

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023



Moraga-Orinda Fire Protection District
Moraga, California



This page left blank intentionally.



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023



**20
23**

PREPARED BY

THE ADMINISTRATIVE
SERVICES DIVISION

MORAGA, CALIFORNIA



This page left blank intentionally.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023**

Table of Contents

	<u>Page</u>
INTRODUCTORY SECTION	
Directory of Officials	v
Organizational Chart	vi
District Map	vii
Letter of Transmittal	ix
FINANCIAL SECTION	
Independent Auditor’s Report	1
Management’s Discussion and Analysis (Required Supplementary Information).....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	19
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – General Fund	23
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Tunnel East Bay Hills Fuel Break Fund.....	24
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Fire Risk Reduction Grant	25



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023**

Table of Contents

	<u>Page</u>
Basic Financial Statements, Continued:	
Notes to Basic Financial Statements	27
Required Supplementary Information:	
Pension Schedule of Contributions.....	60
Schedule of the District’s Proportionate Share of the Net Pension Liability	62
Schedule of the District’s OPEB Contributions	64
Schedule of the District’s Changes in Net OPEB Liability	66
Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Debt Service Fund	69
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual – Capital Projects Fund	70
STATISTICAL SECTION (unaudited)	
Net Position by Component	72
Changes in Net Position.....	74
Fund Balances, Governmental Funds.....	76
Changes in Fund Balances, Governmental Funds.....	78
Assessed Value and Actual Value of Taxable Properties.....	80
Direct and Overlapping Property Tax Rates.....	82
Principal Property Taxpayers.....	84
Property Tax Levies and Collections	86
Ratio of Outstanding Debt by Type.....	87
Direct and Overlapping Debt.....	88
Legal Bonded Debt Margin.....	90
Demographic and Economic Statistics.....	92
Emergency Response Detail Analysis.....	93
Total Emergency Responses.....	94



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023**

Table of Contents

	<u>Page</u>
COMPLIANCE SECTION	
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 <i>Government Auditing Standards</i>	95



This page left blank intentionally.



MORAGA-ORINDA FIRE PROTECTION DISTRICT ANNUAL COMPREHENSIVE FINANCIAL REPORT

DIRECTORY OF OFFICIALS

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

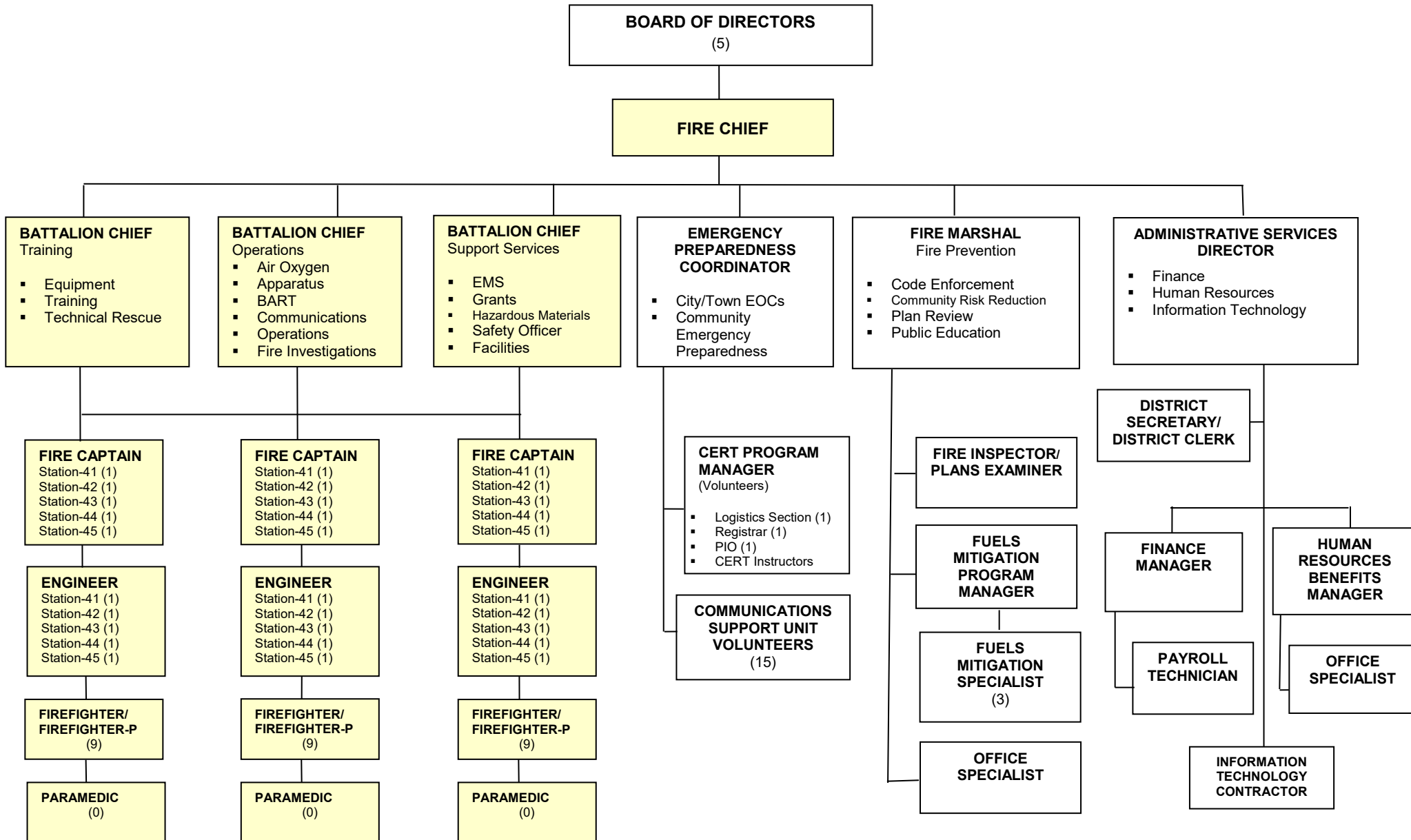
Gorden Graham
Fuels Mitigation Manager

Mary Smith
Finance Manager



Moraga-Orinda Fire District ORGANIZATIONAL STRUCTURE

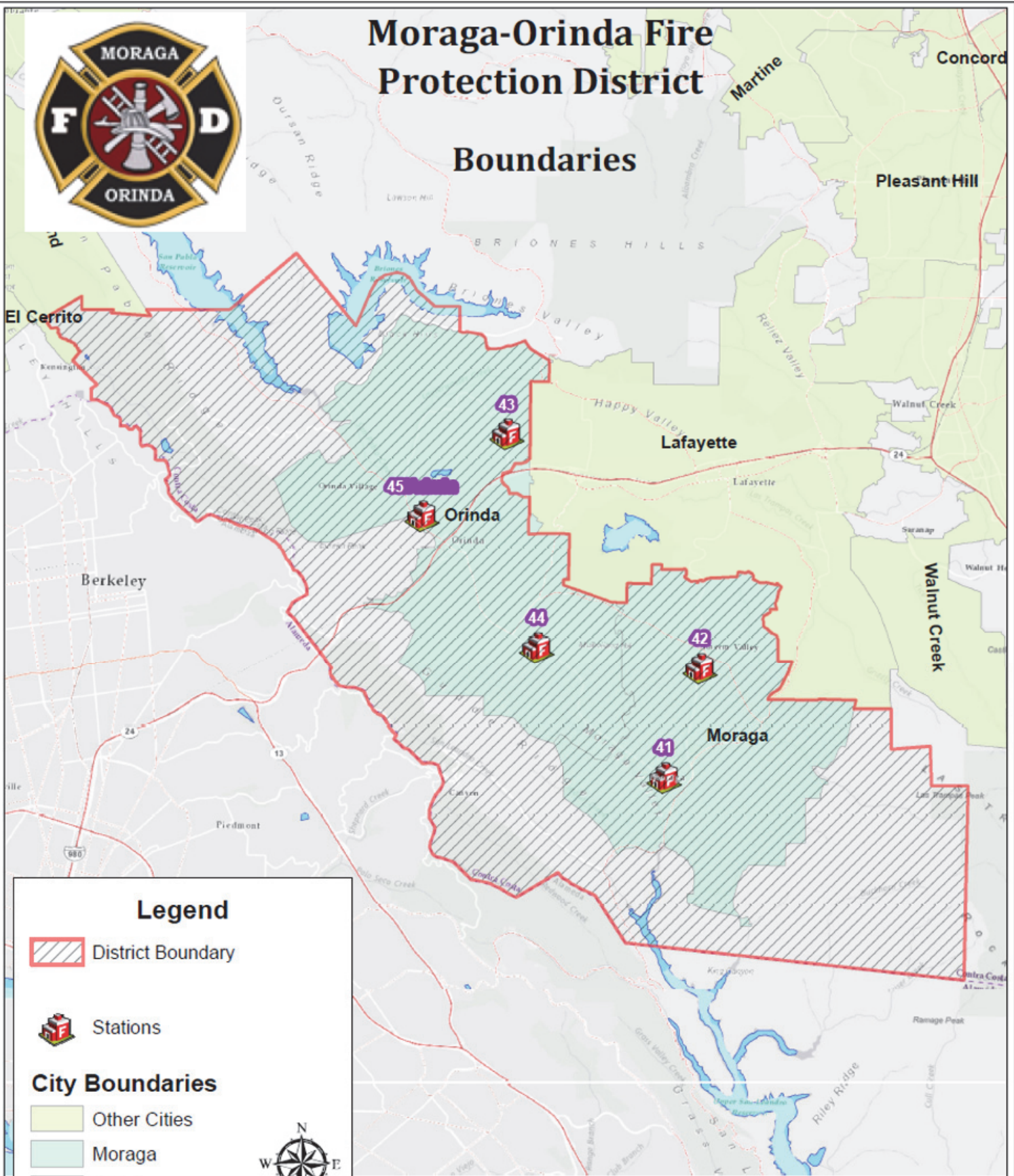
July 2023






Moraga-Orinda Fire Protection District

Boundaries





Legend

 District Boundary

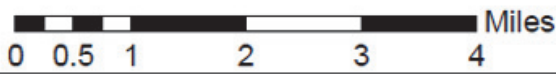
 Stations

City Boundaries

 Other Cities

 Moraga

 Orinda





This page left blank intentionally.



Moraga-Orinda Fire District

November 1, 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, 2023. This is the ninth 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 independent 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 67 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, 2023, unrestricted fund balance in the General Fund was 50.9% 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 Maze & Associates 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 entered the new endemic phase this fiscal year where the virus is not fully controlled or eliminated but is much less widespread. The California COVID-19 State of Emergency ended February 28, 2023. The District continued to use modified procedures when appropriate in order to provide emergency medical services to the community while maintaining employee safety. As a result of disruptions during the pandemic phase of COVID-19, the District has experienced lingering volatility in call volume and associated EMS transport revenue streams. Similar volatility has been experienced in property tax revenue and construction plan volume.
- Fire, Rescue, and EMS – The District continued to provide all-risk response to residents and visitors to our community. Major initiatives included expanded regional training, state wide deployments of both engine companies and overhead positions, and interoperability with surrounding fire departments.
- Fuels Mitigation and Home Hardening – 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 create a fire adapted community through the reduction of combustible fuels and an increase in ember resistant homes. The District focused on pile burning, seasonal community chipping, wildfire safety property inspections, expanded fire code enforcement, outreach/education activities, and incentive programs. These efforts were guided by relevant portions of the District's Wildfire Prevention Strategic Plan and Community Wildfire Prevention Plan. The program includes free chipping services for District residents, expanded fire risk assessment services, adoption of a progressive fire code, and defensible space and fuel break ordinances. In addition, the Board approved a new pilot Home Hardening Grant program and allocated \$500,000 of District funds to finance the new program. The Home Hardening Grant program provides grants up to \$1,000 per parcel for the purchase of ember resistant vents. The program also provides ember resistant screen to residents at no cost.
- 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. The project work continued during FY2023.

- Fiscal Sustainability – A primary goal in FY2023 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 \$3,189,855 resulting in total unassigned reserves of \$17,470,546 or 50.9% 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 \$366,640. 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 FY2023 the District contributed \$2,108,577 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 underperformed investment return targets by 18% 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 49.7% to 50.9% 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. The District achieved the goal on June 30, 2023.

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 stations, 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 started the Station 41 and Administration building replacement or the Station 45 remodel. These projects will be addressed in future fiscal years.

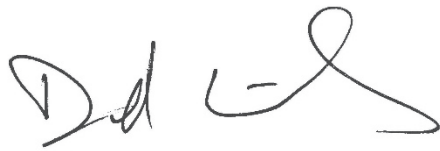
Acknowledgements

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,

A handwritten signature in black ink, appearing to read "David Winnacker". The signature is fluid and cursive, with a large initial "D" and a long, sweeping tail.

David Winnacker
Fire Chief

A handwritten signature in black ink, appearing to read "Gloriann Sasser". The signature is cursive and somewhat stylized, with a prominent "G" and "S".

Gloriann Sasser, CPA
Administrative Services Director



This page left blank intentionally.

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 accompanying 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, 2023, 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, 2023, and the respective changes in financial position and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and other Required Supplementary Information as listed in the Table of Contents 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 accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is 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 Supplementary Information is 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 Section and Statistical Section listed in the Table of Contents 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 November 1, 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.

Maze & Associates

Pleasant Hill, California
November 1, 2023



Moraga-Orinda Fire Protection District

Annual Comprehensive Financial Report

For the year ended June 30, 2023

Management's Discussion and Analysis

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, 2023. 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 continued 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 2022/23. 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 volatile in the past creating increased uncertainty in the future. The District's pension liability and associated CCCERA payments are projected to significantly increase throughout the next five years.

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: Continued Pension Rate Stabilization Fund and OPEB Trust Fund contributions at the full actuarial recommended rate, Wildfire risk reduction efforts, Station 41 replacement, 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.



Moraga-Orinda Fire Protection District

Annual Comprehensive Financial Report

For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

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 *Statement 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 *Statement 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 17 and 18 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.



Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

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, Tunnel East Bay Hills Fuel Break Fund and the Fire Risk Reduction Grant 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 27 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.



Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the year ended June 30, 2023

Management’s Discussion and Analysis, Continued

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	
	2023	2022
Cash and investments	\$ 26,180,131	\$ 18,732,841
Restricted cash and investments	-	1,688,612
Other assets	2,298,502	2,619,872
Other restricted assets	10,003,244	6,845,315
Capital assets, net	11,393,330	12,116,994
Total assets	49,875,207	42,003,634
Deferred outflows of resources – pension plans	58,418,393	2,706,237
Deferred outflows of resources – OPEB	487,850	275,574
Total deferred outflows of resources	58,906,243	2,981,811
Current liabilities	1,552,348	3,436,286
Noncurrent liabilities	66,333,489	25,564,046
Total liabilities	67,885,837	29,000,332
Deferred inflows of resources – pension	25,910,430	6,253,451
Deferred inflows of resources – OPEB	711,228	1,244,828
Total deferred inflows of resources	26,621,658	7,498,279
Net Position:		
Net investment in capital assets	9,030,757	9,499,994
Restricted	10,055,341	1,649,246
Unrestricted (deficit)	(4,812,143)	(2,662,406)
Total net position	\$ 14,273,955	\$ 8,486,834

The District’s total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$14,273,955 as of June 30, 2023. 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 \$10,055,341 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 \$4,812,143 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 unrestricted deficit net position as of both June 30, 2023 and 2022.



Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

One of the largest numbers above is deferred outflows of resources – pension plans \$58,418,393 which is comprised of the following:

- Net excess of projected over actual earnings on pension plan investments (lower earnings were achieved than projected in the investment portfolio) - \$30,329,876
- Changes in proportion and differences between employer's contributions and proportionate share of contributions calculated in accordance with GAS 68. There are changes in the District's proportionate share of CCCERA's total collective net pension liability and collective deferred outflows of resources due to a significant change from 2021 to 2022 when the CCCERA total net pension liability increased from a surplus of \$243 million to a liability of \$1,698 million primarily due to stock market volatility. The amount is recognized over the average of the expected remaining service lives of all employees which is 4.4 years. The expensed portion of deferred outflows of resources changed from (\$8,491,037) to \$7,264,958 - \$18,938,693
- Changes of assumptions and other inputs. There was one change in actuarial assumptions; the assumption for administrative expenses decreased from 1.15% to 1.13%. - \$3,744,898
- Difference between actual and expected experience in the Total Pension Liability due to salary increases greater than expected mortality, retirement, disability and termination experience - \$2,881,194
- Contributions to the pension plan subsequent to the measurement date \$2,523,732

Another significant number above is deferred inflows of resources – pension \$25,910,430 which is comprised of the following:

- Changes in proportion and differences between employer's contributions and proportionate share of contributions calculated in accordance with GAS 68. There are changes in the District's proportionate share of CCCERA's total collective net pension liability and collective deferred inflows of resources due to a significant change from 2021 to 2022 when the CCCERA total net pension liability increased from a surplus of \$243 million to a liability of \$1,698 million primarily due to stock market volatility. The amount is recognized over the average of the expected remaining service lives of all employees which is 4.4 years. The expensed portion of deferred inflows of resources changed from \$12,730,227 to (\$9,832,083) -\$25,634,174
- Changes of assumptions - \$176,042
- Difference between expected and actual experience in the Total Pension Liability -\$100,214

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

- Cash and investments increased \$7,447,290 from the prior year. This was primarily due to a surplus in the General Fund and Capital Projects Fund.
- Restricted cash and investments decreased \$1,688,612 due to the final payment of the pension obligation bonds.
- Other restricted assets increased by \$3,157,929 due to contributions made to the Pension Rate Stabilization Fund and investment earnings on the Fund.
- Capital assets decreased \$723,664, primarily due to depreciation.



Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

- Deferred outflows of resources related to the pension and OPEB increased \$55,712,156 primarily due to the net difference between projected and actual earnings on pension plan investments, differences in employer contributions and changes in actuarial assumptions. Actual earnings on pension plan investments were -11.3% and projected earnings were 6.75%, resulting in an investment loss of -18.05%. The District's proportion of the collective net pension liability increased from -4.434% to 3.012%. There was one change in actuarial assumptions; the assumption for administrative expenses decreased from 1.15% to 1.13%.
- Noncurrent liabilities increased \$40,769,443 primarily due to an increase in the net pension liability due to CCCERA. The net pension liability increased from \$10,772,836 to \$51,161,267 primarily as a result of an unfavorable return on the fair value of assets of -11.3% during calendar year 2022 that was less than the assumed rate of return of 6.75% for an investment loss of -18.05%.
- Deferred inflows of resources related to the pension and OPEB plans increased \$19,123,379 due to differences between employer contributions and proportionate share of contributions. The District's proportionate share of the collective net pension liability changes each year and increased from -4.434%* to 3.012% resulting in deferred inflows that will be recognized as pension expense in future years. The deferred inflows and outflows will be amortized on a net basis over four years as follows: FY2024 \$1,866,394, FY2025 \$4,017,691, FY2026 \$9,333,724 and FY2027 \$14,766,419. *CCCERA had a net pension surplus in 2021 and the District's proportionate share was a net pension liability. As a result, the District's proportionate share was a negative number.
- Investment in capital assets decreased \$469,237 primarily due depreciation.
- Restricted net position includes investments held in a Section 115 pension trust fund in the amount of \$10,003,244 and money held for a State project in the amount of \$52,097.
- The District has \$4,812,143 of unrestricted net deficit as of June 30, 2023.

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.



Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the year ended June 30, 2023

Management’s Discussion and Analysis, Continued

	Governmental Activities	
	2023	2022
Expenses		
Fire protection - operations	\$ 31,252,120	\$ 11,441,788
Interest	53,116	152,170
Total expenses	<u>31,305,236</u>	<u>11,593,958</u>
Revenues		
Program revenues:		
Charges for services	1,274,954	2,109,256
Operating grants and contributions	723,969	698,836
Total program revenues	<u>1,998,923</u>	<u>2,808,092</u>
General revenues:		
Property taxes	31,432,861	28,930,857
Fire flow taxes	1,103,451	1,096,800
Investment earnings	1,213,653	(1,056,101)
State and federal grants	-	149,898
Other revenues	1,343,469	1,751,603
Total general revenues	<u>35,093,434</u>	<u>30,873,057</u>
Change in net position	5,787,121	22,087,191
Net position - beginning	8,486,834	(13,600,357)
Net position - ending	<u>\$ 14,273,955</u>	<u>\$ 8,486,834</u>

Expenses

Fire protection – operations expenses totaled \$31,252,120 for fiscal year 2023. This was an increase from the prior year of \$19,810,332 primarily due to a one time pension credit recognized in the prior year of \$15,346,085 which resulted from pension investment earnings exceeding projections in fiscal year 2022 which reduced expenses in fiscal year 2022. Pension investment earnings were less than projected in fiscal year 2023 which increased expenses to \$31,252,120. Expenses on a budgetary basis decreased from \$28,562,972 to \$28,397,434 due to 4% salary increases offset by less overtime costs and lower retirement costs in FY2023. Overtime costs were lower due to fewer strike team deployments as a result of a less active wildfire season and unfilled vacancies. Of note, strike team overtime expense is highly variable from year to year. Lower retirement costs were the result of lower retirement rates set by CCCERA and position vacancies.

Program Revenues

Program revenues classified as “Charges for Services” in the amount of \$1,274,954 include revenue for ambulance service fees, plan review fees and inspection fees. Program revenues classified as “Operating Grants and Contributions” in the amount of \$723,969 include revenue from the State of California and Contra Costa County.



Moraga-Orinda Fire Protection District Annual Comprehensive Financial Report For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

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 \$31,432,861 and increased \$2,502,004 or 8.65%. In addition, the District collects a fire flow tax, which amounted to \$1,103,451 in fiscal year 2023. Investment earnings increased \$2,269,754 due to increased interest rates and due to earnings on investments in the pension trust fund and OPEB account. The other revenue category decreased \$408,134 due to a decrease in strike team activity. The amounts collected this year were strike team revenue of \$1,006,319 and other revenue of \$337,150 totaling \$1,343,469.

Government Activities – Governmental Funds

At June 30, 2023, the District's governmental funds reported combined fund balances of \$36,625,760. This is an increase of \$8,005,328 compared to the prior year. Unassigned fund balance of \$17,470,546 is available for spending at the District's discretion. The rest of the District's fund balance is either non-spendable, restricted, committed or assigned to indicate that it is 1) non-spendable for prepaid items \$476,764; 2) legally required to be maintained intact \$10,055,341; 3) committed for particular purposes \$7,990,471; or assigned for particular purposes \$632,638.

Analysis – General Fund

The General Fund is the chief operating fund of the District. During the current fiscal year, fund balance increased \$6,178,345. Unassigned fund balance at June 30, 2023, which is available for spending at the District's discretion, was \$17,470,546.

General Fund revenues increased \$5,071,120 or 16.6% over the prior fiscal year. Property tax revenue increased \$4,232,873 or 15.6% in the General Fund. Ambulance services revenue decreased \$745,320 or 40.4% due to increased write offs of uncollectible accounts. General Fund expenditures increased \$88,355 or 0.3% from the prior fiscal year. Salaries increased \$151,258 or 1.4% primarily due to the annual salary increase. Overtime decreased \$188,174 or 5.4% due to reduced strike team activity. Benefits and retirement contribution costs decreased \$95,065 or 1.2% due to vacant firefighter paramedic positions and a decrease in the employer retirement rates. Also, services and supplies expenditures increased \$171,430 or 6.0% primarily due to establishment of a new residential fuels mitigation and home hardening program and due to increased equipment and vehicle maintenance costs.

Tunnel East Bay Hills Fuel Break Fund

The Tunnel East Bay Hills Fuel Break Special Revenue Fund, a major governmental 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. The fund received grant revenue of \$311,618 from the State of California and used the grant funds to pay for professional services and exterior hazard abatement costs in the amount of \$278,231. This activity resulted in an increase in fund balance during the current fiscal year of \$33,387 to bring the year end fund balance to \$50,959.



Moraga-Orinda Fire Protection District Annual Comprehensive Financial Report For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

Fire Risk Reduction Grant Fund

The Fire Risk Reduction Grant Special Revenue Fund was established in fiscal year 2023 as a major governmental fund to account for the activities of a three-year pilot program for two Wildland Fire Specialists to work with residents to mitigate fire risk. The fund received grant revenue of \$33,148 from the State of California and used the grant funds to pay for salaries and benefits and supplies for two employees for part of the fiscal year in the amount of \$32,010. This activity resulted in ending fund balance of \$1,138.

Debt Service Fund

The Debt Service Fund, a major governmental fund, had a decrease in fund balance during the current year of \$1,688,612 to bring the year end fund balance to \$0. The decrease is due to the final principal payment made to the District's Taxable Pension Obligation Bonds (bonds). The bonds were paid-in-full on July 1, 2022.

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 an increase in fund balance during the current fiscal year in the amount of \$3,481,070. This was primarily due to a transfer from the General Fund in the amount of \$3,100,000 to accumulate funds to pay for future construction of a new Fire Station 41. The fund had capital outlay expenditures of \$484,956 which were used to purchase five new pick-up trucks. The fund reports committed fund balance of \$7,976,471 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 \$0. The District's bonds payable decreased \$1,645,000 during the fiscal year. The bonds were paid-in-full on July 1, 2022. The average coupon rate was 5.22% and the terms of the agreement did not allow it to be prepaid. The District's financed purchase debt decreased by \$267,000. The debt is discussed in Note 6.



Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the year ended June 30, 2023

Management’s Discussion and Analysis, Continued

Capital Assets

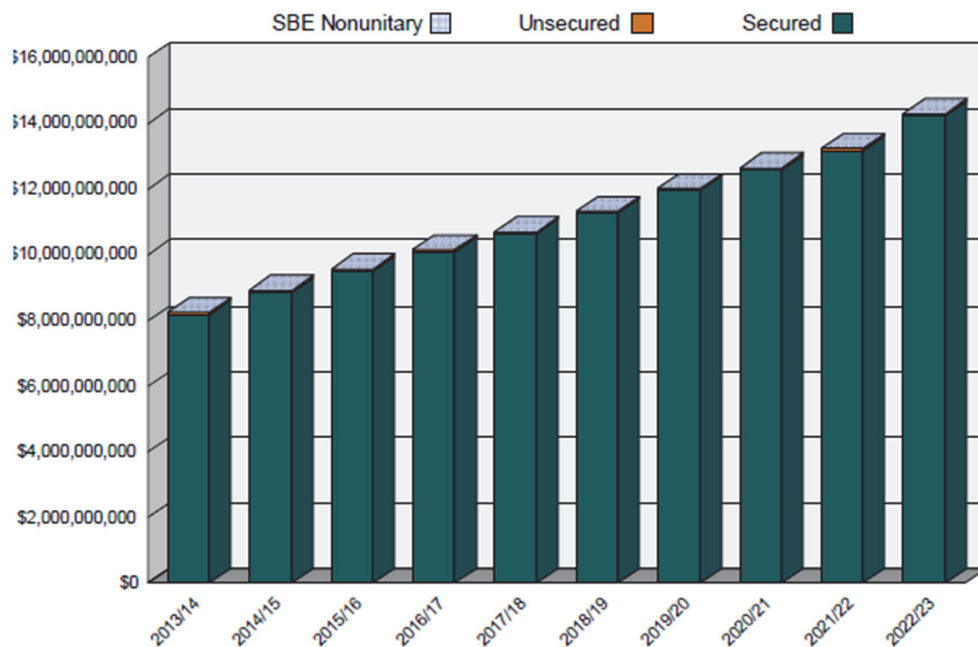
As of June 30, 2023, the District’s capital assets net of accumulated depreciation totaled \$11,393,330 which is a decrease of \$723,664 over the capital assets net of accumulated depreciation at June 30, 2022. Capital assets include the District’s entire major infrastructure incorporating land, fire 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 4. Significant capital asset activity during the current fiscal year included the addition of five new pick-up trucks.

Economic Outlook

During fiscal year 2023 the District continued to improve its financial condition. Unassigned fund balance in the General Fund increased to \$17,470,546 at June 30, 2023, or 50.9% of budgeted General Fund revenue. Looking ahead, the District adopted a General Fund budget with a deficit of \$632,638 for fiscal year 2023/24. 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 5.26%. Assessed valuation increased 8.1% in 2022/23 as detailed here.





Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the year ended June 30, 2023

Management’s Discussion and Analysis, Continued

The local housing market has been strong, with the median sale price of a single-family home in the District increasing 5.48% as detailed here:



Salaries and benefits costs are projected to increase 6% in FY2024. The increase is due to negotiated salary increases, an increase in the number of filled positions, and an increase in retirement costs.

The FY2024 budget projects a General Fund deficit of \$632,638. The District will continue to closely monitor future revenue and expenditure effects of rising interest rates, inflation, rising retirement costs and 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 2022/23 the District made the annual contribution to the trust account in the amount of \$366,640. 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.



Moraga-Orinda Fire Protection District Annual Comprehensive Financial Report For the year ended June 30, 2023

Management's Discussion and Analysis

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. In calendar year 2022, CCCERA's net market value investment return was minus 11.25%, significantly underperforming the target performance of 6.75% resulting in a net underperformance of approximately 18.00%. As a result of these losses, pension payments for PEPRA and non-PEPRA safety members are projected to increase 10.5% in FY25, 4.18% in FY26, 4.27% in FY27, 3.29% in FY28 and 1.54% in FY29. 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. The District's net pension liability increased significantly in FY2023 from \$10,772,836 to \$51,161,267 primarily due to investment underperformance.

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 2022/23 the District contributed \$2,108,577 to the fund. The balance in the account as of June 30, 2023 was \$10,003,244.

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. The District achieved the goal at June 30, 2023 with a general fund reserve level of 50.9%. 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, 2023

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
Current assets:	
Cash and investments	\$ 26,180,131
Receivables, net	1,821,738
Prepaid items	476,764
Total current assets	<u>28,478,633</u>
Noncurrent assets:	
Restricted pension trust assets	10,003,244
Capital Assets, non-depreciable	502,000
Capital assets, depreciable net	10,891,330
Total noncurrent assets	<u>21,396,574</u>
Total assets	<u>49,875,207</u>
Deferred outflows of resources	
Deferred outflows of resources - pension plans	58,418,393
Deferred outflows of resources - OPEB	487,850
Total deferred outflows	<u>58,906,243</u>
Total assets and deferred outflows of resources	<u>\$ 108,781,450</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 142,926
Salaries and benefits payable	946,339
Interest payable	12,573
Compensated absences - current portion	178,510
Current portion of long-term debt	272,000
Total current liabilities	<u>1,552,348</u>
Noncurrent liabilities:	
Compensated absences	671,538
Due after one year portion of long-term debt	2,078,000
Deferred revenue	766,852
Net OPEB liability	11,655,832
Net pension liability	51,161,267
Total noncurrent liabilities	<u>66,333,489</u>
Total liabilities	<u>67,885,837</u>
Deferred inflows of resources	
Deferred inflows of resources - pension plans	25,910,430
Deferred inflows of resources - OPEB	711,228
Total deferred inflows of resources	<u>26,621,658</u>
Total liabilities and deferred inflows of resources	<u>94,507,495</u>
Net position	
Net investment in capital assets	9,030,757
Restricted for:	
State projects	52,097
Pension benefits	10,003,244
Unrestricted (deficit)	(4,812,143)
Total net position	<u>14,273,955</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 108,781,450</u>

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, 2023

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental activities:				
Fire protection - operations	\$ 31,252,120	\$ 1,274,954	\$ 723,969	\$ (29,253,197)
Interest on long-term debt	53,116	-	-	(53,116)
Total governmental activities	\$ 31,305,236	\$ 1,274,954	\$ 723,969	(29,306,313)
General revenues:				
Taxes:				
Property taxes				31,432,861
Fire flow taxes				1,103,451
Investment earnings				1,213,653
Other revenues				1,343,469
Total general revenues				<u>35,093,434</u>
Change in net position				5,787,121
Net position:				
Net position - beginning				8,486,834
Net position - ending				<u>\$ 14,273,955</u>

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



Moraga-Orinda Fire Protection District

Balance Sheet

Governmental Funds

June 30, 2023

	Major Funds					Total Governmental Funds
	General Fund	Tunnel East Bay Hills Fuel Break Fund	Fire Risk Reduction Grant Fund	Debt Service Fund	Capital Projects Fund	
ASSETS						
Cash and investments	\$ 17,441,848	\$ -	\$ 775,098	\$ -	\$ 7,963,185	\$ 26,180,131
Receivables:						
Taxes	379,887	-	-	-	-	379,887
Interest	106,595	-	-	-	13,286	119,881
Intergovernmental	-	58,091	-	-	-	58,091
Ambulance billing, net	907,646	-	-	-	-	907,646
Other receivable	356,233	-	-	-	-	356,233
Due from other funds	7,132	-	-	-	-	7,132
Prepaid items	476,764	-	-	-	-	476,764
Restricted pension trust assets	10,003,244	-	-	-	-	10,003,244
Total assets	\$ 29,679,349	\$ 58,091	\$ 775,098	\$ -	\$ 7,976,471	\$ 38,489,009
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 142,926	\$ -	\$ -	\$ -	\$ -	\$ 142,926
Due to other funds	-	7,132	-	-	-	7,132
Deferred revenue	-	-	766,852	-	-	766,852
Salaries and benefits payable	939,231	-	7,108	-	-	946,339
Total liabilities	1,082,157	7,132	773,960	-	-	1,863,249
Fund balances:						
Nonspendable for prepaid items	476,764	-	-	-	-	476,764
Restricted for state projects	-	50,959	1,138	-	-	52,097
Restricted for pension benefits	10,003,244	-	-	-	-	10,003,244
Committed for encumbrances/ capital projects	14,000	-	-	-	7,976,471	7,990,471
Assigned for budgetary deficit	632,638	-	-	-	-	632,638
Unassigned	17,470,546	-	-	-	-	17,470,546
Total fund balances	28,597,192	50,959	1,138	-	7,976,471	36,625,760
Total liabilities and fund balances	\$ 29,679,349	\$ 58,091	\$ 775,098	\$ -	\$ 7,976,471	\$ 38,489,009

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, 2023

Total fund balances reported on the governmental funds balance sheet \$ 36,625,760

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. 11,393,330

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	58,906,243	
Deferred inflows	<u>(26,621,658)</u>	32,284,585

Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds balance sheet.

Net pension liability	(51,161,267)	
Compensated absences	(850,048)	
Net OPEB liability	(11,655,832)	
Interest payable	(12,573)	
Long term debt	<u>(2,350,000)</u>	<u>(66,029,720)</u>

Net position of governmental activities \$ 14,273,955

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, 2023

	Major Funds					Total Governmental Funds
	General Fund	Tunnel East Bay Hills Fuel Break Fund	Fire Risk Reduction Grant Fund	Debt Service Fund	Capital Projects Fund	
REVENUES:						
Property taxes	\$ 31,432,861	\$ -	\$ -	\$ -	\$ -	\$ 31,432,861
Fire flow taxes	-	-	-	-	1,103,451	1,103,451
Use of money and property	1,304,183	-	-	1,073	(91,603)	1,213,653
Intergovernmental	379,203	311,618	33,148	-	-	723,969
Charges for services	168,535	-	-	-	8,000	176,535
Charges for services - ambulance	1,098,419	-	-	-	-	1,098,419
Other revenues	1,179,219	-	-	-	164,250	1,343,469
Total revenues	35,562,420	311,618	33,148	1,073	1,184,098	37,092,357
EXPENDITURES:						
Fire protection:						
Salaries	10,723,172	-	21,028	-	-	10,744,200
Overtime	3,298,033	-	-	-	-	3,298,033
Benefits	8,052,171	-	1,484	-	-	8,053,655
OPEB contribution	366,640	-	-	-	-	366,640
Retiree health insurance	812,956	-	-	-	-	812,956
Service and supplies	3,035,885	278,231	9,498	-	11,747	3,335,361
Capital outlay	-	-	-	-	484,956	484,956
Debt service:						
Principal	-	-	-	1,912,000	-	1,912,000
Interest and fiscal charges	-	-	-	97,481	-	97,481
Total expenditures	26,288,857	278,231	32,010	2,009,481	496,703	29,105,282
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,273,563	33,387	1,138	(2,008,408)	687,395	7,987,075
OTHER FINANCING SOURCES AND USES:						
Proceeds from sales of capital assets	3,032	-	-	-	15,221	18,253
Transfers in	1,750	-	-	321,546	3,100,000	3,423,296
Transfers out	(3,100,000)	-	-	(1,750)	(321,546)	(3,423,296)
Total other financing sources	(3,095,218)	-	-	319,796	2,793,675	18,253
Net change in fund balances	6,178,345	33,387	1,138	(1,688,612)	3,481,070	8,005,328
FUND BALANCES:						
Beginning of year	22,418,847	17,572	-	1,688,612	4,495,401	28,620,432
End of year	\$ 28,597,192	\$ 50,959	\$ 1,138	\$ -	\$ 7,976,471	\$ 36,625,760

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, 2023

Net change in fund balances - total governmental funds			\$ 8,005,328
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	247,611		
Depreciation expense	(971,275)		(723,664)
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	1,645,000		
Repayment of financed purchase	267,000		1,912,000
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	(4,333,254)		
Change in long-term compensated absences	93,789		
Change in interest payable	44,365		
Change in Net OPEB liability and deferrals	788,557		(3,406,543)
Change in net position of governmental activities			<u>\$ 5,787,121</u>

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, 2023

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
REVENUES:				
Property taxes	\$ 30,358,891	\$ 30,657,096	\$ 31,432,861	\$ 775,765
Use of money and property	5,000	50,000	424,270	374,270
Intergovernmental	233,148	627,606	379,203	(248,403)
Charges for services	240,350	188,328	168,535	(19,793)
Charges for services - ambulance	1,742,242	1,434,526	1,098,419	(336,107)
Other revenues	932,500	1,340,000	1,179,219	(160,781)
Total revenues	33,512,131	34,297,556	34,682,507	384,951
EXPENDITURES:				
Current:				
Fire protection:				
Salaries	11,477,956	11,090,000	10,723,172	366,828
Overtime	2,480,000	3,650,000	3,298,033	351,967
Benefits	9,017,593	8,705,004	8,052,171	652,833
OPEB contribution	350,923	366,640	366,640	-
Pension rate stabilization fund	2,108,577	2,108,577	2,108,577	-
Retiree health insurance	871,000	875,000	812,956	62,044
Service and supplies	3,814,472	3,902,660	3,035,885	866,775
Total expenditures	30,120,521	30,697,881	28,397,434	2,300,447
REVENUES OVER EXPENDITURES	3,391,610	3,599,675	6,285,073	2,685,398
OTHER FINANCING SOURCES:				
Transfers in	-	1,750	1,750	-
Transfers out	(3,100,000)	(3,100,000)	(3,100,000)	-
Proceeds from sales of capital assets	-	560	3,032	2,472
Total other financing sources	(3,100,000)	(3,097,690)	(3,095,218)	2,472
Net change in fund balances	291,610	501,985	3,189,855	2,687,870
FUND BALANCES:				
Beginning of year	22,418,847	22,418,847	22,418,847	-
End of year	<u>\$ 22,710,457</u>	<u>\$ 22,920,832</u>	25,608,702	<u>\$ 2,687,870</u>
Expenses recognized on non-GAAP budgetary basis:				
Pension stabilization			2,108,577	
Unrealized gain on investments			879,913	
			<u>\$ 28,597,192</u>	

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



Moraga-Orinda Fire Protection District

Schedule of Revenues, Expenditures, and Changes in Fund Balances -

Budget to Actual - Tunnel East Bay Hills Fuel Break Fund

For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
REVENUES:				
Intergovernmental	\$ 3,360,000	\$ 3,360,000	\$ 311,618	\$ (3,048,382)
Total revenues	3,360,000	3,360,000	311,618	(3,048,382)
EXPENDITURES:				
Current:				
Fire protection:				
Salaries	100,000	100,000	-	100,000
Benefits	6,250	6,250	-	6,250
Service and supplies	2,893,750	2,893,750	278,231	2,615,519
Total expenditures	3,000,000	3,000,000	278,231	2,721,769
Net change in fund balances	360,000	360,000	33,387	(326,613)
FUND BALANCES:				
Beginning of year	17,572	17,572	17,572	-
End of year	<u>\$ 377,572</u>	<u>\$ 377,572</u>	<u>\$ 50,959</u>	<u>\$ (326,613)</u>

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



Moraga-Orinda Fire Protection District
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - Fire Risk Reduction Grant
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
REVENUES:				
Intergovernmental	\$ 60,000	\$ 60,000	\$ 33,148	\$ (26,852)
Total revenues	60,000	60,000	33,148	(26,852)
EXPENDITURES:				
Fire protection:				
Salaries	33,152	33,152	21,028	12,124
Benefits	14,848	14,848	1,484	13,364
Service and supplies	12,000	12,000	9,498	2,502
Total expenditures	60,000	60,000	32,010	27,990
EXCESS OF REVENUES OVER EXPENDITURES	-	-	1,138	1,138
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 1,138	\$ 1,138

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



This page left blank intentionally.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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. On April 19, 2023, the Board of Directors adopted Resolution 23-08 approving a policy against use of the Corporation.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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 has no business-type activities to report.

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 Special Revenue Fund
- Fire Risk Reduction Grant Special Revenue Fund
- 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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Tunnel East Bay Hills Fuel Break Special Revenue 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.

Fire Risk Reduction Grant Special Revenue Fund

The Fire Risk Reduction Grant Special Revenue Fund is used to account for the activities of a three-year pilot program for two Wildland Fire Specialists to work with residents to mitigate fire risk.

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 operating transfers from the Capital Projects Fund.

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 operating transfers from the General Fund.

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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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*.

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.

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2023, the Tunnel East Bay Hills Fuel Break Special Revenue Fund had a interfund payable to the General Fund in the amount of \$7,132. All interfund receivables and payables are expected to be eradicated within 180 days.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

In addition, the General Fund transferred \$3,100,000 to the Capital Projects Fund for the Station 41 and Administration Rebuild Project. The Debt Service Fund transferred \$1,750 to the General Fund for residual interest earnings on the pension obligation bonds reserve fund, which was paid off in July 2022. The Capital Projects Fund transferred \$321,546 to the Debt Service Fund for debt service payments made by the District on the 2016 Purchase Agreement in fiscal year 2023.

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, 2023.

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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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.

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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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."



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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).

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 50.9% 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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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.

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 2022-23, the fire flow tax rate was established at six cents (\$0.06) in Moraga, and six cents (\$0.06) in Orinda.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Budgetary Accounting

The District Board of Directors establishes budgets for the General Fund, Special Revenue Funds, 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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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 Finance Manager 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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

2. CASH AND INVESTMENTS

A. At June 30, 2023, the District’s pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

	Balance
	June 30, 2023
Cash in bank	\$ 1,631,218
Cash and investments with Contra Costa County	9,781,193
State of California Local Agency Investment Fund (LAIF)	14,767,720
Total unrestricted cash equivalents and investments	26,180,131
(B) Restricted pension stabilization fund	10,003,244
Total cash and investments	<u>\$ 36,183,375</u>

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, 2023, 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, 2023 the District’s restricted investments did not have any amounts in money market funds.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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 and 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 and 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, 2023, the carrying amount of the District’s deposits was \$1,631,218 and the balances in financial institutions were \$1,631,218. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$1,381,218 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 \$14,767,720 which approximated fair value and was managed by the State Treasurer. The Board consists of five members as designated by State Statute.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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.

Restricted pension stabilization fund: On March 18, 2015, the Board adopted Resolution 15-06 approving the adoption of the Public Agencies Post-Employment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 Trust. This Trust will assist the District in mitigating the CCCERA contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code of the District's Investment Policy. The District elected a discretionary investment approach which allows the District to maintain oversight of the investment management, control on target yield and the portfolio's risk of tolerance, under the Moderately Conservative Index PLUS investment option. The assets in the Trust will eventually be used to fund pension plan obligations.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2023:

	Balance
	June 30, 2023
Taxes	\$ 379,887
Interest	119,881
Intergovernmental	58,091
Ambulance billing, net	907,646
Other receivable	356,233
Total accounts	<u>\$ 1,821,738</u>



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental activities:				
Nondepreciable assets:				
Land	\$ 502,000	\$ -	\$ -	\$ 502,000
Total nondepreciable	502,000	-	-	502,000
Depreciable assets:				
Buildings	11,387,495	-	-	11,387,495
Improvements	1,163,759	-	-	1,163,759
Equipment	2,058,439	7,436	-	2,065,875
Vehicles	7,385,131	240,175	(154,229)	7,471,077
Total depreciable assets	21,994,824	247,611	(154,229)	22,088,206
Total	\$ 22,496,824	\$ 247,611	\$ (154,229)	\$ 22,590,206
Accumulated depreciation:				
Buildings	\$ 4,774,355	\$ 333,074	\$ -	\$ 5,107,429
Improvements	614,780	69,569	-	684,349
Equipment	1,310,891	172,630	-	1,483,521
Vehicles	3,679,804	396,002	(154,229)	3,921,577
Total accumulated depreciation	10,379,830	971,275	(154,229)	11,196,876
Total net capital assets	\$ 12,116,994	\$ (723,664)	\$ -	\$ 11,393,330

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

	Balance June 30, 2023
Fire protection - operations	\$ 971,275



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2023:

	Balance
	June 30, 2023
Accounts payable and accrued liabilities	\$ 142,926
Salaries and benefits payable	946,339
Total	<u>\$ 1,089,265</u>

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, 2023:

	Balance			Balance	Due Within
	July 1, 2022	Additions	Retirements	June 30, 2023	One Year
Pension obligation bonds	\$ 1,645,000	\$ -	\$ (1,645,000)	\$ -	\$ -
Financed purchase	2,617,000	-	(267,000)	2,350,000	272,000
Total debt	4,262,000	-	(1,912,000)	2,350,000	272,000
Compensated absences	943,837	790,843	(884,632)	850,048	178,510
Total long-term liabilities	<u>\$ 5,205,837</u>	<u>\$ 790,843</u>	<u>\$ (2,796,632)</u>	<u>\$ 3,200,048</u>	<u>\$ 450,510</u>

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 matured on July 1, 2022.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

6. LONG-TERM LIABILITIES, Continued

2016 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.

The following is the debt service obligations of the District:

Year Ending June 30	2016 Purchase Agreement		
	Principal	Interest	Total
2024	\$ 272,000	\$ 48,835	\$ 320,835
2025	278,000	42,982	320,982
2026	284,000	37,001	321,001
2027	290,000	30,891	320,891
2028	297,000	24,642	321,642
2029-2032	929,000	35,075	964,075
Total	\$ 2,350,000	\$ 219,426	\$ 2,569,426
Due within one year	\$ 272,000	\$ 48,835	\$ 320,835
Due after one year	2,078,000	170,591	2,248,591
Total	\$ 2,350,000	\$ 219,426	\$ 2,569,426

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, 2023, the District had a compensated absences balance of \$850,048.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

7. NET POSITION/FUND BALANCES

Net Position

As of June 30, 2023, net position is as follows:

Net Position	June 30, 2023
Net investment in capital assets	\$ 9,030,757
Restricted for State projects	52,097
Restricted for Pension benefits	10,003,244
Unrestricted (deficit)	(4,812,143)
Total	<u>\$ 14,273,955</u>

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.

Fund Balance

As of June 30, 2023, the District's fund balances are as follows:

Fund Balances	June 30, 2023
Nonspendable for prepaid retirement	\$ 476,764
Restricted for State projects	52,097
Restricted for pension benefits	10,003,244
Committed for capital projects and encumbrances	7,990,471
Assigned for budgetary deficit	632,638
Unassigned	17,470,546
Total	<u>\$ 36,625,760</u>

The following describes the purpose of each fund balance classification 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

- **State Project** – represents amounts restricted for Tunnel East Bay Hills Fuel Break and Fire Risk Reduction Grant.
- **Pension Benefits** – represents amounts restricted for payment of pension liabilities.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

7. NET POSITION/FUND BALANCES, Continued

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.

Assigned

- **General Fund** – represents amounts assigned to be used for a budgetary deficit.

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:

Property

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.

Crime

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 \$2,000,000 for any criminal loss, with a deductible of \$1,000.

General Liability

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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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 \$7,500 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 \$5,000 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 \$5,000
Crime	FAIRA	\$2,000,000 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 \$5,000



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

9. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)

At June 30, 2023, the District’s net OPEB liability and related deferred inflows and outflows of resources are as follows:

	<u>Governmental Activities</u>
Deferred inflows of resources	<u>\$ 711,228</u>
Deferred outflows of resources	<u>\$ 487,850</u>
Net OPEB liability	<u>\$ 11,655,832</u>

A. Plan Description

In addition to the retirement plan described in Note 10, 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:

	<u>Unrepresented</u>	<u>All Others</u>
Single	\$ 575.75	\$ 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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

9. 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	<u>93</u>
Total	<u>159</u>

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, 2023, the District’s expected contribution rate was 14% of covered-employee payroll.

D. Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

E. Actuarial Assumptions

The total OPEB liability in the June 30, 2023 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	2.50%
Aggregate salary increases (Individual salary increases based on CCCERA)	3.00%
Investment rate of return	6.25%
Mortality rates	Based on CCCERA actuarial valuation
Mortality improvement scale	Based on CCCERA actuarial valuation
Healthcare cost trend rate	6.50% in the first year, trending down to 3.94% over 55 years



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

9. 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	88%	5.35%
Fixed Income	5%	1.84%
Real Estate	7%	4.10%
Total	100%	



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

9. 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, 2022	\$14,496,567	\$ 2,798,054	\$ 11,698,513
Changes recognized for year:			
Service cost	344,672	-	344,672
Interest	893,418	-	893,418
Difference between expected and actual experience	183,033	-	183,033
Changes of assumptions	396,197	-	396,197
Contributions:			
Employer - District's Contribution	-	1,179,596	(1,179,596)
Employer - Implicit Subsidy	-	296,954	(296,954)
Net investment income	-	399,398	(399,398)
Benefit payments, including refunds of employee contributions	(812,956)	(812,956)	-
Implicit rate subsidy fulfilled	(296,954)	(296,954)	-
Administrative expenses	-	(15,947)	15,947
Net changes	707,410	750,091	(42,681)
Balance at June 30, 2023	\$15,203,977	\$ 3,548,145	\$ 11,655,832

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%)
\$ 13,154,816	\$ 11,655,832	\$ 10,364,324



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

9. 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 2.94%)	Healthcare Cost Trend Rates (6.50% decreasing to 3.94%)	Trend Rate +1% (7.50% decreasing to 4.94%)
\$ 11,210,164	\$ 11,655,832	\$ 12,146,282

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

For the fiscal year ended June 30, 2023, the District recognized OPEB credit of \$788,557. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows 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	\$ 167,080	\$ (441,659)
Changes of Assumptions	297,148	(269,569)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	23,622	-
Total	\$ 487,850	\$ (711,228)



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

9. 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 and deferred inflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2024	\$ (336,307)
2025	(64,712)
2026	219,556
2027	(41,915)
	<u>\$ (223,378)</u>

10. 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.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

10. PENSION PLAN, Continued

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Safety</u>	<u>Non-Safety</u>
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%	8.04% - 15.86%
Required employer contribution rates	70.35%, 59.63% new hires	29.30%, 24.54% 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, 2023 was \$5,343,953, 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, 2023, the District reported a liability of \$51,161,267 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, 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, 2022, the District's proportion was 3.012%, which was increased from its proportion measured as of December 31, 2021 of -4.434%.

For the year ended June 30, 2023, the District recognized pension expense of \$4,333,254.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

10. PENSION PLAN, Continued

At June 30, 2023, 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	\$ 2,523,732	\$ -
Difference between expected and actual experience in the Total Pension Liability	2,881,194	(100,214)
Change in assumptions	3,744,898	(176,042)
Changes in proportion and differences between employer's contributions	18,938,693	(25,634,174)
Net excess of projected over actual earnings on pension plan investments	30,329,876	-
Total	\$ 58,418,393	\$ (25,910,430)

\$2,523,732 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2024	\$ 1,866,397
2025	4,017,691
2026	9,333,724
2027	14,766,419
	<u>\$ 29,984,231</u>



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

10. PENSION PLAN, Continued

E. Actuarial Assumptions - The Total Pension Liabilities as of December 31, 2022 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, 2021. In particular, the following actuarial assumptions were applied to all periods included in the measurement of the December 31, 2022 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, 2021
Measurement date	December 31, 2022
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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
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%	0.39%
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	<u>100.00%</u>	



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

10. PENSION PLAN, Continued

F. Discount Rate - The discount rate used to measure the total pension liability was 6.75% as of December 31, 2022 and December 31, 2021. 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, 2022.

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, 2022, 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, 2022	\$ 83,049,924	\$ 51,161,267	\$ 25,033,894

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, 2023, 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	\$ 237,959,381
Fiduciary Net Position	186,798,114
Net Pension Liability	<u>\$ 51,161,267</u>



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

11. 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.

12. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with such arrangements. This Statement achieves those objectives 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. This Statement is effective for reporting periods beginning after December 15, 2021, or fiscal year 2022-23. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements for a variety of topics. This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. The implementation of this Statement did not have a material effect 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 primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this Statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. The implementation of this Statement did not have a material effect on the financial statements.



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

12. NEW ACCOUNTING PRONOUNCEMENTS, Continued

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. This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting for Changes and Error Corrections*. The primary 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. This Statement is effective for reporting periods beginning after June 15, 2023, or the fiscal year 2023-24. 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 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. This Statement is effective for reporting periods beginning after December 15, 2023, or the fiscal year 2024-25. 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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution (actuarially determined)	\$ 5,343,953	\$ 5,412,473	\$ 5,278,641	\$ 5,034,354
Contributions in relation to the actuarially determined contributions	<u>5,343,953</u>	<u>5,412,473</u>	<u>5,278,641</u>	<u>5,034,354</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$10,543,616	\$ 10,233,658	\$ 9,726,290	\$ 9,212,842
Contributions as a percentage of covered payroll	50.7%	52.9%	54.3%	54.6%

Notes to Schedule

1) Covered payroll represents compensation earnable and pensionable compensation.

2019	2018	2017	2016	2015	2014
\$ 4,623,330	\$ 4,677,312	\$ 4,395,376	\$ 4,063,149	\$ 4,517,403	\$ 3,107,945
<u>4,623,330</u>	<u>4,677,312</u>	<u>4,395,376</u>	<u>4,063,149</u>	<u>4,517,403</u>	<u>3,107,945</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 8,632,117	\$ 8,395,829	\$ 7,347,757	\$ 6,858,003	\$ 6,966,539	\$ 7,871,587
53.6%	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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the net pension liability	3.012%	-4.434%	4.846%	3.094%
Proportionate share of the net pension liability	\$ 51,161,267	\$ 10,772,836	\$ 22,360,799	\$ 26,734,009
Covered payroll	\$ 9,730,780	\$ 9,339,635	\$ 9,177,332	\$ 8,317,080
Net pension liability as percentage of covered payroll	525.77%	115.35%	243.65%	321.44%
Plan fiduciary net position as a percentage of the total pension liability	78.50%	95.25%	89.64%	87.02%
Measurement Date	12/31/2022	12/31/2021	12/31/2020	12/31/2019

Notes to Schedule:

1) Covered payroll represents compensation earnable and pensionable compensation.

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

	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Actuarially determined contribution	\$ 1,444,236	\$ 1,413,286	\$ 1,579,380	\$ 1,586,650
Contributions in relation to the actuarially determined contribution	<u>(1,476,550)</u>	<u>(1,413,286)</u>	<u>(1,508,638)</u>	<u>(1,586,650)</u>
Contribution deficiency (excess)	<u>\$ (32,314)</u>	<u>\$ -</u>	<u>\$ 70,742</u>	<u>\$ -</u>
Covered payroll	\$ 10,543,616	\$ 13,196,450	\$ 10,381,499	\$ 9,212,842
Contributions as a percentage of covered-employee payroll	14.00%	10.71%	14.53%	17.22%

2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
\$ 1,613,502	\$ 1,530,343	\$ 1,485,776	\$ 1,292,000	\$ 1,238,000	\$ 1,187,000
<u>(1,613,502)</u>	<u>(1,502,797)</u>	<u>(1,371,290)</u>	<u>(953,224)</u>	<u>(969,770)</u>	<u>(896,659)</u>
\$ -	\$ 27,546	\$ 114,486	\$ 338,776	\$ 268,230	\$ 290,341
\$ 8,632,117	\$ 6,987,356	\$ 7,872,287	\$ 7,288,000	\$ 7,208,000	\$ 6,981,000
18.69%	21.51%	17.42%	13.08%	13.45%	12.84%



Moraga-Orinda Fire Protection District
Required Supplementary Information – Schedule of the District’s
Changes in Net OPEB Liability
Last Ten Fiscal Years

	Fiscal Year Ending June 30, 2023	Fiscal Year Ending June 30, 2022	Fiscal Year Ending June 30, 2021	Fiscal Year Ending June 30, 2020
Total OPEB Liability				
Service cost	\$ 344,672	\$ 341,584	\$ 374,830	\$ 372,506
Interest	893,418	876,380	1,001,281	999,685
Differences between expected and actual experience	183,033	53,343	(1,388,072)	14,954
Change of assumptions	396,197	(151,758)	(558,808)	(188,887)
Benefit payments	(812,956)	(825,785)	(854,258)	(874,316)
Implicit rate subsidy fulfilled	(296,954)	(283,595)	(322,747)	(298,745)
Net change in total OPEB liability	707,410	10,169	(1,747,774)	25,197
Total OPEB liability - beginning of year	14,496,567	14,486,398	16,234,172	16,208,975
Total OPEB liability - end of year (a)	\$ 15,203,977	\$ 14,496,567	\$ 14,486,398	\$ 16,234,172
Plan Fiduciary Net Position				
Net investment income	\$ 399,398	\$ (446,961)	\$ 630,935	\$ 91,213
Contributions				
Employer - explicit subsidy	1,476,550	1,129,691	1,185,891	1,433,424
Employer - implicit subsidy	296,954	283,595	322,747	298,745
Benefit payments	(1,109,910)	(825,785)	(854,258)	(874,316)
Implicit rate subsidy fulfilled	(296,954)	(283,595)	(322,747)	(298,745)
Administrative expense	(15,947)	(7,494)	(13,638)	(8,986)
Net change in plan fiduciary net position	750,091	(150,549)	948,930	641,335
Plan fiduciary net position - beginning of year	2,798,054	2,948,603	1,999,673	1,358,338
Plan fiduciary net position - end of year (b)	3,548,145	2,798,054	2,948,603	1,999,673
District's net OPEB liability - end of year = (a) - (b)	\$ 11,655,832	\$ 11,698,513	\$ 11,537,795	\$ 14,234,499
Plan fiduciary net position as a percentage of the total OPEB liability	23.34%	19.30%	20.35%	12.32%
covered-employee payroll	\$ 10,543,616	\$ 13,196,450	\$ 10,381,499	\$ 9,212,842
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020

Notes to schedule:

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

Fiscal Year Ending June 30, 2019	Fiscal Year Ending June 30, 2018	Fiscal Year Ending June 30, 2017*
\$ 423,862	\$ 459,818	\$ 446,425
1,076,764	946,716	929,839
(274,383)	238,065	-
(23,351)	-	-
(871,208)	(821,298)	(827,604)
<u>(334,561)</u>	<u>(307,499)</u>	<u>(287,686)</u>
(2,877)	515,802	260,974
16,211,852	15,696,050	15,435,076
<u>\$ 16,208,975</u>	<u>\$ 16,211,852</u>	<u>\$ 15,696,050</u>

\$ 73,072	\$ 36,771	\$ 41,863
1,278,941	1,195,298	1,083,604
334,561	307,499	287,686
(871,208)	(821,298)	(827,604)
(334,561)	(307,499)	(287,686)
<u>(4,595)</u>	<u>(1,576)</u>	<u>(1,367)</u>
476,210	409,195	296,496
882,128	472,933	176,437
1,358,338	882,128	472,933
<u>\$ 14,850,637</u>	<u>\$ 15,329,724</u>	<u>\$ 15,223,117</u>

8.38%	5.44%	3.01%
\$ 8,632,117	\$ 6,987,356	\$ 7,872,287
6/30/2019	6/30/2018	6/30/2017



This page left blank intentionally.



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, 2023

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 1,073	\$ 1,073
Total revenues	-	-	1,073	1,073
EXPENDITURES:				
Debt service:				
Principal	1,912,000	1,912,000	1,912,000	-
Interest	97,505	97,505	97,481	24
Total expenditures	2,009,505	2,009,505	2,009,481	24
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,009,505)	(2,009,505)	(2,008,408)	1,097
OTHER FINANCING SOURCES:				
Transfers in	321,570	321,570	321,546	(24)
Transfers out	-	-	(1,750)	(1,750)
Total other financing sources	321,570	321,570	319,796	(1,774)
Net change in fund balances	(1,687,935)	(1,687,935)	(1,688,612)	(677)
FUND BALANCES:				
Beginning of year	1,688,612	1,688,612	1,688,612	-
End of year	\$ 677	\$ 677	\$ -	\$ (677)



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, 2023

	Original Budget	Amended Budget	Actual	Variance With Amended Positive (Negative)
REVENUES:				
Fire flow taxes	\$ 1,098,000	\$ 1,098,000	\$ 1,103,451	\$ 5,451
Use of money and property	2,000	2,000	(91,603)	(93,603)
Intergovernmental	250,000	250,000	-	(250,000)
Charges for services	-	10,000	8,000	(2,000)
Other revenues	174,250	164,250	164,250	-
Total revenues	1,524,250	1,524,250	1,184,098	(340,152)
EXPENDITURES:				
Service and supplies	14,200	14,200	11,747	2,453
Capital outlay	2,333,440	2,493,059	484,956	2,008,103
Total expenditures	2,347,640	2,507,259	496,703	2,010,556
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(823,390)	(983,009)	687,395	1,670,404
OTHER FINANCING SOURCES:				
Transfers in	3,100,000	3,100,000	3,100,000	-
Transfers out	(321,570)	(321,570)	(321,546)	24
Proceeds from sale of assets	-	-	15,221	15,221
Total other financing sources	2,778,430	2,778,430	2,793,675	15,245
Net change in fund balances	1,955,040	1,795,421	3,481,070	1,685,649
FUND BALANCES:				
Beginning of year	4,495,401	4,495,401	4,495,401	-
End of year	<u>\$ 6,450,441</u>	<u>\$ 6,290,822</u>	<u>\$ 7,976,471</u>	<u>\$ 1,685,649</u>



**Moraga-Orinda Fire Protection District
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023**

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, 2023

	<u>2014</u>	<u>2015*</u>	<u>2016</u>	<u>2017</u>
Governmental activities:				
Net investment in capital assets	\$ 9,930,092	\$ 9,466,042	\$ 8,327,292	\$ 7,318,954
Restricted	2,206,339	2,812,780	12,655,893	2,955,444
Unrestricted (deficit)	<u>(2,337,332)</u>	<u>(56,768,462)</u>	<u>(60,767,871)</u>	<u>(52,888,825)</u>
Total governmental activities net position	<u>\$ 9,799,099</u>	<u>\$ (44,489,640)</u>	<u>\$ (39,784,686)</u>	<u>\$ (42,614,427)</u>

* Implemented GASB 68

2018	2019	2020	2021	2022	2023
\$ 7,683,689	\$ 8,501,486	\$ 9,117,374	\$ 9,005,088	\$ 9,499,994	\$ 9,030,757
3,317,901	2,924,711	3,246,610	3,593,836	1,649,246	10,055,341
<u>(47,724,303)</u>	<u>(42,911,719)</u>	<u>(36,602,553)</u>	<u>(26,199,281)</u>	<u>(2,662,406)</u>	<u>(4,812,143)</u>
<u>\$ (36,722,713)</u>	<u>\$ (31,485,522)</u>	<u>\$ (24,238,569)</u>	<u>\$ (13,600,357)</u>	<u>\$ 8,486,834</u>	<u>\$ 14,273,955</u>



Moraga-Orinda Fire Protection District
Changes in Net Position
Last Ten Fiscal Years
For the Year Ended June 30, 2023
(Accrual basis of accounting)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Expenses:				
Governmental activities:				
Fire protection - operations	\$ 19,149,488	\$ 18,372,152	\$ 18,610,768	\$ 19,005,152
OPEB	273,867	-	-	-
Interest and fiscal charges	1,151,010	1,041,717	1,079,259	996,870
Total governmental activities expenses	<u>20,574,365</u>	<u>19,413,869</u>	<u>19,690,027</u>	<u>20,002,022</u>
Total primary government expenses	<u>\$ 20,574,365</u>	<u>\$ 19,413,869</u>	<u>\$ 19,690,027</u>	<u>\$ 20,002,022</u>
Program revenues:				
Governmental activities:				
Charges for services:				
Fire protection - operations	\$ 1,037,735	\$ 1,180,935	\$ 1,303,760	\$ 1,531,589
Operating grants and contributions	1,773,086	1,814,670	436,499	106,929
Total governmental activities program revenues	<u>2,810,821</u>	<u>2,995,605</u>	<u>1,740,259</u>	<u>1,638,518</u>
Total primary government program revenues	<u>\$ 2,810,821</u>	<u>\$ 2,995,605</u>	<u>\$ 1,740,259</u>	<u>\$ 1,638,518</u>
Net (Expense)/Revenue				
Governmental activities	<u>\$ (17,763,544)</u>	<u>\$ (16,418,264)</u>	<u>\$ (17,949,768)</u>	<u>\$ (18,363,504)</u>
Total primary government net expense	<u>\$ (17,763,544)</u>	<u>\$ (16,418,264)</u>	<u>\$ (17,949,768)</u>	<u>\$ (18,363,504)</u>
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Taxes:				
Property taxes	\$ 17,670,263	\$ 19,235,847	\$ 20,693,314	\$ 22,121,300
Fire flow taxes	1,071,747	1,068,288	1,070,214	1,076,738
Investment earnings	209	1,996	10,948	22,103
State and federal grants	165,510	160,407	158,460	156,429
Other general revenues	-	-	406,279	599,199
Gain (loss) on sale of assets	-	-	315,507	-
Total governmental activities	<u>18,907,729</u>	<u>20,466,538</u>	<u>22,654,722</u>	<u>23,975,769</u>
Total primary government	<u>\$ 18,907,729</u>	<u>\$ 20,466,538</u>	<u>\$ 22,654,722</u>	<u>\$ 23,975,769</u>
Changes in Net Position				
Governmental activities	<u>\$ 1,144,185</u>	<u>\$ 4,048,274</u>	<u>\$ 4,704,954</u>	<u>\$ 5,612,265</u>
Total primary government	<u>\$ 1,144,185</u>	<u>\$ 4,048,274</u>	<u>\$ 4,704,954</u>	<u>\$ 5,612,265</u>

2018	2019	2020	2021	2022	2023
\$ 21,012,014	\$ 22,256,196	\$ 28,155,478	\$ 24,739,637	\$ 11,441,788	\$ 31,252,120
-	-	-	-	-	-
825,941	716,469	545,240	357,144	152,170	53,116
<u>21,837,955</u>	<u>22,972,665</u>	<u>28,700,718</u>	<u>25,096,781</u>	<u>11,593,958</u>	<u>31,305,236</u>
<u>\$ 21,837,955</u>	<u>\$ 22,972,665</u>	<u>\$ 28,700,718</u>	<u>\$ 25,096,781</u>	<u>\$ 11,593,958</u>	<u>\$ 31,305,236</u>
\$ 1,469,376	\$ 2,135,887	\$ 1,614,881	\$ 1,691,513	\$ 2,109,256	\$ 1,274,954
459,284	803,789	4,472,546	990,192	698,836	723,969
<u>1,928,660</u>	<u>2,939,676</u>	<u>6,087,427</u>	<u>2,681,705</u>	<u>2,808,092</u>	<u>1,998,923</u>
<u>\$ 1,928,660</u>	<u>\$ 2,939,676</u>	<u>\$ 6,087,427</u>	<u>\$ 2,681,705</u>	<u>\$ 2,808,092</u>	<u>\$ 1,998,923</u>
\$ (19,909,295)	\$ (20,032,989)	\$ (22,613,291)	\$ (22,415,076)	\$ (8,785,866)	\$ (29,306,313)
<u>\$ (19,909,295)</u>	<u>\$ (20,032,989)</u>	<u>\$ (22,613,291)</u>	<u>\$ (22,415,076)</u>	<u>\$ (8,785,866)</u>	<u>\$ (29,306,313)</u>
\$ 23,220,123	\$ 24,686,257	\$ 26,074,303	\$ 27,314,589	\$ 28,930,857	\$ 31,432,861
1,080,597	1,084,245	1,087,937	1,093,247	1,096,800	1,103,451
116,664	261,644	212,424	1,033,285	(1,056,101)	1,213,653
154,528	151,166	148,796	149,337	149,898	-
1,229,097	966,677	456,975	3,462,830	1,751,603	1,343,469
-	-	-	-	-	-
<u>25,801,009</u>	<u>27,149,989</u>	<u>27,980,435</u>	<u>33,053,288</u>	<u>30,873,057</u>	<u>35,093,434</u>
<u>\$ 25,801,009</u>	<u>\$ 27,149,989</u>	<u>\$ 27,980,435</u>	<u>\$ 33,053,288</u>	<u>\$ 30,873,057</u>	<u>\$ 35,093,434</u>
\$ 5,891,714	\$ 7,117,000	\$ 5,367,144	\$ 10,638,212	\$ 22,087,191	\$ 5,787,121
<u>\$ 5,891,714</u>	<u>\$ 7,117,000</u>	<u>\$ 5,367,144</u>	<u>\$ 10,638,212</u>	<u>\$ 22,087,191</u>	<u>\$ 5,787,121</u>



Moraga-Orinda Fire Protection District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
For the Year Ended June 30, 2023

	2014	2015	2016	2017
General Fund				
Nonspendable	\$ 314,360	\$ 150,767	\$ -	\$ 81,945
Restricted	700	-	-	300,000
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	250,906	1,809,814	3,689,075	4,905,518
Total General Fund	565,966	1,960,581	3,689,075	5,287,463
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	2,205,639	2,812,780	6,591,527	6,070,031
Committed	3,445,991	3,890,011	6,064,366	6,580,029
Assigned	-	-	-	-
Total Other Governmental Funds	5,651,630	6,702,791	12,655,893	12,650,060
Total All Governmental Funds	\$ 6,217,596	\$ 8,663,372	\$ 16,344,968	\$ 17,937,523

	2018	2019	2020	2021	2022	2023
\$	16,443	\$ 493,113	\$ 258,759	\$ 580,118	\$ 467,645	\$ 476,764
	700,449	1,879,809	3,022,693	5,582,483	6,845,315	10,003,244
	76,594	-	-	-	-	14,000
	-	-	-	-	-	632,638
	6,297,533	7,828,854	9,618,061	11,964,650	15,105,887	17,470,546
	<u>7,091,019</u>	<u>10,201,776</u>	<u>12,899,513</u>	<u>18,127,251</u>	<u>22,418,847</u>	<u>28,597,192</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	5,335,311	3,244,815	3,487,608	3,747,327	1,706,184	52,097
	6,021,716	5,017,632	4,559,236	4,923,162	4,495,401	7,976,471
	-	16,864	213,714	-	-	-
	<u>11,357,027</u>	<u>8,279,311</u>	<u>8,260,558</u>	<u>8,670,489</u>	<u>6,201,585</u>	<u>8,028,568</u>
\$	<u>18,448,046</u>	<u>18,481,087</u>	<u>21,160,071</u>	<u>26,797,740</u>	<u>28,620,432</u>	<u>36,625,760</u>



Moraga-Orinda Fire Protection District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
For the Year Ended June 30, 2023
(Modified accrual basis of accounting)

Revenues:	2014	2015	2016	2017
Property taxes	\$ 17,670,263	\$ 19,235,847	\$ 20,693,314	\$ 22,121,300
Fire flow taxes	1,071,747	1,068,288	1,070,214	1,076,738
Use of money and property	209	1,996	10,948	22,103
State and federal grants	853,927	950,669	594,959	263,358
Charges for services	226,745	273,205	228,372	319,436
Charges for services - ambulance	810,990	907,730	997,388	1,116,153
Other revenues	1,026,669	798,753	406,279	599,199
Impact mitigation fees	58,000	225,655	78,000	96,000
Total revenues	21,718,550	23,462,143	24,079,474	25,614,287
Expenditures:				
Fire protection - operations:				
Salaries	8,181,676	7,250,708	7,517,701	8,065,559
Overtime	1,541,123	2,048,524	1,832,377	2,196,582
Benefits	4,649,384	6,442,501	5,924,823	6,369,452
Retiree health insurance	896,659	885,770	859,224	827,605
Services and supplies	2,059,857	1,810,195	2,091,521	2,165,943
Capital outlay	1,279,899	266,114	792,794	3,882,152
Debt service:				
Principal	1,425,000	1,630,000	1,936,862	2,383,359
Interest and fiscal charges	1,188,203	1,108,467	1,091,276	992,998
Total expenditures	21,221,801	21,442,279	22,046,578	26,883,650
Reconciliation of Governmental Revenues				
Less Expenditures to Fund Equity:				
Revenue over (under) expenditures	496,749	2,019,864	2,032,896	(1,269,363)
Other financing sources:				
Proceeds of debt issued	-	424,554	4,069,000	2,855,000
Proceeds from sales of assets	-	1,358	1,579,700	6,918
Total other financing sources	-	425,912	5,648,700	2,861,918
Net change in fund balances	\$ 496,749	\$ 2,445,776	\$ 7,681,596	\$ 1,592,555
Debt service as a percentage of noncapital expenditures	13.10%	12.93%	14.25%	14.68%

	2018	2019	2020	2021	2022	2023
\$	23,220,123	\$ 24,686,257	\$ 26,074,303	\$ 27,314,589	\$ 28,930,857	\$ 31,432,861
	1,080,597	1,084,245	1,087,937	1,093,247	1,096,800	1,103,451
	116,664	261,644	212,424	1,033,285	(1,056,101)	1,213,653
	613,812	954,955	4,621,342	1,139,529	848,734	723,969
	348,691	321,059	241,409	343,071	259,517	176,535
	1,082,685	1,751,628	1,353,072	1,280,442	1,843,739	1,098,419
	1,229,097	966,677	456,975	3,462,830	1,751,603	1,343,469
	38,000	63,200	20,400	68,000	6,000	-
	<u>27,729,669</u>	<u>30,089,665</u>	<u>34,067,862</u>	<u>35,734,993</u>	<u>33,681,149</u>	<u>37,092,357</u>
	8,551,976	8,898,105	9,567,398	9,969,662	10,571,914	10,744,200
	2,741,777	2,829,927	1,643,345	3,452,638	3,486,207	3,298,033
	6,864,030	6,937,618	7,945,046	8,215,104	8,451,142	8,420,295
	821,299	871,105	874,316	854,258	826,784	812,956
	2,561,629	3,044,933	6,207,382	3,060,478	3,194,401	3,335,361
	1,575,234	3,216,942	678,836	8,095	616,092	484,956
	3,234,500	3,531,541	3,853,811	4,102,690	4,463,791	1,912,000
	935,347	787,569	624,346	444,651	248,723	97,481
	<u>27,285,792</u>	<u>30,117,740</u>	<u>31,394,480</u>	<u>30,107,576</u>	<u>31,859,054</u>	<u>29,105,282</u>
	443,877	(28,075)	2,673,382	5,627,417	1,822,095	7,987,075
	-	-	-	-	-	-
	66,646	61,116	5,602	10,252	10,252	18,253
	66,646	61,116	5,602	10,252	10,252	18,253
\$	<u>510,523</u>	<u>\$ 33,041</u>	<u>\$ 2,678,984</u>	<u>\$ 5,637,669</u>	<u>\$ 1,832,347</u>	<u>\$ 8,005,328</u>
	<u>16.22%</u>	<u>16.06%</u>	<u>14.58%</u>	<u>15.11%</u>	<u>15.08%</u>	<u>7.02%</u>



Moraga-Orinda Fire Protection District
Assessed Value and Actual Value of Taxable Properties
For the Year Ended June 30, 2023

	<u>Secured</u>	<u>Public Utility</u>	<u>Unsecured</u>	<u>Total</u>
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
2023	14,227,158,666	-	66,235,020	14,293,393,686



This page left blank intentionally.



**Moraga-Orinda Fire Protection District
Direct and Overlapping Property Taxes
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
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
2023	1.00000	0.03250	0.01400	0.01620	0.00000	0.00580

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
0.02670	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
0.02410	0.02330	0.05500	0.03110	0.25640	1.45840



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

Property Owner	Primary Land Use	2022-23		
		Assessed Valuation	Rank	% of Net AV
OPG PARTNERS LLC	Commercial Orinda	\$ 35,904,389	1	0.25%
RHEEM VALLEY PROPERTY OWNER LP	Commercial Moraga	35,845,782	2	0.25%
ORINDA DUNHILL LLC	Commercial Orinda	35,573,792	3	0.25%
RUSSELL J BRUZZONE INC	Commercial Moraga	27,004,002	4	0.19%
COMCAST	Unsecured Orinda	18,011,110	5	0.13%
ASC MORAGA LLC	Commercial Moraga	13,924,829	6	0.10%
ORINDA COUNTRY CLUB	Recreational Orinda	13,694,316	7	0.10%
YSMA LLC	Residential Orinda	13,134,474	8	0.09%
VANGUARD APARTMENTS LLC	Residential Moraga	12,591,224	9	0.09%
BARBARA JUNE NOVOGRADAC REVOCABLE TRUST	Residential Orinda	10,121,560	10	0.07%
OG PROPERTY OWNER LLC	Vacant Orinda			
PK I RHEEM VALLEY LP	Commercial Moraga			
TAYLOR MORRISON OF CALIFORNIA LLIC	Government Owned Orinda			
MAC 2007 FAMILY TRUST	Commercial Orinda			
GLL BVK PROPERTIES	Commercial Orinda			
PINE GROVE LLC	Commercial Orinda			
GEORGE GAGE TRUST	Residential Moraga			
		<u>\$ 215,805,478</u>		<u>1.52%</u>

Source: HdL, Coren and Cone.

2013-14			
	Assessed Valuation	Rank	% of Total
\$	21,319,789	6	0.26%
	12,000,000	8	0.15%
	10,307,163	9	0.12%
	97,081,865	1	1.18%
	34,353,528	2	0.42%
	33,550,000	3	0.41%
	26,091,604	4	0.32%
	25,000,000	5	0.30%
	19,379,350	7	0.23%
	9,341,159	10	0.11%
\$	<u>288,424,458</u>		<u>3.50%</u>



**Moraga-Orinda Fire Protection District
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy	
		Amount	Percentage of Levy
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%
2023	31,432,861	31,432,861	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 Ten Fiscal Years

Fiscal Year	Pension Obligation Bonds	Equipment Financing Agreement	Total Primary Government	Percentage of Personal Income	Per Capita
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
2023	-	2,350,000	2,350,000	0.05%	65

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



Moraga-Orinda Fire Protection District
Direct and Overlapping Debt
June 30, 2023

2022-23 Assessed Valuation: \$14,293,393,686

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>Total Debt</u> <u>6/30/23</u>	<u>% Applicable (1)</u>	<u>District's Share</u> <u>Debt 6/30/23</u>
Bay Area Rapid Transit District	\$2,484,285,000	1.501%	\$ 37,289,118
Contra Costa Community College District	649,015,000	5.684%	36,890,013
Acalanes Union High School District	131,369,470	31.978%	42,009,329
Lafayette School District	66,735,000	0.180%	120,123
Moraga School District	28,200,000	100.00%	28,200,000
Orinda Union School District	86,285,000	99.845%	86,151,258
Town of Orinda	36,115,000	100.00%	36,115,000
East Bay Regional Park District	175,955,000	2.376%	4,180,691
California Statewide Communities Development Authority			
Community Facilities District No. 2007-01	8,435,000	100.00%	8,435,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 279,390,532
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Contra Costa County General Fund Obligations	\$ 193,515,000	5.665%	\$ 10,962,625
Moraga School District General Fund Obligations	7,397,881	100.00%	7,397,881
Orinda Union School District General Fund Obligations	2,365,000	99.845%	2,361,334
Town of Moraga Certificates of Participation	4,650,000	100.00%	4,650,000
City of Orinda Certificates of Participation	5,720,000	100.00%	5,720,000
Moraga-Orinda Fire Protection District General Fund Obligations	2,350,000	100.00%	2,350,000
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 33,441,840
Less: Contra Costa County Obligations supported by revenue funds			2,885,148
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 30,556,692
 TOTAL DIRECT DEBT			 \$ 2,350,000
TOTAL GROSS OVERLAPPING DEBT			\$ 310,482,372
TOTAL NET OVERLAPPING DEBT			\$ 307,597,224
 GROSS COMBINED TOTAL DEBT			 \$ 312,832,372 (2)
NET COMBINED TOTAL DEBT			\$ 309,947,224

- (1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the district divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2022-23 Assesse Valuation:

Total Overlapping Tax and Assessment Debt.....	1.95%
Total Direct (\$5,147,974).....	0.02%
Gross Combined Total Debt.....	2.19%
Net Combined Total Debt.....	2.17%



This page left blank intentionally.



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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt limit	\$ 306,973,464	\$ 332,122,988	\$ 356,768,195	\$ 378,464,933	\$ 399,298,681
Total debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 306,973,464</u>	<u>\$ 332,122,988</u>	<u>\$ 356,768,195</u>	<u>\$ 378,464,933</u>	<u>\$ 399,298,681</u>
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 2023

Assessed value - secured	\$ 14,227,158,666
Debt limit (3.75% of assessed value) (a)	533,518,450
Debt applicable to limit: None	-
Legal debt margin	<u>\$ 533,518,450</u>

(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.

2019	2020	2021	2022	2023
\$ 423,000,675	\$ 449,148,072	\$ -	\$ 493,704,403	\$ 533,518,450
-	-	-	-	-
<u>\$ 423,000,675</u>	<u>\$ 449,148,072</u>	<u>\$ -</u>	<u>\$ 493,704,403</u>	<u>\$ 533,518,450</u>
0%	0%	0%	0%	0%



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

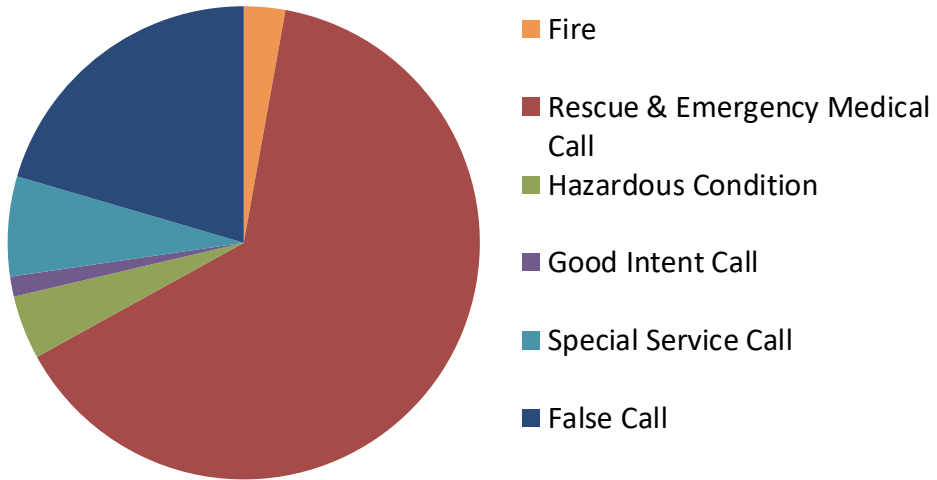
Calendar Year	Town of Moraga Population	City of Orinda Population	Total Population	Per Capita Personal Income	Personal Income (Thousands)	Unemployment Rate
2014	16,348	18,089	34,437	\$ 77,509	\$ 2,597,174	2.4%
2015	16,466	18,612	35,078	81,141	2,669,177	2.5%
2016	16,513	18,749	35,262	84,985	2,846,264	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%
2023	16,707	19,355	36,062	128,328	4,627,764	3.3%

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



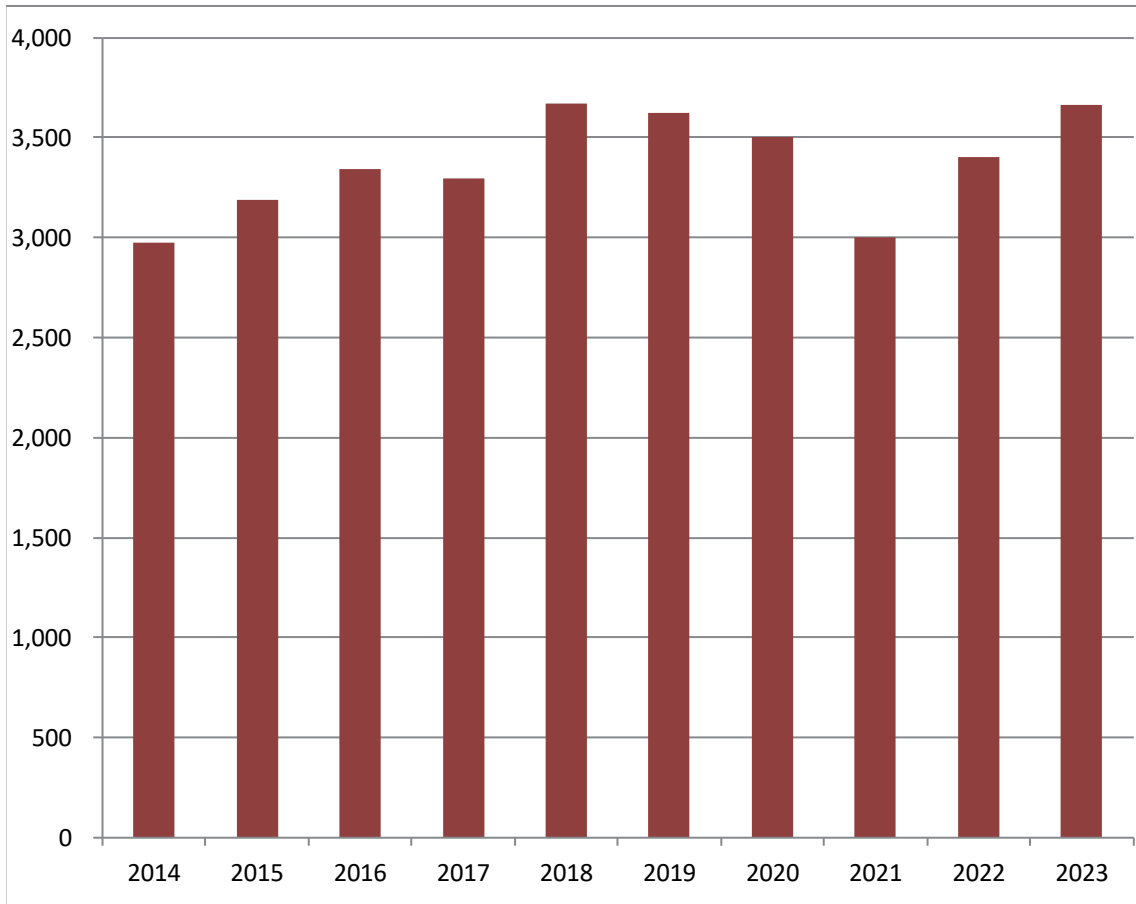
**Moraga-Orinda Fire Protection District
Emergency Response Detail Analysis
Fiscal Year 2022 - 2023**

<u>Category</u>	<u>Number of Incidents</u>	<u>Percent of Total Responses</u>
Fire	104	2.8%
Rescue & Emergency Medical Call	2,351	64.1%
Hazardous Condition	160	4.4%
Good Intent Call	50	1.4%
Special Service Call	250	6.8%
False Call	750	20.5%
Total	3,665	100.0%





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



<u>Fiscal Year</u>	<u>Number of Emergency Responses</u>
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
2023	3,665

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Moraga-Orinda Fire Protection District, California, as of and for the year ended June 30, 2023, and have issued our report thereon dated November 1, 2023.

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 District'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 that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated November 1, 2023, which is an integral part of our audit and should be read in conjunction with this report.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Pleasant Hill, California
November 1, 2023