emergencies based on whether they are medical aids, grass fires, structure fires, or other fire or medical incidents.

Twenty-four hours a day, 365 days a year, Center dispatchers serve as an integral part of our public safety response team. Sitting together on the dispatch floor and utilizing phone, computer, and radio technologies, the highly trained dispatchers receive 500 to 1,000+ emergency 9-1-1 calls daily, clarify immediate needs of callers, code the incident based on the nature of the emergency, dispatch fire and emergency resources that are closest to the incident, then stay on the phone with the caller to provide critical lifesaving pre-arrival instructions. Operating at a centralized location, the dispatch center team is an integral part of how each fire department in the Sacramento region responds to fire and EMS-related emergencies around the clock.

Rather than each individual local fire agency having its own local dispatch center, the leadership from several fire agencies agreed in 1981 to form a regional dispatch center (through a Joint Powers Agreement, or JPA) to provide seamless service across local governments spanning the region.

The JPA is comprised of the following members and contract agencies:

Member Agencies:
- Cosumnes Fire Department
- Folsom Fire Department
- Sacramento Fire Department
- Sacramento Metro Fire District

Contracted Agencies/Volunteer Fire Departments:
- Courtland Fire Department
- Herald Fire Department
- Isleton Fire Department
- River Delta Fire Protection District
- Walnut Grove Fire Department
- Wilton Fire Department

SRFECC and the fire Member and Volunteer Agencies are committed to being supportive partners for those requiring additional fire and EMS resources. Dispatch services are provided through automatic aid agreements with neighboring counties and communities including: the City of Roseville, the City of El Dorado Hills, the City of West Sacramento, and the Sacramento County Airport Systems. Additionally, SRFECC performs back-up dispatching services for the State of California Governor's Office of Emergency Services – Region IV.

Governance

SRFECC was organized through a Joint Powers Agreement (JPA) pursuant to the provisions of *Title I, Division 7, Chapter 5, Article 1, Sections 6500 et seq. of the California Government Code* beginning January 1, 1981, and most recently amended in July 2014, to provide seamless, high-quality service to the public they serve. Each Member Agency has a seat on the Board with votes and annual contributions weighted based on the number of dispatched incidents in their jurisdiction. The weighted votes are recalculated on July 1 of each fiscal year. The Center is led by a Chief Executive Director who is appointed from the Member Agencies on a rotating basis. The Board-approved strategic blueprint, growth strategy, long-standing operating standards and policies, and a tenured management team provide management focus and continuity.

Overview of the Financial Statements

This annual report consists of a series of comparative basic financial statements. These statements are comprised of the Balance Sheets, Statements of Revenues, Expenses and Changes in Net Position, Statements of Cash Flows, and Notes to the Basic Financial Statements. SRFECC resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner like private business enterprises, where the cost of providing communications services is funded by charges for service to our member and contract agencies.

The Balance Sheets represent the Center's assets and resources it controls that enable it to provide services, and the liabilities that comprise the claims against those resources. The difference between total assets and total liabilities is reported as net position and represents net assets available for future use. Net position is reported as net investment in capital assets, restricted for a specific project or purpose, or unrestricted and available for use.

The Statements of Revenues, Expenses and Changes in Net Position track the inflow and outflow of resources. Revenues are categorized by source or type, whereas expenses are shown by function or object.

The Balance Sheets and Statements of Revenues, Expenses and Changes in Net Position are reported using the accrual basis of accounting where revenues are recognized when earned, and expenses are recognized when incurred, regardless of the timing of cash flows.

The Statements of Cash Flows classify cash receipts and payments according to whether they stem from operations, non-capital financing, capital and related financing, or investing activities. A Reconciliation of Operating Income to Net Cash Provided (Used) By Operating Activities is also presented to report the net cash provided (used) by operating activities.

Financial statement notes are an important part of the basic financial statements. They provide additional information required by Generally Accepted Accounting Principles (GAAP). These notes describe accounting methods and policies underlying the balances in the financial statements, provide additional detail about balances, and present other important information about the Center's financial position, which does not necessarily meet the criteria reported in the financial statements.

The basic financial statements are interrelated. The change in net position reported on the Statements of Revenues, Expenses and Changes in Net Position is reflected in the net position reported on the Balance Sheets, and the Statements of Cash Flows explain the change in cash for the year. The notes to the basic financial statements provide additional detail and context for all three statements. The Financial Summary and Detailed Analysis that follow present condensed information derived from these financial statements and explain the principal reasons for significant changes from the prior year.

Financial Summary

The Center reported a negative Total Net Position of ($6.3 million) on June 30, 2026, which is an improvement over the negative Total Net Position of ($6.8 million) on June 30, 2025. The primary reason

for the negative total net position is the recording of a net pension liability of $7.6 million and a net other postemployment benefits (OPEB) liability of $8.7 million based on actuarial valuations. Net position increased by $462,000 in FY26, compared to a decrease of $238,000 in FY25.

The condensed financial information below compares the Center's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position as of June 30, 2026 and 2025. The discussion that follows explains the principal reasons for significant year-over-year changes.

Summary of Net Position

	2026	2025	$ Variance	% Variance
Current and other assets	$6,805,979	$6,973,870	($167,891)	-2.4%
Capital assets, net	6,654,589	5,904,270	750,319	12.7%
Total assets	**$13,460,568**	**$12,878,140**	**$582,428**	**4.5%**
Deferred outflows of resources	**4,805,508**	**5,735,058**	**(929,550)**	**-16.2%**
Long-term liabilities	$17,160,797	$19,881,620	($2,720,823)	-13.7%
Other liabilities	1,672,303	1,248,108	424,195	34.0%
Total liabilities	**$18,833,100**	**$21,129,728**	**($2,296,628)**	**-10.9%**
Deferred inflows of resources	**5,722,112**	**4,234,190**	**1,487,922**	**35.1%**
Net investment in capital assets	$5,660,230	$4,858,369	$801,861	16.5%
Unrestricted	(11,949,366)	(11,609,089)	(340,277)	-2.9%
Total net position	**($6,289,136)**	**($6,750,720)**	**$461,584**	**6.8%**

The Condensed Statements of Changes in Net Position present revenues, expenses, and the resulting changes in net position for the years ended June 30, 2026 and 2025.

Condensed Statements of Changes in Net Position
For the Years Ended June 30

	2026	2025	$ Variance	% Variance
Operating revenues	$15,104,090	$13,598,812	$1,505,278	11%
Nonoperating revenues	67,796	83,637	(15,841)	-19%
Total revenues	**15,171,886**	**13,682,449**	**1,489,437**	**11%**
Operating expenses	14,675,850	13,885,434	790,416	6%
Nonoperating expenses	34,452	35,304	(852)	-2%
Total expenses	**14,710,302**	**13,920,738**	**789,564**	**6%**
Change in net position	**$461,584**	**($238,289)**	**$699,873**	**NM**
Beginning net position	(6,750,720)	(6,512,431)	(238,289)	-4%
Ending net position	**($6,289,136)**	**($6,750,720)**	**$461,584**	**7%**

Current assets include cash and investments, accounts receivable, amounts due from other governments and prepaid expenses and other assets. Current assets decreased by $168,000 over the prior year to $6.8 million at the close of FY26. This decrease can be attributed to a decrease in prepaid expenses and other assets of $744,000 and a decrease in accounts receivable and amounts due from other governments of $7,000, offset by an increase in cash and investments of $583,000.

Current liabilities include accounts payable and accrued expenses, employee-related liabilities and the current portion of financing obligations. Current liabilities increased by $424,000 over the prior year to $1.7 million at the close of FY26. The increase is primarily attributable to an increase in the current portion of compensated absences of $306,000, an increase in year-end payables for goods and services of $56,000, an increase in employee-related costs of $48,000, and increases in accrued interest and the current portions of capital asset financing and lease obligations totaling $14,000.

Capital assets net of depreciation increased from $5.9 million on June 30, 2025, to $6.7 million net on June 30, 2026; the net result of a $1.5 million increase in capital assets offset by a $707,000 increase in accumulated depreciation and amortization. The increase in capital assets was primarily related to $1.46 million of additions to work-in-progress for facility improvements and technology enhancements.

Non-Current liabilities decreased from $19.9 million on June 30, 2025, to $17.2 million on June 30, 2026. The decrease was primarily due to reductions in the obligations associated with employee retirement benefits (net OPEB liability of $1.0 million and net pension liability of $1.1 million) and the regularly scheduled payments for capital asset financing and leasing transactions ($358,000). The non-current portion of compensated absences decreased by $178,000 as a larger portion of the liability is now due within one year.

Deferred outflows of resources and deferred inflows of resources relate to pension and retiree medical benefits and represent certain changes in total pension liability and fiduciary net position that are to be recognized in future expenses. On June 30, 2026, SRFECC reported deferred outflows related to its retirement benefits of $4.8 million, a reduction of $930,000 from the $5.7 million reported at June 30, 2025. Deferred outflows associated with retiree medical benefits decreased by $564,000, while deferred outflows associated with pensions decreased by $365,000. The deferred inflow amount of $5.7 million reported as of June 30, 2026, is $1.5 million higher than the prior year; the net result of a $497,000 increase in deferred inflows associated with retiree medical benefits and a $991,000 increase in deferred inflows associated with pensions. (See Note E of the basic financial statements for additional information and disclosures on other post-employment benefits and Note F on the pension plan.)

Operating revenues increased by a net $1.5 million for a total of $15.1 million in FY26. This was due to an increase in member assessments of $1.4 million and an increase in reimbursements from other agencies of $107,000.

Operating expenses increased by a net $790,000 for a total of $14.7 million in FY26. The increase was driven primarily by a $929,000 increase in salaries and employee benefits and a $417,000 increase in services and supplies, partially offset by decreases in the pension adjustment ($335,000), post-employment health benefits ($96,000), and depreciation and amortization ($125,000).

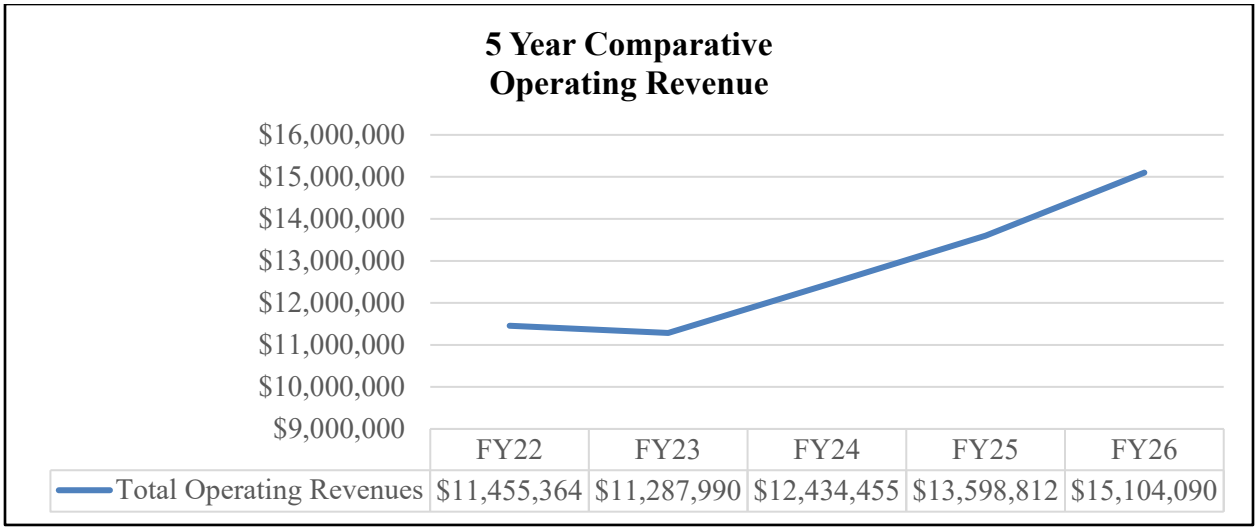
Nonoperating revenues and expenses include interest and investment income, interest expense and other miscellaneous revenue and expenses. Net non-operating revenues and expenses decreased by $15,000 for a total of $33,000 in FY26.

Detailed Analysis

The following sections provide a detailed analysis of the Center's operating results and financial position, including the magnitude and reasons for significant changes from the prior year.

Operating Revenues

The services provided by the Center are funded primarily by member contributions, billed and paid to SRFECC on a bi-annual basis. Pursuant to the JPA agreement, each member agency pays its pro-rata share (based on number of calls) of all capital, operating, and related costs of the Center. By June 30 of each year, the Executive Staff presents the preliminary budget to the Board of Directors detailing its funding requirements for the upcoming fiscal year. Once approved, the member agencies are invoiced by SRFECC for their member contributions.

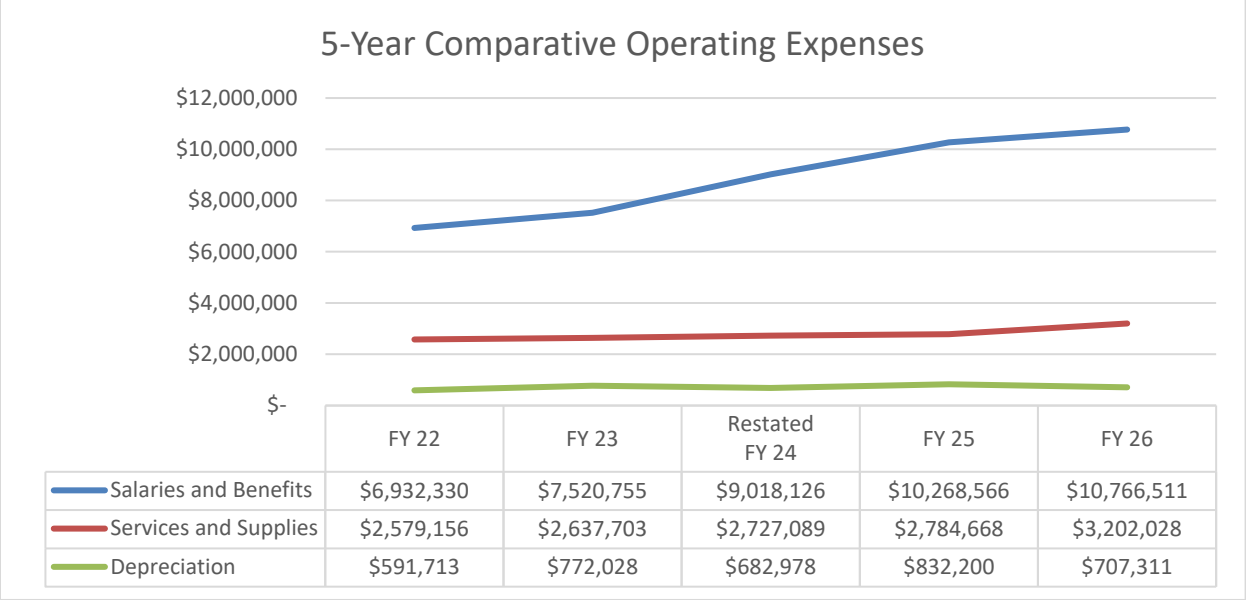


OPERATING REVENUES	2026	2025	$ Variance	% Variance
Member assessments	$14,205,742	$12,807,549	$1,398,193	11%
Reimbursements from other agencies	880,908	774,163	106,745	14%
Backbone and secondary user fees	17,440	17,100	340	2%
TOTAL OPERATING REVENUES	**$15,104,090**	**$13,598,812**	**$1,505,278**	**11%**
NONOPERATING REVENUES (EXPENSES)				
Interest and investment income	36,621	44,731	(8,110)	-18%
Other nonoperating revenue	31,175	38,906	(7,731)	-20%
Interest expense	(31,402)	(35,304)	3,902	-11%
Loss on disposal of capital assets	(3,050)	-	(3,050)	
TOTAL NONOPERATING REVENUES	**$33,344**	**$48,333**	**($14,989)**	**-31%**

As noted above, the Center is primarily funded by its four paying member agencies: Sacramento Metropolitan Fire, Sacramento Fire, Folsom Fire, and Cosumnes Community Services District. Member assessments increased $1.4 million (10.9%) over the previous year, consistent with the FY26 budget adopted on June 24, 2025, and were needed to cover increased operational costs, principally personnel-related costs under the recent bargaining unit agreements. Reimbursements from other agencies increased by $107,000 (13.8%). Dispatch and IT support is provided to assist in mutual aid fire and emergency incidents with the State of California Governor's Office of Emergency Services (OES), and the reimbursement for the costs, including an overhead administrative fee, provides an additional source of revenue for SRFECC, but is not a reliable source of revenue. Interest and investment income decreased by $8,000, other non-operating revenue decreased by $8,000, and interest expense decreased by $4,000 as capital asset financing and lease balances were paid down. A loss on disposal of capital assets of $3,050 was recognized in FY26 for capital project costs that were written off.

Operating Expenses

Expenses are classified in the financial statements as Salaries and Employee Benefits, Post-Employment Health Benefits, Services and Supplies, and Depreciation, all of which support the 9-1-1 dispatch function. The chart below combines all employee-related costs into the single category of Salaries and Benefits.



	FY 22	FY 23	Restated FY 24	FY 25	FY 26
Salaries and Benefits	$6,932,330	$7,520,755	$9,018,126	$10,268,566	$10,766,511
Services and Supplies	$2,579,156	$2,637,703	$2,727,089	$2,784,668	$3,202,028
Depreciation	$591,713	$772,028	$682,978	$832,200	$707,311

OPERATING EXPENSES	**2026**	**2025**	**$ Variance**	**% Variance**
Salaries and employee benefits	10,022,773	9,093,327	929,446	10%
Pension adjustment	217,274	552,288	(335,014)	-61%
Post-employment health benefits	526,464	622,951	(96,487)	-15%
Services and supplies	3,202,028	2,784,668	417,360	15%
Depreciation and amortization	707,311	832,200	(124,889)	-15%
TOTAL OPERATING EXPENSES	**14,675,850**	**13,885,434**	**790,416**	**6%**

The increase in salaries and employee benefits of $929,000 (10%) stems from negotiated salary increases and benefit changes under the recent bargaining unit agreements that went into effect, and the Center's continued effort to maintain full dispatcher staffing. As more fully explained in the notes to the basic financial statements, the pension adjustment and post-employment health benefits expense are the annual cost of the plans as determined by the actuarial valuations and include the delayed recognition of assumption changes, differences between actual and projected assumptions and investment earnings on assets held in trust for such benefits. The pension adjustment decreased by $335,000 (61%) and post-employment health benefits expense decreased by $96,000 (15%) from the prior year.

Services and supplies increased by $417,000 (15%). The principal drivers of the increase in services and supplies are general price inflation, software and maintenance contracts, and professional services. Depreciation and amortization expense decreased by $125,000 (15%), reflecting lower depreciation on furniture, fixtures and equipment (down $101,000) and lower amortization of the leased administration building (down $37,000).

Assets

Assets represent economic resources, tangible and intangible, available to the organization for operations and future economic use. They are presented in order of liquidity and classified as either current or capital (non-current) assets on the Balance Sheet.

CURRENT ASSETS	2026	2025	$ Variance	% Variance
Cash and investments	$6,100,394	$5,517,513	$582,881	11%
Accounts receivable	4,925	8,216	(3,291)	-40%
Due from other governments and other receivables	395	4,019	(3,624)	-90%
Prepaid expenses and other assets	700,265	1,444,122	(743,857)	-52%
TOTAL CURRENT ASSETS	**$6,805,979**	**$6,973,870**	**($167,891)**	**-2%**
CAPITAL ASSETS				
Capital assets, not being depreciated	$3,945,975	$3,191,722	$754,253	24%
Capital assets, being depreciated	14,157,666	13,454,289	703,377	5%
Less accumulated depreciation/amortization	(11,449,052)	(10,741,741)	(707,311)	7%
TOTAL NET CAPITAL ASSETS	**$6,654,589**	**$5,904,270**	**$750,319**	**13%**

Cash and investments increased by $583,000, or 11%, to $6.1 million as of June 30, 2026. Approximately $2.0 million in net cash provided by operating activities was partially offset by $1.4 million in capital expenditures.

The $6.1 million year-end cash balance consisted of:
- Operating cash: $3.2 million
- Reserve funds: $1.7 million
- Equipment lease payment set-aside: $380,000
- Capital project set-aside: $310,000
- IT infrastructure and mission-critical resources reserve: $524,000

Amounts due from other governments and other receivables decreased by $3,624 to $395, while accounts receivable decreased by $3,291.

Prepaid expenses and other assets decreased by $744,000, or 52%, to $700,265. The June 30, 2025, balance included $227,650 for TabletCommand licensing, $204,000 for Peraton CAD maintenance, and $190,000 for the medical director fee; all were recognized as expenses in the current fiscal year. As of June 30, 2026, most prepaid expenses are related to software and hardware maintenance agreements.

Changes in capital assets are discussed under Significant Capital Asset and Long-Term Financing Activity later in this report.

Liabilities

Liabilities represent obligations of the Center or claims against the Center's economic resources. These are classified as current and non-current on the balance sheet and reported in order of relative maturity.

CURRENT LIABILITIES	2026	2025	$ Variance	% Variance
Accounts Payable and accrued expenses	517,643	461,423	56,220	12%
Accrued salaries and benefits	227,658	179,425	48,233	27%
Accrued interest on financing and leases	3,689	1,361	2,328	171%
Current portion of compensated absences	565,300	259,133	306,167	118%
Current portion of capital asset financing	261,721	254,593	7,128	3%
Current portion of lease obligation	96,292	92,173	4,119	4%
TOTAL CURRENT LIABILITIES	**1,672,303**	**1,248,108**	**424,195**	**34%**
NONCURRENT LIABILITIES				
Compensated absences	508,210	686,107	(177,897)	-26%
Capital asset financing	111,202	372,923	(261,721)	-70%
Lease obligations	229,560	326,212	(96,652)	-30%
Net other post-employment benefits liability	8,700,227	9,746,053	(1,045,826)	-11%
Net pension liability	7,611,598	8,750,325	(1,138,727)	-13%
TOTAL NONCURRENT LIABILITIES	**17,160,797**	**19,881,620**	**(2,720,823)**	**-14%**

Year-end accruals for services, supplies and personnel-related expenses (including accrued interest) account for $107,000 of the $424,000 increase in current liabilities for FY26, and the current portion of compensated absences accounts for $306,000. The total liability for compensated absences increased by $128,000 (14%) to $1.1 million, with a larger portion now due within one year. The change in compensated absences is attributable to higher hourly rates and further refinement of the sick and vacation usage rates.

The decrease in capital asset financing of $255,000 and the decrease in lease obligations of $93,000 were due to regularly scheduled payments. The $1.0 million reduction in the liability for other postemployment benefits (i.e., OPEB) was primarily the result of employer contributions and earnings on trust assets – management to confirm against the actuarial valuation.

Net pension liability is recognized in the financial statements because of implementing GASB 68 which requires the Center to record its unfunded pension liability on the balance sheet. The Center's net pension liability decreased by $1.1 million (13%) from the prior year.

The notes to the financial statements contain further information on the change in net OPEB and pension liabilities.

Deferred Inflows/Outflows

Deferred inflows/outflows represent items where recognition of the inflow/outflow of resources related to the Center's pension and OPEB plans have been deferred to a future period to which they relate.

DEFERRED OUTFLOW OF RESOURCES	2026	2025	$ Variance	% Variance
Other postemployment benefits plan	$2,589,201	$3,153,338	($564,137)	-18%
Pension plan	2,216,307	2,581,720	(365,413)	-14%
TOTAL DEFERRED OUTFLOW OF RESOURCES	**$4,805,508**	**$5,735,058**	**($929,550)**	**-16%**
DEFERRED INFLOW OF RESOURCES	**2026**	**2025**	**$ Variance**	**% Variance**
Other postemployment benefits plan	$4,451,055	$3,953,721	$497,334	13%
Pension plan	1,271,057	280,469	990,588	353%
TOTAL DEFERRED INFLOW OF RESOURCES	**$5,722,112**	**$4,234,190**	**$1,487,922**	**35%**

Please see the notes to the financial statements relating to the Center's pension and OPEB plans for more information on the changes to the major components of deferred inflows and outflows of resources.

Net Position

Net position consists of net investment in capital assets (capital assets net of related debt) and unrestricted net position.

NET POSITION	2026	2025	$ Variance	% Variance
Net investment in capital assets	5,660,230	4,858,369	801,861	17%
Unrestricted	(11,949,366)	(11,609,089)	(340,277)	-3%
TOTAL NET POSITION	**(6,289,136)**	**(6,750,720)**	**461,584**	**7%**

The increase in net investment in capital assets of $802,000 is the result of net capital asset additions for the year plus the repayment of related capital and lease financing obligations.

The unrestricted net position decreased by $340,000 as the Center's FY26 operating results (an increase in net position of $462,000) were more than offset by the $802,000 increase in net investment in capital assets, which is not available to fund operations. The net change in the deferred outflow/inflow of resources of ($2.4 million) was largely offset by the $2.2 million decrease in the net OPEB and net pension liabilities.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

The Center's capital activity in FY26 consisted primarily of facility improvements and technology enhancements, led by the CAD Modernization Project. The carrying value of capital assets (original cost less accumulated depreciation and amortization) increased by $750,319 (13%) to $6.7 million at June 30, 2026. See Note C to the basic financial statements for the complete capital asset activity.

Capital assets not being depreciated increased by $754,253 (24%). This is the net result of $1,461,000 in additions for work-in-progress (facility improvements and technology enhancements not yet placed in service), offset by $703,000 in capital projects completed and placed in service during the year, and $3,050 in written-off project costs.

Additions to work-in-progress for the year include:

- CAD Modernization Project: $911,500
- Motorola/NICE Incident Management Software Upgrades: $150,000
- Dispatch Facility Upgrades: $124,000

The $703,000 transferred out of work-in-progress consisted of $189,000 in buildings and improvements, and $514,000 in furniture, fixtures, and equipment.

Capital assets being depreciated/amortized, net of accumulated depreciation and amortization, remained essentially unchanged (decreasing by $4,000), as the $703,000 in assets placed in service was offset by $707,000 in current-year depreciation and amortization.

Long-Term Financing

Capital asset financing and lease obligations, including the current portions, decreased by $347,000 (33%) to $699,000 at June 30, 2026, due to regularly scheduled payments. See Note D to the basic financial statements for financing and lease terms, balances, and debt service requirements. The Center's net pension and net OPEB liabilities are discussed under Liabilities above.

Currently Known Facts, Decisions, or Conditions

To address increasing service demands, public expectations, and evolving technology, in 2025 the Board and Executive Staff adopted a strategic blueprint and growth strategy to guide the Center's future direction and prioritize long-term investments:

- Strategic Blueprint Focus Areas:
  1. Ensuring people and systems are in place for best-in-class 9-1-1 services.
  2. Building a high-performance culture based on trust, respect, and collaborative problem-solving.
  3. Serving as a value-added public safety service partner.
  4. Preparing SRFECC for sustained future growth.
- Growth Strategy Investment Areas:
  1. Investing in our people.
  2. Modernizing Center infrastructure and support systems.
  3. Addressing long-term facility needs

The Center continues its work toward maintaining its status as an Accredited Center of Excellence (ACE). ACE promotes organizational excellence in public safety communications by encouraging committed agencies to complete "20 Points of Accreditation," a rigorous and measurable set of globally recognized best practices. The ACE designation is reserved for high-performing agencies that consistently put in the work to achieve excellence. It's a distinguished award and recognition for those who go all-in to cultivate center-wide pride, teamwork, and innovation by putting their communities first. For the agencies who do achieve ACE status, there is a broad range of benefits, including increased visibility and recognition for their role in community service, as well as assistance with litigation and liability management. ACE

agencies also enjoy greater recruitment and retention rates by showing employees that their work truly matters, which results in reduced turnover and attrition. The Center is currently preparing for ACE reaccreditation.

The Center has a history of intentional and proactive planning to ensure the long-term sustainable fiscal health of the organization. The Center's fiscal budget is a comprehensive outline of the upcoming year's operational requirements. The FY27 budget reflects an increase in total employee-related expenses resulting from the approved Memorandum of Understanding (MOU) with Local 522 and additional positions. The budget also accounts for rising costs in professional services, facilities and fleet management, and continued investment in employee recruitment, retention, and training. These adjustments reflect the Center's commitment to supporting organizational growth and workforce development, in alignment with the 2030 Strategic Blueprint and Growth Plan.

The FY27 final budget was adopted on June 23, 2026, with Member contributions of $15.1 million, an increase of 6.2% over FY26 member contributions of $14.2 million. Salaries and fringe benefits combine for $11.6 million, or roughly 77% of the operating budget, a 5.9% increase over the previous year. Professional services ($1.1 million) increase 3.8%, facilities and fleet management ($496,000) increase 8.8%, and recruitment, retention, and training ($282,000) increase 20.8%. The approved budget also included a transfer of $268,732 from the Operating account to the Lease savings account.

The capital improvement program budget for FY27 totals $976,000. The transition to the CAD COBOL Modernization remains the Center's top priority and represents 76% of the FY27 CIP budget ($746,000). The Center reported to the Board that the CAD modernization continues to progress on schedule, the CAD update was completed in July 2026 with minimal operational impact, and ViewPoint mapping is in phased implementation. Other FY27 capital projects include NICE software ($110,000), Westnet RIC hardware ($70,000), and a generator panel upgrade ($50,000).

Obtaining Additional Information

These financial reports are intended to provide the Center's stakeholders with a general overview of the Center's financial condition and an accounting of the public's money. If you have questions about this report, or need more financial information, please contact the SRFECC Executive Staff at excellence@SRFECC.ca.gov. More information about the Center's operations can also be found at www.SRFECC.ca.gov.

SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER

BALANCE SHEETS

June 30, 2026 and 2025

	2026	2025
ASSETS AND DEFERRED OUTFLOW OF RESOURCES		
CURRENT ASSETS		
Cash and investments	$ 6,100,394	$ 5,517,513
Accounts receivable	4,925	8,216
Due from other governments and other receivables	395	4,019
Prepaid expenses and other assets	700,265	1,444,122
TOTAL CURRENT ASSETS	6,805,979	6,973,870
CAPITAL ASSETS		
Capital assets, not being depreciated	3,945,975	3,191,722
Capital assets being depreciated/amortized, net	2,708,614	2,712,548
TOTAL CAPITAL ASSETS	6,654,589	5,904,270
TOTAL ASSETS	13,460,568	12,878,140
DEFERRED OUTFLOW OF RESOURCES		
Other postemployment benefits plan	2,589,201	3,153,338
Pension plan	2,216,307	2,581,720
TOTAL DEFERRED OUTFLOW OF RESOURCES	4,805,508	5,735,058
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	$ 18,266,076	$ 18,613,198
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 517,643	$ 461,423
Accrued salaries and benefits	227,658	179,425
Accrued interest on financing leases	3,689	1,361
Current portion of compensated absences	565,300	259,133
Current portion of capital asset financing	261,721	254,593
Current portion of lease obligations	96,292	92,173
TOTAL CURRENT LIABILITIES	1,672,303	1,248,108
NONCURRENT LIABILITIES		
Compensated absences	508,210	686,107
Capital asset financing	111,202	372,923
Lease obligations	229,560	326,212
Net other postemployment benefits liability	8,700,227	9,746,053
Net pension liability	7,611,598	8,750,325
TOTAL NONCURRENT LIABILITIES	17,160,797	19,881,620
TOTAL LIABILITIES	18,833,100	21,129,728
DEFERRED INFLOW OF RESOURCES		
Other postemployment benefits plan	4,451,055	3,953,721
Pension plan	1,271,057	280,469
TOTAL DEFERRED INFLOW OF RESOURCES	5,722,112	4,234,190
NET POSITION		
Net investment in capital assets	5,660,230	4,858,369
Unrestricted	(11,949,366)	(11,609,089)
TOTAL NET POSITION	(6,289,136)	(6,750,720)
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	$ 18,266,076	$ 18,613,198

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

SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2026 and 2025

	2026	2025
OPERATING REVENUES		
Charges for services		
Member assessments	$ 14,205,742	$ 12,807,549
Reimbursements from other agencies	880,908	774,163
Backbone and secondary user fees	17,440	17,100
TOTAL OPERATING REVENUES	15,104,090	13,598,812
OPERATING EXPENSES		
Salaries and employee benefits	10,022,773	9,093,327
Pension adjustment	217,274	552,288
Post employment health benefits	526,464	622,951
Services and supplies	3,202,028	2,784,668
Depreciation and amortization	707,311	832,200
TOTAL OPERATING EXPENSES	14,675,850	13,885,434
OPERATING INCOME (LOSS)	428,240	(286,622)
NONOPERATING REVENUES (EXPENSES)		
Interest and investment income	36,621	44,731
Other nonoperating revenue	31,175	38,906
Interest expense	(31,402)	(35,304)
Loss on disposal of capital assets	(3,050)	
TOTAL NONOPERATING REVENUES (EXPENSES)	33,344	48,333
CHANGE IN NET POSITION	461,584	(238,289)
Total net position, beginning of year	(6,750,720)	(6,512,431)
TOTAL NET POSITION, END OF YEAR	$ (6,289,136)	$ (6,750,720)

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

SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2026 and 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	$ 15,142,180	$ 13,680,123
Cash paid to suppliers	(5,869,156)	(4,809,814)
Cash paid to employees	(6,889,884)	(7,929,304)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,383,140	941,005
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(1,460,680)	(771,181)
Principal payments on capital asset financing	(254,593)	(247,657)
Principal payments on leases	(92,533)	(135,799)
Interest payments on capital asset financing	(15,158)	(20,223)
Interest payments on leases	(13,916)	(13,916)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,836,880)	(1,188,776)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	36,621	44,731
NET CASH PROVIDED BY INVESTING ACTIVITIES	36,621	44,731
NET CHANGE IN CASH AND CASH EQUIVALENTS	582,881	(203,040)
Cash and cash equivalents, beginning of year	5,517,513	5,720,553
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 6,100,394	$ 5,517,513
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$ 428,240	$ (286,622)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	606,053	694,290
Amortization	101,258	137,910
Cash received for non-operating revenue	31,175	38,906
Changes in assets, liabilities and deferred outflows and inflows:		
Accounts receivable	3,291	1,164
Due from other governments and other receivables	3,624	41,241
Prepaid expenses and other assets	743,857	(716,867)
Accounts payable and accrued expenses	56,220	204,373
Accrued salaries and benefits	48,233	31,197
Compensated absences	128,270	132,336
Other postemployment benefits	(1,045,826)	(186,231)
Net pension liability	(1,138,727)	(57,651)
Change in deferred outflows/inflows of resources for pensions	1,554,725	436,647
Change in deferred outflows/inflows of resources for OPEB	862,747	470,312
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 2,383,140	$ 941,005
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES:		
Right of use assets acquired from the issuance of leases		$ 462,678
Loss on disposal of construction in progress	$ 3,050	

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sacramento Regional Fire/EMS Communications Center (SRFECC) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of SRFECC are described below.

Background: SRFECC was organized through a Joint Powers Agreement (JPA) pursuant to the provisions of Title I, Division 7, Chapter 5, Article 1, Sections 6500 et seq. of the California Government Code beginning on January 1, 1981, to provide fire and ambulance communications management/dispatch services for member agencies and volunteer agencies. The JPA members were Sacramento City Fire, Sacramento Metropolitan Fire District, Consumes Community Services District and Folsom City. Volunteer agencies are Herald, Courtland, Walnut Grove, Wilton, Isleton, and River Delta Fire Districts. SRFECC serves approximately 1.3 million residents in an area of approximately 1,000 square miles.

SRFECC's Board of Directors is comprised of one representative from each Member Agency. Each Member Agency has a weighted vote equal to the percentage of each Member Agency's total emergency service calls to the total of all emergency service calls for all Member Agencies during the previous calendar year that remain a member on July 1 of the current fiscal year. The weighted votes are recalculated on July 1 of each fiscal year.

Debts, liabilities and obligations of SRFECC are not considered to be debts, liabilities and obligations of the Member Agencies. However, according to the Joint Powers Agreement, no assets may be divided or returned to Member Agencies until all outstanding obligations of SRFECC have been resolved or a “paid-up contract” has been adopted which removes those obligations from SRFECC. A “paid-up contract” may be for Member Agencies to accept responsibility for any outstanding claims. Dispositions of the remaining assets will then be made in proportion to the contributions of the remaining Member Agencies for the fiscal year of the dissolution. The Joint Powers Agreement may be terminated upon consent of 90% of the total number of votes of all Member Agencies.

The Joint Powers Agreement requires SRFECC collect charges for services from its Member Agencies on a pro-rata basis sufficient to pay capital, operating and related costs for dispatch services. The rate charged to each Member Agency is equal to the percentage of each Member Agency's total emergency service calls to the total of all emergency service calls for all Member Agencies during the previous calendar year or requests for other additional services as defined in the Joint Powers Agreement.

Basis of Presentation – Fund Accounting: SRFECC’s resources are allocated to and accounted for in these basic financial statements as an enterprise fund type of the proprietary fund group. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position for the enterprise fund represents the amount available for future operations.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are presented using the economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Net position is segregated into amounts invested in capital assets, amounts restricted and amounts unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position.

SRFECC uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as subsidies received and provided, contributions to permanent and term endowments, revenues and expenses related to financing, resources from the

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

disposal of capital assets and inventory, and investment income and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the enterprise fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the enterprise fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) that are recoverable through the enterprise fund's current or future pricing and policies, and (3) all other transfers.

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

Cash and Cash Equivalents: For purposes of the statement of cash flows, SRFECC considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of cash on hand and deposits in financial institutions.

Prepaid Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Capital Assets: Capital assets are recorded at historical cost. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Self-constructed assets are recorded based on the amount of direct labor, material, and certain overhead charged to the asset construction. Depreciation is calculated using the straight-line method over the following estimated useful lives:

Description	Estimated Life
Buildings and improvements	3-30 years
Equipment	3-10 years

Maintenance and repairs are charged to operations when incurred. It is SRFECC's policy to capitalize all capital assets with a cost of more than $5,000 for equipment, building and improvements. The cost of assets sold or retired (and the related amounts of accumulated depreciation) are eliminated from the balance sheet in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

Compensated Absences: Regular full-time employees are granted vacation, sick and holiday leave in varying amounts based upon length of service. Under GASB Statement No. 101, the Agency accrues 100% of vacation and the portion of sick leave expected to be used for time-off. The cost of vacation and sick leave is recognized in the period earned. Any accrued hours, not in excess of the maximum allowable, which are unused during the current period, are carried forward to following years. Additionally, certain employees are allowed compensated time-off in lieu of overtime compensation and/or from working on holidays.

Net Position: Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and debt attributable to the acquisition, construction or improvement of these assets reduces the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. SRFECC has no restricted net position.

Unrestricted Net Position – This category represents net position of SRFECC not restricted for any project or other purpose.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pension Plan: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension plan, and pension expense, information about the fiduciary net position of SRFECC's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the District's OPEB plan (Plan), and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earning process is complete. Deferred outflows and inflows of resources represent amounts deferred related to SRFECC's pension and OPEB plans as described in Notes E and F.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

New Pronouncements: SRFECC implemented GASB Statement No. 103, *Financial Reporting Model Improvements,* which includes changes to the Management's Discussion and Analysis, as of June 30, 2026.

NOTE B – CASH AND INVESTMENTS

Cash and Investments consisted of the following at June 30:

	2026	2025
Deposits with financial institutions	$ 5,576,394	$ 5,517,513
Local Agency Investment Fund (LAIF)	524,000	
Toal cash and investment	$ 6,100,394	$ 5,517,513

Investment policy: California statutes authorize special districts to invest idle, surplus or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The table below identifies the investment types that are authorized for SRFECC by the California Government Code (or SRFECC's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. During the years ended June 30, 2026 and 2025, SRFECC's permissible investments included the following instruments:

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
State of California obligations	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposits	5 years	30%	None
Repurchase Agreements	92 days	20%	None
Medium Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Mortgage pass-through securities	5 years	20%	None
LAIF	N/A	None	None

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating issued by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and SRFECC's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2026 and 2025, the carrying value of SRFECC's deposits was $5,576,394 and $5,517,513 and the balances in financial institutions were $6,584,737 and $6,369,912, respectively. Of the balances in financial institutions, $250,000 was covered by federal depository insurance and the remaining amount was covered by the pledging financial institution with assets held in a common pool for SRFECC and other governmental agencies, but not in the name of SRFECC.

Concentration of Credit Risk: SRFECC had no investment policy limiting the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2026, the District had no investments in one issuer (other government pools) that represented 5% or more of SRFECC's investments

Interest Rate Risk: Interest rate risk is the risk in the market rate changes that could adversely affect the fair values of an investment. In general, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways SRFECC manages its exposure to interest rate risk is by purchasing a combination of shorter- and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. All of SRFECC's investments at June 30, 2026 mature in less than one year.

NOTE B – CASH AND CASH EQUIVALENTS (Continued)

Local Government Investment Pools: SRFECC is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. SRFECC reports its investment in LAIF at the fair value amount provided by LAIF. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The LAIF financial statements are available at the State Treasurer's Office website at www.treasurer.ca.gov. LAIF is not registered with the Securities and Exchange Commission and is not rated by the credit rating agencies. The average maturity of LAIF at June 30, 2026, was 269 days.

NOTE C – CAPITAL ASSETS

Capital asset activity for the years ended June 30, 2026 and 2025 was as follows:

	Balance July 1, 2025	Additions	Disposals	Transfers	Balance June 30, 2026
Capital assets, not being depreciated:					
Land	$ 16,734				$ 16,734
Work in progress	3,174,988	$ 1,460,680	$ (3,050)	$ (703,377)	3,929,241
Total capital assets, not being depreciated	3,191,722	1,460,680	(3,050)	(703,377)	3,945,975
Capital assets, being depreciated:					
Buildings and improvements	4,059,514			189,429	4,248,943
Furniture, fixtures and equipment	8,891,326			513,948	9,405,274
Right of use assets, being amortized:					
Leased buildings	462,678				462,678
Leased furniture, fixtures and equipment	40,771				40,771
Total capital assets, being depreciated	13,454,289	-	-	703,377	14,157,666
Less accumulated depreciation for:					
Buildings and improvements	(3,257,327)	(101,602)			(3,358,929)
Furniture, fixtures and equipment	(7,390,766)	(504,451)			(7,895,217)
Total accumulated depreciation	(10,648,093)	(606,053)			(11,254,146)
Less accumulated amortization for:					
Leased buildings	(69,145)	(92,536)			(161,681)
Leased furniture, fixtures and equipment	(24,503)	(8,722)			(33,225)
Total accumulated amortization	(93,648)	(101,258)	-		(194,906)
Total capital assets being depreciated/amortized, net	2,712,548	(707,311)	-	703,377	2,708,614
Total capital assets, net	$ 5,904,270	$ 753,369	$ (3,050)	$ -	$ 6,654,589

NOTE C – CAPITAL ASSETS (Continued)

	Balance July 1, 2024	Additions	Disposals	Transfers	Balance June 30, 2025
Capital assets, not being depreciated:					
Land	$ 16,734				$ 16,734
Work in progress	3,122,377	$ 771,181		$ (718,570)	3,174,988
Total capital assets, not being depreciated	3,139,111	771,181		(718,570)	3,191,722
Capital assets, being depreciated:					
Buildings and improvements	3,499,287			560,227	4,059,514
Furniture, fixtures and equipment	8,732,983			158,343	8,891,326
Right of use assets, being amortized:					
Leased buildings	346,917	462,678	$ (346,917)		462,678
Leased furniture, fixtures and equipment	40,771				40,771
Total capital assets, being depreciated	12,619,958	462,678	(346,917)	718,570	13,454,289
Less accumulated depreciation for:					
Buildings and improvements	(3,168,590)	(88,737)			(3,257,327)
Furniture, fixtures and equipment	(6,785,213)	(605,553)			(7,390,766)
Total accumulated depreciation	(9,953,803)	(694,290)			(10,648,093)
Less accumulated amortization for:					
Leased buildings	(286,900)	(129,162)	346,917		(69,145)
Leased furniture, fixtures and equipment	(15,755)	(8,748)			(24,503)
Total accumulated amortization	(302,655)	(137,910)	346,917		(93,648)
Total capital assets being depreciated/amortized, net	2,363,500	(369,522)	-	718,570	2,712,548
Total capital assets, net	$ 5,502,611	$ 401,659	$ -	$ -	$ 5,904,270

Work in progress includes Computer Aided Dispatch (CAD) equipment in the process of being installed and other projects in progress.

SRFECC entered into a lease agreement for office space at 10411 Old Placerville Road in Sacramento, California beginning May 1, 2020 for a period of 60 months. The intangible right of use asset was amortized over 5 years, the term of the current lease. Terms of this lease are described in Note D.

SRFECC entered into a lease agreement for office space at 10240 Systems Parkway in Sacramento, California beginning October 1, 2024 for a period of 60 months. The intangible right of use asset is being amortized over 5 years, the term of the current lease. Terms of this lease are described in Note D.

SRFECC entered into lease agreements for copiers and a plotter. The intangible right of use assets are being amortized over the terms of the related leases which range from 48 to 60 months. Terms of this lease are described in Note D.

NOTE D – LONG-TERM LIABILITIES

The following is a summary of long-term liabilities activity of SRFECC for the years ended June 30, 2026 and 2025:

	Balance June 30, 2025	Additions	Repayments	Balance June 30, 2026	Due Within One Year
Compensated absences	$ 945,240	$ 128,270		$ 1,073,510	$ 565,300
Capital asset financing	627,516		$ (254,593)	372,923	261,721
Lease obligations	418,385		(92,533)	325,852	96,292
Net other post-employment benefits	9,746,053		(1,045,826)	8,700,227	
Net pension liability	8,750,325		(1,138,727)	7,611,598	
	$ 20,487,519	$ 128,270	$(2,531,679)	$ 18,084,110	$ 923,313

	Balance July 1, 2024	Additions	Repayments	Balance June 30, 2025	Due Within One Year
Compensated absences	$ 812,904	$ 132,336		$ 945,240	$ 259,133
Capital asset financing	875,173		$ (247,657)	627,516	254,593
Lease obligations	91,506	462,678	(135,799)	418,385	92,173
Net other post-employment benefits	9,932,284		(186,231)	9,746,053	
Net pension liability	8,807,976		(57,651)	8,750,325	
	$ 20,519,843	$ 595,014	$ (627,338)	$ 20,487,519	$ 605,899

The changes in compensated absences above represent additions net of reductions.

Capital Asset Financing – Direct Borrowing: On August 15, 2019, the Board of Directors approved a Municipal-Lease Purchase Agreement (Agreement) with Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance, of up to $5,000,000 to finance the purchase of Computer Aided Dispatch equipment and related expenses. The Agreement is secured by a lien on the related equipment. The Agreement calls for fixed level rent payments for the term of the borrowing at an index interest rate equal to a like term semi-bond swap rate sourced from Chatham Financial Market Data on the date of the lease. The agreement contains an option to purchase the related equipment for $1 at the end of the lease term, which is reasonably certain to be exercised. SRFECC entered into a lease of $1,708,494 on August 16, 2019, under the agreement, which has monthly rent payments of $22,394 from December 1, 2020, to November 1, 2027. The index rate was approximately 2.765% at the date of the lease. The equipment under the borrowing had a cost of $2,780,730 and no accumulated depreciation at June 30, 2026 and 2025 and was included in construction in progress because the equipment was not placed into service. Delinquent payments are subject to a default interest rate of the lesser of 18% or the maximum rate permitted by law.

Future payments under the borrowing will be as follows as of June 30, 2026:

Year ended June 30,	Principal	Interest	Totals
2027	$ 261,721	$ 7,011	$ 268,732
2028	111,202	770	111,972
Total	$ 372,923	$ 7,781	$ 380,704

NOTE D – LONG-TERM LIABILITIES (Continued)

Lease Obligations: SRFECC entered into a lease agreement for office space at 10411 Old Placerville Road in Sacramento, California beginning May 1, 2020. The lease extended through April 30, 2025 and contains base rents of $6,129 to $7,005 per month. Beginning in fiscal year 2024, the lease payment was reduced by $270 per month as a result of the lessor providing less janitorial services. As a result of this modification, the right of use asset and the lease liability were reduced by $6,749 and $5,773, respectively. For purposes of discounting future payments on the lease, the SRFECC used a discount rate of 3.00%. The lease expired April 30, 2025.

In 2017 and 2023, SRFECC leased copiers for terms of 60 months at $538 per month and $518 per month, respectively. At the end of the lease term, SRFECC has the option to purchase the copiers at the fair market value. On June 27, 2022, SRFECC leased a plotter for a term of 48 months at $262 per month. At the end of the lease term, SRFECC has the option to purchase the copiers at the fair market value. For purposes of discounting future payments on the leases, the SRFECC used a discount rate of 3.00%.

In 2024, SRFECC entered into a lease agreement for office space at 10240 Systems Parkway in Sacramento, California beginning October 1, 2024. The lease extends through September 30, 2029 and contains base rents of $8,017 to $9,023 per month. For purposes of discounting future payments on the lease, the SRFECC used a discount rate of 4.00%.

The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note C. Minimum lease payments over the remaining term of the leases include:

Year ended June 30,	Principal	Interest	Totals
2027	$ 96,292	$ 11,244	$ 107,536
2028	98,538	7,375	105,913
2029	104,133	3,357	107,490
2030	26,889	179	27,068
Total	$ 325,852	$ 22,155	$ 348,007

NOTE E – OTHER POSTEMPLOYMENT BENEFITS

Plan Description: The SRFECC defined benefit OPEB plan (the Plan) is an agent multiple-employer OPEB plan that provides OPEB benefits for all eligible general employees that retire from SRFECC with CalPERS pension and elect to enroll in one of the health plans sponsored by CalPERS. Employees must retire directly from SRFECC. Eligible employees' surviving spouses of retirees hired before July 1, 2012 are also eligible for benefits. Benefits continue through the retiree's or spouses' lifetime. The Plan is administered by CalPERS through participation in California Employers' Retiree Benefit Trust (CERBT) Fund. The Board of Directors grants the authority to establish and amend the benefit terms to the CalPERS Board of Trustees (CalPERS Board). CalPERS issues a publicly available financial report for the CERBT that can be obtained at www.calpers.ca.gov under Forms and Publications.

Benefits Provided: The Plan provides healthcare benefits for retirees and surviving spouses. For retirees hired prior to July 1, 2012, SRFECC pays 100% of the CalPERS health plan premiums up to a maximum of the lesser of the non-Medicare premium amount for the Kaiser or Blue Shield Access plan for "employee plus one" coverage. For retirees hired on or after July 1, 2012, SRFECC contributes a percentage based on the years of service of the CalPERS health plan premium costs up to the lesser of the non-Medicare premium amount for the Kaiser or BlueShield Access plan for "employee plus one" coverage. SRFECC's contribution percentage is 25% after five years of service and an additional 5% is contributed for each additional year of service. After twenty years of service, SRFECC's contribution percentage is 100%. In the event the Kaiser or Blue Shield Access premiums increase by more than 5% in any one year, the increase in SRFECC's contribution will be limited to 5%. For employees hired after July 1, 2014, SRFECC's maximum contributions are limited to $1,300 per month.

NOTE E – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms: At June 30, the following current and former employees were covered by the benefit terms:

	2026	2025
Inactive employees or beneficiaries currently receiving benefit payments	31	28
Inactive employees entitled to but not yet receiving benefit payments	3	3
Active employees	57	58
Total	91	89

Contributions: The Board of Directors grants the authority to establish and amend the contribution requirements of SRFECC and employees. Employees are required to contribute $100 per month to the Plan. These contributions are non-refundable to the employee and are deposited in the CERBT trust. During the fiscal year ended June 30, 2026, the District's benefit payments were $432,190 and the implied subsidy was $78,627, resulting in total payments of $510,817. In addition, active employees contributed $66,472 to the trust. During the fiscal year ended June 30, 2025, the District's benefit payments were $410,071 and the implied subsidy was $102,091, resulting in total payments of $512,162. In addition, active employees contributed $64,100 to the trust.

Net OPEB Liability: SRFECC's net OPEB liability at June 30, 2026 and 2025 was measured as of June 30, 2025 and 2024. The total OPEB liability used to calculate the net OPEB liability at June 30, 2026 and 2025 was determined by an actuarial valuation as of June 30, 2025.

Actuarial Assumptions: The total OPEB liability at June 30, 2026 and 2025 was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	2026	2025
Valuation date	June 30, 2025	June 30, 2023
Measurement date	June 30, 2025	June 30, 2024
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	6.30%	5.65%
Inflation	2.50%	2.50%
Salary increases	3.00%	3.00%
Investment rate of return	6.55%	6.20%
Mortality rate	MacLeod Watts Scale 2022 applied generationally [1]	MacLeod Watts Scale 2022 applied generationally [1]
Pre-retirement turnover	CalPERS 1997-2019 Experience Study [2]	CalPERS 1997-2019 Experience Study [2]
Healthcare trend rate	6.5% in 2026 grading down to 3.90% in 2075 and later [3]	9.0% and 22.0% in 2025 grading down to 3.90% in 2075 and later [3]

[1] The MacLeod Watts Scale 2022 was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report, published in October 2021 and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published August 2021.

[2] Demographic actuarial assumptions used in this valuation are based on the 2025 experience study of CalPERS, except for a different basis used to project future mortality improvements.

[3] Medical cost trend is based on the Society of Actuaries "Getzen Model 2025."

NOTE E – OTHER POSTEMPLOYMENT BENEFITS (Continued)

The assumed gross return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class at June 30 are summarized in the following table:

	2026		2025	
Asset Class	Target Allocation	Long-term Expected Nominal Rate of Return	Target Allocation	Long-term Expected Nominal Rate of Return
Global equity	49.0%	4.70%	49.0%	4.70%
U.S. fixed income	23.0%	2.60%	23.0%	2.60%
Treasury inflation protected securities	5.0%	1.40%	5.0%	1.40%
Real estate investment trusts	20.0%	4.00%	20.0%	4.00%
Commodities	3.0%	2.00%	3.0%	2.00%
	100.0%		100.0%	

Discount Rate: The discount rate used to measure the total OPEB liability was 6.30% and 5.65% for the years ended June 30, 2026 and 2025, respectively. The projection of cash flows used to determine the discount rate assumed that SRFECC contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be available to make all projected OPEB payments for current active and inactive employees. Therefore, a single equivalent rate of the long-term expected rate of return on OPEB plan investments (6.55% at the June 30, 2025 and 2024 measurement dates, respectively) and the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (5.20% and 3.93% at June 30, 2025 and 2024 measurement dates, respectively) was applied to all periods of projected benefit payments to determine the total OPEB liability.

	2026			2025		
	Increase (Decrease)			Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2025 and 2024	$ 10,721,977	$ 975,924	$ 9,746,053	$ 10,750,259	$ 817,975	$ 9,932,284
Changes in the year:						
Service cost	523,332		523,332	570,605		570,605
Interest	620,891		620,891	576,622		576,622
Difference between expected and actual experience	49,948		49,948			-
Changes in assumptions	(1,545,379)		(1,545,379)	(711,556)		(711,556)
Benefit payments	(512,162)	(512,162)		(463,953)	(463,953)	
Contributions - employer		512,162	(512,162)		463,953	(463,953)
Contributions - employees		64,100	(64,100)		63,800	(63,800)
Net investment income		123,686	(123,686)		94,425	(94,425)
Administrative expenses	5,016	(314)	5,330		(276)	276
Net changes	(858,354)	187,472	(1,045,826)	(28,282)	157,949	(186,231)
Balance at June 30, 2026 and 2025	$ 9,863,623	$ 1,163,396	$ 8,700,227	$ 10,721,977	$ 975,924	$ 9,746,053

NOTE E – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Assumptions: Changes in assumptions in 2026 include changes to the long term return on assets, discount rate, demographic assumptions, healthcare trends, a new benefit tier and participation rates for future retirees. Changes in assumptions in 2025 include changes to the discount rate, demographic assumptions, healthcare trends, and spouse coverage.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates: The following presents the net OPEB liability of SRFECC, as well as what SRFECC's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	2026			2025		
		Current			Current	
	1% Decrease 4.65%	Discount Rate 5.65%	1% Increase 6.65%	1% Decrease 3.65%	Discount Rate 4.65%	1% Increase 5.65%
Net OPEB liability	$10,135,521	$ 8,700,227	$ 7,534,717	$11,427,152	$ 9,746,053	$ 8,389,231

The following presents the net OPEB liability of SRFECC, as well as what SRFECC's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	2026			2025		
	Current Healthcare Cost			Current Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase	1% Decrease	Trend Rates	1% Increase
Net OPEB liability	$ 7,430,998	$ 8,700,227	$10,297,148	$ 8,202,245	$ 9,746,053	$11,724,787

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the years ended June 30, 2026 and 2025, SRFECC recognized OPEB expense of $526,464 and $622,951, respectively. At June 30, 2026 and 2025, SRFECC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 510,817		$ 512,162	
Differences between actual and expected experience	470,665		561,949	
Changes in assumptions	1,607,719	$ (4,410,801)	2,074,596	$ (3,953,721)
Net differences between projected and actual earnings on plan investments		(40,254)	4,631	
Total	$ 2,589,201	$ (4,451,055)	$ 3,153,338	$ (3,953,721)

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

NOTE E – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Year Ended June 30	2026
2027	$ (365,308)
2028	(303,949)
2029	(227,484)
2030	(643,089)
2031	(244,170)
Thereafter	(588,671)
	$ (2,372,671)

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

The recognition period differs depending on the sources of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARSL), which was 9.08 years at June 30, 2026.

Payable to the OPEB Plan: At June 30, 2026 and 2025, SRFECC had no contributions payable to the Plan.

NOTE F – PENSION PLAN

Plan Descriptions: All qualified permanent and probationary employees are eligible to participate in the SRFECC's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). The Board has established a single "Cost-Sharing Miscellaneous" pension plan (the Plan) with CalPERS that is comprised of the following rate plans:

- Miscellaneous Rate Plan
- PEPRA Miscellaneous Rate Plan

Benefit provisions under the Plan are established by State statute and SRFECC resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the following: the 1957 Survivor Benefit or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

NOTE F – PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2026 and 2025, are summarized as follows:

Hire date	Miscellaneous Rate Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Rate Plan (On or after January 1, 2013)
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.00% to 2.70%	1.0% to 2.5%
Required employee contribution rates - 2026	7.940%	8.030%
Required employee contribution rates - 2025	8.000%	8.000%
Required employer contribution rates - 2026	16.380%	7.940%
Required employer contribution rates - 2025	16.310%	7.940%

In addition to the contribution rates above, SRFECC was also required to make payments totaling $792,748 and $673,580 toward its unfunded actuarial liability during the years ended June 30, 2026 and 2025, respectively. The Miscellaneous Rate Plan is closed to new members that were not already CalPERS eligible participants on December 31, 2012.

For members of CalPERS prior to January 1, 2013, SRFECC pays the 8% employee contribution and employees pay 6.550% until March 1, 2027 and will pay 3.634% after March 1, 2027.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The SRFECC is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The contributions recognized as part of pension expense to the Plan were $1,303,316 and $1,095,067 for the years ended June 30, 2026 and 2025, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2026 and 2025, the SRFECC reported a net pension liability for its proportionate share of the Plan's net pension liability of $7,611,598 and $8,750,325, respectively.

The SRFECC's net pension liability is measured as the proportionate share of the Plan's net pension liability. The net pension liability is measured as of June 30, 2025 and 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025 using standard update procedures. The SRFECC's proportion of the net pension liability was based on a projection of the SRFECC's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The SRFECC's proportionate share of the net pension liability for the Plan as of June 30 was as follows:

NOTE F – PENSION PLAN (Continued)

Proportion - June 30, 2024	0.17614%
Proportion - June 30, 2025	0.18092%
Change - Increase (Decrease)	0.00478%
Proportion - June 30, 2025	0.18092%
Proportion - June 30, 2026	0.19080%
Change - Increase (Decrease)	0.00988%

For the year ended June 30, 2026 and 2025, the SRFECC recorded pension expense of $1,520,590 and $1,647,354, respectively. At June 30, 2026 and 2025, the SRFECC reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	2026		2025	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 1,303,316		$ 1,095,067	
Differences between actual and expected experience	912,052		756,546	$ (29,520)
Changes in assumptions			224,902	
Differences between the employer's contribution and the employer's proportionate share of contributions		(150,313)		(190,437)
Change in employer's proportion	939	(90,811)	1,461	(60,512)
Net differences between projected and actual earnings on plan investments		(1,029,933)	503,744	
Total	$ 2,216,307	$(1,271,057)	$ 2,581,720	$ (280,469)

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date above will be recognized as a reduction of the net pension liability in the following fiscal years. Other amounts reported as net deferred outflows and inflows of resources related to pensions at June 30 will be recognized as pension expense as follows:

Fiscal Year Ended June 30	2026
2027	$ 810,670
2028	(289,502)
2029	(486,066)
2030	(393,168)
	$ (358,066)

NOTE F – PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan were determined using the following actuarial assumptions:

	2026	2025
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	Varies by entry age and service	
Projected Salary Increase	0.40% - 8.5% (1)	0.40% - 8.5% (1)
Investment Rate of Return	6.90%	6.90%
Mortality	Derived using CalPERS Membership Data for all Funds	Derived using CalPERS Membership Data for all Funds

(1) Depending on entry age and service
(2) Net of pension plan investment expenses, including inflation

The mortality table was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.80% as of June 30, 2026 and 2025. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

NOTE F – PENSION PLAN (Continued)

	2026		2025	
Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	New Strategic Allocation	Real Return Years 1 - 10(a)
Public equity	37.0%	4.56%		
Global equity- cap weighted			30.0%	4.54%
Global equity- non-cap weighted			12.0%	3.84%
Private equity	17.0%	5.56%	13.0%	7.28%
Fixed income	28.0%	2.53%		
Treasury			5.0%	0.27%
Mortgage -backed Securities			5.0%	0.50%
Investment grade corporate			10.0%	1.56%
High yield			5.0%	2.27%
Emerging market debt			5.0%	2.48%
Private debt	8.0%	4.93%	5.0%	3.57%
Real assets	15.0%	3.03%	15.0%	3.21%
Liquidity/Leverage	-5.0%	1.40%	-5.0%	-0.59%
Total	100.0%		100.0%	

(a) An expected inflation of 2.3% was used.
(b) An expected inflation of 2.0% was used.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the SRFECC's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the SRFECC's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2026	2025
1% Decrease	5.90%	5.90%
Net Pension Liability	$ 12,827,735	$ 13,609,972
Current Discount Rate	6.90%	6.90%
Net Pension Liability	$ 7,611,598	$ 8,750,325
1% Increase	7.90%	7.90%
Net Pension Liability	$ 3,318,772	$ 4,750,119

Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: There was no contributions payable to the Plan at June 30, 2026 and 2025.

NOTE G – NET POSITION

Designations of unrestricted net position may be imposed by the Board of Directors to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended, or removed by Board action. The Board has made designations of net position; however, the unrestricted net position balance is negative, so no amounts are available for designations. SRFECC has sufficient cash balances for designations. At June 30, 2026 and 2025, SRFECC has net position designated for contingencies of $1,747,761 and $1,711,164, respectively. At June 30, 2026 and 2025, SRFECC has net position designated for construction in progress of $310,389 and $1,390,962, respectively.

NOTE H – INSURANCE

SRFECC is a member of the Northern California Special Districts Insurance Authority (NCSDIA). The NCSDIA is a risk-pooling self-insurance authority, created under the provisions of the California Government Code Sections 6500 et. seq. The purpose of the NCSDIA is to provide a full risk management program for California local governments. NCSDIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained.

SRFECC pays an annual premium to NCSDIA for general liability, property, management liability and workers compensation insurance coverage. SRFECC's annual premium is based on its pro-rata share of charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the NCSDIA. SRFECC paid no material uninsured losses during the last three fiscal years and had no significant reductions in coverage during the year.

SRFECC's deductible and coverage are as follows:

Coverage	NCSDIA	Commercial Insurance	Deductible
General liability	$ 1,000,000	$ 9,000,000	none
Auto liability	1,000,000		$ 1,000
Crime program	1,000,000		2,500
Property damage	Replacement Cost		1,000
Management liability	1,000,000	9,000,000	none
Workers compensation	Statutory		none

NOTE I – CONTINGENCIES AND COMMITMENTS

Contingencies: SRFECC receives grant funding for specific purposes that are subject to review and audit by the granting agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

SRFECC is party to claims arising in the ordinary course of business. After taking into consideration information furnished by legal counsel to SRFECC as to the current status of the claims to which SRFECC is a party, management is of the opinion that the ultimate aggregate liability represented thereby, if any, will not have a material adverse effect on the financial position or results of operations of SRFECC.

Commitments: SRFECC is in the process of developing Computer Aided Dispatch software and server upgrades. As of June 30, 2026, it is estimated $751,517 remains unspent on this project.

In June 2026, the Center entered into a contract with the City of Sacramento Fire Department for services of an Executive Director from July 1, 2026 to June 30, 2028 for a total of $775,000.

REQUIRED SUPPLEMENTARY INFORMATION

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SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2026

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Last 10 Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Proportion of the net pension liability	0.19080%	0.18092%	0.17614%	0.17947%	0.20818%	0.17649%	0.17622%	0.17700%	0.17670%	0.14323%
Proportionate share of the net pension liability	$ 7,611,598	$ 8,750,325	$ 8,807,976	$ 8,397,999	$ 3,952,935	$ 7,444,517	$ 7,056,907	$ 6,670,540	$ 6,965,568	$ 6,191,417
Covered payroll - measurement period	$ 4,956,218	$ 4,761,025	$ 4,031,509	$ 3,560,485	$ 3,815,215	$ 4,055,635	$ 3,728,966	$ 3,585,654	$ 3,619,181	$ 4,123,954
Proportionate share of the net pension liability as a percentage of covered payroll	153.58%	183.79%	218.48%	235.87%	103.61%	183.56%	189.25%	186.03%	192.46%	150.13%
Plan fiduciary net position as a percentage of the total pension liability	80.31%	75.70%	74.09%	74.17%	87.47%	81.37%	83.65%	73.42%	70.43%	69.98%
Notes to Schedule:										
Change in Benefit Terms: None										
Reporting valuation date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Reporting measurement date	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Discount rate	6.90%	6.90%	6.90%	6.90%	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN
Last 10 Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution (actuarially determined)	$ 1,303,316	$ 1,095,067	$ 945,045	$ 883,135	$ 1,027,575	$ 974,788	$ 873,829	$ 745,224	$ 668,869	$ 620,500
Contributions in relation to the actuarially determined contributions	(1,303,316)	(1,095,067)	(945,045)	(883,135)	(1,027,575)	(974,788)	(873,829)	(745,224)	(668,869)	(620,500)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll - fiscal year	$ 5,458,270	$ 4,956,218	$ 4,761,025	$ 4,031,509	$ 3,560,485	$ 3,815,215	$ 4,055,635	$ 3,728,966	$ 3,585,654	$ 3,619,181
Contributions as a percentage of covered payroll	23.88%	22.09%	19.85%	21.91%	28.86%	25.55%	21.55%	19.98%	18.65%	17.14%
Notes to Schedule:										
Contribution valuation date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Methods and assumptions used to determine contribution rates:	Entry age normal cost method									
Amortization method	Level percentage of payroll, closed									
Remaining amortization period	Varies by rate plan, not more than 30 years									
Asset valuation method	Market value									
Discount rate	6.800%	6.800%	6.800%	7.000%	7.000%	7.000%	7.250%	7.375%	7.500%	7.500%
Inflation	2.300%	2.500%	2.300%	2.500%	2.500%	2.500%	2.625%	2.750%	2.750%	2.750%
Payroll growth	2.800%	2.800%	2.800%	2.750%	2.750%	2.750%	2.500%	2.875%	3.000%	3.000%
Salary increases	Varies by entry age and service									
Retirement age	50 to 67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.									
Mortality	Most recent CalPERS Experience Study									

SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2026

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
Last 10 Years

Measurement period	2026	2025	2024	2023	2022	2021	2020	2019
Total OPEB liability:								
Service cost	$ 523,332	$ 570,605	$ 433,779	$ 758,969	$ 328,315	$ 319,528	$ 396,338	$ 427,824
Interest	620,891	576,622	454,370	328,783	347,582	399,626	415,094	378,917
Differences between expected and actual experience	49,948		72,238		918,889		126,074	
Changes in assumptions	(1,545,379)	(711,556)	673,848	(4,259,784)	1,232,357	1,602,661	(1,556,789)	(657,909)
Benefit payments	(512,162)	(463,953)	(443,175)	(418,199)	(355,010)	(328,891)	(269,946)	(235,660)
Administrative expenses	5,016							
Net change in total OPEB liability	(858,354)	(28,282)	1,191,060	(3,590,231)	2,472,133	1,992,924	(889,229)	(86,828)
Total OPEB liability - beginning	10,721,977	10,750,259	9,559,199	13,149,430	10,677,297	8,684,373	9,573,602	9,660,430
Total OPEB liability - ending (a)	$ 9,863,623	$10,721,977	$10,750,259	$ 9,559,199	$13,149,430	$10,677,297	$ 8,684,373	$ 9,573,602
Plan fiduciary net position:								
Contributions - employer	$ 512,162	$ 463,953	$ 443,175	$ 418,199	$ 355,010	$ 328,891	$ 269,946	$ 341,660
Contributions - employee	64,100	63,800	56,400	52,700	51,400	51,700	54,100	58,139
Net investment income	123,686	52,684	45,989	49,409	38,071	18,632	28,192	20,124
Changes in assumptions		41,741	2,129	(158,909)	121,310			
Benefit payments	(512,162)	(463,953)	(443,175)	(418,199)	(355,010)	(328,891)	(269,946)	(235,660)
Administrative expenses	(314)	(276)	(214)	(201)	(220)	(255)	(213)	(161)
Net change in plan fiduciary net position	187,472	157,949	104,304	(57,001)	210,561	70,077	82,079	184,102
Plan fiduciary net position - beginning	975,924	817,975	713,671	770,672	560,111	490,034	407,955	223,853
Plan fiduciary net position - ending (b)	$ 1,163,396	$ 975,924	$ 817,975	$ 713,671	$ 770,672	$ 560,111	$ 490,034	$ 407,955
Net OPEB liability - ending (a)-(b)	$ 8,700,227	$ 9,746,053	$ 9,932,284	$ 8,845,528	$12,378,758	$10,117,186	$ 8,194,339	$ 9,165,647
Plan fiduciary net position as a percentage of the total OPEB liability	11.79%	9.10%	7.61%	7.47%	5.86%	5.25%	5.64%	4.26%
Covered-employee payroll - measurement period	$ 5,490,554	$ 5,663,297	$ 4,727,427	$ 3,415,067	$ 4,147,447	$ 4,244,844	$ 4,344,330	$ 3,585,654
Net OPEB liability as percentage of covered-employee payroll	158.46%	172.09%	210.10%	259.01%	298.47%	238.34%	188.62%	255.62%
Notes to schedule:								
Valuation date	June 30, 2024	June 30, 2023	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017
Measurement period - fiscal year ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Discount rate	6.30%	5.65%	5.20%	4.65%	2.40%	3.21%	4.52%	4.22%

Benefit changes. None.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

For the Year Ended June 30, 2026

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN
Last 10 Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially or contractually determined contribution - employer fiscal year	$ 1,055,463	$ 996,946	$ 677,894	$ 657,665	$ 628,894	$ 355,010	$ 328,891	$ 269,946	$ 1,001,000
Contributions in relation to the determined contributions:									
Employer	(510,817)	(512,162)	(463,953)	(334,487)	(418,199)	(355,010)	(328,891)	(269,946)	(356,905)
Employee	(66,472)	(64,100)	(63,400)	(61,000)	(52,700)	(51,400)	(51,700)	(54,100)	(58,139)
Contribution deficiency (excess)	$ 478,174	$ 420,684	$ 150,541	$ 262,178	$ 157,995	$ (51,400)	$ (51,700)	$ (54,100)	$ 585,956
Covered-employee payroll - employer fiscal year	$ 6,580,196	$ 5,490,554	$ 5,663,297	$ 4,727,427	$ 4,271,870	$ 4,147,447	$ 4,244,844	$ 4,344,330	$ 3,585,654
Contributions as a percentage of covered-employee payroll	7.76%	9.32%	9.32%	7.08%	9.79%	8.56%	7.75%	6.21%	9.95%
Notes to Schedule:									
Valuation date	June 30, 2024	June 30, 2023	June 30, 2023	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Methods and assumptions used to determine contribution rates:									
Actuarial Cost Method	Entry-age normal cost method								
Amortization method	Level percentage of payroll, closed								
Asset valuation method	Market value of assets								
Inflation	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Medical trend	6% to 3.90%	6% to 3.90%	5.80% to 3.90%	5.80% to 3.90%	5.80% to 3.90%	4.25% to 6.50%	4.25% to 6.50%	4.25% to 6.25%	3.50% to 6.25%
Salary increases	3.00%	3.00%	3.00%	3.00%	3.00%	3.80% to 9.40% based on years of service			
Investment rate of return	6.20%	6.20%	6.20%	6.20%	6.20%	6.50%	6.50%	6.75%	6.75%
Discount rate	6.20%	6.20%	5.20%	4.65%	2.40%	3.21%	4.52%	4.22%	3.80%
Retirement age	50-75 years. Probabilities of retirement are based on the most recent CalPERS experience study.								
Mortality	Based on most recent CalPERS experience study and projected with MacLeod Watts Scale 2022.					Based on most recent CalPERS experience study and 15 years of mortality improvements using 90% of Scale MP. Based on most recent pension plan mortality study and include assumed improvement in future mortality based on Scale BB.			

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

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COMPLIANCE REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Sacramento Regional Fire/EMS Communication Center
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Sacramento Regional Fire/EMS Communication Center (SRFECC) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the SRFECC's basic financial statements, and have issued our report thereon dated November 10, 2026.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the SRFECC'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 SRFECC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
Sacramento Regional Fire/EMS Communications Center

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the SRFECC'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 SRFECC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

November 10, 2026

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REQUIRED COMMUNICATIONS LETTER

To the Board of Directors
Sacramento Regional Fire/EMS Communications Center
Sacramento, California

We have audited the financial statements of the Sacramento Regional Fire/EMS Communications Center (SRFECC) for the year ended June 30, 2026 and have issued our report thereon dated November 10, 2026. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*

As stated in our engagement letter dated July 16, 2026, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the SRFECC. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning internal control. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the SRFECC's compliance with certain provisions of laws, regulations, contract, and grants, However, providing an opinion on compliance with those provisions are not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplement(s) the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further auditing procedures. Material misstatements may result from (1) errors, (2) fraudulent financial report, (3) misappropriation of assets, of (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting

on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We have communicated internal control related matters that are required to be communicated under professional standards in a separate letter.

We have identified the following significant risks of material misstatement as part of planning our audit: management override of controls, revenue recognition and cut-off of revenues and expenses. These are areas that the audit standards require at a minimum to be identified as significant risks. However, no such items were noted during our audit.

We performed the audit according to the planned scope previously communicated to you in our engagement letter dated November 10, 2026.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Center are described in Note A to the financial statements. The Center adopted GASB Statement No. 103, Financial Reporting Model Improvements, which resulted in changes to the management discussion and analysis. We noted no transactions entered into by the Center during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Accounting estimates are used in determining the depreciable lives used for capital assets, qualifying expenses claimed under grant agreements, the current portion of compensated absences, sick leave estimated to be used and the valuation of the OPEB liability and net pension liability. The depreciable lives used for capital assets affects the amount of depreciation expense that is recorded and are based on SRFECC's estimate of the useful lives of the assets. The current portion of compensated absences ad sick leave estimated to be used is based on usage in previous periods. The OPEB liability is based on an actuarial report, which is based on assumptions including future employment, retirement rates and future costs of health care and health insurance. The net pension liability was determined through an actuarial valuation performed by CalPERS, which is performed annually. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were Note D related to long-term liabilities, Notes E and F related to the other postemployment benefits plan and the pension plan liabilities and related deferred inflows and outflows and Note I where commitments and contingencies were disclosed.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. There were nine adjustments posted during the audit. These adjustments consist of the following:

- Rollforward net position
- Update the sick leave balances
- Accrue additional expenses
- Reclassify current and long-term portion of lease liability
- Reclassify building and equipment accumulated depreciation
- Reverse the prior year accrued payroll
- Accrue construction-in-progress for invoices received after year-end
- Record the current year accrued payroll

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 10, 2026.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to SRFECC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as SRFECC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, schedule of changes in the net OPEB liability and related ratios, schedule of contributions to the OPEB plan, schedule of the proportionate share of the net pension liability, and schedule of contributions to the pension plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic

financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Richardson & Company, LLP

November 10, 2026

SACRAMENTO REGIONAL FIRE/EMS COMMUNICATIONS CENTER
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES
YEAR ENDED JUNE 30, 2026

Description (Nature) of Audit Difference	Financial Statement Effect - Amount of Overstatement (Understatement) of: Total Assets	Total Liabilities	Total Net Position	Total Change in Net Position
Impact of depreciating leasehold improvements longer than the lease term.	$ 51,520		$ 51,520	$ 51,520
Total Net Unadjusted Audit Difference	51,520	-	51,520	51,520
Financial Statement Caption Totals	$ 13,460,568	$ 18,833,100	$ (6,289,136)	$ 461,584
Net Audit Differences as % of F/S Captions	0.38%	0.00%	(0.82%)	11.16%

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MANAGEMENT LETTER

To the Board of Directors and Management
Sacramento Regional Fire/EMS Communications Center
Sacramento, California

In planning and performing our audit of the financial statements of the Sacramento Regional Fire/EMS Communications Center (SRFECC) as of and for the year ended June 30, 2026, in accordance with auditing standards generally accepted in the United States of America, we considered SRFECC's internal control over financial reporting (internal control) as a basis for determining our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SRFECC's internal control. Accordingly, we do not express an opinion on the effectiveness of SRFECC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

During our audit we became aware of the following matters that have been included in this letter for your consideration.

Verification of Beginning Account Balances

We noted the general ledger account balances at the beginning of fiscal year 2026 for net position and accrued salaries did not match the audited ending balances for fiscal year 2025. We recommend SRFECC verify the beginning general ledger account balances agree to the prior year ending balances periodically, such as at the end of the audit and as part of the year end closing process.

Accounts Payable Aging Report

As noted in some previous years, the accounts payable aging report did not match the general ledger balance. The amount recorded in the general ledger appears correct but some accounts payable transactions were excluded from the aging report after they were paid. We recommend SRFECC investigate if the account payable reports can be run so it matches the general ledger balance to avoid the need to prepare a reconciliation of the differences.

Threshold for Recording Prepaid Expenses, Leases and Subscription Agreements

The Center may want to consider establishing a threshold for recording prepaid expenses based on the invoice amount paid and the remaining amount of service to be provided as of the end of the fiscal year. SRFECC's current prepaid expense listing contains numerous items, some of which are low dollar amounts or consumed entirely within the fiscal year.

SRFECC may also want to consider establishing thresholds for recording leases and subscription agreements under Government Accounting Standard Board Statements 87 and 96 to help ensure items are classified correctly during the initial recording of the assets.

Journal Entry Review and Approval

During our review of journal entries, we noted that while review procedures appear to exist (including review of monthly accruals during budget-to-actual (BTA) meetings, there is no consistent documentation of preparer and reviewer signoffs on individual journal entries. We recommend that management implement a formal process requiring separate preparer and reviewer documentation (e.g., signature or initial, date, and title) for all journal entries, either on manual forms or within the accounting system, to strengthen controls over the financial reporting process.

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This report is intended solely for the information and use of the Board, management, and others within the organization and is not intended to be and should not be used by anyone other than these specific parties.

Richardson & Company, LLP

November 10, 2026

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Sacramento Regional Fire/EMS Communications Center
10230 Systems Parkway, Sacramento, CA 95827-3007
www.srfecc.ca.gov

STAFF REPORT (26-48)

DATE: November 16, 2026

TO: Board of Directors

FROM: Parker Wilbourn, Chief Executive Director

BY: Brad Dorsett, IT Manager

SUBJECT: **Westnet Radio Interface Controller (RIC) Replacement**

RECOMMENDATION

The Center recommends the Board of Directors approve a seven-year subscription agreement with Westnet for the replacement of the Center's fire station alerting Radio Interface Controller (RIC), with a first-year cost of $160,000 and a seven-year total of $1,011,107.10.

BACKGROUND/ANALYSIS:

Westnet's First-In fire station alerting system is used by dispatch to alert fire stations and voice calls over the radio. The Radio Interface Controller (RIC) is the core component that connects the alerting system to the Center's radio channels. Current RIC is limited on number of radios and AVD channels it can support. The new 6th generation RIC, can handle additional radios and AVD channels which is needed as agencies expand to new talkgroups.

Westnet's subscription includes all hardware and software, installation, a spare RIC for redundancy, training for fire and dispatch personnel, 24/7 technical support and maintenance, and upgrades to next-generation hardware and software as released. If a replacement RIC is needed during the seven-year term, Westnet will provide and install it at no additional cost.

FINANCIAL ANALYSIS

Year one and two of the subscription are $160,000 and 142,940.25 which includes the new and spare RIC hardware and installation. Years three through seven range from $131,736.14 to $151,816.57 annually, reflecting a 3% annual increase, for a seven-year total of $1,011,107.10. After year seven, the subscription automatically renews with a 3% annual increase unless terminated per the agreement terms. This subscription was included in the FY 2026/27 budget with no unanticipated financial impacts.

This recommendation is in alignment with Strategic Blueprint focus area 4C – Invest in the Center’s long-term facility, technology and communication needs and a modern disaster recovery site.

Should you have any questions, please contact me prior to the Board Meeting.

DocuSigned by:
Brad Dorsett
704369467A974D5...

Brad Dorsett
IT Manager

Attachments: Attachment- Westnet Subscription Pricing (Sac Regional) Revised 11.10.2026

WESTNET
PUBLIC SAFETY

15542 Chemical Lane
Huntington Beach, CA
92649 USA

11/10/2026

Westnet LLC is pleased to submit our Subscription Option for Sacramento Regional Dispatch Center.

The following pricing is offered as an annual subscription that includes the following:

- Hardware and software.
- Installation and implementation of one Radio Interface Controller with 8 Keypads and 6 TRA's, 2 AVD Licenses and 3 Platform Servers. The spare Radio Interface Controller with 8 Keypads will be stored by the customer.
- Training of fire and dispatch personnel.
- Technical Support and Maintenance, including phone support.
- Upgrades of the following installed hardware and software to next generation technology as they are released.

  2 - Radio Interface Controller with 8 Keypads
  6 - Trunked Radio Interface Module
  3 - Platform Servers

Pricing for years 1-7:

	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7
Annual Fee	$160,000.00	$142,940.25	$131,736.06	$136,243.14	$141,340.43	$147,030.65	$151,816.57

Sacramento Regional Fire/EMS Communications Center
10230 Systems Parkway, Sacramento, CA 95827-3006
www.srfecc.ca.gov

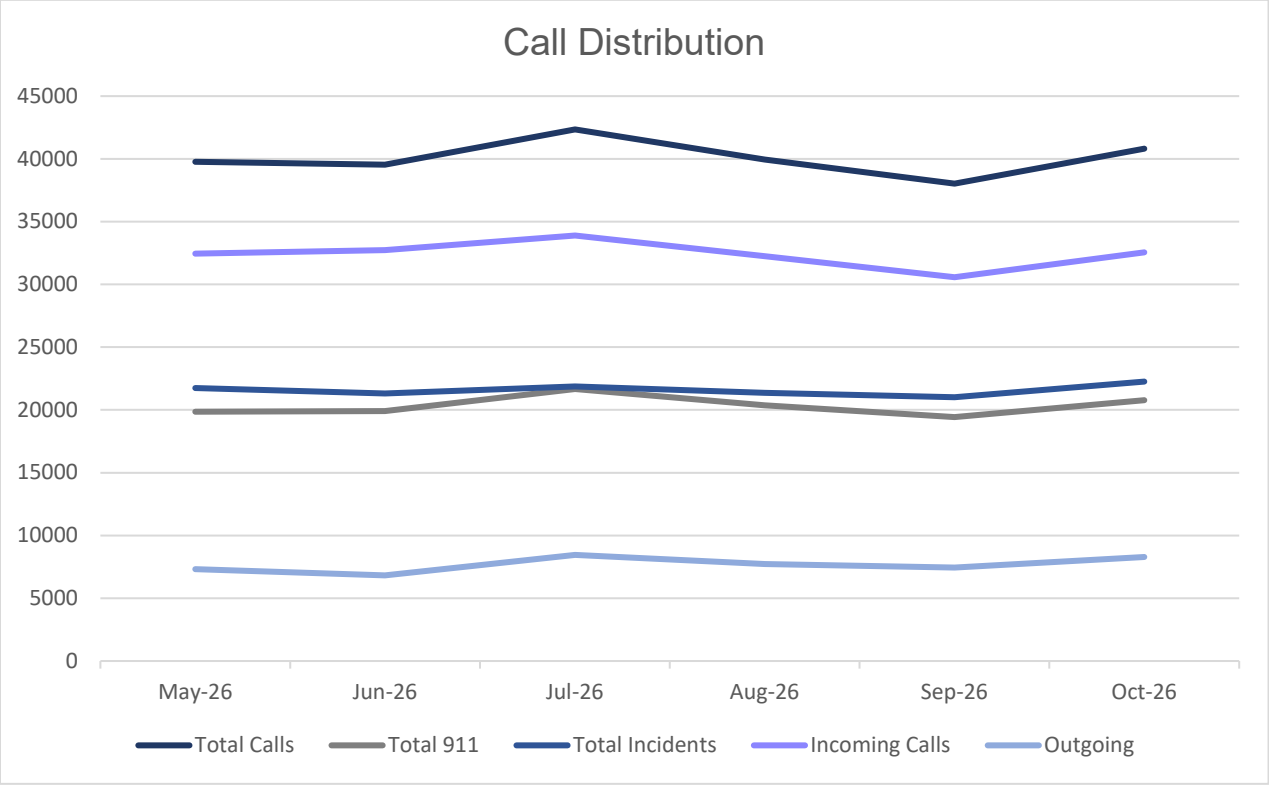
Telephony Performance Measure
October 2026

Overview

TOTAL CALL VOL.	40,816
TOTAL INCIDENTS	22,259
INCOMING CALLS	32,543
OUTGOING CALLS	8,273

Incoming Lines Detail

911 LINES	20,789
SEVEN DIGIT EMERGENCY	3,120
ALLIED/ADMIN	8,634

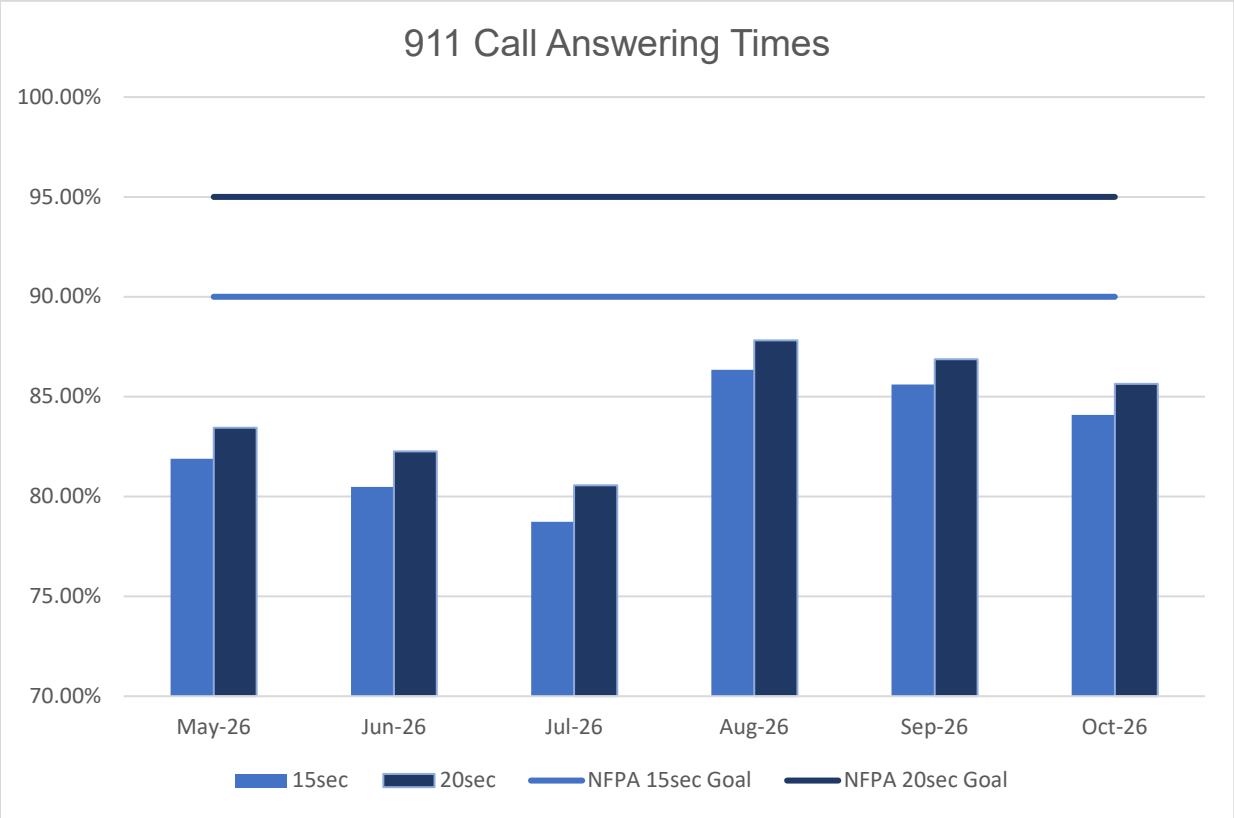


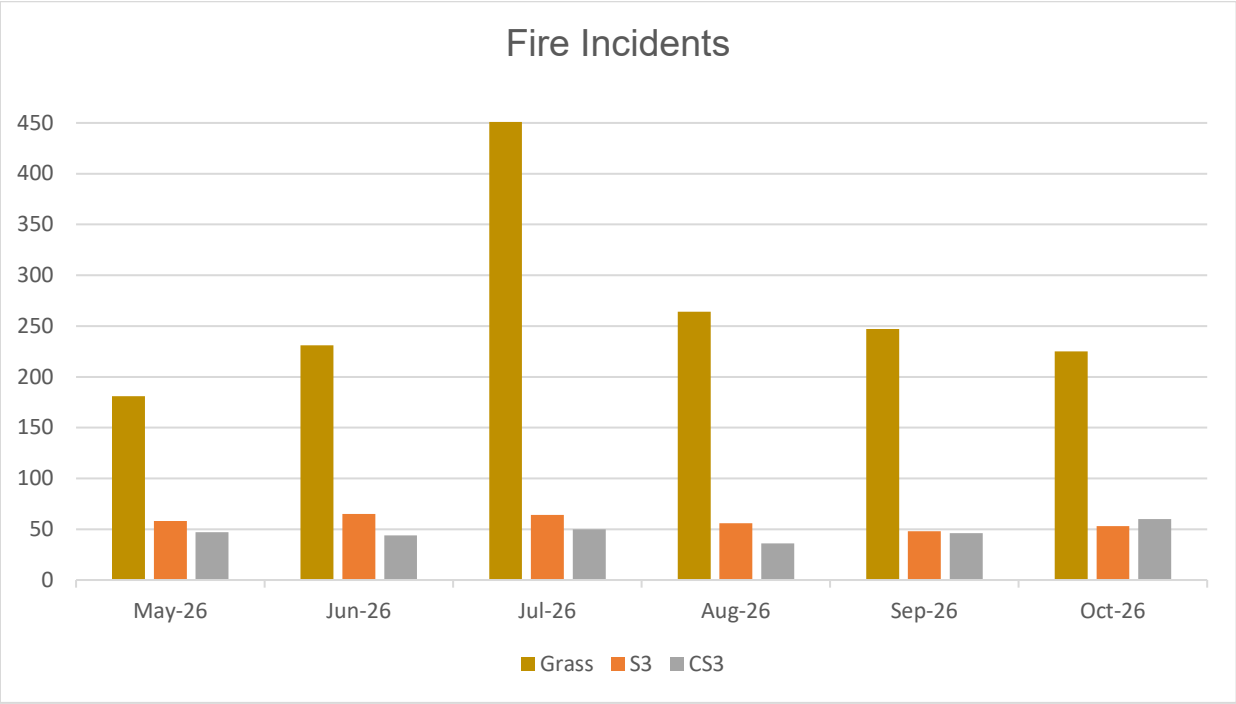
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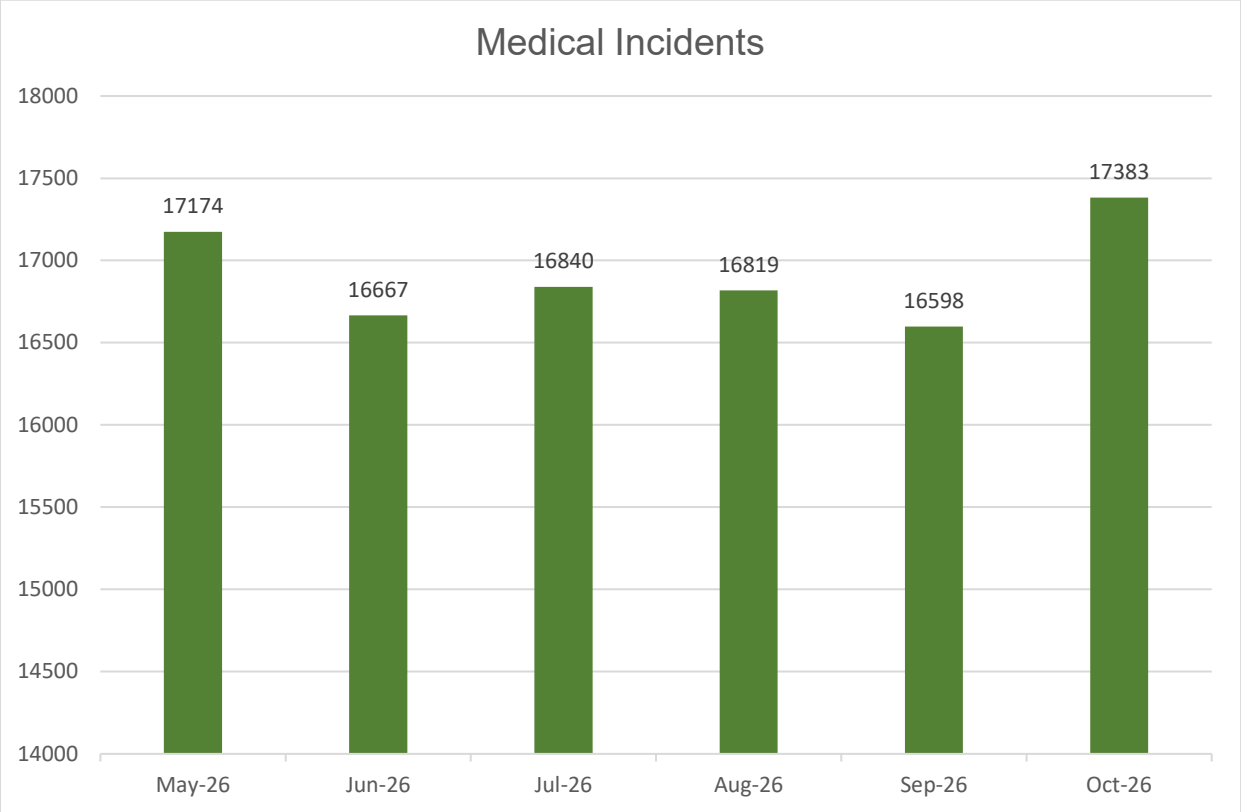
Emergency Lines Answering Standard: NFPA-1221 (2019 Edition)

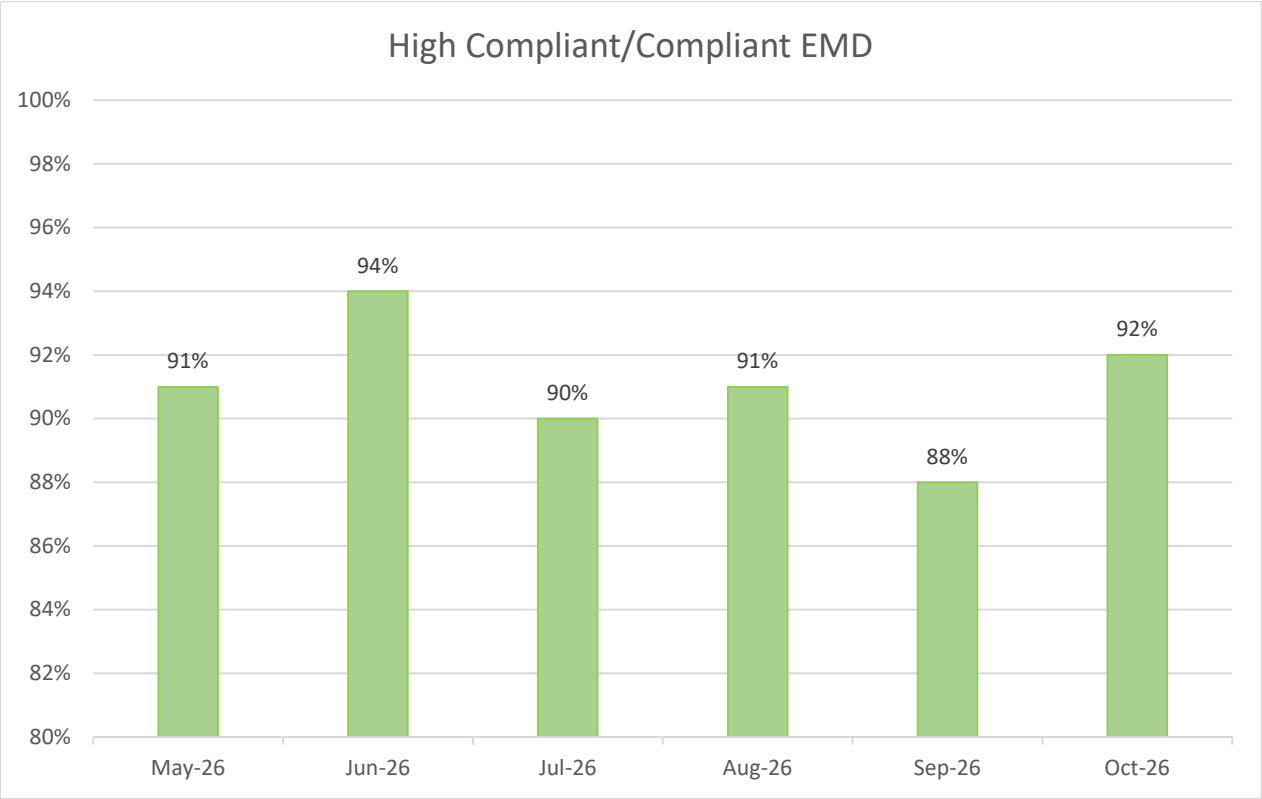
90% answered within 15 seconds
95% answered within 20 seconds

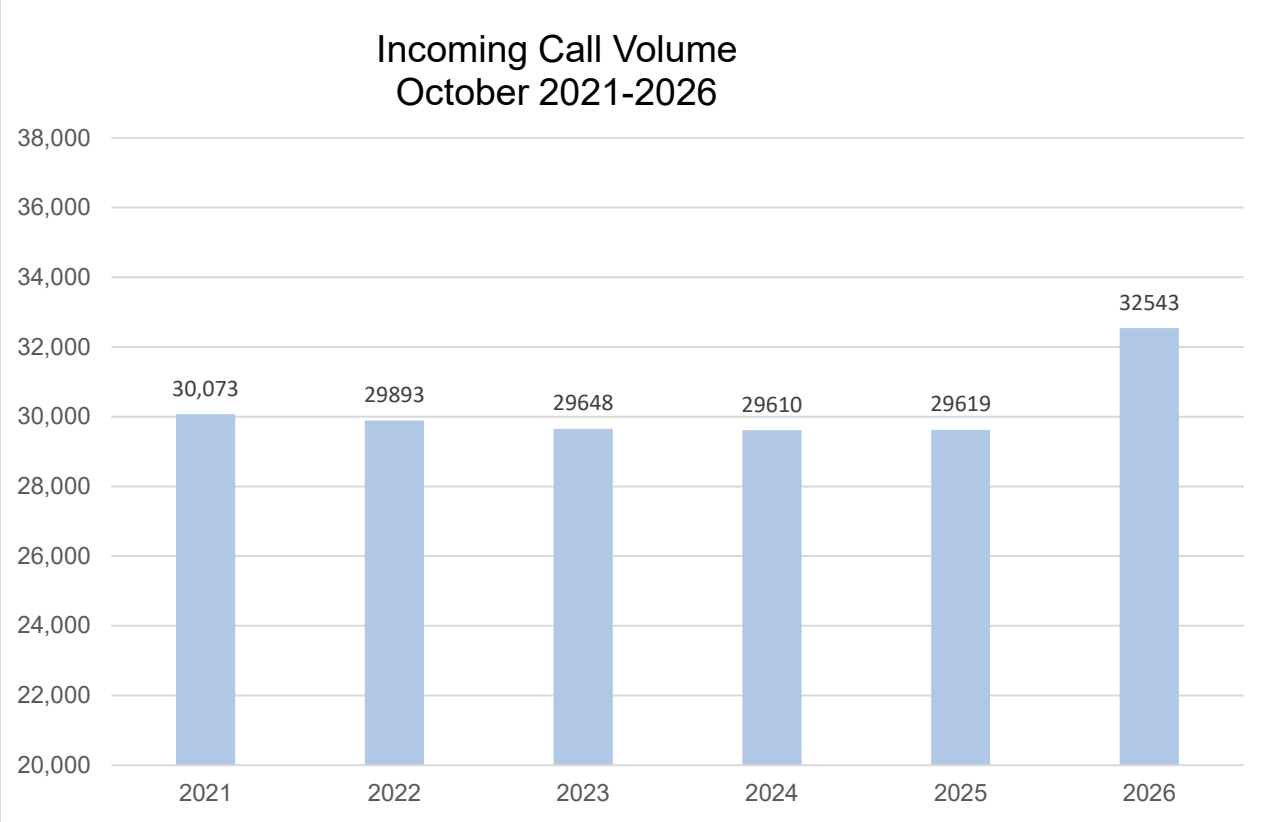
Month	15 Seconds Compliance	20 Seconds Compliance
May	81.89%	83.44%
June	80.48%	82.26%
July	78.74%	80.56%
August	86.35%	87.82%
September	85.60%	86.88%
October	84.08%	85.64%




Fire Incidents
450
400
350
300
250
200
150
100
50
0
May-26
Jun-26
Jul-26
Aug-26
Sep-26
Oct-26
Grass
S3
CS3


Medical Incidents
18000
17500
17000
16500
16000
15500
15000
14500
14000
17174
16667
16840
16819
16598
17383
May-26
Jun-26
Jul-26
Aug-26
Sep-26
Oct-26


High Compliant/Compliant EMD
100%
98%
96%
94%
92%
90%
88%
86%
84%
82%
80%
91%
94%
90%
91%
88%
92%
May-26
Jun-26
Jul-26
Aug-26
Sep-26
Oct-26


Incoming Call Volume
October 2021-2026
38,000
36,000
34,000
32,000
30,000
28,000
26,000
24,000
22,000
20,000
30,073
29893
29648
29610
29619
32543
2021
2022
2023
2024
2025
2026

Service Anniversaries 2026

Service Anniversaries – November 2026

1. Theresa Miller – 13 years
2. Jennifer Rooke – 13 years
3. Denise Tackett – 13 years
4. Marlo Swett – 13 years
5. Courtney McClelland – 2 years

Service Anniversaries So Far in 2026:

1. Olivia Rolling – 3 years
2. Olivia LaFace – 4 years
3. Julia McDaniel – 4 years
4. Roman Kukharets – 14 years
5. Jennifer Hottal – 3 years
6. Abby Castillo – 3 years
7. Mary White – 3 years
8. Virginia (Leni) Sina – 3 years
9. Sarah Lee – 1 year
10. Cierra Lewandowski – 28 years
11. Brad Dorsett – 13 years
12. Casey Quintard – 17 years
13. Dan Hess – 5 years
14. Alex Burns – 5 years
15. Brandy Clark – 1 year
16. Linzie Lewis – 4 years
17. Cooper Seyfer – 4 years
18. Jason Comilang – 6 years
19. Nolan Saulter – 6 years
20. Rashawn Porter – 2 years
21. Brittany Won – 3 years
22. Bayleigh Nichols – 3 years
23. Eric Kizzie – 8 years
24. Jenn Edwards – 17 years
25. Sarah Hopkins – 5 years
26. Eric Kizzie – 8 years
27. Jenn Edwards – 17 years
28. Sarah Hopkins – 5 years
29. Katherine Shelton – 14 years
30. Amanda Stone-Hodge – 7 years
31. Jenna Walkingstick – 6 years
32. Yvonne Vazquez – 9 years
33. Staci Lipsey – 1 year
34. Alicia Ilaga – 5 years
35. Tyler Stoddard – 5 years
36. Mellisa Gingery – 5 years
37. Ana Lencioni – 2 years
38. Jennifer Gonzales – 2 years
39. Alex Chavez – 2 years
40. Shelby Sherry – 2 years
41. Chia Vargo – 9 years
42. Tara Poirier – 20 years
43. Corbyn Brooker – 3 years
44. Marissa Shmatovich – 9 years
45. Tim Goodnow – 11 years
46. Catherine Rominger – 4 years
47. Olivia Sanchez – 4 years
48. Kerry Kier – 2 years