

Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ Complete all entries in accordance with the instructions to the Form 5500.

OMB Nos. 1210-0110
1210-0089

2023

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2023 or fiscal plan year beginning 07/01/2023 and ending 06/30/2024

- A This return/report is for: [] a multiemployer plan [] a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) [X] a single-employer plan [] a DFE (specify) ____
B This return/report is: [] the first return/report [] the final return/report [] an amended return/report [] a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. [X]
D Check box if filing under: [X] Form 5558 [] automatic extension [] the DFVC program [] special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. []

Part II Basic Plan Information—enter all requested information

1a Name of plan: MEDICAL EXPENSE REIMBURSEMENT PLAN OF THE FONTANA POLICE OFFICERS' ASSOCIATION RETIREE MEDICAL TRUST
1b Three-digit plan number (PN) ▶ 501
1c Effective date of plan 07/01/2009
2a Plan sponsor's name (employer, if for a single-employer plan): FONTANA POLICE OFFICERS' ASSOCIATION
2b Employer Identification Number (EIN): 33-0563735
2c Plan Sponsor's telephone number: 909-772-0546
2d Business code (see instructions): 813930

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

Table with 4 columns: SIGN HERE, Signature, Date, and Name. Rows include plan administrator, employer/plan sponsor, and DFE.

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2023) v. 230707

3a Plan administrator's name and address <input type="checkbox"/> Same as Plan Sponsor BOARD OF TRUSTEES, FONTANA POLICE OFFICERS' ASSN RETIREE MEDICAL TRUS C/O A.W. REHN & ASSOCIATES, INC. P.O BOX 5433 SPOKANE, WA 99205	3b Administrator's EIN 80-6116047 3c Administrator's telephone number 509-534-0600
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4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
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5 Total number of participants at the beginning of the plan year	5	216
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6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year	6a(1)	196
a(2) Total number of active participants at the end of the plan year	6a(2)	204
b Retired or separated participants receiving benefits	6b	27
c Other retired or separated participants entitled to future benefits	6c	
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d	231
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits	6e	
f Total. Add lines 6d and 6e	6f	
g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item)	6g(1)	
g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g(2)	
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	6h	

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:
 4A 4D 4E 4U

9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1) **R** (Retirement Plan Information)

(2) **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

(4) **DCG** (Individual Plan Information) – Number Attached _____

(5) **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

(1) **H** (Financial Information)

(2) **I** (Financial Information – Small Plan)

(3) **A** (Insurance Information) – Number Attached _____

(4) **C** (Service Provider Information)

(5) **D** (DFE/Participating Plan Information)

(6) **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2023 Form M-1 annual report. If the plan was not required to file the 2023 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2023 This Form is Open to Public Inspection.
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For calendar plan year 2023 or fiscal plan year beginning **07/01/2023** and ending **06/30/2024**

A Name of plan MEDICAL EXPENSE REIMBURSEMENT PLAN OF THE FONTANA POLICE OFFICERS' ASSOCIATION RETIREE MEDICAL TRUST	B Three-digit plan number (PN) ▶	501
C Plan sponsor's name as shown on line 2a of Form 5500 FONTANA POLICE OFFICERS' ASSOCIATION	D Employer Identification Number (EIN) 33-0563735	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... Yes No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

MARSH & MCLENNAN AGENCY, LLC **LOCKBOX 740663**
LOS ANGELES, CA 90074

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CURCIO WEBB, LLC

36-4171366

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 16 50	NONE	36803	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

THE WAGNER LAW GROUP

04-3323315

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
29 50	NONE	35808	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

CHANDLER ASSET MANAGEMENT, INC

33-0570869

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51	NONE	25356	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

A.W. REHN & ASSOCIATES, INC.

91-1008626

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 12 13 15 36 38 50 64	NONE	20076	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

WASHINGTON TRUST BANK

91-0462347

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 50	CUSTODIAL	14235	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

(a) Enter name and EIN or address (see instructions)

SCHOEDEL & SCHOEDEL, CPAS PLLC

91-0614823

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
10 50	NONE	13250	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>		Yes <input type="checkbox"/> No <input type="checkbox"/>

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
 (complete as many entries as needed)

a Name:	SCHOEDEL & SCHOEDEL, CPAS, PLLC	b EIN:	91-0614823
c Position:			
d Address:	422 W RIVERSIDE AVE, SUITE 1420 SPOKANE, WA 99201-0395	e Telephone:	509-747-2158

Explanation: A NEW AUDITOR WAS SELECTED BY THE BOARD OF TRUSTEES AS A RESULT OF THE PRIOR AUDITOR ISSUING A NOTICE OF DISCONTINUATION OF SERVICES.

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

a Name:		b EIN:	
c Position:			
d Address:		e Telephone:	

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2023 This Form is Open to Public Inspection
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For calendar plan year 2023 or fiscal plan year beginning 07/01/2023 and ending 06/30/2024	
A Name of plan MEDICAL EXPENSE REIMBURSEMENT PLAN OF THE FONTANA POLICE OFFICERS' ASSOCIATION RETIREE MEDICAL TRUST	B Three-digit plan number (PN) ▶ 501
C Plan sponsor's name as shown on line 2a of Form 5500 FONTANA POLICE OFFICERS' ASSOCIATION	D Employer Identification Number (EIN) 33-0563735

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	180369	113929
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	9483	16021
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	10833167	12787432
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	11023019	12917382
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	3715	4955
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	3715	4955
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	11019304	12912427

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	995562	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2)	2a(3)		995562
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		
(2) Dividends:			
(A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	338829	
(D) Total dividends. Add lines 2b(2)(A), (B), and (C)	2b(2)(D)		
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds	2b(4)(A)	1489459	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1542575	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		862139
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		2143414

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	81036	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		81036
f Corrective distributions (see instructions).....	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances.....	2i(1)		
(2) Contract administrator fees.....	2i(2)	20076	
(3) Recordkeeping fees.....	2i(3)		
(4) IQPA audit fees.....	2i(4)	13250	
(5) Investment advisory and investment management fees	2i(5)	23356	
(6) Bank or trust company trustee/custodial fees	2i(6)	15156	
(7) Actuarial fees	2i(7)	36803	
(8) Legal fees	2i(8)	35808	
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	24806	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		169255
j Total expenses. Add all expense amounts in column (b) and enter total	2j		250291

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1893123
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: ANASTASI, MOORE & MARTIN, PLLC

(2) EIN: 20-8149084

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) This form is filed for a CCT, PSA, DCG or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.		X	

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? Yes No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

**Medical Expense Reimbursement Plan
of the Fontana Police Officers' Association
Retiree Medical Trust**

**Financial Statements and
Independent Auditors' Report**

June 30, 2024 and 2023



Medical Expense Retirement Plan of the Fontana Police Officers' Association Retiree Medical Trust

June 30, 2024 and 2023

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Medical Expense Retirement Plan of the Fontana
Police Officers' Association Retiree Medical Trust
Fontana, California

Opinion

We have audited the accompanying financial statements of the Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits and of plan benefit obligations as of June 30, 2024, and the related statements of changes in net assets available for benefits and of changes in plan benefit obligations for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits and plan benefit obligations of the Plan as of June 30, 2024, and the changes in its net assets available for benefits and changes in its plan benefit obligations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan 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 opinion.

Prior Period Financial Statements

The financial statements of the Plan as of June 30, 2023, were audited by other auditors whose report, dated April 14, 2024, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

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 auditors' report that includes our opinion. 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 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, 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 Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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.

Supplemental Schedules Required by ERISA

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held for investment and reportable transactions are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

Anastasi, More & Manfin, PLLC

Spokane, Washington
April 14, 2025

**Medical Expense Reimbursement Plan of the Fontana
Police Officers' Association Retiree Medical Trust**
Statements of Net Assets Available for Benefits

June 30, 2024 and 2023

	2024	2023
ASSETS:		
Noninterest-bearing cash	\$ 113,929	\$ 180,369
Mutual and exchange-traded funds, at fair value	12,787,432	10,833,167
Prepaid expenses	2,886	3,082
Accrued investment income	13,135	6,401
	12,917,382	11,023,019
LIABILITIES:		
Accounts payable	4,955	3,715
NET ASSETS AVAILABLE FOR BENEFITS	\$ 12,912,427	\$ 11,019,304

See accompanying notes to financial statements.

**Medical Expense Reimbursement Plan of the Fontana
Police Officers' Association Retiree Medical Trust**
Statements of Changes in Net Assets Available for Benefits
Years Ended June 30, 2024 and 2023

	2024	2023
ADDITIONS:		
Contributions:		
Employer contributions, net	\$ 995,562	\$ 983,675
Investment income:		
Net appreciation in fair value of investments	809,023	560,301
Interest and dividends	338,829	259,302
Total investment income	1,147,852	819,603
Total additions	2,143,414	1,803,278
DEDUCTIONS:		
Benefits paid to or for participants	81,036	37,819
Cost of administration:		
Accounting and auditing fees	13,250	12,500
Actuarial fees	36,803	-
Administration fees	20,076	19,470
Bank service charges	921	840
Insurance and bonding	7,549	8,479
Investment custodial, advisory, and management fees	37,591	30,842
Legal fees	35,808	48,881
Postage, printing, and supplies	2,144	1,166
Taxes and filing fees	66	45
Trustee meeting and educational seminar expenses	15,047	6,102
Total deductions	250,291	166,144
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	1,893,123	1,637,134
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	11,019,304	9,382,170
End of year	\$ 12,912,427	\$ 11,019,304

See accompanying notes to financial statements.

**Medical Expense Reimbursement Plan of the Fontana
Police Officers' Association Retiree Medical Trust**
Statements of Plan Benefit Obligations

June 30, 2024 and 2023

	2024	2023
OBLIGATIONS FOR CURRENT BENEFIT COVERAGE, AT ESTIMATED AMOUNTS:		
Benefit claims payable	\$ -	\$ -
Premiums payable to insurance carriers		
TOTAL OBLIGATIONS OTHER THAN POST- RETIREMENT BENEFIT OBLIGATIONS	-	-
POSTRETIREMENT BENEFIT OBLIGATIONS:*		
Current retirees and beneficiaries	\$ 904,000	\$ 904,000
Other participants fully eligible for benefits	7,563,000	7,563,000
Other participants not yet fully eligible for benefits	1,154,000	1,154,000
Total postretirement benefit obligations	9,621,000	9,621,000
TOTAL PLAN BENEFIT OBLIGATIONS	\$ 9,621,000	\$ 9,621,000

*The Plan does not have an obligation under prevailing law, collective bargaining agreements, or the Plan document to provide postretirement benefits on a lifetime basis or to arrange for the funding of such benefits. The Plan and related Summary Plan Description specifically recognize the right of the Board of Trustees to modify or terminate postretirement benefits at any time for current and/or future retirees.

See accompanying notes to financial statements.

**Medical Expense Reimbursement Plan of the Fontana
Police Officers' Association Retiree Medical Trust**
Statements of Changes in Plan Benefit Obligations

Years Ended June 30, 2024 and 2023

	2024	2023
AMOUNTS CURRENTLY PAYABLE TO OR FOR PARTICIPANTS, BENEFICIARIES, AND DEPENDENTS:		
Balance at beginning of year	\$ -	\$ -
Net change during the year:		
Claims reported and approved for payment	81,036	37,819
Claims paid	<u>(81,036)</u>	<u>(37,819)</u>
Balance at end of year	<u>-</u>	<u>-</u>
POSTRETIREMENT BENEFIT OBLIGATIONS:		
Balance at beginning of year	9,621,000	10,730,000
Net change during the year:		
Due to assumption and plan changes	<u>-</u>	<u>(1,109,000)</u>
Balance at end of year	<u>9,621,000</u>	<u>9,621,000</u>
PLAN TOTAL BENEFIT OBLIGATIONS AT END OF YEAR	<u><u>\$ 9,621,000</u></u>	<u><u>\$ 9,621,000</u></u>

See accompanying notes to financial statements.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements



Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 1 – Description of the Plan

The following description of the Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust (the Plan) provides only general information about the Plan's provisions. Participants should refer to the Plan documents for a more complete description of the Plan's provisions.

- a. **General** – The Plan was established effective July 1, 2009, by the Fontana Police Officers' Association (FPOA), which is a labor organization located within the state of California. The Plan is a welfare benefit plan providing reimbursement of health insurance premiums and medical expenses to eligible retirees, surviving spouses, and children. It is maintained pursuant to various collectively bargained Memoranda of Understandings, and applicable successor agreements, between the FPOA, the Fontana Police Management Association (FPMA), and the employer, the City of Fontana. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).
- b. **Eligibility** – Generally, participation in the Plan is open to all employees who are employed by a participating employer, who are members of a bargaining unit represented by a participant Association (the FPOA and FPMA), or who have promoted out of such bargaining unit, or for whom contributions are made to the Plan as required by a subscription agreement during those employees' active service.
- c. **Employer contributions** – Contributions to the Plan must be nonelective, and are made by the participating employers, based on the Memoranda of Understanding with each participating Association, and by employees. Further, under certain limited circumstances and pursuant to COBRA, beneficiaries may make self-payment contributions. Additionally, employees eligible for COBRA may contribute through self-pay premiums. All contributions are received by and held by the Plan and are invested with the assistance of a professional investment manager, utilizing investment policies and methods consistent with objectives of the Plan and ERISA requirements.
- d. **Benefits** – In general, an employee as described above becomes a regular eligible retiree entitled to receive benefits under the Plan after the following requirements are met: (1) the employee has earned ten years of active service, or, if separated from employment with the City of Fontana before January 1, 2021, five years of active service, in the Plan, in any of several methods as long as contributions have been made during that period of time, (2) contributions have been made to the Plan on behalf of the employee for all years of active service, (3) the employee attains age 50 if hired before January 1, 2013, or attains age 57 if hired on or after January 1, 2013 (unless the employee terminates employment with a participating employer due to a disability), and (4) the employee ceases employment with a participating employer. A regular eligible retiree is generally entitled to a lifetime stream of monthly benefit payments at his/her benefit level for reimbursement of medical expenses and premiums.

A retiree who did not earn the required years of active service in the Plan will not be eligible for the lifetime stream of monthly benefit payments. Instead, the retiree will become a limited beneficiary, eligible to receive benefits limited to the total employee contributions submitted to his/her employee account. Currently, however, there are no employee contributions since, to date, all contributions received have been employer contributions.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 1 – Description of the Plan (Continued)

- d. **Benefits (continued)** – An employee who separates from employment before earning the years of active service required will forfeit all employer contributions made on his/her behalf to the Plan. After meeting the eligibility requirements, regular eligible retirees and other beneficiaries as outlined in the Plan, are entitled to monthly payments for reimbursement toward the payment of covered expenses. The reimbursement is subject to a monthly maximum amount. Covered expenses reimbursed by the Plan include (1) premium or contribution payments to a health, dental, or vision insurance plan, (2) premium payments for long-term care insurance, qualified under Code Sec. 7702B, for coverage of the beneficiary in effect while the beneficiary is eligible for benefits under the Plan (but no other expenses associated with the costs of long-term care), and (3) expenses for the diagnosis, cure, mitigation, treatment, or prevention of disease or injury, for medical services and supplies provided while the beneficiary is eligible for benefits under the Plan, and which have not been claimed as a deduction on his or her personal income tax return.

The monthly benefit level for an eligible retiree is determined based on the retiree's number of active service units he or she has accrued, multiplied by the applicable unit multiplier. However, once a retiree reaches Medicare eligibility, the benefit level is reduced by 50% at age 65. An employee earns active service units for each month of active service contribution to the Plan, where each monthly contribution of \$100 equals one active service unit. For example, if an employer's monthly contribution rate is \$375, the employee earns 3.75 active service units per month.

The unit multiplier is a factor determined by the Board of Trustees, with actuarial advice. The unit multiplier will change from time to time, is not guaranteed, and is dependent on demographic and financial factors. Effective January 1, 2025, the unit multiplier will be set at \$0.91. Effective April 1, 2021 through December 31, 2024, the unit multiplier was set at \$0.86. Under the terms of the Plan, excess covered expenses, as well as the unused portion of the monthly benefit level, are allowed to be carried over.

The Plan provides benefits to surviving spouses, children, and/or an alternate payee under a qualified domestic relations order, including those of employees killed in the line of duty, as well as disability benefits for those that meet eligibility requirements.

An eligible retiree or surviving spouse who has attained eligibility as a regular beneficiary at the time they attain age 50, could choose to defer the commencement of all benefits from the Plan. The Plan will then increase the original benefit level by 6% for each full year of deferral.

- e. **Administration of the Plan** – During the years ended June 30, 2024 and 2023, the Plan was administered by the Board of Trustees, with the assistance of A.W. Rehn & Associates, Inc., a contract administration organization; The Wagner Law Group, a legal services firm; and Chandler Asset Management, Inc., an investment management and consulting firm.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies

The summary of significant accounting policies of the Plan is presented to assist in understanding the Plan's financial statements. The financial statements and notes are the representations of the Board of Trustees, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

- a. **Basis of accounting** – The accompanying financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.
- b. **Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board of Trustees to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.
- c. **Noninterest-bearing cash** – Noninterest-bearing cash includes cash on hand and noninterest-bearing demand deposits held at financial institutions.
- d. **Investment valuation and income recognition** – The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year. See Note 6 for a further discussion of fair value measurements.

- e. **Contributions recognition** – Plan contributions are recognized in the period reportable hours are worked by covered employees, regardless of when such contributions are reported or remitted to the Plan. As of June 30, 2024 and 2023, the employer would be liable for contributions based upon time worked prior to July 1 of each year. Such estimated contributions have been recorded as receivable. Contributions received before June 30 based on hours to be worked after June 30 of each year are recognized as unearned.
- f. **Postretirement benefits** – The postretirement benefit obligation represents the actuarial present value of the cost of those estimated future benefits that are attributed by the terms of the Plan to employee service rendered up to the measurement date. Postretirement benefits include future benefits expected to be paid to or for: currently retired or terminated participants and their beneficiaries and dependents; active or terminated participants and their beneficiaries and dependents who are fully eligible to receive benefits; and active participants and their beneficiaries and dependents not yet fully eligible to receive benefits. Prior to an active participant's full eligibility date, the postretirement benefit obligation is the portion of the expected postretirement benefit obligation that is attributed to each participant's service in the industry rendered up to the valuation date.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 2 – Summary of Significant Accounting Policies (Continued)

- f. **Postretirement benefits (continued)** – The Plan does not have an obligation under prevailing law, collective bargaining agreements, or the Plan document to provide postretirement benefits on a lifetime basis or to arrange for the funding of such benefits. The Plan and related Summary Plan Description specifically recognize the right of the Board of Trustees to modify or terminate postretirement benefits at any time for current and/or future retirees.
- g. **Payment of benefit distributions** – Benefit distributions to or for participants are recognized when paid. For the year ended June 30, 2024, the Plan reimbursed 21 retirees a total of \$81,036 for their medical premiums and expenses paid. For the year ended June 30, 2023, the Plan reimbursed 17 retirees a total of \$37,819 for their medical premiums and expenses paid.
- h. **Subsequent events** – Subsequent events have been evaluated through April 14, 2025, which is the date the financial statements were available to be issued.

Note 3 – Income Tax Status

The Trust established under the Plan to hold the assets of the Plan is qualified as a tax-exempt organization under Section 501(c)(9) of the Internal Revenue Code (IRC) and, accordingly, the net investment income of the Trust is exempt from income taxes. The Trust obtained its latest tax determination letter from the Internal Revenue Service (IRS) with an effective date of July 24, 2009, in which the IRS stated that the Trust, as then designed, was in compliance with the applicable requirements of the IRC. The Trust has been restated and amended since receiving the determination letter. The Board of Trustees and legal counsel believe the Trust and related Plan are designed and have been operated through June 30, 2024, in accordance with applicable provisions of the IRC.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be substantiated upon examination by the IRS. The plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of June 30, 2024 and 2023, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

The Plan is subject to routine audits by taxing jurisdictions, and the Plan could be subject to income tax if certain issues were found by the IRS that could result in the disqualification of the tax-exempt status; however, there are currently no audits for any tax periods in progress.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 4 – Right to Change or Terminate the Plan and Trust; Priorities Upon Termination

The Board of Trustees can, at any time and from time to time, modify the benefit amount, amend or rescind any provision of the Plan, or terminate the Plan, for current and future retirees and beneficiaries. Plan amendments may be made on a prospective or retroactive basis.

The Trust Agreement of the related trust may be amended by action of the FPOA Board of Directors, on its own accord, after 15 days' advance written notice to the Board of Trustees or upon recommendation of the Board of Trustees. If the FPOA ceases to exist without having made provisions for any remaining funds in the Trust, or for a successor organization, the remaining members of the Board of Trustees will have the power to amend.

The Trust Agreement of the related trust may be terminated at any time by action of the Board of Trustees, provided that any such action will require 30 days' advance written notice to the FPOA, if possible. If events occur which may result in termination or failure of the Trust in less than 30 days, the Board of Trustees will promptly notify the FPOA.

In any event, the Trust Agreement will be automatically terminated upon the expiration of all Memoranda of Understanding and subscription agreements requiring the payment of contributions to the Trust, and upon completion of the termination process. Provided that for purposes of this provision a Memoranda of Understanding or subscription agreement will not be deemed to have expired in a strike or impasse situation, unless said strike or impasse continues for more than twelve months. As part of the termination process, the Trustees may arrange for retention of an independent trustee to administer the wasting trust.

Upon termination, the Trustees will wind up the affairs of the Trust. Any and all monies remaining in the Trust, after the payment of expenses, shall be allocated among the participating employees and beneficiaries as specified in Section 501(c)(9) of the IRC and related authority. In no event shall any of the remaining monies or assets in the Trust be paid to or be recoverable by any participating employer or labor organization.

Note 5 – Risks and Uncertainties

In determining the fair value of financial instruments, the Board of Trustees uses a variety of methods and assumptions that are based on market conditions and risks existing at the date of the statements of net assets available for benefits. All methods of assessing fair value result in a general approximation of value, and such value may never actually be realized.

As of the audit report date, the U.S. Federal Deposit Insurance Corporation (FDIC) provides coverage up to \$250,000 per depositor per ownership category on deposit accounts at FDIC insured institutions.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 5 – Risks and Uncertainties (Continued)

The Plan holds various mutual and exchange-traded funds which, in turn, hold various investment securities. Investment securities are exposed to various risks, including interest rate fluctuations, market fluctuations, and credit risks. Due to the level of risk associated with certain types of investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

The Plan's principal sources of funds to make benefit payments are from employer and participant contributions under the terms of collective bargaining agreements and from investment returns. Contributions from employers and participants are subject to collective bargaining agreements that have limited terms. While the Board of Trustees believes the participating bargaining units intend to bargain with the employers for continued contribution obligations in future collective bargaining agreements, continuation is subject to the collective bargaining process. Accordingly, it is possible that contributions will not be extended beyond the terms of the existing agreements. The Board of Trustees' determination of benefit levels is based on estimates and assumptions, including anticipated investment return, participant mortality, and expected funding from employers and participants. There are risks that the estimates and assumptions made in the determination of current benefit levels will not be realized. While the Board of Trustees' determination of benefit levels is intended to provide benefits over the long term, there is no guarantee that funds will be available in sufficient amounts to continue benefits at the current level, or at all.

Note 6 – Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 6 – Fair Value Measurements (Continued)

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

Level 1 – The fair values of mutual and exchange-traded funds are based on the closing price reported on the active market in which the individual securities are traded.

Level 2 – The Plan has no investments that are classified as Level 2 at June 30, 2024 or 2023.

Level 3 – The Plan has no investments that are classified as Level 3 at June 30, 2024 or 2023.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value:

	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Mutual and exchange-traded funds	<u>\$ 12,787,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,787,432</u>
	As of June 30, 2023			
	Level 1	Level 2	Level 3	Total
Mutual and exchange-traded funds	<u>\$ 10,833,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,833,167</u>

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 7 – Net Appreciation in Fair Value of Investments

During the years ended June 30, 2024 and 2023, the Plan's net appreciation in fair value of investments consisted of the following:

	June 30,	
	2024	2023
Realized gains (losses) from sale of investments	\$ (53,116)	\$ 164,540
Unrealized gains from investments	862,139	395,761
	\$ 809,023	\$ 560,301

Note 8 – Postretirement Benefit Obligations

The actuarial present value of the expected postretirement benefit obligations is determined by an actuary and is the amount that results from applying actuarial assumptions to participant data and plan asset information and adjusting that amount to reflect the time value of money (through a discount rate or return on assets) and a cost-of-living adjustment between the valuation date and the expected date of payment of benefits.

Postretirement benefit obligations have been recognized for retiree medical benefits for eligible participants and their spouses upon retirement. The obligations represent the amount that is expected to be funded by contributions from the employer and from existing assets of the Plan.

The following were the significant assumptions used to determine the postretirement benefit obligations valuation as of June 30, 2024 and 2023:

Valuation Date:	July 1, 2023
Cost Method:	Projected unit credit
Assumed Rate of Return on Assets (Discount Rate):	4.90% effective discount rate based on the FTSE yield curve as of June 30, 2023
Cost-of-Living Adjustments (COLA):	Assumed rate was 2.00%, compounded annually
Unit Multiplier for Valuation Purposes:	\$0.86 (actual) effective April 1, 2021
Contribution Increases:	None assumed

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 8 – Postretirement Benefit Obligations (Continued)

Retirement Age:	CalPERS OPEB assumption model revised December 2021: Police Officers hired before 7/1/11: 3% at 50 table Police Officers hired 7/1/11-1/1/13: 3% at 55 table Police Officers hired on or after 1/1/13: 2.7% at 57 table
Mortality:	SOA PRI-2012 "blue collar" Mortality Table with mortality improvements projected using MP-2021 projection scale
Withdrawal:	CalPERS OPEB assumption model revised December 2021 - terminated refund rates
Disability:	CalPERS OPEB assumption model revised December 2021 - disability rates (sex distinct – all causes)
Administrative Expenses:	\$130,000 during the plan year beginning July 1, 2023, projected with inflation at 3% per year thereafter. This expense load is based on estimated Trust-wide administrative expenses.
Dependents:	90% of members are assumed to be married when they retire. Wives are assumed to be three years younger than their husbands. Dependent children under age 26 are not assumed to collect benefits.
Participation:	100% of eligible retirees and spouses are assumed to be reimbursed at the maximum monthly benefit level.
Funding Method:	The Entry Age Normal (level percent of pay where pay equals contribution rates without projection) cost method is used to allocate actuarial costs from each member's date of participation to their assumed retirement date.
Asset Valuation Method:	Fair value of assets at market value
Population Growth:	New entrants are assumed to replace active members who retire or terminate for any reason. In other words, the number of active members is assumed to remain constant. This assumption was only used to prepare the Projected Assets section of the report.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Notes to Financial Statements

Note 8 – Postretirement Benefit Obligations (Continued)

The major changes since the prior valuation as of July 1, 2020, were: the load for administrative expenses was increased from \$80,000 to \$130,000; the retirement, termination, and disability rates were updated to reflect the CalPERS 2021 study; and the mortality rates were updated to reflect the Society of Actuaries PRI-2012 table with mortality improvement scale MP-2021.

Normally, the healthcare cost trend rate must be determined to project the expected annual change in healthcare costs. The guidelines require an exhibit which would demonstrate the impact on costs of an increase by 1% in the projected healthcare trend rates. However, for the Plan the projected healthcare cost trend has no impact on the cost of the Plan because the benefit increase rates are not directly tied to healthcare costs. Therefore, the trend + 1% exhibit has not been included.

The foregoing assumptions are based on the measurements present at the time of the valuation. Were the Plan to terminate or be amended, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of the postretirement benefit obligations.

The Plan does not have an obligation under prevailing law, collective bargaining agreements, or the Plan document to increase the unit multiplier or benefits over time for current and/or future beneficiaries, or to provide postretirement benefits on a lifetime basis or to arrange for the funding of such benefits. In fact, the Plan and related Summary Plan Description specifically recognize the right of the Board of Trustees to modify or terminate postretirement benefits at any time for current and/or future retirees.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Supplementary Information



Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Form 5500, Schedule H - Part IV, Line 4i

EIN: 33-0563735 PN: 501

June 30, 2024

Assets Held for Investment				
(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Cost	Current Value	
Mutual and Exchange-Traded Funds:				
Federated Hermes Government Obligations fund	139,346 shares	\$ 139,346	\$ 139,346	
Shares Core S&P 500 ETF	3,800 shares	995,385	2,079,474	
iShares Core S&P Mid-Cap ETF	33,000 shares	1,250,585	1,931,160	
iShares S&P GSCI Commodity-Indexed Trust ETF	1,275 shares	41,837	28,241	
SPDR Bloomberg High Yield Bond ETF	6,800 shares	702,415	641,036	
Vanguard FTSE Developed Markets ETF Shares	25,000 shares	1,029,502	1,235,500	
Vanguard FTSE Emerging Markets ETF Shares	14,400 shares	592,725	630,144	
Vanguard Global ex-U.S. Real Estate ETF	5,450 shares	230,141	221,107	
Vanguard Real Estate Index Fund	7,800 shares	599,967	653,328	
Vanguard Small-Cap Index Fund	6,000 shares	740,094	1,308,240	
Vanguard Total Bond Market Index Fund	51,500 shares	4,055,285	3,710,575	
Vanguard Total International Bond Index Fund	4,300 shares	229,694	209,281	
		<u>\$ 10,606,976</u>	<u>\$ 12,787,432</u>	
Total investments, at fair value				

See accompanying independent auditors' report.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Form 5500, Schedule H - Part IV, Line 4j
Year Ended June 30, 2024

EIN: 33-0563735 PN: 501

Reportable Transactions						
(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain
Federated Hermes Govt Obligations Fund	Money market fund	\$ 1,173,498	\$ -	\$ 1,173,498	\$ 1,173,498	\$ -
Federated Hermes Govt Obligations Fund	Money market fund	-	1,329,939	1,329,939	1,329,939	-
Vanguard Total Bond Market Index Fund	Mutual fund	834,877	-	834,877	834,877	-

See accompanying independent auditors' report.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Form 5500, Schedule H - Part IV, Line 4i

EIN: 33-0563735 PN: 501

June 30, 2024

Assets Held for Investment				
(a)	(b)	(c)	(d)	(e)
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment	Cost	Current Value	
Mutual and Exchange-Traded Funds:				
Federated Hermes Government Obligations fund	139,346 shares	\$ 139,346	\$ 139,346	
Shares Core S&P 500 ETF	3,800 shares	995,385	2,079,474	
iShares Core S&P Mid-Cap ETF	33,000 shares	1,250,585	1,931,160	
iShares S&P GSCI Commodity-Indexed Trust ETF	1,275 shares	41,837	28,241	
SPDR Bloomberg High Yield Bond ETF	6,800 shares	702,415	641,036	
Vanguard FTSE Developed Markets ETF Shares	25,000 shares	1,029,502	1,235,500	
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Vanguard Global ex-U.S. Real Estate ETF	5,450 shares	230,141	221,107	
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Vanguard Total Bond Market Index Fund	51,500 shares	4,055,285	3,710,575	
Vanguard Total International Bond Index Fund	4,300 shares	229,694	209,281	
		<u>\$ 10,606,976</u>	<u>\$ 12,787,432</u>	
Total investments, at fair value				

See accompanying independent auditors' report.

Medical Expense Reimbursement Plan of the Fontana Police Officers' Association Retiree Medical Trust

Form 5500, Schedule H - Part IV, Line 4j
Year Ended June 30, 2024

EIN: 33-0563735 PN: 501

Reportable Transactions						
(a)	(b)	(c)	(d)	(g)	(h)	(i)
Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain
Federated Hermes Govt Obligations Fund	Money market fund	\$ 1,173,498	\$ -	\$ 1,173,498	\$ 1,173,498	\$ -
Federated Hermes Govt Obligations Fund	Money market fund	-	1,329,939	1,329,939	1,329,939	-
Vanguard Total Bond Market Index Fund	Mutual fund	834,877	-	834,877	834,877	-

See accompanying independent auditors' report.