



# Moraga-Orinda Fire District

## Board of Directors

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### AUDIT COMMITTEE MEETING

April 1, 2024 – 3:00 PM

Sarge Littlehale Room

22 Orinda Way

Orinda, CA 94563

**\*\*This meeting will be conducted in person only\*\***

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**For In-person Attendees:** face coverings are strongly encouraged and attendees are encouraged to be up-to-date on the COVID-19 vaccine. Social distance should be maintained when practical.

**SPEAKER CARDS:** Members of the public may comment on any item on the agenda before or during the Board's consideration of the item. If you would like to speak during the public forum or on an item listed on the agenda, you are invited to submit a speaker card to the District Clerk. You will be permitted to speak even if you elect not to submit a speaker card or decline to provide information requested on the card. After the Board of Directors has heard from everyone who submitted speaker cards, anyone electing not to submit a speaker card may form a line at the lectern. Public comment is limited to 3 minutes per speaker per agenda item.

**Submit Public Comment Before the Meeting:** Members of the public can provide public comment by sending an e-mail to [info@mofd.org](mailto:info@mofd.org) no later than 11:00 a.m. the day of the meeting. Those e-mails will be distributed to the Audit Committee and posted on the District's website as part of the public record by 5:00 p.m. on the day of the meeting. Note: any written public comments received after the deadline will not be distributed to the Audit Committee or posted on the District's website until the following day. Written comments will NOT be read into the record. All written public comments are available to view at [mofd.org/agendas](http://mofd.org/agendas).

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#### 1. OPENING CEREMONIES

- Call the Meeting to Order
- Roll Call

#### 2. PUBLIC COMMENT – ITEMS NOT ON THE AGENDA

At the beginning of each regular District Board meeting, any member of the public may address the District Board concerning any item not on the Board's agenda but within the subject matter jurisdiction of the Board. Speakers will be limited to three (3) minutes unless otherwise specified by the Presiding Officer. The public will be given an opportunity to speak on each agenda item at the time it is called. The Board may discuss and/or take action regarding any or all of the items listed below. Once the public comment portion of any item on this agenda has been closed by the Board, no further comment from the public will be permitted unless authorized by the Board and if so authorized, said additional public comment shall be limited to the provision of information not previously provided to the Board or as otherwise limited by order of the Presiding Officer or the Board.

#### 3. CONSENT AGENDA

##### 3.1 Audit Committee Meeting Minutes - September 14, 2023

Staff Recommendation: Receive and File

Attachment: [09-14-23 Audit Committee Minutes DRAFT.pdf](#)

#### 4. REGULAR AGENDA

##### 4.1 Review and Discussion of Audit for Fiscal Year Ending June 30, 2024

Staff Recommendation: 1) Discuss; 2) Provide direction to staff and auditors regarding audit for fiscal year ending June 30, 2024

Attachment A: [Audit Planning Meeting Questions](#)

#### 5. ADJOURNMENT

*The Moraga-Orinda Fire Protection District ("District"), in complying with the Americans with Disabilities Act ("ADA"), requests individuals who require special accommodations to access, attend and/or participate in District Board meetings*

*due to a disability, to please contact the District Chief's office, (925) 258-4501, at least one business day prior to the scheduled District Board meeting to ensure that we may assist you.*

Any disclosable public records related to an open session item on a Regular meeting agenda and distributed by the Moraga-Orinda Fire District to a majority of members of the Board of Directors less than 72 hours prior to that meeting are available for public inspections at 1280 Moraga Way, Moraga, during normal business hours, and available on our website at [www.mofd.org/agendas](http://www.mofd.org/agendas).

I hereby certify that this agenda in its entirety was posted on March 27, 2024 , at the Moraga and Orinda Fire Administration offices, Stations 41, 42, 43, 44, and 45 and electronically at [www.mofd.org/agendas](http://www.mofd.org/agendas). Agenda provided to the Moraga Town Office (Hacienda) and Orinda City Hall.



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Marcia Holbrook  
District Secretary/Clerk



Moraga-Orinda Fire District  
**BOARD OF DIRECTORS**  
**Audit Committee Minutes**  
September 14, 2023  
(DRAFT – PENDING APPROVAL)

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**1. OPENING CEREMONIES**

The Audit Committee convened in Open Session at 5:01 p.m. on September 14, 2023, at the Sarge Littlehale Room, 22 Orinda Way, Orinda, California 94563. The meeting was available for in-person attendance only.

Present were the following Directors and Staff (present in person unless noted):

Director Hasler  
Director Jex  
Gloriann Sasser, Admin Services Director

**2. PUBLIC COMMENT - ITEMS NOT ON THE AGENDA (audio 00:00:50)**

There were no requests to address the Board.

**3. CONSENT AGENDA (audio 00:01:00)**

**3.1 Audit Committee Meeting Minutes - May 19, 2023**

The minutes from May 19, 2023, Audit Committee meeting were approved as submitted, with Director Hasler making the motion and Director Jex seconding the motion. The motion passed unanimously by voice vote 2-0 (Ayes: Hasler and Jex; Noes: None). There were no comments from members of the public.

**4. SPECIAL AGENDA**

**4.1 Review and Discussion of Audit for Fiscal Year Ending June 30, 2023 (audio 00:01:54).**

The District contracted with Maze & Associates to complete the audit for the fiscal year ending June 30, 2023. Administrative Services Director Sasser reported the draft report is not yet available and that the Auditors found no issues. The final report will be presented at the October regular meeting.

Summary of the Questions Addressed by District Staff:

1. **Reaction to Audit Findings:** The draft Management Letter is pending. No findings to date.
2. **Disagreements with Auditors:** None.
3. **Financial Statements Fairly Presented:** Yes. A new fund was created for the Wildland Fuel Specialist grant.
4. **Reasons for Financial Statement Variations:** Question skipped. Draft report unavailable.
5. **Substance of Significant Issues:** None. The audit examined multiple areas (payroll, personnel action forms and Human Resource records). The Auditors tested ambulance billing (managed by Wittman Enterprises) to verify approved fee schedules and ambulance charges. Strike Team receivables were also checked for accuracy, along with a review of accounts payable. Director Jex asked if the Auditors reviewed the pension data used by CCCERA for the liability calculation. ASD Sasser stated that review fell under the purview of the CCCERA Auditors.
6. **Problems or Difficulties Due to the Audit:** Question skipped. Draft report unavailable.
7. **Opinion of Auditors' Services:** Very good, with excellent communication and collaboration.
8. **Significant Deficiencies or Material Weaknesses:** None.
9. **Unrecorded Errors or Adjustments:** None.
10. **Reaction to Management Letter Suggestions:** No significant findings or issues.
11. **Contemplated Actions in Response to Suggestions:** None.
12. **Evaluation of Auditors' Services:** Good.
13. **Significant Organizational Changes:** Several projects and increased workload on Staff were outlined (Labor Negotiations, Fuel Break Project, Station 45 remodel, Treasury Bill Investments, and Forward Cash Flow Forecasting).
14. **Other Items for the Audit Committee:** None.
15. **Conflict of Interest (COI) Policy and Related Transactions:** A review of the 2022 COI Policy was performed. There are no known related party transactions.
16. **Auditors' Recommendations for Improvements in Controls:** None.

17. **Adequacy of Operating Reserves:** As of June 30, 2023, the General Unrestricted Fund Balance reached 51% of the budgeted revenue; more details to be presented at the October regular meeting.

Ms. Vikki Rodriguez, CPA and CEO, along with Ms. Whitney Crockett, CPA and Vice President (Audit), presented an overview of the audit process and the scope of work conducted by Maze & Associates. An unmodified opinion is expected to be issued with no internal control recommendations. A few outstanding items are needed to complete the audit:

- Attorney letter
- Final Other Post-Employment Benefits (OPEB) report
- Other statistical items

Summary of the Questions Addressed by Maze & Associates:

1. **Scope of the Audit differing from the Plan:** Additional procedures related to ambulance billings were added due to concerns over bad debt write-offs, as well as a review of the billings for the Fuel Break grant.
2. **Information Provided when Requested:** Yes
3. **Serious Concerns over the District's Control Environment:** No
4. **Material Errors, Fraud, Illegal Acts, or Deficiencies:** None
5. **Significant Changes in Financial Statement from Prior Years:** The draft Audit report was not available. The Auditor provided a synopsis of the changes she was aware of:
  - Decrease in Ambulance revenue due to the high number of write-offs.
  - GASB68 pension-related balances that come from the CCCERA GASB68 measurement report. Deferred outflows increased by \$55.7M from the prior year. Unfunded Pension Liability increased by \$40.3M.
  - Pension Trust Assets increased to \$3.2M
  - Long-term debt decreased by \$2M, from the payoff of the pension obligation bonds.
  - Investment earnings increased by \$2.2M.
6. **Enough Time to Complete all Phases of the Audit:** Yes
7. **Will Opinion be Unmodified:** Yes
8. **Did Management Consult on Tax Matters:** No
9. **Disagreements with Management on Accounting or Reporting:** None
10. **Management Pressure on Contentious Issues:** None
11. **Proposed Adjustments or Disclosures not Recorded:** None
12. **Any Unresolved Matters:** No
13. **Conservatism or Aggressiveness Overly Used in Accounting Principles:** No
14. **Any Changes in Accounting Principles:** No
15. **Satisfaction with Significant Accruals or Estimates:** Yes, through testing and review.
16. **Unusual items Affecting Net Assets:** None
17. **Review of Information Furnished to Others (Actuaries):** Yes
18. **Are you satisfied that there is no substantial doubt about the organization's ability to continue as a "going concern?"** General fund reserve due to risks: Yes
19. **Expected Report Issuance:** November 2023
20. **Concerns about Information Systems:** None
21. **Related Party Transactions:** None
22. **Effects of any pending or threatened lawsuits on financial statements:** Deferred due to pending Attorney letter.
23. **Management's attitude toward strong internal controls:** Positive, emphasizing the importance of controls.
24. **Material Weaknesses in Internal Controls:** None
25. **Difficulty obtaining management representation letter:** Deferred.

26. **Assessment of the Integrity and Competence of the Organization's Financial and Accounting Staff:** No concerns.
27. **Comparison of Actual Engagement Fees to Estimated Fees:** Same.
28. **Suggestions to reduce Audit Time:** None.
29. **Advantages of Continuing the Relationship with the Audit Firm:** Specialization in municipal audit and Northern California focus, active partner involvement, and year-round availability.
30. **Any other Items to Discuss with the Audit Committee:** None.

**Director Jex opened Public Comment. There were no requests to address the Board.**

## 5. ADJOURNMENT

At 6:11 p.m., the Audit Committee called for the meeting to adjourn.

Marcia Holbrook,



District Secretary/District Clerk

*For an audio recording of this and other Board meetings, please visit the MOFD District Board Meeting at [www.mofd.org/agendas](http://www.mofd.org/agendas).*

DRAFT



# Moraga-Orinda Fire District

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**TO:** Board of Directors

**FROM:** Gloriann Sasser, Administrative Services Director

**DATE:** April 1, 2024

**SUBJECT:** **Item 4.1 Review and Discussion of Audit for Fiscal Year Ending June 30, 2024**

## **BACKGROUND**

The District contracted with Maze & Associates to conduct the audit for the fiscal year ending June 30, 2024. Maze & Associates has completed the interim phase of the audit and will provide an update to the Committee.

Staff will answer questions from the Audit Committee outlined in attachment A, and representatives from Maze & Associates will attend the meeting and answer questions from the Audit Committee.

## **RECOMMENDATION**

Staff Recommendation: 1) Discuss; 2) Provide direction to staff and auditors regarding audit for fiscal year ending June 30, 2024

## **ATTACHMENT**

[Attachment A: Audit Planning Meeting Questions](#)

## AUDIT PLANNING MEETING- APRIL 1, 2024

### **Meeting Objectives**

To review the external auditors 'audit plan, and the scope and activities of the audit.

### **Audit Committee – Practice report, Common threads across audit committees.**

### **Risks and Internal Controls**

- \*Management overview
- \*Fire Districts financial issues
- \*Auditors' management letter for 2023
- \*Problem areas noted in prior year's auditors' letter
- \*Internal Control risks
- \*Workplace and significant stress and strain control environment
- \*Cyber security risks, ransomware attacks
- \*Government rulemaking activities
- \*Automate manual activities and improve efficiencies
- \*Use of data analysis

### **Audit Firm**

- \*Audit firm developments, sufficiency of resources, engagement team communication, objectivity, professional skepticism
- \*What are audit firm's quality control systems? Including implementation of technologies
- \*What aspects of audit will be conducted remotely
- \*What are the opportunities for improving efficiency
- \*What worked well last year

### **Audit Scope in Light of Current Circumstances**

- \*Accounting and financial reporting developments
- \*Significant changes in the organization's activities
- \*Changes in accounting policies
- \*Audit timing
- \*Personnel being assigned to the audit
- \*Planned reliance on internal accounting controls(including computer security programs)
- \*Use of computer assisted auditing techniques
- \*Review for fraud or other improprieties
- \*Rotation of audit procedures
- \*Estimated audit fees

### **Action**

- \*Approve auditors' audit plan and the scope of any non-audit services