



Moraga-Orinda Fire District  
**BOARD OF DIRECTORS**  
**Audit Committee Minutes**  
September 14, 2023  
(APPROVED APRIL 1 2024)

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**1. OPENING CEREMONIES**

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

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

Director Hasler                      Gloriann Sasser, Admin Services Director  
Director Jex

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

There were no requests to address the Board.

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

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

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

**4. SPECIAL AGENDA**

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

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

Summary of the Questions Addressed by District Staff:

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

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

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

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

Summary of the Questions Addressed by Maze & Associates:

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

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

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

## 5. ADJOURNMENT

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

Marcia Holbrook,



District Secretary/District Clerk

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