MORAGA

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1997 25 YEARS OF SERVICE 2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Moraga-Orinda Fire Protection District
Moraga, California

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

Moraga-Orinda Fire Protection District

Prepared by:
Administrative Services Division
1280 Moraga Way
Moraga, CA 94556

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Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the year ended June 30, 2022

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Board of Directors

John Jex
President

Mike Roemer
Vice President

Greg Hasler
Secretary

Craig Jorgens
Treasurer

Steven Danziger
Director

Principal Staff

David Winnacker
Fire Chief

Steve Gehling
Battalion Chief

Gloriann Sasser
Administrative Services Director

Jerry Lee
Battalion Chief

Jeff Isaacs
Fire Marshal

Lucas Lambert
Battalion Chief

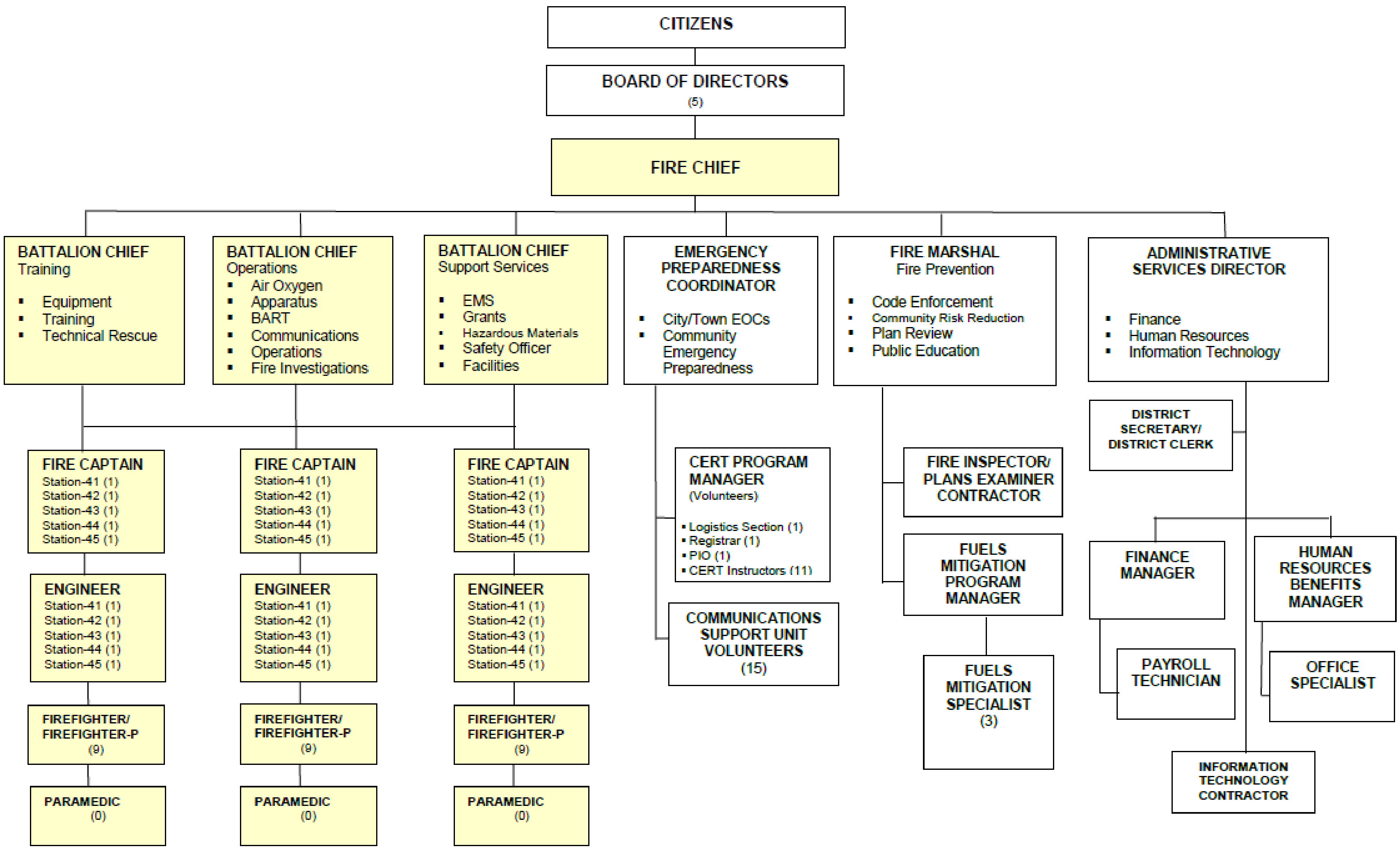
Christine Russell
Human Resources Manager

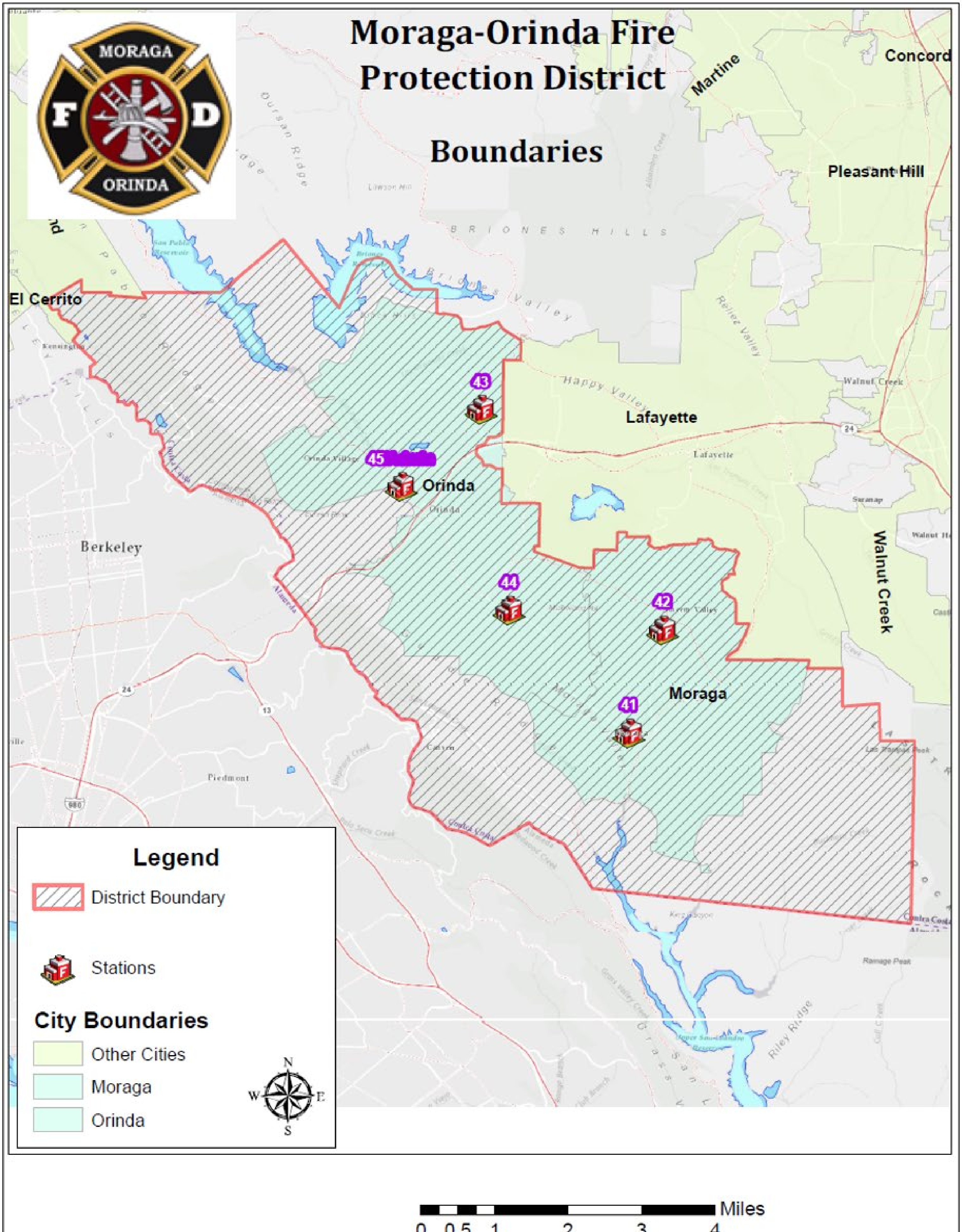
Gorden Graham
Fuels Mitigation Manager

Mary Smith
Finance Manager

Moraga-Orinda Fire District
ORGANIZATIONAL STRUCTURE

July 2021

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For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill
Executive Director/CEO

Moraga-Orinda Fire District

July 31, 2023

Board of Directors
Moraga-Orinda Fire Protection District
1280 Moraga Way
Moraga, CA 94556

Members of the Board:

We are pleased to present the Moraga-Orinda Fire Protection District Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This is the eighth ACFR prepared by the District.

This report has been prepared by the Administrative Services Division following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA) and is in conformance with generally accepted accounting principles for state and local governmental entities established by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy, completeness and fairness of the presented data and the clarity of presentation, including all disclosures, rests with the management of the District.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report providing a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The District

The District is an autonomous Special District as defined under the Fire Protection District Law of 1987, Health and Safety Code, Section 13800, of the State of California. The District was formed in 1997, when over 80% of the voters affirmatively voted to form the District. The District is responsible for providing the highest level of emergency and non-emergency services to the community in an effort to protect life, the environment and property.

A five-member Board of Directors, elected by their constituents and each serving a four-year term, governs the District. The Directors meet once a month to determine overall policy for the District.

The Fire Chief is the administrative and operational Chief Executive Officer of the District under the direction and control of the District Board. The Fire Chief is supported by the executive staff, consisting of three Battalion Chiefs, the Fire Marshal, the Fuels Mitigation Manager, the Emergency Preparedness Coordinator, the Administrative Services Director, Finance Manager and Human Resources Manager.

The District has six divisions: Operations, Fire Prevention and Fuels Mitigation, Support Services, Training, Emergency Preparedness and Administrative Services. These divisions provide a full-range of services, including emergency and non-emergency services, fire prevention, emergency preparedness and public education. The District employs 70 personnel, in addition to approximately 30 volunteers.

The District maintains five Fire Stations and one Administration Office Building, all strategically located within the District. All five fire stations house paid firefighters. The District staffs seven companies, which includes five fire engines, one truck, one dedicated ambulance, one water tender, four Type III wildland engines and a Type VI wildland engine are cross-staffed as needed.

The District covers a broad geographic and population base consisting primarily of urban/suburban/semi-rural and rural service areas. Within the District, there are a wide variety of target hazards including portions of the Berkeley-Oakland Hills, several East Bay Regional Parks, three reservoirs, BART, Highway 24, the Caldecott Tunnel, Saint Mary's College, the City of Orinda, Town of Moraga and unincorporated areas of Contra Costa County.

Internal Control In developing and evaluating the District's accounting system, priority is given to the accuracy of internal accounting control. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the accuracy and reliability of accounting data and the adherence to prescribed managerial policy. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the cost-benefit analysis requires estimates and judgments by management.

Accounting System and Budgeting Controls The District's accounting and budgeting records for the basic financial statements in this report conform to generally accepted accounting principles (GAAP) according to standards established by the GASB.

The District maintains extensive budgetary controls. The District's Annual Budget, adopted prior to July 1, provides overall control of revenue and expenditures, including appropriations (budgeted expenditures) on a line item basis and the means of financing them (budgeted revenue). The District's accounting system produces monthly reports on expenditure activity that assist Division Managers to monitor activities and programs. These reports are also reviewed by the Finance Manager, Administrative Services Director and Fire Chief to assure budgetary compliance.

As a recipient of federal, state and county financial assistance, the District is responsible for ensuring that an adequate control structure is in place to comply with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by District Finance staff.

Financial Policies In 2013 the District adopted the provisions of GASB 54 and established a Fund Balance Policy. As of June 30, 2022, unrestricted fund balance in the General Fund was 49.7% of budgeted General Fund revenue. If the District cash balance with Contra Costa County drops to zero in the late fall we can employ the Teeter Plan for borrowing from Contra Costa County in anticipation of the cash payments for the current year's tax revenue.

Audit of Financial Statements The District contracts for an independent audit each year to provide reasonable assurance that its financial statements are free of material misstatements. This annual audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The District engaged the accounting firm of Eide Bailly, LLP to perform the audit of its financial statements. The auditor has issued an unmodified opinion on the District's financial statements indicating they are fairly presented in conformity with GAAP.

Major Initiatives and Long-Term Financial Planning There were several major initiatives during the fiscal year:

- COVID-19 – The global pandemic continued this fiscal year. The District continued to use modified procedures in order to provide emergency medical services to the community during a pandemic while maintaining employee safety.
- Fuels Mitigation – Due to the significant wildfires in California and high citizen demand, the District continued an aggressive fuels mitigation program. The goal of the program is to reduce combustible fuels throughout the District. The District focused on pile burning, seasonal community chipping, property inspections, and outreach/education activities. These efforts were guided by relevant portions of the District's Wildfire Prevention Strategic Plan and the newly adopted Community Wildfire Prevention Plan. The program includes free wood chipping services for District residents, expanded fire risk assessment services, and adoption of a progressive fire code.
- Tunnel East Bay Hills Fuel Break – In December 2021 the District entered into a grant agreement in the amount of $6,380,563 with the State of California to complete the Tunnel East Bay Hills Fuel Break. The project will significantly reduce the threat of uncontrolled wildfire and associated greenhouse gas emissions by reducing high fuel concentrations and disrupting fuel beds. The desired result is to restore fuel loading to more natural levels that can be maintained by the periodic introduction of prescribed fire. The project will protect over 20,000 residents and 1,702 acres of wildland-urban intermix area of the East Bay Hills. The grant agreement includes a 12% administrative fee.
- Fiscal Sustainability – A primary goal in FY2022 was to continue to increase General Fund reserves while also continuing to provide high level services. The District continued to review existing practices and identify and implement cost-saving opportunities. As directed by the Board, the District General Fund unassigned reserves increased $3,141,237 or 26% resulting in total unassigned reserves of $15,105,887 or 49.7% of budgeted General Fund revenue as of the end of the fiscal year.
- OPEB Trust Account – In 2015 the District established an Other Post-Employment Benefits (OPEB) trust account. The purpose of an OPEB trust is to accumulate funds for payment of the District's future retiree health insurance obligations. The District continued to make an annual contribution to the trust account in the amount of $303,906. The establishment and continued funding of the account will significantly reduce the District's net reported OPEB liability and strengthens the District's financial position. The contribution to the trust account does not directly reduce the liability itself but it allows the District to report a smaller liability because of governmental accounting reporting requirements. The trust is the District's vehicle to set-aside funds specially allocated to exclusively pay for retiree health insurance costs.

- Pension Rate Stabilization Fund – In 2017 the District established a Pension Rate Stabilization Fund. The purpose of the fund is to prefund pension costs. During FY2022 the District contributed $2,362,470 to the fund. The establishment and continued funding of the account sets aside money to help the District properly manage volatile pension costs and to fill the gap created between payments required by CCCERA when they use a 6.75% rate of return assumption on their portfolio and 6.75% discount rate on their future pension obligations and the District board's 6.25% rate of return and discount rate assumption. Of note, the lower number is more in line with the California State economic advisors rate forecasts. The District has significant future risk that contribution rates will increase resulting in higher CCCERA rates. CCCERA's returns have been relatively volatile in the past creating increased uncertainty in the future and in a significant post report event, CCCERA has reported underperforming investment return targets by approximately 17.25% in CY22. This will significantly increase the District's pension liability and associated CCCERA payments in future years. In order to address this volatility, the District's Long Range Financial Forecast anticipates future contributions to the Pension Rate Stabilization Fund.
- Minimum Fund Balance – The District's unrestricted fund balance at its peak in the General Fund increased from 43% to 49.7% of budgeted General Fund revenue. In March 2018 the Board set a goal to maintain unrestricted fund balance in the General Fund of 50% of budgeted General Fund revenue. This level of unrestricted reserve would allow the District to have adequate cash balances to fund operations without having to borrow from the County prior to the receipt of tax revenues in December of each year.

For long-term financial planning purposes, the District maintains a ten-year Long Range Financial Forecast which is updated on an annual basis. The Long Range Financial Forecast includes planning for the District's capital needs including fire station, an administration building, vehicles and equipment. This process allows the District to plan for its capital needs and allocate short-and long-term resources appropriately. As part of this process, the District models different ways to fund major capital needs including the use of property tax revenue, fire flow tax revenue and/or the possibility of issuing debt. Because of fiscal constraints and the uncertainty of the pandemic, the District has not funded the Station 41 and Administration building replacement, the Station 45 remodel, or fire apparatus replacement. These projects will be addressed as the pandemic ends and funding becomes available.

Awards

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Moraga-Orinda Fire Protection District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the seventh year that the District achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report.

Acknowledgements

The preparation of this report reflects the combined and dedicated effort of District staff, particularly in the Administrative Services Division. Staff in each division has our appreciation for their contributions in the preparation of this report.

Staff would also like to take this opportunity to recognize the Board of Directors for their continued support to maintain the highest standards of professionalism in the management of the District's finances.

The District remains committed to providing the highest level of emergency and public service in response to the needs of our community.

Sincerely,

David Winnacker	Gloriann Sasser, CPA
Fire Chief	Administrative Services Director

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Independent Auditor's Report

To the District Board
of the Moraga-Orinda Fire Protection District
Moraga, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Moraga-Orinda Fire Protection District (District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2022 and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund and Tunnel East Bay Hills Fuel Break Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*. 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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 Menlo Park Fire Protection District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of net pension liability, the schedule of the District's pension contributions, the schedule of changes in net other postemployment benefits liability and related ratios, and the schedule of other postemployment benefit contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The capital improvement fund and debt service fund budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the capital improvement fund and debt service fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Menlo Park, California
July 31, 2023

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This section of the Moraga-Orinda Fire Protection District's (District) basic financial statements presents an overview and analysis of the financial activities and an explanation of the organization of funds of the organization for the fiscal year ended June 30, 2022. The Management's Discussion and Analysis (MD&A) describes the significant changes from the prior year that occurred in general operations and discusses the activities during the year for capital assets and long-term debt as well as a description of currently known facts, decisions and conditions that are expected to impact the financial position of the District's operations. We encourage the reader to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal. The District has a separate financing vehicle called the Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (Corporation). The Corporation was established to provide for financing of public capital improvements for the District, the Corporation and other local agencies.

Annual Report Overview

The District continued to benefit from a strong economy and an increasing tax base while making prudent investments in restricted and unrestricted reserve funds. In light of these factors, the District continued to expand the fire prevention program and initiated a major wildfire threat reduction program. Significant portions of this work were funded through external sources in the form of grants and the District will continue to seek out available external funding to continue these efforts. The District's overall financial position improved during fiscal year 2021/22. However, there is continued uncertainty surrounding the economy, the District's property tax base and the effect of investment performance on the District's retirement costs. The District has significant future risk that retirement contribution rates will increase resulting in higher Contra Costa County Employees' Retirement Association (CCCERA) rates. CCCERA's returns have been relatively volatile in the past creating increased uncertainty in the future and in a significant post report event, CCCERA has reported underperforming investment return targets by approximately 17.25% in CY22. This will significantly increase the District's pension liability and associated CCCERA payments in future years. See Note 11.

Looking ahead, the District will continue to face the challenge of competing demands for expansion of services and programs that exceed available resources. Currently, the major enhancements competing for resources are: Increased suppression staffing, continued Pension Rate Stabilization Fund and OPEB Trust Fund contributions at the full actuarial recommended rate, Wildfire risk reduction efforts, Station 41 replacement, the Station 45 remodel, and fire apparatus replacement. Additionally, the current labor contracts expire in 2024 which may lead to increased resources dedicated to non-discretionary pay and benefits. Barring unanticipated changes in how the District generates revenue, fully funding all of these initiatives will not be possible and priorities will have to be established to guide the allocation of available resources. This prioritization is difficult as all of the initiatives benefit the community and strong cases can and have been made that each one provides the greatest benefit. It is also worth noting that the District enjoys exceptional community support and benefits from the engagement of a talented and long serving work force who regularly exceed expectations while responding to calls for emergency and fuels mitigation services. Regardless of the prioritization of new or expanded programs, it is critical that the District retain and develop this work force to ensure core tasks of emergency medical service, rescue, and fire suppression continue to be carried out in a noteworthy manner.

The District has also established itself as a hub of innovation around Fire Prevention and wildfire risk reduction and continues to benefit from a permissive environment and proximity to technology centers. These efforts will continue throughout the coming year as the District seeks to maximize return on the investment of staff time by repurposing existing technologies and collaborating with industry and academic partners to develop new and emerging concepts.

Annual Report Organization

This annual report consists of a series of financial statements. The District's basic financial statements are comprised of three components: Government-wide financial statements, Fund financial statements and Notes to the basic financial statements. This report also contains supplementary information and statistical data in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* provide the reader with a longer-term view of the District's activities as a whole and comprise the Statement of Net Position and Statement of Activities. The manner of presentation is similar to a private-sector business.

The S*tatement of Net Position* presents information about the financial position of the District as a whole, including all its capital assets and long-term liabilities on the full accrual basis. Over time, increases or decreases in net position is one indicator in monitoring the financial health of the District.

The S*tatement of Activities* provides information about all the District's revenue and expenses on the full accrual basis, with the emphasis on measuring net revenues or expenses of each specific program. This statement explains in detail the change in Net Position for the year.

All of the District's activities in the government-wide financial statements are principally supported by general District revenues such as taxes or user-fee related charges such as ambulance services and inspection fees. The governmental activities reported in government-wide financial statements include general government activity, the fire protection and interest on long-term debt.

The government-wide financial statements use the full accrual basis of accounting method which records revenues when earned and expenses at the time the liability is incurred, regardless of when the related cash flows take place.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund Financial Statements

The *fund financial statements* report the District's operations in more detail than the government-wide financial statements and focus primarily on the short-term activities of the District. The fund financial statements measure only current revenues and expenditures and fund balances; excluding capital assets, long-term debt and other long-term obligations.

The fund financial statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long term liabilities, are not presented in the fund financial statements. These financial statements help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship or differences between the government-wide and fund financial statements in a reconciliation following the fund financial statements.

The fund financial statements provide detailed information about each of the District's most significant funds, called Major Funds. The District's Major Funds are the General Fund, the Tunnel East Bay Hills Fuel Break Fund, the Capital Projects Fund and the Debt Service Fund. The District currently has no non-major funds.

Comparisons of Budget and Actual financial information are presented for the General Fund and the Tunnel East Bay Hills Fuel Break Fund.

Notes to the Basic Financial Statements

The *notes* provide additional information that is essential to the reader for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 24 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's liabilities related to pension and OPEB.

The budgetary comparison schedules are presented immediately following the required supplementary information.

Government-wide Overall Financial Analysis

This analysis focuses on the net position and change in net position of the District's Governmental Activities. Over time, net position may serve as a useful indicator of a government's financial position. The District's net position is reported as follows:

	Governmental Activities	
	2022	2021
Cash and investments	$ 18,732,841	$ 15,696,459
Restricted cash and investments	1,688,612	3,747,327
Other assets	2,619,872	2,829,146
Other restricted assets	6,845,315	5,582,483
Capital assets, net	12,116,994	12,475,879
Total assets	42,003,634	40,331,294
Deferred outflows of resources – pension plans	2,706,237	14,273,411
Deferred outflows of resources – OPEB	275,574	22,361
Total deferred outflows of resources	2,981,811	14,295,772
Current liabilities	3,436,286	6,323,858
Noncurrent liabilities	25,564,046	38,285,944
Total liabilities	29,000,332	44,609,802
Deferred inflows of resources – pension	6,253,451	21,578,747
Deferred inflows of resources – OPEB	1,244,828	2,038,874
Total deferred inflows of resources	7,498,279	23,617,621
Net Position:		
Net investment in capital assets	9,499,994	9,005,088
Restricted	1,649,246	3,593,836
Unrestricted (deficit)	(2,662,406)	(26,199,281)
Total net position	$ 8,486,834	$ (13,600,357)

The District's total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by $8,486,834 as of June 30, 2022. A portion of the net position reflects the District's net investment in capital assets (land, buildings, improvements, equipment and vehicles). An additional portion of the District's net position of $1,649,246 represents resources that are subject to external restrictions on how they may be used. The deferrals resulted from changes in assumptions, difference between expected and actual earnings on the plan and differences from experience for both the OPEB and pension plans. These deferrals will be recognized to pension and OPEB expense over a period up to five years.

The remaining balance of net position of ($2,662,406) is a deficit and will reduce the District's ability to meet its ongoing obligations to its citizens and creditors. The District has a significant deficit unrestricted net position as of both June 30, 2022 and 2021.

The following points explain the major changes impacting net position as shown above:

- Cash and investments increased $3,036,382 from the prior year. This was primarily due to a surplus in the General Fund.
- Restricted cash and investments decreased $2,058,715 due to the final payment of the pension obligation bonds.
- Other restricted assets increased by $1,262,832 due to contributions made to the Pension Rate Stabilization Fund and investment earnings on the Fund.
- Capital assets decreased $358,885 primarily due to depreciation.
- Deferred outflows of resources related to the pension and OPEB decreased $11,313,961 due to changes in actuarial assumptions.
- Noncurrent liabilities decreased $12,721,898 primarily due to a decrease in the net pension liability due to CCCERA and the principal payments made towards the pension obligation bonds.
- Deferred inflows of resources related to the pension and OPEB plans decreased $16,119,342 due to a decrease in rates.
- Investment in capital assets increased $494,906 primarily due to the addition of solar to five fire stations.
- Restricted net position includes property tax revenue held in a bond fund account for the payment of Taxable Pension Obligation Bonds, Series 2005 in the amount of $1,688,612 less interest payable on the bonds in the amount of $56,938. Funds for the Taxable Pension Obligation Bonds are held with the Trustee at Wells Fargo Bank.
- The District has $2,662,406 of unrestricted net deficit as of June 30, 2022.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position. The narrative that follows describes the individual program expenses, program revenues and general revenues in more detail.

	Governmental Activities	
	2022	2021
Expenses		
Fire protection - operations	$ 11,441,788	$ 24,739,637
Interest	152,170	357,144
Total expenses	11,593,958	25,096,781
Revenues		
Program revenues:		
Charges for services	2,109,256	1,691,513
Operating grants and contributions	698,836	990,192
Total program revenues	2,808,092	2,681,705
General revenues:		
Property taxes	28,930,857	27,314,589
Fire flow taxes	1,096,800	1,093,247
Investment earnings	(1,056,101)	1,033,285
State and federal grants	149,898	149,337
Other revenues	1,751,603	3,462,830
Total general revenues	30,873,057	33,053,288
Change in net position	22,087,191	10,638,212
Net position - beginning	(13,600,357)	(24,238,569)
Net position - ending	$ 8,486,834	$ (13,600,357)

Expenses

Fire protection – operations expenses totaled $11,441,788 for fiscal year 2021-2022. This was a decrease from the prior year of $13,297,849 primarily due to the pension credit recognized in the current year in the amount of $15,346,085 resulted from the pension net investment exceeding projections in fiscal year 2021.

Program Revenues

Program revenues classified as "Charges for Services" in the amount of $2,109,256 include revenue for ambulance service fees, plan review fees, inspection fees, and public education class fees. Program revenues classified as "Operating Grants and Contributions" in the amount of $698,836 include revenue from the State of California and Contra Costa County.

General Revenues

The primary source of revenue for the operations of the District is generated through the collection of secured, unsecured and supplemental property taxes. During the fiscal year, property tax revenue totaled $28,930,857 and increased $1,616,268 or 5.9%. In addition, the District collects a fire flow tax, which amounted to $1,096,800 in 2021-2022. The other revenue category increased due to an increase in strike team activity. The amounts collected this year were strike team revenue of $1,699,926 along with other revenue of $51,677 totaling $1,751,603.

Government Activities – Governmental Funds

At June 30, 2022, the District's governmental funds reported combined fund balances of $28,620,432. This is an increase of $1,862,692 compared to the prior year. Unassigned fund balance of $15,105,887 is available for spending at the District's discretion. The rest of the District's fund balance is either non-spendable, restricted or committed to indicate that it is 1) non-spendable for prepaid items $467,645; 2) legally required to be maintained intact $8,551,499; or 3) committed for particular purposes $4,495,401.

Analysis – General Fund

The General Fund is the chief operating fund of the District. During the current fiscal year, fund balance increased $4,291,597. Unassigned fund balance at June 30, 2022, which is available for spending at the District's discretion, was $15,105,887.

General Fund revenues increased $534,330 or 1.8% over the prior fiscal year. Property tax revenue increased $3,769,710 or 16.1% in the General Fund. Ambulance services revenue increased $563,297 or 44% due to more ambulance transportation calls in the current year. General Fund expenditures increased $1,020,690 or 4.1% from the prior fiscal year. Salaries increased $607,255 or 6.1% primarily due to the annual salary increase, an increase in the number of positions and a reduction in the number of vacant positions during the fiscal year. Overtime increased $33,569 or 1% due to the increase in the strike team activity. Benefits and retirement contribution costs increased $208,739 or 2.3% due to the salary increase (retirement costs are based on payroll.) Also, services and supplies expenditures increased $171,127 or 6.4% primarily due to increased equipment and vehicle maintenance costs and training classes.

Tunnel East Bay Hills Fuel Break Fund

The Tunnel East Bay Hills Fuel Break Special Revenue Fund is used to account for the activities to significantly reduce the threat of uncontrolled wildfire and associated greenhouse gas emissions by reducing high fuel concentrations and disrupting the horizontal and vertical continuity of fuel beds. The desired result is to restore fuel loading to more natural levels that can be maintained by the periodic introduction of prescribed fire. The Tunnel East Bay Hills Fuel Break Project will collectively protect over 20,000 residents and 1,702 acres of wildland-urban intermix area of the East Bay Hills. Resources are provided by the State of California via a grant agreement.

Debt Service Fund

The Debt Service Fund, a major governmental fund, had a decrease in fund balance during the current year of $2,058,715 to bring the year end fund balance to $1,688,612. The decrease is due to the principal payment made to the District's Taxable Pension Obligation Bonds (bonds). The trust agreement for the bonds requires Contra Costa County to transfer property tax to the District's trustee in an amount sufficient to pay the District's bond obligations in the next calendar year.

The Debt Service Fund ending fund balance of $1,688,612 is legally restricted and may only be used to meet the District's bond obligations.

Capital Projects Fund
The Capital Projects Fund accounts for capital asset purchases as well as the fire flow tax, developer mitigation fees and miscellaneous tax collection fees.

The Capital Projects Fund had a decrease in fund balance during the current fiscal year in the amount of $427,762. This was primarily due to expenditures that exceeded revenue due to the purchase of new equipment. The fund reports committed fund balance of $4,495,401 at fiscal year-end, which is available for capital projects.

General Fund Budgetary Highlights
During the year, General Fund appropriations between the original and final amended budget increased due to revised projections during the mid-year budget review process. There were no significant variances between actual revenue or expenditures and the amended budget.

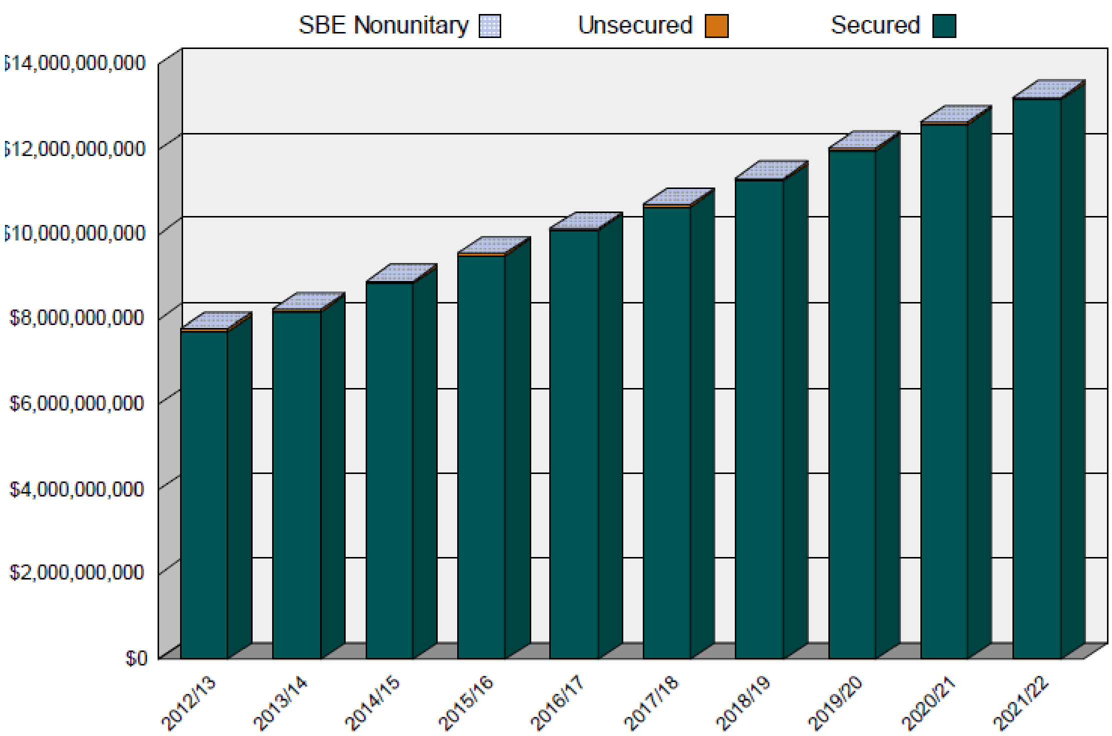
Debt Administration
In 2005, the District issued Taxable Pension Obligation Bonds in the original principal amount of $28,435,000. The bonds were issued to finance payment of the unfunded actuarial accrued pension liability. At the end of the fiscal year, total bonds outstanding were $1,645,000. The District's bonds payable decreased $3,610,000 during the fiscal year. The bonds are scheduled to be paid off on July 1, 2023. The average coupon rate is 5.22% and the terms of the agreement do not allow it to be prepaid. The District's financed purchase debt decreased by $853,791. The debt is discussed in Note 7.

Capital Assets
As of June 30, 2022, the District's capital assets net of accumulated depreciation totaled $12,116,994 which is a decrease of $358,885 over the capital assets net of accumulated depreciation at June 30, 2021. Capital assets include the District's entire major infrastructure incorporating land, fire stations and buildings, apparatus, vehicles, firefighting equipment and furniture. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at the estimated acquisition costs on the date contributed. Capital assets with a value of $5,000 or more are recorded as capital assets. All capital assets are depreciated over estimated useful lives, using the straight-line method. Additional information regarding the District's capital assets can be found in Note 5. Significant capital asset activity during the current fiscal year included the addition of solar in fire stations and the donation of a tiller training truck.

Economic Outlook
During fiscal year 2022 the District continued to improve its financial condition. Unassigned fund balance in the General Fund increased to $15,105,887 at June 30, 2022, or 49.7% of budgeted General Fund revenue. Looking ahead, the District adopted a balanced General Fund budget for fiscal year 2022/23 with a surplus of $251,610 in the new fiscal year. Unassigned fund balance in the General Fund is projected to decrease in the new fiscal year.

The primary drivers of District finances are property tax revenue and personnel costs. It is important to understand the factors that influence changes in these key financial sources and uses. Other important factors that influence the District's long-term fiscal sustainability include proper management of long-term liabilities for retirement benefits and ensuring an adequate level of reserve funds. Due to recent market performance, retirement benefit costs will rise significantly as discussed in more detail below.

Property tax revenue is based on the assessed valuation of residential properties. Property tax revenue is projected to increase 4.9%. Assessed valuation increased 4.6% in 2021/22 as detailed here.



The local housing market has been strong, with the median sale price of a single-family home in the District increasing 6.63% in 2022 as detailed here:

Salaries and benefits costs are projected to increase 12.9% in FY2023. The increase is due to negotiated salary increases, an increase in the number of filled positions, and an increase in retirement costs.

The FY2023 budget projects a General Fund surplus of $251,610. The District will continue to closely monitor future revenue and expenditure effects of the COVID-19 pandemic.

The District continued to address its unfunded liability for retiree health insurance. The District maintains an Other Post-Employment Benefits (OPEB) trust account. The purpose of an OPEB trust is to accumulate funds for payment of the District's future retiree health insurance costs. During fiscal year 2021/22 the District made the annual contribution to the trust account in the amount of $303,906. The establishment of the account reduces the District's net OPEB liability and strengthens the District's financial position. The contribution to the trust account does not actually reduce the liability itself but it allows the District to report a smaller liability because of governmental accounting reporting guidelines.

The trust allows the District to set aside funds specially allocated to pay this obligation. In addition, in order to control the OPEB unfunded liability, employee and retiree health insurance is capped at a fixed dollar amount with no future increases in existing labor agreements. For all new hires, retiree medical insurance is reduced to a required minimum amount. Expanding OPEB benefits would require increased annual contributions.

The volatility of pension costs is a significant financial challenge facing the District. The CCCERA pension payments are driven by increases and decreases in portfolio assets. When the fund underperforms CCCERA must increase the premium paid to cover the losses. The taxpayers currently guarantee the pension payments regardless of the performance of the investments. While outside the audit report period, in calendar year 2022, CCCERA's estimated net market value investment return was approximately minus 10.5%, significantly underperforming the target performance of 6.75% resulting in a net underperformance of approximately 17.25%. This constitutes a significant post report event. As a result of these losses, pension payments for PEPRA and non-PEPRA safety members are calculated to increase 6.65% in FY25, 3.58% in FY26, 3.81% in FY27. A 1% increase in CCCERA payments is roughly $115,000. Future pension investment performance may change these numbers. More detail is included starting on page 53 of the report. Please note, the calculated net pension liability of $10,772,836 included in the report predates CCCERA's recent performance and this liability may change significantly in the future.

In order to mitigate this financial risk, in January 2017 the District established a Pension Rate Stabilization Fund. The purpose of the fund is to set aside additional money to prefund pension costs above and beyond what is required by the retirement association. During fiscal year 2021/22 the District contributed $2,362,470 to the fund. The balance in the account as of June 30, 2022 was $6,845,315.

The District maintains a Long Range Financial Forecast to project anticipated revenues and expenditures for a 10-year period. The Forecast helps the District identify and anticipate future financial challenges.

The United States experienced a recession in February – April 2020. Prudent levels of fund balance reserves are necessary to help the District adjust when the next economic downturn occurs. The District adopted a requirement to maintain a 17% reserve in 2017 and the board has set a goal of increasing the reserve to 50% of revenue as a prudent hedge against future uncertainty.

Currently, the District's general fund reserve level stands at approximately 49.7%. The District recognizes the volatility of future revenue and has developed a long-range financial forecast using conservative estimates of revenue growth.

In summary, the District remains committed to providing the highest level of emergency and public service in response to the needs of our community within its financial constraints.

Financial Contact

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. Questions about this Report should be directed to the Administrative Services Division, at 1280 Moraga Way, Moraga, CA 94556.

Moraga-Orinda Fire Protection District
Statement of Net Position
June 30, 2022

		Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current assets:		
Cash and investments	$	18,732,841
Receivables, net		2,151,858
Prepaid items		467,645
Other assets		369
Total current assets		21,352,713
Noncurrent assets:		
Restricted cash and investments		1,688,612
Restricted pension trust assets		6,845,315
Capital assets, net		12,116,994
Total noncurrent assets		20,650,921
Total assets		42,003,634
Deferred outflows of resources		
Deferred outflows of resources - pension plans		2,706,237
Deferred outflows of resources - OPEB		275,574
Total deferred outflows		2,981,811
Total assets and deferred outflows of resources	$	44,985,445
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
Current liabilities:		
Accounts payable and accrued liabilities	$	338,369
Salaries and benefits payable		927,839
Interest payable		56,938
Compensated absences - current portion		201,140
Current portion of long-term liabilities		1,912,000
Total current liabilities		3,436,286
Noncurrent liabilities:		
Compensated absences		742,697
Due after one year		2,350,000
Net OPEB liability		11,698,513
Net pension liability		10,772,836
Total noncurrent liabilities		25,564,046
Total liabilities		29,000,332
Deferred inflows of resources		
Deferred inflows of resources - pension plans		6,253,451
Deferred inflows of resources - OPEB		1,244,828
Total deferred inflows of resources		7,498,279
Total liabilities and deferred inflows of resources		36,498,611
Net position		
Net investment in capital assets		9,499,994
Restricted for:		
Debt service		1,631,674
State projects		17,572
Unrestricted (deficit)		(2,662,406)
Total net position		8,486,834
Total liabilities, deferred inflows of resources, and net position	$	44,985,445

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

Moraga-Orinda Fire Protection District
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:				
Fire protection - operations	$ 11,441,788	$ 2,109,256	$ 698,836	$ (8,633,696)
Interest on long-term debt	152,170	-	-	(152,170)
Total governmental activities	$ 11,593,958	$ 2,109,256	$ 698,836	(8,785,866)
General revenues:				
Taxes:				
Property taxes				28,930,857
Fire flow taxes				1,096,800
Investment earnings				(1,056,101)
State and federal grants				149,898
Other revenues				1,751,603
Total general revenues				30,873,057
Change in net position				22,087,191
Net position:				
Net position - beginning				(13,600,357)
Net position - ending				$ 8,486,834

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

Moraga-Orinda Fire Protection District
Balance Sheet
Governmental Funds
June 30, 2022

	Major Funds				
	General Fund	Tunnel East Bay Hills Fuel Break	Debt Service	Capital Projects	Total Governmental Funds
ASSETS					
Cash and investments	$ 14,238,497	$ -	$ -	$ 4,494,344	$ 18,732,841
Restricted cash and investments	-	-	1,688,612	-	1,688,612
Receivables:					
Taxes	352,810	-	-	-	352,810
Interest	26,172	-	-	1,057	27,229
Intergovernmental	-	164,002	-	-	164,002
Ambulance billing, net	1,279,236	-	-	-	1,279,236
Other receivable	328,581	-	-	-	328,581
Prepaid items	467,645	-	-	-	467,645
Other assets	369	-	-	-	369
Restricted pension trust assets	6,845,315	-	-	-	6,845,315
Total assets	$ 23,538,625	$ 164,002	$ 1,688,612	$ 4,495,401	$ 29,886,640
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	$ 191,939	$ 146,430	$ -	$ -	$ 338,369
Salaries and benefits payable	927,839	-	-	-	927,839
Total liabilities	1,119,778	146,430	-	-	1,266,208
Fund balances:					
Nonspendable for prepaid items	467,645	-	-	-	467,645
Restricted for debt service	-	-	1,688,612	-	1,688,612
Restricted for state project	-	17,572	-	-	17,572
Restricted for pension benefits	6,845,315	-	-	-	6,845,315
Committed for encumbrances/ capital projects	-	-	-	4,495,401	4,495,401
Unassigned	15,105,887	-	-	-	15,105,887
Total fund balances	22,418,847	17,572	1,688,612	4,495,401	28,620,432
Total liabilities and fund balances	$ 23,538,625	$ 164,002	$ 1,688,612	$ 4,495,401	$ 29,886,640

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

Moraga-Orinda Fire Protection District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

Total fund balances reported on the governmental funds balance sheet		$	28,620,432
Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the Governmental Funds due to the following:			
Capital assets amount reported in governmental activities are not current assets or financial resources and therefore are not reported in the Governmental Funds balance sheet.			12,116,994
OPEB liabilities result in deferred outflows and inflows and pension liabilities result in deferred outflows and inflows of resources associated with the change in estimate of the OPEB and pension, assets, and liabilities.			
Deferred outflows	2,981,811		
Deferred inflows	(7,498,279)		(4,516,468)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds balance sheet.			
Interest payable	(56,938)		
Net pension liabilities	(10,772,836)		
Compensated absences	(943,837)		
Net OPEB liabilities	(11,698,513)		
Long term debt	(4,262,000)		(27,734,124)
Net position of governmental activities		$	8,486,834

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

Moraga-Orinda Fire Protection District
Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds
For the year ended June 30, 2022

	Major Funds				
	General Fund	Tunnel East Bay Hills Fuel Break	Debt Service	Capital Projects	Total Governmental Funds
REVENUES:					
Property taxes	$ 27,199,988	$ -	$ 1,730,869	$ -	$ 28,930,857
Fire flow taxes	-	-	-	1,096,800	1,096,800
Use of money and property	(1,060,079)	-	708	3,270	(1,056,101)
Intergovernmental	496,532	164,002	-	188,200	848,734
Charges for services	259,517	-	-	6,000	265,517
Charges for services - ambulance	1,843,739	-	-	-	1,843,739
Other revenues	1,751,603	-	-	-	1,751,603
Total revenues	30,491,300	164,002	1,731,577	1,294,270	33,681,149
EXPENDITURES:					
Fire protection:					
Salaries	10,571,914	-	-	-	10,571,914
Overtime	3,486,207	-	-	-	3,486,207
Benefits	8,147,236	-	-	-	8,147,236
OPEB contribution	303,906	-	-	-	303,906
Retiree health insurance	826,784	-	-	-	826,784
Service and supplies	2,864,455	146,430	-	183,516	3,194,401
Capital outlay	-	-	-	616,092	616,092
Debt service:		-			
Principal	-	-	4,463,791	-	4,463,791
Interest and fiscal charges	-	-	248,723	-	248,723
Total expenditures	26,200,502	146,430	4,712,514	799,608	31,859,054
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,290,798	17,572	(2,980,937)	494,662	1,822,095
OTHER FINANCING SOURCES AND USES:					
Proceeds from sales of capital assets	597	-	-	-	597
Transfers in	202	-	922,424	-	922,626
Transfers out	-	-	(202)	(922,424)	(922,626)
Total other financing sources	799	-	922,222	(922,424)	597
Net change in fund balances	4,291,597	17,572	(2,058,715)	(427,762)	1,822,692
FUND BALANCES:					
Beginning of year	18,127,250	-	3,747,327	4,923,163	26,797,740
End of year	$ 22,418,847	$ 17,572	$ 1,688,612	$4,495,401	$ 28,620,432

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

Moraga-Orinda Fire Protection District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2022

Net change in fund balances - total governmental funds		$ 1,822,692
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense:		
Capital asset purchases capitalized	616,092	
Depreciation expense	(946,350)	
Loss on disposal of capital assets	(28,627)	(358,885)
Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long term liabilities:		
Repayment of Pension liabilities bond principal	3,610,000	
Repayment of financed purchase	853,791	4,463,791
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Change in net pension liability and deferrals	15,346,085	
Change in long-term compensated absences	(169,586)	
Change in interest payable	96,553	
Change in Net OPEB liabilities and deferrals	886,541	16,159,593
Change in net position of governmental activities		$ 22,087,191

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

Moraga-Orinda Fire Protection District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund

For the year ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
REVENUES:				
Property taxes	$ 26,492,158	$ 26,516,637	$ 27,199,988	$ 683,351
Use of money and property	35,000	8,000	39,560	31,560
Intergovernmental	233,148	433,148	496,532	63,384
Charges for services	217,350	232,972	259,517	26,545
Charges for services - ambulance	985,000	1,690,186	1,843,739	153,553
Other revenues	720,500	1,523,000	1,751,603	228,603
Total revenues	28,683,156	30,403,943	31,590,939	1,186,996
EXPENDITURES:				
Current:				
Fire protection:				
Salaries	10,654,136	11,043,000	10,571,914	471,086
Overtime	2,480,000	3,700,000	3,486,207	213,793
Benefits	8,308,618	8,390,292	8,147,236	243,056
OPEB contribution	434,528	434,528	303,906	130,622
Pension rate stabilization fund	2,362,470	2,362,470	2,362,470	-
Retiree health insurance	876,000	845,000	826,784	18,216
Service and supplies	2,823,210	3,149,404	2,864,455	284,949
Total expenditures	27,938,962	29,924,694	28,562,972	1,361,722
REVENUES OVER EXPENDITURES	744,194	479,249	3,027,967	2,548,718
OTHER FINANCING SOURCES:				
Transfers in	-	-	202	202
Proceeds from sales of capital assets	-	500	597	97
Total other financing sources	-	500	799	299
Net change in fund balances	744,194	479,749	3,028,766	2,549,017
FUND BALANCES:				
Beginning of year	18,127,250	18,127,250	18,127,250	-
End of year	$ 18,871,444	$ 18,606,999	21,156,016	$ 2,549,017
Expenses recognized on non-GAAP budgetary basis:				
Pension stabilization			2,362,470	
Unrealized losses on investments			(1,099,639)	
			$ 22,418,847	

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

Moraga-Orinda Fire Protection District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Tunnel East Bay Hills Fuel Break Fund

For the year ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
REVENUES:				
Intergovernmental	$ 6,380,563	$ 6,380,563	$ 164,002	$ (6,216,561)
Total revenues	6,380,563	6,380,563	164,002	(6,216,561)
EXPENDITURES:				
Current:				
Fire protection:				
Salaries	171,850	171,850	-	171,850
Benefits	13,150	13,150	-	13,150
Service and supplies	5,511,931	5,511,931	146,430	5,365,501
Total expenditures	5,696,931	5,696,931	146,430	5,550,501
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	683,632	683,632	17,572	(666,060)
Net change in fund balances	683,632	683,632	17,572	(666,060)
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	$ 683,632	$ 683,632	$ 17,572	$ (666,060)

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles.

A. Description of the Reporting Entity

The Moraga-Orinda Fire Protection District (District) was incorporated on July 1, 1997 as an independent special district, under the laws and regulations of the State of California (State). The District was formed through the consolidation of the Moraga Fire Protection District and the Orinda Fire Protection District, to provide more efficient fire protection and emergency medical services. The principal act that governs the District is the Fire Protection District Law of 1987.

The District provides fire protection, rescue, and emergency medical services to an area approximately 63 square miles, including the City of Orinda, the Town of Moraga, some unincorporated county areas adjacent to the municipalities, and the community of Canyon. The District also provides automatic aid into Lafayette and State Responsibility Areas that lie within the District's boundaries. A five-member board of directors, elected by voters, governs the District.

As required by GAAP, these financial statements present the primary government and its component unit, an entity for which the government is considered to be financially accountable. This component unit is reported on a blended basis. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations and so data from this unit is combined with data of the primary government. Separate financial statements are not issued for this component unit.

The District's reporting entity includes the following blended component unit:

The Moraga-Orinda Fire Protection District Public Facilities Financing Corporation (Corporation) was established to provide for financing of public capital improvements for the District, the Corporation and other local agencies. The Board of Directors serve as the Governing Board of the Corporation and all accounting and administrative functions are performed by the District, which records all activity of the Corporation as a blended component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. The District had no business-type activities reported.

Amounts reported as *program revenues* include 1) charges to residents for fire protection services, or privileges provided by a given function or segment 2) grants and contributions for fire protection services. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, deferred inflows, fund balances, revenues, and expenditures.

The District reports the following major governmental funds:

- General Fund
- Tunnel East Bay Hills Fuel Break
- Debt Service Fund
- Capital Projects Fund

These funds are described below.

Governmental Funds

General Fund

The General Fund is the general operating fund of the District. It is used to account for the District's resources which are not required legally or by sound financial management to be accounted for in another fund. The major revenue sources for this fund are property taxes and ambulance service fees. Expenditures are made for the District's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Tunnel East Bay Hills Fuel Break Fund

The Tunnel East Bay Hills Fuel Break Special Revenue Fund is used to account for the California Department of Forestry and Fire Protection grant activities of $6,380,563 to significantly reduce the threat of uncontrolled wildfire and associated greenhouse gas emissions by reducing high fuel concentrations and disrupting the horizontal and vertical continuity of fuel beds. The grant includes an administration fee and two limited term support positions.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest. Resources are provided by property tax revenue.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources used for the replacement of fire-fighting equipment, software and equipment, apparatus, building upgrades, acquisition and construction of major capital projects. Resources are provided by the fire flow tax and proceeds from debt issuance.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under financed purchase are reported as other financing sources.

Property taxes, or other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 180 days of year-end).

D. Cash Deposits and Investments

The District's cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District pools cash and investments from all funds for the purpose of increasing income through investment activities. Investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. The District currently reports no interfund balances, including receivables and payables at year-end.

F. Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, fire flow taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, receivables in governmental funds include revenue accruals such as property tax, fire flow tax, and intergovernmental subventions since they are usually both measurable and available.

The District estimates and records an allowance for doubtful accounts based on prior experience. The District's allowance for ambulance receivables was $44,186 as of June 30, 2022.

G. Prepaid Items

Prepaid items represent amounts paid in advance of receiving goods or services. The District has the option of reporting an item in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures when incurred.

H. Capital Assets

The District's capital assets are valued at historical cost or estimated historical cost, if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation. Policy has set the capitalization threshold for reporting at $5,000 and with a useful life greater than one year.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over assets estimated useful life using the straight-line method of depreciation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

The range of estimated useful lives by type of asset is as follows:

Buildings	30 years
Vehicles	10-25 years
Equipment	5-15 years

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows of resources for its pension and OPEB plans.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources for its pension and OPEB plans.

J. Compensated Absences

Employees accrue vacation, sick, holiday, administrative leave and compensatory time off benefits. District employees have vested interests in the amount of accrued time off, with the exception of sick leave, and are paid on termination. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements and is currently payable. The District had no employee resignations or retirements for which compensated absences should be accrued in governmental funds at year-end. The general fund is used to liquidate compensated absences.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Other Postemployment Benefits Other Than Pensions (OPEB)

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

L. Pensions

The District recognizes a net pension liability, which represents the District's proportionate share of the excess of the total pension liability over the fiduciary net position of the Plan reflected in an actuarial report provided by the Contra Costa County Employees' Retirement Association (CCCERA). The net pension liability is measured as of the District's prior Plan year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change in the liability. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred. For the purposes of measuring the net pension liability, deferred outflows, deferred inflows of resources related to pensions and pension expense information about the fiduciary net position of the District's defined benefit pension plan, and additions to/ deductions from fiduciary net position have been determined on the same basis as they are reported by CCCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Net Position/Fund Balance

Government-wide Statements

Equity is classified as net position and is displayed in three components:

a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.

c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. The classifications for governmental funds are defined as follows by the District’s Fund Balance Policy:

Nonspendable Fund Balance

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

Restricted Fund Balance

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Committed Fund Balance

- Self-imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Board) that requires formal action at the same level to remove.
- Board Resolution is required to be taken to establish, modify, or rescind a fund balance commitment.
- Fund balance derived from the Fire Flow Tax is committed to pay for District capital improvement projects as approved by the Board of Directors. The amount is equal to the fund balance of the Capital Projects fund.

Assigned Fund Balance

- Amounts in excess of non-spendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- Assigned amounts for a specific purpose are as authorized by the District's Fire Chief or Administrative Services Director through its fund balance policy.

Unassigned Fund Balance

- Residual net resources.
- Total fund balance in the general fund in excess of non-spendable, restricted, committed and assigned fund balance (surplus).
- Excess of non-spendable, restricted and committed fund balance over total fund balance (deficit).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain unrestricted fund balance in its District funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed and unassigned fund balances are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

The District had an unassigned fund balance of 50% of budgeted revenue and has achieved the fund balance it needs to support sound financial position which is a target of 50% reserves to achieve that goal.

N. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

O. Property Tax

The County of Contra Costa is responsible for assessing, collecting and apportioning property taxes for the District. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The District recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

The District participates in an alternative method of distribution of property tax levies and assessments known as the “Teeter Plan.” The State Revenue and Taxation Code allow counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to taxing agencies each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to the County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue retained by the County under the revenue neutrality agreement. Under the Teeter Plan Code, 5% of the delinquency must remain with the County as a reserve for Teeter plan funding. The Teeter Plan does not allow the District to earn interest in a meaningful way on its reserves and the District has an objective to develop reserves to allow it to earn interest and go off the teeter plan.

P. Fire Flow Taxes

Fire flow taxes represent a special tax on property on the secured tax roll, collected by the District since its inception in 1997. The fire flow taxes are collected in each of the District’s two service zones for the purpose of obtaining, furnishing, operating, and maintaining fire protection, prevention and suppression and emergency medical equipment, apparatus or facilities, including water distribution facilities for fire suppression purposes, for paying the salaries and benefits of firefighting and emergency medical personnel, and for such other fire protection, prevention and suppression and emergency medical expenses as are deemed necessary by the District. For fiscal year 2021-22, the fire flow tax rate was established at six cents ($0.06) in Moraga, and six cents ($0.06) in Orinda.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Budgetary Accounting

The District Board of Directors establishes budgets for the General Fund, Debt Service Fund and Capital Projects Fund. Budgetary control is legally maintained at the fund level for these funds. The budget includes appropriations (budgeted expenditures) on a line-item basis and the means of financing them (budgeted revenues.) The coordinators of the Budget are the Fire Chief, Administrative Services Director or designee(s), with direct support from each division in the District.

Budget development begins with a mid-year Budget review in January or during a month selected by the Fire Chief. The mid-year review is a detailed analysis of District revenue and expenditure line items for the current fiscal year. The District fiscal year is from July 1 through June 30 of the next calendar year. The mid-year review is published and distributed to the Board, staff and general public for consideration during the month of January or during a month selected by the Fire Chief. The mid-year financial analysis provides the starting point for next fiscal year's Budget.

Administrators receive a written Budget Packet and a written Budget Timeline in February that provides detailed instructions and deadlines for the Budget process. Administrators meet with the Fire Chief or designated representative and submit the following for the next fiscal year: 1) goals and objectives, 2) preliminary Budget requests, 3) personnel requests and 4) capital equipment requests. During this time, revenue sources are projected by Administrative Services Division staff.

A draft Budget is compiled for review by the Fire Chief, Administrative Services Director or designated representative(s). Individual meetings with each division are held with the Fire Chief or designated representative as deemed necessary by the Fire Chief. Programs, projects and staffing are reviewed in these sessions and approval is dependent on available funding and Fire Chief's recommendation.

After deliberation and final changes, the Budget is adopted by the Board of Directors. Preferably the Budget is adopted in June, prior to the beginning of the next fiscal year. In the event of unusual circumstances, the Budget may be adopted after the beginning of the fiscal year. Regardless, in accordance with Health and Safety Code Section 13895, the final Budget is adopted by October 1 of each fiscal year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Formal budgetary integration is employed as a management control device during the year for all funds. Budgeted and actual revenues and expenditures are reviewed monthly by the Board and budget amendments and transfers are made as needed. The Accountant monitors appropriations on a division basis and conveys this information to the Fire Chief who can approve appropriation transfers so long as appropriations in total by fund do not change. This approach allows the Fire Chief to hold division heads accountable. The District reports expenditures and appropriations on a line-item basis to the Board which is the budgetary level of control.

Only the Board may approve amendments to appropriations in total by fund. This approach allows the Board to hold the Fire Chief accountable for the overall District operations.

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. Budgeted amounts presented in the financial statements are as originally adopted and as amended by the Board. Supplemental amendments to the budget were adopted by the Board and have been included in the budget to actual statements.

R. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

At June 30, 2022, the District's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

	Balance June 30, 2022
Cash in bank	$ 1,971,394
Cash with Contra Costa County	983,219
Petty cash	200
State of California Local Agency Investment Fund (LAIF)	15,778,028
Total unrestricted cash equivalents and investments	18,732,841
Restricted pension stablization fund	6,845,315
Restricted investments for debt service	1,688,612
Total cash and investments	$ 27,266,768

California statutes authorize governments to invest idle or surplus 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 the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. For the year ended June 30, 2022, the District's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity
U.S. Treasury Obligations	5 Years
U.S. Agency Securities	5 Years
Insured or Collateralized Certificates of Deposit	5 Years
State of California Local Agency Investment Fund	N/A
Local Government Investment Pools	N/A
Money Market Funds	N/A
Passbook Savings and Money Market Accounts	N/A

Interest Rate Risk – In accordance with its investment policy, the District manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 5 years.

Credit Risk – The State of California Local Agency Investment Fund is not rated. As of June 30, 2022 the District's restricted investments were comprised of $1,688,612 in money market funds.

2. CASH AND INVESTMENTS, Continued

Concentration of Credit Risk – The investments made by the District are limited to those allowable under State statutes as incorporated into the District's Investment Policy, which is accepted annually by the District Board. There were no concentrations in any one issuer for the year.

The District participates in an investment pool managed by Contra Costa County. The County's investments are subject to credit risk with the full faith and credit of Contra Costa County collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

The District participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF). LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

Custodial Credit Risk – deposits. For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's Investment Policy addresses custodial credit risk, which follows the Government Code. Any uninsured bank balance is collateralized by the pledging financial institutions at 110% of the deposits, in accordance with the State of California Government Code.

At June 30, 2022, the carrying amount of the District's deposits was $1,971,394 and the balances in financial institutions were $1,971,394. Of the balance in financial institutions, $250,000 was covered by federal depository insurance and $1,721,394 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

Custodial Credit Risk – investments. For investments, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. None of the District's investments were subject to investment custodial credit risks.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF, although not registered with the SEC, is a special fund of the California State Treasury through which local governments may pool investments and is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The District had a balance of $15,778,028 which approximated fair value and was managed by the State Treasurer. The Board consists of five members as designated by State Statute.

2. CASH AND INVESTMENTS, Continued

The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2022:

	Balance June 30, 2022
Taxes	$ 352,810
Interest	27,229
Intergovernmental	164,002
Ambulance billing	1,279,236
Other receivable	328,581
Total accounts receivable	$ 2,151,858

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental activities:				
Nondepreciable assets:				
Land	$ 502,000	$ -	$ -	$ 502,000
Total nondepreciable assets	502,000	-	-	502,000
Depreciable assets:				
Buildings	11,387,495	-	-	11,387,495
Improvements	865,759	298,000	-	1,163,759
Equipment	1,879,645	178,794	-	2,058,439
Vehicles	7,309,447	139,299	(63,615)	7,385,131
Total depreciable assets	21,442,346	616,093	(63,615)	21,994,824
Total	$ 21,944,346	$ 616,093	$ (63,615)	$ 22,496,824
Accumulated depreciation:				
Buildings	$ 4,441,281	$ 333,074	$ -	$ 4,774,355
Improvements	553,975	60,805	-	614,780
Equipment	1,147,976	162,915	-	1,310,891
Vehicles	3,325,235	389,557	(34,988)	3,679,804
Total accumulated depreciation	9,468,467	946,351	(34,988)	10,379,830
Total net capital assets	$ 12,475,879	$ (330,258)	$ (28,627)	$ 12,116,994

Depreciation expense for capital assets was charged to functions as follows:

	Balance June 30, 2022
Fire protection - operations	$ 946,351

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2022:

	Balance June 30, 2022
Accounts payable and accrued liabilities	$ 338,369
Salaries and benefits payable	927,839
Total	$ 1,266,208

6. LONG-TERM LIABILITIES

The District's long-term liabilities consist of taxable pension obligation bonds, financed purchase obligations and compensated absences. The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2022:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due Within One Year
Pension obligation bonds	$ 5,255,000	$ -	$ (3,610,000)	$ 1,645,000	$ 1,645,000
Financed purchase	3,470,791	-	(853,791)	2,617,000	267,000
Total debt	8,725,791	-	(4,463,791)	4,262,000	1,912,000
Compensated absences	774,251	334,586	(165,000)	943,837	201,140
Total long-term liabilities	$ 9,500,042	$ 334,586	$ (4,628,791)	$ 5,205,837	$ 2,113,140

Pension Obligation Bonds

On October 6, 2005, the District issued taxable Pension Obligation Bonds in the amount of $28,435,000. The bonds bear a fixed annual interest rate of 5.22%. Principal amounts are paid in annual installments on July 1 and interest payments are due semi-annually on July 1 and January 1. The bonds will mature on July 1, 2022.

6. LONG-TERM LIABILITIES, Continued

2016 and 2017 Purchase Agreement – Direct Borrowing

On May 1, 2016 the District entered into a purchase agreement in the amount of $4,069,000 for the construction, renovation and equipping of Station 43 in Orinda, California. The agreement bears a fixed annual interest rate of 2.14%. Principal and interest amounts are paid in semi-annual installments on October 1 and April 1. The agreement matures on April 1, 2031.

On May 30, 2017 the District entered into a purchase agreement in the amount of $2,855,000 for the construction and purchase of one fire truck, two fire engines, and two ambulances. The agreement bears a fixed annual interest rate of 1.899%. Principal and interest amounts are paid in semi-annual installments on November 30 and May 30. The agreement matures on May 30, 2032.

The following is the debt service obligations of the District:

Year Ending June 30	Pension Obligation Bond		2016 Purchase Agreement	
	Principal	Interest	Principal	Interest
2023	$ 1,645,000	$ 42,935	$ 267,000	$ 54,570
2024	-	-	272,000	48,835
2025	-	-	278,000	42,982
2026	-	-	284,000	37,001
2027	-	-	290,000	30,891
2028-2032	-	-	1,226,000	59,717
Total	$ 1,645,000	$ 42,935	$ 2,617,000	$ 273,996
Due within one year	$ 1,645,000	$ 42,935	$ 267,000	$ 54,570
Due after one year	-	-	2,350,000	219,426
Total	$ 1,645,000	$ 42,935	$ 2,617,000	$ 273,996

6. LONG-TERM LIABILITIES, Continued

Year Ending June 30	Total Principal	Total Interest
2023	$ 1,912,000	$ 97,505
2024	272,000	48,835
2025	278,000	42,982
2026	284,000	37,001
2027	290,000	30,891
2028-2032	1,226,000	59,717
Total	$ 4,262,000	$ 316,931
Due within one year	$ 1,912,000	$ 97,505
Due after one year	2,350,000	219,426
Total	$ 4,262,000	$ 316,931

Compensated Absences

The District records employee absences, such as vacations, illness, deferred overtime, and holidays, for which it is expected that employees will be paid compensated absences. As of June 30, 2022, the District had a compensated absences balance of $943,837.

7. NET POSITION/FUND BALANCES

Net Position

As of June 30, 2022, net position is as follows:

Net Position	June 30, 2022
Net investment in capital assets	$ 9,499,994
Restricted for debt service	1,631,674
Capital Projects	17,572
Unrestricted (deficit)	(2,662,406)
Total	$ 8,486,834

Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions on the following page.

7. NET POSITION/FUND BALANCES, Continued

Fund Balance

As of June 30, 2022, the District's Restricted and Committed fund balances are as follows:

Fund Balances	June 30, 2022
Nonspendable prepaid retirement	$ 467,645
Restricted for debt service	1,688,612
Restricted for state projects	17,572
Restricted for pension benefits	6,845,315
Committed for capital projects	4,495,401
Unassigned	15,105,887
Total	$ 28,620,432

The following describes the purpose of each restriction and commitment account used by the District:

Nonspendable

- **General Fund –** represents a non-spendable prepaid portion of employer contributions to Contra Costa County Employees Retirement Association (CCCERA).

Restricted

- **Debt Service –** represents amounts restricted for repayment of principal and payment of interest in the next calendar year of the District's Taxable Pension Obligation Bonds.
- **State Project –** represents amounts restricted for Tunnel East Bay Hills Fuel Break.
- **Pension Benefits –** represents amounts restricted for payment of pension liabilities.

Committed

- **Capital Projects –** used to represent that portion of fund balance committed for capital construction and purchases. All balances reported in the Capital Projects Fund are committed for this purpose. This amount can only be changed by Board Resolution.

7. NET POSITION/FUND BALANCES, Continued

The District considers restricted amounts to have been spent prior to unrestricted amounts when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Committed, assigned, and unassigned amounts, in this order, are considered to have been spent when an expenditure is incurred for which amounts in any of those unrestricted fund balance classifications could be used.

8. RISK MANAGEMENT

The District is a member of the Fire Agencies Insurance Risk Authority (FAIRA), a public agency Joint Powers Authority (JPA) providing insurance risk management services tailored to meet only specific needs of fire and emergency service agencies in the states of California and Nevada.

The FAIRA Joint Powers Authority is owned entirely by participating fire protection districts and agencies, and functions solely for their benefit. The District participates in the following FAIRA coverage:

<u>Property</u>
Property coverage is for direct physical loss or damage to real and personal properties. In addition, the carrier will pay for actual loss of income and necessary expenses incurred during the period of restoration for up to one year if the insured operation is interrupted as a result of direct physical loss or damage to real or personal properties. The District has a deductible of up to $5,000 per occurrence and a coverage limit of the guaranteed replacement cost of the Real or Personal Property. More detailed information regarding sub-limits is given in the District's FAIRA policy.

<u>Crime</u>
Coverage is provided for dishonest acts committed by an employee, forgery or alteration of checks, drafts, losses arising out of the failure of an individual to perform duties, loss or damage resulting from computer fraud. The District is covered for up to $1,000,000 for any criminal loss, with a deductible of $5,000.

<u>General Liability</u>
General liability covers bodily injury and property damage, personal injury and advertising injury, professional healthcare liability or medical expense. The District has no deductible and a coverage limit of up to $1,000,000 for each occurrence, $10,000 for medical expense, and annual aggregate limit of $10,000,000.

8. RISK MANAGEMENT, Continued

Management Liability
Management liability covers monetary damages as a result of wrongful act arising out of employment related practices, administration of employee benefit plans and other wrongful acts. Coverage includes wrongful termination, sexual harassment, public officials' errors and omissions. For each wrongful act, the District pays the first $5,000 and the insurance covers the remaining up to $1,000,000 for each wrongful act and $10,000,000 annual aggregate limit.

Automobile Coverage
Covers bodily injury, property damage and automobile physical damage resulting from an accident involving vehicles such as fire engines, pumpers, ambulances, paramedic vans, rescue vans, private passenger and other vehicles. The insurance covers up to $1,000,000 for bodily injury, property damage, and uninsured/underinsured motorists.

The insurance covers direct physical loss or damage to automobiles in the event of fire, lightning, explosion, theft, windstorm, hail, earthquake, flood, mischief, vandalism, or the sinking, burning, collision or derailment of any conveyance transporting the covered automobile and collision, resulting from collision with another object, or overturn. The insurance covers the agreed value of Emergency Response/Antique vehicles and the actual cash value of Private Passenger, Service Vehicles, Trailers, and Other Non-Emergency Vehicles. The deductible is up to $3,000 depending on the vehicle. Amounts of settlements have not exceeded insurance coverage in the past three years.

A summary of the District's insurance coverage under FAIRA is as follows:

Coverage	Insurance Company/ Pool	Limit of Liability	Deductible/Self Insured Retention
Property	FAIRA	Guaranteed Replacement Cost Up to 12 months loss of income/additional expense $5,000,000 earthquake sprinkler leakage	Up to $5000
Crime	FAIRA	$1,000,000 for all crime	$1,000
Portable Equipment	FAIRA	Guaranteed Replacement Cost	$1,000
General Liability	FAIRA	$1,000,000 each occurrence $10,000 medical expenses each accident	None
Management	FAIRA	$1,000,000 each wrongful act	$7,500
Automobile	FAIRA	$1,000,000 bodily injury Agreed value/FMV auto damage	$10,000 medical Up to $5000

9. OTHER POST-EMPLOYMENT BENEFITS ("OPEB")

At June 30, 2022, net OPEB liability and related deferred outflows of resources are as follows:

	Governmental Activities
Deferred inflows of resources	$ 1,244,828
Deferred outflows of resources	$ 275,574
Net OPEB liabilities	$ 11,698,513

A. Plan Description

In addition to the retirement plan described in Note 11, the Moraga-Orinda Fire District Retiree Health Insurance Program ("OPEB Plan") provides access to lifetime healthcare benefits to eligible retirees and their dependents. The District administers a single-employer defined-benefit post-employment healthcare plan. Benefits vary by hire date, employment status and employment classification. Benefits continue to the surviving spouses. Eligibility for retiree health benefits requires direct retirement from the District under CCCERA.

Eligible employees who were hired prior to April 15, 2014 (July 2, 2014 for Battalion Chiefs and July 1, 2014 for unrepresented), receive 100% of medical and dental premiums, subject to the District Cap. The Medical Cap is as follows:

	Unrepresented	All Others
Single	$ 575.55	$ 458.42
Single +1	1,151.10	916.82
Family	1,496.11	1,191.87

Eligible employees hired after the dates listed above will receive the PEMHCA minimum benefit.

B. Eligibility

Employees are eligible to participate in the District's Plan if they retire directly from the District under CCCERA with ten years of CCCERA service (there is a five-year service requirement if retirement is due to a service-connected disability.) Since PEMHCA is a community rated plan for most employers, an implied subsidy is reflected. The District does not provide vision, life, or Medicare Part B reimbursement to retirees.

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB"), Continued

Membership of the District as of the valuation date consisted of the following:

Active plan members	66
Inactive employees or beneficiaries currently receiving benefit payments	149
Total	215

C. Contribution

The obligation of the District to contribute to the plan is based on an actuarially determined rate. For the fiscal year ended June 30, 2022, the District's expected contribution rate was 11.76 percent of covered-employee payroll.

D. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

E. Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	6.25%
Inflation	9.25%
Aggregate salary increases (Individual salary increases based on CalPERS)	3.00%
Investment rate of return	6.39%
Mortality rates	Based on CalPERS tables
Mortality improvement scale	
Healthcare cost trend rate	6.0% in the first year, trending down to 4.04% over 55 years

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB"), Continued

F. Discount Rate

The discount rate used to measure the total OPEB Liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the District contribution 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 cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

The long-term expected rate of 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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity - Large Cap Core	55.00%	6.80%
Equity - Mid Cap Core	10.00%	6.80%
Equity - Small Cap Core	15.00%	7.00%
Equity - Real Estate	7.00%	6.30%
Equity - International	8.00%	7.20%
Equity - Emerging Markets	0.00%	7.20%
Fixed Income - Short-Term Bonds	0.00%	3.50%
Fixed Income - Intermediate-Term Bonds	4.00%	4.20%
Fixed Income - High Yield	0.00%	6.30%
Cash	1.00%	2.70%
Total	100.00%	

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB"), Continued

G. Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2021	$ 14,486,398	$ 2,948,603	$ 11,537,795
Changes recognized for year:			
Service cost	341,584	-	341,584
Interest	876,380	-	876,380
Difference between expected and actual experience	53,343	-	53,343
Changes of assumptions	(151,758)	-	(151,758)
Contributions:			
Employer - District's Contribution	-	1,129,691	(1,129,691)
Employer - Implicit Subsidy	-	283,595	(283,595)
Net investment income	-	(446,961)	446,961
Benefit payments, including refunds of employee contributions	(825,785)	(825,785)	-
Implicit rate subsidy fulfilled	(283,595)	(283,595)	-
Administrative expenses	-	(7,494)	7,494
Net changes	10,169	(150,549)	160,718
Balance at June 30, 2022	$ 14,496,567	$ 2,798,054	$ 11,698,513

H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB Liability of the District, as well as what the District's net OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current rate:

Plan's Net OPEB Liability		
Discount Rate -1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1% (7.25%)
$ 13,182,749	$ 11,698,513	$ 10,432,156

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB"), Continued

I. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

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

Plan's Net OPEB Liability		
Trend Rate -1% (5.50% decreasing to 3.04%)	**Healthcare Cost Trend Rates (6.50% decreasing to 4.04%)**	**Trend Rate +1% (7.50% decreasing to 5.04%)**
$ 11,141,020	$ 11,698,513	$ 12,398,957

J. OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB credit of $886,541. At June 30, 2022, the District reported deferred outflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred (inflows) of resources
Difference Between Expected and Actual Experience in the Total OPEB Liability	$ 45,490	$ (767,681)
Changes of Assumptions	-	(477,147)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	230,084	-
Total	$ 275,574	$ (1,244,828)

10. OTHER POST-EMPLOYMENT BENEFITS ("OPEB"), Continued

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The difference between projected and actual experience will be amortized over the expected average service lifetime of 10.0 years.

Amount reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2023	$ (479,110)
2024	(439,200)
2025	(167,605)
2026	116,661
	$ (969,254)

11. PENSION PLAN

A. General Information about the Pension Plan

Plan Descriptions - Substantially, all qualified permanent and probationary District employees are eligible to participate in pension plans, either Safety (law enforcement, fire suppression, and certain others) or General (all other), offered by Contra Costa County Employees' Retirement Association (CCCERA), a cost sharing multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and County resolution. CCCERA provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries.

B. Benefits Provided - CCCERA provides service retirement and disability benefits, annual cost of living adjustments and death benefits to eligible employees. Benefits are based on years of credited service, equal to one year of full-time employment. Funding contributions for the Plan are determined annually on an actuarial basis by CCCERA; the District must contribute these amounts.

11. PENSION PLAN, Continued

The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Safety	Non-Safety
Benefit vesting schedule	5 years	5 years
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 or 57	55 or 67
Required employee contribution rates	15.79% - 22.27%	8.02% - 15.84%
Required employer contribution rates	72.97%, 62.44% new hires	24.21%, 19.23% new hires
Monthly benefits as percentage of annual salary	3%, 2.7% new hires	2%, 2.5% new hires

C. *Contributions* - The District is required to contribute at an actuarially determined rate which is established and may be amended by the CCCERA Board. The amount is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District's contributions for the year ended June 30, 2022 was $5,412,473, which was equal to the required contributions for current fiscal year.

D. *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions* - At June 30, 2022, the District reported a liability of $10,772,836 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2021, the District's proportion was -4.434%, which was decreased from its proportion measured as of December 31, 2020 of 4.846%.

The CCCERA investment return for year end 12/31/2022 post balance sheet is -10.6%. However, the net pension liability is not known. This decrease will result in a significant balance sheet event within the audit period.

For the year ended June 30, 2022, the District recognized pension credit of $15,346,085.

11. PENSION PLAN, Continued

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Pension contributions paid to CCCERA subsequent to measurement date	$ 2,706,237	$ -
Difference between expected and actual experience in the Total Pension Liability	-	(2,031,295)
Change in assumptions	-	(6,680,328)
Changes in proportion and differences between employer's contributions	-	(32,040,495)
Net excess of projected over actual earnings on pension plan investments	-	34,498,667
Total	$ 2,706,237	$ (6,253,451)

$2,706,237 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2023	$ (5,379,139)
2024	2,482,823
2025	(3,467,758)
2026	110,623
	$ (6,253,451)

11. PENSION PLAN, Continued

E. ***Actuarial Assumptions*** - The Total Pension Liabilities as of December 31, 2021 were determined by actuarial valuation as of December 31, 2021. The actuarial assumptions used were based on the results of an experience study for the period from January 1, 2018 through December 31, 2020. In particular, the following actuarial assumptions were applied to all periods included in the measurement of the December 31, 2021 actuarial valuation:

Inflation	2.50%
Salary increases	Non-safety: 3.50% to 14.00% and Safety: 4.00% to 15.00%
Investment rate of return	6.75%
Valuation date	December 31, 2020
Measurement date	December 31, 2021
Actuarial cost method	Entry-Age Actuarial Cost Method

A complete copy of the Actuarial Valuation Summary is available in separately issued financial statements of the plan which can be obtained from CCCERA located at 1200 Concord Avenue, Suite 300, Concord, CA 94520.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. This return is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large Cap. U.S. Equity	10.00%	5.40%
Small Cap Equity	3.00%	6.17%
Developed International Equity	10.00%	6.13%
Emerging Markets Equity	9.00%	8.17%
Core Fixed	4.00%	39.00%
Short-Term Credit	14.00%	0.14%
Cash and Equivalents	3.00%	-0.73%
Private Equity	15.00%	10.83%
Private Credit	13.00%	5.93%
Infrastructure	3.00%	6.30%
Value Add Real Estate	5.00%	7.20%
Opportunistic Real Estate	5.00%	8.50%
Risk Parity	3.00%	3.80%
Hedge Funds	3.00%	2.40%
Total	100.00%	

11. PENSION PLAN, Continued

F. Discount Rate - The discount rate used to measure the total pension liability was 6.75% as of December 31, 2021 and 7.00% as of December 31, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments of 6.75% was applied to all periods of projected benefit payments to determine the Total Pension Liability as of December 31, 2021.

G. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability as of December 31, 2021, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net pension liability as of December 31, 2021	$ 41,282,926	$ 10,772,836	$ (14,216,915)

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CCCERA financial reports.

Payable to the Pension Plan **-** At June 30, 2022, there were no significant payables due to the pension plan.

The District’s proportionate share of total pension liability and fiduciary net position of the plan is as follows:

	District's Proportionate Share
Total Pension Liability	$ 226,796,547
Fiduciary Net Position	216,023,711
Net Pension Liability	$ 10,772,836

11. PENSION PLAN, Continued

H. Significant Post Balance Sheet Information - In March 2023, CCCERA informed the District of the following information which will have a significant impact on future years calculation of the District's pension liability and future pension costs. CCCERA's estimated net market value investment return was approximately minus 10.5%, significantly underperforming the target performance of 6.75% resulting in a net underperformance of approximately 17.25%. This constitutes a significant post report event. As a result of these losses, pension payments for PEPRA and non-PEPRA safety members are calculated to increase 6.65% in FY25, 3.58% in FY26, 3.81% in FY27. A 1% increase in CCCERA payments is roughly $115,000. Future pension investment performance may change these numbers. The calculated net pension liability of $10,772,836 at June 30, 2022 predates CCCERA's recent performance and this liability may change significantly in the future. The District was informed that the pension contribution for the fiscal year ending June 30, 2024 will increase 29% to $7,314,911.

12. COMMITMENTS AND CONTINGENCIES

The District is a party to claims and lawsuits arising in the ordinary course of business. The District's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the District. The District participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

13. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this statements have been implemented as of June 30, 2022 but did not have an impact on the District's financial statements.

13. NEW ACCOUNTING PRONOUNCEMENTS, Continued

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the financial statements. The provisions of this statements have been implemented as of June 30, 2022.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement is to establish accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The provisions of this statements have been implemented as of June 30, 2022.

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The objective of this Statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this statements have been implemented as of June 30, 2022.

13. NEW ACCOUNTING PRONOUNCEMENTS, Continued

New Accounting Pronouncements – Effective in Future Fiscal Years

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021 or FY 2022/2023. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 93 – In May 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement is to address those and other accounting and reporting implications resulting from the replacement of an IBOR by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced and providing clarification to the hedge accounting termination provisions, removing LIBOR as a benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap and providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021 or FY 2021/2022, except the removal of LIBOR as a benchmark interest rate which is effective for periods beginning after December 31, 2022 or FY 2023/2024. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objectives of this Statement improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The District is evaluating the impact of this Statement on the financial statements.

13. NEW ACCOUNTING PRONOUNCEMENTS, Continued

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022 or FY 2022/2023. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 99 – In April 2022, GASB Issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Certain requirements of this statement have been implemented as of June 30, 2022. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 100 – In June 2022, GASB Issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023 and all reporting periods thereafter. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 101 – In June 2022, GASB Issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of the financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The District is evaluating the impact of this Statement on the financial statements.

Moraga-Orinda Fire Protection District

Required Supplementary Information – Pension Schedule of Contributions 1)

Contra Costa County Employees' Retirement Association (CCCERA)

Last Ten Fiscal Years*

	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	$ 5,412,473	$ 5,278,641	$ 5,034,354	$ 4,623,330
Contributions in relation to the actuarially determined contributions	5,412,473	5,278,641	5,034,354	4,623,330
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$10,233,658	$ 9,726,290	$ 9,212,842	$ 8,632,117
Contributions as a percentage of covered payroll	52.9%	54.3%	54.6%	53.6%

Notes to Schedule

1) Covered payroll represents compensation earnable and pensionable compensation.

* Information prior to the implementation of the pension standards is not available.

2018		2017		2016		2015		2014*	
$	4,677,312	$	4,395,376	$	4,063,149	$	4,517,403	$	3,107,945
	4,677,312		4,395,376		4,063,149		4,517,403		3,107,945
$	-	$	-	$	-	$	-	$	-
$	8,395,829	$	7,347,757	$	6,858,003	$	6,966,539	$	7,871,587
	55.7%		59.8%		59.2%		64.8%		39.5%

Moraga-Orinda Fire Protection District

Required Supplementary Information – Schedule of the District's Proportionate Share of the Net Pension Liability
Contra Costa County Employees' Retirement Association (CCCERA)
Last Ten Fiscal Years*

	2022	2021	2020
Proportion of the net pension liability	-4.434%	4.846%	3.094%
Proportionate share of the net pension liability	$10,772,836	$ 22,360,799	$ 26,734,009
Covered payroll	$ 9,339,635	$ 9,177,332	$ 8,317,080
Net pension liability as percentage of covered payroll	115.35%	243.65%	321.44%
Plan fiduciary net position as a percentage of the total pension liability	95.25%	89.64%	87.02%
Measurement Date	12/31/2021	12/31/2020	12/31/2019

Notes to Schedule:

1) Covered payroll represents compensation earnable and pensionable compensation.

* Information prior to the implementation of the pension standards is not available.

2019	2018	2017	2016	2015	2014*
2.410%	2.896%	2.326%	2.608%	2.393%	2.393%
$ 34,418,805	$ 23,498,575	$ 32,569,913	$ 39,299,357	$ 28,612,847	$ 35,211,427
$ 8,139,433	$ 7,960,215	$ 7,347,757	$ 6,858,003	$ 7,350,163	$ 7,353,174
422.86%	295.20%	443.26%	573.04%	389.28%	478.86%
82.47%	87.85%	82.41%	78.77%	83.79%	80.06%
12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014	12/31/2013

Moraga-Orinda Fire Protection District
Required Supplementary Information - Schedule of the District's OPEB Contributions
Last Ten Fiscal Years

	2021-22	2020-21	2019-20	2018-19
Actuarially determined contribution	$ 1,413,286	$ 1,579,380	$ 1,586,650	$ 1,613,502
Contributions in relation to the actuarially determined contribution	(1,413,286)	(1,508,638)	(1,586,650)	(1,613,502)
Contribution deficiency (excess)	**$ -**	**$ 70,742**	**$ -**	**$ -**
Covered payroll	$ 13,196,450	$ 10,381,499	$ 9,212,842	$ 8,632,117
Contributions as a percentage of covered-employee payroll	**10.71%**	**14.53%**	**17.22%**	**18.69%**

2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
$ 1,530,343	$ 1,485,776	$ 1,292,000	$ 1,238,000	$ 1,187,000	$ 2,447,000
(1,502,797)	(1,371,290)	(953,224)	(969,770)	(896,659)	(937,777)
$ 27,546	**$ 114,486**	**$ 338,776**	**$ 268,230**	**$ 290,341**	**$ 1,509,223**
$ 6,987,356	$ 7,872,287	$ 7,288,000	$ 7,208,000	$ 6,981,000	$ 7,171,000
21.51%	**17.42%**	**13.08%**	**13.45%**	**12.84%**	**13.08%**

Moraga-Orinda Fire Protection District

Required Supplementary Information – Schedule of the District's Changes in Net OPEB Liability

Last Ten Years*

Total OPEB Liability	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020	Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018	Ending June 30, 2017*
Service cost	$ 341,584	$ 374,830	$ 372,506	$ 423,862	$ 459,818	$ 446,425
Interest	876,380	1,001,281	999,685	1,076,764	946,716	929,839
Differences between expected and actual experience	53,343	(1,388,072)	14,954	(274,383)	238,065	-
Change of assumptions	(151,758)	(558,808)	(188,887)	(23,351)	-	-
Benefit payments	(825,785)	(854,258)	(874,316)	(871,208)	(821,298)	(827,604)
Implicit rate subsidy fulfilled	(283,595)	(322,747)	(298,745)	(334,561)	(307,499)	(287,686)
Net change in total OPEB liability	10,169	(1,747,774)	25,197	(2,877)	515,802	260,974
Total OPEB liability - beginning of year	14,486,398	16,234,172	16,208,975	16,211,852	15,696,050	15,435,076
Total OPEB liability - end of year (a)	$14,496,567	$14,486,398	$16,234,172	$16,208,975	$16,211,852	$15,696,050
Plan Fiduciary Net Position						
Net investment income	$ (446,961)	$ 630,935	$ 91,213	$ 73,072	$ 36,771	$ 41,863
Contributions						
Employer - explicit subsidy	1,129,691	1,185,891	1,433,424	1,278,941	1,195,298	1,083,604
Employer - implicit subsidy	283,595	322,747	298,745	334,561	307,499	287,686
Benefit payments	(825,785)	(854,258)	(874,316)	(871,208)	(821,298)	(827,604)
Implicit rate subsidy fulfilled	(283,595)	(322,747)	(298,745)	(334,561)	(307,499)	(287,686)
Administrative expense	(7,494)	(13,638)	(8,986)	(4,595)	(1,576)	(1,367)
Net change in plan fiduciary net position	(150,549)	948,930	641,335	476,210	409,195	296,496
Plan fiduciary net position - beginning of year	2,948,603	1,999,673	1,358,338	882,128	472,933	176,437
Plan fiduciary net position - end of year (b)	2,798,054	2,948,603	1,999,673	1,358,338	882,128	472,933
District's net OPEB liability - end of year = (a) - (b)	$11,698,513	$11,537,795	$14,234,499	$14,850,637	$15,329,724	$15,223,117
Plan fiduciary net position as a percentage of the total OPEB liability	19.30%	20.35%	12.32%	8.38%	5.44%	3.01%
covered-employee payroll	$13,196,450	$10,381,499	$ 9,212,842	$ 8,632,117	$ 6,987,356	$ 7,872,287
Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017

Notes to schedule:

* Information prior to the implementation of the OPEB standards is not available.

Moraga-Orinda Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual – Debt Service Fund

For the year ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
REVENUES:				
Property taxes	$ 1,730,869	$ 1,730,869	$ 1,730,869	$ -
Use of money and property	500	500	708	208
Total revenues	1,731,369	1,731,369	1,731,577	208
EXPENDITURES:				
Debt service:				
Principal	4,463,791	4,463,791	4,463,791	-
Interest	248,747	248,747	248,723	24
Total expenditures	4,712,538	4,712,538	4,712,514	24
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,981,169)	(2,981,169)	(2,980,937)	232
OTHER FINANCING SOURCES:				
Transfers in	922,448	922,448	922,424	(24)
Transfers out	-	-	(202)	(202)
Total other financing sources	922,448	922,448	922,222	(226)
Net change in fund balances	(2,058,721)	(2,058,721)	(2,058,715)	6
FUND BALANCES:				
Beginning of year	3,747,327	3,747,327	3,747,327	-
End of year	$ 1,688,606	$ 1,688,606	$ 1,688,612	$ 6

Moraga-Orinda Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Capital Projects Fund
For the year ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
REVENUES:				
Fire flow taxes	$ 1,095,000	$ 1,096,800	$ 1,096,800	$ -
Use of money and property	10,000	2,000	3,270	1,270
Intergovernmental	-	188,200	188,200	-
Charges for services	20,000	20,000	6,000	(14,000)
Total revenues	1,125,000	1,307,000	1,294,270	(12,730)
EXPENDITURES:				
Service and supplies	14,200	203,150	183,516	19,634
Capital outlay	458,000	808,243	616,092	192,151
Total expenditures	472,200	1,011,393	799,608	211,785
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	652,800	295,607	494,662	199,055
OTHER FINANCING SOURCES:				
Transfers out	(922,448)	(922,448)	(922,424)	24
Proceeds from sale of assets	-	-	-	-
Total other financing sources	(922,448)	(922,448)	(922,424)	24
Net change in fund balances	(269,648)	(626,841)	(427,762)	199,079
FUND BALANCES:				
Beginning of year	4,563,000	4,563,000	4,923,163	(360,163)
End of year	$ 4,293,352	$ 3,936,159	$ 4,495,401	$ (161,084)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements and footnotes says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the District’s most significant revenue source, the property tax.

Debt Capacity

These schedules contain information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the District’s financial report relates to the services the District provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

Moraga-Orinda Fire Protection District
Net Position by Component
Last Ten Fiscal Years
For the year ended June 30, 2022

	2013	2014	2015*	2016
Governmental activities:				
Net investment in capital assets	$ 9,314,274	$ 9,930,092	$ 9,466,042	$ 8,327,292
Restricted	2,037,710	2,206,339	2,812,780	12,655,893
Unrestricted (deficit)	(2,697,070)	(2,337,332)	(56,768,462)	(60,767,871)
Total governmental activities net position	$ 8,654,914	$ 9,799,099	$ (44,489,640)	$ (39,784,686)

* Implemented GASB 68

	2017	2018	2019	2020	2021	2022
	$ 7,318,954	$ 7,683,689	$ 8,501,486	$ 9,117,374	$ 9,005,088	$ 9,499,994
	2,955,444	3,317,901	2,924,711	3,246,610	3,593,836	1,649,246
	(52,888,825)	(47,724,303)	(42,911,719)	(36,602,553)	(26,199,281)	(2,662,406)
	$ (42,614,427)	$ (36,722,713)	$ (31,485,522)	$ (24,238,569)	$ (13,600,357)	$ 8,486,834

Moraga-Orinda Fire Protection District
Changes is Net Position
Last Ten Fiscal Years
For the year ended June 30, 2022
(Accrual basis of accounting)

	2013	2014	2015	2016
Expenses:				
Governmental activities:				
Fire protection - operations	$ 18,285,971	$ 19,149,488	$ 18,372,152	$ 18,610,768
OPEB	1,356,223	273,867	-	-
Interest and fiscal charges	1,225,394	1,151,010	1,041,717	1,079,259
Total governmental activities expenses	20,867,588	20,574,365	19,413,869	19,690,027
Total primary government expenses	$ 20,867,588	$ 20,574,365	$ 19,413,869	$ 19,690,027
Program revenues:				
Governmental activities:				
Charges for services:				
Fire protection - operations	$ 1,455,540	$ 1,037,735	$ 1,180,935	$ 1,303,760
Operating grants and contributions	-	1,773,086	1,814,670	436,499
Total governmental activities program revenues	1,455,540	2,810,821	2,995,605	1,740,259
Total primary government program revenues	$ 1,455,540	$ 2,810,821	$ 2,995,605	$ 1,740,259
Net (Expense)/Revenue				
Governmental activities	$ (19,412,048)	$ (17,763,544)	$ (16,418,264)	$ (17,949,768)
Total primary government net expense	$ (19,412,048)	$ (17,763,544)	$ (16,418,264)	$ (17,949,768)
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Taxes:				
Property taxes	$ 16,471,345	$ 17,670,263	$ 19,235,847	$ 20,693,314
Fire flow taxes	1,069,288	1,071,747	1,068,288	1,070,214
Investment earnings	784	209	1,996	10,948
State and federal grants	1,239	165,510	160,407	158,460
Other general revenues	112,191	-	-	406,279
Gain (loss) on sale of assets	-	-	-	315,507
Total governmental activities	17,654,847	18,907,729	20,466,538	22,654,722
Total primary government	$ 17,654,847	$ 18,907,729	$ 20,466,538	$ 22,654,722
Changes in Net Position				
Governmental activities	$ (1,757,201)	$ 1,144,185	$ 4,048,274	$ 4,704,954
Total primary government	$ (1,757,201)	$ 1,144,185	$ 4,048,274	$ 4,704,954

2017	2018	2019	2020	2021	2022
$ 19,005,152	$ 21,012,014	$ 22,256,196	$ 28,155,478	$ 24,739,637	$ 11,441,788
-	-	-	-	-	-
996,870	825,941	716,469	545,240	357,144	152,170
20,002,022	21,837,955	22,972,665	28,700,718	25,096,781	11,593,958
$ 20,002,022	$ 21,837,955	$ 22,972,665	$ 28,700,718	$ 25,096,781	$ 11,593,958
$ 1,531,589	$ 1,469,376	$ 2,135,887	$ 1,614,881	$ 1,691,513	$ 2,109,256
106,929	459,284	803,789	4,472,546	990,192	698,836
1,638,518	1,928,660	2,939,676	6,087,427	2,681,705	2,808,092
$ 1,638,518	$ 1,928,660	$ 2,939,676	$ 6,087,427	$ 2,681,705	$ 2,808,092
$ (18,363,504)	$ (19,909,295)	$ (20,032,989)	$ (22,613,291)	$ (22,415,076)	$ (8,785,866)
$ (18,363,504)	$ (19,909,295)	$ (20,032,989)	$ (22,613,291)	$ (22,415,076)	$ (8,785,866)
$ 22,121,300	$ 23,220,123	$ 24,686,257	$ 26,074,303	$ 27,314,589	$ 28,930,857
1,076,738	1,080,597	1,084,245	1,087,937	1,093,247	1,096,800
22,103	116,664	261,644	212,424	1,033,285	(1,056,101)
156,429	154,528	151,166	148,796	149,337	149,898
599,199	1,229,097	966,677	456,975	3,462,830	1,751,603
-	-	-	-	-	-
23,975,769	25,801,009	27,149,989	27,980,435	33,053,288	30,873,057
$ 23,975,769	$ 25,801,009	$ 27,149,989	$ 27,980,435	$ 33,053,288	$ 30,873,057
$ 5,612,265	$ 5,891,714	$ 7,117,000	$ 5,367,144	$ 10,638,212	$ 22,087,191
$ 5,612,265	$ 5,891,714	$ 7,117,000	$ 5,367,144	$ 10,638,212	$ 22,087,191

Moraga-Orinda Fire Protection District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
For the year ended June 30, 2022

	2013	2014	2015	2016
General Fund				
Nonspendable	$ 179,419	$ 314,360	$ 150,767	$ -
Restricted	-	700	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	(103,719)	250,906	1,809,814	3,689,075
Total General Fund	75,700	565,966	1,960,581	3,689,075
All Other Governmental Funds				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	2,037,710	2,205,639	2,812,780	6,591,527
Committed	3,607,437	3,445,991	3,890,011	6,064,366
Assigned	-	-	-	-
Total Other Governmental Funds	5,645,147	5,651,630	6,702,791	12,655,893
Total All Governmental Funds	$ 5,720,847	$ 6,217,596	$ 8,663,372	$ 16,344,968

	2017	2018	2019	2020	2021	2022
	$ 81,945	$ 16,443	$ 493,113	$ 258,759	$ 580,118	$ 467,645
	300,000	700,449	1,879,809	3,022,693	5,582,483	6,845,315
	-	76,594	-	-	-	-
	-	-	-	-	-	-
	4,905,518	6,297,533	7,828,854	9,618,061	11,964,650	15,105,887
	5,287,463	7,091,019	10,201,776	12,899,513	18,127,251	22,418,847
	$ -	$ -	$ -	$ -	$ -	$ -
	6,070,031	5,335,311	3,244,815	3,487,608	3,747,327	1,706,184
	6,580,029	6,021,716	5,017,632	4,559,236	4,923,162	4,495,401
	-	-	16,864	213,714	-	-
	12,650,060	11,357,027	8,279,311	8,260,558	8,670,489	6,201,585
	$ 17,937,523	$ 18,448,046	$ 18,481,087	$ 21,160,071	$ 26,797,740	$ 28,620,432

Moraga-Orinda Fire Protection District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
For the year ended June 30, 2022
(Modified accrual basis of accounting)

Revenues:	**2013**	**2014**	**2015**	**2016**
Property taxes	$ 16,471,345	$ 17,670,263	$ 19,235,847	$ 20,693,314
Fire flow taxes	1,069,288	1,071,747	1,068,288	1,070,214
Use of money and property	784	209	1,996	10,948
State and federal grants	1,239	853,927	950,669	594,959
Charges for services	1,455,540	226,745	273,205	228,372
Charges for services - ambulance	-	810,990	907,730	997,388
Other revenues	112,191	1,026,669	798,753	406,279
Impact mitigation fees	-	58,000	225,655	78,000
Total revenues	19,110,387	21,718,550	23,462,143	24,079,474
Expenditures:				
Fire protection - operations:				
Salaries	7,725,838	8,181,676	7,250,708	7,517,701
Overtime	2,421,630	1,541,123	2,048,524	1,832,377
Benefits	4,001,208	4,649,384	6,442,501	5,924,823
Retiree health insurance	937,777	896,659	885,770	859,224
Services and supplies	1,824,534	2,059,857	1,810,195	2,091,521
Capital outlay	493,832	1,279,899	266,114	792,794
Debt service:				
Principal	1,230,000	1,425,000	1,630,000	1,936,862
Interest and fiscal charges	1,257,498	1,188,203	1,108,467	1,091,276
Total expenditures	19,892,317	21,221,801	21,442,279	22,046,578
Reconciliation of Governmental Revenues Less Expenditures to Fund Equity:				
Revenue over (under) expenditures	(781,930)	496,749	2,019,864	2,032,896
Other financing sources:				
Proceeds of debt issued	-	-	424,554	4,069,000
Proceeds from sales of assets	-	-	1,358	1,579,700
Total other financing sources	-	-	425,912	5,648,700
Net change in fund balances	$ (781,930)	$ 496,749	$ 2,445,776	$ 7,681,596
Debt service as a percentage of noncapital expenditures	12.82%	13.10%	12.93%	14.25%

2017	2018	2019	2020	2021	2022
$ 22,121,300	$ 23,220,123	$ 24,686,257	$ 26,074,303	$ 27,314,589	$ 28,930,857
1,076,738	1,080,597	1,084,245	1,087,937	1,093,247	1,096,800
22,103	116,664	261,644	212,424	1,033,285	(1,056,101)
263,358	613,812	954,955	4,621,342	1,139,529	848,734
319,436	348,691	321,059	241,409	343,071	259,517
1,116,153	1,082,685	1,751,628	1,353,072	1,280,442	1,843,739
599,199	1,229,097	966,677	456,975	3,462,830	1,751,603
96,000	38,000	63,200	20,400	68,000	6,000
25,614,287	27,729,669	30,089,665	34,067,862	35,734,993	33,681,149
8,065,559	8,551,976	8,898,105	9,567,398	9,969,662	10,571,914
2,196,582	2,741,777	2,829,927	1,643,345	3,452,638	3,486,207
6,369,452	6,864,030	6,937,618	7,945,046	8,215,104	8,451,142
827,605	821,299	871,105	874,316	854,258	826,784
2,165,943	2,561,629	3,044,933	6,207,382	3,060,478	3,194,401
3,882,152	1,575,234	3,216,942	678,836	8,095	616,092
2,383,359	3,234,500	3,531,541	3,853,811	4,102,690	4,463,791
992,998	935,347	787,569	624,346	444,651	248,723
26,883,650	27,285,792	30,117,740	31,394,480	30,107,576	31,859,054
(1,269,363)	443,877	(28,075)	2,673,382	5,627,417	1,822,095
2,855,000	-	-	-	-	-
6,918	66,646	61,116	5,602	10,252	597
2,861,918	66,646	61,116	5,602	10,252	597
$ 1,592,555	$ 510,523	$ 33,041	$ 2,678,984	$ 5,637,669	$ 1,822,692
14.68%	16.22%	16.06%	14.58%	15.11%	15.08%

Moraga-Orinda Fire Protection District
Assessed Value and Actual Value of Taxable Properties
For the year ended June 30, 2022

	Secured	Public Utility	Unsecured	Total
2013	$7,717,894,690	$ 116,479	$70,187,146	$7,788,198,315
2014	8,185,959,045	116,479	61,878,545	8,247,954,069
2015	8,856,613,012	-	54,622,692	8,911,235,704
2016	9,513,818,540	-	51,023,341	9,564,841,881
2017	10,092,398,210	-	56,765,474	10,149,163,684
2018	10,647,964,837	-	53,105,276	10,701,070,113
2019	11,280,017,996	-	54,374,980	11,334,392,976
2020	11,977,281,909	-	53,230,826	12,030,512,735
2021	12,586,968,660	-	54,136,370	12,641,105,030
2022	13,165,450,749	-	60,295,577	13,225,746,326

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Moraga-Orinda Fire Protection District
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Basic Direct Rate	Overlapping Rates: Acalanes Union High School District	BART Bond	Contra Costa Comm College District	EBMUD District 1 Bond	East Bay Regional Park District Bond
2013	1.00000	0.03330	0.00430	0.00870	0.00680	0.00510
2014	1.00000	0.03610	0.00750	0.01330	0.00660	0.00780
2015	1.00000	0.03500	0.00450	0.02520	0.00470	0.00850
2016	1.00000	0.03320	0.00260	0.02200	0.00340	0.00670
2017	1.00000	0.03230	0.00800	0.01200	0.00280	0.00320
2018	1.00000	0.03250	0.00840	0.01140	0.00110	0.00210
2019	1.00000	0.03230	0.00700	0.01100	0.00000	0.00210
2020	1.00000	0.03260	0.01200	0.01880	0.00000	0.00940
2021	1.00000	0.03270	0.01390	0.01610	0.00000	0.00140
2022	1.00000	0.03360	0.00600	0.01760	0.00000	0.00200

Source: HdL, Coren and Cone.

Notes:
Rate per $100 of assessed value.

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all District property owners.

Lafayette School District Bond 1995	Moraga School District Bond 1995	Orinda Union School District Bond	Orinda Roads Bond	West Contra Costa Unified School District	Total Tax Rate
0.02840	0.02790	0.02730	0.00000	0.21570	1.35750
0.02670	0.02640	0.02550	0.00000	0.28180	1.43170
0.02410	0.02430	0.02320	0.01300	0.28030	1.44280
0.02090	0.02290	0.01900	0.01850	0.27810	1.42730
0.04370	0.02240	0.01650	0.01690	0.26040	1.41820
0.04190	0.04830	0.01440	0.02500	0.23970	1.42480
0.04120	0.04480	0.01460	0.03350	0.23900	1.42550
0.04010	0.04520	0.07240	0.03250	0.23790	1.50090
0.03810	0.02810	0.06030	0.03220	0.24320	1.46600
0.02290	0.03870	0.06170	0.03300	0.29390	1.50940

Moraga-Orinda Fire Protection District
Principal Property Taxpayers
Current Year and Ten Years Ago

Property Owner	Primary Land Use	2021-22 Assessed Valuation	Rank	% of Net AV
RHEEM VALLEY PROPERTY OWNER LP	Commercial Moraga	$ 37,818,446	1	0.29%
OPG PARTNERS LLC	Commercial Orinda	35,200,382	2	0.27%
ORINDA DUNHILL LLC	Commercial Orinda	34,894,303	3	0.26%
RUSSELL J BRUZZONE INC	Commercial Moraga	26,474,534	4	0.20%
COMCAST	Unsecured Orinda	15,402,617	5	0.12%
ASC MORAGA LLC	Commercial Moraga	13,651,795	6	0.10%
YSMA LLC	Residential Orinda	12,876,936	7	0.10%
VANGUARD APARTMENTS LLC	Residential Moraga	12,344,339	8	0.09%
MORAGA ROYALE LLC	Commercial Moraga	11,336,239	9	0.09%
ORINDA COUNTRY CLUB	Recreational Orinda	11,099,191	10	0.08%
OG PROPERTY OWNER LLC	Vacant Orinda			
PK I RHEEM VALLEY LP	Commercial Moraga			
GLL BVK PROPERTIES	Commercial Orinda			
PINE GROVE LLC	Commercial Orinda			
RICHARD S WILEY	Residential Orinda			
BOW LEASING COMPANY INC	Unsecured Orinda			
GEORGE GAGE TRUST	Residential Moraga			
		$ 211,098,782		1.60%

Source: HdL, Coren and Cone.

2012-13		
Assessed Valuation	Rank	% of Total
20,901,775	4	0.27%
10,295,758	9	0.13%
10,448,692	7	0.13%
131,619,481	1	1.69%
33,679,942	2	0.43%
25,000,000	3	0.32%
19,038,387	5	0.24%
10,764,089	6	0.14%
10,411,564	8	0.13%
8,272,717	10	0.11%
$ 280,432,405		3.59%

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy: Amount	Collected within the Fiscal Year of the Levy: Percentage of Levy
2013	$ 16,471,345	$ 16,471,345	100%
2014	17,670,263	17,670,263	100%
2015	19,235,848	19,235,848	100%
2016	20,693,314	20,693,314	100%
2017	22,121,300	22,121,300	100%
2018	23,220,123	23,220,123	100%
2019	24,686,257	24,686,257	100%
2020	26,074,303	26,074,303	100%
2021	27,314,589	27,314,589	100%
2022	28,930,857	28,930,857	100%

Source: Administrative Services Division.

Note: Taxes reported and collected under the Teeter Plan are distributed to the District in the year of the levy. Contra Costa County retains any interest or penalties on uncollected balances.

Moraga-Orinda Fire Protection District
Ratio of Outstanding Debt by Type
Last Test Fiscal Years

Fiscal Year	Pension Obligation Bonds	Equipment Financing Agreement	Total Primary Government	Percentage of Personal Income	Per Capita
2013	$ 23,475,000	$ -	$ 23,475,000	0.92%	$ 687
2014	22,050,000	-	22,050,000	0.85%	640
2015	20,420,000	424,554	20,844,554	0.78%	594
2016	18,565,000	4,411,692	22,976,692	0.81%	652
2017	16,465,000	6,983,333	23,448,333	0.78%	658
2018	14,105,000	6,108,833	20,213,833	0.65%	559
2019	11,465,000	5,217,292	16,682,292	0.49%	458
2020	8,520,000	4,308,481	12,828,481	0.36%	357
2021	5,255,000	3,470,791	8,725,791	0.22%	243
2022	1,645,000	2,617,000	4,262,000	0.10%	117

Source: Administrative Services Division, State of California, Department of Finance, Employment Development Department.

Moraga-Orinda Fire Protection District
Direct and Overlapping Debt
June 30, 2022

	Gross Bonded Debt Balance	Percent Applicable [1]	Net Bonded Debt
2021-22 Assessed Valuation	$13,225,746,326		
Direct Debt			
307400 PENSION OBLIGATION BONDS	$ 1,645,000	100.000%	$ 1,645,000
307400 2016 EQUIPMENT FINANCING AGREEMENT	2,617,000	100.000%	2,617,000
Total Direct Debt			4,262,000
Overlapping Tax and Assessment Debt			
100300 CCC PENSION OBLIGATION BOND	44,925,000	5.648	2,537,281
100300 CCC PFA 1998A LRB	6,435,000	5.648	363,437
100300 CCC PFA 1999A LRB	6,310,000	5.648	356,377
100300 CCC PFA 2002A LRB	4,065,000	5.648	229,584
100300 CCC PFA 2003A LRB	3,445,000	5.648	194,567
100300 CCC PFA 2007A LRB	61,030,000	5.648	3,446,861
100300 CCC PFA 2009A LRB	6,407,008	5.648	361,856
100300 CCC PFA 2010A-2 LRB	11,995,000	5.648	677,455
100300 CCC PFA 2010A-3 LRB	20,700,000	5.648	1,169,098
100300 CCC PFA 2010B LRB	6,055,000	5.648	341,975
100300 CCC PFA 2012 LRB	6,212,865	5.648	350,891
100300 CCC PFA 2015 A&B LRB	37,900,000	5.648	2,140,522
100300 CCC PFA 2017 A LRB	42,320,000	5.648	2,390,155
100300 CCC PFA 2017B LRB	76,930,000	5.648	4,344,864
400800 BART BOND	660,703,057	5.648	37,315,285
402700 EAST BAY REGIONAL PARK BOND	77,146,356	5.648	4,357,083
509100 ACALANES UNION 1997 BOND	42,430,000	31.822	13,502,072
509500 ACALANES U521800N 2008 BOND	112,927,772	31.822	35,935,467
509600 ACANALES UNION 2002 BOND	85,410,000	31.822	27,179,165
529000 LAFAYETTE ELEMENTARY BOND 1995	4,875,000	0.177	8,614
529100 LAFAYETTE ELEMENTARY BOND 2016	67,275,000	0.177	118,869
539200 MORAGA ELEMENTARY BOND 2016	29,500,000	0.177	29,500,000
549000 ORINDA ELEMENTARY BOND	2,470,265	99.839	2,466,296
549108 ORINDA ELEMENTARY BOND 2018E	7,860,000	99.839	7,847,371
549208 ORINDA ELEMENTARY BOND 2018I	7,860,000	99.839	7,847,371
792100 CONTRA COSTA COMMUNITY COLLEGE 2002 BOND	311,230,151	5.667	17,635,992
792200 CONTRA COSTA COMMUNITY COLLEGE 2006 BOND	354,509,849	5.667	20,088,455
792300 CONTRA COSTA COMMUNITY COLLEGE 2014 BOND	271,130	5.667	15,363,699
Total Overlapping Tax and Assessment Debt			238,070,662
Total Direct and Overlapping Debt			$ 242,332,662 [2]

Debt To Assessed Valuation Ratios:	
Combined Direct Debt	0.03%
Total Overlapping Tax and Assessment Debt	1.80%
Combined Total Debt	1.83%

[1] Percentage of overlapping agency's assessed valuation located within the boundaries of the District.

[2] Excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded financing agreements, and certificates of participation, unless provided by the city.

Source: HdL Coren and Cone, Contra Costa County Assessor and Auditor.

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Moraga-Orinda Fire Protection District
Legal Bonded Debt Margin
Last Ten Fiscal Years
(Thousands)

	2013	2014	2015	2016	2017
Debt limit	$ 289,421,051	$ 306,973,464	$ 332,122,988	$ 356,768,195	$ 378,464,933
Total debt applicable to limit	-	-	-	-	-
Legal debt margin	$ 289,421,051	$ 306,973,464	$ 332,122,988	$ 356,768,195	$ 378,464,933
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value - secured	$13,165,450,749
Debt limit (3.75% of assessed value) (a)	493,704,403
Debt applicable to limit:	
None	-
Legal debt margin	$ 493,704,403

(a) California Health and Safety Code, Section 13937 sets the debt limit at 10%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Source: HdL, Coren and Cone.

2018	2019	2020	2021	2022
$ 399,298,681	$ 423,000,675	$ 449,148,072	$ -	$ 493,704,403
-	-	-	-	-
$ 399,298,681	$ 423,000,675	$ 449,148,072	$ -	$ 493,704,403
0%	0%	0%	0%	0%

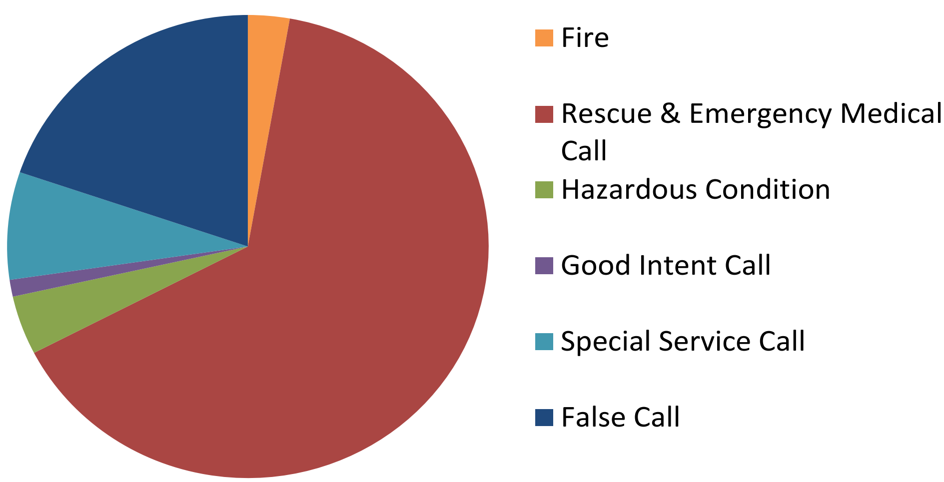
Moraga-Orinda Fire Protection District
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Town of Moraga Population	City of Orinda Population	Total Population	Per Capita Personal Income	Personal Income (Thousands)	Unemployment Rate
2013	16,238	17,925	34,163	$ 76,023	$2,565,216	2.5%
2014	16,348	18,089	34,437	77,509	2,597,174	2.4%
2015	16,466	18,612	35,078	81,141	2,669,177	2.5%
2016	16,513	18,749	35,262	84,985	2,846,264	2.9%
2017	16,676	18,935	35,611	87,033	2,996,741	2.3%
2018	16,991	19,199	36,190	94,377	3,099,332	1.9%
2019	16,939	19,475	36,414	99,090	3,414,056	1.9%
2020	16,946	19,009	35,955	108,050	3,608,263	5.6%
2021	16,820	19,078	35,898	113,007	4,056,725	4.8%
2022	17,105	19,478	36,583	118,723	4,343,243	3.5%

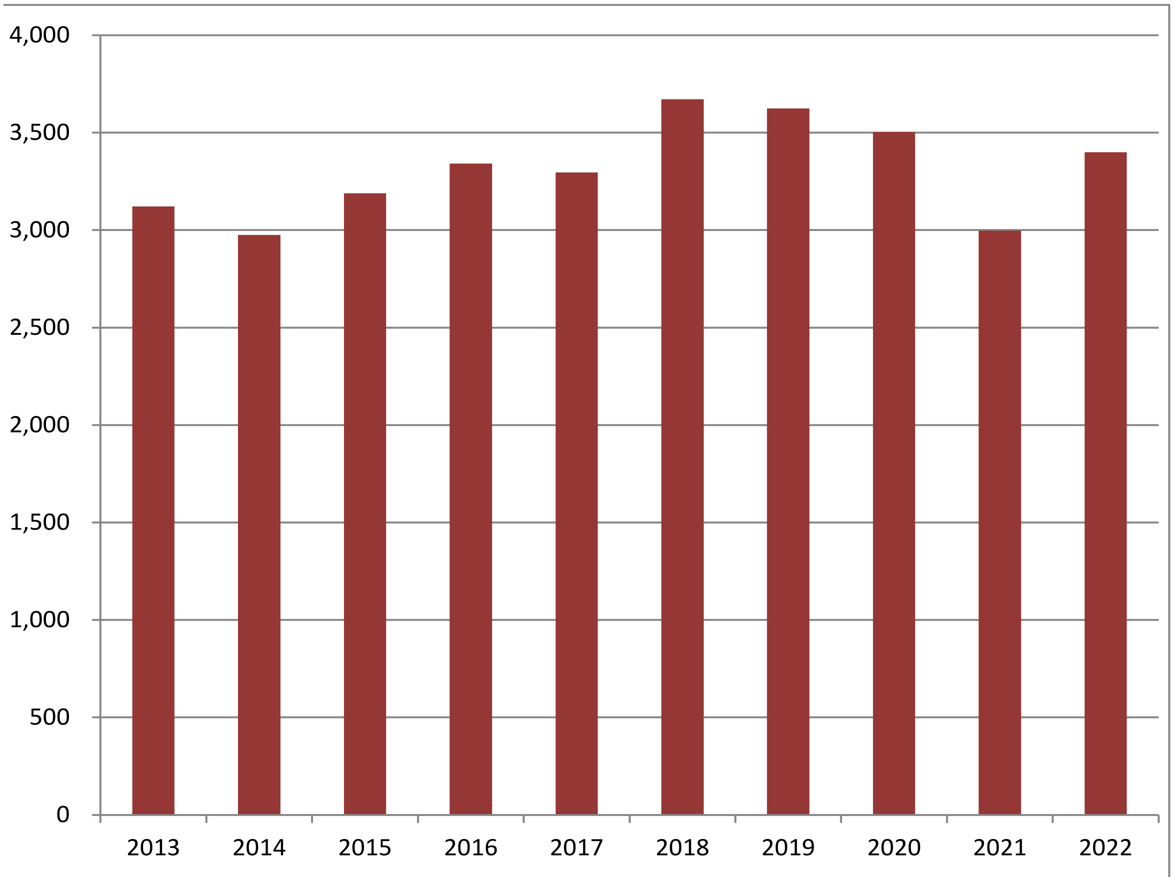
Source: State of California Department of Finance, Employment Development Department.
Table above is the most recent available

Moraga-Orinda Fire Protection District
Emergency Response Detail Analysis
Fiscal Year 2020 - 2021

Category	Number of Incidents	Percent of Total Responses
Fire	95	2.8%
Rescue & Emergency Medical Call	2,196	64.6%
Hazardous Condition	140	4.1%
Good Intent Call	40	1.2%
Special Service Call	255	7.5%
False Call	673	19.8%
Total	3,399	100.0%



Moraga-Orinda Fire Protection District
Total Emergency Responses
Last Ten Fiscal Years



Fiscal Year	Number of Emergency Responses
2013	3,121
2014	2,976
2015	3,189
2016	3,341
2017	3,296
2018	3,672
2019	3,624
2020	3,504
2021	2,998
2022	3,399

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*

Board of Directors
Moraga-Orinda Fire Protection District
Moraga, California

We have audited, 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, the financial statements of the governmental activities and each major fund of the Moraga-Orinda Fire Protection District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Menlo Park, California
July 31, 2023