

ACFR 2023

FISCAL YEAR ENDED JUNE 30



ANNUAL COMPREHENSIVE FINANCIAL REPORT
ORANGE COUNTY FIRE AUTHORITY
ORANGE COUNTY, CALIFORNIA
BUSINESS SERVICES DEPARTMENT / FINANCE DIVISION



Orange County Fire Authority Annual Comprehensive Financial Report Year ended June 30, 2023

Board of Directors As of June 2023

Vince Rossini, Chair
City of Villa Park
(Board Member Since 2017)

John R. O'Neill, Vice Chair
City of Garden Grove
(Board Member Since 2019)

Ross Chun
City of Aliso Viejo
(Board Member Since 2020)

Joshua Sweeney
City of Laguna Hills
(Board Member Since 2023)

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Austin Lumbard
City of Tustin
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Kelly Jennings
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Chris Duncan
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(Board Member Since 2013)

Troy Bourne
City of San Juan Capistrano
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City of Yorba Linda
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(Board Member Since 2021)

Donald Wagner
County of Orange
(Board Member Since 2019)

Nitesh Patel
City of La Palma
(Board Member Since 2023)

Bob Ruesch
City of Mission Viejo
(Board Member Since 2023)

David Shawver
City of Stanton
(Board Member Since 1995)

Brian Fennessy
Fire Chief

Prepared by OCFA Finance Division

Photos provided by OCFA Multimedia

Orange County Fire Authority



Mission Statement

We proudly serve the changing needs of our communities by providing exceptional emergency and support services. We pledge a commitment to preserving the quality of life.

Vision Statement

We are dedicated to protecting lives and property with first class public safety and emergency services through courage, compassion, and competency.

Values Statement and Service Principles

We rely on our PEOPLE and our Service Principles as we carry out our mission with:

- Professionalism
- Enthusiasm
- Organizational Integrity
- Pride
- Leadership
- Effectiveness

Service Principles guide our relationships with each other and with our customers:

- | | | |
|----------------------------|---------------------------|------------------------|
| • Safety | • Excellence | • Honesty and Fairness |
| • Financial Responsibility | • Ethics | • Reliability |
| • Teamwork | • Personal Accountability | • Diversity |
| • Trust | • Care and Respect | • Integrity |

Motto

In service of others!

ORANGE COUNTY FIRE AUTHORITY
Annual Comprehensive Financial Report
Year ended June 30, 2023

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Introductory Section





ORANGE COUNTY FIRE AUTHORITY
P. O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Rd., Irvine, CA 92602
(714) 573-6000 **www.ocfa.org**

October 9, 2023

To the Board of Directors and Citizens of Orange County:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Orange County Fire Authority (OCFA) for the fiscal year ended June 30, 2023. This report consists of management's representations concerning the finances of the OCFA and is presented using the financial reporting model outlined in statements issued by the Governmental Accounting Standards Board (GASB). Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. As management, we assert that this financial report is complete and reliable in all material respects, to the best of our knowledge and belief.

OCFA management has established a comprehensive internal control framework to provide a reasonable basis for making its representations. This framework is designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition and that accounting transactions are executed in accordance with management's authorization and properly recorded so that the financial statements can be prepared in conformity with generally accepted accounting principles (GAAP). Because the cost of a control should not exceed the benefits to be derived, the objective of the internal control framework is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The design and operation of internal controls also ensures that federal and state financial assistance funds are expended in compliance with applicable laws and regulations related to those programs.

OCFA's financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of certified public accountants. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the OCFA's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The Management's Discussion and Analysis (MD&A) narrative provides "financial highlights" and interprets the financial reports by analyzing trends and explaining changes, fluctuations, and variances in the financial data. The MD&A is also intended to disclose any known significant events or decisions that affect the financial condition of the OCFA. The MD&A complements, and should be read in conjunction with, this letter of transmittal.

Background Information on the OCFA

OCFA was formed on March 1, 1995, transitioning from the Orange County Fire Department to a joint powers authority (JPA) as allowed by California State Government Code 6500 et seq. OCFA is an independent entity similar to a special district. The service area includes twenty-three member cities and the unincorporated areas of Orange County. A twenty-five-member Board of Directors governs the OCFA, including an elected official appointed to represent each member city and two representatives from the County Board of Supervisors. OCFA is managed by an appointed Fire Chief who reports to the Board of Directors.

The OCFA Foundation (Foundation) was established in July 2010 as a nonprofit corporation to support OCFA with additional resources. The Foundation is governed by a separate, five-member Board of Directors with prior experience in government, community, or fire service organizations. OCFA's Fire Chief serves as the Chief Executive Officer of the Foundation. The Foundation is presented in this report as a discretely presented component unit due to the nature and significance of its relationship with OCFA.

Serving the Cities of: Aliso Viejo • Buena Park • Cypress • Dana Point • Garden Grove • Irvine • Laguna Hills • Laguna Niguel • Laguna Woods • Lake Forest • La Palma • Los Alamitos • Mission Viejo • Rancho Santa Margarita • San Clemente • San Juan Capistrano • Santa Ana • Seal Beach • Stanton • Tustin • Villa Park • Westminster • Yorba Linda and Unincorporated Areas of Orange County

RESIDENTIAL SPRINKLERS AND SMOKE ALARMS SAVE LIVES

The annual budget is the foundation for OCFA’s financial planning and control. The budget development process begins in November. The budget team compiles the input from the section/division managers who follow the policies and guidelines established by Executive Management. The results are presented to Executive Management for review and prioritization. The draft budget is further refined through various committee reviews, including a City Managers’ Budget and Finance Committee, a Capital Improvement Program Ad Hoc Committee, and the OCFA Budget and Finance Committee. The OCFA Budget and Finance Committee recommends the budget for approval by the Board of Directors in May or June. The Board has the option of holding a public hearing on the proposed budget and is required to adopt a final budget no later than June 30, the close of OCFA’s fiscal year.

The appropriated budget is allocated by fund and department. Department Chiefs may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of Executive Management, and transfers between funds require the approval of the Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. A Budgetary Comparison Statement for the General Fund is presented in the governmental funds section of the accompanying financial statements. Budgetary Comparison Schedules for all remaining governmental funds with appropriated annual budgets are presented in the supplementary schedules section of the accompanying financial statements.

Information on Orange County and the Local Economy



The information presented in the financial statements is best understood when considered from the broader perspective of the local economic environment within which OCFA operates.

Orange County Profile:

Orange County is located along the southern coast of California, with Los Angeles County to the north; San Diego County to the south; and Riverside and San Bernardino counties to the east. Orange County covers an area of 799 square miles, with 42 miles of coastline along the Pacific Ocean, and is home to over 3.1 million people.¹ There are thirty-four cities in Orange County. OCFA provides regional fire services to twenty-three of those cities and the unincorporated areas throughout the county.

Economic Overview:

As the economy emerged from the COVID-19 pandemic, inflation surged to levels not seen since 1981. Inflation was reported at a high of 9.1% in June 2022, with the cost of food and energy soaring at record rates.² The three main contributing factors for high inflation appeared to be rising labor costs, energy prices, and interest rates. This generated excess demand and higher prices, which the Fed has attempted to slow down by raising interest rates, thus stabilizing prices and economic growth.³ From March 2022 to July 2023, the Fed increased interest rates by a combined 5.25%.⁴ As of July 2023, inflation had declined to 3.2%.⁵

Historically, the average time lag between when the Fed begins increasing the federal funds rates and the onset of a recession is ten quarters.⁶ Other early signals of a pending recession include declining job growth, declining housing starts, declining money supply, and a negative interest rate spread between the 10-year T-bond rate and the federal funds rate. The interest rate spread turned negative in December 2022. The average time lag between the onset of a negative interest rate spread and the beginning of a

¹ California Department of Finance, <http://www.dof.ca.gov/forecasting/demographics/estimates>, Table E-5 *Population and Housing Estimates for Cities, Counties, and the State, January 2014-2023*

² Tepper, Taylor. “Why is Inflation So High?” Forbes Advisor, July 13, 2022, <https://www.forbes.com/advisor/investing/why-is-inflation-rising-right-now/>. July 26, 2022.

³ Wile, Rob. “The Three Forces Driving Inflation Higher and What It Will Take to Cool Them Off.” NBC News, April 19, 2022, <https://www.nbcnews.com/business/consumer/inflation-rate-higher-consumer-prices-driving-forces-rcna24128>. July 26, 2022.

⁴ Tepper, Taylor. “Federal Funds Rate History 1990 to 2023” Forbes Advisor, July 26, 2023, <https://www.forbes.com/advisor/investing/fed-funds-rate-history/>. August 28, 2023.

⁵ U.S. Inflation Calculator, a Coin Media Group Company, <https://www.usinflationcalculator.com/inflation/current-inflation-rates>, *Current US Inflation Rates: 2000-2023*

⁶ Chapman University, *Economic & Business Review*, June 2022, *Recessionary Clouds are Forming: The Anti-Inflation Battle Seeds Those Clouds*

recession is three quarters, suggesting that there may still be a recession in the U.S. economy in late 2023.⁷

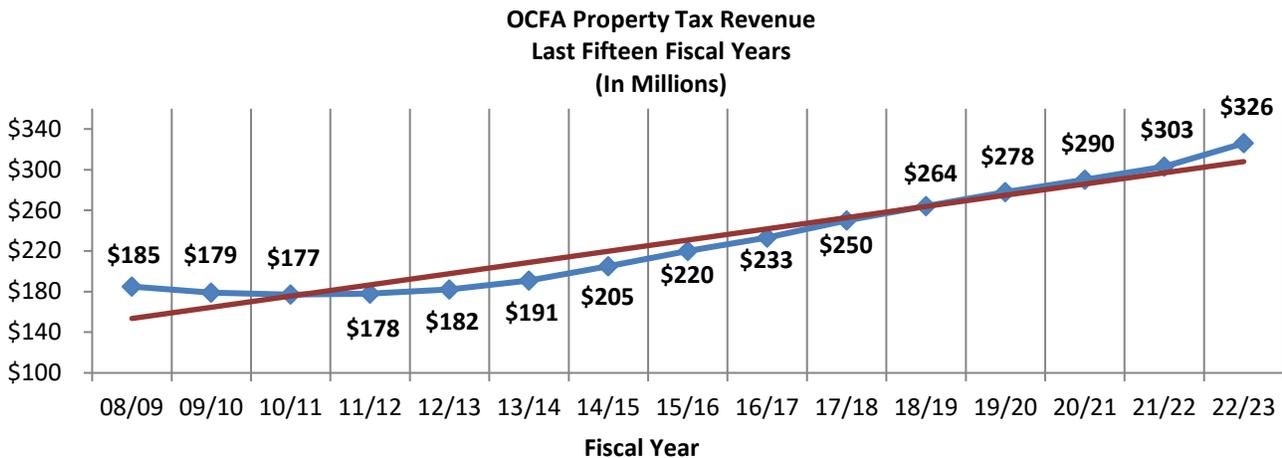
Income and Housing Affordability:

Households in Orange County have a median annual income of \$100,559, which exceeds state (\$84,907) and national (\$69,707) levels.⁸ However, the county has long experienced a high cost of living and a shortage of affordable housing for its residents. Salaries have not kept up with rising home prices and there has been insufficient stock of single-family and multi-family residences to meet demand.

The median price for all homes in Orange County was approximately \$1,020,000 in 2022, an increase of 12.4% over the prior year. The number of residential building permits issued in the last year has decreased by 13.2% – from 7,471 permits in 2021 to 6,483 permits in 2022. The lack of affordable housing is negatively impacting this sector of Orange County’s economy. The housing affordability index, which measures the percentage of families with the median income to qualify for a mortgage on a median-priced home, has declined from 78.3% in 2021 to 52.9% in 2022. However, it is anticipated that falling mortgage rates and the limited supply of homes available for sale in the county may lead to future stabilization of home prices.⁹

Property Taxes:

The most significant local economic factor impacting OCFA is Orange County’s housing market, including fluctuations in new construction activities and housing prices. Property taxes derived from these activities comprised 55.9% of OCFA’s total governmental funds revenues in Fiscal Year 2022/23. As previously described, home prices continue to rise. OCFA’s property tax revenues have steadily increased since the 2007 Great Recession, as shown in the chart below. The current median, single-family home price of \$1,020,000 well exceeds the pre-recession price peak of \$747,260 from April 2007.



Long-term Financial Planning

Since its formation in 1995, OCFA has been preparing multi-year projections of its revenues and expenditures. A firm of property tax consultants has been retained to assist in the projection of the OCFA’s single largest revenue source – property taxes. With these projections and a collection of conservative assumptions, OCFA forecasts its financial condition five years into the future. Various scenarios can be developed from the forecast to assess the impact of proposed or impending changes to the budget, the economy, or the underlying assumptions. As a result, this tool provides an early warning of potential financial difficulties. The consultant’s method of projecting property tax revenue is to increase the value of existing structures by the 2% constitutional maximum (if CPI is 2% or greater); increase values to account for re-sales; add in the value of any new development; account for assessment appeals and reassessments in a recession; and account for value restoration post-recession.

⁷ Chapman University, *Economic & Business Review*, June 2023, *Recession Still on the Horizon*

⁸ Department of Numbers, <https://deptofnumbers.com/income/california/orange-county>, 2021 Real Median Household Income

⁹ Chapman University, *Economic & Business Review*, June 2023, *Recessionary Forces Hit the County*; and Table 11 *Orange County Annual History and Forecasts: 2018-2023*

Relevant Financial Policies

The OCFA Board of Directors has adopted the following formal budgetary and fiscal policies:

Financial Stability Budget Policy: This policy is intended to guide OCFA budget actions toward maintaining long-term financial stability and to establish fund balance levels and annual funding targets for the General Fund and Capital Improvement Program (CIP). The policy also includes guidance on facilitating the accelerated payment of OCFA's unfunded liabilities for improved fiscal health.

Fiscal Health Plan: The purpose of this plan is to establish a framework to ensure an ongoing focus on fiscal health and a general process to ensure timely and appropriate response to adverse fiscal circumstances. This plan's cornerstones are strong fiscal policies and a comprehensive system for monitoring OCFA's budgetary performance. Financial indicators are monitored through frequent updates of OCFA's five-year financial forecast to evaluate the stability, strength, or weaknesses of OCFA's finances.

Investment Policy: This policy is updated annually to reflect changes in legislation and the changing needs of the OCFA. It specifies the types of investments allowed in the OCFA portfolio and the diversification and maturity requirements for investments.

Paydown of Unfunded Liabilities: Recognizing the potential long-term savings to OCFA, the Board has implemented several strategies to pay down its Unfunded Actuarial Accrued Liability (UAAL) for employee pensions and its long-term liability for the Retiree Medical Plan. Those strategies, known collectively as the "Snowball Plan," include additional annual payments toward the UAAL that are redirected to the Retiree Medical Plan upon reaching 85% funding.

Roles/Responsibilities/Authorities for the OCFA: This document identifies those roles and responsibilities that the Board has retained, as well as responsibilities that have been delegated. All authority rests with the Board unless it is delegated by statute or Board action. When delegated, these authorities are further defined by contracts, resolutions, policies, and other Board actions.

Accounts Receivable Write-off Policy for Uncollectible Accounts: This policy establishes the criteria and procedures for requesting uncollectible amounts to be written off.

Short-term Debt Policy: This policy establishes guidelines for managing the OCFA's cash flow position in a fiscally conservative manner through issuing short-term debt.

Local Debt Policy: This policy establishes guidelines for the issuance and management of debt financing for the acquisition, substantial refurbishment, replacement, or expansion of capital assets, or for the refunding, refinancing, or restructuring of debt to achieve debt service savings. The policy outlines accepted purposes of debt, as well as internal control procedures for the use of debt proceeds.

Emergency Appropriations Policy: This policy establishes guidelines for increasing appropriations in the event of extraordinary fire or emergency activity following the last Board meeting of the fiscal year.

Workers Compensation Funding Policy: In March 2002, OCFA implemented a workers' compensation self-insurance program. The Board has established required funding levels at 50% for outstanding losses and 50% for projected losses, as determined by an independent actuarial study.

Assigned Fund Balance Policy: This policy establishes the authority by which OCFA may set aside cumulative resources in fund balance for an intended future use.

Fund Balance Flow Assumptions Policy: This policy establishes the order of spending governmental fund balance categories, as defined by Governmental Accounting Standards Board (GASB) Statement No. 54.

Grants Management Policy: This policy establishes an overall framework for guiding OCFA's use and management of grant resources.

Capital Projects Fund Policy: This policy defines the types of allowable activities that may be accounted for in OCFA's capital projects funds, as defined by Governmental Accounting Standards Board (GASB) Statement No. 54.

Major Initiatives Expected to Affect Future Financial Position

Highlights of select initiatives that potentially impact OCFA's future financial position are described below.

Labor Negotiations for Expiring Memorandums of Understanding (MOU): OCFA has negotiated and implemented successor MOU's with all four of its labor groups that focus on OCFA's mission and the sustainability of services. MOU's with the Orange County Professional Firefighters Association and the Orange County Employees' Association were approved in March 2023 and April 2023, respectively. MOU's with the Chief Officers Association and Orange County Fire Authority Managers Association were both approved in June 2023.

OCFA Aircraft Replacement Review Process and Implementation: In March 2022, the Board of Directors approved OCFA's Aircraft Replacement Review and Work Plan (Review and Work Plan) with the intent to educate and inform policymakers on needs, options, costs, financing solutions, and recommendations pertaining to the disposition of obsolete aircraft and acquisition of replacement aircraft. The review process was completed in July 2022, with the Board directing staff to return two Federal Excess Property Program (FEPP) UH-1H Super Huey helicopters to the federal government and initiate the administrative actions to facilitate the purchase of two Sikorsky S-170 Type 1 helicopters. Approval to award a purchasing contract, approval of lease financing terms, and authorization of necessary budget adjustments was obtained in September 2022.

The \$57.9 million lease-purchase financing was completed in Fiscal Year 2022/23, and we anticipate delivery of the new helicopters by the end of calendar year 2023. Before the new aircraft are delivered to OCFA, they are being transformed from Blackhawk to Firehawk helicopters. This transformation results in a true multi-mission airframe with enhanced capabilities and safety, including digital cockpit upgrades, increased power margins, and the ability to deliver 1,000 gallons of water. The Firehawk helicopters also have a reconfigurable cabin that can accommodate up to twelve firefighting crew members and their equipment during emergency operations. The new aircraft will join OCFA's two Bell 412 helicopters, providing OCFA with four operational helicopters for the first time since 2020. With their advanced technology and increased carrying capacity, OCFA's investment in the new Firehawk helicopters will elevate OCFA's operational effectiveness.

Accelerated Pay-Down of Pension Liability with the Orange County Employees Retirement System: OCFA continues its policy efforts and Board actions to reduce its unfunded liabilities, thereby improving the sustainability of services. In September 2013, the Board approved several strategies to accelerate funding OCFA's Unfunded Actuarial Accrued Liability (UAAL) with the Orange County Employees Retirement System (OCERS). Those strategies, referred to as the "Snowball Plan," currently include the following:

- (A) Use unencumbered fund balance available at the close of each fiscal year to make annual lump sum payments, estimated at an average amount of \$3 million annually;
- (B) Include savings from reduced retirement rates resulting from the implementation of the Public Employees' Pension Reform Act;
- (C) Budget an additional \$1 million beginning in Fiscal Year 2016/17, and increase by \$2 million each subsequent fiscal year until reaching an annual amount of \$15 million;
- (D) Contribute \$1 million annually for five years, beginning in Fiscal Year 2016/17, from surplus fund balance available from the General Fund's fund balance assignment for workers' compensation;
- (E) Contribute 50% of General Fund surplus, if any, annually beginning in Fiscal Year 2017/18 in accordance with the Financial Stability Budget Policy; and
- (F) Contribute \$500,000 annually beginning in Fiscal Year 2020/21 until the liability is 85% funded in accordance with the Irvine Settlement Agreement.

In November 2016, the Board of Directors also authorized modifications of the "Snowball Plan" to (1) alter the funding target from 100% to 85%; and (2) to redirect expedited payments from the UAAL to the OCFA's unfunded liability for the Retiree Medical Plan after achieving that 85% target. In August 2019, OCFA formalized its commitment to its "Snowball Plan" with the 4th Amendment to the Joint Powers Authority Agreement, which requires the Board to appropriate funds to its budget annually consistent with, or greater than, the budgetary payments called for in the "Snowball Plan," except for instances of fiscal hardship defined as a substantial reduction in OCFA's anticipated revenues and/or a significant increase in anticipated expenses that are beyond the reasonable control of the Board. As of December 2020, OCFA achieved 87.7% funding of its UAAL. Thus, starting in Fiscal Year 2021/22, OCFA began redirecting its cash "Snowball Plan" payments to the Retiree Medical Plan.

OCFA has been making additional payments toward its UAAL annually since Fiscal Year 2013/14, with additional payments made during Fiscal Year 2022/23 totaling \$30.5 million, with \$12.7 million directed to the pension plan UAAL and \$17.8 million directed to the Retiree Medical Plan. The Board of Directors is updated annually on the status of the pay-down plan. As of September 2023, estimates from the OCERS actuary indicated that making accelerated payments has saved OCFA \$76.7 million in interest, and OCFA is expected to achieve 100% funding of its UAAL by December 31, 2031. Below is a summary of additional payments made under the “Snowball Plan” since Fiscal Year 2013/14 toward the UAAL and the Retiree Medical Plan.

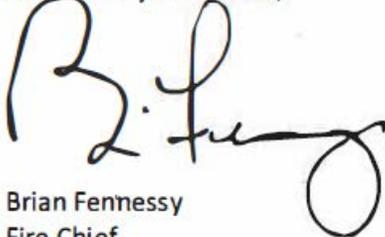
	Part A	Part B	Part C	Part D	Part E	Part F			
Fiscal Year Ended June 30	Available Fund Balance	Annual IPEPRA Savings	Annual Budget Increases	Budget Increases from Workers Comp Assignment	50% of General Fund Surplus	Irvine Settlement Agreement	Total Snowball Plan Payments	Other UAAL Rate Savings Payments	Total Additional Payments
2014	\$ 3,000,000	\$ 2,235,753	\$ -	\$ -	\$ -	\$ -	\$ 5,235,753	\$ -	\$ 5,235,753
2015	21,290,238	86,061	-	-	-	-	21,376,299	-	21,376,299
2016	12,609,380	2,802,122	-	-	-	-	15,411,502	-	15,411,502
2017	9,814,477	1,653,114	1,000,000	1,000,000	-	-	13,467,591	3,128,369	16,595,960
2018	13,174,516	1,886,420	3,000,000	1,000,000	870,041	-	19,930,977	3,164,819	23,095,796
2019	10,000,000	3,167,397	5,000,000	1,000,000	-	-	19,167,397	3,665,549	22,832,946
2020	4,030,172	1,648,658	7,000,000	1,000,000	-	-	13,678,830	7,324,607	21,003,437
2021	3,000,000	2,368,859	9,000,000	1,000,000	-	500,000	15,868,859	11,092,090	26,960,949
2022	-	-	-	-	-	-	-	10,941,312	10,941,312
2023	-	-	-	-	-	-	-	12,758,836	12,758,836
UAAL (Pension)	76,918,783	15,848,384	25,000,000	5,000,000	870,041	500,000	124,137,208	52,075,582	176,212,790
2022	-	3,279,280	11,000,000	-	-	-	14,279,280	-	14,279,280
2023	-	4,787,217	13,000,000	-	-	-	17,787,217	-	17,787,217
Retiree Medical	-	8,066,497	24,000,000	-	-	-	32,066,497	-	32,066,497
Total	\$76,918,783	\$23,914,881	\$49,000,000	\$5,000,000	\$870,041	\$500,000	\$156,203,705	\$52,075,582	\$208,279,287

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the OCFA for its Fiscal Year 2021/22 Annual Comprehensive Financial Report (ACFR), marking the 25th consecutive year OCFA has received this prestigious award. In order to be awarded this certificate, a government must publish an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements. The certificate is valid for a period of one year. We believe our Fiscal Year 2022/23 ACFR continues to meet the program’s requirements, and we are submitting it to the GFOA to determine its eligibility for this year’s award.

The timely preparation of the Annual Comprehensive Financial Report was made possible by the dedicated efforts of the management and staff of the Finance Division. We acknowledge the support and direction provided to OCFA staff by the accounting firm of Lance, Soll & Lunghard, LLP. We would also like to express our appreciation to the Board of Directors and Budget and Finance Committee for their leadership and support in planning and conducting the financial operations of the OCFA responsibly and progressively.

Respectfully submitted,

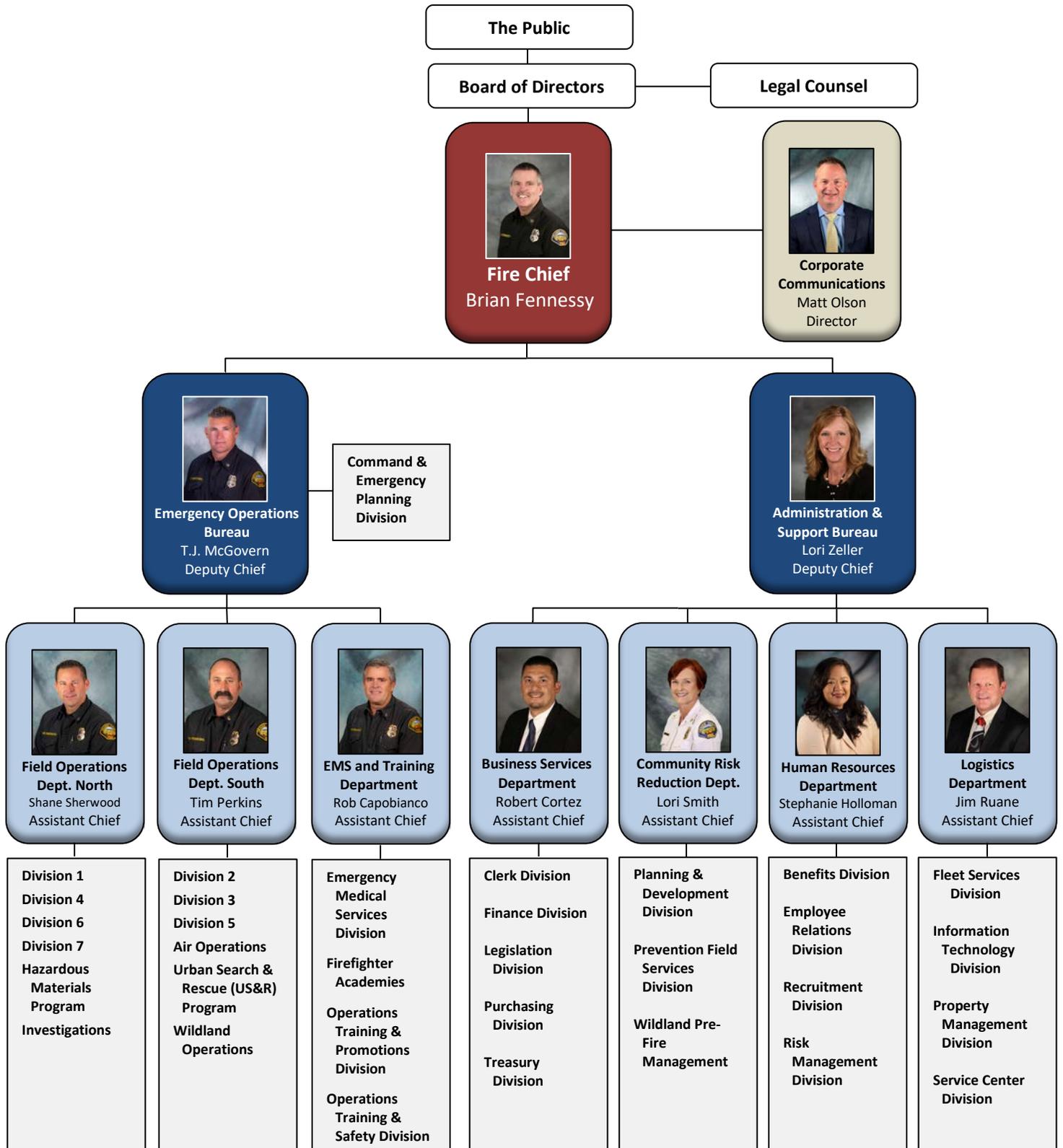


Brian Fennessy
Fire Chief



Robert Cortez
Assistant Chief, Business Services Department

ORANGE COUNTY FIRE AUTHORITY
Organization Chart
As of June 30, 2023



ORANGE COUNTY FIRE AUTHORITY
Management Staff and Appointed Officials
As of June 30, 2023

Executive Management

Fire Chief

Brian Fennessy

Deputy Chiefs

T.J. McGovern	Emergency Operations
Lori Zeller	Administration & Support

Assistant Chiefs

Shane Sherwood	Field Operations North
Tim Perkins	Field Operations South
Rob Capobianco	EMS and Training
Robert Cortez	Business Services
Lori Smith	Community Risk Reduction
Stephanie Holloman	Human Resources
Jim Ruane	Logistics

Directors

Matt Olson	Corporate Communications
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Appointed Officials

Patricia Jakubiak	Treasurer
Robert Cortez	Auditor (Interim)
Maria D. Huizar	Clerk of the Authority

Legal Counsel

Woodruff & Smart	General Counsel
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**ORANGE COUNTY FIRE AUTHORITY
Organization of Board of Directors
As of June 30, 2023**

Orange County Fire Authority's Board of Directors has twenty-five members as of June 30, 2023. Twenty-three of the members represent member cities and two members represent the county unincorporated area. The Board of Directors meets monthly. Following are descriptions of each standing committee that has been established by the Board of Directors:

The **Executive Committee** conducts all business of the OCFA, with the exception of policy issues, including labor relations, budget issues, and other matters specifically retained by the Board. The Executive Committee consists of no more than nine members of the Board and includes the following designated positions: the Chair and Vice Chair of the Board, the immediate past Chair of the Board, and the Chair of the Budget and Finance Committee. In addition, the Chair appoints five at-large members, subject to the approval of the Board. At least one member of the County Board of Supervisors serves on this committee. In addition, the ratio of committee members representing cash contract cities to the total committee membership is as close as reasonably possible to the ratio of the number of cash contract cities to total member agencies. The Chair of the City Managers Technical Advisory Committee serves as an ex-officio, non-voting member of the Executive Committee.

The **Budget and Finance Committee** advises staff and makes recommendations to the Board on matters related to financial and budget policies, development of budgets for the General Fund and capital expenditures, assignment of fund balances, budget balancing measures, evaluation and development of plans to meet long-term financing needs, investment oversight, and purchasing policies. The Budget and Finance Committee is also designated to serve as OCFA's audit oversight committee. The Board Chair makes appointments to the committee on an annual or as-needed basis and in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities. The Board, through the Board Chair, appoints one City Manager to serve as an ex-officio, non-voting member of the committee.

The **Human Resources Committee** advises OCFA staff and makes recommendations to the Board on matters regarding human resources policies; job class specifications; compensation programs; benefit changes and renewals; labor negotiations; staff training, development and recognition programs; succession planning; risk management and workers' compensation policies; and development of management/performance evaluation and information systems. The committee consists of no more than seven members of the Board, all of which are appointed by the Board Chair. Appointments to the committee are made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities.

The **Legislative and Public Affairs Committee** advises the Executive Committee and Board on matters related to public outreach and legislative affairs at the local, state, and federal levels; reviews and provides recommendations on legislative and regulatory matters that may impact OCFA; receives status reports from OCFA's legislative advocates and staff; reviews and provides recommendations pertaining to OCFA's public outreach, branding, and communications activities; and evaluates opportunities to enhance OCFA public relations. The committee consists of no more than seven members of the Board, all of which are appointed by the Board Chair. Appointments to the committee are made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities.

The **Operations Committee** advises the Executive Committee and Board on high level policy decisions related to the operations of the OCFA. The committee reviews plans for future needs of the OCFA, explores alternatives to services, and makes recommendations to support operations. The committee is not intended to get into the day-to-day operations of OCFA, which is the responsibility of the Fire Chief and Executive Management. The committee consists of no more than seven members of the Board, all of which are appointed by the Board Chair. Appointments to the committee are made in such a manner as to achieve, as close as reasonably possible, a balance between the number of members representing structural fire fund and cash contract cities.



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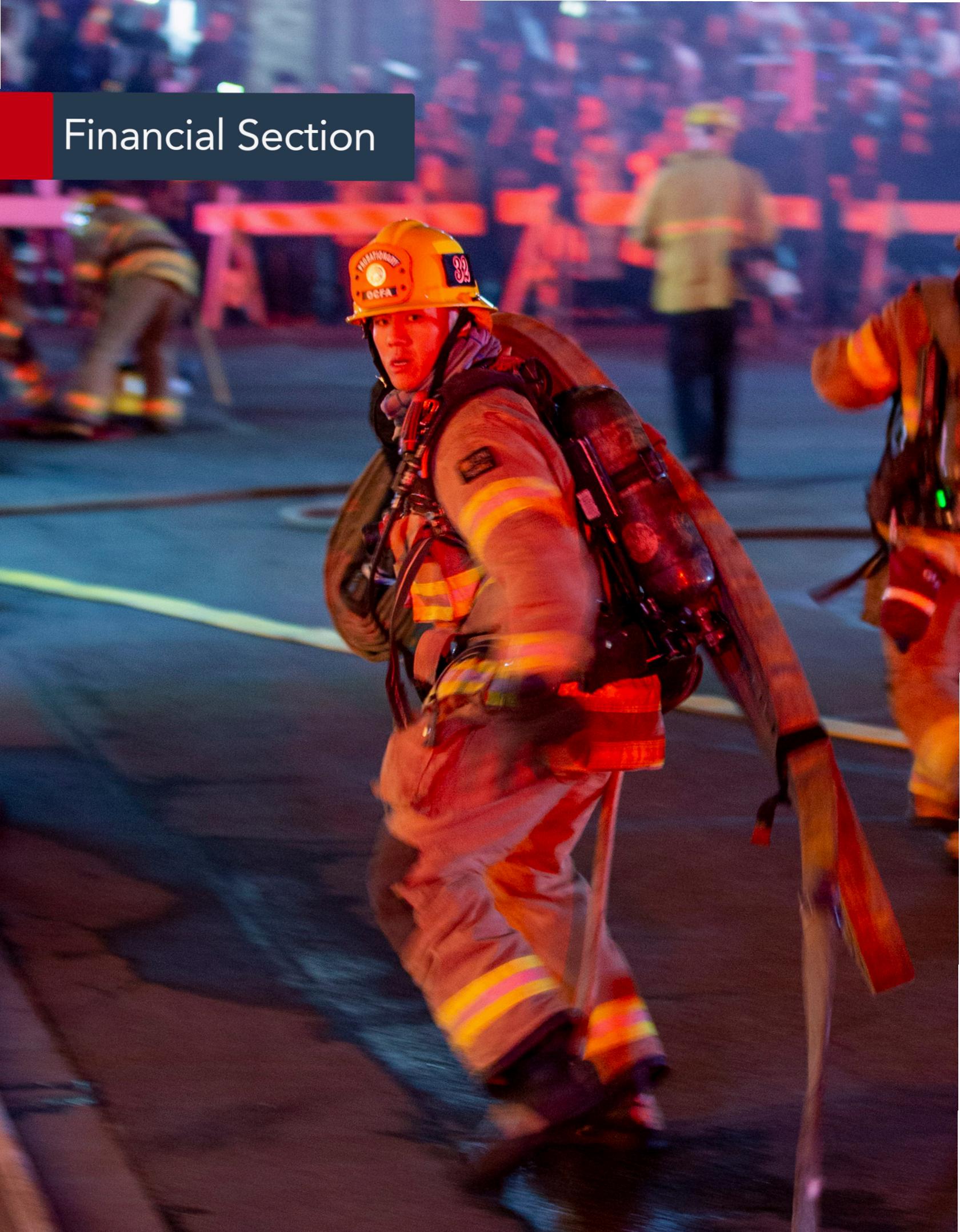
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section





INDEPENDENT AUDITOR’S REPORT

To the Board of Directors
Orange County Fire Authority
Irvine, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison statement for the general fund of Orange County Fire Authority, (the “Authority”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority’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, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparison statement for the general fund of the Authority, as of June 30, 2023, and the respective changes in financial position 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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 Authority’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.



To the Board of Directors
Orange County Fire Authority
Irvine, California

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 Authority'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 Authority'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 the required pension and other postemployment benefits schedules, as listed on the table of contents, 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.



To the Board of Directors
Orange County Fire Authority
Irvine, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the combining and individual fund statements and schedules (supplementary information) that collectively comprise the Authority's 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2023, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Brea, California
October 9, 2023

Orange County Fire Authority



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Management's Discussion and Analysis



Hand Crew Graduation
November 2, 2022

ORANGE COUNTY FIRE AUTHORITY
Management's Discussion and Analysis
Year ended June 30, 2023

As management of the Orange County Fire Authority (OCFA), we offer readers of the financial statements this overview and analysis of OCFA's financial activities for the fiscal year ended June 30, 2023.

Financial Highlights

Governmental Activities: OCFA's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$62,396,905 at June 30, 2023. Net position consisted of net investment in capital assets totaling \$209,059,816; amounts restricted for capital and other projects totaling \$42,216,444; and an unrestricted deficit totaling \$188,879,355. Net position increased by \$109,203,330 as the result of current year operations.

Governmental Funds: OCFA's governmental fund balances totaled \$309,953,173 at June 30, 2023, an increase of \$65,958,817 over the prior fiscal year as a result of current year operations. Approximately 8.6% was available for funding future operational needs.

General Fund: Fund balance in the General Fund was categorized as follows at June 30, 2023:

➤	Nonspendable	\$ 32,542,882
➤	Restricted	12,044,728
➤	Committed	3,519,541
➤	Assigned	154,226,631
➤	Unassigned	<u>26,725,234</u>
	Fund balance of the General Fund as of June 30, 2023	<u>\$229,059,016</u>

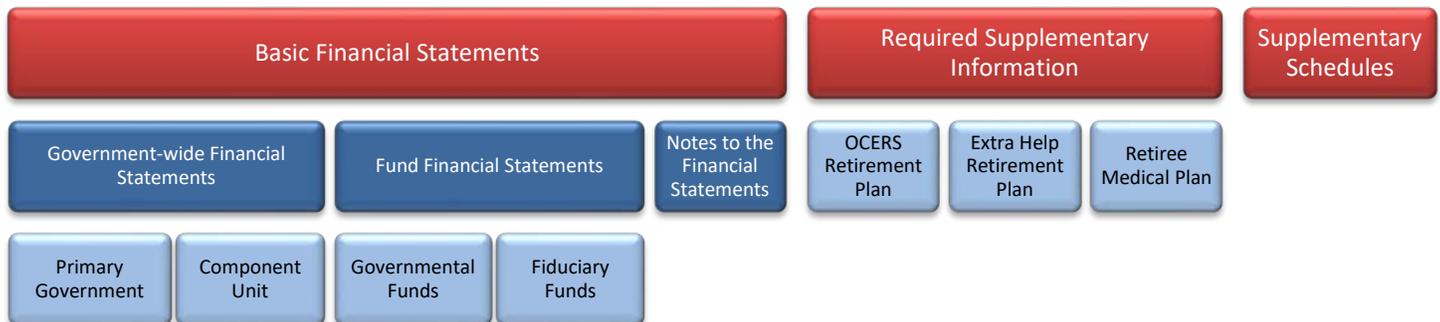
Events with Significant Financial Impact:

Funding the Retiree Medical Plan: As of December 2020, OCFA achieved 87.7% funding of its Unfunded Actuarial Accrued Liability (UAAL) with the Orange County Employees Retirement System (OCERS). Thus, during Fiscal Year 2022/23, OCFA redirected \$17,787,217 in cash "Snowball Plan" payments to the Retiree Medical Plan in accordance with the 4th Amendment to the Joint Powers Authority Agreement.

Debt Issuance: During Fiscal Year 2022/23, OCFA entered into a Master Equipment Lease/Purchase Agreement in the amount of \$57,882,120 for the purpose of acquiring and installing two Sikorsky S-70M Type 1 Firehawk helicopters and related equipment, as well as for related training. The helicopters were in the process of being constructed as of June 30, 2023.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to OCFA's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition, the financial section of this report contains required supplementary information and supplementary schedules.



Government-wide Financial Statements: The government-wide financial statements provide a broad overview of OCFA’s and the OCFA Foundation’s finances in a manner like private-sector business. Public safety activities are reported as governmental activities, because they are principally supported by taxes and intergovernmental revenues. The government-wide financial statements can be found on pages 25-26.

Statement of Net Position: The statement of net position presents information on assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The differences between these items are reported as “net position.” Over time, increases or decreases in net position serve as an indicator of whether the financial position is improving or deteriorating.

Statement of Activities: The statement of activities shows how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Fund Financial Statements: A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Like other state and local governments, OCFA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. OCFA’s funds can be divided into two categories – governmental and fiduciary.

Governmental Funds: Governmental funds account for essentially the same functions as those reported in the government-wide financial statements as “governmental activities.” However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information is useful in evaluating a government’s near-term financing requirements. Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of near-term financial decisions. Reconciliations are provided to facilitate this comparison for the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances.

OCFA reports four governmental funds. Information for each governmental fund is presented separately in the fund financial statements, because OCFA has elected to classify all governmental funds as major funds. OCFA adopts an annual appropriated budget for each governmental fund. Budgetary comparison statements or schedules are provided for the governmental funds to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 27-32.

Fiduciary Funds: Fiduciary funds account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support OCFA’s own programs. Combined basic fiduciary fund financial statements can be found on pages 33-34.

Notes to the Financial Statements and Required Supplementary Information (RSI): The notes to the financial statements and RSI provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statements, including information about OCFA’s retirement and other postemployment benefit plans. RSI, while not a part of the basic financial statements, is considered to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The notes to the financial statements can be found on pages 35-87 and RSI can be found on pages 89-102.

Supplementary Schedules: The budgetary schedules referred to earlier in connection with governmental funds are presented in the supplementary schedules section. Combining and individual fund schedules can be found on pages 103-117.

Government-wide Financial Analysis

Net Position: As noted earlier, the change in net position over time serves as a useful indicator of a government’s financial position. In the case of OCFA, net position totaled \$62,396,905 at the end of the most recent fiscal year, a 233.3% change from the prior fiscal year. Following is a summary of OCFA’s net position as of June 30, 2023 and 2022:

ORANGE COUNTY FIRE AUTHORITY's Net Position				
<u>Governmental Activities</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>%</u>
Assets:				
Current and other assets	\$ 311,355,707	\$ 251,101,071	\$ 60,254,636	24.0%
Restricted assets	19,896,244	5,221,012	14,675,232	281.1%
Proportionate share net pension asset	-	104,907,413	(104,907,413)	-100.0%
Capital assets, net	<u>265,329,787</u>	<u>218,977,442</u>	<u>46,352,345</u>	21.2%
Total assets	<u>596,581,738</u>	<u>580,206,938</u>	<u>16,374,800</u>	2.8%
Deferred outflows of resources:				
Related to pensions/OPEB	<u>268,112,178</u>	<u>131,162,798</u>	<u>136,949,380</u>	104.4%
Total deferred outflows of resources	<u>268,112,178</u>	<u>131,162,798</u>	<u>136,949,380</u>	104.4%
Liabilities:				
Long-term liabilities	619,934,017	255,021,486	364,912,531	143.1%
Other liabilities	<u>35,046,192</u>	<u>26,083,569</u>	<u>8,962,623</u>	34.4%
Total liabilities	<u>654,980,209</u>	<u>281,105,055</u>	<u>373,875,154</u>	133.0%
Deferred inflows of resources:				
Related to leases	839,179	800,802	38,377	4.8%
Related to pensions/OPEB	<u>146,477,623</u>	<u>476,270,304</u>	<u>(329,792,681)</u>	-69.2%
Total deferred inflows of resources	<u>147,316,802</u>	<u>477,071,106</u>	<u>(329,754,304)</u>	-69.1%
Net position:				
Net investment in capital assets	209,059,816	214,082,791	(5,022,975)	-2.3%
Restricted for capital projects	30,194,753	634,157	29,560,596	4661.4%
Restricted for augmentation and upstaffing activities	1,581,979	1,683,073	(101,094)	-6.0%
Restricted for greenhouse gas reduction activities	3,123,572	2,557,259	566,313	22.1%
Restricted for Section 115 pension trust	7,316,140	5,224,229	2,091,911	40.0%
Unrestricted	<u>(188,879,355)</u>	<u>(270,987,934)</u>	<u>82,108,579</u>	30.3%
Total net position (deficit)	<u>\$ 62,396,905</u>	<u>\$ (46,806,425)</u>	<u>\$ 109,203,330</u>	233.3%

Net Investment in Capital Assets: At June 30, 2023, the largest portion of OCFA's net position is its net investment in capital assets. OCFA uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Repayment of any debt issued to acquire capital assets must be from other sources. OCFA cannot sell the assets to obtain funding.

Net Position Restricted for Capital Projects and Other Purposes: An additional portion of OCFA's net position includes resources that are subject to external restrictions on how they may be used. As of June 30, 2023, restricted net position relates to California Department of Forestry (CALFIRE) contract revenues that are legally restricted for fire station development; state funding restricted for augmentation, upstaffing, and greenhouse gas reduction activities; amounts set aside in a Section 115 pension trust per contractual requirements; and unspent debt proceeds from the 2022 helicopter lease purchase agreement.

Unrestricted Net Position: The remaining balance of net position is considered unrestricted. A positive unrestricted balance would represent amounts that may be used to meet OCFA's ongoing obligations to citizens and creditors. A deficit unrestricted balance, as reported on June 30, 2023, and June 30, 2022, indicates that OCFA's obligations currently exceed its resources. As of June 30, 2023, this deficit is due to the implementation of Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75 during Fiscal Year 2014/15 and Fiscal Year 2017/18, respectively. These statements required OCFA to begin reporting its net pension liabilities and the full amount of its net other postemployment benefit liabilities (OPEB) on the Statement of Net Position.

Changes in Net Position: Net position of OCFA's governmental activities increased by \$109,203,330 during the most recent fiscal year, an indication that OCFA's financial position has improved.

Governmental activities are divided into two categories – program and general. Program revenues are those derived directly from a government program itself, or from parties outside the government's taxpayers, and thus reduce the net cost of providing that program. Any program expenses that are not offset by program revenues must essentially be financed by general revenues, such as taxes and investment earnings. Following is a summary of the changes in OCFA's net position for Fiscal Year 2022/23 and Fiscal Year 2021/22, followed by explanations for the increases or decreases in revenues and expenses between fiscal years.

ORANGE COUNTY FIRE AUTHORITY's Changes in Net Position

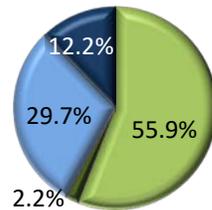
Governmental Activities	June 30, 2023	June 30, 2022	Increase (Decrease)	
			Amount	%
Program revenues:				
Charges for services	\$ 173,110,122	\$ 174,072,175	\$ (962,053)	-0.6%
Operating grants and contributions	52,867,337	38,289,243	14,578,094	38.1%
Capital grants and contributions	18,386,450	401,221	17,985,229	4482.6%
Total program revenues	244,363,909	212,762,639	31,601,270	14.9%
General revenues:				
Property taxes	326,138,528	302,861,759	23,276,769	7.7%
Investment income	5,388,518	(4,799,952)	10,188,470	212.3%
Gain on disposal of capital assets	-	17,777	(17,777)	-100.0%
Miscellaneous	7,623,310	4,020,895	3,602,415	89.6%
Total general revenues	339,150,356	302,100,479	37,049,877	12.3%
Total revenues	583,514,265	514,863,118	68,651,147	13.3%
Public safety expenses:				
Salaries and benefits	346,185,496	249,802,878	96,382,618	38.6%
Services and supplies	101,221,979	93,296,815	7,925,164	8.5%
Depreciation and amortization	25,712,134	13,232,063	12,480,071	94.3%
Total program expenses	473,119,609	356,331,756	116,787,853	32.8%
Interest on long-term debt	1,191,326	-	1,191,326	n/a
Total expenses	474,310,935	356,331,756	117,979,179	33.1%
Change in net position	109,203,330	158,531,362	(49,328,032)	
Net position (deficit), beginning of year	(46,806,425)	(207,511,949)	160,705,524	
Prior period adjustment	-	2,174,162	(2,174,162)	
Net position (deficit), end of year	\$ 62,396,905	\$ (46,806,425)	\$109,203,330	233.3%

Revenues of Governmental Activities - By Source

Fiscal Year 2022/23

Program Revenues, 41.9%

General Revenues, 58.1%



- Property Taxes
- Other General Revenues
- Charges for Services
- Operating and Capital Grants and Contributions

Program Revenues: Program revenues, which totaled \$244,363,909 for Fiscal Year 2022/23 and accounted for 41.9% of total revenues, increased by \$31,601,270 over the prior fiscal year.

Charges for Services include amounts received from those who purchase, use, or directly benefit from or are affected by a program. These revenues decreased by \$962,053 from the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
-\$8,820,000	Reimbursements for state and federal "assistance by hire" incidents vary depending on emergency response activity. State reimbursements decreased in Fiscal Year 2022/23 by \$7,970,000. OCFA responded to forty-six state incidents in the current fiscal year as compared to fifty-nine in the prior fiscal year. Significant fire incidents in Fiscal Year 2021/22 included the out-of-county Dixie and Caldor fires. Federal responses to national emergency incidents and for the Fire Management Assistance Grant (FMAG) program decreased in Fiscal Year 2022/23 by \$850,000. Activity was higher in the prior fiscal year due to the in-county Coastal fire and the out-of-county Jim fire.

(Continued)

(Continued)

Amount (Rounded)	Reason for Increase / Decrease
+\$6,345,000	OCFA contracts to provide emergency response services to its cash contract cities and other government agencies. Revenues from cash contract cities increased by \$2,955,000 during Fiscal Year 2022/23 based on contractual terms of the Joint Powers Agreement. Other changes in Fiscal Year 2022/23 included contracts with CALFIRE for protection of State Responsibility Area (SRA) lands (+\$3,420,000) and with John Wayne Airport for Airport Rescue Firefighting (ARFF) Services (-\$30,000).
+\$1,290,000	Fee-based fire prevention revenues for inspections, planning and development, and related late fees increased in Fiscal Year 2022/23 primarily due implementation of a new base fee for inspections.
+\$290,000	Ambulance transport reimbursements increased in Fiscal Year 2022/23 due to an increase in transport activities as compared to the prior fiscal year.
-\$70,000	Funding for OCFA's response to the COVID-19 pandemic decreased in Fiscal Year 2022/23. During the prior fiscal year, OCFA recognized a public assistance reimbursement claim totaling \$310,000 from the Federal Emergency Management Agency (FEMA) and \$60,000 for the Operation Independence vaccine distribution initiative funded through the County of Orange. During the current fiscal year, \$300,000 in FEMA revenue was recognized.
-\$965,000	Program Revenues: Charges for Services – Net Decrease

Operating Grants and Contributions include grants, contributions, donations, and similar items that are restricted to one or more specific program. These revenues increased by \$14,578,094 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
+\$7,625,000	In both the current and prior fiscal years, OCFA received donations from Southern California Edison (SCE) to support the Quick Reaction Force (QRF), a seasonal wildland air operations program. Current fiscal year revenues are higher because the program operated for the entire fiscal year (365 days), as compared to only 171 combined days in the prior fiscal year.
+\$6,990,000	During Fiscal Year 2022/23, OCFA received \$16.0 million in state revenue to fund the Fire Integrated Real-Time Intelligence System (FIRIS) program in support of the wildfire season. This was an increase over the \$9.0 million in state funding received for the same program in the prior fiscal year. The increase in revenue reimbursements correlated with OCFA's rising costs to operate the program, including increases to lease fixed wing aircraft (+\$4.6 million) and for air tactical ground support (+\$1.9 million).
+\$520,000	Federal and state operating grants increased in Fiscal Year 2022/23 since OCFA incurred more reimbursable costs for certain grants, including the ongoing Urban Search & Rescue program.
-\$555,000	Net changes in other operating grants and contributions decreased primarily due to state funding used for greenhouse gas reduction activities (-\$460,000); state funding for a Western Region Multi-Task Force exercise (MOBEX Drill) (-\$320,000); state grant funding for vegetation management (+\$175,000); and projects eligible for reimbursement from the California Firefighter Joint Apprenticeship Committee (+\$50,000).
+\$14,580,000	Program Revenues: Operating Grants and Contributions – Net Increase

Capital Grants and Contributions include grants, contributions, donations, and similar items that are restricted to one or more specific capital-related programs. These revenues increased by \$17,985,229 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
+\$17,335,000	Federal and state grants and other funding sources received for capital-related activities increased in Fiscal Year 2022/23. OCFA received \$16,950,000 in state funding for the construction of a new hand crew fire station. In addition, cost-reimbursement based grants were higher in Fiscal Year 2022/23 for fuel reduction equipment (+\$230,000), an education trailer (+\$150,000), and a mobile helicopter dip tank (+\$5,000).
+\$650,000	Revenues from developers increased per the terms of various Secured Fire Protection Agreements. Contributions varied between the prior and current year because of construction projects in the cities of Cypress, Lake Forest, and Irvine. In addition, during Fiscal Year 2022/23, OCFA received a developer fee reimbursement relating to a new type 1 engine assigned to Fire Station No. 67 (Rancho Mission Viejo).
+\$17,985,000	Program Revenues: Capital Grants and Contributions – Net Increase

General Revenues: General revenues, which totaled \$339,150,356 for Fiscal Year 2022/23 and accounted for 58.1% of total revenues, increased by \$37,049,877 over the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease																												
+\$23,275,000	Property taxes increased by \$23,275,000 over the prior fiscal year primarily due to increases in secured property taxes. Secured property taxes increased by 5.9%, which is consistent with a corresponding 5.8% increase in the assessed property values for jurisdictions within OCFA’s structural fire fund.																												
+\$10,185,000	Investment income increased by \$10,185,000. OCFA’s year-to-date effective rate of return on its investment portfolio was 2.27% at June 30, 2023, as compared to 0.46% at June 30, 2022, generating an increase to overall portfolio earnings. OCFA adjusts its investments to market value as of June 30 each year. This resulted in an overall investment loss in Fiscal Year 2022/23, but generated an increase in investment income as compared to the prior fiscal year’s larger market value loss. The market value adjustment is a “paper only” transaction since OCFA typically holds its investments to maturity. These and other components of investment income are summarized below: <table border="1" style="margin-left: 40px; margin-top: 10px;"> <thead> <tr> <th></th> <th>FY 2022/23</th> <th>FY 2021/22</th> <th>Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>Portfolio earnings</td> <td>\$4,607,735</td> <td>\$ 745,631</td> <td>\$ 3,862,104</td> </tr> <tr> <td>Market value gain (loss)</td> <td>(179,777)</td> <td>(5,775,499)</td> <td>5,595,722</td> </tr> <tr> <td>Interest on property taxes</td> <td>403,825</td> <td>78,953</td> <td>324,872</td> </tr> <tr> <td>Section 115 pension trust</td> <td>154,802</td> <td>77,794</td> <td>77,008</td> </tr> <tr> <td>Helicopter debt escrow account</td> <td>324,428</td> <td>-</td> <td>324,428</td> </tr> <tr> <td>Total investment income</td> <td>\$5,311,013</td> <td>\$(4,873,121)</td> <td>\$10,184,134</td> </tr> </tbody> </table>		FY 2022/23	FY 2021/22	Increase (Decrease)	Portfolio earnings	\$4,607,735	\$ 745,631	\$ 3,862,104	Market value gain (loss)	(179,777)	(5,775,499)	5,595,722	Interest on property taxes	403,825	78,953	324,872	Section 115 pension trust	154,802	77,794	77,008	Helicopter debt escrow account	324,428	-	324,428	Total investment income	\$5,311,013	\$(4,873,121)	\$10,184,134
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Total investment income	\$5,311,013	\$(4,873,121)	\$10,184,134																										
+\$3,590,000	Miscellaneous and other revenues increased primarily due to amounts received from the Orange County Professional Firefighters Association IAFF Local 3631 in connection with the contract governing OCFA’s contributions to the firefighter medical trust.																												
+\$37,050,000	General Revenues – Net Increase																												



Public Safety Expenses: Total public safety expenses increased by \$116,787,853 from the prior fiscal year.

Amount (Rounded)	Reason for Increase / Decrease
+\$1,590,000	Reasons for increases and decreases to the following categories of salaries and benefits are further explained in the Major Governmental Funds – General Fund portion of this Management’s Discussion and Analysis (see page 14): regular pay (+\$3,525,000); overtime (-\$3,045,000); health insurance (+\$900,000); other pay (+\$755,000); and vacation and sick leave payouts (-\$545,000).
+\$96,350,000	Retirement contributions remitted to the Orange County Employees Retirement System (OCERS) decreased by \$9,350,000. Reasons for the decrease in actual plan contributions are further explained in the Major Governmental Funds – General Fund portion of this Management’s Discussion and Analysis (see page 14). In addition, under the requirements of GASB Statement No. 68, the amount of pension expense recognized during Fiscal Year 2022/23 to fully capture OCFA’s share of the net pension liability in its governmental activities was \$105,700,000 more than the prior fiscal year.
-\$3,050,000	Employer contributions to the Retiree Medical Plan increased by \$8,550,000. Reasons for the increase in actual plan contributions are further explained in the Major Governmental Funds – General Fund portion of this Management’s Discussion and Analysis (see page 14). In addition, under the requirements of GASB Statement No. 75, the amount of OPEB expense recognized during Fiscal Year 2022/23 in order to fully capture OCFA’s net OPEB liability in its governmental activities was \$11,600,000 less than the prior fiscal year.

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Amount (Rounded)	Reason for Increase / Decrease																
+\$1,495,000	The net change in long-term liabilities for various employee leave balances increased by \$1,495,000 as compared to the prior fiscal year and is recognized as an expense (credit) in the governmental activities.																
+\$96,385,000	Subtotal for Public Safety Salaries and Benefits – Net Increase																
+\$13,655,000	Reasons for increases and decreases to the following categories of services and supplies are further explained in the Major Governmental Funds portion of this Management’s Discussion and Analysis (see pages 15-18): <table style="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">➤ FIRIS program</td> <td style="text-align: right;">+\$6,630,000</td> </tr> <tr> <td>➤ VHF radios</td> <td style="text-align: right;">-\$1,540,000</td> </tr> <tr> <td>➤ Insurance premiums</td> <td style="text-align: right;">+\$715,000</td> </tr> <tr> <td>➤ Other services and supplies (various funds)</td> <td style="text-align: right;">+\$7,850,000</td> </tr> <tr> <td style="padding-left: 20px;">Total – net increase in expenses</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">+\$13,655,000</td> </tr> </table>	➤ FIRIS program	+\$6,630,000	➤ VHF radios	-\$1,540,000	➤ Insurance premiums	+\$715,000	➤ Other services and supplies (various funds)	+\$7,850,000	Total – net increase in expenses	+\$13,655,000						
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Total – net increase in expenses	+\$13,655,000																
-\$6,640,000	OCFA has partnered with Southern California Edison (SCE) in both the current and prior fiscal years to fund the Quick Reaction Force (QRF) air operations program, which is designed to enhance OCFA’s regional aerial wildland fire response and benefit the residents and businesses within Southern California Edison’s service territory. Payments made to vendors to operate the program (excluding flight time) are \$6,210,000 higher in Fiscal Year 2022/23 because the program operated for entire fiscal year (365 days), as compared to only 171 combined days in the prior fiscal year. However, during Fiscal Year 2022/23, OCFA amended its long-term lease agreement with Coulson Aviation (USA) Inc. and thus reported a right-to-use lease liability for aircraft used in the QRF program. Lease payments are considered a reduction to the outstanding principal balance of the lease, rather than an expense. The net impact was an overall \$6,640,000 decline in QRF program expenses as shown in the table below. <table style="width: 100%; margin-left: 20px; margin-top: 10px;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">FY 2022/23</th> <th style="text-align: center; border-bottom: 1px solid black;">FY 2021/22</th> <th style="text-align: center; border-bottom: 1px solid black;">Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>QRF program vendor payments (excluding flight time)</td> <td style="text-align: right;">\$ 16,305,000</td> <td style="text-align: right;">\$10,095,000</td> <td style="text-align: right;">\$ 6,210,000</td> </tr> <tr> <td>Less: Coulson aircraft lease principal payments</td> <td style="text-align: right;">(12,850,000)</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(12,850,000)</td> </tr> <tr> <td style="padding-left: 20px;">Total QRF program expenses</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 3,455,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$10,095,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$(6,640,000)</td> </tr> </tbody> </table>		FY 2022/23	FY 2021/22	Increase (Decrease)	QRF program vendor payments (excluding flight time)	\$ 16,305,000	\$10,095,000	\$ 6,210,000	Less: Coulson aircraft lease principal payments	(12,850,000)	-	(12,850,000)	Total QRF program expenses	\$ 3,455,000	\$10,095,000	\$(6,640,000)
	FY 2022/23	FY 2021/22	Increase (Decrease)														
QRF program vendor payments (excluding flight time)	\$ 16,305,000	\$10,095,000	\$ 6,210,000														
Less: Coulson aircraft lease principal payments	(12,850,000)	-	(12,850,000)														
Total QRF program expenses	\$ 3,455,000	\$10,095,000	\$(6,640,000)														
+\$910,000	OCFA’s long-term liability for workers’ compensation reflects the present value of estimated outstanding losses, as determined by an actuarial valuation and the “confidence level” set by the Board of Directors. The change in the actuarial liability estimate, plus actual cash claims paid, is recognized as an expense. <table style="width: 100%; margin-left: 20px; margin-top: 10px;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">FY 2022/23</th> <th style="text-align: center; border-bottom: 1px solid black;">FY 2021/22</th> <th style="text-align: center; border-bottom: 1px solid black;">Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>Actual claims paid</td> <td style="text-align: right;">\$15,125,000</td> <td style="text-align: right;">\$13,750,000</td> <td style="text-align: right;">\$1,375,000</td> </tr> <tr> <td>Change in actuarial estimate</td> <td style="text-align: right;">12,065,000</td> <td style="text-align: right;">12,530,000</td> <td style="text-align: right;">(465,000)</td> </tr> <tr> <td style="padding-left: 20px;">Total expenses</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$27,190,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$26,280,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$ 910,000</td> </tr> </tbody> </table>		FY 2022/23	FY 2021/22	Increase (Decrease)	Actual claims paid	\$15,125,000	\$13,750,000	\$1,375,000	Change in actuarial estimate	12,065,000	12,530,000	(465,000)	Total expenses	\$27,190,000	\$26,280,000	\$ 910,000
	FY 2022/23	FY 2021/22	Increase (Decrease)														
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Total expenses	\$27,190,000	\$26,280,000	\$ 910,000														
+\$7,925,000	Subtotal for Public Safety Services and Supplies – Net Increase																
+\$12,480,000	Public Safety Depreciation and Amortization Expense , which had no impact on OCFA’s cash balances, increased by \$12,480,000, and pertained primarily to depreciation on right-to-use lease aircraft and vehicles. Fiscal Year 2022/23 was the first partial year of depreciation on the aircraft leased from Coulson Aviation (USA) Inc., as well as the first full year of depreciation on eight type one engines that were placed into service during the prior fiscal year.																
+\$116,790,000	Total Public Safety Expenses – Net Decrease																

OCFA Foundation: OCFA reports the financial activities of the OCFA Foundation as a discretely presented component unit in its government-wide financial statements. The OCFA Foundation also issues separate, component-unit financial statements that may be obtained through written request from OCFA Executive Management at 1 Fire Authority Road, Irvine, California, 92602. The net position of the OCFA Foundation totaled \$302,944 at June 30, 2023, an 11.8% decrease from the prior fiscal year. Following is a summary of the OCFA Foundation’s net position as of and for the changes thereof for the fiscal years ending June 30, 2023 and 2022:

OCFA FOUNDATION's Condensed Financial Activity				
<u>Component Unit</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>%</u>
Assets:				
Current and other assets	\$328,218	\$356,106	\$(27,888)	-7.8%
Capital assets, net	<u>11,118</u>	<u>11,917</u>	<u>(799)</u>	-6.7%
Total assets	<u>339,336</u>	<u>368,023</u>	<u>\$(28,687)</u>	-7.8%
Liabilities:				
Other liabilities	<u>36,392</u>	<u>24,569</u>	<u>11,823</u>	48.1%
Total liabilities	<u>36,392</u>	<u>24,569</u>	<u>11,823</u>	48.1%
Net position:				
Investment in capital assets	11,118	11,917	(799)	-6.7%
Restricted for grants, donations, and other programs	92,629	83,077	9,552	11.5%
Unrestricted	<u>199,197</u>	<u>248,460</u>	<u>(49,263)</u>	-19.8%
Total net position	<u>\$302,944</u>	<u>\$343,454</u>	<u>\$(40,510)</u>	-11.8%
Program revenues:				
Operating grants and contributions	<u>\$189,805</u>	<u>\$109,139</u>	<u>\$ 80,666</u>	73.9%
Total revenues	<u>189,805</u>	<u>109,139</u>	<u>80,666</u>	73.9%
Public safety expenses:				
Services and supplies	229,516	122,619	106,897	87.2%
Depreciation and amortization	<u>799</u>	<u>799</u>	<u>-</u>	n/a
Total expenses	<u>230,315</u>	<u>123,418</u>	<u>106,897</u>	86.6%
Change in net position	(40,510)	(14,279)	(26,231)	
Net position, beginning of year	<u>343,454</u>	<u>357,733</u>	<u>(14,279)</u>	
Net position, end of year	<u>\$302,944</u>	<u>\$343,454</u>	<u>\$(40,510)</u>	-11.8%

Net Position: At June 30, 2023, a portion of OCFA Foundation's net position reflects its investment in capital assets, which are not available for future spending. An additional portion of net position represents resources subject to external, donor-imposed restrictions that will be met through the actions of the Foundation or the passage of time. As of June 30, 2023, restricted net position included unspent amounts received for the Smoke Alarm Outreach Program, Drowning Prevention, the Fire Cadet Academy, the September 11th Memorial Project, the Girls Empowerment Camp, and projects at fire stations in Irvine, Laguna Hills, and Laguna Niguel. The remaining balance of the OCFA Foundation's net position is considered unrestricted and may be used to meet ongoing obligations.

Changes in Net Position: During Fiscal Year 2022/23, operating grants and contributions included \$59,976 in general contributions and \$129,829 in donations and other revenues restricted for various OCFA Foundation programs. Services and supplies expenses included \$10,935 for administrative costs such as bookkeeping services, credit card website services and convenience fees, gifts, and food. Other services and supplies expenses totaling \$218,581 related to various programs.

Financial Analysis of OCFA's Governmental Funds

Governmental Funds: OCFA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of OCFA's governmental funds is on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the OCFA's financing requirements. Fund balance is divided into the following five categories:

- **Nonspendable:** Not in a spendable form, or legally or contractually required to remain intact
- **Restricted:** Subject to externally enforceable legal restrictions
- **Committed:** Use is constrained by specific limitations that the Board of Directors imposes upon itself by a formal action
- **Assigned:** Intended to be used by the government for specific purposes, subject to change, as established by the governing body itself or by management officials who have been delegated authority by the governing body
- **Unassigned:** Residual amounts in the General Fund available for any purpose (may serve as a useful measure of a government's net resources available for funding future operational needs)

Major Governmental Funds: If the assets, liabilities, revenues, or expenditures of a governmental fund exceed 10% of the total of all governmental funds, that fund is reported as major in the fund financial statements. OCFA has elected to classify all its governmental funds as major, regardless of the calculation. Following is a description of the changes in each fund’s revenues, expenditures, and other financing sources and uses from the prior to the current fiscal year, and how those changes impacted net fund balance. **Increases to revenues and other financing sources impact fund balance positively, while increases to expenditures and other financing uses impact fund balance negatively.**



The **General Fund** is the chief operating fund of OCFA. At the end of Fiscal Year 2022/23, the General Fund’s fund balance totaled \$229,059,016. Unassigned fund balance totaling \$26,725,234 (11.7%) is available for future spending. The remaining \$202,333,782 (88.3%) is not available for spending on any new purpose, because it has already been restricted, committed or assigned for specific purposes, or is in a nonspendable form. Total fund balance of OCFA’s General Fund increased by \$28,576,415 during the current fiscal year. The prior fiscal year’s fund balance increased by \$8,027,985, a difference of \$20,548,430. The significant reason(s) for that net difference are summarized in the following tables.

	Impact on Fund Balance (Rounded)
Revenues – net increase	+\$49,560,000
Expenditures – net increase	-\$40,585,000
Other financing sources and uses – net increase	+\$11,575,000
Impact on fund balance – net increase	+\$20,550,000

Impact on Fund Balance (Rounded)	Description
+\$23,275,000	Taxes. Revenue from property taxes increased primarily due to secured property taxes, which were 5.9% higher than the prior fiscal year. The increase in secured property taxes is related to a rise in assessed property values for jurisdictions within OCFA’s structural fire fund.
+\$12,545,000	Miscellaneous. The increase in miscellaneous revenue primarily relates to donations from Southern California Edison (SCE) in conjunction with the Quick Reaction Force (QRF) seasonal wildland air operations program. Current fiscal year revenues are higher by approximately \$7,625,000, because the program operated for the entire fiscal year (365 days), as compared to only 171 combined days in the prior fiscal year. In addition, the increase in Fiscal Year 2022/23 miscellaneous revenue was attributed in part to a \$5,045,000 increase in amounts received from the Orange County Professional Firefighters Association IAFF Local 3631 in connection with OCFA’s contract governing contributions to the firefighter medical trust, which pays monthly health care premiums for employees in the firefighter unit.
+\$7,560,000	Use of Money and Property. The portion of investment portfolio earnings allocated to the fund, net of a market value loss, increased by \$7,150,000. Other increases included interest related to property taxes (+\$325,000), interest from the Section 115 pension trust (+75,000), and lease revenue earned from the Regional Fire Operations Training Center (RFOTC) cell phone tower (+\$10,000).
+\$4,415,000	Charges for Services. The most significant increase in charges for services was over \$2.8 million for operating and facilities charges to cash contract cities per terms of the Joint Powers Agreement. In addition, inspection fees increased by \$1 million, which is attributed in part to a new base fee charged to customers.
+\$1,765,000	Intergovernmental. The net increase in intergovernmental revenue primarily related to a \$3.4 million increase in operating contract revenue with CALFIRE for protection of State Responsibility Area (SRA) lands. This was offset by an overall \$1.8 million decline in state and federal “assistance by hire” for emergency response activity and federal reimbursements for responses to tropical cyclones and other disasters. OCFA responded to forty-six state incidents in the current fiscal year as compared to fifty-nine in the prior fiscal year. Federal responses to national emergency incidents and for the Fire Management Assistance Grant (FMAG) program was also higher in the prior fiscal year due to the in-county Coastal fire and the out-of-county Jim fire.
+\$49,560,000	Subtotal – Impact of Revenues

(Continued)

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(Continued)

Impact on Fund Balance (Rounded)	Description																		
+\$9,350,000	Retirement. Actuarially required pension contributions based on employee compensation, net of savings achieved by pre-paying a portion of the subsequent fiscal year’s contribution to the Orange County Employees Retirement System (OCERS), decreased by \$11.3 million. That decrease is due in part to a decrease in the required employer retirement rates with OCERS for Fiscal Year 2022/23. The decrease to normal retirement costs was offset by increases for \$1.8 million in one-time rate saving payments made in accordance with OCFA’s “Snowball Plan” and \$165,000 in employer interest paid for employee reciprocity calculations.																		
-\$8,550,000	Employer Retiree Medical Contributions. OCFA contributed over \$24.7 million to the Retiree Medical Trust in Fiscal Year 2022/23, as compared to over \$16.2 million in contributions made in the prior fiscal year. With OCFA’s pension plan at OCERS achieving 85% funding, “Snowball Plan” contributions are being redirected to the Retiree Medical Plan in accordance with the 4th Amendment to the Joint Powers Authority Agreement. In addition, OCFA receives any excess funds from a medical trust managed by Orange County Professional Firefighters Associations IAFF Local 3631 and, in turn, contributes those funds to the Retiree Medical Trust per terms of the Health Plan Agreement.																		
-\$3,525,000	Regular Pay. Regular pay and related costs such as Medicare taxes increased by over \$3.5 million in Fiscal Year 2022/23. Scheduled pay increases went into effect per negotiated labor contracts, including the firefighter unit (4.0% effective March 2023) and general and supervisory units (4.5% effective May 2023).																		
+\$3,045,000	Overtime. Overtime costs decreased by over \$3 million, including overtime for emergencies and backfill for suppression personnel utilizing leave balances or on workers’ compensation. There were fewer in-county and out-of-county emergency events generating overtime in Fiscal Year 2022/23.																		
-\$900,000	Health Insurance. Employee health insurance and other benefits increased primarily due to firefighter health insurance premiums. OCFA contributes toward the cost of firefighter health insurance premiums at a contractual rate per month, per employee. The monthly rate was \$2,199 per month for both the current and prior fiscal years; however, more firefighter personnel had healthcare coverage for all twelve months during Fiscal Year 2022/23. This generally occurs when the number of new firefighters hired outpaces retirements. In addition, twenty new positions created for a state-funded hand crew were filled during Fiscal Year 2022/23.																		
-\$755,000	<p>Other Pay. Other pay – which includes pay to employees on workers’ compensation, educational incentives, paramedic/EMT bonuses, bilingual pay, longevity pay, and other specialty pay – increased or decreased as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">➤ Emergency medical technician (EMT) pay</td> <td style="text-align: right;">+\$620,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Paramedic specialty pay</td> <td style="text-align: right;">+\$155,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Longevity incentive pay (new)</td> <td style="text-align: right;">+\$155,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Special assignment pay for other safety specialties</td> <td style="text-align: right;">+\$350,000</td> </tr> <tr> <td style="padding-left: 40px;">Subtotal – increase in specialty pay for safety employees</td> <td style="text-align: right; border-top: 1px solid black;">+\$1,280,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Workers’ compensation pay</td> <td style="text-align: right;">-\$725,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Education incentive pay (safety and non-safety)</td> <td style="text-align: right;">+\$235,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Other miscellaneous taxable and nontaxable pay</td> <td style="text-align: right;">-\$35,000</td> </tr> <tr> <td style="padding-left: 40px;">Total – net increase in expenditures</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">+\$755,000</td> </tr> </table> <p>Specialty pay for safety employees was the most significant contributor to the increase in other pay. Memorandums of Understanding (MOU) between OCFA and its safety labor groups (Orange County Professional Firefighters Association and Orange County Fire Authority Chief Officers Association) include certain specialty pay provisions, which are typically calculated as a percentage of regular pay. A 4.0% regular pay increase for the firefighter unit that went into effect March 2023 generated increases in most related specialty pays such as EMT pay, paramedic specialty pay, special assignment pay, and education incentive pay. In addition, two specialty pay items for chief officers increased or went into effect for the first time during Fiscal Year 2022/23. EMT pay for chief officers with a current EMT or paramedic certification increased by 0.25% (from 6.25% to 6.5%). A new 3.0% longevity incentive pay also went into effect for all chief officers at the commencement of their third year in a bargaining unit position.</p>	➤ Emergency medical technician (EMT) pay	+\$620,000	➤ Paramedic specialty pay	+\$155,000	➤ Longevity incentive pay (new)	+\$155,000	➤ Special assignment pay for other safety specialties	+\$350,000	Subtotal – increase in specialty pay for safety employees	+\$1,280,000	➤ Workers’ compensation pay	-\$725,000	➤ Education incentive pay (safety and non-safety)	+\$235,000	➤ Other miscellaneous taxable and nontaxable pay	-\$35,000	Total – net increase in expenditures	+\$755,000
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➤ Special assignment pay for other safety specialties	+\$350,000																		
Subtotal – increase in specialty pay for safety employees	+\$1,280,000																		
➤ Workers’ compensation pay	-\$725,000																		
➤ Education incentive pay (safety and non-safety)	+\$235,000																		
➤ Other miscellaneous taxable and nontaxable pay	-\$35,000																		
Total – net increase in expenditures	+\$755,000																		
+\$545,000	Vacation and Sick Leave Payouts. Vacation and sick leave payouts decreased primarily due to the retirement of three long-term employees with significant balances during Fiscal Year 2021/22.																		
-\$790,000	Subtotal – Impact of Salaries and Benefits																		

(Continued)

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Impact on Fund Balance (Rounded)	Description																												
-\$6,630,000	Fire Integrated Real-Time Intelligence System Program (FIRIS). FIRIS is a state-funded program providing enhanced, state-wide wildfire and all-hazard situational awareness for first responders. Program services and supplies (excluding salaries and benefits) increased from \$9.1 million in Fiscal Year 2021/22 to \$15.7 million in Fiscal Year 2022/23. Rising program costs included increases to lease fixed wing aircraft and for air tactical ground support.																												
-\$6,210,000	Quick Reaction Force (QRF) Program. OCFA has partnered with Southern California Edison (SCE) in both the current and prior fiscal years to fund the QRF air operations program designed to enhance OCFA's regional aerial wildland fire response and benefit the residents and businesses within SCE's service territory. Services and supplies expenditures for the program's fixed costs (excluding flight time) are higher in Fiscal Year 2022/23 because the program operated for entire fiscal year (365 days), as compared to only 171 combined days in the prior fiscal year.																												
+\$1,540,000	VHF Radios. During Fiscal Year 2021/22, OCFA purchased 1,200 portable VHF radios and related accessories such as microphones, belt clips, antennas, and ports at a cost of \$1,540,000.																												
-\$1,375,000	Workers' Compensation Payments. OCFA's self-insurance program covers workers' compensation claims up to \$50 million, subject to a \$2 million retention per incident. Claims paid were higher during Fiscal Year 2022/23 as compared to the prior fiscal year. Amounts paid vary each year.																												
-\$715,000	Insurance Premiums. Insurance costs increased during Fiscal Year 2022/23, due primarily to rising premiums for general liability (+\$540,000) and excess workers' compensation (+\$175,000) coverage. The general liability premium increase was due to the Fire Agencies Insurance Risk Authority (FAIRA) pool experiencing above-average losses in employment liability claims; the general hardening of the current insurance market; the COVID-19 pandemic; and the increase in the number of OCFA vehicles, fire stations, and employees. The workers' compensation premium increase was due to several factors, including a serious OCFA burn over incident in 2020; the COVID-19 pandemic and general market impact; fewer carriers willing to offer insurance to the public safety sector; and the provider creating a new public safety rating group with increased rates that are being phased in over a three-year period.																												
-\$7,360,000	<p>Other Services and Supplies. Other services and supply costs experienced a net increase in Fiscal Year 2022/23 as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">➤ RFOTC uninterruptible power system replacement project</td> <td style="text-align: right;">+\$670,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Use of CALFIRE contract augmentation funding, including QRF flight time</td> <td style="text-align: right;">+\$630,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Purchase of new portable 800 MHz radios</td> <td style="text-align: right;">+\$620,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ All RFOTC and fire station utilities (electricity, gas, water, and trash)</td> <td style="text-align: right;">+\$580,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Multi-year fire station first-in alerting system replacement project</td> <td style="text-align: right;">+\$545,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Vehicle repairs and automotive stock</td> <td style="text-align: right;">+\$545,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Out-of-county employee travel for training and meetings</td> <td style="text-align: right;">+\$395,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ County-wide 800 MHz radio backbone maintenance</td> <td style="text-align: right;">+\$365,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Fire station bathroom remodel and gender compliance projects</td> <td style="text-align: right;">+\$265,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Fire station remodeling projects</td> <td style="text-align: right;">+\$205,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Diesel fuel, regular fuel, and employee mileage reimbursements</td> <td style="text-align: right;">+\$195,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Helicopter jet fuel</td> <td style="text-align: right;">+\$100,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Other services and supplies, net (combined)</td> <td style="text-align: right;">+\$2,245,000</td> </tr> <tr> <td style="padding-left: 40px;">Total – net increase in other services and supplies expenditures</td> <td style="text-align: right; border-top: 1px solid black;">+\$7,360,000</td> </tr> </table>	➤ RFOTC uninterruptible power system replacement project	+\$670,000	➤ Use of CALFIRE contract augmentation funding, including QRF flight time	+\$630,000	➤ Purchase of new portable 800 MHz radios	+\$620,000	➤ All RFOTC and fire station utilities (electricity, gas, water, and trash)	+\$580,000	➤ Multi-year fire station first-in alerting system replacement project	+\$545,000	➤ Vehicle repairs and automotive stock	+\$545,000	➤ Out-of-county employee travel for training and meetings	+\$395,000	➤ County-wide 800 MHz radio backbone maintenance	+\$365,000	➤ Fire station bathroom remodel and gender compliance projects	+\$265,000	➤ Fire station remodeling projects	+\$205,000	➤ Diesel fuel, regular fuel, and employee mileage reimbursements	+\$195,000	➤ Helicopter jet fuel	+\$100,000	➤ Other services and supplies, net (combined)	+\$2,245,000	Total – net increase in other services and supplies expenditures	+\$7,360,000
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-\$20,750,000	Subtotal – Impact of Services and Supplies																												

(Continued)

FY 2022 / 2023
Annual Comprehensive Financial Report

(Continued)

Impact on Fund Balance (Rounded)	Description
-\$18,700,000	Capital Outlay – Right-to-Use Lease Assets. During Fiscal Year 2022/23, OCFA amended its aircraft lease with Coulson Aviation (USA) Inc. for use of three aircraft in the QRF program. Because the lease is long-term in nature, capital outlay expenditures totaling over \$18.7 million are recognized for the right-to-use lease aircraft acquired under the provisions of GASB Statement No. 87. The capital outlay expended is offset by an equal amount of lease proceeds received.
-\$345,000	Capital Outlay – Other Assets. Capital outlay varies each year based on organizational needs for new and replacement equipment and vehicles. The most significant purchases in Fiscal Year 2022/23 included two box trucks and one caterpillar track loader funded via a federal grant and other state funding sources. The most significant purchase in Fiscal year 2021/22 was for four portable restroom and shower trailers.
-\$19,045,000	Subtotal – Impact of Capital Outlay
-\$40,585,000	Subtotal – Impact of Expenditures
+\$18,700,000	Proceeds from Issuance of Lease. During Fiscal Year 2022/23, OCFA amended its aircraft lease with Coulson Aviation (USA) Inc. for use of three aircraft in the QRF program. Because the lease is long-term in nature, the present value of all future lease payments is reported in the General Fund as proceeds from the issuance of lease-related debt under the provisions of GASB Statement No. 87. The lease proceeds received are offset by an equal amount of capital outlay expended for the right-to-use lease aircraft.
-\$5,695,000	Interfund Transfers. Transfers made from the General Fund to the capital projects funds for projects in the Capital Improvement Program increased by \$4,430,000 in Fiscal Year 2022/23. In addition, transfers into the General Fund to fund the 10% Operating Contingency decreased by \$1,265,000 in Fiscal Year 2022/23.
-\$1,400,000	Insurance Recoveries. Insurance recoveries were higher in Fiscal Year 2021/22 due primarily to amounts received from OCFA’s excess workers’ compensation policy for a case relating to the October 2020 Silverado Fire.
-\$30,000	Proceeds from Sale of Capital Assets. There was a decrease in proceeds from sale of capital assets, with nine capital assets sold in Fiscal Year 2021/22 as compared to only three capital assets in Fiscal Year 2022/23. Various vehicles and two pairs of night vision goggles were sold in the prior fiscal year.
+\$11,575,000	Subtotal – Impact of Other Financing Sources and Uses
+\$20,550,000	General Fund – Net Impact on Fund Balance



The **Communications and Information Systems Fund** had total fund balance of \$6,037,384 at the end of Fiscal Year 2022/23. Fund balance was assigned to the Capital Improvement Program (\$5,597,631) and communications and information technologies projects (\$422,872). The remaining \$16,881 is not available for spending on any new purpose, because it is in a nonspendable form. Total fund balance increased by \$404,045 during the current fiscal year. The prior fiscal year’s fund balance increased by \$409,604, a difference of \$5,559. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
-\$300,000	Interfund Transfers. Transfers in from the General Fund for projects in the Capital Improvement Program totaled \$1.7 million during Fiscal Year 2021/22, as compared to \$4.5 million during Fiscal Year 2022/23. In addition, transfers out to the General Fund to fund the 10% Operating Contingency totaled \$3,100,000 during Fiscal Year 2022/23. No transfers out from this fund were made in the prior fiscal year.
+\$295,000	Use of Money and Property. The portion of investment portfolio earnings allocated to the fund, net of a market value loss, increased by \$295,000.
-\$5,000	Communications and Information Systems Fund – Net Impact on Fund Balance



The **Fire Apparatus Fund** had total fund balance of \$37,730,153 at the end of Fiscal Year 2022/23. Amounts pertaining to debt proceeds received for acquisition of two helicopters (\$12,530,156) were classified as restricted. Fund balance was assigned to the Capital Improvement Program (\$5,012,707) and purchase of fire apparatus and vehicles (\$20,178,582). The remaining \$8,708 is not available for spending on any new purpose, because it is in a nonspendable form. Total fund balance increased by \$21,160,193 during the current fiscal year. The prior fiscal year’s fund balance decreased by \$9,461,952, a difference of \$30,622,145. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description																					
+\$11,890,000	<p>Issuance of Debt and Acquisition of New Helicopters. During Fiscal Year 2022/23, OCFA issued debt in order to fund the acquisition of two Sikorsky S-70M Type 1 Firehawk helicopters and related equipment, as well as for related training. The helicopters were in the process of being constructed as of June 30, 2023. Financial activities reported in the Fire Apparatus Fund pertaining to the debt issuance and related costs included the following:</p> <table style="width: 100%; margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: right;">Other Financing Sources (Rounded)</th> <th style="text-align: right;">Expenditures (Rounded)</th> </tr> </thead> <tbody> <tr> <td>➤ Proceeds from issuance of debt</td> <td style="text-align: right;">\$57,880,000</td> <td style="text-align: right;">\$ -</td> </tr> <tr> <td>➤ Capital outlay for helicopters (debt-funded)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">45,535,000</td> </tr> <tr> <td>➤ Capital outlay for helicopters – cockpit radios, rescue hoist cameras, and SkyCam module (not debt-funded)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">310,000</td> </tr> <tr> <td>➤ Mechanic training costs (services and supplies)</td> <td style="text-align: right;">-</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>➤ Debt service issuance costs</td> <td style="text-align: right;">-</td> <td style="text-align: right;">45,000</td> </tr> <tr> <td style="text-align: right;">Total</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$57,880,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$45,990,000</td> </tr> </tbody> </table>		Other Financing Sources (Rounded)	Expenditures (Rounded)	➤ Proceeds from issuance of debt	\$57,880,000	\$ -	➤ Capital outlay for helicopters (debt-funded)	-	45,535,000	➤ Capital outlay for helicopters – cockpit radios, rescue hoist cameras, and SkyCam module (not debt-funded)	-	310,000	➤ Mechanic training costs (services and supplies)	-	100,000	➤ Debt service issuance costs	-	45,000	Total	\$57,880,000	\$45,990,000
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Total	\$57,880,000	\$45,990,000																				
+\$9,445,000	<p>Interfund Transfers. Transfers in from the General Fund for projects in the Capital Improvement Program increased by \$6,080,000 as compared to the amount transferred in during the prior fiscal year. In addition, transfers out to the General Fund to fund the 10% Operating Contingency totaled \$3,365,000 during Fiscal Year 2021/22. No transfers out from this fund were made in the current fiscal year.</p>																					
+\$7,020,000	<p>Apparatus and Vehicles. Expenditures to purchase and outfit vehicles vary each year based on organizational needs for new and replacement vehicles. Expenditures were higher in the prior fiscal year primarily due to the purchase of thirteen type one engines, as compared to the purchase and outfitting of 44 pickup trucks in the current fiscal year.</p>																					
+\$1,340,000	<p>Use of Money and Property. The portion of investment portfolio earnings allocated to the fund, net of a market value loss, increased by \$1,015,000. In addition, interest earned on unspent debt proceeds totaled \$325,000 during Fiscal Year 2022/23.</p>																					
+\$830,000	<p>Developer Contributions. During Fiscal Year 2022/23, OCFA received a developer fee reimbursement relating to a new type 1 engine assigned to Fire Station No. 67 (Rancho Mission Viejo).</p>																					
+\$95,000	<p>Charges for Services. Cash contract city vehicle charges increased in accordance with the terms of the Joint Powers Agreement. The annual charge is based on several factors, including the price of recent vehicle purchases and inflation, both of which increased.</p>																					
+\$30,620,000	<p>Fire Apparatus Fund – Net Impact on Fund Balance</p>																					



The **Fire Stations and Facilities Fund** had total fund balance of \$37,126,620 at the end of Fiscal Year 2022/23. Amounts pertaining to state revenues received for future fire station construction (\$17,641,560) were classified as restricted. Other amounts were assigned to the Capital Improvement Program (\$5,106,148) and construction projects (\$14,378,912). Total fund balance increased by \$15,818,164 during the current fiscal year. The prior fiscal year’s fund balance increased by \$2,819,974, a difference of \$12,998,190. The significant reason(s) for that net difference are identified in the following table.

Impact on Fund Balance (Rounded)	Description
+\$16,995,000	Intergovernmental. The increase in intergovernmental revenue related to annual contract revenues funds for the protection of the State Responsibility Area. In addition, OCFA received \$16,950,000 in state funding for the construction of a new hand crew fire station.
-\$3,450,000	Interfund Transfers. Transfers in from the General Fund for projects in the Capital Improvement Program totaled \$4,450,000 million during Fiscal Year 2021/22. No transfers in were received by this fund in the current fiscal year. In addition, transfers out to the General Fund to fund the 10% Operating Contingency totaled \$1,000,000 during Fiscal Year 2021/22. No transfers out from this fund were made in the current fiscal year.
-\$1,365,000	Capital Projects. Expenditures increased by \$1,365,000 due to multi-year capital improvement projects, which included the following most significant projects: <ul style="list-style-type: none"> ➤ Fire Station No. Station 24 (Mission Viejo) Replacement. Expenditures for the replacement of Fire Station No. Station 24 (Mission Viejo) increased by \$1,485,000. During Fiscal Year 2022/23, costs were incurred for pre-construction and design fees, construction administration, a temporary fire station modular, and a temporary garage. This project is expected to continue through Fiscal Year 2023/24. ➤ Fire Station No. 49 (Laguna Niguel). During Fiscal Year 2019/20, OCFA began a project to repair and reconstruct the apparatus bay floor at Fire Station No. 49 (Laguna Niguel), which was cracking and deteriorating due to possible settling of the ground. Non-capitalized project costs include geotechnical and structural engineering services, remediation, equipment rental, and concrete inspection tests, with most work completed during Fiscal Year 2021/22 (-\$590,000). Final inspection for the project was approved by the city in July 2022. ➤ Infrastructure Security Enhancement Project. This project is part of a larger security upgrade effort for the Regional Fire Operations Training Center (RFOTC) and other facilities, including separation and security in the board room. During Fiscal Year 2021/22, costs totaling \$35,000 were incurred for system design and engineering. During Fiscal Year 2022/23, costs totaling \$430,000 were incurred for additional system design and engineering; upgrades to gates, locks, and cameras; and a security camera system for the Urban Search & Rescue warehouse.
+\$1,000,000	Use of Money and Property. The portion of investment portfolio earnings allocated to the fund, net of a market value loss, increased by \$1 million.
-\$180,000	Developer Contributions. Contributions generated by Secured Fire Protection Agreements with developers vary each fiscal year based on housing development projects being completed throughout the county. Decreases in developer activity primarily related to projects in the cities of Cypress and Irvine that were completed in Fiscal Year 2021/22.
+\$13,000,000	Fire Stations and Facilities Fund – Net Impact on Fund Balance

General Fund Budgetary Highlights

The following table summarizes the changes in General Fund appropriations, as well as the variance between the final budget and actual amounts for Fiscal Year 2022/23.

	Original Budget	Increase (Decrease)	Final Budget	Variance Positive (Negative)	Actual Amounts
Salaries and benefits	\$395,372,500	\$ 25,206,939	\$420,579,439	\$ 401,196	\$420,178,243
Services and supplies	69,239,645	72,585,334	141,824,979	41,223,019	100,601,960
Capital outlay	1,485,886	4,609,893	6,095,779	(14,310,221)	20,406,000
Transfers out	13,942,226	-	13,942,226	-	13,942,226
	<u>\$480,040,257</u>	<u>\$102,402,166</u>	<u>\$582,442,423</u>	<u>\$27,313,994</u>	<u>\$555,128,429</u>

Adjustments to Appropriations: Budgeted General Fund appropriations increased by \$102,402,166 from the time the original budget was adopted until the end of the fiscal year. Adjustments typically pertained to activities that occurred throughout the year but were either unknown or for which reliable estimates could not be determined at the time of the original budget adoption. Significant adjustments are listed below:

Reason for Adjustment to Original Budget	Increase (Decrease) (Rounded)
Quick Reaction Force (QRF) program	\$ 25,350,000
Fire Integrated Real-Time Intelligence System (FIRIS) program	25,110,000
Overtime and backfill for response to out-of-county and other incidents	10,520,000
Grant activities	9,420,000
Employer contributions toward unfunded retiree medical liability	7,000,000
Staffing changes, reconfigurations, and service enhancements	4,800,000
Structural Fire Entitlement projects	4,300,000
Various Capital Improvement Program projects	4,020,000
Various equipment and vehicles	3,780,000
Employee Memorandum of Understanding changes	3,360,000
Various professional services	1,070,000
Various information technology projects and maintenance	470,000
COVID-19 pandemic services and supplies	340,000
Insurance	250,000
Helicopter program	(200,000)
Fuel	(140,000)
Equipment maintenance	40,000
Various other appropriations	2,910,000
Total adjustments	\$102,400,000

Variance Between Final Budget and Actual Amounts: Final, budgeted General Fund expenditures exceeded actual amounts, resulting in a positive budget variance totaling \$27,313,994. Over \$41.2 million of this positive variance related to operating costs, projects, and other purchases for services and supplies that were budgeted but not completed during Fiscal Year 2022/23. This is offset by a \$14.3 million negative variance for capital outlay expenditures that exceeded budgeted amounts during Fiscal Year 2022/23.

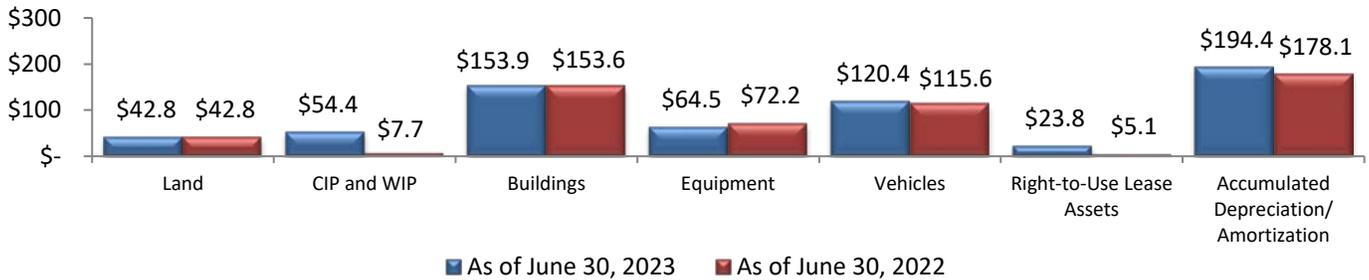
In some cases, uncompleted projects were delayed due to project complexity or time requirements and will be re-budgeted, if needed, to Fiscal Year 2023/24. Individually significant variances are summarized below:

Description of Budget/Actual Variance	Variance Positive (Negative)	
	Services and Supplies (Rounded)	Capital Outlay (Rounded)
Quick Reaction Force (QRF) Program. During Fiscal Year 2022/23, a \$25.2 million budget was adopted for the 555-day QRF program. Services and supplies expenditures totaling \$16.3 million were incurred through June 30, 2023, leaving a balance of \$8.9 million as of June 30, 2023. It is anticipated that these remaining funds will be used during Fiscal Year 2023/24 through the end of the program's December 31, 2023, operational period. In addition, during Fiscal Year 2022/23, OCFA amended its aircraft lease with Coulson Aviation (USA) Inc. Because the lease was long-term in nature, capital outlay expenditures totaling over \$18.7 million were recognized for the right-to-use lease aircraft acquired under the provisions of GASB Statement No. 87. OCFA did not budget for the \$18.7 million capital outlay expenditure.	\$ 8,900,000	\$(18,710,000)
Fire Integrated Real-Time Intelligence System (FIRIS) Program. The FIRIS program commenced August 1, 2021, and was subsequently extended through June 30, 2023. During Fiscal Year 2022/23, OCFA budgeted \$25.1 million for the program. Services and supplies expenditures totaling \$15.7 million were incurred through June 30, 2023, leaving a budget surplus of \$9.4 million.	9,410,000	-
Invasive Tree Pest Mitigation Grant. In October 2018, OCFA was awarded a \$5.4 million state grant passed through CALFIRE for invasive tree pest mitigation. The grant award's performance period is December 2018 through March 2025. A budget balance of over \$3.8 million remains unspent on services and supplies as of June 30, 2023. Contracts have been awarded for \$65,000 of the unspent balance. It is anticipated that the remaining funds will be used during Fiscal Year 2023/24 and through the end of the grant's award period.	3,840,000	-
Structural Fire Fund Projects. The entire balance of funds committed for Structural Fire Fund projects was budgeted during Fiscal Year 2022/23; however, member agencies submitted reimbursement requests only for those projects completed.	3,430,000	-
Workers' Compensation Claims Paid. The amount budgeted for workers' compensation is based on an actuarially-determined estimate. Actual case activity typically occurs over multiple years, which attributes to a difference between budgeted costs and actual expenditures during any given fiscal year. During Fiscal Year 2022/23, claims paid from the General Fund were less than the actuarial estimate, creating a positive budget variance.	2,080,000	-
Bathroom Gender Accommodation Project. During Fiscal Year 2019/20, OCFA began a multi-year bathroom gender accommodation project at various fire stations. Of the \$3.7 million budgeted in Fiscal Year 2022/23, a balance of \$1.8 million remains unspent as of June 30, 2023. Contracts have been awarded for \$69,000 of the unspent balance. The project is ongoing and it is anticipated that the remaining funds will be used during Fiscal Year 2023/24.	1,760,000	-
Phone/Public Address System Upgrade. OCFA is replacing its telephone system with a new Voice over Internet Protocol (VoIP) system. The multi-year project began in late Fiscal Year 2022/23. Capital outlay expenditures totaled \$13,000 for a phone system at Fire Station No. 67 (Rancho Mission Viejo). Nearly the entire \$1.7 million budgeted amount in Fiscal Year 2022/23 remained unspent as of June 30, 2023. It is anticipated that remaining funds will be used as the project continues during Fiscal Year 2023/24.	-	1,680,000
Irvine Settlement Agreement. OCFA and the City of Irvine entered into a Settlement Agreement with provisions that enhance services throughout OCFA's jurisdiction. All projects identified in the agreement were budgeted during Fiscal Year 2022/23 at the maximum potential amount per the agreement. However, the city did not submit any reimbursement requests for the Joint Police-Fire Training Facility or bi-directional amplifiers.	1,540,000	-
800 MHz Radios. During FY 2022/23, OCFA budgeted \$2.1 million for all-band mobile and portable radios, including 800 MHz and VHF frequencies to be installed in new OCFA apparatus, and for use in training, academies, and supplying equipment caches. OCFA purchased 87 portable 800 MHz radios during Fiscal Year 2022/23 at a cost of \$600,000, leaving a budgeted balance of \$1.5 million unspent as of June 30, 2023. Contracts have been awarded for \$1 million of the unspent balance.	1,510,000	-
Other variances combined	8,750,000	2,720,000
Total	\$41,220,000	\$(14,310,000)

Capital Assets and Debt Administration

Capital Assets: OCFA’s net investment in capital assets for its government activities at the end of Fiscal Year 2022/23 totaled \$209,059,816 (net of accumulated depreciation, amortization, and related outstanding debt). Capital assets, net of accumulated depreciation, increased from the prior fiscal year by \$46,352,345 (21.2%). Following is a summary of capital assets by type for the current and prior fiscal years.

**Capital Assets and Accumulated Depreciation/Amortization
As of June 30, 2023 and 2022
(In Millions)**



Construction in Progress (CIP) and Work in Progress (WIP): Construction projects completed over the span of multiple fiscal years are classified as CIP at year-end if they are not yet completed and placed into service. Fire engines, trucks, and other vehicles are classified as WIP at year-end if they are in the process of being outfitted for operation and will be completed over the span of multiple fiscal years. WIP also includes multi-year communications and information systems projects.

- CIP additions totaling \$1.6 million primarily related to the design and construction of new Fire Station No. 24 (Mission Viejo). Other significant CIP projects included the expansion of the RFOTC training ground and “North 40” area and audio-visual upgrades at the Urban Search & Rescue warehouse. The audio-visual upgrade project was placed into service during Fiscal Year 2022/23, while all other CIP projects remained in progress at fiscal year-end.
- WIP additions totaling \$49.7 million during Fiscal Year 2022/23 primarily related to the construction of two new Sikorsky Firehawk helicopters, which were approximately 80% complete as of June 30, 2023. Other significant WIP projects included an incident reporting system, the CAD2CAD next generation software system, EMS data analytics software, an apparatus bay addition at Fire Station No. 18 (Trabuco Canyon), a wildfire detection and monitoring system, a disaster recovery co-location project, and various fire apparatus, trailers, and pickup trucks in the process of being outfitted for operation. As of June 30, 2023, fifteen individual WIP projects were placed into service and fifty-four were still in progress.

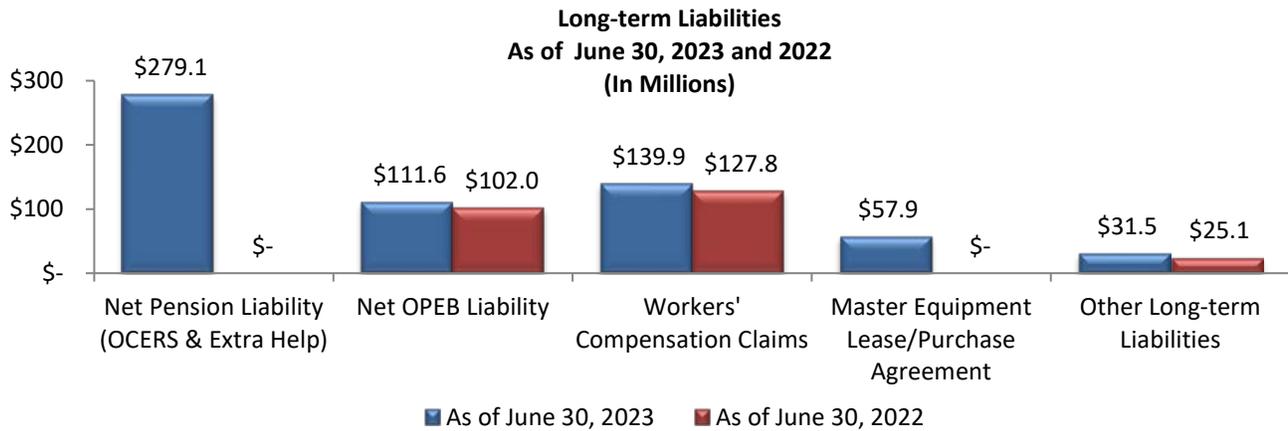
Equipment: Equipment additions totaled \$1.8 million for 126 items placed into service during Fiscal Year 2022/23. The most individually significant additions included 70 mobile data computers (\$455,000); nine trailers (\$390,000); and the CAD2CAD next generation software system (\$345,000). Equipment deletions totaled \$9.5 million and included two Bell Super Huey helicopters and related improvements that were donated to the Kern County Fire Department (\$7.8 million).

Vehicles: Vehicle additions totaled \$5.0 million for 13 items placed into service during Fiscal Year 2022/23. The most individually significant additions included five type one engines (\$3.5 million); one hazardous materials support vehicle (\$450,000); and two box trucks (\$430,000). One foam tender was removed from OCFA’s fleet during Fiscal Year 2022/23 and donated to CALFIRE.

Right-to-Use Lease Assets: Right-to-Use Lease equipment additions totaling \$18.7 million pertained to a long-term lease agreement with Coulson Aviation (USA) Inc. for the right to use various aircraft in the Quick Reaction Force Program.

Additional information pertaining to OCFA’s capital assets can be found in Note 9 of the accompanying Notes to the Financial Statements.

Long-term Debt: Total long-term liabilities increased by net \$364,912,531 (143.1%) during Fiscal Year 2022/23.



The most significant change to long-term liabilities pertained to the net pension liability for the Orange County Employees Retirement System (OCERS) pension plan. As of June 30, 2022, OCFA's share of the plan's net pension liability at OCERS, as determined by an actuarial valuation for the plan as a whole, was reported as an *asset* in the amount of \$104,907,413. As of June 30, 2023, OCFA's share of the OCERS net pension liability was reported as a *liability* in the amount of \$279,060,590, which was a net \$384.0 million increase from the prior fiscal year.

The increases and decreases reported for the long-term pension liability are reported using an "accounting-based approach" to fully capture OCFA's net liability and related pension expense incurred during each fiscal year. This differs from the "funding-based approach" used to calculate annual retirement rates and the amount of required employer and employee contributions due from OCFA to OCERS. The net pension liability (asset) represents the amount of the total pension liability greater than (less than) the market value of assets as of June 30. The following table summarizes the changes in the components of the OCERS net pension liability from June 30, 2023 to June 30, 2022.

Component of OCERS	As of June 30, 2023	As of June 30, 2022	Increase (Decrease)	
Net Pension Liability (Asset)			Amount	%
Safety:				
Total pension liability	\$2,203,048,540	\$2,059,654,727	\$ 143,393,813	7.0%
Market value of assets	<u>1,961,543,596</u>	<u>2,151,633,812</u>	<u>(190,090,216)</u>	-8.8%
Net pension liability - safety	\$ 241,504,944	n/a	\$ 241,504,944	n/a
Net pension (asset) - safety	n/a	\$ (91,979,085)	\$ (91,979,085)	-100.0%
General:				
Total pension liability	\$ 315,901,347	\$ 296,685,689	\$ 19,215,658	6.5%
Market value of assets	<u>278,345,701</u>	<u>309,614,017</u>	<u>(31,268,316)</u>	-10.1%
Net pension liability - general	\$ 37,555,646	n/a	\$ 37,555,646	n/a
Net pension (asset) - general	n/a	\$ (12,928,328)	\$ (12,928,328)	-100.0%
Total:				
Total pension liability	\$ 2,518,949,887	\$ 2,356,340,416	\$ 162,609,471	6.9%
Market value of assets	<u>2,239,889,297</u>	<u>2,461,247,829</u>	<u>(221,358,532)</u>	-9.0%
Net pension liability - total	\$ 279,060,590	n/a	\$ 279,060,590	n/a
Net pension (asset) - total	n/a	\$(104,907,413)	\$(104,907,413)	-100.0%

Additional information on the OCFA's long-term liabilities can be found in Note 18 of the accompanying Notes to the Financial Statements.

Next Year's Budget

The Fiscal Year 2023/24 General Operating Fund adopted expenditure budget is \$473.3 million, which is a net increase of \$24.9 million (5.5%) over the adopted Fiscal Year 2022/23 General Operating Fund expenditure budget totaling \$448.4 million. Highlights of the Fiscal Year 2023/24 General Operating Fund Budget are as follow:

- Budgeted salaries increased by \$18.9 million. The budget includes funding for seven new positions and reflects annual salary increases in accordance with the approved Memorandum of Understanding (MOU) with the Orange County Professional Firefighters Association (OCPFA). No MOU salary increases were scheduled or included for the Orange County Fire Authority Managers Association (OCFAMA), the Orange County Employees Association (OCEA), or the Chief Officers Association (COA), pending ongoing negotiations at the time of the budget's adoption. The budget also reflects increases for overtime usage, which has been trending higher in recent years, and decreases for salary savings in the firefighter rank due to projected vacancies.
- Budgeted retirement and other benefits decreased by \$1.0 million. The retirement budget for Fiscal Year 2023/24 is based on rates provided by the Orange County Employees Retirement System (OCERS), which were approximately 4.12% and 1.81% lower for safety and general personnel, respectively, as compared to the prior fiscal year.
- Budgeted services and supplies and capital outlay increased by \$7.0 million. Overall, budgets are held flat as compared to the prior fiscal year, unless a new fire station is built or specific increases have been identified by OCFA management on a case-by-case basis.

Requests for Information

This financial report is designed to provide a general overview of OCFA's and the OCFA Foundation's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Division Manager, Orange County Fire Authority, 1 Fire Authority Road, Irvine, California 92602.

Orange County Fire Authority



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Government-wide Financial Statements



Fire Station 67 Ribbon Cutting
December 8, 2022

ORANGE COUNTY FIRE AUTHORITY
Statement of Net Position
June 30, 2023
(With Comparative Data for Prior Year)

	Primary Government		Component Unit	
	Governmental Activities		OCFA Foundation	
	2023	2022	2023	2022
Assets:				
Cash and investments (Note 4)	\$ 251,752,836	\$ 195,486,189	\$ 328,218	\$ 356,106
Accounts receivable, net (Note 5)	2,539,433	2,554,706	-	-
Accrued interest receivable	565,817	224,398	-	-
Prepaid costs and other assets (Note 6)	18,521,015	20,095,181	-	-
Due from other governments (Note 7)	37,081,429	31,902,420	-	-
Restricted cash and investments (Note 4)	19,896,244	5,221,012	-	-
Lease receivables (Note 8)	895,177	838,177	-	-
Proportionate share net pension asset	-	104,907,413	-	-
Capital assets (Note 9):				
Land	42,757,850	42,757,850	-	-
Construction in progress	2,277,371	977,546	-	-
Work in progress	52,080,439	6,766,409	-	-
Capital assets, net of accumulated depreciation/amortization	168,214,127	168,475,637	11,118	11,917
Total assets	<u>596,581,738</u>	<u>580,206,938</u>	<u>339,336</u>	<u>368,023</u>
Deferred outflows of resources:				
Related to pensions/OPEB (Note 23)	268,112,178	131,162,798	-	-
Total deferred outflows of resources	<u>268,112,178</u>	<u>131,162,798</u>	<u>-</u>	<u>-</u>
Liabilities:				
Accounts payable	9,089,074	11,819,377	21,542	23,219
Accrued liabilities	15,382,108	14,236,694	-	-
Accrued interest payable	1,191,326	-	-	-
Unearned revenue (Note 10)	9,378,655	17,414	14,850	1,350
Due to other governments (Note 11)	5,029	10,084	-	-
Long-term debt obligations due within one year (Note 18)	2,770,492	-	-	-
Compensated absences due within one year (Note 18)	4,730,160	4,713,845	-	-
Claims and judgments due within one year (Note 18)	16,558,042	15,249,792	-	-
Lease liabilities due within one year (Note 18)	5,886,589	21,827	-	-
Noncurrent liabilities due in more than one year:				
Long-term debt obligations due in more than one year (Note 18)	55,111,628	-	-	-
Compensated absences due in more than one year (Note 18)	16,019,187	15,527,755	-	-
Claims and judgments due in more than one year (Note 18)	123,349,172	112,583,568	-	-
Lease liabilities due in more than one year (Note 18)	4,847,718	4,872,824	-	-
Net OPEB liability (Notes 18)	111,599,764	102,002,299	-	-
Net pension liability (Notes 18)	279,061,265	49,576	-	-
Total liabilities	<u>654,980,209</u>	<u>281,105,055</u>	<u>36,392</u>	<u>24,569</u>
Deferred inflows of resources:				
Related to leases (Note 8)	839,179	800,802	-	-
Related to pensions/OPEB (Note 23)	146,477,623	476,270,304	-	-
Total deferred inflows of resources	<u>147,316,802</u>	<u>477,071,106</u>	<u>-</u>	<u>-</u>
Net position:				
Net investment in capital assets (Note 9b)	209,059,816	214,082,791	11,118	11,917
Restricted for capital projects	30,194,753	634,157	-	-
Restricted for augmentation and upstaffing activities	1,581,979	1,683,073	-	-
Restricted for greenhouse gas reduction activities	3,123,572	2,557,259	-	-
Restricted for Section 115 pension trust	7,316,140	5,224,229	-	-
Restricted for grants, donations, and other programs	-	-	92,629	83,077
Unrestricted	(188,879,355)	(270,987,934)	199,197	248,460
Total net position	<u>\$ 62,396,905</u>	<u>\$ (46,806,425)</u>	<u>\$ 302,944</u>	<u>\$ 343,454</u>

ORANGE COUNTY FIRE AUTHORITY
Statement of Activities
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	Primary Government		Component Unit	
	Governmental Activities		OCFA Foundation	
	2023	2022	2023	2022
Expenses:				
Public safety:				
Salaries and benefits	\$ 346,185,496	\$ 249,802,878	\$ -	\$ -
Services and supplies	101,221,979	93,296,815	229,516	122,619
Depreciation and amortization (Note 9c)	25,712,134	13,232,063	799	799
Interest on long-term debt	1,191,326	-	-	-
Total program expenses	474,310,935	356,331,756	230,315	123,418
Program revenues:				
Public safety:				
Charges for services	173,110,122	174,072,175	-	-
Operating grants and contributions	52,867,337	38,289,243	189,805	109,139
Capital grants and contributions	18,386,450	401,221	-	-
Total program revenues	244,363,909	212,762,639	189,805	109,139
Net program (expenses) revenues	(229,947,026)	(143,569,117)	(40,510)	(14,279)
General revenues:				
Property taxes	326,138,528	302,861,759	-	-
Investment income (loss)	5,388,518	(4,799,952)	-	-
Gain on disposal of capital assets	-	17,777	-	-
Miscellaneous	7,623,310	4,020,895	-	-
Total general revenues	339,150,356	302,100,479	-	-
Change in net position	109,203,330	158,531,362	(40,510)	(14,279)
Net position at beginning of year	(46,806,425)	(205,337,787)	343,454	357,733
Net position at end of year	\$ 62,396,905	\$ (46,806,425)	\$ 302,944	\$ 343,454

Fund Financial Statements



Urban Search & Rescue Canine Training
February 13, 2023

ORANGE COUNTY FIRE AUTHORITY
Governmental Funds
Balance Sheet
June 30, 2023
(With Comparative Data for Prior Year)

	Capital Projects Funds				Total Governmental Funds	
	General Fund	Communications and Information Systems		Fire Apparatus	Fire Stations and Facilities	
						2023
Assets:						
Cash and investments	\$183,299,640	\$ 6,072,740	\$ 25,341,453	\$ 37,039,003	\$251,752,836	\$195,486,189
Accounts receivable, net (Note 5)	2,382,931	156,502	-	-	2,539,433	2,554,706
Accrued interest receivable	373,017	20,962	85,685	86,153	565,817	224,398
Prepaid costs and other assets (Note 6)	32,572,426	16,881	8,708	-	32,598,015	35,447,181
Due from other governments (Note 7)	36,987,615	-	-	93,814	37,081,429	31,902,420
Restricted cash and investments	7,316,894	-	12,579,350	-	19,896,244	5,221,012
Lease receivables (Note 8)	895,177	-	-	-	895,177	838,177
Total assets	<u>\$263,827,700</u>	<u>\$ 6,267,085</u>	<u>\$ 38,015,196</u>	<u>\$ 37,218,970</u>	<u>\$345,328,951</u>	<u>\$271,674,083</u>
Liabilities:						
Accounts payable	\$ 8,481,980	\$ 229,701	\$ 285,043	\$ 92,350	\$ 9,089,074	\$ 11,819,377
Accrued liabilities	15,382,108	-	-	-	15,382,108	14,236,694
Unearned revenue (Note 10)	9,378,655	-	-	-	9,378,655	17,414
Due to other governments (Note 11)	5,029	-	-	-	5,029	10,084
Total liabilities	<u>33,247,772</u>	<u>229,701</u>	<u>285,043</u>	<u>92,350</u>	<u>33,854,866</u>	<u>26,083,569</u>
Deferred inflows of resources:						
Unavailable revenue (Note 10)	681,733	-	-	-	681,733	795,356
Related to leases (Note 8)	839,179	-	-	-	839,179	800,802
Total deferred inflows of resources	<u>1,520,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,520,912</u>	<u>1,596,158</u>
Fund balances:						
Nonspendable prepaid costs (Note 6)	32,542,882	16,881	8,708	-	32,568,471	35,429,872
Restricted (Note 12):						
Capital improvement program	-	-	12,530,156	17,641,560	30,171,716	611,120
Various departments	4,728,588	-	-	-	4,728,588	4,263,369
Section 115 pension trust	7,316,140	-	-	-	7,316,140	5,224,229
Committed to SFF cities (Note 13)	3,519,541	-	-	-	3,519,541	4,301,785
Assigned (Note 14):						
Capital improvement program	6,545,843	5,597,631	5,012,707	5,106,148	22,262,329	30,281,002
Workers' compensation	143,334,044	-	-	-	143,334,044	125,039,963
Various departments	1,849,756	-	-	-	1,849,756	1,354,029
Facilities projects	232,727	-	-	-	232,727	106,235
Communications/IT projects	2,116,855	422,872	-	-	2,539,727	1,583,401
Fire apparatus and vehicles	-	-	20,178,582	-	20,178,582	15,016,508
Construction projects	147,406	-	-	14,378,912	14,526,318	2,025,996
Unassigned (Note 15)	26,725,234	-	-	-	26,725,234	18,756,847
Total fund balances	<u>229,059,016</u>	<u>6,037,384</u>	<u>37,730,153</u>	<u>37,126,620</u>	<u>309,953,173</u>	<u>243,994,356</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$263,827,700</u>	<u>\$ 6,267,085</u>	<u>\$ 38,015,196</u>	<u>\$ 37,218,970</u>	<u>\$345,328,951</u>	<u>\$271,674,083</u>

ORANGE COUNTY FIRE AUTHORITY
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023
(With Comparative Data for Prior Year)

	2023	2022
Fund balances of governmental funds	\$309,953,173	\$243,994,356
<u>Capital Assets</u>		
The cost of capital assets used in governmental activities are recorded as expenditures in governmental funds when purchased, constructed, or leased. The Statement of Net Position includes those capital assets among the assets of OCFA as a whole, net of accumulated depreciation/amortization.		
Land, construction in progress, work in progress, buildings, equipment, and vehicles:		
Capital assets	435,913,896	391,983,043
Accumulated depreciation/amortization	(181,373,749)	(177,684,903)
Right-to-use lease assets:		
Capital assets	23,816,990	5,105,872
Accumulated amortization	(13,027,350)	(426,570)
<u>Long-term Liabilities and Assets</u>		
Long-term liabilities applicable to governmental activities are not due and payable in the current period and are not reported as governmental fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. In addition, any long-term assets relating to pension obligations are not reported as governmental fund assets, but are reported in the Statement of Net Position.		
OCERS pension plan:		
Net pension asset	-	104,907,413
Net pension liability	(279,060,590)	-
Pension contributions	(14,077,000)	(15,352,000)
Deferred outflows of resources	228,140,263	105,015,352
Deferred inflows of resources	(51,603,321)	(335,209,026)
Extra Help pension plan:		
Net pension liability	(675)	(49,576)
Deferred outflows of resources	1,051	1,480
Other postemployment benefits (OPEB):		
Net OPEB liability	(111,599,764)	(102,002,299)
Deferred outflows of resources	39,970,864	26,145,966
Deferred inflows of resources	(94,874,302)	(141,061,278)
Capital lease purchase agreements	(57,882,120)	-
Accrued claims and judgments	(139,907,214)	(127,833,360)
Compensated absences	(20,749,347)	(20,241,600)
Lease liabilities	(10,734,307)	(4,894,651)
<u>Accrued Interest</u>		
Accrued interest for the current portion due on long-term liabilities has not been reported in the governmental funds, but has been calculated and reported in the Statement of Net Position.	(1,191,326)	-
<u>Unavailable Revenues</u>		
Unavailable revenues are reported in the governmental funds if not collected or expected to be collected within OCFA's availability period. Amounts relating to unavailable revenues are not reported in the Statement of Net Position since revenue recognition is not based upon measurable and available criteria.		
Due from other governments - Garden Grove start-up costs	681,733	795,356
Net position of governmental activities	\$ 62,396,905	\$ (46,806,425)

ORANGE COUNTY FIRE AUTHORITY
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	Capital Projects Funds				Total Governmental Funds	
	General Fund	Communications and Information		Fire Stations and Facilities	2023	2022
		Systems	Fire Apparatus			
Revenues:						
Taxes	\$326,138,528	\$ -	\$ -	\$ -	\$326,138,528	\$302,861,759
Intergovernmental	59,312,256	-	-	17,170,143	76,482,399	57,726,610
Charges for services	148,770,572	-	1,749,288	-	150,519,860	146,007,793
Use of money and property	3,767,140	174,245	868,386	578,747	5,388,518	(4,799,952)
Miscellaneous	23,670,734	156,502	-	-	23,827,236	11,128,699
Developer contributions	-	-	831,983	219,600	1,051,583	401,221
Total revenues	<u>561,659,230</u>	<u>330,747</u>	<u>3,449,657</u>	<u>17,968,490</u>	<u>583,408,124</u>	<u>513,326,130</u>
Expenditures:						
Current - public safety:						
Salaries and benefits	420,178,243	-	-	-	420,178,243	419,386,430
Services and supplies	100,601,960	406,976	98,429	620,023	101,727,388	80,857,120
Capital outlay	20,406,000	922,123	49,472,289	1,530,303	72,330,715	12,963,172
Debt service:						
Issuance costs	-	-	43,092	-	43,092	-
Total expenditures	<u>541,186,203</u>	<u>1,329,099</u>	<u>49,613,810</u>	<u>2,150,326</u>	<u>594,279,438</u>	<u>513,206,722</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,473,027</u>	<u>(998,352)</u>	<u>(46,164,153)</u>	<u>15,818,164</u>	<u>(10,871,314)</u>	<u>119,408</u>
Other financing sources (uses):						
Transfers in (Note 17)	3,097,603	4,500,000	9,442,226	-	17,039,829	13,877,532
Transfers out (Note 17)	(13,942,226)	(3,097,603)	-	-	(17,039,829)	(13,877,532)
Issuance of lease (Notes 21 and 22)	18,711,118	-	57,882,120	-	76,593,238	12,690
Sale of capital assets	2,730	-	-	-	2,730	30,679
Insurance recoveries	234,163	-	-	-	234,163	1,632,834
Total other financing sources (uses)	<u>8,103,388</u>	<u>1,402,397</u>	<u>67,324,346</u>	<u>-</u>	<u>76,830,131</u>	<u>1,676,203</u>
Net change in fund balances	28,576,415	404,045	21,160,193	15,818,164	65,958,817	1,795,611
Fund balances, beginning of year	<u>200,482,601</u>	<u>5,633,339</u>	<u>16,569,960</u>	<u>21,308,456</u>	<u>243,994,356</u>	<u>242,198,745</u>
Fund balances, end of year	<u>\$229,059,016</u>	<u>\$ 6,037,384</u>	<u>\$ 37,730,153</u>	<u>\$ 37,126,620</u>	<u>\$309,953,173</u>	<u>\$243,994,356</u>

ORANGE COUNTY FIRE AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	2023	2022
Net change in fund balances - total governmental funds	\$ 65,958,817	\$ 1,795,611

Capital Assets

Governmental funds report capital outlays as expenditures. The cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense in the Statement of Activities.

Capital outlay	72,330,715	12,963,172
Depreciation/amortization expense	(25,712,134)	(13,232,063)

Governmental funds report proceeds from disposal of capital assets as other financing sources. In the Statement of Activities, those proceeds are offset by the net book value of the assets, resulting in a gain or loss on the disposal.

Proceeds from disposal of capital assets	(17,129)	(30,679)
Gain (loss) on disposal of capital assets	(249,107)	17,777

Long-term Liabilities

Proceeds from issuing long-term debt or entering into new lease agreements are recorded as other financing sources in the governmental funds. In the government-wide financial statements, these amounts increase the outstanding balance of long-term liabilities.

Issuance of debt - lease purchase agreement	(57,882,120)	-
New lease agreements	(18,711,118)	(12,690)

Repayment of principal on long-term debt and lease agreements is reported as an expenditure in governmental funds. Principal payments reduce long-term liabilities in the Statement of Net Position.

Principal payments - helicopter tower lease agreement	20,546	19,521
Principal payments - copier lease agreement	-	78,869
Principal payments - Fullerton Airport land lease agreement	1,281	-
Principal payments - Coulson aircraft lease agreement	12,849,635	-

Other long-term liabilities are reported in the Statement of Net Position. The net annual change in the liability is recognized as an expense in the Statement of Activities. Long-term liabilities do not require the use of current financial resources and are not reported as expenditures in the governmental funds.

OCERS pension plan	24,037,613	129,750,011
Extra Help pension plan	48,472	35,172
Other postemployment benefits (OPEB)	50,414,409	38,811,505
Accrued claims and judgments - workers' compensation	(12,073,854)	(12,538,085)
Compensated absences - other leave balances	(507,747)	986,864

(Continued on next page)

ORANGE COUNTY FIRE AUTHORITY
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	2023	2022
<i>(Continued)</i>		
<u>Accrued Interest</u>		
Interest expenditures are reported when paid in the governmental funds, while the net change in accrued interest incurred for the period is recognized as interest expense in the Statement of Activities.	(1,191,326)	-
<u>Unavailable Revenues</u>		
Certain receivables that have been accrued but not collected are reflected as unavailable revenue in the governmental funds. All earned revenue is recognized in the Statement of Activities regardless of when collected.		
Charges for services - Garden Grove start-up costs	(113,623)	(113,623)
<u>Interfund Transactions</u>		
Transactions between governmental funds are eliminated for presentation in the government-wide financial statements.		
Transfers in	(17,039,829)	(13,877,532)
Transfers out	17,039,829	13,877,532
Change in net position of governmental activities	\$109,203,330	\$158,531,362

ORANGE COUNTY FIRE AUTHORITY
General Fund
Budgetary Comparison Statement
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	2023			Variance with Final Budget Positive (Negative)	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary fund balance, July 1	\$ 200,482,601	\$ 200,482,601	\$ 200,482,601	\$ -	\$ 192,454,616
Resources (inflows):					
Taxes	315,735,745	325,727,253	326,138,528	411,275	302,861,759
Intergovernmental	29,289,912	80,122,924	59,312,256	(20,810,668)	57,550,253
Charges for services	146,631,335	146,558,695	148,770,572	2,211,877	144,354,836
Use of money and property	1,881,564	2,404,019	3,767,140	1,363,121	(3,790,520)
Miscellaneous	1,232,800	33,467,277	23,670,734	(9,796,543)	11,128,699
Transfers in	-	3,097,603	3,097,603	-	4,363,014
Issuance of lease	-	-	18,711,118	18,711,118	12,690
Sale of capital assets	75,000	5,000	2,730	(2,270)	30,679
Insurance recoveries	-	175,254	234,163	58,909	1,632,834
Total resources (inflows)	<u>494,846,356</u>	<u>591,558,025</u>	<u>583,704,844</u>	<u>(7,853,181)</u>	<u>518,144,244</u>
Amounts available for appropriations	<u>695,328,957</u>	<u>792,040,626</u>	<u>784,187,445</u>	<u>(7,853,181)</u>	<u>710,598,860</u>
Charges to appropriation (outflows):					
Salaries and benefits	395,372,500	420,579,439	420,178,243	401,196	419,386,430
Services and supplies	69,239,645	141,824,979	100,601,960	41,223,019	79,854,490
Capital outlay	1,485,886	6,095,779	20,406,000	(14,310,221)	1,360,821
Transfers out	13,942,226	13,942,226	13,942,226	-	9,514,518
Total charges to appropriations	<u>480,040,257</u>	<u>582,442,423</u>	<u>555,128,429</u>	<u>27,313,994</u>	<u>510,116,259</u>
Budgetary fund balance, June 30	<u>\$ 215,288,700</u>	<u>\$ 209,598,203</u>	<u>\$ 229,059,016</u>	<u>\$ 19,460,813</u>	<u>\$ 200,482,601</u>

ORANGE COUNTY FIRE AUTHORITY
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023
(With Comparative Data for Prior Year)

	Pension and Other Employee Benefit Trust Funds	
	2023	2022
Assets:		
Cash and investments (Note 4):		
Local Agency Investment Fund:		
Domestic fixed income	\$ 18,558	\$ 50,154
Pooled amounts held in trust with OCERS	52,013,173	60,362,996
Total cash and investments	52,031,731	60,413,150
Receivables:		
Other receivables	19,889	18,254
Total assets	52,051,620	60,431,404
Liabilities:		
Accrued liabilities	1,019,027	934,984
Total liabilities	1,019,027	934,984
Net position restricted for:		
Pensions	18,558	50,154
Postemployment benefits other than pensions	51,014,035	59,446,266
Total net position	\$ 51,032,593	\$ 59,496,420

ORANGE COUNTY FIRE AUTHORITY
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	Pension and Other Employee Benefit Trust Funds	
	2023	2022
Additions:		
Contributions:		
Employer	\$ 3,239,308	\$ 17,372,300
Plan members	1,628,619	1,842,066
Total contributions	4,867,927	19,214,366
Net investment income:		
Total investment income	(4,303,560)	7,090,184
Investment fees and expenses	(378,398)	(348,148)
Total net investment income	(4,681,958)	6,742,036
Total additions	185,969	25,956,402
Deductions:		
Benefits and refunds paid to plan members and beneficiaries	8,626,156	8,440,288
Administrative expenses	23,640	23,640
Total deductions	8,649,796	8,463,928
Change in net position	(8,463,827)	17,492,474
Net position, beginning of year	59,496,420	42,003,946
Net position, end of year	\$ 51,032,593	\$ 59,496,420

Notes to the Financial Statements



Open House
March 4, 2023

ORANGE COUNTY FIRE AUTHORITY
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Year ended June 30, 2023

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Orange County Fire Authority



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**ORANGE COUNTY FIRE AUTHORITY
Notes to the Financial Statements
Year ended June 30, 2023**

(1) Summary of Significant Accounting Policies

(a) Description of the Reporting Entity

Effective March 1, 1995, the County of Orange (County) and the cities of Buena Park, Cypress, Dana Point, Irvine, Laguna Hills, Laguna Niguel, Lake Forest, La Palma, Los Alamitos, Mission Viejo, Placentia, San Clemente, San Juan Capistrano, Seal Beach, Stanton, Tustin, Villa Park, and Yorba Linda entered into a Joint Powers Agreement (JPA) to create the Orange County Fire Authority (OCFA). Since the creation of the OCFA, the cities of Aliso Viejo, Garden Grove, Laguna Woods, Rancho Santa Margarita, Santa Ana, and Westminster have also joined as members. The City of Placentia withdrew its membership from OCFA effective July 1, 2020. The purpose of OCFA is to provide fire protection, prevention, suppression, and related and incidental services including, but not limited to, emergency medical and transport services and hazardous materials regulation, as well as providing facilities and personnel for such services. OCFA's governing board consists of one representative from each member city and two from the County.

OCFA's operations are funded with a portion of property taxes collected by the County (Structural Fire Fund) for the unincorporated area and on behalf of all member cities except for the cities of Buena Park, Garden Grove, San Clemente, Santa Ana, Seal Beach, Stanton, Tustin, and Westminster, which are considered cash contract cities. The County pays all Structural Fire Fund taxes it collects to OCFA. Cash contract cities make cash contributions based on OCFA's annual budget. Upon dissolution, all surplus money and property of OCFA will be conveyed or distributed to each member in proportion to all funds provided to OCFA by that member or by the County on behalf of that member during its membership. Each member must execute any instruments of conveyance necessary to effectuate such distribution or transfer.

As required by generally accepted accounting principles, these financial statements present OCFA as the primary government, as well as any of its component units. A component unit is an entity for which a primary government entity is considered financially accountable.

- The primary government is considered financially accountable for an organization if it appoints a voting majority of that organization's governing body, and (1) if the primary government is able to impose its will on that organization or (2) there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
- The primary government may also be considered financially accountable for an organization if that organization is fiscally dependent on the primary government (i.e., the organization is unable to approve or modify its budget, levy taxes or set rates/charges, or issue bonded debt without approval from the primary government).
- In certain cases, other organizations are included as component units if the nature and significance of their relationship with the primary government are such that their exclusion would cause the primary government's financial statements to be misleading or incomplete, even though the primary government is not considered financially accountable for that organization under the criteria previously described. A legally separate, tax exempt organization is reported as a component unit if (1) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the primary government or its constituents; (2) the primary government is entitled to or has the ability otherwise access a majority of the economic resources received or held by the organization; and (3) the economic resources received or held by the organization are significant to the primary government.

Component units must be classified as either “blended” or “discrete” in the primary government’s financial statements. A component unit is “blended” if the governing boards of the two organizations are substantially the same, or if the component unit provides services entirely or almost entirely to the primary government. Because of the closeness of its relationship with the primary government, a “blended” component unit is presented as though it is part of the primary government and, therefore, is included in both the government-wide and fund financial statements. Component units that do not meet either of these two criteria are considered “discrete” and are reported only in the government-wide financial statements.

A brief description of OCFA’s discretely presented component unit is as follows:

- The **OCFA Foundation** (“Foundation”) was established by the OCFA Board of Directors in July 2010, and qualifies as a nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. The purpose of the Foundation is to support OCFA with the additional resources needed to provide an enhanced level of fire prevention, suppression, and emergency medical services to the citizens of Orange County. The Foundation assists OCFA by conducting fundraising activities and securing non-government grant funds, services, materials, and contributions that support OCFA’s mission. OCFA provided \$50,000 from the General Fund as start-up funding for the Foundation, which was subsequently repaid to OCFA on April 28, 2021. The tax-exempt status of the Foundation was approved by the Internal Revenue Service on February 23, 2011, and the inaugural meeting of the Foundation Board was April 28, 2011.

The Foundation’s Board of Directors consists of no less than three and no more than seven members, the exact number determined by resolution of the Foundation Board. Foundation Board members must have been active in or had significant prior experience in governmental or community organizations, or the fire service. The Foundation Board may consist of any combination of members of the public, OCFA employees, and/or past or current OCFA Board members. Initially, the Chair of OCFA’s Board appointed the first three Foundation Directors. As of June 30, 2023, there were five non-OCFA Board members on the Foundation’s Board. Additional members may be appointed by the Foundation Board at a future date via a simple majority vote.

The Foundation is considered a component unit of OCFA, because the nature and significance of its relationship with OCFA is such that its exclusion would cause OCFA’s financial statements to be misleading or incomplete. Within these financial statements, the Foundation is reported as a discrete component unit in the government-wide financial statements. The Foundation also issues separate, component unit financial statements that may be obtained through written request from OCFA Executive Management at 1 Fire Authority Road, Irvine, California 92602.

OCFA reports the Extra Help Retirement Plan and the Retiree Medical Plan, single-employer pension and other post-employment benefits plans, respectively, as fiduciary component units in the Pension and Other Post-Employment Benefits Trust Funds. These plans are administered by OCFA, with the OCFA Board serving as the governing body of the plans and approving plan provisions. Plan assets are held in trust in a fiduciary capacity for the purpose of providing pension and other post-employment benefits to OCFA’s retirees. As such, these component units are not reported as part of the OCFA’s reporting entity, but rather as fiduciary activities in accordance with GASB Statement No. 84.

(b) Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities), report information about OCFA as a whole, excluding its fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. During the course of operations, OCFA has activity between its governmental funds for various purposes. Residual balances at the end of the fiscal year, interfund transfers, and other transactions between governmental funds, if any, are eliminated in the preparation of the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of the given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

Fund Financial Statements

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. OCFA considers revenues to be available if they are typically collected within 180 days of the end of the current fiscal period, with the exception of property taxes, which are considered available if they are typically collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, and leases, are recorded only when payment is due.

Property taxes, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by OCFA.

Fiduciary fund financial statements are reported using the same *economic resources measurement focus* and the *accrual basis of accounting* described for the government-wide financial statements.

(c) Major Funds and Other Fund Types

Major Governmental Funds

Major funds are those whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. The General Fund is always a major fund. OCFA has elected to report all of its governmental funds as major funds.

- The **General Fund** is the primary operating fund of OCFA and is used to account for all financial resources not accounted for and reported in another fund. The General Fund accounts for the financial activities of providing fire suppression, protection, prevention, and related services to OCFA's member cities and unincorporated areas. The primary sources of revenue are property taxes for fire protection (Structural Fire Fund), cash contracts, intergovernmental reimbursements, and various user fees.
- The **Communications and Information Systems Fund** is a capital projects fund used to account for the significant acquisition, improvement, or replacement of specialized communications and information technology systems and/or equipment.

- The **Fire Apparatus Fund** is a capital projects fund used to account for the significant acquisition, improvement, or replacement of fire apparatus, including vehicles, trailers, and helicopters.
- The **Fire Stations and Facilities Fund** is a capital projects fund used to account for the significant acquisition, improvement, replacement, or construction of fire stations and facilities.

Fiduciary Fund Types

- **Pension and Other Employee Benefit Trust Funds** are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans. OCFA’s pension and other employee benefit trust funds account for the extra help postemployment defined benefit retirement plan, and a postemployment health care plan trust established under Internal Revenue Code section 401(h) to pay health allowances to eligible retired members of the OCFA. The postemployment healthcare plan is presented in accordance with the plan year-end of December 31.

(d) Cash and Investments

OCFA's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For financial statement presentation purposes, cash and cash equivalents are shown as both restricted and unrestricted cash and investments.

Investments are stated at fair value (the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants), in accordance with GASB Statement No. 72. OCFA's policy is generally to hold investments until maturity. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

(e) Receivables

All accounts receivable are shown net of an allowance for uncollectible amounts.

Under California law, counties assess and collect property taxes up to 1% of assessed value and can increase the property tax rate no more than 2% per year. The property taxes go into a pool and are then allocated to the cities and local government entities based on complex formulas. The County bills and collects the property taxes and distributes them to OCFA in installments during the year. Accordingly, OCFA accrues only those taxes which are received from the County within 60 days after year-end. A summary of the property tax calendar is as follows:

Lien date	January 1
Levy date	Fourth Monday of September
Due dates	November 1 and February 1
Delinquent dates	December 10 and April 10

(f) Inventories and Prepaid Costs

OCFA accounts for all supplies inventories (i.e., office supplies, automotive parts, vehicle and jet fuel, etc.) under the “purchase method,” whereby expenditures are recognized at the time they are purchased, rather than when they are consumed or used. Thus, supplies inventories are recognized at cost using the specific identification method at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid costs in both the government-wide and fund financial statements. OCFA accounts for prepaid items (i.e., warranties, annual maintenance fees, and professional memberships) under the “consumption method,” whereby expenditures are recognized proportionately over the period that the services are provided. Nonspendable fund balance in an amount equal to prepaid costs is reported in the governmental fund types, since these amounts are not in a spendable form.

OCFA has established a dollar threshold for the review and establishment of prepaid items. Individual invoices and charges greater than or equal to \$5,000 are evaluated for reporting under the consumption method. Individual invoices and charges less than \$5,000 are reported under the “purchase method.” At the discretion of OCFA Finance Division management, exceptions to the \$5,000 threshold may include travel-related items or situations where failing to report a prepaid item under the consumption method may cause an individual division or section to materially exceed its appropriated budget for a given fiscal year.

(g) Capital Assets, Right-to-Use Lease Assets, and Right-to-Use Subscription Assets

Capital assets of governmental activities are reported in the government-wide financial statements, including land, construction in progress, work in progress, buildings, equipment, and vehicles. Capital assets are defined by OCFA as assets with an estimated useful life in excess of one year and with an initial, individual cost of \$5,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or developer-contributed capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not materially add to the value of the asset or materially extend the asset’s useful life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets received in a service concession arrangement, if any, are reported at acquisition value.

Right-to-use lease assets are reported in the applicable governmental activities column in the government-wide financial statements. These capital assets are defined by OCFA as assets with an estimated useful life in excess of one year and with an initial, individual cost of \$50,000 or more. Such capital assets are recorded at the present value of the lease liability, including expenses to place the asset into service. In accordance with GASB Statement No. 87, OCFA has reported right-to-use lease assets for buildings, equipment, vehicles, and land.

Right-to-use subscription assets (intangible assets), if any, are reported in the governmental activities column in the government-wide financial statements. These capital assets are defined by OCFA as assets with an estimated useful life in excess of one year and with an initial, fixed and fixed in-substance future payment stream over the subscription term estimated at \$50,000 or more. As of June 30, 2023, all Subscription-Based Information Technology Arrangement (SBITA) assets meeting the criteria of GASB Statement No. 96 were below OCFA’s materiality threshold.

OCFA’s capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings and Improvements	45 years
Equipment	3 – 40 years
Vehicles	4 – 20 years
Right-to-use lease assets	Shorter of the lease asset’s useful life or the lease term (currently >1 – 45 years)

(h) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position of governmental activities and the Balance Sheet of governmental funds may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as outflows of resources (expenses or expenditures) during the current fiscal year. OCFA currently reports deferred outflows pertaining to pensions and other postemployment benefits on the Statement of Net Position of governmental activities.

In addition to liabilities, the Statement of Net Position of governmental activities and the Balance Sheet of governmental funds may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as inflows of resources (revenues) during the current fiscal year. Items that qualify for reporting as a deferred inflow in the governmental funds, which arise under the modified accrual basis of accounting, include unavailable revenue and deferred inflows pertaining to leases. These amounts will be recognized as an inflow of resources in the period that the amounts become available. OCFA also currently reports deferred inflows pertaining to pensions, other postemployment benefits, and leases on the Statement of Net Position of governmental activities.

(i) Compensated Absences

OCFA's policy permits employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and unpaid sick leave to which employees are entitled under their respective Memorandums of Understanding (MOU's) have been accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if it has matured (for example, as a result of employee resignations or retirements).

(j) Pensions

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

(k) 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 Retiree Medical Plan and additions to/deductions from OCFA's fiduciary net position have been determined on the same basis. For this purpose, OCFA recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(l) Fund Equity

The components of the fund balances of governmental funds reflect the component classifications described below.

- **Nonspendable** fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.
- **Restricted** fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.
- **Committed** fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as OCFA's highest level of decision-making authority and has the authority to establish, modify, or rescind a fund balance commitment via a minutes order, which may or may not be documented by a written Board resolution.
- **Assigned** fund balance includes amounts intended to be used by OCFA for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors. OCFA's Board of Directors has established a *Fund Balance Assignment Policy* which establishes the authority by which OCFA may set aside cumulative resources in fund balance for an intended future use. The Board of Directors has the authority to assign fund balance, and has delegated its authority to assign amounts for workers' compensation and the capital improvement program to the Deputy Chief of the Administration & Support Bureau, or his/her designee, in accordance with the parameters outlined in the policy and subject to annual review and concurrence by the Budget and Finance Committee.
- **Unassigned** fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose. The General Fund should be the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific

purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, OCFA's *Flow Assumptions Policy* specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, OCFA's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

(m) Operating Contingency

In June 1998, OCFA established a General Fund Contingency Reserve ("operating contingency"), which was subsequently revised to 10% of budgeted non-grant operating expenditures. OCFA's policy states that the operating contingency be used only for operating contingencies, emergencies caused by calamitous events, and economic uncertainty. The operating contingency's balance is included within the unassigned fund balance category of the General Fund.

(n) Prior Year Data

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

(o) Use of Estimates

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and, accordingly, include amounts that are based on management's best estimates and judgments. Actual results could differ from those estimates.

(2) Compliance and Accountability

(a) Budgetary Information

OCFA establishes accounting control through formal adoption of an annual operating budget for its governmental funds. The operating budgets are prepared on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all of OCFA's governmental funds.

Perspective differences occur when the framework used for budgeting differs from the fund structure used for financial reporting. OCFA's General Fund consists of five separately budgeted sub-funds that have been combined and consolidated for financial statement presentation. The table below reconciles fund balance for the General Fund as reported on the budgetary basis to the presentation in the financial statements. The Supplementary Schedules section of this report includes additional General Fund combining schedules for balance sheet, budgetary data, and actual operating data for the year ended June 30, 2023.

	Fund Balance as of June 30, 2023
Budgetary basis:	
General Operating Fund	\$ 44,421,509
General Fund Capital Improvement Program (CIP)	8,855,094
Structural Fire Entitlement	3,519,541
Self Insurance	143,334,044
Settlement Agreement	28,928,828
General Fund for financial statement presentation	\$229,059,016

The adopted budget can be amended by the Board to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations and transfers between funds require the Board's approval; however, division and section managers, Assistant Chiefs, Directors, and Deputy Chiefs may authorize changes within funds and/or their respective authorized budgets. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of OCFA to review the budgets mid-year and, if necessary, recommend changes to the Board.

(b) Emergency Appropriations Policy

In September 2008, the Board adopted the Emergency Appropriations Policy to provide a means of increasing budgeted appropriations in the event that extraordinary fire or emergency incident activity occurs after the last Board meeting of the fiscal year, which may cause expenditures to exceed the authorized General Fund budget. The contingency appropriation, which may not exceed \$3,000,000 each fiscal year, is established for unforeseen requirements, primarily salary and employee benefits for extraordinary fire or emergency response. No expenditures may be made directly against the contingency appropriations; however, OCFA management may recommend a transfer from the contingency appropriations to a specific purpose appropriation. The Chair of the Board of Directors or the Vice Chair, in the absence of the Chair, must pre-approve any such transfers. Upon approval by the Chair or Vice Chair, notice of this transfer must be provided immediately to the full Board in writing.

(c) Encumbrance Accounting

Encumbrance accounting is employed in governmental funds. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in OCFA's governmental funds. Encumbrances outstanding at year-end are reported as restricted, committed, or assigned fund balance, depending on the type of revenue source associated with the encumbrance, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent fiscal year. All appropriations lapse at year-end with the exception of encumbered appropriations, which are effectually re-appropriated in the ensuing year's budget.

(3) Implementation of New Accounting Standards

During the year ended June 30, 2023, OCFA implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

- **GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*** provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under the statement, a government generally should recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. As of June 30, 2023, all SBITA assets meeting the criteria of GASB Statement No. 96 were below OCFA's \$50,000 materiality threshold.

(4) Cash and Investments

(a) Financial Statement Presentation

OCFA maintains a cash and investment pool that is available for use for all funds. Each fund's position in the pool is reported on the balance sheet as cash and investments. Pooled investments held in trust with OCERS (presented within the Fiduciary Funds of these financial statements) are reported as of the December 31, 2022 plan year-end date. Additional investment information is provided within these notes as Note 23.

Cash and investments as of June 30, 2023, are reported in the financial statements as follows:

	Statement of Net Position		Statement of Fiduciary Net Position	Total
	Governmental Activities	Discretely Presented Component Unit (OCFA Foundation)	Fiduciary Funds	
Cash and investments	\$251,752,836	\$328,218	\$52,031,731	\$304,112,785
Restricted cash and investments	<u>19,896,244</u>	-	-	<u>19,896,244</u>
Total	<u>\$271,649,080</u>	<u>\$328,218</u>	<u>\$52,031,731</u>	<u>\$324,009,029</u>

Cash and investments consist of the following as of June 30, 2023:

Petty cash / cash on hand	\$ 19,990
Demand deposits	931,474
Investments	<u>323,057,565</u>
Total	<u>\$324,009,029</u>

(b) Demand Deposits

At June 30, 2023, the carrying amount of OCFA's demand deposits was \$931,474 and the bank balance was \$1,435,806. The \$504,332 difference represents outstanding checks and other reconciling items.

California Government Code requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits. The entity's Treasurer may waive the collateral requirement for deposits which are fully insured by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "agent of depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California agents of depository are considered to be held for, and in the name of, the local government. The OCFA Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC.

(c) Investments Authorized by Government Code and OCFA Investment Policy

The table below identifies investment types that are authorized by OCFA's investment policy and by California Government Code Section 53600 et seq. and Section 5922(d). The table also identifies provisions of the California Government Code (or OCFA's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table, however, does not cover investments of debt proceeds, if any, held by fiscal agent, which are governed by the provisions of debt agreements of OCFA rather than the general provisions of OCFA's investment policy. In addition, this table does not include other investment types that are allowable under the California Government Code but are not specifically authorized by OCFA's investment policy.

Investment Types	Maximum Maturity	Maximum % of Portfolio in Investment Type	Maximum % of Portfolio in Single Issuer
U.S. Treasury obligations	5 years	100%	100%
Federal agency securities	5 years	75% ⁽¹⁾	75% ⁽¹⁾
Bankers' acceptances	180 days	25% ⁽¹⁾	25% ⁽¹⁾
Commercial paper	270 days	15% ⁽¹⁾	15% ⁽¹⁾
Negotiable certificates of deposit	5 years	25% ⁽¹⁾	25% ⁽¹⁾
Repurchase agreements	14 days	15% ⁽¹⁾	15% ⁽¹⁾
Money market mutual funds	n/a	15% ^(1,2)	15% ^(1,2)
Local Agency Investment Fund	n/a	75% ⁽¹⁾	75% ⁽¹⁾

(1) Based on OCFA investment policy requirement, which is more restrictive than state law

(2) No limit on automatic overnight sweep

(d) Local Agency Investment Fund

OCFA is a voluntary participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of OCFA's investment in this pool, which approximates cost, is reported in the accompanying financial statements based on OCFA'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 and reported as cash equivalents in the Statement of Net Position. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. Deposits and withdrawals to and from LAIF are made on the basis of \$1 and not at fair value. Accordingly, under the fair value hierarchy, the investment with LAIF is uncategorized.

The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized. The value of OCFA's LAIF deposits as of June 30, 2023, was \$39,789,797 and had a weighted average maturity of 260 days. LAIF is not rated as to credit risk by a nationally recognized statistical rating organization. LAIF is administered by the State Treasurer's Office and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office, 915 Capitol Mall, Sacramento, California 95814.

(e) Internal Revenue Code Section 115 Trust

On May 23, 2019, OCFA's Board of Directors approved the adoption of the Public Agencies Post-Employment Benefits Trust, an Internal Revenue Service (IRS) Section 115 irrevocable trust (115 Trust) as required under the terms of a Settlement Agreement with the City of Irvine. The 115 Trust is administered by Public Agency Retirement Services (PARS) per the terms of an Agreement for Administrative Services (AAS) between OCFA and PARS for the initial term May 23, 2019, through May 23, 2022. Unless a thirty-day written notice to terminate is given by either party, the AAS will continue unchanged for successive twelve-month periods following the initial term. Under the terms of the AAS, PARS holds a private letter ruling from the IRS that assures the tax-exempt status of the investment. OCFA maintains control over the assets in the 115 Trust, which are not commingled with other agencies. PARS has entered into a Public Agencies Post-Employment Benefits Trust Arrangement with U.S. Bank National Association (U.S. Bank) effective November 5, 2014, whereby PARS serves as the Trust Administrator and U.S. Bank serves as the Trustee for a public agency that executes a 115 Trust agreement with PARS. Additional 115 Trust information, including the funding timeline required per OCFA's Settlement Agreement with the City of Irvine, is provided within these notes as Note 16.

(f) GASB Statement No. 72

GASB Statement No. 72, *Fair Value Measurement and Application*, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants

at the measurement date. OCFA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. For Level 2 inputs, OCFA's custodian US Bank uses the services of ICE Data Services (IDS) to obtain the pricing information. Level 3 inputs are significant unobservable inputs. OCFA has the following fair value measurements as of June 30, 2023:

	Fair Value Hierarchy Level			Total
	Level 1	Level 2	Level 3	
U.S. Treasury obligations	\$ 88,031,790	\$ -	\$ -	\$ 88,031,790
Federal agency securities	-	104,343,708	-	104,343,708
Money market mutual funds	<u>31,562,203</u>	-	-	<u>31,562,203</u>
	<u>\$119,593,993</u>	<u>\$104,343,708</u>	<u>\$ -</u>	223,937,701
Uncategorized investments:				
LAIF				39,789,797
Pooled amounts held in trust with OCERS				52,013,173
Section 115 pension trust				<u>7,316,894</u>
Total				<u>\$323,057,565</u>

U.S. Treasury obligations and federal agency securities are valued using institutional bond quotes. Money market investments that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools, and investments held by 2a7-like external investment pools, are measured at amortized cost as provided in GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

(g) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, OCFA's investment policy, or debt agreements, as well as the actual rating as of year-end for each investment type as of June 30, 2023.

	Minimum Rating Required	Rating at Year-End			
		AAA	Unrated	Exempt	Total
U.S. Treasury obligations	N/A	\$ -	\$ -	\$ 88,031,790	\$ 88,031,790
Federal agency securities	N/A	-	-	104,343,708	104,343,708
Money market mutual funds	Aaa/AA+/AAA	31,562,203	-	-	31,562,203
LAIF	N/A	-	39,789,797	-	39,789,797
Pooled amounts held in trust with OCERS	N/A	-	52,013,173	-	52,013,173
Section 115 pension trust	N/A	-	<u>7,316,894</u>	-	<u>7,316,894</u>
Total		<u>\$31,562,203</u>	<u>\$99,119,864</u>	<u>\$192,375,498</u>	<u>\$323,057,565</u>

(h) Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. OCFA's investment policy requires that collateral be held by an independent third party with whom OCFA has a current custodial agreement. The custodial credit risk for *investments* is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. OCFA's investment policy requires that all security

transactions are conducted on a delivery-versus-payment (DVP) method and that all securities are held by a qualified, third-party custodian, as evidenced by safekeeping receipts. The trust department of OCFA's bank may act as third-party custodian, provided that the custodian agreement is separate from the banking agreement. As of June 30, 2023, none of the OCFA's deposits or investments was exposed to disclosable custodial credit risk.

(i) Concentration of Credit Risk

OCFA's investment policy imposes restrictions for certain types of investments with any one issuer to 15% of the total investment pool with the following exceptions: U.S. Treasury obligations (100%), LAIF (75%), federal agency securities (75%), bankers' acceptances (25%), and negotiable certificates of deposit (25%). With respect to concentration risk as of June 30, 2023, OCFA is in compliance with the investment policy's restrictions. In addition, GASB Statement No. 40 requires a separate disclosure if any single issuer comprises more than 5% of the total investment value (exclusive of amounts held by fiscal agent and OCERS). Investments guaranteed by the U.S. government, mutual funds, and external investment pools are excluded from this requirement. Investments with issuers exceeding 5% of the total investment portfolio at June 30, 2023, are summarized below.

Issuer	Fair Value	% of Portfolio
Federal Home Loan Bank (FHLB)	\$76,717,928	30.5%
Federal Farm Credit Bank (FFCB)	\$27,625,780	11.0%

(j) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the fair values of investments with longer maturities have greater sensitivity to changes in market interest rates. OCFA's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. OCFA's investment policy states that at least 50% of the portfolio must mature in one year or less, and unless matched to a specific requirement and approved by the Executive Committee and the Board of Directors, no portion of the portfolio may exceed five years. OCFA has elected to use the segmented time distribution method of disclosure for its interest rate risk. As of June 30, 2023, the OCFA had the following investments and maturities:

	Investment Maturities in Months				Total
	6 or Less	7 to 12	13 to 60	N/A	
U.S. Treasury obligations	\$ 88,031,790	\$ -	\$ -	\$ -	\$ 88,031,790
Federal agency securities	41,605,900	9,064,676	53,673,132	-	104,343,708
Money market mutual funds	31,562,203	-	-	-	31,562,203
LAIF	-	39,789,797	-	-	39,789,797
Pooled amounts held in trust with OCERS	-	-	-	52,013,173	52,013,173
Section 115 pension trust	-	-	-	7,316,894	7,316,894
Total	<u>\$161,199,893</u>	<u>\$48,854,473</u>	<u>\$53,673,132</u>	<u>\$59,330,067</u>	<u>\$323,057,565</u>

As of June 30, 2023, OCFA's investments included the following callable investments exposed to interest rate risk:

Issuer	Call Date(s)	Yield to Call	Maturity Date	Fair Value
Federal Farm Credit Bank (FFCB)	7/1/2023	0.19%	9/22/2023	\$13,829,620
Federal Farm Credit Bank (FFCB)	7/1/2023	0.72%	4/28/2025	\$11,024,160
Federal Farm Credit Bank (FFCB)	7/21/2023	0.71%	4/21/2025	\$2,772,000
Federal Home Loan Bank (FHLB)	6/30/2023	0.55%	9/30/2024	\$7,502,560
Federal Home Loan Bank (FHLB)	7/8/2023	0.38%	4/8/2024	\$9,064,676
Federal Home Loan Bank (FHLB)	7/23/2023	0.52%	10/23/2024	\$10,296,932
Federal Home Loan Bank (FHLB)	7/29/2023	1.00%	4/29/2026	\$10,805,160
Federal Home Loan Bank (FHLB)	8/11/2023	0.55%	10/11/2024	\$11,272,320

(5) Accounts Receivable, Net

Accounts receivable, net of allowance for doubtful accounts, consists of the following as of June 30, 2023:

	Governmental Funds		Primary Government
	General Fund	Communications And Information Systems	Governmental Activities
Ambulance and other reimbursements	\$3,678,143	\$156,502	\$3,834,645
Fire prevention and late fees	655,917	-	655,917
Other/miscellaneous	<u>187,389</u>	-	<u>187,389</u>
Accounts receivable	4,521,449	156,502	4,677,951
Allowance for doubtful accounts	<u>(2,138,518)</u>	-	<u>(2,138,518)</u>
Accounts receivable, net	<u>\$2,382,931</u>	<u>\$156,502</u>	<u>\$2,539,433</u>

(6) Prepaid Costs, Other Assets, and Nonspendable Fund Balance of Governmental Funds

In January 2022, OCFA prepaid a portion of its Fiscal Year 2022/23 retirement contributions to the Orange County Employees Retirement System (OCERS) totaling \$33,262,203. In January 2023, OCFA prepaid a portion of its Fiscal Year 2023/24 retirement contributions to OCERS totaling \$30,499,241. In the governmental funds, the unamortized balance of the January 2022 prepayment totaled \$1,279,316 as of June 30, 2023, due to the timing of the pay period calendar. The entire amount of the January 2023 prepayment was unamortized as of June 30, 2023. In the governmental activities, a portion of Fiscal Year 2023/24 prepaid retirement contributions totaling \$14,077,000 is reported as a deferred outflow of resources related to pensions, since the contributions will reduce (increase) the net pension liability (asset) with OCERS prior to the Plan's next measurement date.

Other prepaid costs and assets as of June 30, 2023, included annual maintenance and support fees, subscriptions, professional memberships, warranties, insurance premiums, and deposits with the third-party administrator of an employee benefit flexible health spending program. Prepaid costs and other assets consist of the following as of June 30, 2023:

	Governmental Funds			Primary Government
	General Fund	Communications and Information Systems	Fire Apparatus	Governmental Activities
Prepaid costs:				
Retirement contributions:				
Fiscal Year 2023/24	\$30,499,241	\$ -	\$ -	\$16,422,241
Fiscal Year 2022/23	1,279,316	-	-	1,279,316
Maintenance and support	628,479	16,881	-	645,360
Subscriptions and memberships	37,838	-	-	37,838
Insurance	32,169	-	-	32,169
Warranties	-	-	8,708	8,708
Other	<u>65,839</u>	-	-	<u>65,839</u>
Total prepaid costs	32,542,882	16,881	8,708	18,491,471
Other assets:				
Health spending deposits	<u>29,544</u>	-	-	<u>29,544</u>
Total	<u>\$32,572,426</u>	<u>\$16,881</u>	<u>\$8,708</u>	<u>\$18,521,015</u>

Prepaid costs are reported as an asset until the expenditures are recognized proportionately over the future period in which the services are to be provided. An amount equal to the asset is reported as nonspendable fund balance in the governmental funds, since these amounts are not in a spendable form. As of June 30, 2023, nonspendable fund balance totaled \$32,568,471 and is reported in the General Fund (\$32,542,882), the Communications and Information Systems Fund (\$16,881), and the Fire Apparatus Fund (\$8,708).

(7) Due from Other Governments

Amounts due from other governments consist of the following as of June 30, 2023:

	Governmental Funds		Primary Government
	General Fund	Fire Stations and Facilities	Governmental Activities
FIRIS program	\$ 9,808,207	\$ -	\$ 9,808,207
Property tax and tax increment	7,336,559	-	7,336,559
State responsibility area	6,328,565	93,814	6,422,379
COVID-19 pandemic response	4,984,053	-	4,984,053
Assistance by hire (ABH) and activation claims	4,535,026	-	4,535,026
Grants	1,753,944	-	1,753,944
Cash contract charges	1,387,627	-	1,387,627
Airport rescue firefighting	941,032	-	941,032
Other	<u>11,140</u>	<u>-</u>	<u>11,140</u>
Due from other governments	37,086,153	93,814	37,179,967
Allowance for doubtful accounts	<u>(98,538)</u>	<u>-</u>	<u>(98,538)</u>
Due from other governments, net	<u>\$36,987,615</u>	<u>\$93,814</u>	<u>\$37,081,429</u>

(8) Lessor in Lease Agreement (Lease Receivables)

(a) General Information about the Lease

On March 24, 2011, OCFA entered into a Wireless Communications Facilities Site Lease with Vista Towers, LLC (Vista), to provide space at the OCFA-owned Regional Fire Operations and Training Center to install and operate a digital mobile radio communications site consisting of up to two wireless communication towers, equipment shelters, and cabinets, for up to six cell phone carriers (Cell Tower). In July 2015, the Board of Directors approved Vista’s request to assign its interest in the lease to SBA Towers VI, LLC (SBA). SBA assumed the payment terms of the original agreement, and is responsible for the installation, construction, maintenance, repairs, replacement, and operations of the towers and, if applicable, the removal of the towers upon termination of the lease.

The five-year lease term commenced on July 15, 2012. The lease may be renewed for up to four consecutive five-year increments, for a total of twenty-five years through July 15, 2037. Rent is due the first of each month and is determined based on the number of carriers being occupied by each tower. Initial base rent, which automatically increases by 3% annually, is \$1,250 for each month in which there is one or no carrier on one of the towers, and \$1,000 per month for each additional carrier occupied on each tower beyond the first carrier. OCFA began collecting base rent commencing July 15, 2012, with rent for a second and third carrier commencing in June and October 2013, respectively. Base rent for a fourth carrier commenced in December 2022. Adjusted monthly base rent as of June 30, 2023, was \$5,330 for the four carriers.

A remeasurement adjustment in the amount of \$95,599 increased the amount of the lease cell tower asset as of December 1, 2022. As of June 30, 2023, OCFA reported a lease receivable and a deferred inflow of resources totaling \$895,177, and \$839,179, respectively, in the General Fund and the primary government’s governmental activities. The deferred inflow of resources relating to leases will be recognized as a reduction of the lease receivable over the remaining term of the lease agreement. The lease receivable will be reduced as repayments are received. Principal and interest totaling \$38,599 and \$20,366, respectively, were received during the year ended June 30, 2023.

(b) Inflows of Resources

Inflows of resources recognized in Fiscal Year 2022/23 consisted of the following:

<u>Inflows of Resources</u>	<u>Amount</u>
Lease revenue	\$57,222
Interest revenue	<u>20,336</u>
Total	<u>\$77,558</u>

(9) Capital Assets

(a) Changes in Capital Asset Balances by Asset Class

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

<u>Primary Government/ Governmental Activities</u>	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Capital assets not depreciated/amortized:					
Land	\$ 42,757,850	\$ -	\$ -	\$ -	\$ 42,757,850
Construction in progress	977,546	1,568,988	-	(269,163)	2,277,371
Work in progress	<u>6,766,409</u>	<u>49,665,843</u>	-	<u>(4,351,813)</u>	<u>52,080,439</u>
Total capital assets not depreciated/amortized	<u>50,501,805</u>	<u>51,234,831</u>	-	<u>(4,620,976)</u>	<u>97,115,660</u>
Capital assets depreciated/amortized:					
Buildings	153,637,069	-	-	269,163	153,906,232
Right-to-use lease buildings	251,578	-	-	-	251,578
Equipment	72,217,955	1,224,047	(9,536,499)	559,788	64,465,291
Right-to-use lease equipment	174,672	18,711,118	-	-	18,885,790
Vehicles	115,626,214	1,160,719	(152,245)	3,792,025	120,426,713
Right-to-use lease land	<u>4,679,622</u>	-	-	-	<u>4,679,622</u>
Subtotal	<u>346,587,110</u>	<u>21,095,884</u>	<u>(9,688,744)</u>	<u>4,620,976</u>	<u>362,615,226</u>
Less accumulated depreciation/amortization:					
Buildings	(60,368,648)	(3,337,524)	-	-	(63,706,172)
Right-to-use lease buildings	(43,866)	(22,668)	-	-	(66,534)
Equipment	(50,668,407)	(3,621,346)	9,270,263	-	(45,019,490)
Right-to-use lease equipment	(174,672)	(12,474,096)	-	-	(12,648,768)
Vehicles	(66,647,848)	(6,152,484)	152,245	-	(72,648,087)
Right-to-use lease land	<u>(208,032)</u>	<u>(104,016)</u>	-	-	<u>(312,048)</u>
Subtotal	<u>(178,111,473)</u>	<u>(25,712,134)</u>	<u>9,422,508</u>	-	<u>(194,401,099)</u>
Total capital assets depreciated/amortized, net	<u>168,475,637</u>	<u>(4,616,250)</u>	<u>(266,236)</u>	<u>4,620,976</u>	<u>168,214,127</u>
Capital assets, net	<u>\$218,977,442</u>	<u>\$46,618,581</u>	<u>\$ (266,236)</u>	<u>\$ -</u>	<u>\$265,329,787</u>

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Component Unit/ OCFA Foundation	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets depreciated/amortized:					
Equipment	\$ 15,979	\$ -	\$ -	\$ -	\$ 15,979
Less accumulated depreciation/amortization:					
Equipment	<u>(4,062)</u>	<u>(799)</u>	<u>-</u>	<u>-</u>	<u>(4,861)</u>
Capital assets, net	<u>\$ 11,917</u>	<u>\$ (799)</u>	<u>-</u>	<u>-</u>	<u>\$ 11,118</u>

(b) Net Investment in Capital Assets

The portion of net position that is invested in capital assets as of June 30, 2023, is calculated as follows:

	Primary Government Governmental Activities	Component Unit OCFA Foundation
Total capital assets, net of accumulated depreciation/amortization	\$ 459,730,886	\$15,979
Accumulated depreciation/amortization	<u>(194,401,099)</u>	<u>(4,861)</u>
Net carrying value of capital assets	265,329,787	11,118
Outstanding principal of capital debt, limited to portion of the debt on which proceeds were expended for capital purposes:		
Master equipment lease/purchase agreement	(45,535,664)	-
Lease liabilities	<u>(10,734,307)</u>	<u>-</u>
Net investment in capital assets	<u>\$ 209,059,816</u>	<u>\$11,118</u>

(c) Depreciation/Amortization Expense

Depreciation/amortization expense in the amounts of \$25,712,134 and \$799 were charged to public safety in the Statement of Activities of the primary government and the component unit, respectively, for the year ended June 30, 2023.

(10) Unearned and Unavailable Revenue

Revenue amounts that have been collected but are *unearned* are reported as liabilities of both the governmental activities and the governmental funds. Revenue amounts that have been earned but are considered *unavailable* to finance the expenditures of the current fiscal period are reported as deferred inflows of resources of the governmental funds. Unearned and unavailable revenues consist of the following as of June 30, 2023:

	Governmental Funds	Primary Government Governmental Activities	Component Unit OCFA Foundation
	General Fund		
Unearned revenue:			
Quick Reaction Force program cash advance	\$9,247,811	\$9,247,811	\$ -
Grant cash advance for mobile helicopter dip tank	96,454	96,454	-
Grant cash advance for CERT program	17,393	17,393	-
Cell tower rent – July 2023	5,411	5,411	-
Miscellaneous cash advances	<u>11,586</u>	<u>11,586</u>	<u>14,850</u>
Total	<u>\$9,378,655</u>	<u>\$9,378,655</u>	<u>\$14,850</u>
Unavailable revenue:			
City of Garden Grove start-up costs	<u>\$ 681,733</u>		
Total	<u>\$ 681,733</u>		

(11) Due to Other Governments

Amounts due to other governments consist of the following as of June 30, 2023:

	Governmental Funds	Primary Government
	General Fund	Governmental Activities
Pass-through payments for activations and exercises:		
City of Anaheim	\$3,751	\$3,751
City of Orange	<u>1,278</u>	<u>1,278</u>
Total	<u>\$5,029</u>	<u>\$5,029</u>

(12) Fund Balance of Governmental Funds – Restricted

Restricted fund balance consists of the following as of June 30, 2023:

Description of Restriction	Governmental Funds			
	General Fund	Fire Apparatus	Fire Stations and Facilities	Total
Capital improvement program:				
State funding for hand crew facility and equipment	\$ -	\$ -	\$16,931,500	\$16,931,500
Unspent debt proceeds from helicopter lease purchase agreement	-	12,530,156	-	12,530,156
CalFire contract revenues for capital projects	-	-	<u>710,060</u>	<u>710,060</u>
	-	<u>12,530,156</u>	<u>17,641,560</u>	<u>30,171,716</u>
Various departments:				
CalFire funding for greenhouse gas reduction	3,123,572	-	-	3,123,572
CalFire funding for surge firefighter staffing	450,610	-	-	450,610
CalFire funding for hand crew firefighter staffing	433,332	-	-	433,332
CalFire augmentation funding for upstaffing	354,161	-	-	354,161
CalFire augmentation funding for special projects	343,876	-	-	343,876
CalFire contract revenues for capital projects	<u>23,037</u>	-	-	<u>23,037</u>
	<u>4,728,588</u>	-	-	<u>4,728,588</u>
Section 115 pension trust:				
Irvine Settlement Agreement	<u>7,316,140</u>	-	-	<u>7,316,140</u>
	<u>7,316,140</u>	-	-	<u>7,316,140</u>
Total	<u>\$12,044,728</u>	<u>\$12,530,156</u>	<u>\$17,641,560</u>	<u>\$42,216,444</u>

Restricted fund balance includes resources accumulated from CalFire and other state funding that must be utilized for specific programs or projects, including staffing enhancements, new fire station development, or improvements to existing fire stations; unspent debt proceeds from the 2022 helicopter lease purchase agreement that must be utilized for acquiring and installing two helicopters, related equipment, and training; and amounts set aside in a Section 115 trust for pension obligations in accordance with the March 28, 2019, Settlement Agreement between OCFA and the City of Irvine.

(13) Fund Balance of Governmental Funds – Committed

In July 1999, the Board of Directors authorized that \$4,405,086 be set aside to fund OCFA-related service or resource enhancement projects in certain structural fire fund member agencies. The Board of Directors subsequently authorized additional amounts to be set aside for the same purpose in January 2012 (\$622,106), November 2017 (\$1,000,000), and March 2022 (\$3,428,054). As of June 30, 2023, the remaining unspent amount, plus accrued interest earnings, totaling \$3,519,541 was reported as a fund balance commitment in the General Fund. The funds are committed for projects in the following member agencies:

<u>Member Agency</u>	Governmental Funds
	<u>General Fund</u>
Aliso Viejo	\$ 53,342
Dana Point	12,203
Irvine	3,095,651
Laguna Hills	35,273
Laguna Niguel	269,477
Rancho Santa Margarita	20,332
San Juan Capistrano	967
Villa Park	<u>32,296</u>
Total	<u>\$3,519,541</u>

(14) Fund Balance of Governmental Funds – Assigned

Assigned fund balance includes the following as of June 30, 2023:

Capital Improvement Program	\$ 22,262,329
Workers' compensation	143,334,044
Intended for other specific purposes	<u>39,327,110</u>
Total	<u>\$204,923,483</u>

The Board of Directors has established a *Fund Balance Assignment Policy* authorizing the assignment of fund balance to the Capital Improvement Program and self-insured workers' compensation claims.

- The assignment to the Capital Improvement Program reflects cumulative amounts transferred from the General Fund to the capital projects funds, net of actual cumulative project expenditures and other revenue sources accounted for in those funds. The assignment may also include net resources accumulated within the General Fund itself to fund purchases and projects that are capital in nature but do not necessarily meet the criteria to be reported in one of OCFA's capital projects funds. The assignment may not exceed the net cost of future identifiable projects. Fund balance assigned for the Capital Improvement Program totaled \$22,262,329 as of June 30, 2023, and is reported in the General Fund (\$6,545,843), Communications and Information Systems Fund (\$5,597,631), Fire Apparatus Fund (\$5,012,707) and Fire Stations and Facilities Fund (\$5,106,148).
- The assignment to workers' compensation reflects the cumulative difference between actual workers' compensation expenditures incurred and budgeted costs, which are based on an annual actuarial valuation prepared by an external actuary and a confidence level set by the Board of Directors. The assignment for workers' compensation is reported in the General Fund and totaled \$143,334,044 as of June 30, 2023.

Assigned fund balance as of June 30, 2023, intended to be used by OCFA for other specific purposes, subject to change, totaled \$39,327,110 and is summarized below for each governmental fund:

Intended Use of Resources	Communications and Information Systems Communications/ IT Projects	Fire Apparatus Fire Apparatus and Vehicles	Fire Stations and Facilities Construction Projects
Fire Station No. 24 (Mission Viejo)	\$ -	\$ -	\$13,512,470
Mid-mount and rear mount trucks	-	10,762,666	-
Type 1 engines	-	3,905,753	-
Hazardous materials vehicles	-	1,941,261	-
Outfitting for 44 pickup trucks	-	1,342,606	-
Heavy rescue vehicle	-	947,488	-
RFOTC training ground improvements	-	-	633,066
Fuel truck	-	512,095	-
Mail trucks	-	318,616	-
Emergency medical services enterprise system	277,153	-	-
Dozer tenders	-	246,487	-
Infrastructure security enhancements	-	-	227,126
Crew cab stake side trucks	-	201,610	-
Enterprise audio visual upgrade	91,030	-	-
Data Center fire suppression system	40,127	-	-
Disaster recovery facility	14,562	-	-
Fire Station No. 12 (Laguna Woods)	-	-	6,250
Total	<u>\$422,872</u>	<u>\$20,178,582</u>	<u>\$14,378,912</u>

Intended Use of Resources	General Fund				
	Various Departments	Facilities Projects	Communications/ IT Projects	Construction Projects	Total
Station alarm system upgrades	\$ -	\$ -	\$1,069,872	\$ -	\$1,069,872
800 MHz radios	-	-	984,762	-	984,762
Heavy Rescue 6 tools and equipment	348,499	-	-	-	348,499
Freightliner water tender	318,997	-	-	-	318,997
Chest compression devices for basic life support (BLS) units	282,093	-	-	-	282,093
Urban Search & Rescue program services and supplies	173,130	-	-	-	173,130
Battery-powered ventilation fans	124,241	-	-	-	124,241
Communications and information technology supplies	108,493	-	-	-	108,493
Mobile helicopter dip tank	94,385	-	-	-	94,385
Golf carts and utility trailer	87,212	-	-	-	87,212
Station No. 41 (Air Operations) dorm repairs	-	-	-	73,400	73,400
Station bathroom gender compliance projects	-	-	-	69,339	69,339
Tree pest mitigation projects	65,120	-	-	-	65,120
Other	<u>247,586</u>	<u>232,727</u>	<u>62,221</u>	<u>4,667</u>	<u>547,201</u>
Total	<u>\$1,849,756</u>	<u>\$232,727</u>	<u>\$2,116,855</u>	<u>\$147,406</u>	<u>\$4,346,744</u>

(15) Fund Balance of Governmental Funds – Unassigned

Unassigned fund balance in the General Fund consists of the following as of June 30, 2023:

10% Operating Contingency calculation	\$41,776,013
Less: calculation in excess of total unassigned fund balance	<u>(15,050,779)</u>
10% Operating Contingency, adjusted	26,725,234
All other residual amounts available for any purpose	-
Total unassigned fund balance	<u>\$26,725,234</u>

The total amount of the 10% Operating Contingency calculation was \$41,776,013 as of June 30, 2023, which exceeded the General Fund’s total unassigned fund balance by \$15,050,779.

(16) Commitments and Contingencies

(a) Settlement Agreement

Effective March 28, 2019, OCFA and Irvine entered into a Settlement Agreement, which was amended December 4, 2019, to provide the following provisions benefiting the citizens of Orange County and enhancing services provided throughout OCFA’s jurisdiction:

- **Joint Police-Fire Training Facility** – Irvine will plan, develop, construct, operate, and maintain a joint training center, which will include a joint emergency operations center (collectively the Joint Training Facility) for use by the City and OCFA for no less than fifty years from completion of the facility’s construction. Irvine will contribute the land and will operate and maintain the real property that comprises the Joint Training Facility. In exchange for its use, OCFA will contribute \$20,500,000 to be used by Irvine toward the Joint Training Facility’s design, construction, furnishing, and the provision of fixtures or equipment for facilities. Upon Irvine’s execution of design contracts, OCFA will pay Irvine \$1,000,000 for the exclusive use of making payments on the design contracts and for other expenses relating to the design of the Joint Training Facility as mutually agreed upon by Irvine and OCFA. Upon Irvine’s execution of a construction contract, OCFA will pay Irvine additional amounts as follows: (1) a combined \$19,500,000 for the construction, furniture, fixtures, and equipment of the training center (\$18,500,000) and the emergency operations center (\$1,000,000); and (2) the cost of any facility enhancements OCFA requested during the design process that would cause OCFA’s total financial contributions to collectively exceed \$20,500,000.
- **Drone Program** – Irvine will establish and operate a program under which Irvine personnel will use drones to monitor open space areas in Irvine. Drones will be available to OCFA upon request to monitor open space or active fires or other hazards and disasters throughout OCFA’s jurisdictional boundaries. Irvine must certify on or prior to July 1, 2019, that it has established and budgeted for the Drone Program, including anticipated costs of personnel, equipment, space, and other direct costs, totaling at least \$500,000 per year. OCFA will pay Irvine \$500,000 annually on July 15 beginning July 15, 2019, and ending July 15, 2029. If Irvine has not provided the annual certification of program and budget as previously described by June 1 of any year, then OCFA’s annual payment will not be due until thirty days after such certification is provided. On or prior to May 1 each fiscal year beginning May 1, 2020, and ending May 1, 2030, Irvine will certify to OCFA the actual fiscal year-to-date costs incurred and anticipated costs to be incurred prior to the close of the fiscal year. If those costs are less than OCFA’s annual \$500,000 payment, the difference will be deducted from OCFA’s subsequent year payment. OCFA’s expenditures for Fiscal Year 2022/23 totaled \$500,000.
- **Bi-Directional Amplifiers** – OCFA will reimburse Irvine \$500,000 for the purchase and installation of bi-directional amplifiers at nine locations within Irvine’s municipal boundaries. Reimbursement payments will be made upon documentation that the amplifiers are installed and operating.
- **OCFA Training of Irvine Police Department (IPD) Emergency Medical Technicians (EMT)** – OCFA personnel will provide IPD personnel with EMT training at a cost to OCFA of \$50,000 per fiscal year through June 30, 2030.

Training will be provided as requested by IPD personnel and unused training sessions will not carry over to future fiscal years. OCFA’s obligation to provide EMT training commences on the latter of July 1, 2019, and the date IPD identifies personnel that are either specifically employed to serve as EMT’s for Irvine or that have EMT functions integrated into their job duties.

- **Public Safety Community Emergency Response Team (CERT) Coordinator** – OCFA will pay Irvine \$118,000 per fiscal year toward the cost of one Irvine-employed, full-time CERT Coordinator. Irvine must certify on or prior to July 1, 2019, that it has established and budgeted for a CERT Coordinator position, including anticipated costs of salary, benefit, and other direct costs, totaling at least \$118,000 per year. OCFA will pay Irvine \$118,000 annually on July 15 beginning July 15, 2019, and ending July 15, 2029. If Irvine has not provided the certification of program and budget as previously described by June 1, 2019, then the first payment will not be due to Irvine until thirty days after such certification is provided. On or prior to May 1 each fiscal year beginning May 1, 2020, and ending May 1, 2030, Irvine will certify to OCFA the actual fiscal year-to-date costs incurred and anticipated costs to be incurred prior to the close of the fiscal year. If those costs are less than OCFA’s annual \$118,000 payment, the difference will be deducted from OCFA’s subsequent year payment. OCFA’s expenditures for Fiscal Year 2022/23 totaled \$118,000.

- **Pension Funding Annual Deposits to 115 Trust** – OCFA will pay \$2,000,000 per year into an Internal Revenue Code Section 115 Trust (115 Trust) to be established with the Public Agency Retirement Services (PARS), the Orange County Employees Retirement System (OCERS), or another mutually-agreed upon administrator (Trust Administrator). On or prior to July 1, 2019, OCFA will establish the 115 Trust with the Trust Administrator. The annual \$2,000,000 115 Trust payment will be due on July 15 of each fiscal year beginning July 15, 2019, and ending July 15, 2029; however, if OCFA has not funded 85% of its pension liability as determined by OCERS by June 30, 2020, then the required 115 Trust payment will be reduced to \$1,500,000 per fiscal year until OCFA achieves the targeted 85% funding level. The \$500,000 reduction will instead be contributed to OCERS as an additional employer pension contribution. The first 115 Trust payment due on July 15, 2019, will not be reduced even if the 85% target funding has not been achieved. Sub-accounts will be established within the 115 Trust to attribute on a pro-rata basis portions of each payment to Structural Fire Fund members whose revenues were greater than the cost of providing fire services during the prior fiscal year. If OCFA is dissolved in the manner described in California Government Code Section 6508.2, then as part of the dissolution process OCFA will apportion retirement liabilities among all of its member agencies. The amounts deposited into the 115 Trust and attributed by sub-accounts will not be utilized in making this apportionment calculation. Upon completion of the apportionment calculation, the 115 Trust will be liquidated and the amounts used toward the satisfaction of the portion of liability assigned to such 115 Trust contributing members through the apportionment calculation. OCFA remitted payment(s) to the 115 Trust totaling \$2,000,000 during Fiscal Year 2022/23.

OCFA’s remaining financial commitment as of June 30, 2023, under the various provisions of the Settlement Agreement totals approximately \$39,676,000 over the remaining seven-year period July 1, 2023, through June 30, 2030, as summarized in the table below.

Settlement Agreement Service Enhancement	OCFA Financial Commitment	
	Ongoing Annual Costs	One-Time Costs
Joint Police-Fire Training Facility and Emergency Operations Center	\$ -	\$20,500,000
Drone Program	500,000	-
Bidirectional Amplifiers	-	500,000
OCFA Training of Irvine Police Department Emergency Medical Technicians	50,000	-
Public Safety Community Emergency Response Team (CERT) Coordinator	118,000	-
Pension Funding Annual Deposits to 115 Trust	<u>2,000,000</u>	<u>-</u>
Total original financial commitment	<u>\$ 2,668,000</u>	<u>\$21,000,000</u>
Total remaining OCFA financial commitment over eight fiscal years (Fiscal Year 2023/24 through Fiscal Year 2029/30)	\$18,676,000	\$21,000,000

(b) Commitments for Outstanding Encumbrances

As of June 30, 2023, commitments with vendors for outstanding encumbrances (unperformed purchase orders and contracts for goods and services) by major governmental fund are as follows:

General Fund	\$ 4,350,744
Communications and Information Systems	422,872
Fire Apparatus	20,178,582
Fire Stations and Facilities	<u>14,378,912</u>
Total outstanding encumbrances	<u>\$39,331,110</u>

Significant individual commitments with vendors as of June 30, 2023, are identified below.

<u>Fund / Vendor</u>	<u>Description</u>	<u>Original Commitment</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
<i><u>General Fund:</u></i>				
Westnet	Alerting systems upgrades at various stations	\$1,797,945	\$759,002	\$1,038,943
Motorola Solutions, Inc.	Radios and accessories	984,762	-	984,762
PB Loader Corporation	Freightliner water tender	318,997	-	318,997
Stryker Sales Corporation	Lucas chest compression devices	282,093	-	282,093
LN Curtis & Sons	Rescue tools	277,394	77,041	200,353
Allstar Fire Equipment	Battery-powered ventilation fans	124,241	-	124,241
<i><u>Communications and Information Systems:</u></i>				
Firstwatch Solutions, Inc.	Data extraction and analytics	417,548	175,017	242,531
Apploon (The Murdock Corporation)	Urban Search & Rescue warehouse audio visual installation	298,231	207,201	91,030
<i><u>Fire Apparatus:</u></i>				
Sutphen Corporation	(3) Mid mount trucks	4,794,025	-	4,794,025
KME Fire Apparatus	(3) Rear mount trucks	4,476,481	-	4,476,481
KME Fire Apparatus	(4) Type 1 engines	3,111,642	-	3,111,642
Rosenbauer Minnesota, LLC	(2) Hazardous materials vehicles	1,941,261	-	1,941,261
KME Fire Apparatus	(1) Rear mount truck	1,492,160	-	1,492,160
Rosenbauer Minnesota, LLC	(1) Heavy rescue vehicle	947,488	-	947,488
KME Fire Apparatus	(1) Type 1 engine	794,111	-	794,111
Johnson Equipment Company	Radio consoles and rear command units	655,619	-	655,619
PB Loader Corporation	(1) Freightliner fuel truck	512,095	-	512,095
<i><u>Fire Stations and Facilities:</u></i>				
EC Constructors, Inc.	Design/build services for Fire Station No. 24 (Mission Viejo)	14,996,489	1,484,020	13,512,469
HMC Group	Architectural engineering and construction support for RFOTC training grounds expansion project	880,400	335,743	544,657

(c) Pending Litigation and Other Matters

Pending litigation and other matters as of June 30, 2023, include the following:

- On July 2, 2021, Cal/OSHA issued five citations to OCFA resulting from an accident that occurred on October 26, 2020. OCFA submitted its appeal of the citations on July 23, 2021. The Cal/OSHA Appeals Board has scheduled the next status conference on this matter for November 2023. If OCFA were to pay the citations as issued, the maximum amount of the potential loss would be \$90,500. A \$90,500 potential loss for this contingent legal matter is considered probable and has been recorded in the accompanying financial statements.
- OCFA is a defendant in a pending legal matter resulting from a 2021 automobile accident and personal injury claim brought forward by a member of the public. A jury trial in this matter is scheduled for December 2023. As of June 30, 2023, an unfavorable outcome in this case is reasonably possible based on discovery completed to-date. Financial exposure is estimated between \$250,000 and \$15 million, which exceeds OCFA's insurance coverage limits by \$5 million. A loss for this contingent legal matter has not been recorded in the accompanying financial statements.

(17) Interfund Transfers

Interfund transfers are used to move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them. Interfund transfers for the year ended June 30, 2023, are as follows:

Fund	Transfers In	Transfers Out
General Fund	\$ 3,097,603	\$13,942,226
Communications and Information Systems	4,500,000	3,097,603
Fire Apparatus	<u>9,442,226</u>	-
Total	<u>\$17,039,829</u>	<u>\$17,039,829</u>

Transfers totaling \$13,942,226 were made from the General Fund to the Communications and Information Systems Fund (\$4,500,000) and the Fire Apparatus Fund (\$9,442,226), for current and future capital improvement projects identified in the Capital Improvement Plan.

Transfers totaling \$3,097,603 were made from the Communications and Information Systems Fund to the General Fund to fund the 10% Operating Contingency.

(18) Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2023, is summarized in the table below.

Primary Government/ Governmental Activities	Beginning Balances	Additions	Deletions	Ending Balances	Due Within One Year
Net pension liability:					
OCERS pension plan	\$ -	\$363,510,646	\$ (84,450,056)	\$279,060,590	\$ -
Extra Help pension plan	<u>49,576</u>	-	<u>(48,901)</u>	<u>675</u>	-
	49,576	363,510,646	(84,498,957)	279,061,265	-
Net OPEB liability	102,002,299	17,301,197	(7,703,732)	111,599,764	-
Compensated absences	20,241,600	19,755,791	(19,248,044)	20,749,347	4,730,160
Accrued claims and judgments for workers' compensation	127,833,360	27,202,953	(15,129,099)	139,907,214	16,558,042
Lease liabilities	4,894,651	18,711,118	(12,871,462)	10,734,307	5,886,589
Master equipment lease/purchase agreement	-	<u>57,882,120</u>	-	<u>57,882,120</u>	<u>2,770,492</u>
Total	<u>\$255,021,486</u>	<u>\$504,363,825</u>	<u>\$(139,451,294)</u>	<u>\$619,934,017</u>	<u>\$29,945,283</u>

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The master equipment lease/purchase agreement liability is liquidated by the Fire Apparatus Fund. All other long-term liabilities are normally liquidated by the General Fund.

(19) Compensated Absences

OCFA is obligated to its employees for accumulated earned but unused leave benefits as of June 30, 2023. Sick leave includes only those amounts that OCFA is obligated to reimburse employees at the end of their active service life. Leave balances by employee type are as follows as of June 30, 2023:

	Vacation	Comp/Other	Sick Leave	Total
Safety Members	\$12,482,448	\$209,508	\$ 2,182,268	\$14,874,224
General Members	3,183,588	640,089	2,051,446	5,875,123
Total	<u>\$15,666,036</u>	<u>\$849,597</u>	<u>\$4,233,714</u>	<u>\$20,749,347</u>

(20) Insurance and Accrued Claims and Judgments

(a) Insurance Coverage Limits

OCFA has purchased commercial insurance coverage for general and auto liabilities, and excess coverage for the self-insured workers compensation. Coverage limits for Fiscal Year 2022/23 included the following:

Property:

Real Property (Building)	Guaranteed Replacement Cost
Personal Property (Contents)	Per Schedule on File with the Carrier
Deductible	\$1,000 - \$5,000

Crime:

Employee Dishonesty	\$1,000,000
Forgery or Alteration	\$1,000,000
Faithful Performance of Duty	\$1,000,000
Computer Fraud	\$1,000,000
Deductible	\$1,000

Portable Equipment:

Valuation	Guaranteed Replacement Cost
Deductible	\$1,000

General Liability:

Each Occurrence	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Fire Damage Legal Liability	\$1,000,000
Medical Expense (each accident)	\$10,000
Garage Keepers Liability	\$500,000
General Annual Aggregate	\$10,000,000

Management Liability:

Each Wrongful Act	\$1,000,000
General Annual Aggregate	\$10,000,000
Defense Expense Injunctive Relief	\$50,000
Deductible Each Wrongful Act	\$7,500

Automobile:

Bodily Injury or Property Damage	\$1,000,000
Uninsured/Underinsured Motorist	\$1,000,000
Automobile Physical Damage	Agreed Value on File with Carrier
Deductible	\$1,000 Passenger Vehicles; \$5,000 Apparatus

Cyber Liability:

First Party Liability	\$100,000
Third Party Liability	\$1,000,000

Umbrella (Excess) Liability:	
Each Occurrence or Wrongful Act	\$9,000,000
General Aggregate	\$20,000,000
Excess Workers Compensation	Statutory Limits

During Fiscal Year 2022/23, the deductible for management liability decreased from \$250,000 to \$7,500 per wrongful act, as compared to the prior fiscal year. Settlements have not exceeded coverage in each of the past three fiscal years.

(b) Workers' Compensation Self-Insurance

OCFA transitioned its program for workers' compensation insurance from Guaranteed Cost to Self-Insurance effective March 1, 2002. OCFA's self-insurance program covers workers' compensation claims up to \$50,000,000, subject to a \$2,000,000 self-insured retention (SIR) per incident. Workers' compensation claims in excess of the self-insured level are insured by the California State Association of Counties Excess Insurance Authority (CSAC-EIA) at statutory limits. OCFA utilizes the services of a third-party claims administrator for administration of workers' compensation claims.

As of June 30, 2023, accrued claims and judgments for workers' compensation totaled \$139,907,214 and were recorded as a long-term liability in the government-wide financial statements. This liability reflects the present value of estimated outstanding losses at the 50% confidence level, as determined by an actuarial valuation dated June 30, 2023, and includes claims that have been incurred but not yet reported (IBNR's). A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, a 50% confidence level means that the actuary believes funding will be sufficient in five years out of ten. On May 27, 2010, the Board of Directors authorized to change the OCFA's confidence level from 80% to 50%. Changes in accrued claims and judgments relating to workers' compensation self-insurance for the years ended June 30, 2023 and 2022, are as follows:

Primary Government/ Governmental Activities	Fiscal Year Ended	
	June 30, 2023	June 30, 2022
Unpaid claims at beginning of fiscal year	\$127,833,360	\$115,295,275
Incurred claims (including IBNR's)	27,202,953	26,292,155
Claim payments	<u>(15,129,099)</u>	<u>(13,754,070)</u>
Unpaid claims at end of fiscal year	<u>\$139,907,214</u>	<u>\$127,833,360</u>
Due within one year	\$ 16,558,042	\$ 15,249,792
Due in more than one year	<u>123,349,172</u>	<u>112,583,568</u>
Unpaid claims at end of fiscal year	<u>\$139,907,214</u>	<u>\$127,833,360</u>
Confidence level at end of fiscal year	50%	50%
Discount rate	2%	2%

Because of the long-term nature of this liability, it is excluded from the OCFA's governmental fund financial statements under the modified accrual basis of accounting. However, OCFA has established a fund balance assignment for workers' compensation in the General Fund in the amount of \$143,334,044. This assignment reflects the cumulative difference for multiple years between actual expenditures and budgeted costs, which are based on the annual actuarial valuation. Actual expenditures for workers' compensation cases often occur over multiple years, attributing to the cumulative difference between budgeted costs and expenditures.

(21) Lessee in Lease Agreements (Lease Liabilities)

(a) General Information about the Leases

OCFA was obligated as a lessee under the following lease agreements during the year ended June 30, 2023:

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Lease Terms	Helicopter Tower	Copiers	Aircraft	Land Lease
Lessor	FW Aviation, LLC	Cell Business Equipment	Coulson Aviation (USA) Inc.	City of Fullerton
Purpose	Helicopter tower at Fullerton Airport for training and storage	RFOTC and fire station copiers and accessories	Aircraft for use in Quick Reaction Force Program (CH-47 Very Large Helitanker; S-61 Helitanker; S-76 Aerial Supervision Aircraft)	Real property land lease at Fullerton Airport
Major Class of Underlying Assets	Right-to-use lease buildings	Right-to-use lease equipment	Right-to-use lease equipment	Right-to-use lease land
Lease Date	August 25, 2011; Amended September 1, 2021	December 22, 2016; Amended April 1, 2022	June 23, 2022; Amended December 16, 2022	June 14, 2010
Initial Lease Term	Ten years commencing September 2011 through August 2021	Five years commencing April 2017 through March 2022	June 24, 2022 – December 31, 2023 (556 days), as amended	Forty years commencing January 2011 (Eastern Half) and July 2013 (Western Half) through December 2050
Optional Extended Lease Term	Ten-year option to extend for a total of twenty years through August 2031	Continue on a month-to-month basis for one year through March 2023	N/A	Fifteen-year option to extend for a total of fifty-five years through December 2065
Initial Lease Payment	Monthly payments totaling \$1,575 consisting of base rent (\$1,308) and common area (\$267)	Monthly payments totaling \$5,962	Boeing CH-47 \$33,600/day (June 24, 2022 – October 31, 2022) Sikorsky S-61 \$22,050/day (November 1, 2022 – December 6, 2022 substitute) Sikorsky S-76 \$10,500/day (July 1, 2022 – December 12, 2022)	Monthly payments of \$2,886 (Eastern Half) and \$2,070 (Western Half)
Amended Lease Payment	Monthly payments totaling \$1,755 consisting of base rent (\$1,480) and common area (\$285)	Month-to-month payments totaling \$5,500 plus taxes	Boeing CH-47 \$24,382/day (December 6, 2022 – December 31, 2023) Sikorsky S-61 \$24,386/day (December 7, 2022 – December 31, 2023 substitute) Sikorsky S-76 \$7,760/day (December 13, 2022 – December 31, 2023)	N/A

Lease Terms	Helicopter Tower	Copiers	Aircraft	Land Lease
Rent Increases	Base rent increases annually by \$18 for the first ten years. Base rent increases 2.5% per year beginning September 2022. Common area rent increases 5.0% beginning September 2022 and 3.0% annually beginning September 2023.	Pricing adjusted annually for any additional copiers or accessories added over the term of the lease	N/A	Increase annually by an amount equal to the change in the consumer price index, for a minimum of 3% to a maximum of 5%
Adjusted Lease Payment as of June 30, 2023	\$1,807 monthly	\$6,022 monthly	\$964,379 for June 2023	\$7,131 monthly
Due Date	Monthly on the 1 st	Monthly within 30 days of invoice	Billed weekly and due within 14 days from receipt of invoice	Payable monthly in advance on the 1 st
Implicit Rate	N/A	6.192%	N/A	N/A
Other Variable Payments Not Included in the Measurement of the Lease Liability	None	Per-copy overage fees billed quarterly at rate of \$.0049 (black/white) and \$.0443 (color)	Flight hours billed separately: Boeing CH-47 \$9,007 - \$10,462/hour; Sikorsky S-61 \$5,420 - \$6,083/hour; Sikorsky S-76 \$3,841 - \$3,969/hour	None

(b) Right-to-Use Lease Assets

Right-to-use lease assets included the following as of June 30, 2023:

Lease	Major Class of Underlying Assets	Amount of Lease Capital Assets	Accumulated Amortization
Helicopter tower	Right-to-use lease buildings	\$ 251,578	\$ 66,534
Copiers	Right-to-use lease equipment	174,672	174,672
Aircraft	Right-to-use lease equipment	18,711,118	12,474,096
Land lease	Right-to-use lease land	<u>4,679,622</u>	<u>312,048</u>
Total		<u>\$23,816,990</u>	<u>\$13,027,350</u>

A remeasurement adjustment in the amount of \$18,711,118 increased the amount of the lease aircraft asset during Fiscal Year 2022/23.

(c) Outflows of Resources for Variable Payments

Outflows of resources recognized in Fiscal Year 2022/23 for variable payments not included in the measurement of the lease liability consisted of the following:

Outflows of Resources	Amount
Copy overage and relocation fees	\$75,700
Aircraft flight hours	\$819,441

(d) Principal and Interest Requirements

Future principal and interest requirements to maturity for each lease liability as of June 30, 2023, are as follows:

Helicopter Tower			
Fiscal Year(s)	Principal	Interest	Total
2023/24	\$ 21,224	\$ 930	\$ 22,154
2024/25	21,906	822	22,728
2025/26	22,614	710	23,324
2026/27	23,340	594	23,934
2027/28	24,081	475	24,556
2028/29 - 2031/32	<u>81,318</u>	<u>672</u>	<u>81,990</u>
Total	<u>\$194,483</u>	<u>\$4,203</u>	<u>\$198,686</u>

Aircraft			
Fiscal Year(s)	Principal	Interest	Total
2023/24	<u>\$5,861,483</u>	<u>\$53,731</u>	<u>\$5,915,214</u>
Total	<u>\$5,861,483</u>	<u>\$53,731</u>	<u>\$5,915,214</u>

Land Lease			
Fiscal Year(s)	Principal	Interest	Total
2023/24	\$ 3,882	\$ 83,754	\$ 87,636
2024/25	6,613	83,663	90,276
2025/26	9,452	83,524	92,976
2026/27	12,432	83,328	95,760
2027/28	15,548	83,080	98,628
2028/29 - 2032/33	129,783	409,581	539,364
2033/34 - 2037/38	231,616	393,644	625,260
2038/39 - 2042/43	357,318	367,554	724,872
2043/44 - 2047/48	511,319	329,005	840,324
2048/49 - 2052/53	698,884	275,216	974,100
2053/54 - 2057/58	926,331	202,941	1,129,272
2058/59 - 2062/63	1,200,852	108,276	1,309,128
2063/64 - 2067/68	<u>574,311</u>	<u>5,973</u>	<u>580,284</u>
Total	<u>\$4,678,341</u>	<u>\$2,509,539</u>	<u>\$7,187,880</u>

(22) Master Equipment Lease/Purchase Agreement – 2022

On November 3, 2022, OCFA entered into a Master Equipment Lease/Purchase Agreement (Agreement) with Banc of America Public Capital Corp (Banc of America) for financing in the amount of \$57,882,120. Under the terms of the Agreement, the net debt proceeds were deposited into an escrow account at Wilmington Trust for the purpose of acquiring and installing two Sikorsky S-70M Type 1 Firehawk helicopters and related equipment, as well as for related training.

Under the terms of the Agreement, Banc of America leases the equipment to OCFA at an annual interest rate of 3.1379%. Rental payments are payable annually commencing January 10, 2024. Title to the equipment vests with OCFA during the term of the Agreement; accordingly, the lease has been recorded as a long-term liability OCFA. During the year ended June 30, 2023, OCFA made principal payments totaling \$0. The outstanding balance of master equipment lease/purchase agreement liability was \$57,882,120 as of June 30, 2023. The annual lease payment requirements as of June 30, 2023, are as follows:

Master Equipment Lease/Purchase Agreement

Fiscal Year	Principal	Interest	Total
2023/24	\$ 2,770,492	\$ 2,154,314	\$ 4,924,806
2024/25	3,195,458	1,729,348	4,924,806
2025/26	3,295,729	1,629,077	4,924,806
2026/27	3,399,145	1,525,661	4,924,806
2027/28	3,505,807	1,418,999	4,924,806
2028/29	3,615,816	1,308,990	4,924,806
2029/30	3,729,276	1,195,530	4,924,806
2030/31	3,846,297	1,078,509	4,924,806
2031/32	3,966,990	957,816	4,924,806
2032/33	4,091,470	833,336	4,924,806
2033/34	4,219,857	704,949	4,924,806
2034/35	4,352,272	572,534	4,924,806
2035/36	4,488,842	435,964	4,924,806
2036/37	4,629,697	295,109	4,924,806
2037/38	<u>4,774,972</u>	<u>149,834</u>	<u>4,924,806</u>
Total	<u>\$57,882,120</u>	<u>\$15,989,970</u>	<u>\$73,872,090</u>

During Fiscal Year 2022/23, OCFA recognized the following debt-funded expenditures in the Fire Apparatus Fund:

Description	Issuance Costs	Helicopters and Related Equipment	Training	Total
80% progress payment	\$ -	\$44,697,584	\$ -	\$44,697,584
Performance bond	-	838,080	-	838,080
Financial advisor	22,592	-	-	22,592
Special legal counsel	15,500	-	-	15,500
Other fees	5,000	-	-	5,000
Training courses	-	-	<u>\$97,635</u>	<u>97,635</u>
Total	<u>\$43,092</u>	<u>\$45,535,664</u>	<u>\$97,635</u>	<u>\$45,676,391</u>

The escrow account had a balance of \$12,579,350 as of June 30, 2023. The helicopters and related equipment have been capitalized as work in progress in the government-wide financial statements since they have not yet been placed into service.

(23) Summary of Pension Plans and Other Postemployment Benefits (OPEB)

OCFA participates in two defined benefit pension plans that are administered through a trust or equivalent arrangement. Additional plan information is provided within these notes as Note 24 and Note 25. OCFA also provides other postemployment benefits (OPEB) through the Retiree Medical Plan. Additional plan information is provided within these notes as Note 26. Following is a summary of plan balances as of and for the year ended June 30, 2023:

Description	Net Pension/ OPEB Liability	Deferred Outflows of Resources Related to Pensions/ OPEB	Deferred Inflows of Resources Related to Pensions/ OPEB	Pension/ OPEB Expense (Credit)
OCERS Pension Plan	\$279,060,590	\$228,140,263	\$ 51,603,321	\$59,281,387
Extra Help Pension Plan	<u>675</u>	<u>1,051</u>	-	<u>(47,932)</u>
Subtotal	279,061,265	228,141,314	51,603,321	59,233,455
OPEB	<u>111,599,764</u>	<u>39,970,864</u>	<u>94,874,302</u>	<u>(23,871,945)</u>
Total	<u>\$390,661,029</u>	<u>\$268,112,178</u>	<u>\$146,477,623</u>	<u>\$35,361,510</u>

(24) Retirement Plan for Full-Time Employees

(a) General Information about the Plan

Plan Description and Administration

OCFA participates in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer, defined benefit pension plan for the County of Orange, the City of San Juan Capistrano, and thirteen other agencies – Orange County Cemetery District; Orange County Children and Families Commission; Orange County Department of Education; Orange County Employees Retirement System; Orange County Fire Authority (OCFA); Orange County In-Home Supportive Services Public Authority; Orange County Local Agency Formation Commission; Orange County Public Law Library; Orange County Sanitation District; Superior Court of California; Orange County Transportation Authority; Transportation Corridor Agencies; and the University of California, Irvine Medical Center and Campus. The Orange County Department of Education and the University of California, Irvine Medical Center and Campus are closed to new member participation and only the latter has remaining active employees. Capistrano Beach, Cypress Recreation & Parks District, Orange County Vector Control District, and the City of Rancho Santa Margarita are no longer active plan sponsors, but retired members and their beneficiaries, as well as deferred members, remain in the OCERS system. OCERS is legally and fiscally independent of the County of Orange.

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937. OCERS is governed by a ten-member Board of Retirement, including nine voting members and one alternate member. Board membership consists of four members appointed by the County of Orange Board of Supervisors and five members elected by the members of the pension system – two by the general members, two by the safety members (one voting and one alternate), and one by the retired members. The County of Orange Treasurer-Tax Collector, who is elected by the voters registered in the county, serves as an ex-officio member. The OCERS Board of Retirement is responsible for establishing policies governing the administration of the retirement plan; making disability determinations; assuring benefit payments; establishing investment policy for the retirement system; and monitoring execution of its policies. OCERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost-sharing plans that are administered by OCERS. The report can be obtained from OCERS at 2223 Wellington Avenue, Santa Ana, California 92701.

Benefits Provided

OCERS provides retirement, disability, and death benefits to safety and general members. Safety membership includes those members serving in active law enforcement, fire suppression, and as probation officers. General membership applies to all other occupations. Plan retirement benefits are tiered based upon date of OCERS membership. Tier I members were hired prior to September 21, 1979, and use their highest one-year average salary to determine their retirement allowance. Tier II members were hired on or after September 21, 1979, and use their highest three-year average salary to determine their retirement allowance. Member rate groups are determined by employer, bargaining unit, and benefit plan. The benefit plan represents the benefit formula and tier that will be used in calculating a retirement benefit. All regular employees scheduled to work twenty hours or more per week become members of the plan upon commencing employment with one of OCERS' plan sponsors, with the exception of a provision adopted in 2014 that allows new members over the age of 65 to opt out of the plan. Active members are vested in OCERS upon accumulating five years of accredited service or attaining the age of 70.

On September 12, 2012, California Governor Brown signed Assembly Bill 340, which created the California Public Employees' Pension Reform Act of 2012 (PEPRA) and amended sections of the 1937 Act under which OCERS operates. The law created a benefit tier for new employees entering public agency employment and public retirement system membership, effective January 1, 2013. One of the many changes brought about by PEPRA involved new retirement formulas for newly hired employees who do not establish reciprocity with OCERS. Another change brought about by PEPRA requires employees who do not establish reciprocity to pay 50% of the normal retirement costs from the beginning of their employment.

In general, the retirement benefits received by members are determined by plan formula, age at retirement, years of service, and final average salary. Members are entitled to receive a retirement allowance upon reaching the following years of service and age criteria:

Years of Service Credit	Eligible Age
10 or more	Age 50
5 or more (PEPRA Members)	Age 50
30 or more (General Members)	Any age
20 or more (Safety Members)	Any age
5 or more, and at least 10 years of active employment with a sponsoring agency covered by OCERS (Part-time Members)	Age 55
Any	Age 70

Retired member monthly allowances are adjusted annually in accordance with changes in the cost-of-living, as determined by the average annual change in the Consumer Price Index (CPI) for the prior calendar year. The cost-of-living adjustment is limited to a maximum increase or decrease of three percent per year as established by the OCERS Board of Retirement.

The OCFA's Board establishes and amends benefit plan formulas for active OCFA members through negotiations with its labor bargaining units. The provisions and benefits provided by OCFA to its safety and general members as of June 30, 2023, are summarized below:

Benefits Provided to Safety Members					
Plan	Tier	Benefit Formula	Representation / Bargaining Unit / Employee Hire Date		
			Orange County Professional Firefighters Association	Orange County Fire Authority Chief Officers Association	Unrepresented
			Firefighter Unit	Fire Management Unit	Executive Management in Safety Positions
F	II	3.0% at 50	Prior to 7/1/2012	Prior to 7/1/2012	Prior to 7/1/2011
R	II	3.0% at 55	On or After 7/1/2012 (with reciprocity)	On or After 7/1/2012 (with reciprocity)	On or After 7/1/2011 (with reciprocity)
V	II	2.7% at 57 (PEPRA)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)

Benefits Provided to General Members					
Plan	Tier	Benefit Formula	Representation / Bargaining Unit / Employee Hire Date		
			Orange County Employees Association	Orange County Fire Authority Managers Association	Unrepresented
			General and Supervisory Management	Administrative Management	Executive Management in General Positions
J	II	2.7% at 55	Prior to 7/1/2011	Prior to 12/1/2012	Prior to 12/1/2012
N	II	2.0% at 55	On or After 7/1/2011 (with reciprocity)	On or After 12/1/2012 (with reciprocity)	On or After 12/1/2012 (with reciprocity)
U	II	2.5% at 67 (PEPRA)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)	On or After 1/1/2013 (without reciprocity)

Contributions

Each year, an actuarial valuation is performed for OCERS to determine funding contributions for each agency member within their assigned rate group and plan on an actuarial basis. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability (UAAL). The table below summarizes OCFA's required employer contribution rates and employee rates (remitted by OCFA) for the year ended June 30, 2023:

Category	Plan	Tier	Benefit Formula	Employer Contribution Rates			Employee Contribution Rates (See Below)
				Normal Cost	UAAL	Total	
Safety	F	II	3.0% at 50	27.31%	16.36%	43.67%	14.66% - 21.08%
Safety	R	II	3.0% at 55	27.25%	16.36%	43.61%	14.48% - 20.82%
Safety	V	II	2.7% at 57 (PEPRA)	15.11%	16.36%	31.47%	12.57% - 20.22%
General	J	II	2.7% at 55	15.22%	11.49%	26.71%	9.87% - 17.10%
General	N	II	2.0% at 55	16.83%	11.49%	28.32%	7.70% - 14.56%
General	U	II	2.5% at 67 (PEPRA)	9.82%	11.49%	21.31%	7.78% - 15.04%

Employees in each unit have agreed through their respective Memorandums of Understanding or Personnel and Salary Resolution to pay their full employee share of retirement costs. The retirement payment is deducted from the employee's compensation earnable and continues throughout the employee's entire term of employment with OCFA. Employee contribution rates vary depending on the individual employee's hire date and unit and are summarized below for the year ended June 30, 2023.

Employee Hire Date	Benefit Formula	Employee Contribution Rate
<i>Safety – Firefighter Unit</i>		
Prior to 1/1/2011	3.0% at 50	50% of Normal Cost [^] , Less a 2% Health Care Converted Retirement Contribution (HCRC)
1/1/2011 - 6/30/2012	3.0% at 50	50% of Normal Cost [^]
On or After 7/1/2012 (with reciprocity)	3.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost [^]
<i>Safety – Firefighter Management Unit</i>		
Prior to 7/1/2012	3.0% at 50	50% of Normal Cost [^]
On or After 7/1/2012 (with reciprocity)	3.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost [^]
<i>Safety – Executive Management</i>		
Prior to 7/1/2011	3.0% at 50	50% of Normal Cost [^]
On or After 7/1/2011 (with reciprocity)	3.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.7% at 57 (PEPRA)	50% of Normal Cost [^]
<i>General – General and Supervisory Management</i>		
Prior to 7/1/2011	2.7% at 55	50% of Normal Cost [^]
On or After 7/1/2011 (with reciprocity)	2.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost [^]
<i>General – Administrative Management</i>		
Prior to 12/1/2012	2.7% at 55	50% of Normal Cost [^]
On or After 12/1/2012 (with reciprocity)	2.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost [^]
<i>General – Executive Management</i>		
Prior to 12/1/2012	2.7% at 55	50% of Normal Cost [^]
On or After 12/1/2012 (with reciprocity)	2.0% at 55	
On or After 1/1/2013 (without reciprocity)	2.5% at 67 (PEPRA)	50% of Normal Cost [^]

[^] Capped at maximum employee contribution as required by OCERS

For the year ended June 30, 2023, employer and employee contributions remitted to OCERS were as follows:

	Employer Contributions	Employee Contributions	Total Contributions
Contributions paid (credited) by OCFA	\$84,450,056	\$ -	\$ 84,450,056
Contributions paid by employees	-	29,155,069	29,155,069
Total	<u>\$84,450,056</u>	<u>\$29,155,069</u>	<u>\$113,605,125</u>

(b) Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources

OCFA's net pension liability (asset) with OCERS is measured as the proportionate share of the net pension liability (asset). The net pension liability (asset) of each member agency is measured as of December 31, 2022, and the total pension liability (asset) for each member agency used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022, using standard update procedures. OCFA's proportion of the net pension liability (asset) was based on a projection of OCFA's long-term share of contributions to the pension plan relative to the projected contributions of all participating agencies, actuarially determined.

OCFA's proportionate share of the total OCERS net pension liability (asset) as of June 30, 2023 and 2022 was as follows:

Member Type	OCFA's Proportionate Share of the Total OCERS Net Pension Liability (Asset)					
	At June 30, 2022		Increase (Decrease)		At June 30, 2023	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Safety	\$ (91,979,085)	(4.5%)	\$333,484,029	9.0%	\$241,504,944	4.5%
General	(12,928,328)	(0.6%)	50,483,974	1.3%	37,555,646	0.7%
Total	<u>\$(104,907,413)</u>	<u>(5.1%)</u>	<u>\$383,968,003</u>	<u>10.3%</u>	<u>\$279,060,590</u>	<u>5.2%</u>

For the year ended June 30, 2023, OCFA recognized pension expense (credit) of \$59,281,387. At June 30, 2023, OCFA 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
Differences between actual and expected experience in the Total Pension Liability	\$ 44,228,199	\$(21,455,804)
Changes in assumptions	1,263,564	(30,147,517)
Net differences between projected and actual earnings on plan investments	<u>126,908,500</u>	-
	172,400,263	(51,603,321)
Employer contributions subsequent to measurement date	<u>55,740,000</u>	-
Total	<u>\$228,140,263</u>	<u>\$(51,603,321)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$55,740,000 will be recognized as a reduction of (addition to) the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will also be recognized as an adjustment to pension expense as follows:

Year Ended June 30	Amount
2024	\$(12,576,483)
2025	14,217,846
2026	33,349,071
2027	83,817,228
2028	<u>1,989,280</u>
Total	<u>\$120,796,942</u>

(c) Actuarial Assumptions

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2021	
Measurement Date	December 31, 2022, rolled forward on an actuarial basis	
Actuarial Cost Method	Entry age actuarial cost method (normal)	
Discount rate	7.00%	
Inflation	2.50%	
Investment rate of return	7.00%, net of pension plan investment expense, including inflation	
Salary increases	Across the board salary increases of 0.50%, adjusted for inflation at 2.5% per year, plus merit and promotion increases that vary by type and years of service, including 1.60% - 12.0% (Safety) and 1.00% - 8.00% (General)	
Date of experience study	Actuarial assumptions were based on the results of an experience study for the period January 1, 2017 through December 31, 2019.	
Mortality:	Safety	General
• Healthy	Pub-2010 Safety Retiree Amount-Weighted Above-Median Mortality Table (male and female), projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (male and female) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019
• Disabled	Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (male and female), projected generationally with the two-dimensional mortality improvement scale MP-2019	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (male and female) with rates decreased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019
• Beneficiaries	Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table (male and female) with rates increased by 5%, projected generationally with the two-dimensional mortality improvement scale MP-2019.	

The Pub-2010 mortality tables and adjustments as shown above reflect the mortality experience as of the measurement date. The generational projection is a provision for future mortality improvement.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00% and 7.00% as of December 31, 2022, and December 31, 2021, respectively. 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 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 was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2022, and December 31, 2021.

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. These returns 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, adding expected inflation, and subtracting expected investment expenses and a risk margin.

The target allocation (approved by the OCERS Retirement Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap Equity	23.10%	5.43%
Small Cap Equity	1.90%	6.21%
International Developed Equity	13.00%	6.67%
Emerging Markets Equity	9.00%	8.58%
Core Bonds	9.00%	1.10%
High Yield Bonds	1.50%	2.91%
TIPS	2.00%	0.65%
Emerging Market Debt	2.00%	3.25%
Corporate Credit	1.00%	0.53%
Long Duration Fixed Income	2.50%	1.44%
Real Estate	3.01%	4.42%
Private Equity	13.00%	9.41%
Value Added Real Estate	3.01%	7.42%
Opportunistic Real Estate	0.98%	10.18%
Energy	2.00%	9.68%
Infrastructure (Core Private)	1.50%	5.08%
Infrastructure (Non-Core Private)	1.50%	8.92%
CTA – Trend Following	2.50%	2.38%
Global Macro	2.50%	2.13%
Private Credit	2.50%	5.47%
Alternative Risk Premia	<u>2.50%</u>	2.50%
Total	<u>100.0%</u>	

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents OCFA’s proportionate share of the net pension liability (asset) with OCERS, calculated using the discount rate of 7.00%, as well as what OCFA’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total proportionate share of net pension liability (asset)	<u>\$628,822,571</u>	<u>\$279,060,590</u>	<u>\$(6,229,556)</u>

(d) Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued OCERS financial report.

(25) Retirement Plan for Part-Time Employees

(a) General Information About the Plan

Plan Description and Administration

OCFA administers the Extra Help Retirement Plan (Plan), a single-employer defined benefit pension plan that provides retirement benefits for its less than half-time and extra help employees. The Plan was established on January 1, 1997,

and is accounted for in the Extra Help Retirement Plan fiduciary fund. The Board establishes and amends all Plan provisions, and has the authority to change contribution rates and investment types. A separate, audited pension plan report is not available. Effective July 1, 2018, the Plan is closed to new entrants and all eligible extra help employees hired by OCFA are enrolled as participants in a 457(OBRA) Deferred Compensation Plan in lieu of the Extra Help Retirement Plan.

Benefits Provided

The Plan provides retirement benefits in the form of a lifetime annuity. Retirement benefits are calculated at the rate of 2% of career earnings during the first thirty years of credited service. Upon retirement, participants are eligible to receive their benefit either as a lump sum payment or as a monthly payment. If employment with OCFA is terminated prior to retirement and the value of the employee’s contributions with interest is \$3,500 or less, the employee may receive an immediate lump sum distribution in lieu of any future benefits payable under the Plan. If the value of the terminated employee’s contributions with interest exceeds \$3,500, the employee may elect to receive a lump sum distribution or leave the contributions on deposit until he or she reaches retirement age. During the year ended June 30, 2023, there were six lump sum distributions totaling \$33,302 made to participants. Currently, there are no participants collecting retirement benefits.

Plan Membership

As of June 30, 2023, Plan membership consisted of the following:

Plan Members (or Beneficiaries)	Balance as of June 30, 2023		
	\$3,500 or Less	More than \$3,500	Total
Inactive; currently receiving benefits	-	-	-
Inactive; entitled to but not yet receiving benefits	31	1	32
Active	-	-	-
Total	<u>31</u>	<u>1</u>	<u>32</u>

Contributions

All eligible half-time and extra help employees hired on or after January 1, 1997, are required to contribute a percentage of compensation corresponding to an age-based table included in the Plan. Age is determined as attained age on every January 1. Employee contributions rates range from 2.5% to 7.5% based on age. After 30 years of credited service, OCFA is responsible for the employee’s Plan contributions. As of June 30, 2023, there are no longer any active participants contributing to the Plan.

Cumulative employee contributions are credited with 5% interest compounded semi-annually. Any interest earnings credited to the Plan in excess of actual investment earnings are reported as employer contributions. During the year ended June 30, 2023, employer contributions totaled \$540.

(b) Investments

Method Used to Value Investments

All Plan assets are invested in the Local Agency Investment Fund (LAIF), which is reported based on OCFA’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).

Investment Policy

Contributions are deposited into OCFA’s Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. Additional LAIF information is provided within these notes as Note 4(d).

Concentrations

All Plan assets are invested in the Local Agency Investment Fund (LAIF).

(c) Net Pension Liability

Net pension liability is measured as the total pension liability, less the pension plan’s fiduciary net position. The Plan’s fiduciary net pension liability is measured as of June 30, 2023, using an actuarial valuation as of January 1, 2023, rolled forward to June 30, 2023, using standard update procedures. A summary of components of the Plan’s net pension liability as of June 30, 2023, is shown below, followed by principal assumptions and methods used to determine the net pension liability.

Total pension liability	\$19,233
Plan fiduciary net position	<u>(18,558)</u>
Net pension liability	<u>\$ 675</u>
Plan fiduciary net position as a % of the total pension liability	96.49%

Actuarial Assumptions

Actuarial calculations reflect a long-term perspective. Calculations are based on the benefits provided under the terms of the Plan in effect at the time of each valuation and on the pattern of sharing of costs between the OCFA and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The total pension liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	January 1, 2023
Measurement Date	June 30, 2023, rolled forward on an actuarial basis
Actuarial Cost Method	Entry age normal
Discount rate	3.90% per annum; average (rounded to 5 basis points) of three 20-year municipal bond rate indices as of June 30, 2023: S&P Municipal Bond 20-Year High Grade Rate Index, Bond-Buyer 20-Bond GO Index, and 20-Year Yield of the Fidelity Municipal General Obligation AA Curve
Inflation	2.75%
Investment rate of return	3.90%
Mortality	PubS2010 mortality table with generational improvements based on the MP-2021 scale. As the plan is not large enough to have credible experience, mortality assumptions are set to reflect general population trends.
Experience study	Given the size of the plan, there was not enough data available to conduct a credible experience study. The assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. Liabilities and data are analyzed each year in order to identify any trends of experience deviating from the actuarial assumptions.
Form of payment	Participants who have 5 years or less of credited service or have a contribution balance less than or equal to \$3,500 are assumed to take an immediate lump sum upon termination or retirement. Participants who have worked more than 5 years or have attained age 55 are assumed to commence a modified cash refund annuity starting at age 65. As the plan is not large enough to have credible experience, forms of payment are based on professional judgment and expectations based on the provisions of the plan.
Retirement	100% retirement at age 65. Due to the size of the plan, use of an assumption more than a single point estimate is not merited.

Termination	Service 0 years, Rate 30%; Service 1-3 years, Rate 50%; Service 4 years, Rate 25%; Service 5+ years, Rate 5%
Plan Assets	The employee contributions are deposited into the Authority's LAIF account. The LAIF account is managed by the State Treasurer's Office and is invested in fixed income securities.

Changes of Assumptions

Following is a comparison of actuarial assumptions for the years ended June 30, 2023 and 2022:

	<u>As of June 30, 2023</u>	<u>As of June 30, 2022</u>	<u>Change</u>
Discount rate	3.90%	3.75%	0.15%
Inflation	2.75%	2.75%	n/a
Investment rate of return	3.90%	3.75%	0.15%
Salary increases	n/a	3.00%	n/a

Discount Rate

The discount rate used to measure the total pension liability was 3.90% (an increase of 0.15% since the prior measurement date). The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Rate of Return

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 pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Local Agency Investment Fund	100.00%	3.90%

The annual money-weighted rate of return was 3.45%, and was an estimate based on mid-year timing of contributions and benefit payments. The money rated rate of return expresses investment performance, net of pension plan investment expenses, adjusted for changing amounts actually invested.

(d) Changes in the Net Pension Liability

Changes in the Plan's net pension liability for the year ended June 30, 2023, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
Balance at June 30, 2022	<u>\$99,730</u>	<u>\$50,154</u>	<u>\$49,576</u>
Changes in the year:			
Interest	3,115	-	3,115
Differences between expected and actual experience	(50,185)	-	(50,185)
Changes of assumptions	(125)	-	(125)
Contributions – employer	-	540	(540)
Net investment income	-	1,166	(1,166)
Benefit payments, including refunds of employee contributions	<u>(33,302)</u>	<u>(33,302)</u>	<u>-</u>
Net changes	<u>(80,497)</u>	<u>(31,596)</u>	<u>(48,901)</u>
Balance at June 30, 2023	<u>\$19,233</u>	<u>\$18,558</u>	<u>\$ 675</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability (asset), calculated using the discount rate of 3.90%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (2.90%) or one percentage point higher (4.90%) than the current rate:

	1% Decrease (2.90%)	Current Discount Rate (3.90%)	1% Increase (4.90%)
Net pension liability	<u>\$1,556</u>	<u>\$675</u>	<u>\$(112)</u>

(e) Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2023, OCFA recognized pension expense (credit) of \$(47,932). At June 30, 2023, OCFA 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
Differences between actual and expected experience in the Total Pension Liability	\$ -	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	<u>1,051</u>	<u>-</u>
Total	<u>\$1,051</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an adjustment to pension expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2024	\$ 462
2025	376
2026	193
2027	<u>20</u>
Total	<u>\$1,051</u>

Annual Comprehensive Financial Report

(f) Pension Plan Fiduciary Net Position

As previously mentioned, the Plan does not issue a separate stand-alone financial report. Below are the Plan’s financial statements as of and for the year ending June 30, 2023.

	<u>Extra Help Retirement</u>
Assets:	
Cash and investments:	
Local Agency Investment Fund:	
Domestic fixed income	\$18,558
Total assets	<u>18,558</u>
Net position restricted for pensions	<u>\$18,558</u>
Additions:	
Contributions:	
Employer	\$ 540
Total contributions	<u>540</u>
Net investment income:	
Total investment income	<u>1,166</u>
Total net investment income	<u>1,166</u>
Total additions	<u>1,706</u>
Deductions:	
Benefits and refunds paid to plan members and beneficiaries	<u>33,302</u>
Total deductions	<u>33,302</u>
Change in net position	(31,596)
Net position, beginning of year	<u>50,154</u>
Net position, end of year	<u>\$18,558</u>

(26) Other Postemployment Benefits (OPEB)

(a) General Information

Plan Description and Administration

OCFA provides other postemployment benefits (OPEB), such as healthcare benefits to eligible retirees and their dependents, through the Retiree Medical Plan (Plan). The purpose of the Plan is to assist employees hired prior to January 1, 2007, in maintaining health insurance coverage following their retirement by providing a monthly grant applied toward the cost of such health insurance coverage. The Plan is intended to qualify for the exclusion from income as an accident or health plan under sections 105(e) and 106 of the Internal Revenue Code. Employee participation is contingent on a contribution of 4% of base salary through payroll deductions to OCFA. OCFA has entered into Memorandum of Understanding with each of its four labor bargaining groups mandating this 4% employee contribution.

The single-employer Plan was established by OCFA’s Board of Directors on January 1, 1997, and amended on September 28, 2006. OCFA’s Board of Directors is the Plan’s Board, establishing and amending all Plan provisions, including benefit terms and contribution requirements, through negotiations with labor bargaining groups. OCFA may terminate the Plan by action of its Board of Directors in its sole discretion. Amendment or termination of the plan is subject to the meet and confer requirement of the Myers-Milias-Brown Act and any other applicable law.

Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS). Funds are held in a trust account established pursuant to Section

401(h) of the Internal Revenue Code and are held separate from the assets of the OCERS retirement system, except for investment purposes. The trust is presented in accordance with the Plan year, which is on a calendar basis ending December 31, 2022. The Plan's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position (presented within the Fiduciary Funds of these financial statements) are reported as of the December 31, 2022 plan year-end date. A publicly available OCERS financial report, which includes the Plan's assets, can be obtained at 2223 Wellington Avenue, Santa Ana, California 92701. A separate, audited OPEB Plan report is not available.

All retirees and full-time employees hired on or after January 1, 2007, are not considered Plan participants; however, they are eligible to receive OPEB benefits in the form of employer contributions toward monthly healthcare premiums per the Public Employees' Medical and Hospital Care Act (PEMHCA). OCFA provides health insurance benefits to its employees and retirees through the California Public Employees' Retirement System (CalPERS), subject to the legal requirements of the PEMHCA. OCFA contributes toward the monthly payment of healthcare premiums on behalf of eligible retirees at an amount equal to the PEMHCA statutory minimum, which was \$149 for 2022 and \$151 for 2023. In addition, retirees and full-time employees hired on or after January 1, 2007, are eligible to participate in an employer-sponsored defined contribution plan. Additional information regarding the defined contribution benefit is provided within these notes as Note 27.

Eligibility

All full-time or part-time employees who were hired prior to January 1, 2007, and who are credited with at least one year (2,080 hours) of service are eligible to participate in the Plan. An eligible employee, and his or her surviving dependents, will participate in the Plan upon his or her retirement or other termination of employment with OCFA, subject to the terms and conditions contained in the Plan, as applicable for "covered retirees" and "covered former employees."

- A "covered retiree" is a retiree who receives a monthly retirement allowance from the Orange County Employees Retirement System (OCERS) and who meets all coverage and participation requirements.
- A "covered former employee" is an employee who meets the coverage and participation requirements of the Plan at the time of his or her termination of employment with OCFA.

An employee who retires and does not immediately begin receiving a retirement allowance from OCERS will not participate in the Plan until such retirement allowance commences. An employee who terminates employment with OCFA for reasons other than retirement, or who is not eligible to receive a monthly retirement allowance from OCERS, will not be eligible to receive the grant until the age of fifty-five (55) and requests that OCFA commence distribution of the grant. Such requests must be made no later than ninety (90) days from the employee's fifty-fifth birthday.

To be eligible to receive the grant, a participant must be covered under a "qualified health plan" (covered retirees), a "recognized health insurance plan" (covered former employees), or Medicare. A "qualified health plan" is a health insurance plan made available to OCFA's employees and retirees, including an OCFA health plan or a plan administered by an employee organization that the OCFA has agreed will be a "qualified health plan." A "recognized health insurance plan" means a health insurance plan other than a "qualified health plan" covering a former employee or his/her surviving dependents and which is acceptable to OCFA.

Participation of a covered retiree, a covered former employee, or his or her surviving dependents may be terminated as follows:

- Participation of a covered retiree and his or her surviving dependents will cease and eligibility for benefits will be terminated upon the earlier of (a) the failure to elect coverage under a "qualified health plan" or Medicare; (b) failure to make all required contributions or premium payments under a "qualified health plan;" (c) the participant's death; (d) amendment of the Plan to preclude such coverage; or (e) termination of the Plan.
- Participation of a covered former employee and his or her surviving dependents will cease and eligibility for benefits will be terminated upon the earlier of (a) the failure or refusal to maintain and provide proof of

coverage under a “recognized health insurance plan” or Medicare; (b) the participant’s death; (c) amendment of the Plan to preclude such coverage; or (d) termination of the Plan.

If participation in the Plan is terminated, eligibility will be extinguished, years of service will be lost, and he or she may not later again participate in the Plan.

Benefit Provisions

The Plan provides a grant toward the cost of retirees’ health insurance coverage. The grant is equal to the product of the monthly grant amount multiplied by years of credited service, up to a maximum of twenty-five years.

- The amount of the monthly grant is adjusted annually by the average increase or decrease in OCFA’s health plan premiums, not to exceed 5% per year. The amount of the monthly grant was as follows for calendar years 2021 through 2023:

<u>Calendar Year</u>	<u>Monthly Grant Amount</u>	<u>% Increase</u>
2023	\$31.77	3.9%
2022	\$30.59	5.0%
2021	\$29.13	5.0%

- The grant is applied as a credit or reimbursement to reduce the cost of the retiree’s or former employee’s monthly medical insurance premium under his or her selected health plan. If the grant amount exceeds the cost of such coverage, it may be used to offset the cost of the Medicare premium. In no case may the grant exceed the actual cost of the combined health plan and Medicare premiums.
- A surviving dependent of an eligible retiree or former employee is eligible to receive a monthly survivor benefit equal to 50% of the grant that the retiree or covered former employee was eligible to receive at the time of his or her death. A surviving dependent is (a) a surviving spouse who was legally married to an employee, retiree, or covered former employee at the time of his or her death; or (b) a dependent child, as defined by an OCFA health plan or health plan of a covered former employee, of a deceased employee, retiree, or covered former employee.

Plan Membership

The Retiree Medical Plan is closed to new entrants. Plan membership consisted of the following at December 31, 2022, the date of the latest actuarial valuation:

<u>Plan Membership Status</u>	<u>Retiree Medical Plan (Hired Prior to January 1, 2007)</u>	<u>PEMHCA Eligible Employees (Hired on or After January 1, 2007)</u>	<u>Total</u>
Inactive plan members or beneficiaries currently receiving benefit payments	902	5	907
Inactive plan members entitled to but not yet receiving benefit payments	29	-	29
Active plan members	<u>314</u>	<u>1,207</u>	<u>1,521</u>
Total	<u>1,245</u>	<u>1,212</u>	<u>2,457</u>

Contributions

Current, active employees who became employed by OCFA prior to January 1, 2007, are required to contribute 4% of their base salary through payroll deductions to OCFA, to be applied as employee contributions to the Plan, per the terms of the Plan, Memorandums of Understanding between OCFA and each of its four labor bargaining groups, and the

Personnel and Salary Resolution covering unrepresented employees. Employee participation in the Plan is contingent on this 4% payroll deduction.

At the time the Plan was implemented and subsequently amended in 2006, all OCFA classifications received a salary range adjustment, which was earmarked for the required employee contribution. Employees were not given the option to receive the salary increase as cash payment. Required employee withholdings contributed to the Plan are considered employer contributions for tax purposes, because OCFA as the employer maintains the tax-exempt status for the Plan. However, these contributions are considered employee contributions for financial reporting purposes.

OCFA may also make additional employer contributions to the Plan in amounts authorized to be contributed by the Board of Directors or as required by the following contractual agreements:

- OCFA has entered into a Health Plan Agreement with the Orange County Professional Firefighters Association (OCPFA) to contribute toward health benefits (including medical, dental, vision, life, and disability insurance benefits) for each actively employed member of the Firefighter Bargaining Unit. Any “excess fund balance” as determined by an annual calculation is credited toward OCFA’s monthly contribution. OCFA must then contribute an amount equal to the “excess fund balance” to its own Retiree Medical Plan.
- In September 2013, the Board approved several strategies, referred to as the “Snowball Plan,” to accelerate funding OCFA’s pension liability with the Orange County Employees Retirement System (OCERS). In November 2016, the Board modified the funding target for its pension liability from 100% to 85% and directed that any “Snowball Plan” dollars be redirected to the Retiree Medical Plan after achieving the 85% target. In August 2019, OCFA formalized its commitment to its “Snowball Plan” with the 4th Amendment to the Joint Powers Authority Agreement, which requires the Board to appropriate funds to its budget annually consistent with, or greater than, the budgetary payments called for in the “Snowball Plan,” except for instances of fiscal hardship defined as a substantial reduction in OCFA’s anticipated revenues and/or a significant increase in anticipated expenses that are beyond the reasonable control of the Board.

OCFA’s employer contributions to the Plan were as follows:

Type of Employer Contribution	Measurement Period Ending December 31, 2022	Fiscal Year Ending June 30, 2023
OCPFA Health Plan Agreement, Section 5	\$1,303,183	\$ 6,999,438
Snowball Plan	-	17,787,217
PEMHCA premiums paid directly by OCFA	<u>8,354</u>	<u>9,914</u>
Total cash contributions	1,311,537	24,796,569
Implicit subsidy	<u>1,927,231</u>	<u>1,742,170</u>
Total	<u>\$3,238,768</u>	<u>\$26,538,739</u>

(b) Plan Investments

Investment Policy

OCERS serves as trustee for the Plan’s assets as established under Internal Revenue Code Section 401(h). Health care assets for the 401(h) trusts are commingled with OCERS’ pension trust assets for investment purposes and are used exclusively to pay health benefits to OCFA’s eligible Plan members.

State Street Bank and Trust maintains custody of the majority of OCERS’ investments. The acquisition of investments is authorized by state statute and OCERS’ Investment Policy Statement. The allocation of investment assets is approved by OCERS’ Board of Retirement, as outlined in its Investment Policy Statement, and assets are invested solely for the benefit of plan participants and beneficiaries while attempting to minimize employer contributions and investment and administration costs. The Investment Policy Statement calls for an asset allocation plan that seeks to optimize long-term returns for the level of risk that the Board of Retirement considers appropriate. The Board of Retirement conducts a periodic review of the asset allocation plan to maintain an optimal allocation, and may also revise the asset allocation in

response to significantly changing market conditions that may affect valuations and forward-looking expected returns of asset classes.

Investments are reported at fair value, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72 *Fair Value Measurement and Application*. Plan investments consist of domestic, international and global equity securities; domestic fixed income; real estate; diversified credit; emerging markets equity and debt; real return strategies; absolute return strategies; and private equity. OCERS is authorized by its investment policy and state law to lend its investment securities, including global public equities, core fixed income, credit, and real assets to brokers/dealers in exchange for collateral in the form of either cash or securities.

The following was the Board of Retirement’s adopted asset allocation plan as of December 31, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>
Global Equities	47.0%
Private Equities	13.0%
Real Assets	12.0%
Fixed Income	11.0%
Risk Mitigation	10.0%
Credit	<u>7.0%</u>
Total	<u>100.0%</u>

Concentrations

Concentration of credit risk is the risk of loss attributed to the magnitude of OCERS’ investment in a single issuer. By policy, OCERS did not hold investments in any one issuer that represented five percent (5%) or more of net position and net investments during the year ended December 31, 2022. Investments issued or explicitly guaranteed by the U.S. Government and pooled investments are excluded from this policy requirement.

Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on OCERS’ plan assets, net of investment expense, was -7.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the timing of cash flows and the changing amounts actually invested.

(c) Net OPEB Liability

Components of the Net OPEB Liability

Net OPEB liability is measured as the total OPEB liability, less the Plan’s fiduciary net position. The Plan’s fiduciary net position is measured as of December 31, 2022, using an actuarial valuation as of December 31, 2022, rolled forward to December 31, 2022, using standard update procedures. A summary of components of the Plan’s net OPEB liability as of the measurement date is shown below, followed by principal assumptions and methods used to determine the net OPEB liability.

Total OPEB liability	\$162,613,799
Plan fiduciary net position	<u>(51,014,035)</u>
Net OPEB liability	<u>\$111,599,764</u>
Plan fiduciary net position as a % of the total OPEB liability	31.37%

Actuarial Assumptions

The total OPEB liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2022																																								
Measurement Date	December 31, 2022																																								
Actuarial Cost Method	Entry age normal																																								
Discount Rate	7.00%																																								
Investment Rate of Return	7.00%																																								
Payroll Growth	3.00% per year plus OCERS merit scale																																								
Inflation Rate	2.00%																																								
Funding Policy and Retiree Contributions	<ul style="list-style-type: none"> • Partially prefund benefits through 4% employee contributions through a 401(h) account held in trust with OCERS • Intend to contribute additional snowball contributions based off of the pension plan's funded status • Retiree contributions are assumed to increase according to health care trend rates. 																																								
Healthcare Coverage Election Rate (Participation Rates)	100% of active and inactive employees eligible for the Plan grant are assumed to elect medical coverage at retirement. 35% of active employees eligible for the PEMHCA minimum required contribution are assumed to elect to continue coverage through PEMHCA at retirement.																																								
Spouse Coverage	Spouses are assumed for two-party and family coverage of current retirees. For future retirees, 65% of males and 25% of females are assumed to elect spousal coverage at retirement. Male spouses are assumed to be three years older than female spouses.																																								
Mortality	Mortality rates (for general and safety employees/retirees and surviving spouses) from the SOA Pub-2010 Headcount Weighted Mortality Tables for General, Public Safety, and Continuing Survivor projected fully generational using Scale MP-2021																																								
Turnover Rate	<p>Termination rates are based on rates used by the most recent OCERS actuarial valuation and represent the probability of voluntary and involuntary termination prior to meeting the minimum retirement eligibility for retiree healthcare coverage in the next twelve months. Employees who terminate are assumed to elect to receive benefits at the later of current age or first age eligible to receive grant benefits as a terminated employee (age 55).</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Years of Service</u></th> <th style="text-align: center;"><u>General</u></th> <th style="text-align: center;"><u>Safety</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">11.00%</td> <td style="text-align: center;">4.25%</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">4.50%</td> <td style="text-align: center;">1.25%</td> </tr> <tr> <td style="text-align: center;">10</td> <td style="text-align: center;">2.50%</td> <td style="text-align: center;">0.80%</td> </tr> <tr> <td style="text-align: center;">15</td> <td style="text-align: center;">1.40%</td> <td style="text-align: center;">0.55%</td> </tr> <tr> <td style="text-align: center;">20+</td> <td style="text-align: center;">0.75%</td> <td style="text-align: center;">0.15%</td> </tr> </tbody> </table>	<u>Years of Service</u>	<u>General</u>	<u>Safety</u>	0	11.00%	4.25%	5	4.50%	1.25%	10	2.50%	0.80%	15	1.40%	0.55%	20+	0.75%	0.15%																						
<u>Years of Service</u>	<u>General</u>	<u>Safety</u>																																							
0	11.00%	4.25%																																							
5	4.50%	1.25%																																							
10	2.50%	0.80%																																							
15	1.40%	0.55%																																							
20+	0.75%	0.15%																																							
Future Accruals	Current active employees are assumed to earn one year of service for each future year.																																								
Retirement Rate	<p>Retirement rates are based on the rates used by the most recent OCERS actuarial valuation as of December 31, 2021. Sample rates include:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Age</u></th> <th style="text-align: center;"><u>General</u> <u><30 Years of</u> <u>Service</u></th> <th style="text-align: center;"><u>General</u> <u>30+ Years of</u> <u>Service</u></th> <th style="text-align: center;"><u>Safety</u> <u><30 Years of</u> <u>Service</u></th> <th style="text-align: center;"><u>Safety</u> <u>30+ Years of</u> <u>Service</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">45-49</td> <td style="text-align: center;">0.0%</td> <td style="text-align: center;">0.0%-30.0%</td> <td style="text-align: center;">2.0%</td> <td style="text-align: center;">10.0%</td> </tr> <tr> <td style="text-align: center;">50-54</td> <td style="text-align: center;">2.0%-7.0%</td> <td style="text-align: center;">4.0%-14.0%</td> <td style="text-align: center;">4.0%-12.0%</td> <td style="text-align: center;">10.0%-25.0%</td> </tr> <tr> <td style="text-align: center;">55-59</td> <td style="text-align: center;">9.0%-12.0%</td> <td style="text-align: center;">18.0%-30.0%</td> <td style="text-align: center;">12.0%-18.0%</td> <td style="text-align: center;">25.0%-30.0%</td> </tr> <tr> <td style="text-align: center;">60-64</td> <td style="text-align: center;">11.0%-16.0%</td> <td style="text-align: center;">20.0%-24.0%</td> <td style="text-align: center;">18.0%</td> <td style="text-align: center;">30.0%-35.0%</td> </tr> <tr> <td style="text-align: center;">65-69</td> <td style="text-align: center;">22.0%-24.0%</td> <td style="text-align: center;">27.5%-30.0%</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> </tr> <tr> <td style="text-align: center;">70-74</td> <td style="text-align: center;">20.0%-25.0%</td> <td style="text-align: center;">27.5%</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> </tr> <tr> <td style="text-align: center;">75+</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> <td style="text-align: center;">100.0%</td> </tr> </tbody> </table>	<u>Age</u>	<u>General</u> <u><30 Years of</u> <u>Service</u>	<u>General</u> <u>30+ Years of</u> <u>Service</u>	<u>Safety</u> <u><30 Years of</u> <u>Service</u>	<u>Safety</u> <u>30+ Years of</u> <u>Service</u>	45-49	0.0%	0.0%-30.0%	2.0%	10.0%	50-54	2.0%-7.0%	4.0%-14.0%	4.0%-12.0%	10.0%-25.0%	55-59	9.0%-12.0%	18.0%-30.0%	12.0%-18.0%	25.0%-30.0%	60-64	11.0%-16.0%	20.0%-24.0%	18.0%	30.0%-35.0%	65-69	22.0%-24.0%	27.5%-30.0%	100.0%	100.0%	70-74	20.0%-25.0%	27.5%	100.0%	100.0%	75+	100.0%	100.0%	100.0%	100.0%
<u>Age</u>	<u>General</u> <u><30 Years of</u> <u>Service</u>	<u>General</u> <u>30+ Years of</u> <u>Service</u>	<u>Safety</u> <u><30 Years of</u> <u>Service</u>	<u>Safety</u> <u>30+ Years of</u> <u>Service</u>																																					
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Healthcare Cost Trend Rates	The initial trend rates are based on a combination of employer history, national trend surveys, and professional judgment. The final trend rate was selected based on historical medial CPI information.																																								

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Healthcare Cost Trend Rates, (Continued)	Fiscal Year	CalPers	Fiscal Year	Non-CalPers	Fiscal Year	Non-CalPers
	<u>Ending</u>	<u>Rates</u>	<u>Ending</u>	<u>(Pre-65)</u>	<u>Ending</u>	<u>(Post-65)</u>
	2023	6.50%	2023	7.00%	2023	6.50%
	2024	6.25%	2024	6.75%	2024	6.25%
	2025	6.00%	2025	6.50%	2025	6.00%
	2026	5.75%	2026	6.25%	2026	5.75%
	2027	5.50%	2027	6.00%	2027	5.50%
	2028	5.25%	2028	5.75%	2028	5.25%
	2029	5.00%	2029	5.50%	2029	5.00%
	2030	4.75%	2030	5.25%	2030	4.75%
	2031+	4.50%	2031	5.00%	2031+	4.50%
			2032	4.75%		
			2033+	4.50%		
Medical Grant Amount	Assumed 5% annual increase					
Minimum Required Contribution (PEMHCA)	Assumed 4% annual increase					
Per Capita Costs	Based on the premiums and funding rates furnished by OCFA. Safety employees are underwritten with the active and retirees pooled together, thus an implied rate subsidy has been estimated and is included in the valuation. The rate subsidy equals the difference between the estimated cost and the actual premium for coverage. General employees are assumed to participate in a community-rated plan. This valuation includes the liability for the implied subsidy. The expected retiree cost for both Safety and General employees is determined using unisex morbidity rates.					
Actuarial Value of Assets	Market Value					

Changes of Assumptions

Following is a comparison of changes in actuarial assumptions as of December 31, 2022 and 2021:

	<u>As of December 31, 2022</u>	<u>As of December 31, 2021</u>	<u>Change</u>
Payroll growth	3.00%	3.25%	(0.25%)
Inflation rate	2.00%	2.75%	(0.75%)
Twenty-year bond rate	1.94% - 4.09% Range	1.84% - 2.25% Range	0.10% to 1.84% Range
Healthcare trend rates	7.00% (2023) decreasing by 0.25% annually to 4.5% (2033+)	6.25% (2023) decreasing by 0.5% annually to 4.5% (2030+)	0.75% initial rate; 0.25% annual decrease

Discount Rate

The final equivalent single discount rate used to measure the total OPEB liability was 7.00% (no change since the prior measurement date). This discount rate assumes that OCFA continues to fund OPEB benefits and reflects OCFA's "Snowball Plan" contributions now being directed toward the Retiree Medical Plan first starting in 2021. Based on these assumptions and including these contributions, the Plan's fiduciary net position is expected to be able to pay for all future OPEB benefits.

Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of returns (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and adding in expected inflation (2.00%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target allocation as of December 31, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Public Equities	47.0%	8.0%
Private Equities	13.0%	10.0%
Fixed Income	11.0%	3.0%
Credit	7.0%	2.0%
Real Assets	12.0%	6.0%
Risk Mitigation	<u>10.0%</u>	5.0%
Total	<u>100.0%</u>	7.0%

The annual money-weighted rate of return was -7.9%.

(d) Changes in the Net OPEB Liability

Changes in the Plan's net OPEB liability for the year ended June 30, 2023, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	<u>\$161,448,565</u>	<u>\$59,446,266</u>	<u>\$102,002,299</u>
Changes in the year:			
Service cost	2,461,230	-	2,461,230
Interest on the total OPEB liability	11,178,022	-	11,178,022
Difference between expected and actual experience	(5,289,751)	-	(5,289,751)
Changes in assumptions	1,408,587	-	1,408,587
Contributions – employer	-	3,238,768	(3,238,768)
Contributions – plan members	-	1,628,619	(1,628,619)
Net investment income (loss)	-	(4,683,124)	4,683,124
Benefit payments, including refunds of employee contributions	(8,592,854)	(8,592,854)	-
Administrative expense	-	(23,640)	23,640
Net changes	<u>1,165,234</u>	<u>(8,432,231)</u>	<u>9,597,465</u>
Balance at June 30, 2023	<u>\$162,613,799</u>	<u>\$51,014,035</u>	<u>\$111,599,764</u>

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

The following presents the net OPEB liability, calculated using the current discount rate of 7.00%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability	<u>\$134,041,757</u>	<u>\$111,599,764</u>	<u>\$94,281,458</u>

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

The following presents the net OPEB liability, calculated using the current healthcare cost trend rates (7.0% decreasing to 4.5%), as well as what the net OPEB liability would be if it were calculated using rates that are one percentage point lower (6.0% decreasing to 3.5%) or one percentage point higher (8.0% decreasing to 5.5%) than the current rates:

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	1% Decrease (6.0% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Net OPEB liability	<u>\$105,045,349</u>	<u>\$111,599,764</u>	<u>\$117,809,189</u>

(e) OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, OCFA recognized OPEB expense (credit) of \$(23,871,945). At June 30, 2023, OCFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience in the total OPEB liability	\$ 286,329	\$(15,224,923)
Changes in assumptions	10,233,084	(79,649,379)
Net differences between projected and actual earnings on plan investments	<u>3,880,956</u>	<u>-</u>
	14,400,369	(94,874,302)
Contributions subsequent to measurement date	<u>25,570,495</u>	<u>-</u>
Total	<u>\$39,970,864</u>	<u>\$(94,874,302)</u>

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$25,570,495 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. All other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will also be recognized as an adjustment to OPEB expense as follows:

<u>Year Ended June 30</u>	<u>Amount</u>
2024	\$(37,118,652)
2025	(46,169,069)
2026	1,065,823
2027	<u>1,747,965</u>
Total	<u>\$(80,473,933)</u>

(f) OPEB Plan Fiduciary Net Position

As previously mentioned, the Plan does not issue a separate stand-alone financial report. Below are the Plan's financial statements as of and for the year ending June 30, 2023:

	<u>Retiree Medical Plan</u>
Assets:	
Cash and investments:	
Pooled amounts held in trust with OCERS	<u>\$52,013,173</u>
Total cash and investments	52,013,173
Receivables:	
Other receivables	<u>19,889</u>
Total assets	<u>52,033,062</u>
Liabilities:	
Accrued liabilities	<u>1,019,027</u>
Total liabilities	<u>1,019,027</u>
Net position restricted for postemployment benefits other than pensions	<u>\$51,014,035</u>

	Retiree Medical Plan
Additions:	
Contributions:	
Employer	\$ 3,238,768
Plan members	<u>1,628,619</u>
Total contributions	<u>4,867,387</u>
Net investment income:	
Total investment income (loss)	(4,304,726)
Investment fees and expenses	<u>(378,398)</u>
Total net investment income (loss)	<u>(4,683,124)</u>
Total additions	<u>184,263</u>
Deductions:	
Benefits and refunds paid to plan members and beneficiaries	8,592,854
Administrative expenses	<u>23,640</u>
Total deductions	<u>8,616,494</u>
Change in net position	(8,432,231)
Net position, beginning of year	<u>59,446,266</u>
Net position, end of year	<u>\$51,014,035</u>

(27) Retiree Defined Contribution Healthcare Expense Reimbursement Plan

(a) Plan Description and Administration

On September 28, 2006, OCFA's Board of Directors created the Orange County Fire Authority Retiree Defined Contribution Healthcare Expense Reimbursement Plan (Plan), an employer-sponsored defined contribution benefit plan. The Plan became effective January 1, 2007. OCFA's Board of Directors establishes and amends all Plan provisions through negotiations with labor bargaining groups, subject to all applicable requirements of the Myers-Milias-Brown Act and any other applicable law.

Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by MidAmerica Administrative and Retirement Solutions (formerly Further). Funds are held in a Healthcare Reimbursement Account as a "self-insured medical reimbursement plan" pursuant to Sections 105 and 106 of the Internal Revenue Code. All contributions, investment income, and realized and unrealized gains and losses are credited to individual recordkeeping accounts maintained in the name of each Plan participant. Account assets are invested as directed by the participant from among investment funds selected by the OCFA. The Healthcare Reimbursement Account is considered an employer-funded account for tax purposes. An individual employee may not decide to participate or not participate beyond the terms of the applicable agreement.

(b) Benefit Provisions and Eligibility

All full-time employees who were hired on or after January 1, 2007, are eligible to participate in the Plan. The Plan provides for the reimbursement of medical, dental, and other eligible healthcare expenses of retirees, their spouses, and dependents. Participants are eligible to receive Plan benefits upon reaching retirement age, including those who terminate employment with the OCFA for reasons other than retirement.

(c) Contributions

All active, full-time employees who became employed by OCFA on or after January 1, 2007, are required to contribute 4% of their base pay to the Plan through payroll deductions to the OCFA. Employees are not permitted to contribute more or less to the Plan.

At the time the Plan was implemented, all OCFA classifications received a salary range adjustment that was earmarked for the required contribution into the Healthcare Reimbursement Account. Employees were not given the option to

receive the salary increase as cash payment. Required employee withholdings contributed to the Plan are considered employer contributions for tax purposes, because OCFA as the employer maintains the tax-exempt status for the Plan. However, these contributions are considered employee contributions for financial reporting purposes. Contractually required employee contributions for the fiscal year ended June 30, 2023, totaled \$4,693,181.

(d) Public Employees' Medical and Hospital Care Act

All retirees and full-time employees hired on or after January 1, 2007, are eligible for the legally required Public Employees' Medical and Hospital Care Act (PEMHCA) minimum, as stipulated by the California Public Employees' Retirement System (CalPERS). Additional information regarding other postemployment benefits (OPEB) for PEMHCA is provided within these notes as Note 26.

(28) Deferred Compensation Plans

(a) 457(b) and 401(a) Deferred Compensation Plans

All OCFA employees may participate in OCFA's 457(b) Deferred Compensation Plan, a retirement savings plan. The 457(b) Deferred Compensation Plan (457b Plan) is administered by the Nationwide Trust Company. Employees may make voluntary contributions to the 457b Plan, including after-tax Roth 457 contributions, up to the maximum annual amounts permitted by the Internal Revenue Service. Voluntary employee contributions to the 457b Plan for the fiscal year ended June 30, 2023, totaled \$12,285,807.

On February 28, 2019, OCFA's Board of Directors created the Orange County Fire Authority 401(a) Deferred Compensation Plan (401a Plan). The 401a Plan is also administered by Nationwide Trust Company. In accordance with OCFA's Personnel and Salary Resolution, Executive Management employees are eligible to receive deferred compensation contributions from OCFA in an amount equal to 4.5% of base salary. In accordance with OCFA's Memorandum of Understanding with the Administrative Management unit, employees at the maximum of their salary range are eligible to receive a merit-based deferred compensation contribution in the amount of \$500 per year. Contractually required employer contributions to the 401a Plan for the fiscal year ended June 30, 2023, totaled \$138,438 for Executive Management employees and \$6,500 for Administrative Management employees.

OCFA's Board of Directors establishes and amends all deferred compensation plan provisions, including benefit terms and contribution requirements, through negotiations with labor bargaining groups when applicable. Amendment or termination of the plans is subject to the meet and confer requirement of the Myers-Milias-Brown Act and any other applicable law.

(b) 457(OBRA) Deferred Compensation Plan

On January 26, 2017, OCFA's Board of Directors created a 457(OBRA) Deferred Compensation Plan (Plan), a mandatory retirement savings plan, for the participation of all eligible part-time employees pursuant to federal legislation. For Internal Revenue Service (IRS) tax purposes, all OCFA Board Members are considered employees and, as such, OCFA is required to provide a retirement savings plan for mandatory enrollment. The Plan satisfies OCFA's obligation to enroll all employees in a retirement savings plan. Effective July 1, 2018, all eligible extra help employees hired by OCFA are also enrolled as participants in the Plan in lieu of OCFA's Extra Help Retirement Plan, a single-employer defined benefit pension plan described within these notes as Note 25.

Plan participants are required to contribute 7.5% of their earnings to the Plan, subject to maximum annual federal limits, and may immediately receive benefits without penalty upon separation of employment from OCFA. The Plan is administered by NaCoServices, Inc., a subsidiary of the National Association of Counties and Nationwide Retirement Solutions, Inc. Required employee contributions for the fiscal year ended June 30, 2023, totaled \$12,904.

(29) Subsequent Events

(a) Deposit to 115 Trust

On July 7, 2023, OCFA deposited \$2,000,000 into the Public Agencies Post-Employment Benefits Trust (115 Trust) for the purpose of pre-funding pension and/or other post-employment benefit obligations in accordance with terms of the Settlement Agreement between OCFA and the City of Irvine. Assets of the 115 Trust are held by U.S. Bank National Association (U.S. Bank) and are administered by Public Agency Retirement Services (PARS).

(b) General Liability Insurance Premium Increase

On August 11, 2023, OCFA paid \$3,149,050 to the Fire Agencies Insurance Risk Authority (FAIRA) to renew its Fiscal Year 2023/24 general liability insurance premium. This was a 17% increase over the expiring Fiscal Year 2022/23 premium that totaled \$2,689,184. The premium increase is primarily due to the FAIRA pool experiencing above-average losses in employment liability claims; the general hardening of the current insurance market; the COVID-19 pandemic; and the increase in the number of OCFA vehicles, fire stations, paramedic count, and employees.

(c) Workers' Compensation Excess Insurance Premium Increase

On August 4, 2023, OCFA paid \$945,916 to PRISM to renew its Fiscal Year 2023/24 workers' compensation excess insurance premium, including related fees. This was an 11% increase over the expiring Fiscal Year 2022/23 premium as shown in the following table:

	Fiscal Year <u>2023/24 Payment</u>	Fiscal Year <u>2022/23 Payment</u>	<u>% Increase</u>
Premium	\$797,215	\$755,650	6%
Administrative fee	63,752	56,967	12%
Broker fee	41,834	39,024	7%
Adjustment	<u>43,115</u>	-	100%
Total payment	<u>\$945,916</u>	<u>\$851,641</u>	11%

The premium increase is primarily due to several factors, including (1) serious claims from the burn over incident and other significant claims; (2) the COVID-19 pandemic and general market impact; (3) fewer carriers willing to offer workers' compensation excess insurance to the public safety sector; and (4) the provider creating two new public safety rating groups with increased rates that were phased in over a three-year period. OCFA is included in the high safety rating group since over 40% of its payroll is attributable to safety personnel.

(d) Lease Agreement for Copier Services

On May 25, 2023, OCFA entered into a Professional Services Agreement (Agreement) with UBEO West, LLC, for copier and multifunction device leasing services at the RFOTC and fire stations. The term of the Agreement commenced August 1, 2023, for an initial, one-year term. Thereafter, at the sole discretion of OCFA, the Agreement may be extended for up to four additional, one-year renewal terms. The amount of the Agreement is not to exceed \$120,000 annually. In August 2023, OCFA began the process of physically removing and replacing its existing copier equipment, which was leased from Cell Business Equipment on a month-to-month basis (Note 21).

(e) Legal Settlement

In July 2023, OCFA entered into a Settlement Agreement and Release of All Claims (Agreement) with a Plaintiff arising from a legal matter that was initiated in 2021. Per terms of the Agreement, OCFA agreed to pay the Plaintiff the total sum of \$580,000, which consisted of \$58,000 to be paid directly by OCFA as taxable wages and \$522,000 to be paid directly by OCFA's insurance carrier to the Plaintiff's attorney client trust account. As of June 30, 2023, OCFA reported a \$58,000 claims liability within these financial statements, offset by a receivable for an equal amount due as a reimbursement from OCFA's insurance carrier. OCFA's payment to the Plaintiff was processed on July 21, 2023.

Orange County Fire Authority



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Required Supplementary Information



Best & Bravest Awards Dinner
April 28, 2023

Required Supplementary Information

OCERS Retirement Plan

OCFA participates in the Orange County Employees Retirement System (OCERS), a cost-sharing multiple-employer, defined benefit pension plan that provides retirement, disability, and death benefits to safety and general members.

Extra Help Retirement Plan

OCFA administers a single-employer, defined benefit pension plan that provides retirement benefits for OCFA's less than half-time and extra help employees hired prior to July 1, 2018. Plan assets are accounted for in the Extra Help Retirement fiduciary fund.

Retiree Medical Plan

OCFA provides a single-employer, defined benefit plan for OCFA's full-time and part-time employees hired prior to January 1, 2007, which provides a monthly grant toward the cost of retirees' health insurance coverage. Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS).

ORANGE COUNTY FIRE AUTHORITY

OCERS Retirement Plan
A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2023
Last Ten Fiscal Years

Schedule of OCFA's Proportionate Share of the Net Pension Liability

Fiscal Year Ended June 30	OCFA's Proportion of the Collective Net Pension Liability (Asset)	OCFA's Proportionate Share of the Collective Net Pension Liability (Asset)	OCFA's Covered Payroll (B)	Proportionate Share of the Collective Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan's Fiduciary Net Position	Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	Applicable Measurement Date (A)
2014	8.366%	\$ 442,651,348	\$ 129,689,221	341.317%	\$ 10,821,318,000	67.16%	12/31/2013
2015	9.188%	\$ 466,968,323	\$ 129,187,729	361.465%	\$ 11,536,106,000	69.42%	12/31/2014
2016	9.056%	\$ 517,669,806	\$ 129,452,647	399.891%	\$ 11,657,318,000	67.10%	12/31/2015
2017	9.043%	\$ 469,430,660	\$ 124,514,004	377.010%	\$ 12,809,208,000	71.16%	12/31/2016
2018	7.485%	\$ 370,674,668	\$ 148,890,685	248.958%	\$ 14,801,895,000	74.93%	12/31/2017
2019	7.531%	\$ 466,731,526	\$ 155,479,486	300.188%	\$ 14,481,680,000	70.03%	12/31/2018
2020	6.982%	\$ 354,395,457	\$ 164,583,742	215.328%	\$ 16,678,581,000	76.67%	12/31/2019
2021	4.299%	\$ 181,121,638	\$ 190,254,989	95.199%	\$ 18,797,203,000	81.69%	12/31/2020
2022	-5.117%	\$ (104,907,413)	\$ 189,061,641	-55.488%	\$ 21,922,182,000	91.45%	12/31/2021
2023	5.176%	\$ 279,060,590	\$ 193,780,939	144.008%	\$ 19,690,021,000	78.51%	12/31/2022

Notes to Schedule:

(A) Applicable measurement date reflects the most recent fiscal year-end of the Orange County Employees Retirement System.

(B) Based on Plan Year ending December 31

ORANGE COUNTY FIRE AUTHORITY

OCERS Retirement Plan
A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2023
Last Ten Fiscal Years

Schedule of Contributions

Fiscal Year Ended June 30	Required Employer Contributions		Actual Employer Contributions	Contribution Excess (Deficiency)	Covered Payroll (B)	Actual Contributions as a Percentage of Covered Payroll	
	(Actuarially Determined)						
2014	\$ 57,795,043	\$ 63,030,796	\$ 5,235,753	\$ 125,869,628	50.08%		
2015	\$ 61,323,319	\$ 82,699,618	\$ 21,376,299	\$ 128,215,528	64.50%	(A)	
2016	\$ 63,297,103	\$ 78,708,605	\$ 15,411,502	\$ 132,248,620	59.52%		
2017	\$ 66,284,815	\$ 82,880,775	\$ 16,595,960	\$ 144,564,215	57.33%		
2018	\$ 67,135,009	\$ 90,230,805	\$ 23,095,796	\$ 149,170,809	60.49%		
2019	\$ 68,220,529	\$ 91,053,475	\$ 22,832,946	\$ 153,247,752	59.42%		
2020	\$ 72,228,778	\$ 93,232,215	\$ 21,003,437	\$ 176,975,377	52.68%		
2021	\$ 79,754,287	\$ 106,715,236	\$ 26,960,949	\$ 185,441,142	57.55%		
2022	\$ 83,069,059	\$ 94,010,371	\$ 10,941,312	\$ 192,639,197	48.80%		
2023	\$ 71,691,220	\$ 84,450,056	\$ 12,758,836	\$ 197,123,640	42.84%		

Notes to Schedule:

(A) Beginning in Fiscal Year 2014/15, required and actual contributions presented in the above schedule exclude any employer-paid member contributions. Since it was not practical to obtain data in this format prior to Fiscal Year 2014/15, earlier periods have not been restated. Required and actual contributions presented for Fiscal Year 2013/14 and prior include any employer-paid member contributions.

(B) Based on Fiscal Year ending June 30

ORANGE COUNTY FIRE AUTHORITY

Extra Help Retirement Plan
A Single-Employer Defined Benefit Pension Plan
As of June 30, 2023
For the Last Ten Fiscal Years

Schedule of Changes in Net Pension Liability and Related Ratios

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Total pension liability (TPL):				
Service cost	\$ 8,030	\$ -	\$ 8,331	\$ 6,050
Interest	11,484	-	11,865	6,637
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(3,269)	9,728	(131,777)	-
Changes of assumptions	-	-	47,323	(27,593)
Benefit payments, including refunds of member contributions	(8,676)	(6,459)	(10,642)	(31,370)
Net change in total pension liability	7,569	3,269	(74,900)	(46,276)
Total pension liability - beginning	302,551	310,120	313,389	238,489
Total pension liability - ending	310,120	313,389	238,489	192,213
Plan fiduciary net position (FNP):				
Contributions - employer	2,117	2,481	2,267	839
Contributions - plan members	13,542	11,831	8,923	21,080
Net investment income	586	714	1,219	2,407
Benefit payments, including refunds of member contributions	(8,676)	(6,459)	(10,642)	(31,370)
Net change in plan fiduciary net position	7,569	8,567	1,767	(7,044)
Total plan fiduciary net position - beginning	56,895	64,464	73,031	74,798
Total plan fiduciary net position - ending	64,464	73,031	74,798	67,754
Net pension liability (NPL)	\$ 245,656	\$ 240,358	\$ 163,691	\$ 124,459
Plan FNP as a % of the TPL	20.79%	23.30%	31.36%	35.25%
Covered payroll	\$ 205,340	\$ 205,340	\$ 108,526	\$ 108,526
NPL as a % of covered payroll (B)	119.63%	117.05%	150.83%	114.68%

Notes to Schedule:

(A) Change in actuarial assumptions:

Discount rate and investment rate of return	3.75%	3.75%	2.90%	3.40%
Inflation	3.00%	3.00%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.00%	3.00%

(B) Effective July 1, 2018, the Plan is closed to new entrants. As of June 30, 2022, there are no longer an active employees participating in the plan; thus, covered payroll and net pension liability as a % of covered payroll are not applicable.

	2018	2019	2020	2021	2022	2023
\$	5,386	\$ 2,911	\$ 6,786	\$ 994	\$ 874	\$ -
	6,297	5,007	5,388	3,033	2,819	3,115
	-	-	-	-	-	-
	(36,700)	21,397	(63,020)	829	(6,523)	(50,185)
	5,961	9,879	16,260	6,853	(29,721)	(125)
	<u>(24,786)</u>	<u>(16,426)</u>	<u>(13,768)</u>	<u>-</u>	<u>(2,213)</u>	<u>(33,302)</u>
	(43,842)	22,768	(48,354)	11,709	(34,764)	(80,497)
	<u>192,213</u>	<u>148,371</u>	<u>171,139</u>	<u>122,785</u>	<u>134,494</u>	<u>99,730</u>
	<u>148,371</u>	<u>171,139</u>	<u>122,785</u>	<u>134,494</u>	<u>99,730</u>	<u>19,233</u>
	1,519	876	1,072	2,117	2,279	540
	16,641	9,043	891	579	-	-
	1,196	1,731	1,191	266	192	1,166
	<u>(24,786)</u>	<u>(16,426)</u>	<u>(13,768)</u>	<u>-</u>	<u>(2,213)</u>	<u>(33,302)</u>
	(5,430)	(4,776)	(10,614)	2,962	258	(31,596)
	<u>67,754</u>	<u>62,324</u>	<u>57,548</u>	<u>46,934</u>	<u>49,896</u>	<u>50,154</u>
	<u>62,324</u>	<u>57,548</u>	<u>46,934</u>	<u>49,896</u>	<u>50,154</u>	<u>18,558</u>
\$	<u>86,047</u>	<u>\$ 113,591</u>	<u>\$ 75,851</u>	<u>\$ 84,598</u>	<u>\$ 49,576</u>	<u>\$ 675</u>
	42.01%	33.63%	38.22%	37.10%	50.29%	96.49%
\$	73,747	\$ 160,212	\$ 9,541	\$ 7,744	N/A	N/A
	116.68%	70.90%	795.00%	1092.43%	N/A	N/A
	3.50%	3.15%	2.45%	2.10%	3.75%	3.90%
	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
	3.00%	3.00%	3.00%	3.00%	3.00%	N/A

ORANGE COUNTY FIRE AUTHORITY

Extra Help Retirement Plan
A Single-Employer Defined Benefit Pension Plan
As of June 30, 2023
For the Last Ten Fiscal Years

Schedule of Contributions

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Required employer contributions (contractually determined)	\$ 2,117	\$ 2,481	\$ 2,267	\$ 839
Actual employer contributions	2,117	2,481	2,267	839
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -
Actual contributions as a % of required contributions	100.00%	100.00%	100.00%	100.00%
Covered payroll (B)	\$ 205,340	\$ 205,340	\$ 108,526	\$ 108,526
Actual contributions as a % of covered payroll (B)	1.03%	1.21%	2.09%	0.77%

Notes to Schedule:

(A) Changes in size or composition of plan members:

Inactive; currently receiving benefits	-	-	-	-
Inactive; entitled to but not yet receiving benefits	10	39	47	46
Active	59	41	17	31
Total plan members as of June 30	69	80	64	77

(B) Effective July 1, 2018, the Plan is closed to new entrants. As of June 30, 2022, there are no longer an active employees participating in the plan; thus, covered payroll and net pension liability as a % of covered payroll are not applicable.

2018	2019	2020	2021	2022	2023
\$ 1,519	\$ 876	1,072	2,117	2,279	540
<u>1,519</u>	<u>876</u>	<u>1,072</u>	<u>2,117</u>	<u>2,279</u>	<u>540</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$ 73,747	\$ 160,212	\$ 9,541	\$ 7,744	N/A	N/A
2.06%	0.55%	11.24%	27.34%	N/A	N/A
-	-	-	-	-	-
37	38	38	38	38	32
<u>24</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>61</u>	<u>42</u>	<u>39</u>	<u>39</u>	<u>38</u>	<u>32</u>

ORANGE COUNTY FIRE AUTHORITY

Extra Help Retirement Plan
A Single-Employer Defined Benefit Pension Plan
As of June 30, 2023
For the Last Ten Fiscal Years

Schedule of Money Weighted Rate of Return

Fiscal Year Ended June 30	Annual Money-Weighted Rate of Return, Net of Investment Expense
2014	0.97%
2015	1.24%
2016	1.66%
2017	3.43%
2018	1.90%
2019	2.93%
2020	2.30%
2021	0.55%
2022	0.39%
2023	3.45%

Orange County Fire Authority



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ORANGE COUNTY FIRE AUTHORITY

Retiree Medical Plan
A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan
As of June 30, 2023
For the Last Ten Fiscal Years (A)

Schedule of Changes in Net OPEB Liability and Related Ratios

	Fiscal Year Ended June 30		
	2018	2019	2020
Total OPEB liability (TOPEBL):			
Service cost	\$ 7,712,349	\$ 7,989,994	\$ 6,034,031
Interest	10,007,111	10,432,082	10,878,843
Differences between expected and actual experience	-	(2,909,247)	(647,369)
Changes of assumptions	-	(35,431,920)	18,873,824
Benefit payments, including refunds of member contributions	(5,581,055)	(6,803,645)	(7,239,321)
Net change in total pension liability	12,138,405	(26,722,736)	27,900,008
Total OPEB liability - beginning	273,053,476	285,191,881	258,469,145
Total OPEB liability - ending	285,191,881	258,469,145	286,369,153
Plan fiduciary net position (FNP):			
Contributions - employer	1,603,537	4,002,323	2,221,564
Contributions - plan members	2,379,665	2,259,947	2,111,158
Net investment income (loss)	5,116,794	(728,045)	5,301,391
Benefit payments, including refunds of member contributions	(5,581,055)	(6,803,645)	(7,239,321)
Administrative expense	(27,068)	(30,304)	(21,240)
Net change in plan fiduciary net position	3,491,873	(1,299,724)	2,373,552
Total plan fiduciary net position - beginning	36,839,189	40,331,062	39,031,338
Total plan fiduciary net position - ending	40,331,062	39,031,338	41,404,890
Net OPEB liability (NOPEBL)	\$ 244,860,819	\$ 219,437,807	\$ 244,964,263
Plan FNP as a % of the TOPEBL	14.14%	15.10%	14.46%
Covered employee payroll (B)	\$ 68,808,979	\$ 66,697,012	\$ 63,351,188
NOPEBL as a % of covered employee payroll	355.86%	329.01%	386.68%

Notes to Schedule:

(A) GASB Statements No. 74, No. 75, and No. 85 were implemented during Fiscal Year 2017/18. Additional years will be added as they become available in the future.

(B) Required employer contributions to the OPEB plan are not based on a measure of pay; thus, this schedule discloses "covered employee payroll" (the payroll of employees that are provided with OPEB through the OPEB plan) as the measure of payroll. The amounts reported on this schedule are based on the Plan Year ending date of December 31.

(C) Applicable measurement date	12/31/2017	12/31/2018	12/31/2019
(D) Change in actuarial assumptions:			
Discount rate	3.60%	4.17%	3.31%
Investment rate of return	7.00%	7.00%	7.00%
Payroll growth	3.25%	3.25%	3.25%
Inflation	2.75%	2.75%	2.75%
Healthcare cost trend rates	5.00% - 6.50%	5.00% - 6.50%	4.50% - 6.50%
Twenty-year bond rate	3.44%	4.11%	2.76% - 3.26%
Crossover year	2028	2025	2025
Mortality rate scale	MP-2015	MP-2018	MP-2019
Pre-retirement turnover	0.00% - 5.00%	0.20% - 11.00%	0.20% - 11.00%

2021	2022	2023
\$ 8,510,680	\$ 10,072,942	\$ 2,461,230
9,632,097	7,499,506	11,178,022
1,145,322	(23,396,844)	(5,289,751)
37,176,101	(159,298,759)	1,408,587
<u>(7,823,558)</u>	<u>(8,438,075)</u>	<u>(8,592,854)</u>
48,640,642	(173,561,230)	1,165,234
<u>286,369,153</u>	<u>335,009,795</u>	<u>161,448,565</u>
<u>335,009,795</u>	<u>161,448,565</u>	<u>162,613,799</u>
2,284,326	17,370,021	3,238,768
1,976,295	1,842,066	1,628,619
4,134,537	6,741,844	(4,683,124)
(7,823,558)	(8,438,075)	(8,592,854)
<u>(22,440)</u>	<u>(23,640)</u>	<u>(23,640)</u>
549,160	17,492,216	(8,432,231)
<u>41,404,890</u>	<u>41,954,050</u>	<u>59,446,266</u>
<u>41,954,050</u>	<u>59,446,266</u>	<u>51,014,035</u>
<u>\$ 293,055,745</u>	<u>\$ 102,002,299</u>	<u>\$ 111,599,764</u>
12.52%	36.82%	31.37%
\$ 58,610,629	\$ 56,548,860	\$ 48,509,326
500.00%	180.38%	230.06%

12/31/2020	12/31/2021	12/31/2022
2.20%	7.00%	7.00%
7.00%	7.00%	7.00%
3.25%	3.25%	3.00%
2.75%	2.75%	2.00%
4.50% - 6.50%	4.50% - 6.25%	4.50% - 7.00%
1.93% - 2.12%	1.84% - 2.25%	1.94% - 4.09%
2027	N/A	N/A
MP-2020	MP-2021	MP-2021
0.20% - 11.00%	0.15% - 11.00%	0.15% - 11.00%

ORANGE COUNTY FIRE AUTHORITY

Retiree Medical Plan
A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan
As of June 30, 2023
For the Last Ten Fiscal Years (A)

Schedule of Contributions

	Fiscal Year Ended June 30		
	2018	2019	2020
Required employer contributions (contractually determined) (B)	\$ 3,941,686	\$ 1,974,029	\$ 2,252,945
Actual employer contributions	3,941,686	1,974,029	2,252,945
Contribution excess (deficiency)	\$ -	\$ -	\$ -
Actual contributions as a % of contractually required contributions	100.00%	100.00%	100.00%
Covered employee payroll (C)	\$ 65,955,614	\$ 62,958,049	\$ 59,454,055
Actual contributions as a % of covered employee payroll	5.98%	3.14%	3.79%

Notes to Schedule:

(A) GASB Statements No. 74, No. 75, and No. 85 were implemented during Fiscal Year 2017/18. Additional years will be added as they become available in the future.

(B) Required, contractually determined employer contributions include: (1) cash contributions per Section 5 of the Health Plan Agreement between OCFA and the Orange County Professional Firefighters Association; (2) "Snowball Plan" payments required per the 4th Amendment to the Joint Powers Authority Agreement; (3) any cash contributions paid directly to retirees outside of the trust per the Retiree Medical Plan; and (4) the implicit subsidy in accordance with Memorandums of Understanding between OCFA and its labor groups requiring that OCFA contribute toward the payment of health care premiums on behalf of eligible retirees.

(C) Required employer contributions to the OPEB plan are not based on a measure of pay; thus, this schedule discloses "covered employee payroll" (the payroll of employees that are provided with OPEB through the OPEB plan) as the measure of payroll. The amounts reported on this schedule are based on the Fiscal Year ending date of June 30.

(D) Changes in size or composition of plan members:

	As of June 30		
	2018	2019	2020
Retiree Medical Plan (Hired Prior to January 1, 2007):			
Inactive; currently receiving benefits	738	781	817
Inactive; entitled to but no yet receiving benefits	41	39	36
Active	511	457	419
Subtotal	1,290	1,277	1,272
PEMHCA Eligible Employees (Hired on or After January 1, 2007):			
Inactive; currently receiving benefits	1	1	4
Active	763	821	1,008
Subtotal	764	822	1,012
Total Plan Members as of June 30:			
Inactive; currently receiving benefits	739	782	821
Inactive; entitled to but no yet receiving benefits	41	39	36
Active	1,274	1,278	1,427
Total	2,054	2,099	2,284

2021	2022	2023
\$ 2,361,738	\$ 18,417,245	\$ 26,538,739
<u>2,361,738</u>	<u>18,417,245</u>	<u>26,538,739</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
100.00%	100.00%	100.00%
\$ 57,043,737	\$ 49,786,365	\$ 44,545,501
4.14%	36.99%	59.58%

2021	2022	2023
844	900	929
36	32	29
<u>384</u>	<u>324</u>	<u>285</u>
<u>1,264</u>	<u>1,256</u>	<u>1,243</u>
4	4	7
<u>1,102</u>	<u>1,152</u>	<u>1,227</u>
<u>1,106</u>	<u>1,156</u>	<u>1,234</u>
848	904	936
36	32	29
<u>1,486</u>	<u>1,476</u>	<u>1,512</u>
<u>2,370</u>	<u>2,412</u>	<u>2,477</u>

ORANGE COUNTY FIRE AUTHORITY

Retiree Medical Plan
A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan
As of June 30, 2023
For the Last Ten Fiscal Years (A)

Schedule of Money Weighted Rate of Return

Fiscal Year Ended June 30	As Related to Plan Year Ended December 31	Annual Money-Weighted Rate of Return, Net of Investment Expense
2018	2017	14.74%
2019	2018	-1.31%
2020	2019	14.81%
2021	2020	11.22%
2022	2021	16.67%
2023	2022	-7.88%

Notes to Schedule:

(A) GASB Statement No. 74 was implemented during Fiscal Year 2017/18. Additional years will be added as they become available in the future.

Supplementary Schedules



Honoring Our Retirees
2022-2023

Major Governmental Funds

Capital Projects Funds

Communications and Information Systems

This fund is used to account for the significant acquisition, improvement, or replacement of specialized communications and information technology systems and/or equipment.

Fire Apparatus

This fund is used to account for the significant acquisition, improvement, or replacement of fire apparatus, including vehicles, trailers, and helicopters.

Fire Stations and Facilities

This fund is used to account for the significant acquisition, improvement, replacement, or construction of fire stations and facilities.

ORANGE COUNTY FIRE AUTHORITY
Communications and Information Systems
Budgetary Comparison Schedule
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	2023			Variance with Final Budget Positive (Negative)	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary fund balance, July 1	\$ 5,633,339	\$ 5,633,339	\$ 5,633,339	\$ -	\$ 5,223,735
Resources (inflows):					
Use of money and property	29,580	117,227	174,245	57,018	(118,653)
Miscellaneous	-	-	156,502	156,502	-
Transfers in	4,500,000	4,500,000	4,500,000	-	1,700,000
Total resources (inflows)	<u>4,529,580</u>	<u>4,617,227</u>	<u>4,830,747</u>	<u>213,520</u>	<u>1,581,347</u>
Amounts available for appropriations	<u>10,162,919</u>	<u>10,250,566</u>	<u>10,464,086</u>	<u>213,520</u>	<u>6,805,082</u>
Charges to appropriation (outflows):					
Services and supplies	3,669,836	2,312,371	406,976	1,905,395	313,211
Capital outlay	2,996,496	3,411,808	922,123	2,489,685	858,532
Transfers out	-	3,097,603	3,097,603	-	-
Total charges to appropriations	<u>6,666,332</u>	<u>8,821,782</u>	<u>4,426,702</u>	<u>4,395,080</u>	<u>1,171,743</u>
Budgetary fund balance, June 30	<u>\$ 3,496,587</u>	<u>\$ 1,428,784</u>	<u>\$ 6,037,384</u>	<u>\$ 4,608,600</u>	<u>\$ 5,633,339</u>

ORANGE COUNTY FIRE AUTHORITY
Fire Apparatus
Budgetary Comparison Schedule
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	2023			2022	
	Budget Amounts		Actual Amounts	Variance with Final Budget Positive	Actual Amounts
	Original	Final		(Negative)	
Budgetary fund balance, July 1	\$ 16,569,960	\$ 16,569,960	\$ 16,569,960	\$ -	\$ 26,031,912
Resources (inflows):					
Charges for services	1,749,288	1,749,288	1,749,288	-	1,652,957
Use of money and property	220,110	517,088	868,386	351,298	(469,024)
Developer contributions	-	820,000	831,983	11,983	-
Transfers in	9,442,226	9,442,226	9,442,226	-	3,364,518
Issuance of lease	-	57,871,440	57,882,120	10,680	-
Total resources (inflows)	<u>11,411,624</u>	<u>70,400,042</u>	<u>70,774,003</u>	<u>373,961</u>	<u>4,548,451</u>
Amounts available for appropriations	<u>27,981,584</u>	<u>86,970,002</u>	<u>87,343,963</u>	<u>373,961</u>	<u>30,580,363</u>
Charges to appropriation (outflows):					
Services and supplies	-	1,112,460	98,429	1,014,031	400
Capital outlay	26,032,207	82,301,127	49,472,289	32,828,838	10,646,989
Issuance costs	-	47,000	43,092	3,908	-
Transfers out	-	-	-	-	3,363,014
Total charges to appropriations	<u>26,032,207</u>	<u>83,460,587</u>	<u>49,613,810</u>	<u>33,846,777</u>	<u>14,010,403</u>
Budgetary fund balance, June 30	<u>\$ 1,949,377</u>	<u>\$ 3,509,415</u>	<u>\$ 37,730,153</u>	<u>\$ 34,220,738</u>	<u>\$ 16,569,960</u>

ORANGE COUNTY FIRE AUTHORITY
Fire Stations and Facilities
Budgetary Comparison Schedule
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	2023			Variance with Final Budget Positive (Negative)	2022
	Budget Amounts		Actual Amounts		Actual Amounts
	Original	Final			
Budgetary fund balance, July 1	\$ 21,308,456	\$ 21,308,456	\$ 21,308,456	\$ -	\$ 18,488,482
Resources (inflows):					
Intergovernmental	-	17,170,143	17,170,143	-	176,357
Use of money and property	40,570	334,005	578,747	244,742	(421,755)
Developer contributions	851,611	185,211	219,600	34,389	401,221
Transfers in	-	-	-	-	4,450,000
Total resources (inflows)	<u>892,181</u>	<u>17,689,359</u>	<u>17,968,490</u>	<u>279,131</u>	<u>4,605,823</u>
Amounts available for appropriations	<u>22,200,637</u>	<u>38,997,815</u>	<u>39,276,946</u>	<u>279,131</u>	<u>23,094,305</u>
Charges to appropriation (outflows):					
Services and supplies	119,165	419,165	620,023	(200,858)	689,019
Capital outlay	1,419,657	37,657,366	1,530,303	36,127,063	96,830
Transfers out	-	-	-	-	1,000,000
Total charges to appropriations	<u>1,538,822</u>	<u>38,076,531</u>	<u>2,150,326</u>	<u>35,926,205</u>	<u>1,785,849</u>
Budgetary fund balance, June 30	<u>\$ 20,661,815</u>	<u>\$ 921,284</u>	<u>\$ 37,126,620</u>	<u>\$ 36,205,336</u>	<u>\$ 21,308,456</u>

Major Governmental Funds

“Sub-Fund” Components of General Fund

The following “sub-funds” are combined and consolidated in order to report a single General Fund for financial statement presentation. Descriptions of each “sub-fund” component are identified below.

General Operating Fund

This sub-fund is used to account for all operating activities not accounted for in another sub-fund.

General Fund Capital Improvement Program (CIP)

This sub-fund is used to account for financial activity associated with maintenance and improvement projects that are considered “capital in nature” but do not meet the criteria to be included in a Capital Projects Fund.

Structural Fire Entitlement

This sub-fund is used to account for service enhancement funds of over-funded Structural Fire Fund members.

Self Insurance

This sub-fund is used to account the workers’ compensation self-insurance program.

Settlement Agreement

This sub-fund is used to account for the activities of a Settlement Agreement between OCFA and the City of Irvine to provide various provisions benefiting the citizens of Orange County and enhancing services provided throughout OCFA’s jurisdiction, including a Joint Police-Fire Training Facility, a Drone Program, Bi-Directional Amplifiers, training of Irvine Police Department Emergency Medical Technicians, a Public Safety Community Emergency Response Team Coordinator in the City of Irvine, and pension funding through a Section 115 Trust.

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Balance Sheet
June 30, 2023
(With Comparative Data for Prior Year)

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance
Assets:				
Cash and investments	\$ 4,787,069	\$ 9,232,355	\$ 4,236,249	\$ 143,453,069
Accounts receivable, net	2,379,857	3,074	-	-
Accrued interest receivable	164,256	-	4,077	180,251
Prepaid costs and other assets	32,527,436	44,990	-	-
Due from other governments	36,987,615	-	-	-
Restricted cash and investments	-	-	-	-
Lease receivables	895,177	-	-	-
Total assets	<u>\$ 77,741,410</u>	<u>\$ 9,280,419</u>	<u>\$ 4,240,326</u>	<u>\$ 143,633,320</u>
Liabilities:				
Accounts payable	\$ 7,033,197	\$ 425,325	\$ 720,785	\$ 299,276
Accrued liabilities	15,382,108	-	-	-
Unearned revenue	9,378,655	-	-	-
Due to other governments	5,029	-	-	-
Total liabilities	<u>31,798,989</u>	<u>425,325</u>	<u>720,785</u>	<u>299,276</u>
Deferred inflows of resources:				
Unavailable revenue	681,733	-	-	-
Related to leases	839,179	-	-	-
Total deferred inflows of resources	<u>1,520,912</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable prepaid costs	32,497,892	44,990	-	-
Restricted:				
Various departments	4,728,588	-	-	-
Section 115 pension trust	-	-	-	-
Committed to SFF cities enhancements	-	-	3,519,541	-
Assigned:				
Capital improvement program	-	6,545,843	-	-
Workers' compensation	-	-	-	143,334,044
Various departments	1,849,756	-	-	-
Facilities projects	232,727	-	-	-
Communications/IT projects	-	2,116,855	-	-
Construction projects	-	147,406	-	-
Unassigned	5,112,546	-	-	-
Total fund balances	<u>44,421,509</u>	<u>8,855,094</u>	<u>3,519,541</u>	<u>143,334,044</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 77,741,410</u>	<u>\$ 9,280,419</u>	<u>\$ 4,240,326</u>	<u>\$ 143,633,320</u>

Settlement Agreement	Eliminations	Total General Fund	
		2023	2022
\$ 21,590,898	\$ -	\$ 183,299,640	\$ 151,143,528
-	-	2,382,931	2,554,706
24,433	-	373,017	121,648
-	-	32,572,426	35,442,094
-	-	36,987,615	31,841,977
7,316,894	-	7,316,894	5,221,012
-	-	895,177	838,177
<u>\$ 28,932,225</u>	<u>\$ -</u>	<u>\$ 263,827,700</u>	<u>\$ 227,163,142</u>
\$ 3,397	\$ -	\$ 8,481,980	\$ 10,820,191
-	-	15,382,108	14,236,694
-	-	9,378,655	17,414
-	-	5,029	10,084
<u>3,397</u>	<u>-</u>	<u>33,247,772</u>	<u>25,084,383</u>
-	-	681,733	795,356
-	-	839,179	800,802
-	-	1,520,912	1,596,158
-	-	32,542,882	35,424,785
-	-	4,728,588	4,263,369
7,316,140	-	7,316,140	5,224,229
-	-	3,519,541	4,301,785
-	-	6,545,843	3,632,507
-	-	143,334,044	125,039,963
-	-	1,849,756	1,354,029
-	-	232,727	106,235
-	-	2,116,855	1,016,677
-	-	147,406	1,362,175
21,612,688	-	26,725,234	18,756,847
<u>28,928,828</u>	<u>-</u>	<u>229,059,016</u>	<u>200,482,601</u>
<u>\$ 28,932,225</u>	<u>\$ -</u>	<u>\$ 263,827,700</u>	<u>\$ 227,163,142</u>

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance
Revenues:				
Taxes	\$ 326,138,528	\$ -	\$ -	\$ -
Intergovernmental	59,312,256	-	-	-
Charges for services	148,770,572	-	-	30,754,757
Use of money and property	1,973,806	-	88,206	2,585,568
Miscellaneous	23,670,734	-	-	-
Total revenues	<u>559,865,896</u>	<u>-</u>	<u>88,206</u>	<u>33,340,325</u>
Expenditures:				
Current - public safety:				
Salaries and benefits	450,933,000	-	-	-
Services and supplies	77,835,517	6,108,852	870,450	15,129,099
Capital outlay	19,789,244	616,756	-	-
Debt service:				
Interest and fiscal charges	1,456,767	-	-	-
Total expenditures	<u>550,014,528</u>	<u>6,725,608</u>	<u>870,450</u>	<u>15,129,099</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,851,368</u>	<u>(6,725,608)</u>	<u>(782,244)</u>	<u>18,211,226</u>
Other financing sources (uses):				
Transfers in	3,097,603	9,500,000	-	-
Transfers out	(26,110,226)	-	-	-
Issuance of lease	18,711,118	-	-	-
Sale of capital assets	2,730	-	-	-
Insurance recoveries	151,308	-	-	82,855
Total other financing sources (uses)	<u>(4,147,467)</u>	<u>9,500,000</u>	<u>-</u>	<u>82,855</u>
Net change in fund balances	5,703,901	2,774,392	(782,244)	18,294,081
Fund balances, beginning of year	38,717,608	6,080,702	4,301,785	125,039,963
Fund balances, end of year	<u>\$ 44,421,509</u>	<u>\$ 8,855,094</u>	<u>\$ 3,519,541</u>	<u>\$ 143,334,044</u>

Settlement Agreement	Eliminations	Total General Fund	
		2023	2022
\$ -	\$ -	\$ 326,138,528	\$ 302,861,759
-	-	59,312,256	57,550,253
-	(30,754,757)	148,770,572	144,354,836
576,327	(1,456,767)	3,767,140	(3,790,520)
-	-	23,670,734	11,128,699
<u>576,327</u>	<u>(32,211,524)</u>	<u>561,659,230</u>	<u>512,105,027</u>
-	(30,754,757)	420,178,243	419,386,430
658,042	-	100,601,960	79,854,490
-	-	20,406,000	1,360,821
-	(1,456,767)	-	-
<u>658,042</u>	<u>(32,211,524)</u>	<u>541,186,203</u>	<u>500,601,741</u>
<u>(81,715)</u>	<u>-</u>	<u>20,473,027</u>	<u>11,503,286</u>
2,668,000	(12,168,000)	3,097,603	4,363,014
-	12,168,000	(13,942,226)	(9,514,518)
-	-	18,711,118	12,690
-	-	2,730	30,679
-	-	234,163	1,632,834
<u>2,668,000</u>	<u>-</u>	<u>8,103,388</u>	<u>(3,475,301)</u>
2,586,285	-	28,576,415	8,027,985
26,342,543	-	200,482,601	192,454,616
<u>\$ 28,928,828</u>	<u>\$ -</u>	<u>\$ 229,059,016</u>	<u>\$ 200,482,601</u>

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Original Budget
Year ended June 30, 2023

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance	Settlement Agreement	Eliminations	Total General Fund 2023
Budgetary fund balance, July 1	\$ 38,717,608	\$ 6,080,702	\$ 4,301,785	\$ 125,039,963	\$ 26,342,543	\$ -	\$ 200,482,601
Resources (inflows):							
Taxes	315,735,745	-	-	-	-	-	315,735,745
Intergovernmental	29,289,912	-	-	-	-	-	29,289,912
Charges for services	146,631,335	-	-	30,754,757	-	(30,754,757)	146,631,335
Use of money and property	627,279	-	16,148	1,065,815	207,322	(35,000)	1,881,564
Miscellaneous	1,232,800	-	-	-	-	-	1,232,800
Transfers in	-	9,500,000	-	-	2,668,000	(12,168,000)	-
Sale of capital assets	75,000	-	-	-	-	-	75,000
Total resources (inflows)	<u>493,592,071</u>	<u>9,500,000</u>	<u>16,148</u>	<u>31,820,572</u>	<u>2,875,322</u>	<u>(42,957,757)</u>	<u>494,846,356</u>
Amounts available for appropriations	<u>532,309,679</u>	<u>15,580,702</u>	<u>4,317,933</u>	<u>156,860,535</u>	<u>29,217,865</u>	<u>(42,957,757)</u>	<u>695,328,957</u>
Charges to appropriation (outflows):							
Salaries and benefits	426,127,257	-	-	-	-	(30,754,757)	395,372,500
Services and supplies	40,652,925	10,705,807	-	17,212,913	668,000	-	69,239,645
Capital outlay	807,871	678,015	-	-	-	-	1,485,886
Interest and fiscal charges	35,000	-	-	-	-	(35,000)	-
Transfers out	26,110,226	-	-	-	-	(12,168,000)	13,942,226
Total charges to appropriations	<u>493,733,279</u>	<u>11,383,822</u>	<u>-</u>	<u>17,212,913</u>	<u>668,000</u>	<u>(42,957,757)</u>	<u>480,040,257</u>
Budgetary fund balance, June 30	<u>\$ 38,576,400</u>	<u>\$ 4,196,880</u>	<u>\$ 4,317,933</u>	<u>\$ 139,647,622</u>	<u>\$ 28,549,865</u>	<u>\$ -</u>	<u>\$ 215,288,700</u>

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Final Budget
Year ended June 30, 2023

	General Operating Fund	General Fund CIP	Structural Fire Entitlement	Self Insurance	Settlement Agreement	Eliminations	Total General Fund 2023
Budgetary fund balance, July 1	\$ 38,717,608	\$ 6,080,702	\$ 4,301,785	\$ 125,039,963	\$ 26,342,543	\$ -	\$ 200,482,601
Resources (inflows):							
Taxes	325,727,253	-	-	-	-	-	325,727,253
Intergovernmental	80,122,924	-	-	-	-	-	80,122,924
Charges for services	146,558,695	-	-	30,754,757	-	(30,754,757)	146,558,695
Use of money and property	1,229,483	-	54,184	2,084,397	413,455	(1,377,500)	2,404,019
Miscellaneous	33,467,277	-	-	-	-	-	33,467,277
Transfers in	3,097,603	9,500,000	-	-	2,668,000	(12,168,000)	3,097,603
Sale of capital assets	5,000	-	-	-	-	-	5,000
Insurance recoveries	92,399	-	-	82,855	-	-	175,254
Total resources (inflows)	<u>590,300,634</u>	<u>9,500,000</u>	<u>54,184</u>	<u>32,922,009</u>	<u>3,081,455</u>	<u>(44,300,257)</u>	<u>591,558,025</u>
Amounts available for appropriations	<u>629,018,242</u>	<u>15,580,702</u>	<u>4,355,969</u>	<u>157,961,972</u>	<u>29,423,998</u>	<u>(44,300,257)</u>	<u>792,040,626</u>
Charges to appropriations (outflows):							
Salaries and benefits	451,334,196	-	-	-	-	(30,754,757)	420,579,439
Services and supplies	105,047,439	13,064,842	4,301,785	17,212,913	2,198,000	-	141,824,979
Capital outlay	3,756,136	2,339,643	-	-	-	-	6,095,779
Interest and fiscal charges	1,377,500	-	-	-	-	(1,377,500)	-
Transfers out	26,110,226	-	-	-	-	(12,168,000)	13,942,226
Total charges to appropriations	<u>587,625,497</u>	<u>15,404,485</u>	<u>4,301,785</u>	<u>17,212,913</u>	<u>2,198,000</u>	<u>(44,300,257)</u>	<u>582,442,423</u>
Budgetary fund balance, June 30	<u>\$ 41,392,745</u>	<u>\$ 176,217</u>	<u>\$ 54,184</u>	<u>\$ 140,749,059</u>	<u>\$ 27,225,998</u>	<u>\$ -</u>	<u>\$ 209,598,203</u>

Orange County Fire Authority



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Fiduciary Funds

Pension and Other Employee Benefit Trust Funds

Extra Help Retirement Plan

OCFA administers a single-employer, defined benefit pension plan that provides retirement benefits for OCFA's less than half-time and extra help employees hired prior to July 1, 2018. Plan assets are accounted for in the Extra Help Retirement fiduciary fund.

Retiree Medical Plan

OCFA provides a single-employer, defined benefit plan for OCFA's full-time and part-time employees hired prior to January 1, 2007, which provides a monthly grant toward the cost of retirees' health insurance coverage. Plan assets are held in an irrevocable trust for the exclusive benefit of Plan participants and are administered by the Orange County Employees Retirement System (OCERS).

ORANGE COUNTY FIRE AUTHORITY
Fiduciary Funds
Pension and Other Employee Benefit Trust Funds
Combining Schedule of Fiduciary Net Position
June 30, 2023
(With Comparative Data for Prior Year)

	Extra Help Retirement	Retiree Medical Plan	Total Pension and Other Employee Benefit Trust Funds	
			2023	2022
Assets:				
Cash and investments:				
Local Agency Investment Fund:				
Domestic fixed income	\$ 18,558	\$ -	\$ 18,558	\$ 50,154
Pooled amounts held in trust with OCERS	-	52,013,173	52,013,173	60,362,996
Total cash and investments	18,558	52,013,173	52,031,731	60,413,150
Receivables:				
Other receivables	-	19,889	19,889	18,254
Total assets	18,558	52,033,062	52,051,620	60,431,404
Liabilities:				
Accrued liabilities	-	1,019,027	1,019,027	934,984
Total liabilities	-	1,019,027	1,019,027	934,984
Net position restricted for:				
Pensions	18,558	-	18,558	50,154
Postemployment benefits other than pensions	-	51,014,035	51,014,035	59,446,266
Total net position	\$ 18,558	\$ 51,014,035	\$ 51,032,593	\$ 59,496,420

ORANGE COUNTY FIRE AUTHORITY
Fiduciary Funds
Pension and Other Employee Benefit Trust Funds
Combining Schedule of Changes in Fiduciary Net Position
Year ended June 30, 2023
(With Comparative Data for Prior Year)

	Extra Help Retirement	Retiree Medical Plan	Total Pension and Other Employee Benefit Trust Funds	
			2023	2022
Additions:				
Contributions:				
Employer	\$ 540	\$ 3,238,768	\$ 3,239,308	\$ 17,372,300
Plan members	-	1,628,619	1,628,619	1,842,066
Total contributions	540	4,867,387	4,867,927	19,214,366
Net investment income:				
Total investment income (loss)	1,166	(4,304,726)	(4,303,560)	7,090,184
Investment fees and expenses	-	(378,398)	(378,398)	(348,148)
Total net investment income (loss)	1,166	(4,683,124)	(4,681,958)	6,742,036
Total additions	1,706	184,263	185,969	25,956,402
Deductions:				
Benefits and refunds paid to plan members and beneficiaries	33,302	8,592,854	8,626,156	8,440,288
Administrative expenses	-	23,640	23,640	23,640
Total deductions	33,302	8,616,494	8,649,796	8,463,928
Change in net position	(31,596)	(8,432,231)	(8,463,827)	17,492,474
Net position, beginning of year	50,154	59,446,266	59,496,420	42,003,946
Net position, end of year	\$ 18,558	\$ 51,014,035	\$ 51,032,593	\$ 59,496,420

Orange County Fire Authority



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Statistical Section



ORANGE COUNTY FIRE AUTHORITY

Overview of the Statistical Section

The Statistical Section provides a context for understanding information in the financial statements, note disclosures and required supplementary information and how that information relates to the OCFA's overall financial health. The detailed schedules presented in the Statistical Section are grouped into five sections pertaining to financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information.

Financial Trends Information – These schedules contain trend information to assist the reader in understanding how the OCFA's financial performance and well-being have changed over time.

Revenue Capacity Information – These schedules contain information to assist the reader in assessing property taxes, the OCFA's most significant local revenue source.

Debt Capacity Information – These schedules present information to assist the reader in assessing the affordability of the OCFA's current levels of outstanding debt and its ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the OCFA's financial activities take place.

Operating Information – These schedules contain data to assist the reader in understanding how the information in the financial report relates to the services provided by and the activities performed by the OCFA.

Orange County Fire Authority



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ORANGE COUNTY FIRE AUTHORITY

Financial Trends Information

Net Position by Component – Presents net position of the OCFA’s governmental activities by the three individual components of net position for each of the last ten fiscal years.

Changes in Net Position – Presents the changes in net position of governmental activities for each of the last ten fiscal years.

Fund Balances of Governmental Funds – Presents information on the fund balances of the General Fund and the aggregate of all other governmental funds for each of the last ten fiscal years.

Changes in Fund Balances of Governmental Funds – Presents information on the changes in fund balances for total governmental funds for each of the last ten fiscal years, including the ratio of debt service expenditures to noncapital expenditures.

ORANGE COUNTY FIRE AUTHORITY
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	\$ 180,917,654	\$ 190,800,116	\$ 187,910,677	\$ 192,430,467
Restricted (3)	1,782,690	1,789,593	2,870,622	3,843,218
Unrestricted (3)	<u>61,054,271</u>	<u>(361,714,082)</u>	<u>(351,445,217)</u>	<u>(373,047,732)</u>
		(1)		
Total governmental activities net position	<u>\$ 243,754,615</u>	<u>\$ (169,124,373)</u>	<u>\$ (160,663,918)</u>	<u>\$ (176,774,047)</u>

SOURCE: OCFA Annual Comprehensive Financial Reports

NOTES:

(1) GASB Statement No. 68 was implemented during Fiscal Year 2014/15, which required a \$362 million restatement to beginning net position in order to fully reflect net OCFA's net pension liabilities. This adjustment contributed to an overall negative balance in unrestricted net position as of June 30, 2015 and in subsequent fiscal years.

(2) GASB Statements No. 74, 75, and 85 were implemented during Fiscal Year 2017/18, which required a \$153 million restatement to beginning net position in order to fully reflect net OCFA's net OPEB liabilities. This adjustment contributed to the increased negative balance in unrestricted net position as of June 30, 2018 and thereafter.

(3) Restricted and unrestricted net position have been revised for comparability with current fiscal year calculations. Amounts shown on this schedule for years prior to Fiscal Year 2021/22 may vary from the amounts originally reported in the financial statements.

(4) Restricted net position as of June 30, 2023, included \$16,931,500 in one-time state funding for a new hand crew facility and equipment, and \$12,530,156 for in unspent debt proceeds from the 2022 helicopter lease purchase agreement.

2018	2019	2020	2021	2022	2023
\$ 207,951,822	\$ 218,642,679	\$ 217,317,435	\$ 214,278,884	\$ 214,082,791	\$ 209,059,816
3,910,033	4,057,904	6,330,588	7,541,066	10,098,718	42,216,444 (4)
<u>(511,315,301)</u> (2)	<u>(520,770,897)</u>	<u>(498,312,821)</u>	<u>(429,331,899)</u>	<u>(270,987,934)</u>	<u>(188,879,355)</u>
<u>\$ (299,453,446)</u>	<u>\$ (298,070,314)</u>	<u>\$ (274,664,798)</u>	<u>\$ (207,511,949)</u>	<u>\$ (46,806,425)</u>	<u>\$ 62,396,905</u>

ORANGE COUNTY FIRE AUTHORITY
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Governmental Activities	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Expenses - public safety:				
Salaries and benefits	\$ 266,764,367	\$ 335,419,737	\$ 316,292,785	\$ 327,515,166
Services and supplies	47,912,808	46,073,201	35,127,573	52,819,125
Depreciation and amortization	9,612,453	9,050,195	9,267,982	9,512,777
Interest on long-term debt	311,327	582,565	917,320	133,239
Total program expenses	<u>324,600,955</u>	<u>391,125,698</u>	<u>361,605,660</u>	<u>389,980,307</u>
Program revenues - public safety:				
Charges for services	106,874,513	113,150,325	117,263,679	121,875,157
Operating grants and contributions	10,339,966	11,410,019	12,165,015	11,992,438
Capital grants and contributions	1,462,540	9,182,195	3,331,088	1,040,129
Total program revenues	<u>118,677,019</u>	<u>133,742,539</u>	<u>132,759,782</u>	<u>134,907,724</u>
Net program revenues (expenses)	<u>(205,923,936)</u>	<u>(257,383,159)</u>	<u>(228,845,878)</u>	<u>(255,072,583)</u>
General revenues:				
Property taxes	190,873,689	205,141,237	219,840,417	232,832,758
Investment income (4)	982,541	946,282	1,848,365	1,236,818
Gain on disposal of capital assets	21,834	63,953	6,000	657,944
Miscellaneous (4)	1,040,664	1,128,586	2,629,203	4,234,934
Total general revenues	<u>192,918,728</u>	<u>207,280,058</u>	<u>224,323,985</u>	<u>238,962,454</u>
Changes in net position	<u>\$ (13,005,208)</u>	<u>\$ (50,103,101)</u>	<u>\$ (4,521,893)</u>	<u>\$ (16,110,129)</u>
		(1)		

SOURCE: OCFA Annual Comprehensive Financial Reports

NOTES:

(1) GASB Statement No. 68 was implemented during Fiscal Year 2014/15, which required that pension expense be adjusted annually to fully reflect the accrual-based cost incurred during the year. OCFA recognized an increase to its pension expense totaling \$39.9 million during the year ended June 30, 2015. That amount is included within salaries and benefits.

(2) GASB Statements No. 74, 75 and 85 were implemented during Fiscal Year 2017/18, which required that OPEB expense be adjusted annually to fully reflect the accrual-based cost incurred during the year. During the year ended June 30, 2018, OCFA recognized a decrease to its salary and benefits totaling \$7.2 million due to the implementation of these GASB statements.

(3) The City of Garden Grove became a member city of OCFA during Fiscal Year 2019/20 (August 2019).

(4) Beginning in Fiscal Year 2020/21, lease revenues from the RFOTC cell tower and Fullerton Airport hangar were reported as investment income rather than miscellaneous revenue. Amounts shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the amounts originally reported in the financial statements.

2018	2019	2020	2021	2022	2023
\$ 323,845,042	\$ 339,249,853	\$ 352,573,221	\$ 331,869,650	\$ 249,802,878	\$ 346,185,496
57,275,465	62,877,930	84,600,263	82,748,977	93,296,815	101,221,979
10,084,196	10,531,098	12,137,499	12,961,222	13,232,063	25,712,134
70,751	11,444	-	-	-	1,191,326
<u>391,275,454</u>	<u>412,670,325</u>	<u>449,310,983</u>	<u>427,579,849</u>	<u>356,331,756</u>	<u>474,310,935</u>
132,634,280	128,320,646	156,740,363	169,343,205	174,072,175	173,110,122
13,920,686	15,454,060	29,275,482	31,323,104	38,289,243	52,867,337
16,875,139	454,200	3,850,481	1,332,000	401,221	18,386,450
<u>163,430,105</u>	<u>144,228,906</u>	<u>189,866,326</u>	<u>201,998,309</u>	<u>212,762,639</u>	<u>244,363,909</u>
<u>(227,845,349)</u>	<u>(268,441,419)</u>	<u>(259,444,657)</u>	<u>(225,581,540)</u>	<u>(143,569,117)</u>	<u>(229,947,026)</u>
250,326,172	264,267,387	277,721,815	290,310,882	302,861,759	326,138,528
2,439,702	4,494,924	3,374,813	462,789	(4,799,952)	5,388,518
719,372	-	12,641	174,666	17,777	-
4,838,512	1,062,240	1,740,904	1,786,052	4,020,895	7,623,310
<u>258,323,758</u>	<u>269,824,551</u>	<u>282,850,173</u>	<u>292,734,389</u>	<u>302,100,479</u>	<u>339,150,356</u>
<u>\$ 30,478,409</u>	<u>\$ 1,383,132</u>	<u>\$ 23,405,516</u>	<u>\$ 67,152,849</u>	<u>\$ 158,531,362</u>	<u>\$ 109,203,330</u>
(2)		(3)			

ORANGE COUNTY FIRE AUTHORITY
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
General Fund:				
Nonspendable	\$ 30,560,638	\$ 31,127,148	\$ 36,779,845	\$ 33,750,548
Restricted (1)	738,650	1,256,361	2,337,390	3,309,986
Committed	784,617	691,265	584,464	549,651
Assigned (1)	61,263,536	69,333,798	78,934,013	78,400,495
Unassigned	22,156,848	17,864,685	34,421,993	31,346,672
Total General Fund	<u>\$ 115,504,289</u>	<u>\$ 120,273,257</u>	<u>\$ 153,057,705</u>	<u>\$ 147,357,352</u>
All other governmental funds:				
Nonspendable	\$ 284,349	\$ 32,946	\$ -	\$ 4,608
Restricted	1,044,040	533,232	533,232	533,232
Assigned	64,340,833	56,050,351	55,779,948	65,015,386
Total all other governmental funds	<u>\$ 65,669,222</u>	<u>\$ 56,616,529</u>	<u>\$ 56,313,180</u>	<u>\$ 65,553,226</u>

SOURCE: OCFA Annual Comprehensive Financial Reports

NOTES:

(1) General Fund restricted and assigned fund balance totals have been revised for comparability with current fiscal year calculations. Amounts shown on this schedule for years prior to Fiscal Year 2021/22 may vary from the amounts originally reported in the financial statements.

	2018	2019	2020	2021	2022	2023
\$	34,800,682	\$ 36,732,385	\$ 42,700,572	\$ 41,707,145	\$ 35,424,785	\$ 32,542,882
	3,376,801	3,666,427	5,939,111	7,106,303	9,487,598	12,044,728
	1,496,954	1,338,850	1,288,272	1,120,950	4,301,785	3,519,541
	83,074,597	94,306,294	106,306,363	119,954,162	132,511,586	154,226,631
	<u>35,352,256</u>	<u>32,680,670</u>	<u>34,353,935</u>	<u>20,391,894</u>	<u>18,756,847</u>	<u>26,725,234</u>
\$	<u>158,101,290</u>	<u>\$ 168,724,626</u>	<u>\$ 190,588,253</u>	<u>\$ 190,280,454</u>	<u>\$ 200,482,601</u>	<u>\$ 229,059,016</u>
\$	25,216	\$ 13,725	\$ 4,247	\$ 14,255	\$ 5,087	\$ 25,589
	533,232	391,477	391,477	434,763	611,120	30,171,716
	<u>59,924,778</u>	<u>45,076,939</u>	<u>42,451,644</u>	<u>49,295,111</u>	<u>42,895,548</u>	<u>50,696,852</u>
\$	<u>60,483,226</u>	<u>\$ 45,482,141</u>	<u>\$ 42,847,368</u>	<u>\$ 49,744,129</u>	<u>\$ 43,511,755</u>	<u>\$ 80,894,157</u>

ORANGE COUNTY FIRE AUTHORITY
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30			
	2014	2015	2016	2017
Revenues:				
Taxes	\$ 190,873,689	\$ 205,141,237	\$ 219,840,417	\$ 232,832,758
Intergovernmental	19,111,811	23,565,214	25,978,081	29,069,065
Charges for services	97,705,183	102,000,677	103,830,436	106,061,060
Use of money and property (2)	1,091,815	947,940	1,865,616	1,503,122
Miscellaneous (1,2)	1,537,556	1,595,318	2,606,413	4,365,243
Developer contributions	1,271,400	8,307,207	3,233,082	962,627
Total revenues	311,591,454	341,557,593	357,354,045	374,793,875
Expenditures:				
Current - public safety:				
Salaries and benefits	257,134,030	285,988,997	294,414,084	309,507,433
Services and supplies	40,187,878	40,490,370	36,303,618	48,087,618
Capital outlay	7,681,418	16,644,798	3,996,650	12,116,937
Debt service:				
Principal retirement	2,219,152	2,276,963	2,336,279	2,397,140
Interest and fiscal charges	421,845	585,501	935,881	400,887
Issuance costs	-	-	-	-
Total expenditures	307,644,323	345,986,629	337,986,512	372,510,015
Excess (deficiency) of revenues over (under) expenditures	3,947,131	(4,429,036)	19,367,533	2,283,860
Other financing sources (uses):				
Transfers in	5,370,375	6,845,320	78,187	33,724,099
Transfers out	(5,370,375)	(6,845,320)	(78,187)	(33,724,099)
Issuance of long-term debt	-	-	-	-
Sale of capital assets (1)	57,843	112,363	9,930	37,400
Insurance recoveries	360,803	32,948	121,288	1,218,433
Total other financing sources (uses)	418,646	145,311	131,218	1,255,833
Net change in fund balances	\$ 4,365,777	\$ (4,283,725)	\$ 19,498,751	\$ 3,539,693
Debt service as a percentage of noncapital expenditures	0.9%	0.9%	1.0%	0.8%

SOURCE: OCFA Annual Comprehensive Financial Reports

NOTES:

(1) Beginning in Fiscal Year 2018/19, proceeds from sale of certain non-capital assets were reported as miscellaneous revenue rather than sale of capital assets. Amounts shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the amounts originally reported in the financial statements.

(2) Beginning in Fiscal Year 2020/21, lease revenues from the RFOTC cell tower and Fullerton Airport hangar were reported as use of money and property rather than miscellaneous revenue. Amounts shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the amounts originally reported in the financial statements.

2018	2019	2020	2021	2022	2023
\$ 250,326,172	\$ 264,267,387	\$ 277,721,815	\$ 290,310,882	\$ 302,861,759	\$ 326,138,528
37,063,147	28,521,605	41,258,003	58,266,113	57,726,610	76,482,399
108,750,420	113,719,047	138,641,512	138,809,882	146,007,793	150,519,860
2,827,492	4,816,165	3,700,453	499,035	(4,799,952)	5,388,518
4,343,194	1,170,010	6,184,387	3,978,404	11,128,699	23,827,236
3,545,139	454,200	679,800	1,317,000	401,221	1,051,583
<u>406,855,564</u>	<u>412,948,414</u>	<u>468,185,970</u>	<u>493,181,316</u>	<u>513,326,130</u>	<u>583,408,124</u>
340,720,267	346,953,705	375,032,147	406,935,192	419,386,430	420,178,243
49,871,973	49,488,301	67,271,454	71,567,532	80,857,120	101,727,388
9,970,652	20,095,072	7,790,083	9,753,190	12,963,172	72,330,715
2,459,589	1,253,718	-	-	-	-
459,924	333,385	325,640	36,246	-	-
-	-	-	-	-	43,092
<u>403,482,405</u>	<u>418,124,181</u>	<u>450,419,324</u>	<u>488,292,160</u>	<u>513,206,722</u>	<u>594,279,438</u>
<u>3,373,159</u>	<u>(5,175,767)</u>	<u>17,766,646</u>	<u>4,889,156</u>	<u>119,408</u>	<u>(10,871,314)</u>
-	2,150,000	8,000,000	11,059,336	13,877,532	17,039,829
-	(2,150,000)	(8,000,000)	(11,059,336)	(13,877,532)	(17,039,829)
-	-	-	-	12,690	76,593,238
844,512	22,548	142,044	147,194	30,679	2,730
<u>1,456,267</u>	<u>775,470</u>	<u>1,320,164</u>	<u>1,552,612</u>	<u>1,632,834</u>	<u>234,163</u>
<u>2,300,779</u>	<u>798,018</u>	<u>1,462,208</u>	<u>1,699,806</u>	<u>1,676,203</u>	<u>76,830,131</u>
<u>\$ 5,673,938</u>	<u>\$ (4,377,749)</u>	<u>\$ 19,228,854</u>	<u>\$ 6,588,962</u>	<u>\$ 1,795,611</u>	<u>\$ 65,958,817</u>
0.7%	0.4%	0.1%	0.0%	0.0%	0.0%

Orange County Fire Authority



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ORANGE COUNTY FIRE AUTHORITY

Revenue Capacity Information

Assessed Value and Estimated Actual Value of Taxable Property – Presents information on the assessed property values of each city and the unincorporated area within the OCFA’s jurisdiction for each of the last ten fiscal years.

Property Tax Rates of Direct and Overlapping Governments – Presents the County of Orange’s direct property tax rate, as well as the rates of any overlapping governments that are applied to the same revenue base.

Principal Property Tax Payers – Presents information about the OCFA’s ten largest property tax payers for the current fiscal year, as compared to nine fiscal years ago.

Property Tax Levies and Collections – Presents information on the levy and subsequent collection of OCFA’s property taxes for each of the last ten fiscal years.

ORANGE COUNTY FIRE AUTHORITY
Assessed Value (1) and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(dollars in thousands)

Jurisdiction	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
Buena Park	\$ 7,886,342	\$ 8,313,496	\$ 8,769,022	\$ 9,229,491
Garden Grove (4)	n/a	n/a	n/a	n/a
Placentia (5)	5,203,417	5,519,085	5,878,473	6,133,423
San Clemente	12,824,727	13,666,851	14,447,434	15,269,878
Santa Ana	21,119,683	22,075,383	23,013,226	23,886,126
Seal Beach	4,580,472	4,891,060	5,081,691	5,167,629
Stanton	2,144,270	2,297,508	2,433,266	2,569,937
Tustin	9,732,381	10,292,805	11,004,027	11,577,792
Westminster	7,176,141	7,628,669	8,279,644	8,410,335
Total cash contract cities (3)	70,667,433	74,684,857	78,906,783	82,244,611
Aliso Viejo	7,877,812	8,440,740	8,765,964	9,262,105
Cypress	5,854,809	6,104,218	6,463,650	6,751,019
Dana Point	9,126,750	9,787,132	10,513,667	11,209,516
Irvine	51,002,248	55,693,885	60,912,694	65,754,243
Laguna Hills	5,643,545	5,961,947	6,256,109	6,506,374
Laguna Niguel	12,402,919	13,270,851	14,015,647	14,571,803
Laguna Woods	2,237,288	2,424,736	2,620,217	2,772,774
Lake Forest	11,238,775	11,920,081	12,672,969	13,710,657
La Palma	1,744,907	1,829,353	1,904,950	1,998,105
Los Alamitos	1,674,933	1,778,110	1,887,771	1,961,259
Mission Viejo	13,639,460	14,533,544	15,262,434	15,835,376
Rancho Santa Margarita	6,759,144	7,231,597	7,572,862	7,810,951
San Juan Capistrano	6,039,344	6,443,224	6,828,239	7,190,143
Villa Park	1,466,599	1,527,255	1,596,806	1,674,085
Yorba Linda	11,857,840	12,668,130	13,488,124	14,098,053
Unincorporated	21,915,863	23,573,390	24,999,336	26,380,370
Total SFF jurisdictions (2)	170,482,236	183,188,193	195,761,439	207,486,833
Percentage change from prior year	3.40%	7.45%	6.86%	5.99%
Total assessed valuation	\$ 241,149,669	\$ 257,873,050	\$ 274,668,222	\$ 289,731,444
Total direct tax rate	0.11%	0.11%	0.11%	0.11%

SOURCE: County of Orange, Auditor-Controller, Assessed Valuations by Fiscal Year

http://acweb1.ocgov.com/ac/txfdr_Civica/av/

NOTES:

- (1) Assessed value is stated at taxable full cash value. These values may include an increased value over the base year for that portion of the city or district which lies within a redevelopment agency.
- (2) Assessed value for these cities is part of the Structural Fire Fund (SFF).
- (3) Cities pay for services on a cash contract basis. Assessed value is shown for comparison only.
- (4) The City of Garden Grove joined OCFA on August 16, 2019.
- (5) The City of Placentia was no longer a member of the OCFA beginning in Fiscal Year 2020/21.

FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
\$ 9,771,180	\$ 10,534,143	\$ 11,010,946	\$ 11,489,594	\$ 11,855,322	\$ 12,589,754
n/a	n/a	17,647,291	18,531,828	19,305,133	20,300,953
6,445,280	6,778,269	7,057,342	n/a	n/a	n/a
16,078,965	16,904,336	17,783,910	18,559,898	19,331,274	20,620,279
25,232,515	26,520,241	27,943,961	29,080,200	30,541,317	32,471,833
5,428,187	5,625,920	5,981,331	6,200,421	6,402,225	6,857,456
2,679,870	2,836,469	3,015,953	3,303,024	3,635,925	3,847,721
12,399,614	13,043,122	13,658,894	14,373,207	14,813,295	15,767,388
8,907,507	9,391,194	9,801,405	10,290,576	10,675,124	11,263,281
<u>86,943,118</u>	<u>91,633,694</u>	<u>113,901,033</u>	<u>111,828,748</u>	<u>116,559,615</u>	<u>123,718,665</u>
9,757,603	10,320,678	10,706,653	11,057,982	11,357,670	11,852,955
7,049,085	7,492,895	7,865,560	8,175,217	8,469,982	9,069,906
12,184,560	12,716,978	13,330,883	13,901,090	14,477,213	15,778,385
71,898,708	78,439,756	85,045,012	90,058,179	95,193,732	100,230,096
6,744,152	7,169,367	7,360,865	7,648,234	7,983,815	8,263,937
15,341,994	15,925,158	16,566,379	17,211,775	17,682,694	18,623,846
2,949,710	3,141,574	3,308,199	3,655,931	3,634,773	3,775,181
14,701,561	15,968,847	17,239,225	17,826,418	18,890,933	20,061,522
2,042,167	2,137,829	2,218,935	2,294,417	2,379,789	2,494,402
2,068,339	2,165,016	2,279,998	2,430,512	2,609,209	2,763,749
16,538,595	17,362,619	18,087,505	18,749,279	19,367,780	20,452,244
8,247,183	8,640,697	8,947,481	9,238,425	9,475,954	9,997,272
7,600,135	7,959,762	8,336,034	8,820,714	9,244,605	9,826,866
1,755,259	1,836,352	1,912,173	1,993,610	2,071,954	2,197,619
14,862,265	15,623,191	16,292,118	16,933,257	17,534,010	18,505,831
28,230,720	29,526,544	31,132,442	32,498,066	33,578,578	35,923,481
<u>221,972,036</u>	<u>236,427,263</u>	<u>250,629,462</u>	<u>262,493,106</u>	<u>273,952,691</u>	<u>289,817,292</u>
6.98%	6.51%	6.01%	4.73%	4.37%	5.79%
<u>\$ 308,915,154</u>	<u>\$ 328,060,957</u>	<u>\$ 364,530,495</u>	<u>\$ 374,321,854</u>	<u>\$ 390,512,306</u>	<u>\$ 413,535,957</u>
0.11%	0.11%	0.11%	0.11%	0.11%	0.11%

(5) In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

ORANGE COUNTY FIRE AUTHORITY
Property Tax Rates of Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30	County of Orange (B)			OCFA (B)
	Overlapping	Direct		Direct
	Basic Operating Levy	Debt Service	Total	Basic Operating Levy
2014	1.00000	0.00000	1.00000	0.0011
2015	1.00000	0.00000	1.00000	0.0011
2016	1.00000	0.00000	1.00000	0.0011
2017	1.00000	0.00000	1.00000	0.0011
2018	1.00000	0.00000	1.00000	0.0011
2019	1.00000	0.00000	1.00000	0.0011
2020	1.00000	0.00000	1.00000	0.0011
2021	1.00000	0.00000	1.00000	0.0011
2022	1.00000	0.00000	1.00000	0.0011
2023	1.00000	0.00000	1.00000	0.0011
	(A)	(A)		(C)

SOURCE:

- (A) County of Orange, Auditor-Controller, Tax Rate Books by Fiscal Year
<http://acdcweb01.ocgov.com/about/central-accounting/property-tax-accounting/tax-rate-book>
- (B) Data for the entire County of Orange is not limited to the cities/unincorporated areas served by the Orange County Fire Authority. Data for OCFA is limited to its member cities that are part of the Structural Fire Fund (SFF).
- (C) Direct tax rate calculation per the "Assessed Value and Estimated Actual Value of Taxable Property" schedule included in this report.

NOTE: This schedule presents tax rates per \$100 of assessed/full cash value.

ORANGE COUNTY FIRE AUTHORITY
Principal Property Tax Payers
Current and Nine Years Ago
(Dollars in Thousands)

Property Tax Payer	Fiscal Year 2013/14 (A)			Fiscal Year 2022/23 (B)		
	Actual Taxes		Percent of	Actual Taxes		Percent
	Levied	Rank	Total Taxes Levied	Levied	Rank	of Total Taxes Levied
Irvine Company	\$ 114,098	1	2.22%	\$ 191,000	1	2.45%
Walt Disney Parks & Resorts U.S.	\$ 51,566	2	1.00%	\$ 73,265	2	0.94%
Southern California Edison Company (Edison International)	\$ 33,028	3	0.64%	\$ 58,007	3	0.74%
Sempra Energy (SDG&E, Southern California Gas)	\$ 4,356	10	0.08%	\$ 17,884	4	0.23%
United Laguna Hills Mutual (Laguna Woods)	\$ 7,072	6	0.14%	\$ 12,231	5	0.16%
BEX Portfolio, Inc.				\$ 8,846	6	0.11%
AES Corporation				\$ 7,930	7	0.10%
Five Point Holdings, LLC				\$ 7,549	8	0.10%
Bella Terra Associates, LLC				\$ 6,480	9	0.08%
LBA IV-PPI LLC (LBA Realty)				\$ 6,312	10	0.08%
Heritage Fields El Toro	\$ 10,107	4	0.20%			
Pacific Bell Telephone Company (AT&T; SBC California)	\$ 8,223	5	0.16%			
Oxy USA, Inc.	\$ 6,175	7	0.12%			
Linn Western Operating, Inc.	\$ 4,690	8	0.09%			
OC/SD Holdings LLC	\$ 4,653	9	0.09%			

SOURCE:

(A) OCFA Annual Comprehensive Financial Report for Fiscal Year 2013/14, which was based on the County of Orange, Treasurer-Tax Collector's "Top 10 Secured Taxpayer List" for Fiscal Year 2013/14.

(B) County of Orange, Treasurer-Tax Collector, Top 20 Secured Taxpayer List for Fiscal Year 2021/22 (<http://www.ttc.ocgov.com/rptstats/stats>). Updated Fiscal Year 2022/23 data is not available from the County of Orange at the time of this report's publication.

NOTE:

This schedule presents data for the entire County of Orange and is not limited to the cities/unincorporated areas served by the Orange County Fire Authority.

ORANGE COUNTY FIRE AUTHORITY
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collection of Prior Year Levies		Collection of Penalties and Interest		Total Collection to Date		Collection of Property Tax Increment Pass-Through (1)	
		Amount	% of Levy	Teeter Plan	Delinquencies and Other	Delinquency Penalties	Interest	Total Amounts Collected	% of Levy	RDA	H&S
2014	\$192,876	\$187,828	97.4%	\$ 1,371	\$ 49	\$ 32	\$ 37	\$189,317	98.2%	\$ 6,958	\$ 208
2015	\$207,775	\$202,356	97.4%	\$ 1,336	\$ 50	\$ 32	\$ 38	\$203,812	98.1%	\$ 8,110	\$ 605
2016	\$224,452	\$216,219	96.3%	\$ 1,368	\$ 157	\$ 38	\$ 73	\$217,855	97.1%	\$ 9,180	\$ 639
2017	\$237,082	\$229,934	97.0%	\$ 1,329	\$ 140	\$ 35	\$ 105	\$231,543	97.7%	\$ 9,237	\$ 662
2018	\$253,371	\$246,607	97.3%	\$ 1,461	\$ 156	\$ 36	\$ 189	\$248,449	98.1%	\$ 11,095	\$ 694
2019	\$267,727	\$262,561	98.1%	\$ 1,737	\$ 149	\$ 42	\$ 248	\$264,737	98.9%	\$ 9,627	\$ 732
2020	\$280,282	\$273,453	97.6%	\$ 2,202	\$ 165	\$ 47	\$ 342	\$276,209	98.5%	\$ 13,256	\$ 774
2021	\$292,841	\$286,140	97.7%	\$ 1,825	\$ 257	\$ 68	\$ 206	\$288,496	98.5%	\$ 15,265	\$ 812
2022	\$308,133	\$299,004	97.0%	\$ 2,089	\$ 199	\$ 50	\$ 79	\$301,421	97.8%	\$ 16,897	\$ 325
2023	\$331,928	\$321,782	96.9%	\$ 2,336	\$ (78)	\$ 38	\$ 404	\$324,482	97.8%	\$ 16,846	\$ 870

SOURCE:

County of Orange, Auditor-Controller, Tax Ledger Detail by Fiscal Year

Tax Ledger Selection C84 Orange County Fire Authority

http://tax.ocgov.com/acledger/choice_eGov.asp

NOTES:

- (1) Upon dissolution of California redevelopment agencies during Fiscal Year 2011/12, property tax increment formerly remitted to OCFA by its member city redevelopment agencies was instead deposited into the newly formed Redevelopment Property Tax Trust Fund (RPTTF) from which the Auditor/Controller made disbursements on behalf of the successor agencies. There is no tax levy associated with these collections; thus, they have been excluded from the "% of levy collected" calculations.

ORANGE COUNTY FIRE AUTHORITY

Debt Capacity Information

Ratios of Outstanding Debt by Type – Presents information on the OCFA’s total outstanding debt for each of the last ten fiscal years, including the ratio of outstanding debt to median family income and the calculation of outstanding debt per capita.

The following schedules are not included in OCFA’s Annual Comprehensive Financial Report:

Computation of Legal Debt Margin – OCFA is not subject to a legal debt margin.

Ratios of General Bonded Debt Outstanding – OCFA has not had any bonded debt outstanding for the last ten fiscal years.

Pledged Revenue Coverage – Debt of OCFA is not secured by a pledged revenue stream.

Computation of Direct and Overlapping Debt – This schedule is not required for regional governments such as OCFA.

ORANGE COUNTY FIRE AUTHORITY
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year Ended June 30	Governmental Activities (A)		(B)	(C)		
	Capital Lease Purchase Agreements	Total Outstanding Debt	County of Orange Median Household Income	Debt as a Percentage of Household Income	Population (OCFA Jurisdiction Only)	Debt per Capita
2014	\$ 10,724	\$ 10,724	\$85	12616.5%	1,734	\$6
2015	\$ 8,447	\$ 8,447	\$86	9822.1%	1,755	\$5
2016	\$ 6,110	\$ 6,110	\$85	7188.2%	1,784	\$3
2017	\$ 3,713	\$ 3,713	\$88	4219.3%	1,793	\$2
2018	\$ 1,254	\$ 1,254	\$93	1348.4%	1,808	\$1
2019	\$ -	\$ -	\$98	0.0%	1,808	\$0
2020	\$ -	\$ -	\$103	0.0%	1,966	\$0 (1)
2021	\$ -	\$ -	\$107	0.0%	1,891	\$0 (2)
2022	\$ -	\$ -	\$119	0.0%	1,910	\$0
2023	\$ 57,882	\$ 57,882	\$128	45220.3%	1,894	\$31

SOURCES:

- (A) Details regarding OCFA's outstanding debt can be found in the notes to the financial statements.
- (B) U.S. Department of Housing and Urban Development, Median Family Income Documentation System by Fiscal Year (estimate) <http://www.huduser.org/portal/datasets/il.html>
- (C) California Department of Finance, Population and Housing Estimates as of January 1 <http://www.dof.ca.gov/forecasting/demographics/estimates>

NOTES:

- (1) The population data presented in this schedule includes only the cities and unincorporated county areas served by the OCFA. Since the City of Garden Grove became a member of the OCFA in August 2019, its population data is included with population totals beginning in Fiscal Year 2019/20. The Fiscal Year 2019/20 population total includes 174,801 for the City of Garden Grove.
- (2) The population data presented in this schedule includes only the cities and unincorporated county areas served by the OCFA. Since the City of City of Placentia is no longer a member of the OCFA effective July 1, 2020, its population data is not included with population totals beginning in Fiscal Year 2020/21. The Fiscal Year 2020/21 population total excludes 51,173 for the City of Placentia.

ORANGE COUNTY FIRE AUTHORITY

Demographic and Economic Information

Demographic and Economic Indicators – Presents information regarding population, personal income, per capita income and the unemployment rate for the County of Orange for each of the last ten fiscal years.

Population and Housing Statistics – Presents information on population and housing units of each city and the unincorporated area within the OCFA’s jurisdiction for the current fiscal year, as compared to nine fiscal years ago.

Principal Employers – Presents information about the ten largest employers within the County of Orange’s jurisdiction for the current fiscal year, as compared to nine fiscal years ago.

ORANGE COUNTY FIRE AUTHORITY
Demographic and Economic Indicators
Last Ten Fiscal Years
(amounts in thousands)

Fiscal Year Ended June 30	(A)	(B)		(C)
	Population of Orange County	Total Personal Income	Per Capita Income	Unemployment Rate
2014	3,114	\$ 179,141,000	\$ 57,528	5.7
2015	3,147	\$ 193,081,000	\$ 61,354	4.7
2016	3,183	\$ 200,783,000	\$ 63,080	4.3
2017	3,194	\$ 205,052,000	\$ 64,199	3.8
2018	3,221	\$ 212,807,000	\$ 66,069	3.2
2019	3,222	\$ 221,716,000	\$ 68,813	3.0
2020	3,194	\$ 241,153,000	\$ 75,502	13.1
2021	3,154	\$ 256,700,000	\$ 81,389	6.9
2022	3,162	\$ 257,865,000	\$ 81,551	3.2
2023	3,137	\$ 266,043,000	\$ 84,808	3.7

SOURCES:

- (A) California Department of Finance
 Population and Housing Estimates Table E-5, As of January 1
<http://www.dof.ca.gov/forecasting/demographics/estimates>

- (B) Chapman University Economic & Business Review
 Annual History and Forecasts
 Years 2018 - 2022 have been updated with revised data available as of June 30, 2023.
 The most recent year (2023) is a forecasted estimate.

- (C) Bureau of Labor Statistics (<https://www.bls.gov/data/>), Local Area Unemployment Statistics, Anaheim-Santa Ana-Irvine, CA Metropolitan Statistical Area. Figures reflect revised inputs, re-estimation, and new statewide control, if applicable. Unemployment rate is the monthly rate for June of the applicable fiscal year (i.e., June 2023 for FY 2022/23). The amount reported for the most recent fiscal year is based on preliminary BLS data.

NOTE:

Data presented on this schedule is for the County of Orange and is not limited to the cities/county unincorporated areas served by the OCFA.

ORANGE COUNTY FIRE AUTHORITY
Population and Housing Statistics
Current and Nine Years Ago

Jurisdiction	Population			Housing Units		
	2014	2023	% Change	2014	2023	% Change
Aliso Viejo	49,951	50,766	1.6%	19,342	20,189	4.4%
Buena Park	82,344	83,517	1.4%	24,711	25,868	4.7%
Cypress	48,886	49,818	1.9%	16,128	16,995	5.4%
Dana Point	34,037	33,155	-2.6%	15,964	16,534	3.6%
Garden Grove (1)	173,953	171,183	-1.6%	47,723	49,203	3.1%
Irvine	242,651	303,051	24.9%	90,562	125,211	38.3%
Laguna Hills	30,857	30,525	-1.1%	10,995	11,433	4.0%
Laguna Niguel	64,460	64,702	0.4%	25,424	27,827	9.5%
Laguna Woods	16,581	17,450	5.2%	13,079	13,414	2.6%
Lake Forest	79,139	87,127	10.1%	27,257	31,631	16.0%
La Palma	15,896	15,332	-3.5%	5,234	5,275	0.8%
Los Alamitos	11,729	12,129	3.4%	4,380	4,541	3.7%
Mission Viejo	95,334	91,846	-3.7%	34,300	35,116	2.4%
Rancho Santa Margarita	48,834	47,066	-3.6%	17,284	17,606	1.9%
San Clemente	64,874	63,237	-2.5%	26,025	26,757	2.8%
San Juan Capistrano	35,900	35,089	-2.3%	12,160	12,570	3.4%
Santa Ana	331,953	299,630	-9.7%	77,133	82,058	6.4%
Seal Beach	24,591	24,647	0.2%	14,539	14,675	0.9%
Stanton	38,963	39,084	0.3%	11,299	12,102	7.1%
Tustin	78,360	79,558	1.5%	26,957	28,405	5.4%
Villa Park	5,935	5,790	-2.4%	2,020	2,030	0.5%
Westminster	91,652	90,498	-1.3%	27,727	28,268	2.0%
Yorba Linda	67,069	67,068	0.0%	22,856	23,763	4.0%
Unincorporated	121,473	132,114	8.8%	39,506	44,578	12.8%
Total OCFA, adjusted (1)	1,855,422	1,894,382	2.1%	612,605	676,049	10.4%
Total non-OCFA (2)	1,258,569	1,242,782	-1.3%	450,361	473,894	5.2%
Total Orange County	<u>3,113,991</u>	<u>3,137,164</u>	0.7%	<u>1,062,966</u>	<u>1,149,943</u>	8.2%
Total OCFA, adjusted	1,855,422			612,605		
Less: Garden Grove totals	(173,953)			(47,723)		
Plus: Placentia totals	52,094			17,066		
Total OCFA, actual as reported nine years ago	<u>1,733,563</u>	<u>1,894,382</u>	9.3%	<u>581,948</u>	<u>676,049</u>	16.2%

SOURCE: California Department of Finance, Population and Housing Estimates Table E-5

As of January 1, 2014 and 2023 <http://www.dof.ca.gov/forecasting/demographics/estimates>

NOTE:

- (1) Before Garden Grove became an OCFA member city in August 2019, the city's data was included in the "non-OCFA" total. However, Garden Grove's 2014 data has been identified separately for comparison purposes.
- (2) Prior to Fiscal Year 2020/21, data for the City of Placentia was presented separately as an OCFA member. Effective July 1, 2020, the city is no longer a member of OCFA and its data is combined in the "non-OCFA" total. Placentia's 2014 data has also been reported in the "non-OCFA" total for comparison purposes.

ORANGE COUNTY FIRE AUTHORITY
Principal Employers
Current and Nine Years Ago

Employer	Fiscal Year 2013/14			Fiscal Year 2022/23		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
University of California, Irvine	21,800	2	1.42%	26,182	1	1.63%
Walt Disney Co.	25,000	1	1.63%	25,000	2	1.56%
County of Orange	17,257	3	1.13%	18,388	3	1.15%
Providence				13,079	4	0.82%
Kaiser Permanente	6,300	6	0.41%	8,800	5	0.55%
Albertsons				7,853	6	0.49%
Hoag Memorial Hospital				7,051	7	0.44%
Walmart, Inc.				6,300	8	0.39%
Target Corporation	5,400	9	0.35%	6,000	9	0.37%
MemorialCare (MemorialCare Health Systems)	5,545	8	0.36%	5,490	10	0.34%
St. Joseph Health System	11,679	4	0.76%			
Boeing Co.	6,873	5	0.45%			
Bank of America Corporation	6,000	7	0.39%			
Cedar Fair, LP	5,200	10	0.34%			

SOURCE:

County of Orange Annual Comprehensive Financial Report for Fiscal Year 2021/22

For years ended June 30, 2022 and 2013

Amounts are reported one year in arrears due to availability of data at time of publication of this document.

<http://acdcweb01.ocgov.com/reports/acfrreports/>

NOTE:

Data presented on this schedule is for the County of Orange and is not limited to the cities/county unincorporated areas served by the OCFA.

ORANGE COUNTY FIRE AUTHORITY

Operating Information

Authorized Positions by Unit – Presents the number of authorized positions by unit for each of the last ten fiscal years.

Frozen Positions by Unit – Presents the number of frozen positions by unit as of June 30 for each of the last ten fiscal years.

Jurisdiction Information – Presents information on the OCFA’s member agencies, square mile area served, population served, and number of fire stations for each of the last ten fiscal years.

Incidents by Major Category Definitions – Provides OCFA’s definitions for categories of major incidents.

Incidents by Type – Presents the number of OCFA major incidents by category for each of the last ten fiscal years.

Incidents by Member Agency – Presents the number of OCFA major incidents by member agency for each of the last ten fiscal years.

Capital Equipment by Category – Presents the historical cost and quantity of capital equipment by category for each of the last ten fiscal years.

Capital Vehicles by Category – Presents the historical cost and quantity of capital vehicles by category for each of the last ten fiscal years.

Map of Division/Battalion Boundaries and Station Locations – This Orange County map identifies the areas included within OCFA’s jurisdiction, the boundaries of its divisions/battalions, and the locations of all OCFA fire stations.

List of Stations by Member Agency – Presents a list of OCFA fire stations and street addresses by member agency.

Description of the Organization, Programs and Service Delivery – Provides an overview of the activities and responsibilities carried out by each of the OCFA’s departments.

ORANGE COUNTY FIRE AUTHORITY
Authorized Positions by Unit
Last Ten Fiscal Years

Unit	As of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Firefighter	1,011	1,011	1,023	1,023	1,048	1,153	1,152	1,151	1,158	1,184
Fire Management	45	45	45	45	45	52	53	53	54	53
General	205	205	213	213	211	252	248	248	246	248
Supervisory Management	27	27	27	27	30	32	33	34	34	34
Supported Employment	4	4	4	4	4	4	4	4	4	4
Administrative Management	44	44	43	43	43	41	46	47	50	50
Executive Management	7	8	8	8	7	10	10	10	10	11
Subtotal	1,343	1,344	1,363	1,363	1,388	1,544	1,546	1,547	1,556	1,584
Board Director	-	-	-	-	25	25	25	25	25	25
Total authorized positions	<u>1,343</u>	<u>1,344</u>	<u>1,363</u>	<u>1,363</u>	<u>1,413</u>	<u>1,569</u>	<u>1,571</u>	<u>1,572</u>	<u>1,581</u>	<u>1,609</u>
Funded positions:										
General Operating Fund	<u>1,240</u>	<u>1,244</u>	<u>1,274</u>	<u>1,284</u>	<u>1,400</u>	<u>1,566</u>	<u>1,541</u>	<u>1,540</u>	<u>1,577</u>	<u>1,596</u>
Total funded positions	<u>1,240</u>	<u>1,244</u>	<u>1,274</u>	<u>1,284</u>	<u>1,400</u>	<u>1,566</u>	<u>1,541</u>	<u>1,540</u>	<u>1,577</u>	<u>1,596</u>
Unfunded positions:										
Unbudgeted positions	3	3	3	3	-	-	-	-	-	-
Frozen	<u>100</u>	<u>97</u>	<u>86</u>	<u>76</u>	<u>13</u>	<u>3</u>	<u>30</u>	<u>32</u>	<u>4</u>	<u>13</u>
Total unfunded positions	<u>103</u>	<u>100</u>	<u>89</u>	<u>79</u>	<u>13</u>	<u>3</u>	<u>30</u>	<u>32</u>	<u>4</u>	<u>13</u>
Total authorized positions	<u>1,343</u>	<u>1,344</u>	<u>1,363</u>	<u>1,363</u>	<u>1,413</u>	<u>1,569</u>	<u>1,571</u>	<u>1,572</u>	<u>1,581</u>	<u>1,609</u>
Increase (decrease) from prior fiscal year:										
Total funded positions	2	4	30	10	116	166	(25)	(1)	37	19
Total unfunded positions	<u>(2)</u>	<u>(3)</u>	<u>(11)</u>	<u>(10)</u>	<u>(66)</u>	<u>(10)</u>	<u>27</u>	<u>2</u>	<u>(28)</u>	<u>9</u>
Total authorized positions	<u>-</u>	<u>1</u>	<u>19</u>	<u>-</u>	<u>50</u>	<u>156</u>	<u>2</u>	<u>1</u>	<u>9</u>	<u>28</u>
					(1)	(2)				(3)

SOURCE: OCFA Treasury Division, Budget Section

NOTES:

- (1) During Fiscal Year 2017/18, Board Members were converted into employee positions and added to the authorized position control (25 positions).
- (2) The net increase of total authorized positions during Fiscal Year 2018/19 included 99 authorized positions for employees transitioning from the City of Garden Grove (74 Firefighter Unit, 3 Fire Management Unit, 22 General Unit).
- (3) The net increase of total authorized positions during Fiscal Year 2022/23 included 20 authorized positions for a state-funded hand crew (20 Firefighter Unit).

ORANGE COUNTY FIRE AUTHORITY
Frozen Positions by Unit
Last Ten Fiscal Years

Unit / Position	As of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Firefighter Unit:										
Fire Apparatus Engineer	24	24	21	20	-	-	6	6	-	-
Fire Captain	27	27	24	22	3	1	7	7	1	1
Fire Pilot	1	1	1	1	-	-	-	-	-	-
Firefighter	18	18	18	18	-	-	15	15	-	-
Hand Crew Firefighter Limited Term	-	-	-	-	-	-	-	-	-	9
Heavy Fire Equipment Operator	1	1	1	1	-	-	-	-	-	-
Total Firefighter Unit	71	71	65	62	3	1	28	28	1	10
Fire Management Unit:										
Fire Battalion Chief	2	2	2	1	-	-	-	-	-	-
Total Fire Management Unit	2	2	2	1	-	-	-	-	-	-
General Unit:										
Accountant	1	1	1	-	-	-	-	-	-	-
Administrative Assistant	5	5	4	1	1	-	-	-	-	-
Business Analyst	1	1	1	-	-	-	-	-	-	-
Communications Installer	-	-	-	-	-	-	-	1	1	1
Communications Installer (Part-Time)	-	-	-	-	-	-	-	1	1	1
Fire Equipment Technician	1	1	1	-	-	-	-	-	-	-
Fire Prevention Analyst	4	4	4	4	2	-	-	-	-	-
Fire Prevention Specialist	2	-	-	-	-	-	-	-	-	-
Human Resources Analyst	1	1	-	-	-	-	-	-	-	-
Office Services Specialist	3	3	-	-	-	1	1	1	-	-
Senior Fire Prevention Specialist	2	2	2	2	2	-	-	-	-	-
Total General Unit	20	18	13	7	5	1	1	3	2	2
Supervisory Management Unit:										
Assistant Fire Marshal	1	1	1	1	1	-	-	-	-	-
Information Technology Supervisor	1	1	-	-	-	-	-	-	-	-
Senior Fire Communications Supervisor	-	-	-	-	1	-	-	-	-	-
Total Supervisory Management Unit	2	2	1	1	2	-	-	-	-	-
Administrative Management Unit:										
Assistant IT Manager	-	-	1	1	1	-	-	-	-	-
Benefits Services Manager	-	-	-	1	-	-	-	-	-	-
Management Analyst	1	1	1	1	1	-	-	-	-	-
ODT Program Manager	1	-	-	-	-	1	1	1	1	1
Senior Accountant	2	2	2	2	1	-	-	-	-	-
Senior Human Resources Analyst	1	1	1	-	-	-	-	-	-	-
Total Administrative Management Unit	5	4	5	5	3	1	1	1	1	1
Total frozen positions	100	97	86	76	13	3	30	32	4	13

SOURCE: Orange County Fire Authority, Treasury Division, Budget Section

**ORANGE COUNTY FIRE AUTHORITY
 Jurisdiction Information
 Last Ten Fiscal Years**

Fiscal Year Ended June 30	(A)	(B)	(C)	(A)	New and Closed Station(s)	
	Number of Member Agencies	Square Mile Area Served	Population Served	Number of Stations	+/-	Description
2014	24	571	1,733,563	71	-	
2015	24	571	1,755,436	71	-	
2016	24	576	1,783,505	72	1	New Station 56 (County/Rancho Mission Viejo)
2017	24	576	1,793,040	72	-	
2018	24	576	1,807,862	72	-	
2019	24	576	1,807,560	72	-	
2020	25	593	1,966,019	79	7	New Stations 80 through 86 (Garden Grove)
2021	24	587	1,891,414	77	(2)	Removed Stations 34 and 35 (Placentia)
2022	24	587	1,910,233	77	-	
2023	24	586	1,894,382	77	-	

SOURCES:

- (A) Orange County Fire Authority, Clerk of the Authority
- (B) Orange County Fire Authority, Geographic Information Systems
- (C) California Department of Finance, Population and Housing Estimates as of January 1
<http://www.dof.ca.gov/forecasting/demographics/estimates>

NOTES: The City of Garden Grove became an OCFA member city in Fiscal Year 2019/20.
 The City of Placentia was no longer an OCFA member city effective Fiscal Year 2020/21.

ORANGE COUNTY FIRE AUTHORITY
Incidents by Major Category Definitions

Fire: This category includes fire responses, even if the fire has been extinguished upon arrival. This category also includes combustion explosions with no resulting fire. Examples of this category include structure fires, rubbish fires, dumpster fires, and vehicle fires.

Rupture/Explosion: This category includes vessels or containers that suffer failure or near failure due to extreme pressure from either an outside source, such as direct heating, or internally due to a cooling system failure or over-filling, such as a propane tank. Examples of this category also include explosions from bombs, dynamite, or similar explosives.

Rescue/EMS: This category includes all medical aids, illness, and heart attacks, as well as traffic accidents and missing persons.

Hazardous Condition: This category includes Hazardous Materials incidents; electrical wire arcing; suspected drug labs; or situations where there is a perceived problem that may prove to be a potential emergency.

Service Call: This category includes incidents for persons in distress, such as a lock-in or lock-out of a vehicle or dwelling creating an emergency situation or critical need, and smoke or odor problems. This category would also include moving units from one station to another to provide area coverage.

Good Intent: This category includes incidents that are cleared prior to arrival, such as a medical aid where the injured party has left the scene, or the initial information indicated that there were injuries and upon arrival no persons were injured. This category may also include calls where the informant has mistaken steam for smoke.

False Alarm: Some examples of the incidents in this category are malicious mischief calls, system malfunctions, and the accidental tripping of an interior alarm sensor or device.

Natural Disaster: This category includes incidents that are not normal occurrences, such as earthquakes, lightning strikes, hurricanes, and other weather or natural events.

SOURCE: Orange County Fire Authority, Emergency Command Center & Emergency Strategic Services Divisions

ORANGE COUNTY FIRE AUTHORITY
Incidents by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30 (1)	Fire	Rupture/ Explosion	Rescue/ EMS	Hazardous Condition	Service Call	Good Intent	False Alarm	Natural Disaster	Other	Total
2014	1,936	220	83,762	1,254	6,978	12,411	6,238	6	220	113,025
2015	1,898	229	94,740	1,220	6,996	12,046	6,515	5	345	123,994
2016	2,338	197	102,994	1,314	7,921	13,261	6,575	6	9	134,615
2017	2,372	192	106,679	1,466	7,819	14,207	6,644	37	67	139,483
2018	2,651	147	110,327	1,163	7,955	14,010	6,060	3	68	142,384
2019	2,161	154	111,044	1,322	6,948	14,353	7,016	13	589	143,600
2020	2,313	226	114,758	1,348	7,978	18,532	7,482	12	137	152,786 (2)
2021	2,688	221	113,735	1,317	8,777	18,737	6,616	27	171	152,289 (2,3)
2022	2,863	177	127,367	1,203	9,406	21,444	6,973	22	144	169,599
2023	2,536	130	133,591	1,139	9,879	22,286	7,723	42	157	177,483

SOURCE:
Orange County Fire Authority, Command & Emergency Planning Division

- NOTES:
- (1) Response statistics are normally reported on a calendar year basis in other reports. These statistics have been reported on the fiscal year basis, July through June.
 - (2) The City of Garden Grove joined the OCFA effective August 16, 2019. Fiscal Year 2019/20 data is reported only for the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2020/21 data includes the first full year of Garden Grove activity.
 - (3) Effective July 1, 2020, the City of Placentia was no longer a member of the OCFA.

ORANGE COUNTY FIRE AUTHORITY
Incidents by Member Agency
Last Ten Fiscal Years

Member	Fiscal Year Ended June 30 (1)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Aliso Viejo	2,194	2,420	2,511	2,654	2,810	2,871	3,022	3,172	3,347	3,666
Buena Park	6,057	6,569	7,016	7,053	7,193	7,242	7,175	7,363	8,347	8,481
Cypress	2,633	2,833	3,013	3,145	3,238	3,292	3,215	3,162	3,631	3,765
Dana Point	2,925	3,297	3,291	3,663	3,717	3,399	3,343	3,334	3,692	3,820
Garden Grove (2)	n/a	n/a	n/a	n/a	n/a	n/a	11,288	13,557	15,217	15,477
Irvine	12,896	13,875	14,688	15,967	16,325	16,797	16,481	15,704	18,744	19,938
La Palma	925	1,036	1,059	1,212	1,303	1,282	1,224	1,210	1,352	1,362
Laguna Hills	2,584	2,675	2,887	3,078	3,303	3,303	3,122	3,263	3,842	3,878
Laguna Niguel	3,685	3,584	3,861	4,054	3,947	4,192	4,421	4,268	4,918	5,246
Laguna Woods	4,306	4,847	5,319	5,636	5,281	5,342	4,967	5,353	5,548	5,706
Lake Forest	4,297	4,651	4,995	5,474	5,333	5,335	5,378	5,629	6,426	6,506
Los Alamitos	1,123	1,254	1,380	1,360	1,477	1,468	1,405	1,363	1,553	1,534
Mission Viejo	6,791	7,072	7,508	7,777	8,041	7,989	7,718	7,512	8,864	9,504
Placentia (3)	2,806	2,981	3,132	3,325	3,609	3,564	3,616	n/a	n/a	n/a
Rancho Santa Margarita	2,111	2,254	2,415	2,447	2,542	2,366	2,521	2,518	2,574	2,915
San Clemente	4,334	4,668	5,080	5,311	5,239	5,069	4,999	5,168	5,657	5,820
San Juan Capistrano	2,934	3,164	3,629	3,899	3,931	3,786	3,571	3,552	4,090	4,263
Santa Ana	19,303	21,465	23,455	25,074	26,707	27,518	27,335	27,493	29,340	31,274
Seal Beach	3,343	3,783	4,882	4,753	4,591	4,216	4,300	4,276	4,760	4,937
Stanton	2,879	3,113	3,413	3,396	3,284	3,343	3,645	3,701	4,134	4,357
Tustin	4,614	5,205	5,406	5,419	5,470	5,748	5,623	5,780	6,392	6,406
Villa Park	338	378	452	475	448	480	469	448	450	491
Westminster	6,201	6,880	7,442	7,560	7,702	7,772	7,945	8,357	9,053	9,152
Yorba Linda	3,185	3,547	3,716	3,747	4,059	4,146	4,023	4,168	4,520	5,023
Unincorporated	6,073	6,496	6,719	7,390	7,437	7,573	7,788	8,065	8,733	9,358
	<u>108,537</u>	<u>118,047</u>	<u>127,269</u>	<u>133,869</u>	<u>136,987</u>	<u>138,093</u>	<u>148,594</u>	<u>148,416</u>	<u>165,184</u>	<u>172,879</u>
Auto/Mutual Aid Given	<u>4,488</u>	<u>5,947</u>	<u>7,346</u>	<u>5,614</u>	<u>5,397</u>	<u>5,507</u>	<u>4,192</u>	<u>3,873</u>	<u>4,415</u>	<u>4,604</u>
Total	<u>113,025</u>	<u>123,994</u>	<u>134,615</u>	<u>139,483</u>	<u>142,384</u>	<u>143,600</u>	<u>152,786</u>	<u>152,289</u>	<u>169,599</u>	<u>177,483</u>

Orange County Fire Authority, Command & Emergency Planning Division

NOTES:

(1) Response statistics are normally reported on a calendar year basis in other reports. These statistics have been reported on the fiscal year basis, July through June.

(2) The City of Garden Grove joined the OCFA effective August 16, 2019. Fiscal Year 2019/20 data is reported only for the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2020/21 data includes the first full year of Garden Grove activity.

(3) Effective July 1, 2020, the City of Placentia was no longer a member of the OCFA.

ORANGE COUNTY FIRE AUTHORITY
Capital Equipment by Category
Last Ten Fiscal Years

Category	June 30, 2014		June 30, 2015	
	Historical Cost	Quantity	Historical Cost	Quantity
Air fill station	\$ 53,179	2	\$ 53,179	2
Aboveground storage tank	678,014	8	678,014	8
Audio visual equipment	716,800	18	734,581	20
Boat	31,515	4	31,515	4
Breathing Apparatus	-	-	-	-
Camera, thermal imaging	1,214,725	113	1,167,318	107
Camera, other	11,171	1	33,713	4
Communications equipment	1,458,744	39	1,458,744	39
Computer	82,126	5	90,386	6
Defibrillator	1,526,069	105	1,526,069	105
Exercise equipment	35,622	5	35,622	5
Fleet equipment	172,042	16	189,888	17
Forklift	93,177	3	93,177	3
Generator	504,562	22	504,562	22
GPS equipment (AVL regional interoperability projects)	1,391,000	2	1,391,000	2
Hazmat equipment	432,282	23	479,786	26
Helicopters and improvements:				
Helicopter	28,854,977	4	28,854,977	4
Helicopter, rotor blades	319,149	4	319,149	4
Helicopter, fast fin kits	148,104	2	148,104	2
Helicopter, flight director	-	-	-	-
Helicopter, multi-band radio upgrade	-	-	-	-
Helicopter equipment	780,245	42	942,245	43
Hydraulic tool	401,133	60	468,400	67
Kitchen equipment	33,403	4	33,403	4
Laptop	29,058	5	29,058	5
Manikin	67,452	11	67,452	11
Miscellaneous equipment	660,496	49	702,500	52
Mobile radio project (FY 2003/04 - FY 2004/05)	2,424,594	1	2,424,594	1
Mobile radio	107,671	17	82,659	14
Mobile radio, mobile data computer (MDC)	-	-	-	-
Network equipment	1,321,172	31	1,288,223	29
Office equipment	632,865	6	632,865	6
Portable building	274,656	14	352,872	17
Portable radio	79,452	15	143,605	27
Printer	72,039	6	72,039	6
Projector	10,372	2	10,372	2
Router	37,405	4	37,405	4
Scanner	-	-	5,489	1
Search equipment	196,302	13	210,657	14
Server	997,288	79	1,000,858	69
Software	7,117,506	56	9,176,979	50
Switch	312,760	17	312,760	17
Tablet	-	-	5,455	1
Tent	122,237	12	122,237	12
Trailer	512,761	18	523,455	18
Workstation	1,641,243	25	1,641,243	25
	<u>\$ 55,555,368</u>	<u>863</u>	<u>\$ 58,076,609</u>	<u>875</u>

SOURCE: Orange County Fire Authority, Finance Division, General Accounting Unit

June 30, 2016		June 30, 2017		June 30, 2018	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 53,179	2	\$ 53,179	2	\$ 53,179	2
678,014	8	678,014	8	678,014	8
734,581	20	734,581	20	734,581	20
31,515	4	64,986	6	80,606	7
-	-	-	-	-	-
1,115,772	102	1,107,655	101	1,198,258	111
44,264	5	44,264	5	44,264	5
1,523,812	51	1,702,712	83	1,689,198	81
90,386	6	25,900	4	25,900	4
1,526,069	105	5,312,042	229	3,802,620	121
35,622	5	40,790	6	40,790	6
252,867	24	284,885	27	261,714	28
93,177	3	134,138	4	134,138	4
504,562	22	504,562	22	504,562	22
1,391,000	2	1,391,000	2	1,391,000	2
479,786	26	479,786	26	479,786	26
28,854,977	4	28,854,977	4	28,854,977	4
319,149	4	319,149	4	319,149	4
148,104	2	148,104	2	148,104	2
-	-	-	-	168,804	2
-	-	-	-	-	-
942,245	43	995,953	46	1,003,199	47
490,913	69	535,309	72	1,108,303	148
33,403	4	26,394	3	26,394	3
23,832	4	17,957	3	17,957	3
67,452	11	67,452	11	75,129	12
735,503	55	798,762	59	891,816	67
2,424,594	1	2,424,594	1	2,424,594	1
88,700	16	88,700	16	88,700	16
-	-	196,398	30	196,398	30
1,294,452	30	1,294,452	30	1,294,452	30
632,865	6	632,865	6	642,985	7
352,872	17	352,872	17	352,872	17
138,477	26	138,477	26	138,477	26
72,039	6	68,552	6	68,552	6
10,372	2	10,372	2	5,153	1
72,745	8	72,745	8	72,745	8
5,489	1	5,489	1	5,489	1
236,657	16	258,921	18	258,921	18
1,211,242	72	936,541	57	1,150,118	72
10,502,153	53	10,491,277	52	10,491,277	52
349,909	20	349,909	20	356,521	21
24,882	4	24,882	4	24,882	4
122,237	12	154,551	13	180,849	15
523,455	18	465,143	18	572,659	21
1,641,243	25	1,641,243	25	1,641,243	25
<u>\$ 59,874,567</u>	<u>914</u>	<u>\$ 63,930,534</u>	<u>1,099</u>	<u>\$ 63,699,329</u>	<u>1,110</u>

(Continued on next page)

ORANGE COUNTY FIRE AUTHORITY
Capital Equipment by Category
(Continued)

Category	June 30, 2019		June 30, 2020	
	Historical Cost	Quantity	Historical Cost	Quantity
Air fill station	\$ 53,179	2	\$ 53,179	2
Aboveground storage tank	678,014	8	678,014	8
Audio visual equipment	734,581	20	734,581	20
Boat	80,606	7	80,606	7
Breathing Apparatus	20,394	4	20,394	4
Camera, thermal imaging	1,251,200	117	1,360,096	131
Camera, other	44,264	5	44,264	5
Communications equipment	1,696,094	82	3,919,452	83
Computer	25,900	4	34,261	5
Defibrillator	4,089,086	130	4,334,152	138
Exercise equipment	40,790	6	40,790	6
Fleet equipment	294,849	29	292,914	29
Forklift	134,138	4	134,138	4
Generator	504,562	22	504,562	22
GPS equipment (AVL regional interoperability projects)	1,391,000	2	1,391,000	2
Hazmat equipment	500,242	30	801,854	32
Helicopters and improvements:				
Helicopter	28,854,977	4	28,854,977	4
Helicopter, rotor blades	319,149	4	319,149	4
Helicopter, fast fin kits	213,749	3	213,749	3
Helicopter, flight director	168,804	2	168,804	2
Helicopter, multi-band radio upgrade	183,096	2	366,193	4
Helicopter equipment	1,003,199	47	1,003,199	47
Hydraulic tool	905,931	119	882,673	113
Kitchen equipment	20,395	2	20,395	2
Laptop	17,957	3	12,081	2
Manikin	32,371	5	109,410	13
Miscellaneous equipment	978,892	74	2,580,791	197
Mobile radio project (FY 2003/04 - FY 2004/05)	2,424,594	1	2,424,594	1
Mobile radio	99,592	18	136,527	23
Mobile radio, mobile data computer (MDC)	385,726	60	385,726	60
Network equipment	1,294,452	30	1,294,452	23
Office equipment	685,053	9	685,053	9
Portable building	687,025	20	980,837	28
Portable radio	400,892	71	400,892	71
Printer	77,501	7	66,101	6
Projector	5,153	1	5,153	1
Router	72,745	8	58,132	7
Scanner	5,489	1	5,489	1
Search equipment	258,921	18	258,921	18
Server	944,725	48	870,201	41
Software	10,538,302	56	10,666,466	50
Switch	514,813	58	522,347	59
Tablet	24,882	4	24,882	4
Tent	194,207	16	226,055	18
Trailer	656,551	22	836,564	25
Workstation	1,647,704	26	1,698,204	27
	<u>\$ 65,155,746</u>	<u>1,211</u>	<u>\$ 70,502,274</u>	<u>1,361</u>

June 30, 2021		June 30, 2022		June 30, 2023	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 79,266	4	\$ 79,266	4	\$ 79,266	4
678,014	8	678,014	8	678,014	8
240,142	12	240,142	12	220,674	9
80,606	7	80,606	7	80,606	7
20,394	4	20,394	4	20,394	4
1,360,096	131	1,360,096	131	1,360,096	131
44,264	5	44,264	5	33,093	4
3,919,452	83	3,878,507	82	3,248,381	62
28,490	4	28,490	4	22,622	3
4,334,152	138	4,334,152	138	4,334,152	138
40,790	6	25,407	3	39,060	5
292,914	29	292,914	29	302,355	30
222,642	5	222,642	5	287,192	8
463,592	20	474,569	20	475,241	20
1,391,000	2	1,391,000	2	1,391,000	2
828,743	36	839,070	38	578,164	25
28,854,977	4	28,854,977	4	21,560,759	2
319,149	4	319,149	4	-	-
213,749	3	213,749	3	148,104	2
168,804	2	168,804	2	168,804	2
366,193	4	366,193	4	224,419	2
1,020,261	48	1,042,935	49	873,116	45
849,580	108	911,957	116	953,286	121
20,395	2	20,395	2	20,395	2
12,081	2	5,981	1	5,288	1
109,410	13	109,410	13	109,410	13
2,715,740	210	2,712,871	208	2,870,247	219
2,424,594	1	2,424,594	1	2,424,594	1
136,527	23	379,216	53	319,045	42
512,370	80	652,656	102	1,107,095	172
1,294,452	23	1,294,452	23	1,294,452	10
685,053	9	676,989	8	662,535	8
974,765	27	1,006,388	31	1,076,842	40
907,709	161	925,089	163	904,577	159
82,274	7	82,274	7	66,851	6
5,153	1	5,153	1	5,153	1
58,132	7	58,132	7	46,765	6
5,489	1	5,489	1	5,489	1
302,246	21	333,137	25	294,669	22
887,375	42	887,375	42	708,858	38
10,751,591	45	10,751,591	45	11,096,458	46
574,594	61	574,594	61	552,723	59
24,882	4	24,882	4	24,882	4
226,055	18	215,377	16	215,377	16
1,024,838	30	1,533,274	38	1,922,379	47
1,687,318	28	1,687,318	28	1,668,388	27
<u>\$ 71,240,313</u>	<u>1,483</u>	<u>\$ 72,233,934</u>	<u>1,554</u>	<u>\$ 64,481,270</u>	<u>1,574</u>

ORANGE COUNTY FIRE AUTHORITY
Capital Vehicles by Category
Last Ten Fiscal Years

Category	June 30, 2014		June 30, 2015	
	Historical Cost	Quantity	Historical Cost	Quantity
Air Utility	\$ 820,733	4	\$ 820,733	4
Ambulance	674,739	5	573,194	4
Battalion Chief Vehicle	1,518,914	29	1,518,914	29
Brush Chipper	34,289	2	34,289	2
Crew-Carrying Vehicle	452,373	4	452,373	4
Dump Truck	66,366	1	66,366	1
Fire Command	820,829	4	674,655	3
Fire Dozer	723,403	4	550,978	2
Foam Tender	152,245	1	152,245	1
Fuel Tender	376,164	3	376,164	3
Hazmat Unit	1,077,646	3	1,077,646	3
Heavy Equipment Vehicle	102,396	1	184,392	2
Heavy Rescue Unit	658,107	1	658,107	1
Hose Tender	103,189	1	103,189	1
Lift Truck	71,780	1	71,780	1
Paramedic Van	1,860,604	22	1,860,604	22
Patrol	1,539,901	19	1,539,901	19
Patrol, Compressed Air Foam System (CAFS)	858,456	12	858,456	12
Pickup Truck	2,081,006	53	2,081,006	53
Sedan	44,994	2	44,994	2
Squad	578,998	7	578,998	7
Stakeside	34,289	1	34,289	1
Sport Utility Vehicle (SUV)	2,560,913	94	2,505,905	92
Telesquirt	1,736,407	5	1,736,407	5
Transport Tractor	506,673	5	506,673	5
Truck, 90', 100' and 110' Tractor Drawn Aerials	4,938,110	7	4,938,110	7
Truck, 75' Quint	3,124,257	6	3,124,257	6
Truck, 90' Quint	3,562,035	7	3,062,553	6
Truck, 100' Quint	2,354,146	2	2,354,146	2
Truck, Other	592,188	7	768,076	11
Truck, Compressed Air Foam System (CAFS)	44,058	2	44,058	2
Type 1 Engine	28,363,285	92	28,442,065	90
Type 1 Wildland Urban Interface Engine	3,451,627	8	3,451,627	8
Type 2 Engine	152,610	1	152,610	1
Type 3 Engine	4,653,221	13	4,653,221	13
Utility	145,169	3	145,169	3
Van	623,608	24	451,395	19
Water Tender	753,535	5	753,535	5
	<u>\$ 72,213,263</u>	<u>461</u>	<u>\$ 71,403,080</u>	<u>452</u>

SOURCE: Orange County Fire Authority, Finance Division, General Accounting Unit

NOTE: Beginning in Fiscal Year 2020/21, vehicles categorized as "Loader" and "Road Grader" were combined into a single category called "Heavy Equipment Vehicle." Amounts and quantities shown on this schedule for previous fiscal years have also been updated to reflect this change and may vary from the information originally reported in previous reports.

June 30, 2016		June 30, 2017		June 30, 2018	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 820,733	4	\$ 820,733	4	\$ 820,733	4
573,194	4	573,194	4	573,194	4
2,098,087	42	2,161,593	42	2,224,326	42
103,545	3	84,438	2	84,438	2
452,373	4	452,373	4	447,373	3
66,366	1	66,366	1	66,366	1
674,655	3	674,655	3	674,655	3
550,978	2	550,978	2	550,978	2
152,245	1	152,245	1	152,245	1
376,164	3	376,164	3	376,164	3
1,077,646	3	939,162	2	939,162	2
184,392	2	184,392	2	252,434	3
679,608	1	679,608	1	679,608	1
103,189	1	103,189	1	-	-
71,780	1	71,780	1	71,780	1
1,860,604	22	1,860,604	22	1,566,150	19
1,539,901	19	1,539,901	19	1,791,780	20
858,456	12	858,456	12	858,456	12
2,327,501	63	3,213,233	85	3,275,670	86
-	-	-	-	-	-
578,998	7	496,839	6	1,074,089	9
34,289	1	34,289	1	34,289	1
2,621,995	93	2,602,271	92	2,224,726	79
1,736,407	5	1,736,407	5	1,387,635	4
506,673	5	506,673	5	506,673	5
4,948,930	8	6,641,223	9	9,236,148	11
3,124,257	6	3,124,257	6	3,124,257	6
3,062,553	6	3,062,553	6	3,062,553	6
2,354,146	2	2,354,146	2	2,354,146	2
768,076	11	804,028	11	790,798	11
44,058	2	44,058	2	44,058	2
30,580,415	94	32,151,624	94	32,151,624	94
3,451,627	8	3,451,627	8	3,451,627	8
152,610	1	152,610	1	152,610	1
4,653,221	13	4,653,221	13	4,653,221	13
145,169	3	145,169	3	145,169	3
451,395	19	435,224	18	435,224	18
753,535	5	753,535	5	753,535	5
<u>\$ 74,539,771</u>	<u>480</u>	<u>\$ 78,512,818</u>	<u>498</u>	<u>\$ 80,987,894</u>	<u>487</u>

(Continued on next page)

ORANGE COUNTY FIRE AUTHORITY
Capital Vehicles by Category
(Continued)

Category	June 30, 2019		June 30, 2020	
	Historical Cost	Quantity	Historical Cost	Quantity
Air Utility	\$ 820,733	4	\$ 1,216,732	5
Ambulance	573,194	4	-	-
Battalion Chief Vehicle	2,468,254	46	2,603,667	48
Brush Chipper	84,438	2	160,272	3
Crew-Carrying Vehicle	447,373	3	447,373	3
Dump Truck	66,366	1	66,366	1
Fire Command	674,655	3	674,655	3
Fire Dozer	550,978	2	1,112,241	3
Foam Tender	152,245	1	152,245	1
Fuel Tender	376,164	3	376,164	3
Hazmat Unit	939,162	2	939,162	2
Heavy Equipment Vehicle	252,434	3	418,917	5
Heavy Rescue Unit	679,608	1	679,608	1
Hose Tender	-	-	-	-
Lift Truck	71,780	1	71,780	1
Paramedic Van	1,566,150	19	1,468,553	18
Patrol	1,791,780	20	1,791,780	20
Patrol, Compressed Air Foam System (CAFS)	858,456	12	858,456	12
Pickup Truck	3,726,138	98	5,190,357	130
Sedan	-	-	-	-
Squad	1,465,052	11	1,465,052	11
Stakeside	34,289	1	34,289	1
Sport Utility Vehicle (SUV)	2,186,521	77	1,889,421	59
Telesquirt	1,038,862	3	-	-
Transport Tractor	506,673	5	1,093,171	8
Truck, 90', 100' and 110' Tractor Drawn Aerials	17,609,131	17	18,802,835	18
Truck, 75' Quint	3,124,257	6	2,694,556	5
Truck, 90' Quint	3,062,553	6	3,062,553	6
Truck, 100' Quint	2,354,146	2	2,354,146	2
Truck, Other	790,798	11	1,138,258	13
Truck, Compressed Air Foam System (CAFS)	44,058	2	44,058	2
Type 1 Engine	37,752,647	103	43,198,345	113
Type 1 Wildland Urban Interface Engine	3,451,627	8	3,451,627	8
Type 2 Engine	152,610	1	-	-
Type 3 Engine	4,653,221	13	4,653,221	13
Utility	145,169	3	145,169	3
Van	649,798	26	557,619	22
Water Tender	753,535	5	753,535	5
	<u>\$ 95,874,855</u>	<u>525</u>	<u>\$ 103,566,183</u>	<u>548</u>

June 30, 2021		June 30, 2022		June 30, 2023	
Historical Cost	Quantity	Historical Cost	Quantity	Historical Cost	Quantity
\$ 1,216,732	5	\$ 1,823,844	6	\$ 1,823,844	6
-	-	-	-	-	-
2,566,931	47	2,566,931	47	2,566,931	47
160,272	3	160,272	3	160,272	3
1,668,656	7	1,668,656	7	1,668,656	7
66,366	1	66,366	1	66,366	1
674,655	3	674,655	3	674,655	3
1,112,241	3	1,112,241	3	1,112,241	3
152,245	1	684,408	2	532,163	1
376,164	3	376,164	3	376,164	3
939,162	2	939,162	2	939,162	2
598,591	6	598,591	6	784,424	7
739,608	2	739,608	2	739,608	2
-	-	-	-	-	-
71,780	1	71,780	1	71,780	1
1,302,899	16	1,302,899	16	1,302,899	16
1,631,773	18	1,631,773	18	1,631,773	18
858,456	12	858,456	12	858,456	12
5,593,216	143	5,593,216	143	5,925,900	145
45,800	2	45,800	2	45,800	2
1,465,052	11	1,465,052	11	1,465,052	11
131,961	2	131,961	2	131,961	2
1,819,287	58	1,852,332	57	1,948,966	59
-	-	-	-	-	-
1,093,171	8	1,093,171	8	1,093,171	8
18,734,735	17	18,734,735	17	18,734,735	17
2,694,556	5	2,694,556	5	2,694,556	5
3,062,553	6	3,062,553	6	3,062,553	6
2,354,146	2	3,634,249	3	3,634,249	3
1,072,345	12	1,072,345	12	1,950,598	15
44,058	2	44,058	2	44,058	2
42,220,704	108	47,750,808	116	51,210,148	121
3,451,627	8	3,451,627	8	3,451,627	8
-	-	-	-	-	-
6,238,675	16	6,238,675	16	6,238,675	16
944,947	10	944,947	10	944,947	10
785,038	27	901,145	28	901,145	28
1,639,178	7	1,639,178	7	1,639,178	7
<u>\$ 107,527,580</u>	<u>574</u>	<u>\$ 115,626,214</u>	<u>585</u>	<u>\$ 120,426,713</u>	<u>597</u>

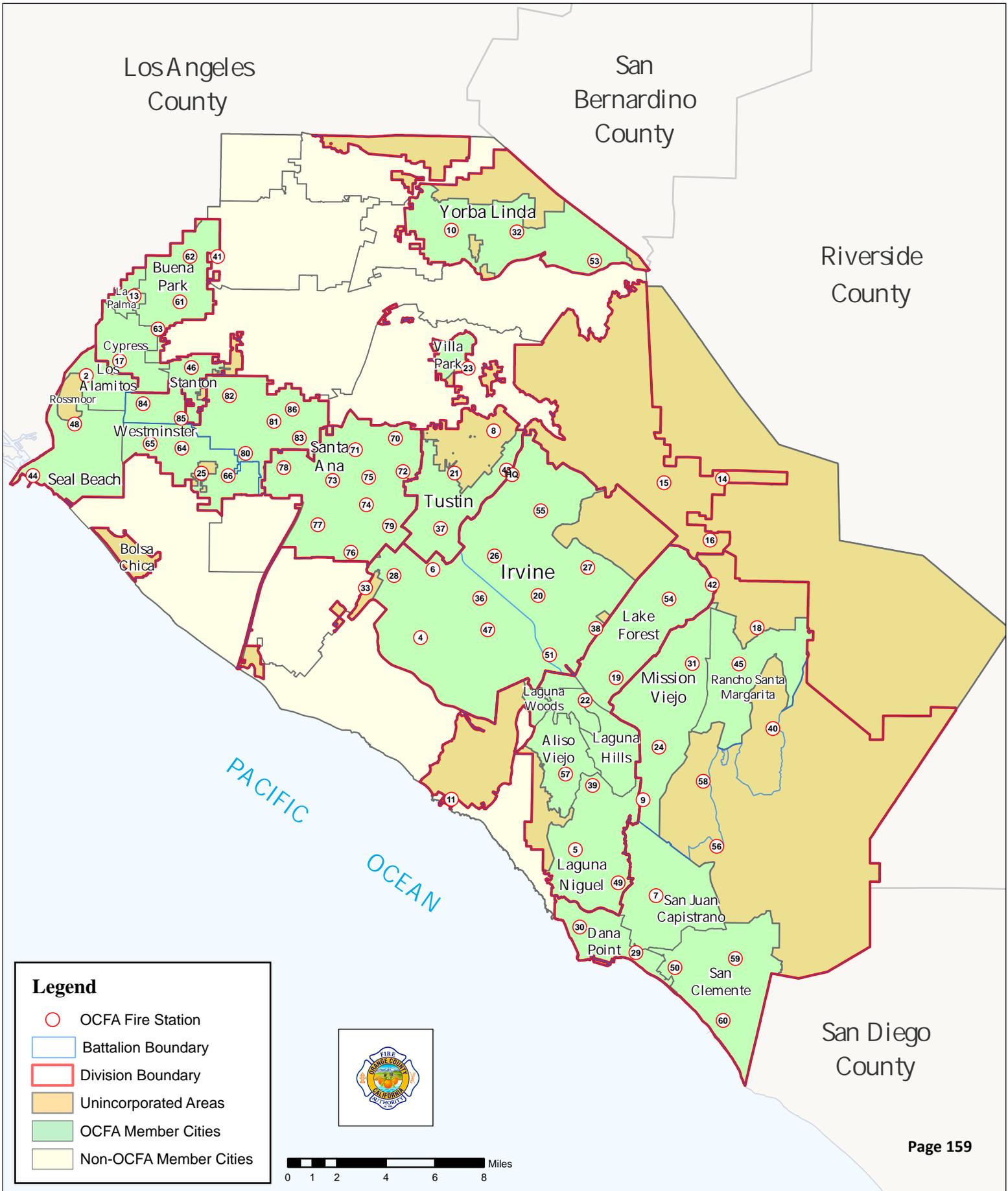
Orange County Fire Authority



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ORANGE COUNTY FIRE AUTHORITY

Division and Battalion Boundaries and Station Locations
As of June 30, 2023



ORANGE COUNTY FIRE AUTHORITY
List of Stations by Member Agency
As of June 30, 2023



City of Aliso Viejo
#57, 57 Journey, 92656



City of Buena Park
#61, 7440 La Palma Ave. 90620
#62, 7780 Artesia Blvd. 90621
#63, 9120 Holder St. 90620



City of Cypress
#17, 4991 Cerritos Ave. 90630



City of Dana Point
#29, 26111 Victoria Blvd. 92624
#30, 23831 Stonehill Dr. 92629



City of Garden Grove
#80, 14162 Forsyth Ln. 92844
#81, 112611 Acacia Pkwy. 92840
#82, 11805 Gilbert St. 92841
#83, 12132 Trask Ave. 92843
#84, 12191 Valley View St. 92845
#85, 12751 Western Ave. 92841
#86, 12232 West St. 92840



City of Irvine
#4, 2 California Ave. 92612
#6, 3180 Barranca Pkwy. 92606
#20, 7050 Corsair, 92618
#26, 4691 Walnut Ave. 92604
#27, 12400 Portola Springs 92618
#28, 17862 Gillette Ave. 92614
#36, 301 E. Yale Loop 92604
#38, 26 Parker 92618
#47, 47 Fossil 92603
#51, 18 Cushing 92618
#55, 4955 Portola Pkwy. 92620



City of La Palma
#13, 7822 Walker St. 90623



Cities of Laguna Hills and Laguna Woods
#22, 24001 Paseo de Valencia, Laguna Hills 92653



City of Laguna Niguel
#5, 23600 Pacific Island Dr. 92677
#39, 24241 Avila Rd. 92677
#49, 31461 Golden Lantern St. 92677



City of Lake Forest
#19, 23022 El Toro Rd. 92630
#42, 19150 Ridgeline Rd., 92679
#54, 19811 Pauling Ave., 92610



City of Los Alamitos
#2, 3642 Green Ave. 90720



City of Mission Viejo
#9, #9 Shops at Mission Viejo 92691
#24, 25862 Marguerite Pkwy. 92692
#31, 22426 Olympiad Rd. 92692



City of Rancho Santa Margarita
#45, 30131 Aventura 92688



City of San Clemente
#50, 670 Camino de Los Mares 92672
#59, 48 Avenida La Pata 92673
#60, 100 Avenida Victoria 92672

**ORANGE COUNTY FIRE AUTHORITY
List of Stations by Member Agency
As of June 30, 2023, (Continued)**



City of San Juan Capistrano
#7, 31865 Del Obispo 92675



City of Santa Ana
#70, 2301 Old Grand 92701
#71, 1029 West 17th St. 92706
#72, 1688 East 4th St. 92701
#73, 419 Franklin 92703
#74, 1427 South Broadway 92707
#75, 120 West Walnut 92701
#76, 950 West MacArthur 92707
#77, 2317 South Greenville 92704
#78, 501 North Newhope 92703
#79, 1320 East Warner 92705



City of Seal Beach
#44, 718 Central Ave. 90740
#48, 3131 N. Gate Rd. 90740



City of Stanton
#46, 7871 Pacific St. 90680



City of Tustin
#37, 15011 Kensington Park Dr. 92780
#43, 11490 Pioneer Way 92782



City of Villa Park
#23, 5020 Santiago Canyon Rd. 92869



City of Westminster
#64, 7351 Westminster Blvd. 92683
#65, 6061 Hefley St. 92683
#66, 15061 Moran St. 92683



City of Yorba Linda
#10, 18422 E. Lemon Dr. 92886
#32, 20990 Yorba Linda Blvd. 92887
#53, 25415 La Palma Ave. 92887



County of Orange, Unincorporated
#8, 10631 Skyline Dr.,
Santa Ana 92705

#11, 259 Emerald Bay,
Laguna Beach 92651

#14, P.O. Box 12,
Silverado 92676

#15, 27172 Silverado Canyon Rd.,
Silverado 92676

#16, 28891 Modjeska Canyon Rd.,
Silverado 92676

#18, 30942 Trabuco Canyon Rd.,
Trabuco Canyon 92679

#21, 1241 Irvine Blvd.,
Tustin 92780

#25, 8171 Bolsa Ave.,
Midway City 92655

#40, 25082 Vista del Verde,
Coto de Caza 92679

#56, 56 Sendero Way,
Rancho Mission Viejo 92694

#58, 58 Station Way,
Ladera Ranch 92694

Specialty Stations



Airport Rescue & Firefighting

#33, 374 Paularino,
Costa Mesa 92626



Helicopter Operations

#41, 3900 W. Artesia Ave.,
Fullerton 92633

**ORANGE COUNTY FIRE AUTHORITY
Description of the Organization, Programs and Service Delivery
As of June 30, 2023**

Orange County Fire Authority (OCFA) is managed by an Executive Management team consisting of an appointed Fire Chief, two Deputy Chiefs, seven Assistant Chiefs, and one Director. Assistant Chiefs oversee service activities that are organized into seven primary departments – Field Operations North, Field Operations South, Emergency Medical Services (EMS) and Training, Business Services, Community Risk Reduction, Human Resources, and Logistics – which are further organized into divisions, battalions, sections, units, and/or programs to effectively carry out the mission of the OCFA. OCFA’s overall structure is organized and managed as follows:

OCFA	Fire Chief
Bureau.....	Deputy Chief
Department	Assistant Chief
Division	Assistant Chief, Director, Division Chief, or Division Manager
Battalion / Section / Unit / Program	Battalion Chief, Section Manager, or Unit Manager

EXECUTIVE MANAGEMENT

Executive Management provides direction to areas of the organization and ensures that the types and levels of services provided are consistent with Board policy and the adopted budget. OCFA contracts with the firm of Woodruff & Smart located in Costa Mesa, California for its legal services. General Counsel reports directly to the Board of Directors.

CORPORATE COMMUNICATIONS

Corporate Communications, which is overseen by a Director reporting directly to the Fire Chief, facilitates public information and media relations, and provides support to Executive Management staff on special projects designed to keep the public and other agencies informed about OCFA.

- The **Public Information Officer (PIO)** serves as the spokesperson for OCFA during major incidents and ensures that the public is kept informed through the release of accurate and timely information, news releases, and board advisories.
- **Multimedia** is responsible for meeting all OCFA audio, video, and photographic needs.
- **Community Education** facilitates public safety education and awareness through large-scale educational campaigns and community outreach events.

EMERGENCY OPERATIONS BUREAU

COMMAND & EMERGENCY PLANNING DIVISION

The **Command & Emergency Planning Division**, which is overseen by a Division Chief reporting directly to the Deputy Chief of the Emergency Operations Bureau, provides the following services:

- The **Emergency Command Center (ECC)** serves as a secondary 9-1-1 Public Safety Answering Point (PSAP) and dispatch center for fire and medical emergencies by answering emergency calls, identifying the nature and location of the emergency, and dispatching resources. The ECC also serves as the Operational Area Coordinator for fire and rescue mutual aid for all Orange County fire service agencies.
- **Emergency Planning and Coordination (EPAC)** is primarily responsible for emergency management planning, serving as the OCFA’s representative to the Operational Area Emergency Operations Center (Loma Ridge) and the Operational Area Fire Mutual Aid Representative to the California Office of Emergency Services Region I Office.

FIELD OPERATIONS DEPARTMENTS – NORTH AND SOUTH

The **Field Operations Departments (North and South)** provide command and control direction regarding daily operations and all fire suppression activities, as well as specialized programs for safety personnel. There are seven operational field divisions, each under the command of a Division Chief. Divisions are divided into field battalions, which are under the command of Battalion Chiefs. Within these field battalions are 76 fire stations that provide for regional emergency response to structure fires, medical aids, rescues, hazardous materials incidents, and wildland fires. Activities and additional responsibilities of each department include the following:

FIELD OPERATIONS DEPARTMENT NORTH

- **Division 1 – Battalion 1** primarily serves the cities of Los Alamitos, Seal Beach, and Westminster, as well as the unincorporated communities of Midway City and Rossmoor. **Battalion 11** primarily serves the city of Garden Grove. Division 1 also assists with the provision of emergency services to Seal Beach Naval Weapons Station and the Joint Forces Training Base in Los Alamitos.
- **Division 4 – Battalion 2** primarily serves the city of Yorba Linda, as well as the unincorporated communities of Carbon Canyon, Chino Hills State Park, and Tonner Canyon. **Battalion 3** primarily serves the cities Tustin and Villa Park, as well as the unincorporated communities of Cowan Heights, El Modena, Lemon Heights, Orange Park Acres, Modjeska Canyon, Santiago Canyon, and Silverado Canyon. **Community Volunteer Services (CVS)** coordinates the Reserve Firefighters (RFF) program, the OCFA Chaplain Program, and the Fire Cadet Program.
- **Division 6 – Battalion 9** primarily serves the city of Santa Ana.
- **Division 7 – Battalion 8** primarily serves the cities of Buena Park, Cypress, La Palma, and Stanton.
- The **Hazardous Materials Program** provides administration, oversight, and training for the Hazardous Materials Response Team (HMRT) and the Fire and Law Enforcement Joint Hazard Assessment Team (JHAT).
- **Investigations** conducts fire investigations and evaluations and initiates early intervention strategies. Other responsibilities include administration of the Fire F.R.I.E.N.D.S. diversion program for juvenile-related fires; OCFIRS quality assurance; state and national reporting; and oversight of the Orange County Intelligence and Assessment Center (OCIAC).

FIELD OPERATIONS DEPARTMENT SOUTH

- **Division 2 – Battalion 5 and Battalion 10** primarily serve the city of Irvine, as well as the unincorporated community of Santa Ana Heights. Division 2 provides emergency services to the University of California, Irvine (UCI), John Wayne Airport (JWA), and the Orange County Great Park. The division also provides oversight for Airport Rescue Fire Fighting (ARFF) services. The division is also responsible for coordinating all grants received from the Office of Homeland Security.
- **Division 3 – Battalion 6** primarily serves the cities of Dana Point, San Clemente, and San Juan Capistrano, as well as the unincorporated community of Rancho Mission Viejo and areas along Ortega Highway in southern Orange County. **Battalion 7** primarily serves the cities of Mission Viejo and Rancho Santa Margarita, as well as the unincorporated communities of Coto de Caza, Ladera Ranch, Las Flores, and Trabuco Canyon. Division 3 provides oversight for the OCFA Apparatus Committee.
- **Division 5 – Battalion 4** primarily serves the cities of Aliso Viejo, Laguna Hills, Laguna Niguel, Laguna Woods, and Lake Forest, as well as the unincorporated community of Emerald Bay. Division 5 oversees the Staffing Program, which ensures 24/7 staffing levels at all stations; the Staffing Committee; the employee transfer process within the Operations Department; and the OCFA Equipment Committee.
- **Air Operations** is responsible for coordination and maintenance of OCFA's firefighting helicopters, which are used for emergency responses for wildland and wildland urban interface fires and special rescues such as swift and still water rescues, medical rescue support, and disaster mitigation.
- The **Urban Search & Rescue (US&R) Program** provides specialized emergency response capabilities and equipment for the federal US&R task force, the Swift Water Rescue program, and the Mass Casualty Unit.

- **Wildland Operations** oversees the coordination of firefighting hand crews and heavy fire equipment.

EMS AND TRAINING DEPARTMENT

The **EMS and Training Department** provides emergency medical and specialized training programs for safety personnel. Specific activities and responsibilities of the department include the following:

- The **Emergency Medical Services (EMS) Division** manages the delivery of medical services by OCFA's emergency medical technicians (EMT) and paramedics. EMS serves as a liaison to county and state regulatory agencies, hospitals, ambulance providers, and other EMS groups. EMS also oversees the Wellness and Fitness (WEFIT) program, which includes medical and fitness evaluations, behavioral health, cancer awareness and prevention, peer fitness trainers, employee health and fitness education, and physical training for firefighter academy recruits.
- The **Operations Training and Promotions Division** facilitates and coordinates the Fire Apparatus Engineer, Fire Captain, and Fire Battalion Chief academies and assessment centers. The division works collaboratively with the Operations Training & Safety Division on rank-specific, operations-based training. Lastly, the division coordinates with Santa Ana College and the California Joint Apprenticeship Committee (CFFJAC) on various training activities and programs.
- The **Operations Training & Safety Division (Training)** delivers and facilitates all operations personnel training activities and serves in a lead capacity on issues of employee and incident safety. Training Officers double as incident safety officers.

ADMINISTRATION & SUPPORT BUREAU

BUSINESS SERVICES DEPARTMENT

The **Business Services Department** provides the following services:

- The **Clerk Division** administers democratic processes, such as access to OCFA records and all legislative actions ensuring transparency to the public.
- The **Finance Division** oversees the processing, accounting, reporting, and auditing of all OCFA financial records. It is responsible for developing policies and procedures designed to protect and safeguard OCFA's assets. Specific functions include accounts receivable, general accounting, cost accounting, accounts payable, payroll, and timekeeping.
- The **Legislative Division** identifies and tracks local, state, and federal legislation that could impact OCFA; submits legislative analysis to the Board of Directors; sends letters on behalf of the Board of Directors when a position is taken on an item of legislation; and manages the grant application process for all OCFA grants.
- The **Purchasing Division** administers the centralized procurement of all supplies, services, equipment, and construction services through competitive solicitations. The Purchasing Division is also responsible for administering the procurement card program and surplus disposition.
- The **Treasury Division** provides cash management, budgetary, and financial support services. Treasury services include monitoring cash balances; making investments in compliance with OCFA's Investment Policy; issuing and administering long and short-term debt; and providing oversight of the deferred compensation, pension, and retiree medical programs. Financial planning services include preparation of the budget; annual reviews of OCFA's fiscal health; financial forecasting; and special financial studies.

COMMUNITY RISK REDUCTION DEPARTMENT

The **Community Risk Reduction Department** contributes to community safety and prosperity through the systematic mitigation of risk. Specific programs and services include the following:

- The **Planning and Development Division** interacts with developers, architects, and engineers to meet the fire protection requirements for buildings and developments. This division reviews all architectural development plans and proposals submitted within OCFA's jurisdiction, including tract and parcel maps, permits for conditional use, site development, coastal development, and other items related to the developmental process.
- The **Prevention Field Services Division** assists stakeholders in maintaining and enhancing safe communities by conducting fire safety inspections; enforcing applicable fire codes and ordinances; and assuring that public safety issues are researched and addressed as appropriate.
- **Wildland Pre-Fire Management** takes a proactive approach to wildland fire prevention through the systematic evaluation of risk, fuels mitigation, road maintenance, vegetation management, and home hardening education through ongoing collaboration with partner organizations, landowners, and communities.

HUMAN RESOURCES DEPARTMENT

The **Human Resources Department** provides the following programs and services:

- The **Benefits Division** administers employee benefit programs, including health, accidental death and dismemberment, dental, vision, life, disability, and optional benefit plans; has oversight for human resources information systems; and oversees classification and compensation studies.
- The **Employee Relations Division** oversees performance management; meet and confer, appeal, and grievance processes; and Memorandum of Understanding (MOU) administration. In addition, Employee Relations includes the OCFA accommodation program, which involves scheduling and facilitating interactive process meetings and the identification of reasonable accommodations.
- The **Recruitment Division** oversees recruitment and selection processes.
- The **Risk Management Division** administers OCFA's general liability insurance, self-insured workers' compensation, and environmental health and safety programs.

LOGISTICS DEPARTMENT

The **Logistics Department** provides essential support to all departments of the OCFA in the following areas:

- The **Fleet Services Division** ensures the effective and timely repair, servicing, and maintenance of all vehicles, apparatus, and equipment. Responsibilities include coordinating new vehicle specifications and purchases, maintenance schedules, and replacement prioritization.
- The **Information Technology Division** is responsible for development, operation, maintenance, and security of OCFA's computers, network, and overall technical infrastructure; the development and support of information systems applications and databases; maintenance of centralized enterprise Geographic Information System (GIS) and mapping capabilities; and the acquisition and maintenance of emergency communications equipment.
- The **Property Management Division** builds, maintains, and repairs all OCFA real property and durable infrastructure. Responsibilities include construction of new fire stations and the maintenance and operations of all fire stations and facilities, including the air operations hangar, the Urban Search and Rescue and Training facility, and the Regional Fire Operations and Training Center (RFOTC).
- The **Service Center Division** provides OCFA's organization-wide logistical support. Responsibilities include shipping, receiving, and warehousing services for a wide variety of organizational supplies; mail processing and delivery; testing and repair of firefighting equipment; providing and maintaining personal protective equipment (PPE) for firefighters; outfitting new fire apparatus with equipment; and providing specialized emergency support on incidents.

Orange County Fire Authority



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ACFR 2023

FISCAL YEAR ENDED JUNE 30



ORANGE COUNTY FIRE AUTHORITY

P.O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Rd, Irvine, CA 92602

(714) 573-6000

www.ocfa.org