

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021



ORANGE COUNTY FIRE AUTHORITY
ORANGE COUNTY, CALIFORNIA
BUSINESS SERVICES DEPARTMENT / FINANCE DIVISION



Orange County Fire Authority Comprehensive Annual Financial Report Year ended June 30, 2021

Board of Directors As of June 2021

David Shawver, Chair
City of Stanton
(Board Member Since 1995)

Michele Steggell, Vice Chair
City of La Palma
(Board Member Since 2015)

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

Don Sedgwick
City of Laguna Hills
(Board Member Since 2015)

Carol Gamble
City of Rancho Santa
Margarita
(Board Member Since 2011)

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

Sunny Park
City of Buena Park
(Board Member Since 2021)

Sandy Rains
City of Laguna Niguel
(Board Member Since 2019)

Kathy Ward
City of San Clemente
(Board Member Since 2019)

Tri Ta
City of Westminster
(Board Member Since 2009)

Frances Marquez
City of Cypress
(Board Member Since 2020)

Noel Hatch
City of Laguna Woods
(Board Member Since 2013)

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

Gene Hernandez
City of Yorba Linda
(Board Member Since 2013)

Joseph Muller
City of Dana Point
(Board Member Since 2015)

Mark Tetterer
City of Lake Forest
(Board Member Since 2020)

Jessie Lopez
City of Santa Ana
(Board Member Since 2020)

Lisa Bartlett
County of Orange
(Board Member Since 2015)

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

Shelley Hasselbrink
City of Los Alamitos
(Board Member Since 2015)

Joe Kalmick
City of Seal Beach
(Board Member Since 2021)

Donald Wagner
County of Orange
(Board Member Since 2019)

Anthony Kuo
City of Irvine
(Board Member Since 2020)

Ed Sachs
City of Mission Viejo
(Board Member Since 2015)

Letitia Clark
City of Tustin
(Board Member Since 2019)

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
Comprehensive Annual Financial Report
Year ended June 30, 2021

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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 7, 2021

The Board of Directors
Orange County Fire Authority
1 Fire Authority Road
Irvine, California 92602

We are pleased to present the Comprehensive Annual Financial Report of the Orange County Fire Authority (OCFA) for the fiscal year ended June 30, 2021. 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 all 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.

To provide a reasonable basis for making its representations, OCFA management has established a comprehensive internal control framework. 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. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the OCFA's financial statements for the fiscal year ended June 30, 2021, 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 by 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

**FY 2020 / 2021
Comprehensive Annual Financial Report**

The annual budget serves as the foundation for OCFA's financial planning and control. The budget development process begins in November. The budget team compiles the input received 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 it is 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 nearly 3.2 million people.¹ There are thirty-four cities in Orange County. OCFA provides regional fire services to twenty-three of those cities, along with the unincorporated areas throughout the county.

Economic Overview:

After the development and roll-out of a COVID-19 vaccine in early 2021, the economy is now experiencing a V-shaped recovery from the COVID-19 Recession. A V-shaped recovery is characterized by a period of economic decline, a short trough, and finally a rapid recovery. Therefore, recovery is currently occurring at a much faster pace than the previous U-shaped recovery that followed the Great Recession. This is due in large part to federal government's unprecedented fiscal policy and financial stimulus, which included three waves of stimulus funding totaling over \$6 trillion. As the economy continues to emerge from the aftermath of the pandemic, uncertainty remains about the recovery's duration and the impacts on inflation and future interest rates.²

California experienced a 7.4% loss in jobs during 2020, driven by its relatively stringent pandemic interventions enacted in an effort to reduce infections and deaths. The state's job growth is now outpacing that of the nation because it has more unemployed workers to return to the workforce.³ Orange County's unemployment rate was 2.8% in February 2020 but jumped to 13.3% by June 2020. A year later, the county's June 2021 unemployment rate was 6.4%, a significant improvement but still higher than pre-pandemic levels.⁴ Most pandemic-related job losses in Orange County were concentrated in the leisure and hospitality sector, which are still below pre-recession levels. By contrast, Orange County's strong construction sector has already recovered and is doing the most to fuel local recovery.⁵

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 2011-2021*

² Chapman University, *Economic & Business Review*, June 2021, *A V-Shaped Recovery: But at What Cost?*

³ Chapman University, *Economic & Business Review*, June 2021, *Jobs Hit Hard by the COVID Recession: The Culprit? Greater Stringency*

⁴ Bureau of Labor Statistics, https://www.bls.gov/eag/eag.ca_santaana_md.htm, Local Area Unemployment Statistics, Anaheim-Santa Ana-Irvine, CA Metropolitan Division, Years 2011 to 2021

⁵ Chapman University, *Economic & Business Review*, June 2021, *Seems Like Clear Sailing: But Storm Clouds are Forming*

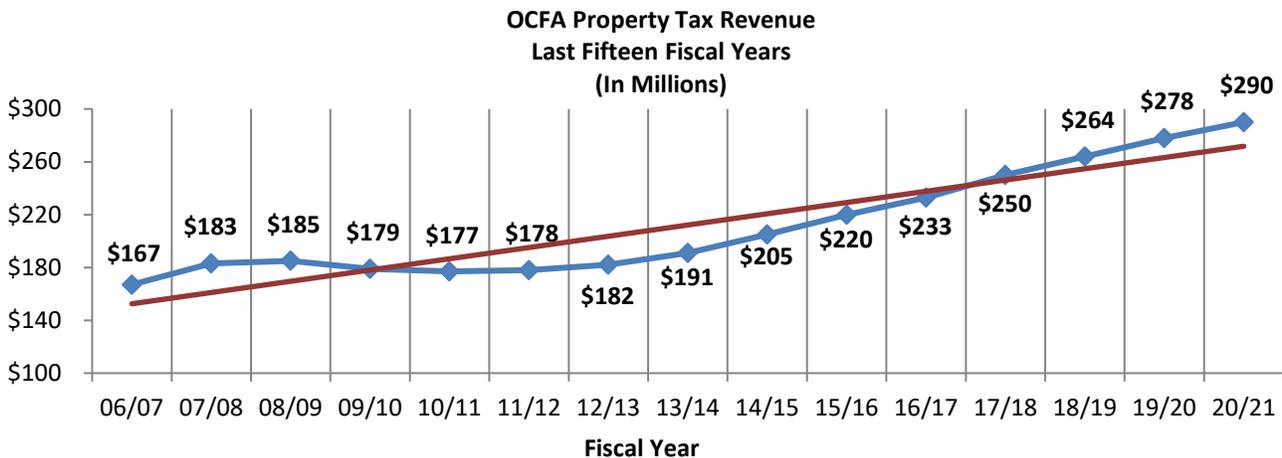
Income and Housing Affordability:

Households in Orange County have a median annual income of \$95,934, which exceeds state (\$80,440) and national (\$65,712) levels.⁶ 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 not been enough stock of single-family and multi-family residences available to meet demand.

The median price for a single-family home in Orange County was approximately \$893,000 in 2020, an increase of 8.6% over the prior year. At the same time, the number of residential building permits issued in the last year has decreased by 42.6% – from 10,294 permits in 2019 to 5,907 permits in 2020. The affordability index for a median priced, single-family home did increase from 71.3% in 2019 to 77.9% in 2020.⁷ However, Orange County is also experiencing historically low mortgage rates and a tight housing supply. The average number of days to sell a home in Orange County was at a historic low of 22 days in May 2021. This combination may place downward pressure on housing affordability for the foreseeable future.

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 58.7% of OCFA’s total governmental funds revenues in Fiscal Year 2020/21. As previously described, home prices continue to rise. OCFA’s property tax revenues have steadily increased over the last ten fiscal years since the Great Recession, as shown in the chart below. The current median, single-family home price of \$893,000 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.

⁶ Data USA, <https://datausa.io/profile/geo/orange-county-ca/#economy/>, 2019 Median Household Income

⁷ Chapman University, *Economic & Business Review*, June 2021, *Seems Like Clear Sailing: But Storm Clouds are Forming*; Table 11
Orange County Annual History and Forecasts: 2016-2020

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 for ensuring an ongoing focus on fiscal health and a general process to ensure timely and appropriate response to adverse fiscal circumstances. The cornerstones of this plan are a set of strong fiscal policies and a comprehensive system for monitoring OCFA's fiscal performance. Financial indicators are monitored through frequent updates of OCFA's five-year financial forecast to evaluate 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, as well as the diversification and maturity requirements for investments.

Roles/Responsibilities/Authorities for the OCFA: This document identifies those roles and responsibilities that have been retained by the Board, 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/or 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 the issuance of short-term debt.

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.

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.

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 Standard Board (GASB) Statement No. 54.

Major Initiatives Expected to Affect Future Financial Position

Highlights of select initiatives that have the potential to impact OCFA's future financial position are described below.

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:

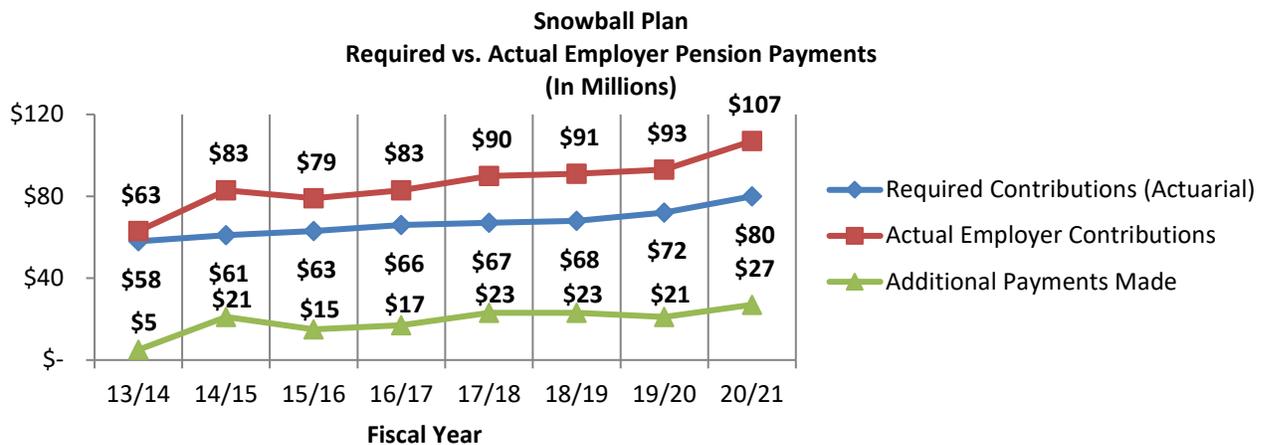
- (A) Use unencumbered fund balance available at the close of each fiscal year to make annual lump sum payments, estimated at an average amount of \$3 million annually;
- (B) Include savings from reduced retirement rates resulting from the implementation of the Public Employees' Pension Reform Act;
- (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. OCFA has been making additional payments toward its UAAL annually since Fiscal Year 2013/14, with additional payments made during Fiscal Year 2020/21 totaling \$27.0 million. The Board of Directors is updated annually on the status of the pay-down plan. As of January 2021, estimates received from the OCERS actuary indicated that these accelerated payments have saved OCFA \$34.4 million in interest, and that OCFA will achieve 85% funding by December 31, 2021, and 100% funding by December 31, 2026. Below is a summary of additional payments made toward the UAAL under the “Snowball Plan” since Fiscal Year 2013/14, followed by a comparison of required versus actual employer pension contributions made during that same time period.

| | Part A | Part B | Part C | Part D | Part E | Part F | | | |
|---------------------------|------------------------|-----------------------|-------------------------|---|-----------------------------|-----------------------------|------------------------------|----------------------------------|---|
| Fiscal Year Ended June 30 | Available Fund Balance | Annual PEPPRA 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 Toward the UAAL |
| 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 |
| Total | \$76,918,783 | \$15,848,384 | \$25,000,000 | \$5,000,000 | \$870,041 | \$500,000 | \$124,137,208 | \$28,375,434 | \$152,512,642 |



Service Level Assessments: OCFA has been working with Citygate Associates, LLC, since January 2019 to conduct organizational Service Level Assessments (SLA’s). Each SLA evaluates the operational performance of a key area in OCFA’s operations in order to compare to national best practices, and to evaluate the needs of OCFA, its employees, and its agency customers. The intent of each SLA is to accomplish the same objectives as a strategic plan but in smaller pieces, and to allow for progress to be made on objectives while other portions of the organization are still being assessed. As of August 2020, SLA’s were finalized for the first of five key areas of the organization – field deployment, emergency medical services, emergency command center, fleet services, and executive leadership. OCFA will continue to use the SLA findings in those reports to guide improvement throughout the organization. In addition, OCFA’s Board has authorized the completion of SLA’s for two new areas – OCFA’s Business Services Department and Community Risk Reduction Department. Work on those two SLA’s commenced in November 2020 and is ongoing.

Ongoing Response to COVID-19 Pandemic: Fiscal Year 2020/21 has been a year unlike any other in the history of OCFA. As a public safety organization, OCFA has been serving on the front lines of the COVID-19 global pandemic since it began in March 2020. Even as California Governor Gavin Newsom lifted an initial “stay at home order” in June 2020, OCFA continued to provide 24/7 emergency and support services to the Orange County community. Proactive measures based on state and federal guidelines were implemented to minimize the risk and potential for exposure to OCFA’s workforce, including facility closures to the general public (except for Community Risk Reduction customers at the RFOTC), employee health screenings, enhanced security services, extra facility cleaning, sanitation stations, and providing facemasks to employees. A COVID-19 employee leave bank was established effective March 29, 2021 through September 30, 2021, in accordance with SB95. Certain paid sick leave entitlements were made available for employees who were unable to work or telework due to specific qualifying reasons related to COVID-19. The exact economic impacts to assessed property values and property taxes, OCFA’s primary revenue source, are not completely known at this time. There is generally a delay of one to two fiscal years between when a significant economic event occurs and when property tax revenues are subsequently impacted. OCFA will continue to monitor the impacts of the pandemic on the economy and OCFA’s future financial position.

OCFA began administering COVID-19 vaccinations to its safety personnel and support staff in December 2020 and January 2021, respectively. OCFA’s role in the county-wide vaccination efforts expanded in 2021 as the county’s first vaccine distribution “pod” site for health care workers and other qualified individuals was established at OCFA’s own Regional Fire Operations and Training Center (RFOTC). OCFA went on to collaborate with the County of Orange in support of a county-wide vaccination effort titled Operation Independence. The mission of Operation Independence was to complete all county vaccinations by July 4, 2021. OCFA assisted in this effort by filling long-term leadership and support roles on the Operation Independence team, and by staffing various county-operated “super pod” sites at Disneyland, Soka University, and other locations. The super pod sites were designed to distribute the vaccine to county residents in an efficient and expeditious manner.

With the continued improvements in the COVID-19 pandemic and vaccine availability, OCFA has modified measures previously implemented relative to its workforce. Beginning in June 2021, fully-vaccinated employees were no longer required to wear face coverings in most situations. Public access to the RFOTC was opened effective July 1, 2021, with limited usage of conference rooms or classrooms by external parties other than OCFA employees. Certain OCFA activities that were canceled or modified throughout the pandemic were restored in July 2021. OCFA is pleased that most of its activities have now returned to normal operations. OCFA and its personnel have persevered through an extremely challenging year. Even as the global pandemic is certainly not over, we remain committed to providing the highest possible level of emergency response service to the communities in which we serve.

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 2019/20 Comprehensive Annual Financial Report, the twenty-third 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 Comprehensive Annual Financial Report that satisfies both GAAP and applicable legal requirements. The certificate is valid for a period of one year. We believe our Fiscal Year 2020/21 Comprehensive Annual Financial Report 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 Comprehensive Annual Financial Report was made possible by the dedicated efforts of the 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 in a responsible and progressive manner.

Respectfully submitted,

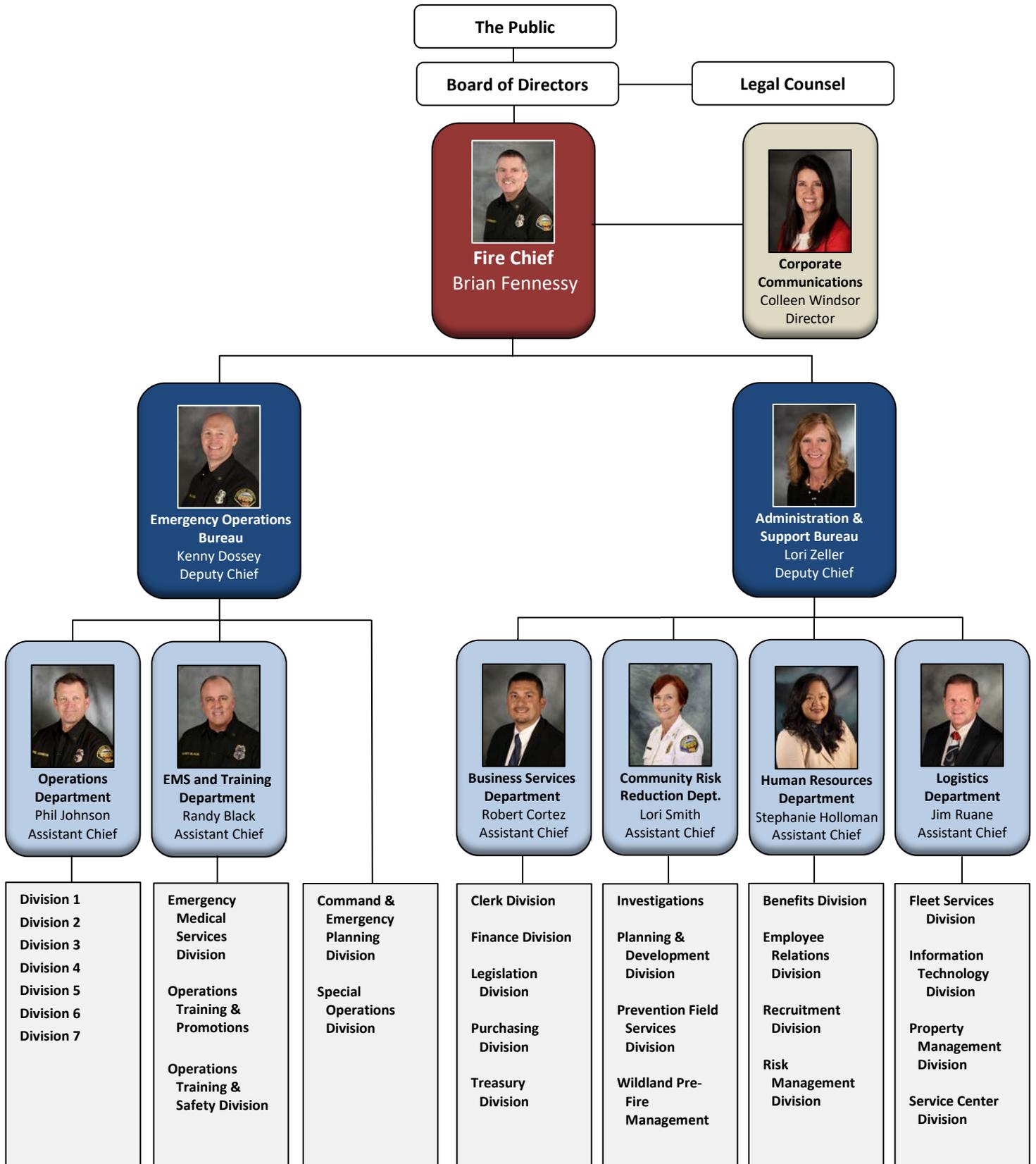


Brian Fennessy
Fire Chief



Robert Cortez
Assistant Chief, Business Services Department

ORANGE COUNTY FIRE AUTHORITY
 Organization Chart
 As of June 30, 2021



ORANGE COUNTY FIRE AUTHORITY
Management Staff and Appointed Officials
As of June 30, 2021

Executive Management

Fire Chief

Brian Fennessy

Deputy Chiefs

| | |
|--------------|--------------------------|
| Kenny Dossey | Emergency Operations |
| Lori Zeller | Administration & Support |

Assistant Chiefs

| | |
|--------------------|--------------------------|
| Phil Johnson | Operations |
| Randy Black | EMS and Training |
| Robert Cortez | Business Services |
| Lori Smith | Community Risk Reduction |
| Stephanie Holloman | Human Resources |
| Jim Ruane | Logistics |

Directors

| | |
|-----------------|--------------------------|
| Colleen Windsor | Corporate Communications |
|-----------------|--------------------------|

Appointed Officials

| | |
|-------------------|------------------------|
| Patricia Jakubiak | Treasurer |
| Julie Nemes | Auditor |
| Maria D. Huizar | Clerk of the Authority |

Legal Counsel

| | |
|----------------------------|-----------------|
| Woodruff, Spradlin & Smart | General Counsel |
|----------------------------|-----------------|

**ORANGE COUNTY FIRE AUTHORITY
Organization of Board of Directors
As of June 30, 2021**

Orange County Fire Authority's Board of Directors has twenty-five members as of June 30, 2021. 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 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.



Government Finance Officers Association

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**Orange County Fire Authority
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



Financial Section



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



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

Opinions

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, and the aggregate remaining fund information of Orange County Fire Authority as of June 30, 2021, the respective changes in financial position, and the budgetary comparison statement for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of OCFA's proportionate share of the net pension liability, the schedule of changes in net pension liability and related ratios, the schedule of changes in net OPEB liability and related ratios, the schedules of contributions, and the schedules of money weighted rate of return on as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Prior Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2020, from which such partial information was derived.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.



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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2021 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 the Authority's internal control over financial reporting and compliance.

Lance, Solt & Lughard, LLP

Brea, California
October 7, 2021



Orange County Fire Authority Safety Message

Be Ember Aware



Embers are burning pieces of vegetation or other flammable material and are the leading cause of structural damage and home loss from a wildfire.

- ✓ Once they're picked up by strong winds, embers can travel as much as five miles in front of the active front of a wildfire. Before flames get anywhere near your home, embers can land in dry or flammable vegetation or small open spaces on your roof or walls, and ignite, threatening your home.
- ✓ If embers fall on and ignite nearby plants, the radiant heat created by the fire can burn combustible siding, doors, or window frames. Radiant heat can also cause windows to break, creating openings that allow flames and embers to enter your home. Once the home is on fire, it will create more embers that can be picked up by winds, travel to other homes and neighborhoods, and increase fire damage for the entire community.
- ✓ Embers create a huge threat during a wildfire. It's the steps you take now to make your home and landscaping more ember-resistant that will protect your family, your home, and your community during the next wildfire. Take responsibility!

*In order to successfully protect your home,
you need to understand the real threat during a wildfire.*

Management's Discussion & Analysis



9-11 Remembrance Ceremony
September 11, 2020

ORANGE COUNTY FIRE AUTHORITY
Management's Discussion and Analysis
Year ended June 30, 2021

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, 2021.

Financial Highlights

Governmental Activities: OCFA's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$207,511,949 at June 30, 2021. Net position consisted of net investment in capital assets totaling \$214,278,884; amounts restricted for capital and other projects totaling \$7,815,047; and an unrestricted deficit totaling \$429,605,880. Net position increased by \$67,152,849 as the result of current year operations.

Governmental Funds: OCFA's governmental fund balances totaled \$240,024,583 at June 30, 2021, an increase of \$6,588,962 over the prior fiscal year. Approximately 8.5% was available for funding future operational needs.

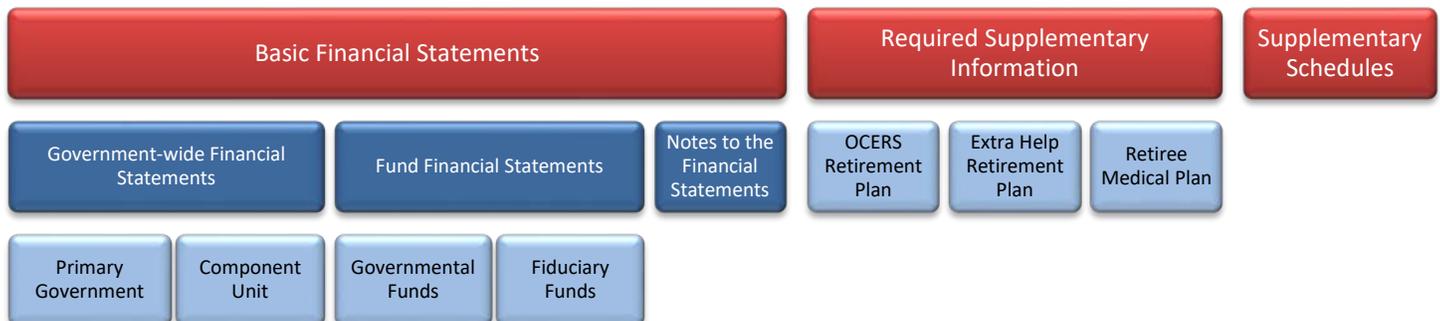
General Fund: Fund balance in the General Fund was categorized as follows at June 30, 2021:

| | | |
|---|--|----------------------|
| ➤ | Nonspendable | \$ 41,707,145 |
| ➤ | Restricted | 7,380,284 |
| ➤ | Committed | 1,120,950 |
| ➤ | Assigned | 119,680,181 |
| ➤ | Unassigned | <u>20,391,894</u> |
| | Fund balance of the General Fund as of June 30, 2021 | <u>\$190,280,454</u> |

Events with Significant Financial Impact: During Fiscal Year 2020/21, OCFA implemented Governmental Accounting Standards Board (GASB) Statement No. 87 *Leases*. This statement enhances the usefulness and comparability of financial statements among governments by requiring lessees and lessors to report leases using a single model. As a lessee, OCFA's governmental activities began reporting new right-to-use capital assets and long-term lease liabilities totaling \$5.1 million for a helicopter training tower, copiers, utility pickup trucks, and a land lease at Fullerton Airport. Related inflows or outflows of resources were recognized based on the payment provisions of each lease contract. As a lessor, OCFA's governmental activities and General Fund began reporting a long-term lease receivable and deferred inflow of resources totaling \$0.9 million for a cell tower located at the Regional Fire Operations and Training Center (RFOTC).

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 24-25.

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 28-32.

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 35-86 and RSI can be found on pages 87-97.

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 99-111.

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 a deficit of \$207,511,949 at the end of the most recent fiscal year, a 24.4% change from the prior fiscal year. Following is a summary of OCFA’s net position as of June 30, 2021 and 2020:

ORANGE COUNTY FIRE AUTHORITY's Net Position

| <u>Governmental Activities</u> | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>Increase (Decrease)</u> | |
|---|-------------------------------|-------------------------------|-----------------------------|---------------|
| | | | <u>Amount</u> | <u>%</u> |
| Assets: | | | | |
| Current and other assets | \$ 247,290,940 | \$ 231,040,916 | \$ 16,250,024 | 7.0% |
| Restricted assets | 3,797,698 | 2,121,417 | 1,676,281 | 79.0% |
| Capital assets, net | <u>219,259,235</u> | <u>217,317,435</u> | <u>1,941,800</u> | 0.9% |
| Total assets | <u>470,347,873</u> | <u>450,479,768</u> | <u>19,868,105</u> | 4.4% |
| Deferred outflows of resources: | | | | |
| Related to pensions/OPEB | <u>169,462,497</u> | <u>127,422,203</u> | <u>42,040,294</u> | 33.0% |
| Total deferred outflows of resources | <u>169,462,497</u> | <u>127,422,203</u> | <u>42,040,294</u> | 33.0% |
| Liabilities: | | | | |
| Long-term liabilities | 615,766,071 | 722,904,449 | (107,138,378) | -14.8% |
| Other liabilities | <u>27,494,874</u> | <u>17,391,109</u> | <u>10,103,765</u> | 58.1% |
| Total liabilities | <u>643,260,945</u> | <u>740,295,558</u> | <u>(97,034,613)</u> | -13.1% |
| Deferred inflows of resources: | | | | |
| Related to leases | 854,202 | - | 854,202 | n/a |
| Related to pensions/OPEB | <u>203,207,172</u> | <u>112,271,211</u> | <u>90,935,961</u> | 81.0% |
| Total deferred inflows of resources | <u>204,061,374</u> | <u>112,271,211</u> | <u>91,790,163</u> | 81.8% |
| Net position: | | | | |
| Net investment in capital assets | 214,278,884 | 217,317,435 | (3,038,551) | -1.4% |
| Restricted for capital projects | 599,148 | 391,477 | 207,671 | 53.0% |
| Restricted for augmentation and upstaffing activities | 1,147,785 | 956,880 | 190,905 | 20.0% |
| Restricted for greenhouse gas reduction activities | 1,986,525 | 1,354,680 | 631,845 | 46.6% |
| Restricted for Section 115 pension trust | 3,795,815 | 2,120,383 | 1,675,432 | 79.0% |
| Restricted for grants, donations, and other programs | 285,774 | 1,836,756 | (1,550,982) | -84.4% |
| Unrestricted | <u>(429,605,880)</u> | <u>(498,642,409)</u> | <u>69,036,529</u> | 13.8% |
| Total net position (deficit) | <u>\$(207,511,949)</u> | <u>\$(274,664,798)</u> | <u>\$ 67,152,849</u> | 24.4% |

Net Investment in Capital Assets: At June 30, 2021, 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, 2021, restricted net position relates to 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; donations received for specific programs; and unperformed purchase orders for grant-funded programs.

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, 2021 and June 30, 2020, indicates that OCFA's obligations currently exceed its resources. 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.

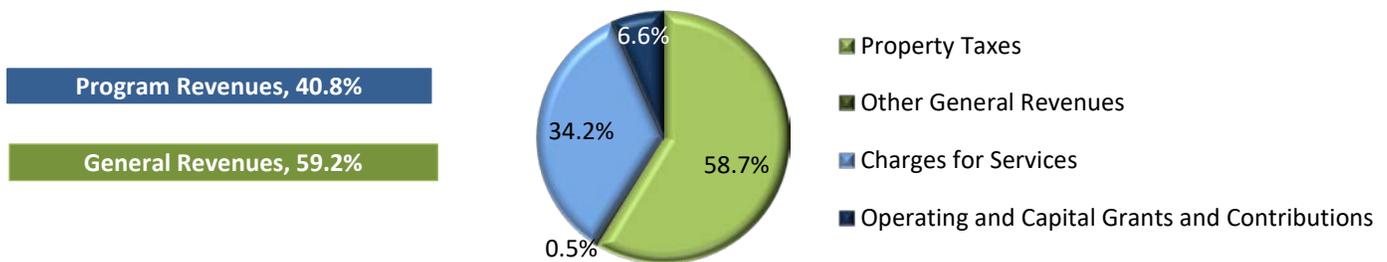
Changes in Net Position: Net position of OCFA's governmental activities increased by \$67,152,849 during the most recent fiscal year, an indication that OCFA's financial position has improved. As previously noted, changes in financial reporting requirements under GASB Statements No. 68 and No. 75 are the reason why OCFA reports an overall deficit in its net position.

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 2020/21 and Fiscal Year 2019/20, followed by explanations for the increases or decreases in revenues and expenses between fiscal years.

ORANGE COUNTY FIRE AUTHORITY's Changes in Net Position

| <u>Governmental Activities</u> | <u>June 30, 2021</u> | <u>June 30, 2020</u> | <u>Increase (Decrease)</u> | |
|---|------------------------|------------------------|----------------------------|----------|
| | | | <u>Amount</u> | <u>%</u> |
| Program revenues: | | | | |
| Charges for services | \$ 169,343,205 | \$ 156,740,363 | \$12,602,842 | 8.0% |
| Operating grants and contributions | 31,323,104 | 29,275,482 | 2,047,622 | 7.0% |
| Capital grants and contributions | <u>1,332,000</u> | <u>3,850,481</u> | <u>(2,518,481)</u> | -65.4% |
| Total program revenues | <u>201,998,309</u> | <u>189,866,326</u> | <u>12,131,983</u> | 6.4% |
| General revenues: | | | | |
| Property taxes | 290,310,882 | 277,721,815 | 12,589,067 | 4.5% |
| Investment income | 462,789 | 3,374,813 | (2,912,024) | -86.3% |
| Gain on disposal of capital assets | 174,666 | 12,641 | 162,025 | 1281.7% |
| Miscellaneous | <u>1,786,052</u> | <u>1,740,904</u> | <u>45,148</u> | 2.6% |
| Total general revenues | <u>292,734,389</u> | <u>282,850,173</u> | <u>9,884,216</u> | 3.5% |
| Total revenues | <u>494,732,698</u> | <u>472,716,499</u> | <u>22,016,199</u> | 4.7% |
| Public safety expenses: | | | | |
| Salaries and benefits | 331,869,650 | 352,573,221 | (20,703,571) | -5.9% |
| Services and supplies | 82,748,977 | 84,600,263 | (1,851,286) | -2.2% |
| Depreciation and amortization | <u>12,961,222</u> | <u>12,137,499</u> | <u>823,723</u> | 6.8% |
| Total public safety expenses | <u>427,579,849</u> | <u>449,310,983</u> | <u>(21,731,134)</u> | -4.8% |
| Change in net position | 67,152,849 | 23,405,516 | 43,747,333 | |
| Net position (deficit), beginning of year | <u>(274,664,798)</u> | <u>(298,070,314)</u> | <u>23,405,516</u> | |
| Net position (deficit), end of year | <u>\$(207,511,949)</u> | <u>\$(274,664,798)</u> | <u>\$67,152,849</u> | 24.4% |

Revenues of Governmental Activities - By Source
Fiscal Year 2020/21



Program Revenues: Program revenues, which totaled \$201,998,309 for Fiscal Year 2020/21 and accounted for 40.8% of total revenues, increased by \$12,131,983 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 increased by \$12,602,842 over the prior fiscal year.

| <u>Amount (Rounded)</u> | <u>Reason for Increase / Decrease</u> |
|-------------------------|---|
| +\$12,745,000 | Reimbursements for state and federal "assistance by hire" incidents vary depending on fire and emergency response activity. Reimbursements from CALFIRE, the California Emergency Management Agency (CAL EMA), and the Cleveland National Forest increased in Fiscal Year 2020/21 by \$12,970,000. OCFA responded to ninety-seven incidents in the current fiscal year as compared to fifty-nine in the prior fiscal year. Some of the more significant fire incidents in Fiscal Year 2020/21 included the in-county Santiago and Bond fires and the out-of-county Apple, LNU Lighting Complex, and El Dorado fires. Federal responses to national emergency incidents decreased in Fiscal Year 2020/21 by \$225,000. Activity was higher in the prior fiscal year due to Tropical Cyclone Dorian in September 2019 and the Puerto Rico Earthquake in January 2020. |

(Continued)

(Continued)

| Amount (Rounded) | Reason for Increase / Decrease |
|----------------------|--|
| +\$3,350,000 | OCFA contracts to provide emergency response services to its cash contract cities and other government agencies. Fire service contract revenues from cash contract cities increased by a net \$1,410,000 during Fiscal Year 2020/21. The net increase was based on contractual terms of the Joint Powers Agreement with eight current members (+\$8,525,000), offset by the loss of revenue from the City of Placentia (-\$7,115,000). The City of Placentia withdrew from the OCFA effective July 1, 2020. Other revenue increases in Fiscal Year 2020/21 included OCFA's contracts with California Department of Forestry (CALFIRE) for protection of State Responsibility Area (SRA) lands (+\$1,730,000) and with John Wayne Airport for Airport Rescue Firefighting (ARFF) Services (+\$210,000). |
| -\$1,560,000 | Funding for OCFA's response to the COVID-19 pandemic decreased in Fiscal Year 2020/21. During the prior fiscal year, OCFA recognized a public assistance reimbursement claim totaling \$4,250,000 from the Federal Emergency Management Agency (FEMA). An additional \$130,000 in FEMA revenue was recognized during the current fiscal year, along with \$60,000 in Cares Act funding for personal protective equipment (PPE) and \$2,500,000 for the Operation Independence vaccine distribution initiative. |
| -\$1,360,000 | Fee-based fire prevention revenues for inspections, planning and development, and false alarm events decreased due to lower activity in Fiscal Year 2020/21 brought on by the ongoing adverse effects of the COVID-19 pandemic on building efforts and material costs. In addition, the number of false alarms decreased as customers addressed fire alarm issues timely, thus avoiding the more punitive fees for repeat offences. |
| -\$445,000 | Ambulance transport and supplies reimbursements were lower in Fiscal Year 2020/21 primarily due to a reduction in activity within the City of Placentia, which was no longer an OCFA member effective July 1, 2020. |
| -\$130,000 | Road maintenance, fuel reduction, and other contract revenues generated by the hand crew decreased because less work was completed for Southern California Edison and the Orange County Parks Department. |
| +\$12,600,000 | Program Revenues: Charges for Services – Net Increase |

Operating Grants and Contributions include grants, contributions, donations, and similar items that are restricted to one or more specific program. These revenues increased by \$2,047,622 over the prior fiscal year.

| Amount (Rounded) | Reason for Increase / Decrease |
|---------------------|--|
| +\$4,820,000 | During Fiscal Year 2019/20, OCFA received \$3,930,000 in state revenues to fund the Fire Integrated Real-Time Intelligence System (FIRIS) Pilot Program in support of the 2019 wildfire season. During Fiscal Year 2020/21, OCFA received \$8,750,000 to fund the Fire Integrated Real-Time Intelligence System (FIRIS) 2.0 Program in support of the 2020 wildfire season. The duration and scope of the current fiscal year's program increased from five to ten months and from one to two airbases. |
| -\$3,065,000 | Federal and state operating grants decreased due to a one-time grant received in Fiscal Year 2019/20 to purchase COVID-19 personal protective equipment. OCFA also made fewer purchases in the current fiscal year for certain multi-year federal grants, including grants for additional firefighter positions and fireground survival training. The fireground survival training grant was placed on hold for most of Fiscal Year 2020/21 as a COVID-19 safety measure. |
| +\$2,050,000 | Tax increment passed through from members increased by \$2,050,000. The State of California dissolved its redevelopment program in Fiscal Year 2011/12. City redevelopment agencies were replaced with successor agencies to manage the wind-down of the program. Tax increment from this program was deposited into a trust fund from which the County of Orange Auditor/Controller makes disbursements. |
| -\$1,870,000 | In both the current and prior fiscal years, OCFA received donations from Southern California Edison (SCE) to support seasonal wildland air operations programs. Current fiscal year revenues were lower because programs operated for a shorter duration. The Fiscal Year 2019/20 program operated for approximately six months (Next Generation Aerial Operations Based Pilot Program). The Fiscal Year 2020/21 programs operated for approximately three months (Very Large Helitanker Services Program) and sixteen days (Quick Reaction Force Pilot Program). The 180-day Quick Reaction Force Pilot Program commenced on June 15, 2021. |
| +\$115,000 | Other operating grants and contributions increased primarily due to state funding used for greenhouse gas reduction activities. |
| +\$2,050,000 | 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 decreased by \$2,518,481 from the prior fiscal year.

| Amount (Rounded) | Reason for Increase / Decrease |
|------------------|--|
| -\$3,155,000 | Capital assets contributed to OCFA decreased primarily due to the acquisition of various fire apparatus, vehicles, and equipment from the City of Garden Grove in the prior fiscal year. This was a one-time contribution that occurred when the city became a new OCFA member on August 16, 2019. |
| +\$635,000 | 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 Irvine and Lake Forest. The individual project having the greatest impact on developer revenue was the Great Park in Irvine. |
| -\$2,520,000 | Program Revenues: Capital Grants and Contributions – Net Decrease |

General Revenues: General revenues, which totaled \$292,734,389 for Fiscal Year 2020/21 and accounted for 59.2% of total revenues, increased by \$9,884,216 over the prior fiscal year.

| Amount (Rounded) | Reason for Increase / Decrease | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------|---|--------------------|----------------------|------------|---------------------|--------------------|-----------|-------------|---------------|--------------------------|-----------|---------|-----------|----------------------------|---------|---------|-----------|---------------------------|--------|--------|--------|--------------------------------|------------------|--------------------|----------------------|
| +\$12,590,000 | Property taxes increased by \$12,590,000 over the prior fiscal year primarily due to increases in secured property taxes. Secured property taxes increased by 4.7%, which is consistent with a corresponding 4.7% increase in the assessed property values for jurisdictions within OCFA’s structural fire fund. | | | | | | | | | | | | | | | | | | | | | | | | |
| -\$2,910,000 | Investment income decreased by \$2,910,000. OCFA’s year-to-date effective rate of return on its investment portfolio was 0.36% at June 30, 2021, as compared to 1.63% at June 30, 2020. This decline generated a decrease 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 2020/21 and generated a decrease in total investment income as compared to the prior fiscal year’s market value gain. The market value adjustment is a “paper only” transaction since OCFA typically holds its investments to maturity. These components of investment income, including interest earned from the County of Orange on property taxes and the Section 115 pension trust, are summarized below: <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th>FY 2020/21</th> <th>FY 2019/20</th> <th>Increase (Decrease)</th> </tr> </thead> <tbody> <tr> <td>Portfolio earnings</td> <td>\$553,095</td> <td>\$2,607,604</td> <td>\$(2,054,509)</td> </tr> <tr> <td>Market value gain (loss)</td> <td>(460,756)</td> <td>312,594</td> <td>(773,350)</td> </tr> <tr> <td>Interest on property taxes</td> <td>206,081</td> <td>341,629</td> <td>(135,548)</td> </tr> <tr> <td>Section 115 pension trust</td> <td>96,418</td> <td>40,805</td> <td>55,613</td> </tr> <tr> <td>Total investment income</td> <td>\$394,838</td> <td>\$3,302,632</td> <td>\$(2,907,794)</td> </tr> </tbody> </table> | | FY 2020/21 | FY 2019/20 | Increase (Decrease) | Portfolio earnings | \$553,095 | \$2,607,604 | \$(2,054,509) | Market value gain (loss) | (460,756) | 312,594 | (773,350) | Interest on property taxes | 206,081 | 341,629 | (135,548) | Section 115 pension trust | 96,418 | 40,805 | 55,613 | Total investment income | \$394,838 | \$3,302,632 | \$(2,907,794) |
| | FY 2020/21 | FY 2019/20 | Increase (Decrease) | | | | | | | | | | | | | | | | | | | | | | |
| Portfolio earnings | \$553,095 | \$2,607,604 | \$(2,054,509) | | | | | | | | | | | | | | | | | | | | | | |
| Market value gain (loss) | (460,756) | 312,594 | (773,350) | | | | | | | | | | | | | | | | | | | | | | |
| Interest on property taxes | 206,081 | 341,629 | (135,548) | | | | | | | | | | | | | | | | | | | | | | |
| Section 115 pension trust | 96,418 | 40,805 | 55,613 | | | | | | | | | | | | | | | | | | | | | | |
| Total investment income | \$394,838 | \$3,302,632 | \$(2,907,794) | | | | | | | | | | | | | | | | | | | | | | |
| +\$205,000 | Miscellaneous and other revenues increased due to a gain on disposal of various capital assets and due to workers’ compensation insurance recoveries, including a new Fiscal Year 2020/21 case covered under OCFA’s excess workers’ compensation policy. | | | | | | | | | | | | | | | | | | | | | | | | |
| +\$9,885,000 | General Revenues – Net Increase | | | | | | | | | | | | | | | | | | | | | | | | |



Public Safety Expenses: Total public safety expenses decreased by \$21,731,134 from the prior fiscal year.

| Amount (Rounded) | Reason for Increase / Decrease | | | | | | | | | | | | | | | | | | | | |
|--|--|--|---------------------|---|---------------------|---------------------|--------------|---------------------------|--------------|---|------------|--------------------------|-------------|-------------------------------|--------------|--|---------------|-------------------------------|------------|----------------------------------|--------------|
| +\$18,490,000 | 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): other pay (+\$6,855,000); regular pay, FICA, and Medicare (+\$4,690,000); overtime costs (+\$3,825,000); employee health insurance and other benefits (+\$2,630,000); vacation and sick leave payouts (+\$450,000); and temporary “extra help” salaries (+\$40,000). | | | | | | | | | | | | | | | | | | | | |
| -\$49,590,000 | Retirement contributions remitted to the Orange County Employees Retirement System (OCERS) increased by \$13,410,000. 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. 68, the amount of pension expense recognized during Fiscal Year 2020/21 to fully capture OCFA’s share of the net pension liability in its governmental activities was \$63,000,000 less than the prior fiscal year. | | | | | | | | | | | | | | | | | | | | |
| +\$10,425,000 | Under the requirements of GASB Statement No. 75, the amount of OPEB expense recognized during Fiscal Year 2020/21 in order to fully capture OCFA’s net OPEB liability in its governmental activities was \$10,425,000 more than the prior fiscal year. | | | | | | | | | | | | | | | | | | | | |
| -\$30,000 | The net change in long-term liabilities for various employee leave balances decreased by \$30,000 as compared to the prior fiscal year and is recognized as an expense (credit) in the governmental activities. | | | | | | | | | | | | | | | | | | | | |
| -\$20,705,000 | Subtotal for Public Safety Salaries and Benefits – Net Decrease | | | | | | | | | | | | | | | | | | | | |
| +\$1,680,000 | 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>➤ Fire Integrated Real-Time Intelligence System Programs</td> <td style="text-align: right;">+\$4,805,000</td> </tr> <tr> <td>➤ Seasonal Wildland Air Operations Programs</td> <td style="text-align: right;">-\$2,080,000</td> </tr> <tr> <td>➤ COVID-19 Pandemic</td> <td style="text-align: right;">-\$1,930,000</td> </tr> <tr> <td>➤ Thermal Imaging Cameras</td> <td style="text-align: right;">+\$1,080,000</td> </tr> <tr> <td>➤ First-In Alerting and Phone Systems Project</td> <td style="text-align: right;">+\$680,000</td> </tr> <tr> <td>➤ Helicopter Maintenance</td> <td style="text-align: right;">+\$655,000</td> </tr> <tr> <td>➤ Garden Grove Start-Up Costs</td> <td style="text-align: right;">-\$655,000</td> </tr> <tr> <td>➤ Fire Station No. 42 (Portola Hills) Site Stabilization Project</td> <td style="text-align: right;">-\$605,000</td> </tr> <tr> <td>➤ Other services and supplies</td> <td style="text-align: right;">-\$270,000</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;">+\$1,680,000</td> </tr> </table> | ➤ Fire Integrated Real-Time Intelligence System Programs | +\$4,805,000 | ➤ Seasonal Wildland Air Operations Programs | -\$2,080,000 | ➤ COVID-19 Pandemic | -\$1,930,000 | ➤ Thermal Imaging Cameras | +\$1,080,000 | ➤ First-In Alerting and Phone Systems Project | +\$680,000 | ➤ Helicopter Maintenance | +\$655,000 | ➤ Garden Grove Start-Up Costs | -\$655,000 | ➤ Fire Station No. 42 (Portola Hills) Site Stabilization Project | -\$605,000 | ➤ Other services and supplies | -\$270,000 | Total – net increase in expenses | +\$1,680,000 |
| ➤ Fire Integrated Real-Time Intelligence System Programs | +\$4,805,000 | | | | | | | | | | | | | | | | | | | | |
| ➤ Seasonal Wildland Air Operations Programs | -\$2,080,000 | | | | | | | | | | | | | | | | | | | | |
| ➤ COVID-19 Pandemic | -\$1,930,000 | | | | | | | | | | | | | | | | | | | | |
| ➤ Thermal Imaging Cameras | +\$1,080,000 | | | | | | | | | | | | | | | | | | | | |
| ➤ First-In Alerting and Phone Systems Project | +\$680,000 | | | | | | | | | | | | | | | | | | | | |
| ➤ Helicopter Maintenance | +\$655,000 | | | | | | | | | | | | | | | | | | | | |
| ➤ Garden Grove Start-Up Costs | -\$655,000 | | | | | | | | | | | | | | | | | | | | |
| ➤ Fire Station No. 42 (Portola Hills) Site Stabilization Project | -\$605,000 | | | | | | | | | | | | | | | | | | | | |
| ➤ Other services and supplies | -\$270,000 | | | | | | | | | | | | | | | | | | | | |
| Total – net increase in expenses | +\$1,680,000 | | | | | | | | | | | | | | | | | | | | |
| -\$3,530,000 | 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 2020/21</th> <th style="text-align: center; border-bottom: 1px solid black;">FY 2019/20</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;">\$14,790,000</td> <td style="text-align: right;">\$12,340,000</td> <td style="text-align: right;">\$2,450,000</td> </tr> <tr> <td>Change in actuarial estimate</td> <td style="text-align: right;">11,340,000</td> <td style="text-align: right;">17,320,000</td> <td style="text-align: right;">(5,980,000)</td> </tr> <tr> <td>Total fiscal year expense</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$26,130,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$29,660,000</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">\$(3,530,000)</td> </tr> </tbody> </table> | | FY 2020/21 | FY 2019/20 | Increase (Decrease) | Actual claims paid | \$14,790,000 | \$12,340,000 | \$2,450,000 | Change in actuarial estimate | 11,340,000 | 17,320,000 | (5,980,000) | Total fiscal year expense | \$26,130,000 | \$29,660,000 | \$(3,530,000) | | | | |
| | FY 2020/21 | FY 2019/20 | Increase (Decrease) | | | | | | | | | | | | | | | | | | |
| Actual claims paid | \$14,790,000 | \$12,340,000 | \$2,450,000 | | | | | | | | | | | | | | | | | | |
| Change in actuarial estimate | 11,340,000 | 17,320,000 | (5,980,000) | | | | | | | | | | | | | | | | | | |
| Total fiscal year expense | \$26,130,000 | \$29,660,000 | \$(3,530,000) | | | | | | | | | | | | | | | | | | |
| -\$1,850,000 | Subtotal for Public Safety Services and Supplies – Net Decrease | | | | | | | | | | | | | | | | | | | | |
| +\$825,000 | Public Safety Depreciation and Amortization Expense , which had no impact on OCFA’s cash balances, increased by \$825,000, and pertained primarily to depreciation on equipment. Fiscal Year 2020/21 was the first full year of depreciation expense on a dispatcher console upgrade project that was placed into service during the prior fiscal year. In addition, GASB Statement No. 87 <i>Leases</i> was implemented during Fiscal Year 2020/21 and included new recognition of amortization for various right-to-use leased assets. | | | | | | | | | | | | | | | | | | | | |
| -\$21,730,000 | 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 \$357,733 at June 30, 2021, a 105.6% increase over the prior 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, 2021 and 2020:

| OCFA FOUNDATION’s Condensed Financial Activity | | | | |
|---|------------------|------------------|---------------------|---------------|
| Component Unit | June 30, 2021 | June 30, 2020 | Increase (Decrease) | |
| | | | Amount | % |
| Assets: | | | | |
| Current and other assets | \$351,897 | \$160,475 | \$191,422 | 119.3% |
| Capital assets, net | 12,716 | 13,515 | (799) | -6.0% |
| Total assets | 364,613 | 173,990 | 190,623 | 109.6% |
| Liabilities: | | | | |
| Other liabilities | 6,880 | - | 6,880 | n/a |
| Total liabilities | 6,880 | - | 6,880 | n/a |
| Net position: | | | | |
| Investment in capital assets | 12,716 | 13,515 | (799) | -6.0% |
| Restricted for grants, donations, and other programs | 107,630 | 39,490 | 68,140 | 172.6% |
| Unrestricted | 237,387 | 120,985 | 116,402 | 96.3% |
| Total net position | \$357,733 | \$173,990 | \$183,743 | 105.6% |
| Program revenues: | | | | |
| Operating grants and contributions | \$304,466 | \$130,382 | \$174,084 | 133.6% |
| Total revenues | 304,466 | 130,382 | 174,084 | 133.6% |
| Public safety expenses: | | | | |
| Services and supplies | 119,924 | 99,717 | 20,207 | 20.3% |
| Depreciation and amortization | 799 | 799 | - | n/a |
| Total expenses | 120,723 | 100,516 | 20,207 | 20.1% |
| Change in net position | 183,743 | 29,866 | 153,877 | |
| Net position, beginning of year | 173,990 | 144,124 | 29,866 | |
| Net position, end of year | \$357,733 | \$173,990 | \$183,743 | 105.6% |

Net Position: At June 30, 2021, 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, 2021, restricted net position included unspent amounts received for the Smoke Alarm Outreach Program, Drowning Prevention, the Fire Cadet Academy, the September 11th Memorial Project, Girls Empowerment Camp, and the Best & Bravest Awards Event. 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 2020/21, operating grants and contributions included \$188,102 in general contributions and \$116,364 in donations and other revenues restricted for various OCFA Foundation programs. Services and supplies expenses included \$11,339 in administrative costs and a \$50,000 repayment to OCFA for the start-up funding used to establish the Foundation in 2010. Other services and supplies expenses totaling \$58,585 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)

At the end of Fiscal Year 2020/21, OCFA’s governmental funds reported combined ending fund balances of \$240,024,583, an increase of \$6,588,962 in comparison with the prior fiscal year. Approximately 8.5% constitutes unassigned fund balance, which is available for spending for any purpose. The remaining 91.5% of fund balance is not available for spending on any new purpose, because it has already been restricted, committed, or assigned for specific purposes, or it is in a nonspendable form.

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 a major governmental fund in the fund financial statements. OCFA has elected to classify all four of its governmental funds as major, regardless of the calculation. Following is a description of the changes in each fund’s revenues, expenditures, and transfers from the prior to the current fiscal year, and how those changes impacted net fund balance. ***Increases to revenues and transfers in impact fund balance positively, while increases to expenditures and transfers out impact fund balance negatively.***



The **General Fund** is the chief operating fund of OCFA. At the end of Fiscal Year 2020/21, the General Fund’s fund balance totaled \$190,280,454. Unassigned fund balance totaling \$20,391,894 (10.7%) is available for future spending. The remaining \$169,888,560 (89.3%) 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 decreased by \$307,799 during the current fiscal year. The prior fiscal year’s fund balance increased by \$21,863,627, a difference of \$22,171,426. The significant reason(s) for that net difference are summarized in the following tables.

| | Impact on Fund Balance (Rounded) |
|---|----------------------------------|
| Revenues – net increase | +\$25,210,000 |
| Expenditures – net decrease | -\$36,555,000 |
| Other financing sources and uses – net decrease | -\$10,825,000 |
| Impact on fund balance – net decrease | -\$22,170,000 |

| Impact on Fund Balance (Rounded) | Description |
|----------------------------------|---|
| +\$16,965,000 | Intergovernmental. The increase in intergovernmental revenue primarily related to \$12.7 million in state and federal “assistance by hire” revenues for emergency response activity and federal reimbursements for response to tropical cyclones and other disasters. OCFA personnel responded to more of these types of emergencies in Fiscal Year 2020/21 as compared to the prior fiscal year, including the in-county Silverado and Bond fires in October 2020 and December 2020, respectively. |
| +\$12,590,000 | Taxes. Revenue from property taxes increased primarily due to secured property taxes, which were 4.7% 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. |
| -\$2,430,000 | Use of Money and Property. The portion of investment portfolio earnings and a net market value loss allocated to the fund decreased (-\$2,350,000), as well as interest earnings related to property taxes (-\$135,000). This was offset by increased earnings in OCFA’s Section 115 pension trust, which generated +\$55,000 more during Fiscal Year 2020/21 as compared to the prior fiscal year. |
| -\$2,200,000 | Miscellaneous. The decrease in miscellaneous revenue is primarily related to donations received from Southern California Edison (SCE) in conjunction with seasonal wildland air operations programs. During Fiscal Year 2019/20, SCE donated \$4.9 million to fund the Next Generation Aerial Operations Based Pilot Program from July 2019 to December 2019. During Fiscal Year 2020/21, SCE donated \$2.1 million to fund the Very Large Helitanker Services Program from October 2020 to December 2020. Both programs funded daytime and nighttime air support to enhance OCFA’s regional aerial wildland fire response. Fiscal Year 2020/21 revenue also included \$850,000 in SCE donations for the new 180-day Quick Reaction Force Pilot Program, which commenced on June 15, 2021. |

(Continued)

(Continued)

| Impact on Fund Balance (Rounded) | Description | | | | | | | | | | | | | | |
|---|---|--|--------------|---------------------------|------------|---|------------|---|--------------|-----------------------------|--------------|--|------------|--------------------------------------|--------------|
| +\$285,000 | Charges for Services. The most significant increase in charges for services was over \$2.0 million for operating and facilities charges to cash contract cities per terms of the Joint Powers Agreement. The most significant decreases were for planning and development fees (-\$675,000), inspection fees (-\$605,000), and ambulance transport and supplies reimbursements (-\$445,000). The adverse effects of the COVID-19 pandemic on building efforts and material costs resulted in fewer requests for new occupancy plan reviews during Fiscal Year 2020/21. This, in turn, affected plan review and inspection revenues for fire alarms and sprinkler systems. In addition, OCFA continued to limit inspections to those required by mandate and other select inspection types as part of its ongoing response to the COVID-19 pandemic. There were less ambulance transport and supplies reimbursements in Fiscal Year 2020/21 primarily due the City of Placentia, which was no longer an OCFA member effective July 1, 2020. | | | | | | | | | | | | | | |
| +\$25,210,000 | Subtotal – Impact of Revenues | | | | | | | | | | | | | | |
| -\$13,410,000 | 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 OCERS, increased by \$7.5 million. That increase is due in part to corresponding increases in employee compensation. In accordance with OCFA’s “snowball” plan to expedite the paydown of its net unfunded pension liability, one-time employer pension contributions and other rate savings payments increased by \$2.2 million and \$3.8 million, respectively. | | | | | | | | | | | | | | |
| -\$6,855,000 | <p>Other Pay. Other pay – which includes pay to employees on workers’ compensation, educational incentives, paramedic/EMT bonuses, bilingual 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;">+\$2,460,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Paramedic specialty pay</td> <td style="text-align: right;">+\$750,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Special assignment pay for other safety specialties</td> <td style="text-align: right;">+\$540,000</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;">+\$3,750,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Workers’ compensation pay</td> <td style="text-align: right;">+\$2,360,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Other miscellaneous taxable and nontaxable pay</td> <td style="text-align: right;">+\$750,000</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;">+\$6,860,000</td> </tr> </table> <p>Specialty pay for safety employees was the most significant contributor to the overall increase in other pay. During Fiscal 2020/21, new Memorandums of Understanding (MOU) were negotiated between OCFA and its safety labor groups (Orange County Professional Firefighters Association and Orange County Fire Authority Chief Officers Association). Both MOU’s included modifications to certain specialty pay provisions, which are typically calculated as a percentage of regular pay. Effective July 1, 2020, all chief officers with a current EMT or paramedic certification were eligible to receive new EMT pay calculated at 4.5% of base salary. Effective September 1, 2020, EMT pay for all firefighters increased by 2% of base salary (from 5% to 7%).</p> | ➤ Emergency medical technician (EMT) pay | +\$2,460,000 | ➤ Paramedic specialty pay | +\$750,000 | ➤ Special assignment pay for other safety specialties | +\$540,000 | Subtotal – increase in specialty pay for safety employees | +\$3,750,000 | ➤ Workers’ compensation pay | +\$2,360,000 | ➤ Other miscellaneous taxable and nontaxable pay | +\$750,000 | Total – net increase in expenditures | +\$6,860,000 |
| ➤ Emergency medical technician (EMT) pay | +\$2,460,000 | | | | | | | | | | | | | | |
| ➤ Paramedic specialty pay | +\$750,000 | | | | | | | | | | | | | | |
| ➤ Special assignment pay for other safety specialties | +\$540,000 | | | | | | | | | | | | | | |
| Subtotal – increase in specialty pay for safety employees | +\$3,750,000 | | | | | | | | | | | | | | |
| ➤ Workers’ compensation pay | +\$2,360,000 | | | | | | | | | | | | | | |
| ➤ Other miscellaneous taxable and nontaxable pay | +\$750,000 | | | | | | | | | | | | | | |
| Total – net increase in expenditures | +\$6,860,000 | | | | | | | | | | | | | | |
| -\$4,690,000 | Regular Pay. Regular pay and related costs such as FICA and Medicare increased by \$4.7 million in Fiscal Year 2020/21. Scheduled pay increases went into effect per negotiated labor contracts, including general and supervisory units (2.00% effective August 2020) and administrative managers (2.00% effective August 2020). | | | | | | | | | | | | | | |
| -\$3,825,000 | Overtime. Overtime costs increased by over \$3.8 million, including overtime for emergencies and backfill for suppression personnel utilizing leave balances or on workers’ compensation. There were more in-county emergency events generating overtime in Fiscal Year 2020/21, most notably the Silverado Fire in October 2020 and Bond Fire in December 2020. There were also more out-of-county incidents to which OCFA provided state “assistance by hire” in Fiscal Year 2020/21 as compared to the prior fiscal year, including the Apple Fire (July 2020), LNU Lightning Complex Fire (August 2020), and El Dorado Fire (September 2020). | | | | | | | | | | | | | | |
| -\$2,630,000 | 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 increased from \$2,095 to \$2,199 per month in January 2021. | | | | | | | | | | | | | | |
| -\$450,000 | Vacation and Sick Leave Payouts. Vacation and sick leave payouts increased primarily due to the retirement of two long-term employees with significant balances during Fiscal Year 2020/21. | | | | | | | | | | | | | | |
| -\$40,000 | Extra Help. Salary costs for temporary, “extra help” employees vary each year as projects and short-term vacancies arise. The net increase was primarily due to employees hired to staff a temperature check-in station at the Regional Fire Operations and Training Center (RFOTC) during the COVID-19 pandemic. | | | | | | | | | | | | | | |
| -\$31,900,000 | Subtotal – Impact of Salaries and Benefits | | | | | | | | | | | | | | |

(Continued)

(Continued)

| Impact on Fund Balance (Rounded) | Description | | | | | | | | |
|---|--|---|--------------|--|--------------|--------------------------------------|------------|--------------------------------------|--------------|
| -\$4,805,000 | <p>Fire Integrated Real-Time Intelligence System Programs. During Fiscal Year 2020/21, services and supplies totaled \$8,745,000 for the Fire Integrated Real-Time Intelligence System (FIRIS) 2.0 Program, an expanded ten-month program to enhance regional wildfire situational awareness for first responders during the 2020 wildfire season. The state-funded program provided for the operation of two air bases located in Southern and Northern California, with OCFA as the lead agency. Professional service costs from September 2020 to June 2021 totaling \$8,660,000 included the operation of fixed wing aircraft by Aevex (+\$4.5 million); twelve Air Tactical Group Supervisors (ATGS) (+\$1.8 million); situational awareness and fire modeling by the University of San Diego (+\$1.0 million); mapping, coordination, and consulting by Intterra Corporation (+\$900,000); project management by the North County Fire Protection District and the Los Angeles Fire Department (+\$430,000); and strategic planning by Mission Centered Solutions, Inc. (+\$30,000). Other costs included hangar and office space rental at both airbases (+\$40,000) and lodging costs for the ATGS personnel (+\$45,000). By comparison, services and supplies totaled \$3,940,000 for the FIRIS Pilot Program in Fiscal Year 2019/20. That five-month pilot program, which supported the 2019 wildfire season, operated for a shorter duration and out of a single air base located in Southern California.</p> | | | | | | | | |
| -\$2,450,000 | <p>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 during Fiscal Year 2020/21 increased by \$2,450,000 over the prior fiscal year. The reason for the increase is largely attributed to two firefighter injuries that occurred during the in-county Silverado Fire in October 2020.</p> | | | | | | | | |
| +\$2,080,000 | <p>Seasonal Wildland Air Operations Programs. OCFA has partnered with Southern California Edison (SCE) in both the current and prior fiscal years to fund seasonal air operations programs designed to enhance OCFA's regional aerial wildland fire response and benefit the residents and businesses within SCE's service territory. Below is a summary of the net increases and decreases in program expenditures for each program:</p> <table style="margin-left: 40px; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">➤ Next Generation Aerial Operations Based Pilot Program</td> <td style="text-align: right;">-\$5,290,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Very Large Helitanker Services Program</td> <td style="text-align: right;">+\$2,360,000</td> </tr> <tr> <td style="padding-left: 20px;">➤ Quick Reaction Force Pilot Program</td> <td style="text-align: right;">+\$850,000</td> </tr> <tr> <td style="padding-left: 40px;">Total – net decrease in expenditures</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">-\$2,080,000</td> </tr> </table> <p>The Next Generation Aerial Operations Based Pilot Program was designed to enhance regional wildland firefighting capabilities through the use of various innovative technology. The pilot program operated a type 1 helitanker and type 3 intelligence-gathering helicopter. Pilots provided by Coulson Aviation, Inc. used night vision goggles and electronic image-gathering equipment to engage in nighttime fire attack operations. The program operated from July through December 2019, with program expenditures totaling \$5,290,000.</p> <p>For the Very Large Helitanker Services Program, pilots provided by Coulson Aviation, Inc. operated a CH-47 helitanker as an additional daytime and nighttime firefighting resource. The program operated from October through December 2020, with program expenditures totaling \$2,360,000.</p> <p>The 180-day Quick Reaction Force (QRF) Pilot Program commenced operations on June 15, 2021, in partnership with the Los Angeles County Fire Department and the Ventura County Fire Department. A QRF is a combination of aerial firefighting resources pre-assembled and organized to work together as a specialized unit, twenty-four hours a day. The QRF deploys when a wildland fire exceeds suppression resources available during initial attack, and has new capabilities to drop large amounts of fire retardant at night. This program provides for a very large helitanker and an aerial supervision aircraft operated by Coulson Aviation, Inc., as well as mobile fire-retardant plant services. Initial program expenditures totaled \$850,000 during Fiscal Year 2020/21.</p> | ➤ Next Generation Aerial Operations Based Pilot Program | -\$5,290,000 | ➤ Very Large Helitanker Services Program | +\$2,360,000 | ➤ Quick Reaction Force Pilot Program | +\$850,000 | Total – net decrease in expenditures | -\$2,080,000 |
| ➤ Next Generation Aerial Operations Based Pilot Program | -\$5,290,000 | | | | | | | | |
| ➤ Very Large Helitanker Services Program | +\$2,360,000 | | | | | | | | |
| ➤ Quick Reaction Force Pilot Program | +\$850,000 | | | | | | | | |
| Total – net decrease in expenditures | -\$2,080,000 | | | | | | | | |
| +\$1,930,000 | <p>COVID-19 Pandemic. During Fiscal Year 2020/21, OCFA purchased services and supplies totaling \$870,000 in response to the global COVID-19 pandemic, as compared to \$2.8 million in the prior fiscal year. Pandemic-related purchases are ongoing; however, the most significant costs were incurred during the first few months of the pandemic from March through June 2020. One-time purchases made in the prior fiscal year included telecommuting laptops and meals for the Incident Management Team (IMT). OCFA also acquired a large stock of employee personal protective equipment (PPE) and patient medical supplies at the outset of the pandemic. New purchases were made in the current fiscal year to replenish that stock as items were used.</p> | | | | | | | | |

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(Continued)

| Impact on Fund Balance (Rounded) | Description | | | | | | | | | | | | |
|---------------------------------------|---|---------------------|---------------------|---------------------|---------------------------------------|--------------|--------------|------------------------------|-----|-----|-----------------|-------|-------|
| -\$1,080,000 | Thermal Imaging Cameras. The majority of OCFA’s supply of thermal imaging cameras were purchased in 2007. There have been several technological improvements made to the firefighting equipment since that time. During Fiscal Year 2020/21, OCFA replaced all 158 thermal imaging cameras assigned front-line apparatus (+\$680,000) and also purchased 698 new thermal imaging cameras designed for use by individual firefighters (+\$400,000). | | | | | | | | | | | | |
| -\$680,000 | First-In Alerting and Phone Systems Project. During Fiscal Year 2020/21, expenditures increased by \$680,000 as part of an ongoing project to upgrade alerting technology and phone systems at all OCFA fire stations. In order to utilize the same digital technology as the Computer Aided Dispatch (CAD) system that was replaced in 2014, the alerting systems are being upgraded over a fifteen-year period at a rate off three to five stations per year. The cost per station varies depending on size, the number of crew, apparatus deployed, and condition of existing wiring and infrastructure. During the prior fiscal year, the most significant costs were incurred to finalize the alerting system upgrade at Fire Station No. 33 (Airport). By comparison, alerting system upgrades at four fire stations were completed during the current fiscal year – Fire Station No. 04 (University), Fire Station No. 06 (Irvine), Fire Station No. 54 (Foothill Ranch), and Fire Station No. 64 (Westminster). | | | | | | | | | | | | |
| -\$655,000 | Helicopter Maintenance. Maintenance costs on OCFA’s helicopter fleet increased by \$655,000 during Fiscal Year 2020/21. The cost to maintain the newer Bell 412 helicopters increased by \$910,000. This was primarily due to the 5-year scheduled inspection and other unscheduled maintenance performed on Helicopter 1. Costs were significantly higher than those incurred for the 5-year scheduled inspection of Helicopter 2 during the prior fiscal year. In addition, cabin seating for both aircraft was replaced during Fiscal Year 2020/21. The cost to maintain the older Bell Super Huey helicopters decreased by \$255,000. In September 2020, the Fire Chief retired Helicopters 3 and 4, citing safety concerns and a cost/benefit maintenance analysis. Use of the two Bell Super Huey helicopters was discontinued and ongoing maintenance was no longer required. | | | | | | | | | | | | |
| +655,000 | Garden Grove Start-Up Costs. OCFA incurred \$655,000 of reimbursable services and supplies costs during Fiscal Year 2019/20 relating to the transition of fire and emergency medical services from the City of Garden Grove in August 2019. No transition costs were incurred during Fiscal Year 2020/21. | | | | | | | | | | | | |
| -\$155,000 | Other Services and Supplies. Other services and supply costs experienced a net increase in Fiscal Year 2020/21 relating to utilities (+\$510,000); clothing and personal protective equipment (+\$500,000); insurance (+295,000); special department expenditures (-\$280,000); office supplies and related items (-\$265,000); professional services (-\$240,000); equipment and vehicle maintenance (-\$230,000); travel, training, and meetings (-\$200,000); food (-\$150,000); transportation (+\$115,000); communications (+\$80,000); facility maintenance (+\$70,000); household items (-\$60,000); and facility rent (+10,000). | | | | | | | | | | | | |
| -\$5,160,000 | Subtotal – Impact of Services and Supplies | | | | | | | | | | | | |
| +\$215,000 | Capital Outlay. Capital outlay varies each year based on organizational needs for new and replacement equipment and vehicles. The most significant equipment purchase in Fiscal Year 2019/20 was for ninety-five automatic chest compression devices (-\$1.4 million). The most significant vehicle purchase in Fiscal Year 2020/21 was for four crew-carrying vehicles (+\$1.2 million). | | | | | | | | | | | | |
| +\$290,000 | Interest and Fiscal Charges. Interest decreased on amounts borrowed by the General Fund from other funds, a mechanism OCFA utilizes to manage its short-term cash flow needs. The total amount borrowed, number of days outstanding, and average short-term borrowing rate all declined in Fiscal Year 2020/21 as follows: <table style="margin-left: 40px; width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center; border-bottom: 1px solid black;">Fiscal Year 2020/21</th> <th style="text-align: center; border-bottom: 1px solid black;">Fiscal Year 2019/20</th> </tr> </thead> <tbody> <tr> <td>➤ Amount borrowed by the General Fund</td> <td style="text-align: right;">\$15,000,000</td> <td style="text-align: right;">\$20,000,000</td> </tr> <tr> <td>➤ Number of days outstanding</td> <td style="text-align: right;">245</td> <td style="text-align: right;">312</td> </tr> <tr> <td>➤ Interest rate</td> <td style="text-align: right;">0.36%</td> <td style="text-align: right;">1.91%</td> </tr> </tbody> </table> | | Fiscal Year 2020/21 | Fiscal Year 2019/20 | ➤ Amount borrowed by the General Fund | \$15,000,000 | \$20,000,000 | ➤ Number of days outstanding | 245 | 312 | ➤ Interest rate | 0.36% | 1.91% |
| | Fiscal Year 2020/21 | Fiscal Year 2019/20 | | | | | | | | | | | |
| ➤ Amount borrowed by the General Fund | \$15,000,000 | \$20,000,000 | | | | | | | | | | | |
| ➤ Number of days outstanding | 245 | 312 | | | | | | | | | | | |
| ➤ Interest rate | 0.36% | 1.91% | | | | | | | | | | | |
| +\$505,000 | Subtotal – Impact of Capital Outlay, Interest, and Fiscal Charges | | | | | | | | | | | | |
| -\$36,555,000 | Subtotal – Impact of Expenditures | | | | | | | | | | | | |

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| Impact on Fund Balance (Rounded) | Description |
|----------------------------------|--|
| -\$11,060,000 | Interfund Transfers. Transfers made from the General Fund to the capital projects funds for projects in the Capital Improvement Program totaled \$11,060,000 in Fiscal Year 2020/21. No transfers out were made in the prior fiscal year. |
| +\$235,000 | Insurance Recoveries. Insurance recoveries increased in Fiscal Year 2020/21 due to proceeds from OCFA's excess workers' compensation policy for a case relating to the October 2020 Silverado Fire, as well as various recoveries received for vehicle accidents. |
| -\$10,825,000 | Subtotal – Impact of Other Financing Sources and Uses |
| -\$22,170,000 | General Fund – Net Impact on Fund Balance |



The **Communications and Information Systems Fund** had total fund balance of \$5,223,735 at the end of Fiscal Year 2020/21. Fund balance was assigned to the Capital Improvement Program (\$5,089,194) and communications and information technologies projects (\$123,750). The remaining \$10,791 is not available for spending on any new purpose, because it is in a nonspendable form. Total fund balance decreased by \$1,005,178 during the current fiscal year. The prior fiscal year's fund balance decreased by \$1,678,800, a difference of \$673,622. The significant reason(s) for that net difference are identified in the following table.

| Impact on Fund Balance (Rounded) | Description |
|----------------------------------|--|
| +\$805,000 | Dispatch Consoles. Expenditures for services and supplies and capital outlay decreased by \$805,000 due to a variety of multi-year capital improvement projects. The project with the most significant impact on the overall expenditure decrease was the 800 MHz Countywide-Communications (CCCS) System capital improvement project. The upgrade and replacement of the original system was implemented in phases beginning in Fiscal Year 2016/17. Participating agencies were responsible for purchasing their own radios and dispatch consoles that are compatible with the new system. During Fiscal Year 2019/20, OCFA incurred costs to finalize the upgrade of dispatch consoles. The multi-year project was finalized and placed into service in June 2020. |
| -\$130,000 | Use of Money and Property. The portion of investment portfolio earnings and a net market value loss allocated to the fund decreased. |
| +\$675,000 | Communications and Information Systems Fund – Net Impact on Fund Balance |



The **Fire Apparatus Fund** had total fund balance of \$26,031,912 at the end of Fiscal Year 2020/21. Fund balance was assigned to the Capital Improvement Program (\$12,486,395) and purchase of fire apparatus and vehicles (\$13,545,517). Total fund balance increased by \$7,041,383 during the current fiscal year. The prior fiscal year's fund balance increased by \$7,358,706, a difference of \$317,323. The significant reason(s) for that net difference are identified in the following table.

| Impact on Fund Balance (Rounded) | Description |
|----------------------------------|---|
| +\$3,060,000 | Interfund Transfers. Transfers in from other funds for projects in the Capital Improvement Program increased by \$3,060,000 as compared to the amount transferred during the prior fiscal year. |
| -\$2,950,000 | 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 current fiscal year due to the purchase of three type three engines and one 103' truck. |
| -\$305,000 | Use of Money and Property. The portion of investment portfolio earnings and a net market value loss allocated to the fund decreased (-\$165,000). Interfund borrowing interest earned from the General Fund also decreased due to declines in the total number of days principal was outstanding during the year and the average daily rate used to calculate interest (-\$140,000). |

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| Impact on Fund Balance (Rounded) | Description |
|----------------------------------|--|
| -\$120,000 | Charges for Services. Cash contract city vehicle charges decreased in accordance with the terms of the Joint Powers Agreement. Charges received in Fiscal Year 2019/20 from the City of Placentia, which withdrew membership from OCFA effective July 1, 2020, was the primary reason for the overall decrease in revenues. |
| -\$315,000 | Fire Apparatus Fund – Net Impact on Fund Balance |



The **Fire Stations and Facilities Fund** had total fund balance of \$18,488,482 at the end of Fiscal Year 2020/21. Amounts pertaining to CALFIRE revenues received for future fire station construction (\$434,763) were classified as restricted. Other amounts were assigned to the Capital Improvement Program (\$17,246,140) and construction projects (\$804,115). The remaining \$3,464 is not available for spending on any new purpose, because it is in a nonspendable form. Total fund balance increased by \$860,556 during the current fiscal year. The prior fiscal year’s fund balance decreased by \$8,314,679, a difference of \$9,175,235. The significant reason(s) for that net difference are identified in the following table.

| Impact on Fund Balance (Rounded) | Description |
|----------------------------------|--|
| +\$8,000,000 | Interfund Transfers. Transfers out to the Fire Apparatus Fund for projects in the Capital Improvement Program totaled \$8,000,000 in Fiscal Year 2019/20. No amounts were transferred out in the current fiscal year. |
| +\$820,000 | Capital Projects. Expenditures decreased by \$820,000 due to multi-year capital improvement projects as follows: <ul style="list-style-type: none"> ➤ During Fiscal Year 2017/18, OCFA began a project to stabilize the property and foundation caused by long-term soil erosion at Fire Station No. 42 (Portola Hills). Non-capitalized project costs included permits, geotechnical engineering services, and construction, with most work completed during Fiscal Year 2019/20 (-\$605,000). The project was finalized in November 2019 at a three-year cost of just over \$1 million. ➤ During Fiscal Year 2019/20, OCFA commenced its project to replace Fire Station No. 10 (Yorba Linda). In anticipation of two fire stations transitioning back to the City of Placentia on July 1, 2020, OCFA identified an immediate need to acquire multiple portable buildings to house the displaced units (-\$275,000). During Fiscal Year 2020/21, additional temporary station costs were incurred, including trailer ramps, monthly rent of an office trailer and portable sanitation units, and lockers (+\$60,000). |
| +\$640,000 | 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. Increases in developer activity primarily related to projects in the City of Irvine that were completed in Fiscal Year 2020/21. |
| -\$330,000 | Use of Money and Property. The portion of investment portfolio earnings and a net market value loss allocated to the fund decreased (-\$185,000). Interfund borrowing interest earned from the General Fund also decreased due to declines in the amount borrowed, the total number of days principal was outstanding during the year, and the average daily rate used to calculate interest (-\$150,000). |
| +\$45,000 | Intergovernmental. The increase in intergovernmental revenue related to contract revenues funds for the protection of the State Responsibility Area. |
| +\$9,175,000 | 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 2020/21.

| | Original Budget | Increase (Decrease) | Final Budget | Variance Positive (Negative) | Actual Amounts |
|-----------------------------|----------------------|------------------------|----------------------|------------------------------------|----------------------|
| Salaries and benefits | \$375,549,198 | \$31,752,672 | \$407,301,870 | \$ 366,678 | \$406,935,192 |
| Services and supplies | 61,884,759 | 38,680,049 | 100,564,808 | 29,470,304 | 71,094,504 |
| Capital outlay | 2,741,362 | 4,995,975 | 7,737,337 | 4,713,482 | 3,023,855 |
| Interest and fiscal charges | 6,177 | 29,117 | 35,294 | (952) | 36,246 |
| Transfers out | <u>11,059,336</u> | <u>-</u> | <u>11,059,336</u> | <u>-</u> | <u>11,059,336</u> |
| | <u>\$451,240,832</u> | <u>\$75,457,813</u> | <u>\$526,698,645</u> | <u>\$34,549,512</u> | <u>\$492,149,133</u> |

Adjustments to Appropriations: Budgeted General Fund appropriations increased by \$75,457,813 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) |
|---|-------------------------------------|
| Overtime and backfill for response to out-of-county and other incidents | \$23,510,000 |
| Quick Reaction Force Pilot Program | 9,410,000 |
| Fire Integrated Real-Time Intelligence System Programs | 9,190,000 |
| Grant activities | 8,560,000 |
| Various Capital Improvement Program projects | 4,340,000 |
| Employee Memorandum of Understanding changes | 4,290,000 |
| Contributions toward unfunded pension liability | 3,500,000 |
| Various equipment and vehicles | 3,260,000 |
| Very Large Helitanker Services Program | 2,490,000 |
| COVID-19 pandemic overtime, services, and supplies | 2,480,000 |
| Structural Fire Entitlement projects | 1,230,000 |
| Employee training | 820,000 |
| Insurance | 420,000 |
| Helicopter program | 380,000 |
| Various professional services | 240,000 |
| Facility maintenance | 130,000 |
| Vehicle maintenance | 130,000 |
| Equipment maintenance | 70,000 |
| Staffing changes, reconfigurations, and service enhancements | 70,000 |
| Interest on interfund borrowing | 30,000 |
| Various other appropriations | 910,000 |
| Total adjustments | \$75,460,000 |

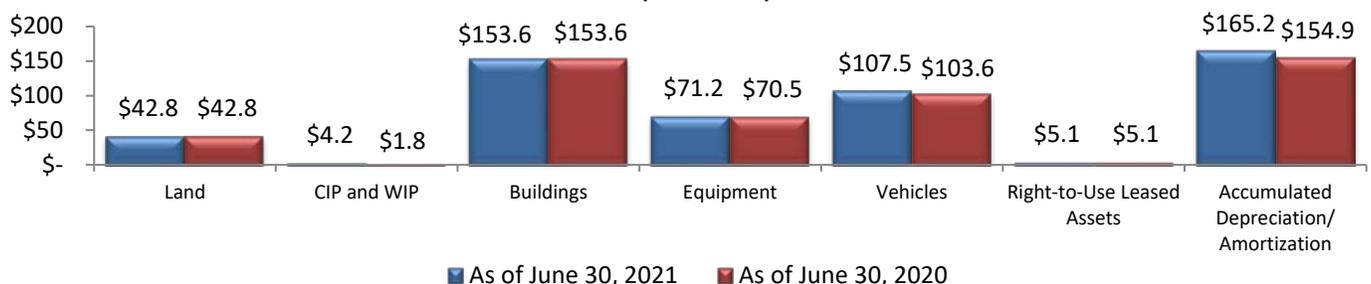
Variance Between Final Budget and Actual Amounts: Final, budgeted General Fund expenditures exceeded actual amounts, resulting in a positive budget variance totaling \$34,549,512. Nearly \$29.5 million of this variance related to various operating costs, projects, and other purchases for services and supplies that were budgeted but not completed during Fiscal Year 2020/21. In some cases, uncompleted projects were delayed due to project complexity or time requirements and will be re-budgeted, if needed, to Fiscal Year 2021/22. Individually significant services and supplies variances are summarized below:

| Description of Budget/Actual Variance | Amount (Rounded) |
|--|---------------------|
| Quick Reaction Force Pilot Program. During Fiscal Year 2020/21, OCFA budgeted \$9.4 million for the Quick Reaction Force Pilot Program. The program commenced June 15, 2021, and expenditures totaling approximately \$850,000 were incurred during the first sixteen days. A balance of \$8,560,000 remains unspent on services and supplies as of June 30, 2021. It is anticipated that the remaining funds will be used during Fiscal Year 2021/22. | \$8,560,000 |
| 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 2020/21, claims paid from the General Fund were less than the actuarial estimate, creating a positive budget variance. | 5,260,000 |
| 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 2022. A balance of \$4.6 million remains unspent on services and supplies as of June 30, 2021. It is anticipated that the remaining funds will be used during Fiscal Year 2021/22 through the end of the grant's award period. | 4,570,000 |
| 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 2020/21 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. In addition, actual reimbursements made by OCFA for the CERT Coordinator position were less than the budgeted amount. | 1,580,000 |
| Bathroom Gender Accommodation Project. During Fiscal Year 2019/20, OCFA began a multi-year bathroom gender accommodation project at Fire Stations No. 14 (Silverado), No. 16 (Modjeska) and No. 32 (Yorba Linda). Of the \$1.7 million budgeted amount, a balance of \$1.4 million remains unspent as of June 30, 2021. Contracts have been awarded for approximately \$500,000 of the unspent balance. | 1,380,000 |
| Fullerton Airport Dorm Repairs. During Fiscal Year 2019/20, OCFA began work on dorm repairs at Fire Station No. 41 (Fullerton Airport), with the project expected to take place over multiple fiscal years. The project was placed on hold during Fiscal Year 2020/21. Almost all of the \$1.3 million budgeted amount remains unspent as of June 30, 2021. Contracts have been awarded for approximately \$75,000 of the unspent balance. Work is expected to commence again in Fiscal Year 2021/22 pending direction from the Fire Chief. | 1,260,000 |
| Structural Fire Fund Projects. The entire balance of funds committed for Structural Fire Fund projects was budgeted during Fiscal Year 2020/21; however, cities submitted reimbursement requests only for those projects completed. | 1,120,000 |
| Other variances combined | 5,740,000 |
| Total services and supplies variance | \$29,470,000 |

Capital Assets and Debt Administration

Capital Assets: OCFA's net investment in capital assets for its government activities at the end of Fiscal Year 2020/21 totaled \$214,278,884 (net of accumulated depreciation and amortization and related outstanding debt). This investment in capital assets includes land, buildings, equipment, vehicles, work in progress, construction in progress, and right-to-use leased assets, net of outstanding lease liabilities. Net capital assets decreased from the prior fiscal year by \$3,206,586 (-1.4%). 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, 2021 and 2020 (Restated)
(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 \$360,000 related to the expansion of the RFOTC training ground and “North 40” area, dormitory improvements at Fire Station No. 41 (Fullerton Airport), and audio-visual upgrades at the USAR warehouse. All projects remained in progress at fiscal year-end.
- WIP additions totaled nearly \$2.9 million during Fiscal Year 2020/21, including costs pertaining to an incident reporting system, an immunization tracking system, and various fire apparatus in the process of being outfitted for operation. As of June 30, 2021, seven individual WIP projects were placed into service and seventeen were still in progress.

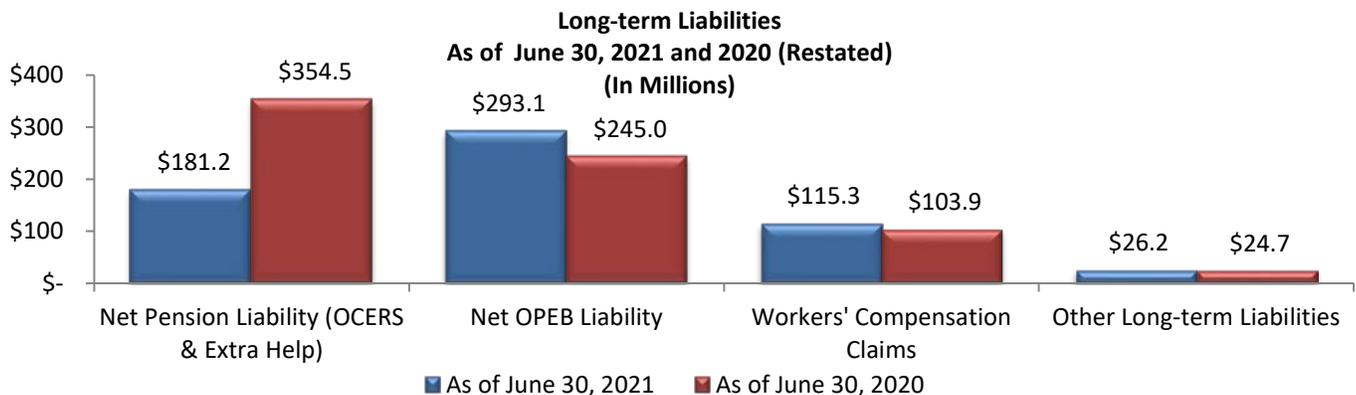
Equipment: Equipment additions totaled nearly \$1.4 million for 146 items placed into service during Fiscal Year 2020/21. The most individually significant additions included ninety 800MHz portable radios (\$505,000); thirty mobile data computer tablets (\$125,000); and an immunization tracking system transferred in from WIP (\$140,000).

Vehicles: Vehicle additions totaled nearly \$6.0 million for 53 items placed into service during Fiscal Year 2020/21. The most individually significant additions included three type one engines (\$1.6 million); four crew-carrying vehicles (\$1.2 million); and two water tenders (\$885,000). Twenty-seven vehicles were removed from OCFA’s fleet during Fiscal Year 2020/21 as part of OCFA’s ongoing vehicle replacement plan. Two of these were returned to the City of Santa Ana. One support vehicle was in an accident and deemed a total loss by OCFA’s insurance provider. The remaining vehicles were sold at public auction.

Right-to-Use Leased Assets: Right-to-use leased assets totaling \$5.1 million were reported as a restatement to OCFA’s capital assets as of July 1, 2020, due to the implementation of GASB Statement No. 87. OCFA’s most individually significant leased asset is \$4.7 million in land at Fire Station No. 41 (Fullerton Airport) . OCFA is the lessee in an agreement with the City of Fullerton to lease the land for forty years through December 2050, with an option to extend the lease through December 2065.

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 decreased by net \$112,286,746 (-15.4%) during Fiscal Year 2020/21.



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, 2021, OCFA’s share of the plan’s net pension liability at OCERS totaled \$181.1 million, as determined by an actuarial valuation for the plan as a whole. This was a net \$173.3 million decrease 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. Net pension liability represents the amount of the total pension liability that exceeds 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, 2021 to June 30, 2020.

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| Component of OCERS Net Pension Liability | As of June 30, 2021 | As of June 30, 2020 | Increase (Decrease) | |
|---|----------------------|----------------------|---------------------|--------|
| | | | Amount | % |
| Safety: | | | | |
| Total pension liability | \$1,969,628,490 | \$1,891,853,011 | \$ 77,775,479 | 4.1% |
| Market value of assets | <u>1,808,109,413</u> | <u>1,569,911,269</u> | <u>238,198,144</u> | 15.2% |
| Net pension liability - safety | \$ 161,519,077 | \$ 321,941,742 | \$(160,422,665) | -49.8% |
| General: | | | | |
| Total pension liability | \$ 281,808,606 | \$ 257,504,904 | \$ 24,303,702 | 9.4% |
| Market value of assets | <u>262,206,045</u> | <u>225,051,189</u> | <u>37,154,856</u> | 16.5% |
| Net pension liability - general | \$ 19,602,561 | \$ 32,453,715 | \$(12,851,154) | -39.6% |
| Total: | | | | |
| Total pension liability | \$ 2,251,437,096 | \$2,149,357,915 | \$ 102,079,181 | 4.7% |
| Market value of assets | <u>2,070,315,458</u> | <u>1,794,962,458</u> | <u>275,353,000</u> | 15.3% |
| Net pension liability - total | \$ 181,121,638 | \$ 354,395,457 | \$(173,273,819) | -48.9% |

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 2021/22 General Operating Fund adopted expenditure budget is approximately \$434.3 million, which is a net increase of \$13.5 million (3.2%) from the final Fiscal Year 2020/21 General Operating Fund budget totaling \$420.8 million. (These amounts exclude one-time and grant-related items, as well as unspent, encumbered appropriations from the prior fiscal year that are effectually re-appropriated in the ensuing year's budget). Highlights of the Fiscal Year 2021/22 General Operating Fund Budget are as follow:

- Budgeted salaries increased by \$6.2 million. The budget reflects annual salary costs in accordance with approved Memorandums of Understanding (MOU) with all labor groups, including increases for Emergency Medical Technician (EMT) pay for the Orange County Professional Firefighters Association (OCPFA) and Chief Officers Association (COA). No MOU salary increases were scheduled or included for the Orange County Fire Authority Managers Association (OCFAMA) or the Orange County Employees Association (OCEA). The budget also reflects a \$3.2 million increase for overtime usage, which has been trending higher in recent years, and a \$5.0 million decrease for salary savings in the firefighter rank due to projected vacancies.
- Budgeted benefits increased by \$6.9 million. The retirement budget for Fiscal Year 2021/22 is based on rates provided by the Orange County Employees Retirement System (OCERS), which were approximately 0.44% and 0.69% lower for safety and general personnel, respectively, as compared to the prior year. Overall retirement increases are budgeted due to increases in pensionable EMT pay.
- Budgeted services and supplies and capital outlay increased by \$0.4 million. Overall, budgets were held flat as compared to Fiscal Year 2020/21, with any increases 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 Manager, Orange County Fire Authority, 1 Fire Authority Road, Irvine, California 92602.

Government-wide Financial Statements



Silverado & Blue Ridge Fires
October 26-November 7, 2020



Orange County Fire Authority Safety Message

Defensible Space



Defensible space is an area between your house and an oncoming wildfire, where the vegetation has been controlled, trimmed, or removed to reduce wildfire threats from embers, flames, and intense heat.

- ✓ In order to offer wildfire protection, Defensible Space should reach at least 100 feet from the house, garage, and other buildings on the property, or to the property line. In many cases, Defensible Space is simply the front, side, and back yards of your home.
- ✓ Guidelines for Vegetation Management within 100 feet of your home include:
 - Remove all dead and dying plants
 - Remove vegetation found on the Undesirable Plant List and replant using drought-tolerant, fire-resistive plants
 - Trim or remove plants to create the recommended vertical and horizontal separation between them
 - Remove dry leaves, twigs, pine needles, etc. from the yard, roof, and rain gutters
- ✓ It's not necessary to remove all vegetation around your home, but creating Defensible Space will give firefighters a better chance of keeping wildfire from spreading to your home. Mowing, weeding, pruning, thinning, spacing, and careful plant selection can make the difference between survival and losing your home during a wildfire. Consult a geologist prior to beginning maintenance if you have slope stability issues.

Creating defensible space is the duty of every resident living in an area at risk for wildfires.

ORANGE COUNTY FIRE AUTHORITY
Statement of Net Position
June 30, 2021
(With Comparative Data for Prior Year)

| | Primary Government | | Component Unit | |
|--|-------------------------|-------------------------|-------------------|-------------------|
| | Governmental Activities | | OCFA Foundation | |
| | 2021 | 2020 | 2021 | 2020 |
| Assets: | | | | |
| Cash and investments (Note 4) | \$ 196,906,442 | \$ 187,297,857 | \$ 351,897 | \$ 160,475 |
| Accounts receivable, net (Note 5) | 2,105,913 | 2,566,137 | - | - |
| Accrued interest receivable | 147,758 | 376,640 | - | - |
| Prepaid costs and other assets (Note 6) | 23,545,784 | 24,034,974 | - | - |
| Due from other governments, net (Note 7) | 23,711,794 | 16,765,308 | - | - |
| Restricted cash and investments (Note 4) | 3,797,698 | 2,121,417 | - | - |
| Lease receivables (Note 8) | 873,249 | - | - | - |
| Capital assets (Note 9): | | | | |
| Land | 42,757,850 | 42,757,850 | - | - |
| Construction in progress | 697,149 | 338,554 | - | - |
| Work in progress | 3,484,045 | 1,462,545 | - | - |
| Capital assets, net of accumulated depreciation/amortization | <u>172,320,191</u> | <u>172,758,486</u> | <u>12,716</u> | <u>13,515</u> |
| Total assets | <u>470,347,873</u> | <u>450,479,768</u> | <u>364,613</u> | <u>173,990</u> |
| Deferred outflows of resources: | | | | |
| Related to pensions/OPEB (Note 22) | <u>169,462,497</u> | <u>127,422,203</u> | - | - |
| Total deferred outflows of resources | <u>169,462,497</u> | <u>127,422,203</u> | - | - |
| Liabilities: | | | | |
| Accounts payable | 7,513,465 | 5,730,979 | 6,880 | - |
| Accrued liabilities | 12,928,630 | 10,980,091 | - | - |
| Unearned revenue (Note 10) | 6,960,549 | 574,002 | - | - |
| Due to other governments (Note 11) | 92,230 | 106,037 | - | - |
| Compensated absences due within one year (Note 18) | 4,844,515 | 4,486,981 | - | - |
| Claims and judgments due within one year (Note 18) | 16,411,354 | 14,808,917 | - | - |
| Lease liabilities due within one year (Note 18) | 96,322 | - | - | - |
| Noncurrent liabilities due in more than one year: | | | | |
| Compensated absences due in more than one year (Note 18) | 16,383,949 | 15,036,102 | - | - |
| Claims and judgments due in more than one year (Note 18) | 98,883,921 | 89,136,878 | - | - |
| Lease liabilities due in more than one year (Note 18) | 4,884,029 | - | - | - |
| Net OPEB liability (Notes 18) | 293,055,745 | 244,964,263 | - | - |
| Proportionate share net pension liability (Notes 18) | <u>181,206,236</u> | <u>354,471,308</u> | - | - |
| Total liabilities | <u>643,260,945</u> | <u>740,295,558</u> | <u>6,880</u> | - |
| Deferred inflows of resources: | | | | |
| Related to leases (Note 8) | 854,202 | - | - | - |
| Related to pensions/OPEB (Note 22) | <u>203,207,172</u> | <u>112,271,211</u> | - | - |
| Total deferred inflows of resources | <u>204,061,374</u> | <u>112,271,211</u> | - | - |
| Net position: | | | | |
| Net investment in capital assets (Note 9b) | 214,278,884 | 217,317,435 | 12,716 | 13,515 |
| Restricted for capital projects | 599,148 | 391,477 | - | - |
| Restricted for augmentation and upstaffing activities | 1,147,785 | 956,880 | - | - |
| Restricted for greenhouse gas reduction activities | 1,986,525 | 1,354,680 | - | - |
| Restricted for Section 115 pension trust | 3,795,815 | 2,120,383 | - | - |
| Restricted for grants, donations, and other programs | 285,774 | 1,836,756 | 107,630 | 39,490 |
| Unrestricted | <u>(429,605,880)</u> | <u>(498,642,409)</u> | <u>237,387</u> | <u>120,985</u> |
| Total net position | <u>\$ (207,511,949)</u> | <u>\$ (274,664,798)</u> | <u>\$ 357,733</u> | <u>\$ 173,990</u> |

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Statement of Activities
Year ended June 30, 2021
(With Comparative Data for Prior Year)

| | Primary Government | | Component Unit | |
|---|-------------------------|------------------|-----------------|------------|
| | Governmental Activities | | OCFA Foundation | |
| | 2021 | 2020 | 2021 | 2020 |
| Expenses: | | | | |
| Public safety: | | | | |
| Salaries and benefits | \$ 331,869,650 | \$ 352,573,221 | \$ - | \$ - |
| Services and supplies | 82,748,977 | 84,600,263 | 119,924 | 99,717 |
| Depreciation and amortization (Note 9c) | 12,961,222 | 12,137,499 | 799 | 799 |
| Total program expenses | 427,579,849 | 449,310,983 | 120,723 | 100,516 |
| Program revenues: | | | | |
| Public safety: | | | | |
| Charges for services | 169,343,205 | 156,740,363 | - | - |
| Operating grants and contributions | 31,323,104 | 29,275,482 | 304,466 | 130,382 |
| Capital grants and contributions | 1,332,000 | 3,850,481 | - | - |
| Total program revenues | 201,998,309 | 189,866,326 | 304,466 | 130,382 |
| Net program (expenses) revenues | (225,581,540) | (259,444,657) | 183,743 | 29,866 |
| General revenues: | | | | |
| Property taxes | 290,310,882 | 277,721,815 | - | - |
| Investment income | 462,789 | 3,374,813 | - | - |
| Gain on disposal of capital assets | 174,666 | 12,641 | - | - |
| Miscellaneous | 1,786,052 | 1,740,904 | - | - |
| Total general revenues | 292,734,389 | 282,850,173 | - | - |
| Change in net position | 67,152,849 | 23,405,516 | 183,743 | 29,866 |
| Net position at beginning of year | (274,664,798) | (298,070,314) | 173,990 | 144,124 |
| Net position at end of year | \$ (207,511,949) | \$ (274,664,798) | \$ 357,733 | \$ 173,990 |

See Notes to the Financial Statements



Orange County Fire Authority Safety Message

Disaster Supply Kit and GO! Bag



A Disaster Supply Kit and a GO! Bag contain a collection of basic items your family may need during or after a wildfire.

- ✓ The American Red Cross, FEMA, and the California Emergency Management Agency recommend putting together a Disaster Supply Kit with supplies for at least 72 hours, including food, water, and supplies for pets.
- ✓ After a disaster, basic services, such as electricity, gas, water, and phone may be out of service for days or even weeks. This may affect some people more than others, especially if they have special needs. It's important to consider the needs of every member of your household when creating your kit so your family is prepared to survive until additional resources are available.
- ✓ A GO! Bag should contain some of the 6 P's like prescription medication, copies of important documents (papers), and personal supplies (credit cards, toothbrush/toothpaste, phone list, maps, etc.). If you're forced to evacuate and can grab only your GO! Bag, the items inside will make it easier for you to during and after a wildfire, earthquake, or other disaster.
- ✓ Keeping extra supply kits in your car and at work is also a great idea in case a wildfire or other disaster stops you from going home.

Creating a Disaster Supply Kit in advance will prepare your family, not only for an evacuation, but for a long stay at home if escape routes are blocked during or after a wildfire.

Fund Financial Statements



Academy 51 Graduation
December 2, 2020



Orange County Fire Authority Safety Message

Wildfire Home Assessment



A Wildfire Home Assessment is a meeting at your home with a fire department representative who will give you tips on how to better protect your home from a wildfire.

- ✓ Experts can't tell you when the next wildfire will happen, but they do know that wildfires can happen at any time in Southern California. Many residents have not taken the most basic steps to protect their families, homes, and neighborhoods from Orange County's #1 fire risk.
- ✓ During your FREE Wildfire Home Assessment, the outside of your home and property, along with other risk factors, will be evaluated. Then, you'll be given specific steps you can take to reduce your home's vulnerability to wildfire.
- ✓ Many proven tips to help your home survive a wildfire are available 24/7 at www.ocfa.org including landscaping, construction, and safety.
- ✓ Homes survive wildfires because of what you do to prepare for them ahead of time, not by fate or luck. No matter where you live, or how much money you can spend, there are things that you can do right now to help protect your home.
- ✓ For more information, please visit the OCFA website or call **(714) 573-6774** to schedule a Wildfire Home Assessment.

Don't wait. Set up a free Wildfire Home Assessment to protect your home today.

ORANGE COUNTY FIRE AUTHORITY
Governmental Funds
Balance Sheet
June 30, 2021
(With Comparative Data for Prior Year)

| | Capital Projects Funds | | | | Total Governmental Funds | | |
|--|------------------------|--|----------------------|----------------------|---------------------------------|----------------------|------|
| | General Fund | Communications and Information Systems | | Fire Apparatus | Fire Stations and Facilities | 2021 | 2020 |
| | | | | | | | |
| Assets: | | | | | | | |
| Cash and investments | \$146,611,085 | \$ 5,412,168 | \$ 26,405,927 | \$ 18,477,262 | \$196,906,442 | \$187,297,857 | |
| Accounts receivable, net (Note 5) | 2,105,913 | - | - | - | 2,105,913 | 2,566,137 | |
| Accrued interest receivable | 53,468 | 10,407 | 13,260 | 70,623 | 147,758 | 376,640 | |
| Prepaid costs and other assets (Note 6) | 41,725,529 | 10,791 | - | 3,464 | 41,739,784 | 42,721,974 | |
| Due from other governments, net (Note 7) | 23,704,580 | - | - | 7,214 | 23,711,794 | 16,765,308 | |
| Restricted cash and investments | 3,797,698 | - | - | - | 3,797,698 | 2,121,417 | |
| Lease receivables (Note 8) | 873,249 | - | - | - | 873,249 | - | |
| Total assets | \$218,871,522 | \$ 5,433,366 | \$ 26,419,187 | \$ 18,558,563 | \$269,282,638 | \$251,849,333 | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ 6,846,478 | \$ 209,631 | \$ 387,275 | \$ 70,081 | \$ 7,513,465 | \$ 5,730,979 | |
| Accrued liabilities | 12,928,630 | - | - | - | 12,928,630 | 10,980,091 | |
| Unearned revenue (Note 10) | 6,960,549 | - | - | - | 6,960,549 | 574,002 | |
| Due to other governments (Note 11) | 92,230 | - | - | - | 92,230 | 106,037 | |
| Total liabilities | 26,827,887 | 209,631 | 387,275 | 70,081 | 27,494,874 | 17,391,109 | |
| Deferred inflows of resources: | | | | | | | |
| Unavailable revenue (Note 10) | 908,979 | - | - | - | 908,979 | 1,022,603 | |
| Related to leases (Note 8) | 854,202 | - | - | - | 854,202 | - | |
| Total deferred inflows of resources | 1,763,181 | - | - | - | 1,763,181 | 1,022,603 | |
| Fund balances: | | | | | | | |
| Nonspendable prepaid costs (Note 6) | 41,707,145 | 10,791 | - | 3,464 | 41,721,400 | 42,704,819 | |
| Restricted (Note 12): | | | | | | | |
| Capital improvement program | - | - | - | 434,763 | 434,763 | 391,477 | |
| Various departments | 3,584,469 | - | - | - | 3,584,469 | 4,148,316 | |
| Section 115 pension trust | 3,795,815 | - | - | - | 3,795,815 | 2,120,383 | |
| Committed to SFF cities (Note 13) | 1,120,950 | - | - | - | 1,120,950 | 1,288,272 | |
| Assigned (Note 14): | | | | | | | |
| Capital improvement program | 7,982,644 | 5,089,194 | 12,486,395 | 17,246,140 | 42,804,373 | 32,017,913 | |
| Workers' compensation | 109,770,629 | - | - | - | 109,770,629 | 98,998,999 | |
| Various departments | 372,302 | - | - | - | 372,302 | 739,400 | |
| Facilities projects | 56,082 | - | - | - | 56,082 | 83,568 | |
| Communications/IT projects | 813,975 | 123,750 | - | - | 937,725 | 462,222 | |
| Fire apparatus and vehicles | - | - | 13,545,517 | - | 13,545,517 | 14,841,073 | |
| Construction projects | 684,549 | - | - | 804,115 | 1,488,664 | 1,285,244 | |
| Unassigned (Note 15) | 20,391,894 | - | - | - | 20,391,894 | 34,353,935 | |
| Total fund balances | 190,280,454 | 5,223,735 | 26,031,912 | 18,488,482 | 240,024,583 | 233,435,621 | |
| Total liabilities, deferred inflows of resources, and fund balances | \$218,871,522 | \$ 5,433,366 | \$ 26,419,187 | \$ 18,558,563 | \$269,282,638 | \$251,849,333 | |

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2021
(With Comparative Data for Prior Year)

| | 2021 | 2020 |
|---|------------------|------------------|
| Fund balances of governmental funds | \$ 240,024,583 | \$ 233,435,621 |
| <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 | 379,328,027 | 372,248,496 |
| Accumulated depreciation/amortization | (164,936,722) | (154,931,061) |
| Right-to-use leased assets: | | |
| Capital assets | 5,093,182 | - |
| Accumulated amortization | (225,252) | - |
| <u>Long-term Liabilities</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. | | |
| OCERS pension plan: | | |
| Net pension liability | (181,121,638) | (354,395,457) |
| Pension contributions | (18,194,000) | (18,687,000) |
| Deferred outflows of resources | 130,063,613 | 112,123,798 |
| Deferred inflows of resources | (201,136,247) | (97,996,328) |
| Extra Help pension plan: | | |
| Net pension liability | (84,598) | (75,851) |
| Deferred outflows of resources | 1,330 | 874 |
| Other postemployment benefits (OPEB): | | |
| Net OPEB liability | (293,055,745) | (244,964,263) |
| Deferred outflows of resources | 39,397,554 | 15,297,531 |
| Deferred inflows of resources | (2,070,925) | (14,274,883) |
| Accrued claims and judgments | (115,295,275) | (103,945,795) |
| Compensated absences | (21,228,464) | (19,523,083) |
| Lease liabilities | (4,980,351) | - |
| <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 | 908,979 | 1,022,603 |
| Net position of governmental activities | \$ (207,511,949) | \$ (274,664,798) |

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2021
(With Comparative Data for Prior Year)

| | Capital Projects Funds | | | | Total Governmental Funds | |
|---|------------------------|--|----------------------|---------------------------------|--------------------------|-----------------------|
| | General Fund | Communications and Information Systems | Fire Apparatus | Fire Stations and Facilities | 2021 | 2020 |
| Revenues: | | | | | | |
| Taxes | \$ 290,310,882 | \$ - | \$ - | \$ - | \$ 290,310,882 | \$ 277,721,815 |
| Intergovernmental | 58,222,827 | - | - | 43,286 | 58,266,113 | 41,258,003 |
| Charges for services | 137,177,441 | - | 1,632,441 | - | 138,809,882 | 138,641,512 |
| Use of money and property | 451,974 | 3,384 | 33,178 | 10,499 | 499,035 | 3,700,453 |
| Miscellaneous | 3,978,404 | - | - | - | 3,978,404 | 6,184,387 |
| Developer contributions | - | - | - | 1,317,000 | 1,317,000 | 679,800 |
| Total revenues | 490,141,528 | 3,384 | 1,665,619 | 1,370,785 | 493,181,316 | 468,185,970 |
| Expenditures: | | | | | | |
| Current - public safety: | | | | | | |
| Salaries and benefits | 406,935,192 | - | - | - | 406,935,192 | 375,032,147 |
| Services and supplies | 71,094,504 | 242,213 | 1,940 | 228,875 | 71,567,532 | 67,271,454 |
| Capital outlay | 3,023,855 | 766,349 | 5,681,632 | 281,354 | 9,753,190 | 7,790,083 |
| Debt service: | | | | | | |
| Interest and fiscal charges | 36,246 | - | - | - | 36,246 | 325,640 |
| Total expenditures | 481,089,797 | 1,008,562 | 5,683,572 | 510,229 | 488,292,160 | 450,419,324 |
| Excess (deficiency) of revenues over (under) expenditures | 9,051,731 | (1,005,178) | (4,017,953) | 860,556 | 4,889,156 | 17,766,646 |
| Other financing sources (uses): | | | | | | |
| Transfers in (Note 17) | - | - | 11,059,336 | - | 11,059,336 | 8,000,000 |
| Transfers out (Note 17) | (11,059,336) | - | - | - | (11,059,336) | (8,000,000) |
| Sale of capital assets | 147,194 | - | - | - | 147,194 | 142,044 |
| Insurance recoveries | 1,552,612 | - | - | - | 1,552,612 | 1,320,164 |
| Total other financing sources (uses) | (9,359,530) | - | 11,059,336 | - | 1,699,806 | 1,462,208 |
| Net change in fund balances | (307,799) | (1,005,178) | 7,041,383 | 860,556 | 6,588,962 | 19,228,854 |
| Fund balances, beginning of year | 190,588,253 | 6,228,913 | 18,990,529 | 17,627,926 | 233,435,621 | 214,206,767 |
| Fund balances, end of year | \$ 190,280,454 | \$ 5,223,735 | \$ 26,031,912 | \$ 18,488,482 | \$ 240,024,583 | \$ 233,435,621 |

See Notes to the Financial Statements

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, 2021
(With Comparative Data for Prior Year)

| | 2021 | 2020 |
|---|---------------|---------------|
| Net change in fund balances - total governmental funds | \$ 6,588,962 | \$ 19,228,854 |
| <u>Capital Assets</u> | | |
| 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 | 9,753,190 | 7,790,083 |
| Depreciation/amortization expense | (12,961,222) | (12,137,499) |
| Capital assets received through grant or donation are recognized as revenue in the Statement of Activities at their estimated acquisition value at time of receipt. | | |
| From new member agencies | - | 2,947,511 |
| From developers, grantors, and donors | 15,000 | 223,170 |
| 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 | (188,220) | (161,150) |
| Gain (loss) on disposal of capital assets | 174,666 | 12,641 |
| <u>Long-term Liabilities</u> | | |
| 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 | 17,028 | - |
| Principal payments - copier lease agreement | 95,803 | - |
| Principal payments - utility pickup trucks lease agreement | 55,204 | - |
| 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 | 88,566,715 | 25,525,804 |
| Extra Help pension plan | (8,291) | 32,202 |
| Other postemployment benefits (OPEB) | (11,787,501) | (1,363,728) |
| Accrued claims and judgments - workers' compensation | (11,349,480) | (17,328,809) |
| Compensated absences - other leave balances | (1,705,381) | (1,735,352) |
| <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 | (113,624) | 371,789 |
| <u>Interfund Transactions</u> | | |
| Transactions between governmental funds are eliminated for presentation in the government-wide financial statements. | | |
| Transfers in | (11,059,336) | (8,000,000) |
| Transfers out | 11,059,336 | 8,000,000 |
| Use of money and property | (36,246) | (325,640) |
| Interest and fiscal charges | 36,246 | 325,640 |
| Change in net position of governmental activities | \$ 67,152,849 | \$ 23,405,516 |

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
General Fund
Budgetary Comparison Statement
Year ended June 30, 2021
(With Comparative Data for Prior Year)

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|--------------------------------------|-----------------------|-----------------------|-----------------------|---|-----------------------|
| | Budget Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Budgetary fund balance, July 1 | \$ 190,588,253 | \$ 190,588,253 | \$ 190,588,253 | \$ - | \$ 168,724,626 |
| Resources (inflows): | | | | | |
| Taxes | 285,647,942 | 287,967,482 | 290,310,882 | 2,343,400 | 277,721,815 |
| Intergovernmental | 24,986,249 | 66,489,858 | 58,222,827 | (8,267,031) | 41,258,003 |
| Charges for services | 137,821,137 | 135,497,444 | 137,177,441 | 1,679,997 | 136,890,975 |
| Use of money and property | 1,165,109 | 513,469 | 451,974 | (61,495) | 2,883,542 |
| Miscellaneous | 1,018,500 | 12,803,488 | 3,978,404 | (8,825,084) | 6,184,387 |
| Sale of capital assets | 75,000 | 95,000 | 147,194 | 52,194 | 142,044 |
| Insurance recoveries | - | 358,881 | 1,552,612 | 1,193,731 | 1,320,164 |
| Total resources (inflows) | <u>450,713,937</u> | <u>503,725,622</u> | <u>491,841,334</u> | <u>(11,884,288)</u> | <u>466,400,930</u> |
| Amounts available for appropriations | <u>641,302,190</u> | <u>694,313,875</u> | <u>682,429,587</u> | <u>(11,884,288)</u> | <u>635,125,556</u> |
| Charges to appropriation (outflows): | | | | | |
| Salaries and benefits | 375,549,198 | 407,301,870 | 406,935,192 | 366,678 | 375,032,147 |
| Services and supplies | 61,884,759 | 100,564,808 | 71,094,504 | 29,470,304 | 65,936,776 |
| Capital outlay | 2,741,362 | 7,737,337 | 3,023,855 | 4,713,482 | 3,242,740 |
| Interest and fiscal charges | 6,177 | 35,294 | 36,246 | (952) | 325,640 |
| Transfers out | <u>11,059,336</u> | <u>11,059,336</u> | <u>11,059,336</u> | <u>-</u> | <u>-</u> |
| Total charges to appropriations | <u>451,240,832</u> | <u>526,698,645</u> | <u>492,149,133</u> | <u>34,549,512</u> | <u>444,537,303</u> |
| Budgetary fund balance, June 30 | <u>\$ 190,061,358</u> | <u>\$ 167,615,230</u> | <u>\$ 190,280,454</u> | <u>\$ 22,665,224</u> | <u>\$ 190,588,253</u> |

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2021
(With Comparative Data for Prior Year)

| | Pension and Other Employee Benefit Trust Funds | Total Fiduciary Funds | |
|---|---|-----------------------|---------------|
| | | 2021 | 2020 |
| Assets: | | | |
| Cash and investments (Note 4): | | | |
| Local Agency Investment Fund: | | | |
| Domestic fixed income | \$ 49,896 | \$ 49,896 | \$ 46,934 |
| Pooled amounts held in trust with OCERS | 42,830,564 | 42,830,564 | 42,242,955 |
| Total cash and investments | 42,880,460 | 42,880,460 | 42,289,889 |
| Receivables: | | | |
| Other receivables | 9,679 | 9,679 | 12,302 |
| Total assets | 42,890,139 | 42,890,139 | 42,302,191 |
| Liabilities: | | | |
| Accrued liabilities | 886,193 | 886,193 | 850,367 |
| Total liabilities | 886,193 | 886,193 | 850,367 |
| Net position restricted for: | | | |
| Pensions | 49,896 | 49,896 | 46,934 |
| Postemployment benefits other than pensions | 41,954,050 | 41,954,050 | 41,404,890 |
| Total net position | \$ 42,003,946 | \$ 42,003,946 | \$ 41,451,824 |

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
Year ended June 30, 2021
(With Comparative Data for Prior Year)

| | Pension and Other Employee Benefit Trust Funds | Total Fiduciary Funds | |
|---|---|-----------------------|----------------------|
| | | 2021 | 2020 |
| Additions: | | | |
| Contributions: | | | |
| Employer | \$ 2,286,443 | \$ 2,286,443 | \$ 2,222,636 |
| Plan members | 1,976,874 | 1,976,874 | 2,112,049 |
| Total contributions | <u>4,263,317</u> | <u>4,263,317</u> | <u>4,334,685</u> |
| Net investment income: | | | |
| Total investment income | 4,371,391 | 4,371,391 | 5,566,977 |
| Investment fees and expenses | (236,588) | (236,588) | (264,395) |
| Total net investment income | <u>4,134,803</u> | <u>4,134,803</u> | <u>5,302,582</u> |
| Total additions | <u>8,398,120</u> | <u>8,398,120</u> | <u>9,637,267</u> |
| Deductions: | | | |
| Benefits and refunds paid to plan members and beneficiaries | 7,823,558 | 7,823,558 | 7,253,089 |
| Administrative expenses | 22,440 | 22,440 | 21,240 |
| Total deductions | <u>7,845,998</u> | <u>7,845,998</u> | <u>7,274,329</u> |
| Change in net position | 552,122 | 552,122 | 2,362,938 |
| Net position, beginning of year | <u>41,451,824</u> | <u>41,451,824</u> | <u>39,088,886</u> |
| Net position, end of year | <u>\$ 42,003,946</u> | <u>\$ 42,003,946</u> | <u>\$ 41,451,824</u> |

See Notes to the Financial Statements

Notes to the Financial Statements



Bond Fire
December 2-10, 2020

**ORANGE COUNTY FIRE AUTHORITY
Index to Notes to the Financial Statements
Year ended June 30, 2021**

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Orange County Fire Authority Safety Message

Red Flag Warning



A Red Flag Warning is issued to signal the need for heightened awareness and increased fire safety.

- ✓ Conditions needed to issue a Red Flag Warning, include:
 - Sustained winds 15 MPH or greater
 - Relative humidity of 25% or less
 - Temperatures greater than 75° F

- ✓ If these conditions are present or likely to happen within 24 hours, red flags are displayed at fire stations and participating county facilities, public libraries, and city halls. Red flags are also put up at chosen locations along highways, streets, and toll roads.

- ✓ Safety guidelines recommended during Red Flag Warnings include the following:
 - Do all yard work that requires a gas or electric motor before 10 a.m. and never when the wind is blowing
 - Remove rocks from the area before you begin using any equipment
 - Keep flammable materials away from gas-powered equipment
 - Never drive or park vehicles on dry grass or brush
 - Use lawnmowers on lawns only
 - Grease trailer wheels, check tires, and make sure safety chains are not touching the ground
 - Use caution with gas lanterns, barbeques, gas stoves, and anything else that can cause a wildfire
 - Follow park, trail, camping, campfire restrictions and closure signs
 - Throw away cigarettes or other smoking supplies properly in non-combustible containers

Knowing how to respond when Red Flag Warnings are issued is your responsibility if you live, work, or even spend time in or near areas prone to wildfires.

ORANGE COUNTY FIRE AUTHORITY
Notes to the Financial Statements
Year ended June 30, 2021

(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. 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, 2021, 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.

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 and Right-to-Use Leased Assets

Capital assets of governmental activities, which include property, plant, and equipment assets, are reported in the government-wide financial statements. 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 leased assets are reported in the applicable governmental activities column in the government-wide financial statements. These 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 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 leased assets for buildings, equipment, vehicles, and land.

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 leased assets | Shorter of the leased 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 position or fund balance that apply to future period(s) 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 position or fund balance that apply to future period(s) 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, 2021.

| | Fund Balance as of June 30, 2021 |
|---|-------------------------------------|
| Budgetary basis: | |
| General Operating Fund | \$ 44,396,236 |
| General Fund Capital Improvement Program (CIP) | 9,679,008 |
| Structural Fire Entitlement | 1,120,950 |
| Self Insurance | 109,770,629 |
| Settlement Agreement | <u>25,313,631</u> |
| General Fund for financial statement presentation | <u>\$190,280,454</u> |

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 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, 2021, OCFA early-implemented the following new accounting standard issued by the Governmental Accounting Standards Board (GASB):

- **GASB Statement No. 87** *Leases* enhances usefulness and comparability of financial statements among governments by requiring lessees and lessors to report leases using a single model. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases, and recognizes inflows or outflows of resources based on the payment provisions of the lease contracts. Under GASB Statement No. 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The table below summarizes the net impact of implementing GASB Statement No. 87 to beginning balances as of July 1, 2020:

| | Impact to Beginning Net Position of Governmental Activities | Impact to Beginning Fund Balances of Governmental Funds |
|-------------------------------|---|---|
| Long-term lease liability | \$(5,148,386) | \$ - |
| Right-to-use leased assets | 5,148,386 | - |
| Long-term lease receivable | 907,602 | 907,602 |
| Deferred inflows of resources | <u>(907,602)</u> | <u>(907,602)</u> |
| Net restatement | <u>\$ -</u> | <u>\$ -</u> |

(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, 2020 plan year-end date. Additional investment information is provided within these notes as Note 25.

Cash and investments as of June 30, 2021, 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 | \$196,906,442 | \$351,897 | \$42,880,460 | \$240,138,799 |
| Restricted cash and investments | <u>3,797,698</u> | <u>-</u> | <u>-</u> | <u>3,797,698</u> |
| Total | <u>\$200,704,140</u> | <u>\$351,897</u> | <u>\$42,880,460</u> | <u>\$243,936,497</u> |

Cash and investments consist of the following as of June 30, 2021:

| | |
|---------------------------|----------------------|
| Petty cash / cash on hand | \$ 14,492 |
| Demand deposits | 19,040,945 |
| Investments | <u>224,881,060</u> |
| Total | <u>\$243,936,497</u> |

(b) Demand Deposits

At June 30, 2021, the carrying amount of OCFA's demand deposits was \$19,040,945 and the bank balance was \$19,216,337. The \$175,392 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, 2021, was \$75,006,223 and had a weighted average maturity of 291 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 term May 23, 2019 through May 23, 2022. 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 Union Bank uses the services of ICE Data Services to obtain the pricing information. Level 3 inputs are significant unobservable inputs. OCFA has the following fair value measurements as of June 30, 2021:

| | Fair Value Hierarchy Level | | | Total |
|---|----------------------------|----------------------|-------------|----------------------|
| | Level 1 | Level 2 | Level 3 | |
| Federal agency securities | \$ - | \$103,246,575 | \$ - | \$103,246,575 |
| | <u>\$ -</u> | <u>\$103,246,575</u> | <u>\$ -</u> | 103,246,575 |
| Uncategorized investments: | | | | |
| LAIF | | | | 75,006,223 |
| Pooled amounts held in trust with OCERS | | | | 42,830,564 |
| Section 115 pension trust | | | | <u>3,797,698</u> |
| Total | | | | <u>\$224,881,060</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.

| | Minimum Rating Required | Rating at Year-End | | | Total |
|---|-------------------------------|---------------------|---------------------|----------------------|----------------------|
| | | Aaa | P1 | Unrated | |
| Federal agency securities | N/A | \$81,248,975 | \$21,997,600 | \$ - | \$103,246,575 |
| LAIF | N/A | - | - | 75,006,223 | 75,006,223 |
| Pooled amounts held in trust with OCERS | N/A | - | - | 42,830,564 | 42,830,564 |
| Section 115 pension trust | N/A | - | - | <u>3,797,698</u> | <u>3,797,698</u> |
| Total | | <u>\$81,248,975</u> | <u>\$21,997,600</u> | <u>\$121,634,485</u> | <u>\$224,881,060</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, 2021, 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, 2021, 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, 2021, are summarized below.

| Issuer | Fair Value | % of Portfolio |
|---------------------------------|--------------|----------------|
| Federal Home Loan Bank (FHLB) | \$62,289,645 | 34.9% |
| Federal Farm Credit Bank (FFCB) | \$40,956,930 | 23.0% |

(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, 2021, the OCFA had the following investments and maturities:

| | Investment Maturities in Months | | | | Total |
|---|---------------------------------|--------------|--------------|--------------|----------------|
| | 6 or Less | 7 to 12 | 13 to 60 | N/A | |
| Federal agency securities | \$21,997,600 | \$ - | \$81,248,975 | \$ - | \$ 103,246,575 |
| LAIF | - | 75,006,223 | - | - | 75,006,223 |
| Pooled amounts held in trust with OCERS | - | - | - | 42,830,564 | 42,830,564 |
| Section 115 pension trust | - | - | - | 3,797,698 | 3,797,698 |
| Total | \$21,997,600 | \$75,006,223 | \$81,248,975 | \$46,628,262 | \$224,881,060 |

As of June 30, 2021, OCFA's investments included the following callable investments, which are exposed to interest rate risk:

| Issuer | Call Date(s) | Yield to Call | Maturity Date | Fair Value |
|---------------------------------|--------------|---------------|---------------|--------------|
| Federal Home Loan Bank (FHLB) | 7/8/2021 | 0.38% | 4/8/2024 | \$9,406,129 |
| Federal Home Loan Bank (FHLB) | 7/23/2021 | 0.52% | 10/23/2024 | \$10,975,676 |
| Federal Farm Credit Bank (FFCB) | 7/28/2021 | 0.72% | 4/28/2025 | \$11,997,960 |
| Federal Farm Credit Bank (FFCB) | 8/1/2021 | 0.19% | 9/22/2023 | \$13,968,780 |
| Federal Home Loan Bank (FHLB) | 8/11/2021 | 0.55% | 10/11/2024 | \$11,946,960 |
| Federal Home Loan Bank (FHLB) | 9/30/2021 | 0.55% | 9/30/2024 | \$7,979,600 |
| Federal Home Loan Bank (FHLB) | 10/29/2021 | 1.00% | 4/29/2026 | \$11,981,880 |
| Federal Farm Credit Bank (FFCB) | 4/21/2022 | 0.71% | 4/21/2025 | \$2,991,990 |

(5) Accounts Receivable, Net

Accounts receivable, net of allowance for doubtful accounts, consists of the following as of June 30, 2021:

| | Governmental Funds | Primary Government |
|------------------------------------|-----------------------|----------------------------|
| | General Fund | Governmental Activities |
| Ambulance and other reimbursements | \$1,766,144 | \$1,766,144 |
| Fire prevention and late fees | 242,510 | 242,510 |
| Other/miscellaneous | <u>107,092</u> | <u>107,092</u> |
| Accounts receivable | 2,115,746 | 2,115,746 |
| Allowance for doubtful accounts | <u>(9,833)</u> | <u>(9,833)</u> |
| Accounts receivable, net | <u>\$2,105,913</u> | <u>\$2,105,913</u> |

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

In January 2020, OCFA prepaid a portion of its Fiscal Year 2020/21 retirement contributions to the Orange County Employees Retirement System (OCERS) totaling \$40,488,479. In January 2021, OCFA prepaid a portion of its Fiscal Year 2021/22 retirement contributions to OCERS totaling \$39,420,100. In the governmental funds, the unamortized balance of the January 2020 prepayment totaled \$1,557,249 as of June 30, 2021, due to the timing of the pay period calendar. The entire amount of the January 2021 prepayment was unamortized as of June 30, 2021. In the governmental activities, a portion of Fiscal Year 2021/22 prepaid retirement contributions totaling \$18,194,000 is reported as a deferred outflow of resources related to pensions, since the contributions will reduce the net pension liability with OCERS prior to the Plan's next measurement date. Other prepaid costs and assets as of June 30, 2021, included annual maintenance and support fees, subscriptions, professional memberships, and 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, 2021:

| | Governmental Funds | | | Primary Government |
|-------------------------------|---------------------|--|---------------------------------|----------------------------|
| | General Fund | Communications and Information Systems | Fire Stations and Facilities | Governmental Activities |
| Prepaid costs: | | | | |
| Retirement contributions: | | | | |
| Fiscal Year 2021/22 | \$39,420,100 | \$ - | \$ - | \$21,226,100 |
| Fiscal Year 2020/21 | 1,557,249 | - | - | 1,557,249 |
| Maintenance and support | 565,468 | 10,791 | - | 576,259 |
| Insurance premiums | 13,295 | - | - | 13,295 |
| Subscriptions and memberships | 4,307 | - | - | 4,307 |
| Other | <u>146,726</u> | <u>-</u> | <u>3,464</u> | <u>150,190</u> |
| Total prepaid costs | 41,707,145 | 10,791 | 3,464 | 23,527,400 |
| Other assets: | | | | |
| Health spending deposits | <u>18,384</u> | <u>-</u> | <u>-</u> | <u>18,384</u> |
| Total | <u>\$41,725,529</u> | <u>\$10,791</u> | <u>\$3,464</u> | <u>\$23,545,784</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, 2021, nonspendable fund balance totaled \$41,721,400 and is reported in the General Fund (\$41,707,145) the Communications and Information Systems Fund (\$10,791), and the Fire Stations and Facilities Fund (\$3,464).

(7) Due from Other Governments, Net

Amounts due from other governments, net of allowance for doubtful accounts, consist of the following as of June 30, 2021:

| | Governmental Funds | | Primary Government |
|--|---------------------|------------------------------|-------------------------|
| | General Fund | Fire Stations and Facilities | Governmental Activities |
| COVID-19 pandemic response | \$ 6,903,669 | \$ - | \$ 6,903,669 |
| Property tax and tax increment | 5,457,008 | - | 5,457,008 |
| Assistance by hire (ABH) and activation claims | 3,477,742 | - | 3,477,742 |
| FIRIS 2.0 program | 3,191,586 | - | 3,191,586 |
| State responsibility area | 2,508,936 | 7,214 | 2,516,150 |
| Cash contract charges | 1,031,424 | - | 1,031,424 |
| Grants | 611,027 | - | 611,027 |
| Airport rescue firefighting | 450,935 | - | 450,935 |
| Other | <u>115,151</u> | <u>-</u> | <u>115,151</u> |
| Due from other governments | 23,747,478 | 7,214 | 23,754,692 |
| Allowance for ABH claims | <u>(42,898)</u> | <u>-</u> | <u>(42,898)</u> |
| Due from other governments, net | <u>\$23,704,580</u> | <u>\$7,214</u> | <u>\$23,711,794</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 of the towers. Initial base rent, which automatically increases by 3% annually, was \$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. Adjusted monthly base rent as of June 30, 2021, was \$4,082 for the three carriers.

As of June 30, 2021, OCFA reported a lease receivable and a deferred inflow of resources totaling \$873,249, and \$854,202, 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 \$34,353 and \$14,608, respectively, were received during the year ended June 30, 2021.

(b) Inflows of Resources

Inflows of resources recognized in Fiscal Year 2020/21 consisted of the following:

| <u>Inflows of Resources</u> | <u>Amount</u> |
|-----------------------------|-----------------|
| Lease revenue | \$53,400 |
| Interest revenue | <u>14,608</u> |
| Total | <u>\$68,008</u> |

(9) Capital Assets

(a) Changes in Capital Asset Balances by Asset Class

Capital asset activity for the year ended June 30, 2021, was as follows:

| <u>Primary Government/ Governmental Activities</u> | <u>Beginning Balances, as Restated</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 | 338,554 | 358,595 | - | - | 697,149 |
| Work in progress | <u>1,462,545</u> | <u>2,852,737</u> | - | <u>(831,237)</u> | <u>3,484,045</u> |
| Total capital assets not depreciated/amortized | <u>44,558,949</u> | <u>3,211,332</u> | - | <u>(831,237)</u> | <u>46,939,044</u> |
| Capital assets depreciated/amortized: | | | | | |
| Buildings | 153,637,069 | - | - | - | 153,637,069 |
| Right-to-use leased buildings | 238,888 | - | - | - | 238,888 |
| Equipment | 70,486,295 | 1,239,376 | (661,475) | 160,138 | 71,224,334 |
| Right-to-use leased equipment | 174,672 | - | - | - | 174,672 |
| Vehicles | 103,566,183 | 5,317,482 | (2,027,184) | 671,099 | 107,527,580 |
| Right-to-use leased vehicles | 55,204 | - | (55,204) | - | - |
| Right-to-use leased land | <u>4,679,622</u> | - | - | - | <u>4,679,622</u> |
| Subtotal | <u>332,837,933</u> | <u>6,556,858</u> | <u>(2,743,863)</u> | <u>831,237</u> | <u>337,482,165</u> |
| Less accumulated depreciation/amortization: | | | | | |
| Buildings | (53,611,916) | (3,389,225) | - | - | (57,001,141) |
| Right-to-use leased buildings | - | (21,408) | - | - | (21,408) |
| Equipment | (44,227,642) | (3,630,194) | 654,955 | - | (47,202,881) |
| Right-to-use leased equipment | - | (99,828) | - | - | (99,828) |
| Vehicles | (57,091,503) | (5,661,347) | 2,020,150 | - | (60,732,700) |
| Right-to-use leased vehicles | - | (55,204) | 55,204 | - | - |
| Right-to-use leased land | - | <u>(104,016)</u> | - | - | <u>(104,016)</u> |
| Subtotal | <u>(154,931,061)</u> | <u>(12,961,222)</u> | <u>2,730,309</u> | - | <u>(165,161,974)</u> |
| Total capital assets depreciated/amortized, net | <u>177,906,872</u> | <u>(6,404,364)</u> | <u>(13,554)</u> | <u>831,237</u> | <u>172,320,191</u> |
| Capital assets, net | <u>\$222,465,821</u> | <u>\$ (3,193,032)</u> | <u>\$ (13,554)</u> | <u>\$ -</u> | <u>\$219,259,235</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>(2,464)</u> | <u>(799)</u> | <u>-</u> | <u>-</u> | <u>(3,263)</u> |
| Capital assets, net | <u>\$ 13,515</u> | <u>\$ (799)</u> | <u>-</u> | <u>-</u> | <u>\$ 12,716</u> |

(b) Net Investment in Capital Assets

The portion of net position that is invested in capital assets as of June 30, 2021, is calculated as follows:

| | Primary Government Governmental Activities | Component Unit OCFA Foundation |
|--|--|-----------------------------------|
| Capital assets, net of accumulated depreciation/amortization | \$219,259,235 | \$12,716 |
| Capital-related debt – lease liabilities | <u>(4,980,351)</u> | <u>-</u> |
| Net investment in capital assets | <u>\$214,278,884</u> | <u>\$12,716</u> |

(c) Depreciation/Amortization Expense

Depreciation/amortization expense in the amounts of \$12,961,222 and \$799 were charged to public safety in the Statement Activities of the primary government and the component unit, respectively, for the year ended June 30, 2021.

(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, 2021:

| | Governmental Funds | Primary Government Governmental Activities |
|---|-----------------------|---|
| | General Fund | |
| Unearned revenue: | | |
| Quick Reaction Force pilot program cash advance | \$6,874,548 | \$6,874,548 |
| City of Fullerton proposal fee | 80,208 | 80,208 |
| Cell tower rent – July 2021 | 4,143 | 4,143 |
| Miscellaneous cash advances | <u>1,650</u> | <u>1,650</u> |
| Total | <u>\$6,960,549</u> | <u>\$6,960,549</u> |
| Unavailable revenue: | | |
| City of Garden Grove start-up costs | <u>\$908,979</u> | |
| Total | <u>\$908,979</u> | |

(11) Due to Other Governments

Amounts due to other governments consist of the following as of June 30, 2021:

| | 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 | 1,278 | 1,278 |
| Grant overpayment: | | |
| Federal Emergency Management Agency | <u>87,201</u> | <u>87,201</u> |
| Total | <u>\$92,230</u> | <u>\$92,230</u> |

(12) Fund Balance of Governmental Funds – Restricted

Restricted fund balance consists of the following as of June 30, 2021:

| Description | Governmental Funds | | |
|--|--------------------|---------------------------------|--------------------|
| | General Fund | Fire Stations and Facilities | Total |
| Capital improvement program | \$ - | \$434,763 | \$ 434,763 |
| Various departments | 3,584,469 | - | 3,584,469 |
| Section 115 pension trust | <u>3,795,815</u> | - | <u>3,795,815</u> |
| Total | <u>\$7,380,284</u> | <u>\$434,763</u> | <u>\$7,815,047</u> |
| | | | |
| Type/Source of Restriction | | | |
| Encumbrances | \$ 285,774 | \$ - | \$ 285,774 |
| CalFire augmentation funding | 769,593 | - | 769,593 |
| CalFire augmentation upstaffing | 378,192 | - | 378,192 |
| CalFire contract revenues | 164,385 | 434,763 | 599,148 |
| CalFire greenhouse gas reduction funding | 1,986,525 | - | 1,986,525 |
| Section 115 pension trust | <u>3,795,815</u> | - | <u>3,795,815</u> |
| Total | <u>\$7,380,284</u> | <u>\$434,763</u> | <u>\$7,815,047</u> |

Restricted fund balance in the General Fund includes grant-funded or other restricted, unexpended encumbrances outstanding at year-end; unencumbered CalFire funding restricted for certain activities; and amounts set aside in a Section 115 trust for pension obligations. Restricted fund balance in the Fire Stations and Facilities Fund includes CalFire contract revenues that are legally restricted for new fire station development or improvements to existing fire stations. Any related encumbrances that are outstanding at year-end are also reported as restricted fund balance in the applicable fund.

(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. In January 2012 and November 2017, the Board of Directors authorized an additional \$622,106 and \$1,000,000, respectively, to be set aside for the same purpose. As of June 30, 2021, the remaining unspent amount, plus accrued interest earnings, totaling \$1,120,950 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> |
| County of Orange | \$ 2,283 |
| Dana Point | 2,859 |
| Irvine | 995,508 |
| Laguna Niguel | 96,059 |
| Rancho Santa Margarita | 16,008 |
| San Juan Capistrano | 953 |
| Villa Park | <u>7,280</u> |
| Total | <u>\$1,120,950</u> |

(14) Fund Balance of Governmental Funds – Assigned

Assigned fund balance includes the following as of June 30, 2021:

| | |
|-----------------------------------|----------------------|
| Capital Improvement Program | \$ 42,804,373 |
| Workers' compensation | 109,770,629 |
| Assigned, unexpended encumbrances | <u>16,400,290</u> |
| Total | <u>\$168,975,292</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 \$42,804,373 as of June 30, 2021, and is reported in the General Fund (\$7,982,644), Communications and Information Systems Fund (\$5,089,194), Fire Apparatus Fund (\$12,486,395) and Fire Stations and Facilities Fund (\$17,246,140).
- 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 \$109,770,629 as of June 30, 2021.

Assigned fund balance pertaining to unexpended encumbrances outstanding as of June 30, 2021, totaled \$16,400,290 and is summarized below for each governmental fund:

| Purpose of Encumbrance | Communications and Information Systems Communications/ IT Projects | Fire Apparatus Fire Apparatus and Vehicles | Fire Stations and Facilities Construction Projects |
|---|---|--|---|
| Type 1 engines | \$ - | \$ 8,830,210 | \$ - |
| Hazardous materials vehicles | - | 1,941,261 | - |
| Heavy rescue vehicle | - | 947,488 | - |
| RFOTC training ground improvements | - | - | 703,041 |
| Air utility support vehicle | - | 611,628 | - |
| Foam tender | - | 537,205 | - |
| Hazardous materials support vehicle | - | 456,651 | - |
| Other vehicles, outfitting, and improvements | - | 221,074 | - |
| Disaster recovery facility | 98,687 | - | - |
| Infrastructure security enhancements | - | - | 52,923 |
| Station No. 49 (Laguna Niguel) apparatus bay floor repair | - | - | 38,527 |
| Next Generation CAD2CAD project | 16,705 | - | - |
| Retrofit fire station life safety systems | - | - | 9,624 |
| Enterprise audio visual upgrade | <u>8,358</u> | - | - |
| Total | <u>\$123,750</u> | <u>\$13,545,517</u> | <u>\$804,115</u> |

| General Fund | | | | | |
|---|------------------------|------------------------|--------------------------------|--------------------------|--------------------|
| Purpose of Encumbrance | Various Departments | Facilities Projects | Communications/ IT Projects | Construction Projects | Total |
| Station bathroom gender compliance projects | \$ - | \$ - | \$ - | \$499,258 | \$ 499,258 |
| Portable VHF radios | - | - | 444,253 | - | 444,253 |
| Data network upgrades | - | - | 263,306 | - | 263,306 |
| Weapons of mass destruction (WMD) suits and cases | 117,641 | - | - | - | 117,641 |
| Station dorm privacy projects | - | - | - | 110,021 | 110,021 |
| Station No. 41 (Air Operations) dorm repairs | - | - | - | 73,400 | 73,400 |
| Service level assessment | 64,102 | - | - | - | 64,102 |
| Station phone, alarm, sound systems | - | - | 56,515 | - | 56,515 |
| Consulting services for study of cash contract city charges | 45,492 | - | - | - | 45,492 |
| Station No. 8 (Skyline) apparatus bay door replacement | - | 20,892 | - | - | 20,892 |
| Other | <u>145,067</u> | <u>35,190</u> | <u>49,901</u> | <u>1,870</u> | <u>232,028</u> |
| Total | <u>\$372,302</u> | <u>\$56,082</u> | <u>\$813,975</u> | <u>\$684,549</u> | <u>\$1,926,908</u> |

(15) Fund Balance of Governmental Funds – Unassigned

Unassigned fund balance in the General Fund consists of the following as of June 30, 2021:

| | |
|--|---------------------|
| 10% Operating Contingency | \$20,391,894 |
| All other residual amounts available for any purpose | - |
| Total | <u>\$20,391,894</u> |

The total amount of the 10% Operating Contingency calculation was \$38,806,343 as of June 30, 2021, which exceeded the General Fund's total unassigned fund balance by \$18,414,449.

(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 2020/21 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 2020/21 totaled \$77,250.

- 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 \$1,500,000 during Fiscal Year 2020/21.

OCFA's remaining financial commitment as of June 30, 2021, under the various provisions of the Settlement Agreement totals approximately \$45,012,000 over the remaining nine-year period July 1, 2021, 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 | 2,000,000 | - |
| Total original financial commitment | \$ 2,668,000 | \$21,000,000 |
| Total remaining OCFA financial commitment over nine fiscal years (Fiscal Year 2021/22 through Fiscal Year 2029/30) | \$24,012,000 | \$21,000,000 |

(b) Commitments for Outstanding Encumbrances

As of June 30, 2021, commitments with vendors for outstanding encumbrances (unperformed purchase orders and contracts for goods and services) by major governmental fund are as follows:

| | |
|--|--------------|
| General Fund | \$ 2,212,682 |
| Communications and Information Systems | 123,750 |
| Fire Apparatus | 13,545,517 |
| Fire Stations and Facilities | 804,115 |
| Total outstanding encumbrances | \$16,686,064 |

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Significant individual commitments with vendors as of June 30, 2021, are identified below.

| <u>Fund / Vendor</u> | <u>Description</u> | <u>Original Commitment</u> | <u>Spent-to-Date</u> | <u>Remaining Commitment</u> |
|--|---|----------------------------|----------------------|-----------------------------|
| <u>General Fund:</u> | | | | |
| BK Technologies, Inc. | Portable VHF radios | \$444,253 | \$ - | \$444,253 |
| Griffin Structures, Inc. | Project and construction management services for bathroom gender compliance and dorm privacy projects | 290,602 | 44,956 | 245,646 |
| EPlus Technology, Inc. | 911 network hardware | \$367,516 | 139,529 | 227,987 |
| Los Angeles Freightliner | (1) Freightliner Cascadia | \$217,107 | - | 217,107 |
| Ready2Go Restroom Trailers Sales, LLC | Portable restroom and shower trailers | 269,337 | 57,382 | 211,955 |
| Gillis + Panichapan Architects | Pre-construction architectural and engineering support for station renovation projects | 441,777 | 305,570 | 136,207 |
| LN Curtis & Sons | Weapons of mass destruction (WMD) suits | 116,418 | - | 116,418 |
| <u>Communications and Information Systems:</u> | | | | |
| Westnet | Alerting system server | 164,478 | 65,791 | 98,687 |
| <u>Fire Apparatus:</u> | | | | |
| KME Fire Apparatus | (13) Type 1 engines | 8,830,210 | - | 8,830,210 |
| Rosenbauer Minnesota, LLC | (2) Hazardous materials vehicles | 1,941,261 | - | 1,941,261 |
| Rosenbauer Minnesota, LLC | (1) Heavy rescue vehicle | 947,488 | - | 947,488 |
| Rosenbauer South Dakota, LLC | (1) Air utility vehicle | 611,628 | - | 611,628 |
| Rosenbauer South Dakota, LLC | (1) Foam tender | 537,205 | - | 537,205 |
| Emergency Vehicle Group, Inc. | (1) Hazardous materials support vehicle | 456,651 | - | 456,651 |
| KME Fire Apparatus | Telma retarder add-on for (13) type 1 engines | 175,994 | - | 175,994 |
| <u>Fire Stations and Facilities:</u> | | | | |
| HMC Group | Architectural engineering and construction support for RFOTC training grounds expansion project | 880,400 | 270,412 | 609,988 |

(c) Pending Litigation

OCFA is a defendant in a pending legal matter brought forth by an employee alleging wrongful conduct by OCFA and fourteen of its employees for discrimination, harassment, failure to engage in the interactive process, and failure to provide reasonable accommodation. As of June 30, 2021, OCFA intends to vigorously defend against the claims asserted in the lawsuit; however, an unfavorable outcome is reasonably possible based on discovery completed to-date. Further discovery, including many depositions, will be needed before a more precise liability assessment can be completed. A loss for this contingent legal matter has not been recorded in the accompanying financial statements. OCFA and its employees have management liability insurance coverage in place set at \$1,000,000 per occurrence. During Fiscal Year 2020/21, OCFA paid an insurance deductible totaling \$6,936 relating to this case.

(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, 2021, are as follows:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|----------------|---------------------|----------------------|
| General Fund | \$ - | \$11,059,336 |
| Fire Apparatus | <u>11,059,336</u> | <u>-</u> |
| Total | <u>\$11,059,336</u> | <u>\$11,059,336</u> |

Transfers totaling \$11,059,336 were made from the General Fund to the Fire Apparatus fund for current and future capital improvement projects identified in the Capital Improvement Plan.

(18) Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2021, is summarized in the table below. All long-term liabilities are normally liquidated by the General Fund.

| <u>Primary Government/ Governmental Activities</u> | <u>Beginning Balances, as Restated</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balances</u> | <u>Due Within One Year</u> |
|--|--|---------------------|------------------------|----------------------------|--------------------------------|
| Net pension liability: | | | | | |
| OCERS pension plan | \$354,395,457 | \$ - | \$(173,273,819) | \$181,121,638 | \$ - |
| Extra Help pension plan | <u>75,851</u> | <u>8,747</u> | <u>-</u> | <u>84,598</u> | <u>-</u> |
| | 354,471,308 | 8,747 | (173,273,819) | 181,206,236 | - |
| Net OPEB liability | 244,964,263 | 54,700,171 | (6,608,689) | 293,055,745 | - |
| Compensated absences | 19,523,083 | 17,933,176 | (16,227,795) | 21,228,464 | 4,844,515 |
| Accrued claims and judgments – workers’ compensation | 103,945,795 | 26,145,327 | (14,795,847) | 115,295,275 | 16,411,354 |
| Lease liabilities | <u>5,148,386</u> | <u>-</u> | <u>(168,035)</u> | <u>4,980,351</u> | <u>96,322</u> |
| Total | <u>\$728,052,835</u> | <u>\$98,787,421</u> | <u>\$(211,074,185)</u> | <u>\$615,766,071</u> | <u>\$21,352,191</u> |

(19) Compensated Absences

OCFA is obligated to its employees for accumulated earned but unused leave benefits as of June 30, 2021. 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, 2021:

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| | <u>Vacation</u> | <u>Comp/Other</u> | <u>Sick Leave</u> | <u>Total</u> |
|-----------------|---------------------|-------------------|--------------------|---------------------|
| Safety Members | \$12,871,505 | \$213,622 | \$ 2,445,961 | \$15,531,088 |
| General Members | <u>2,909,161</u> | <u>692,393</u> | <u>2,095,822</u> | <u>5,697,376</u> |
| Total | <u>\$15,780,666</u> | <u>\$906,015</u> | <u>\$4,541,783</u> | <u>\$21,228,464</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 2020/21 included the following:

Notable Exposure Data:

| | |
|-----------------------------|---------------|
| Total Insured Values | \$351,328,176 |
| Total Reported Fleet Values | \$114,654,776 |

Liability Limits:

| | |
|--|------------------|
| Each Occurrence or Wrongful Act | \$1,000,000 |
| Personal and Advertising Injury | \$1,000,000 |
| Fire Damage Legal Liability | \$1,000,000 |
| Medical Expense (each accident) | \$10,000 |
| General Aggregate | \$10,000,000 |
| Products/Completed Operations Annual Aggregate | \$10,000,000 |
| Management Liability (Employment Practices; D&O) | \$1,000,000 |
| Cyber Liability (Claims Made) | \$1,000,000 |
| Auto Liability (Combined Single Limit) | \$1,000,000 |
| Garage Keepers Legal Liability | \$500,000 |
| Excess Liability | \$10,000,000 |
| Excess Workers Compensation | Statutory Limits |

Property Limits:

| | |
|--------------------------------------|---------------------------------------|
| Buildings and Contents | Not to Exceed Scheduled Value on File |
| Crime (Employee Dishonesty Coverage) | \$2,000,000 |

Deductibles:

| | |
|-------------------------------------|---|
| General, Auto, and Garage Liability | \$0 |
| Management Liability | \$7,500 |
| Auto (Comp and Collision) | \$5,000 (Emergency Vehicles); \$1,000 (Private Passenger) |
| Garage Keepers | \$250 (Comprehensive); \$500 (Collision) |
| Property | \$5,000 |
| Crime | \$1,000 |

There have been no significant changes in insurance coverage as compared to last 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, 2021, accrued claims and judgments for workers' compensation totaled \$115,295,275 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 December 31, 2020, 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, 2021 and 2020, are as follows:

| Primary Government/ Governmental Activities | Fiscal Year Ended | |
|--|----------------------|----------------------|
| | June 30, 2021 | June 30, 2020 |
| Unpaid claims at beginning of fiscal year | \$103,945,795 | \$ 86,616,986 |
| Incurred claims (including IBNR's) | 26,145,327 | 29,668,931 |
| Claim payments | <u>(14,795,847)</u> | <u>(12,340,122)</u> |
| Unpaid claims at end of fiscal year | <u>\$115,295,275</u> | <u>\$103,945,795</u> |
| Due within one year | \$ 16,411,354 | \$ 14,808,917 |
| Due in more than one year | <u>98,883,921</u> | <u>89,136,878</u> |
| Unpaid claims at end of fiscal year | <u>\$115,295,275</u> | <u>\$103,945,795</u> |
| Confidence level at end of fiscal year | 50% | 50% |
| Discount rate | 2% | 1% |

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 \$109,770,629. 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, 2021:

| Lease Terms | Helicopter Tower | Copiers | Utility Pickup Trucks | Land Lease |
|----------------------------------|--|---|--|---|
| Lessor | FW Aviation, LLC | Cell Business Equipment | Enterprise Rent a Car of Los Angeles, LLC | City of Fullerton |
| Purpose | Helicopter tower at Fullerton Airport for training and storage | RFOTC and fire station copiers and accessories | (4) Utility Pickup Trucks for Crew 2 in Irvine | Real property land lease at Fullerton Airport |
| Major Class of Underlying Assets | Right-to-use leased buildings | Right-to-use leased equipment | Right-to-use leased vehicles | Right-to-use leased land |
| Lease Date | August 25, 2011 | December 22, 2016 | March 1, 2019 | June 14, 2010 |
| Initial Lease Term | Ten years commencing September 2011 through August 2021 | Five years commencing April 2017 through March 2022 | One year commencing March 2019 through February 2020 | Forty years commencing January 2011 (Eastern Half) and July 2013 (Western Half) through December 2050 |

| Lease Terms | Helicopter Tower | Copiers | Utility Pickup Trucks | Land Lease |
|--|---|--|---|--|
| 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 if OCFA does not return or purchase the equipment thirty days prior to the conclusion of the initial lease term | One-year option to extend for a total of two years through February 2021 | 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 (114 copiers) plus a \$75 document fee on the first invoice | Monthly payments totaling \$9,948 for base rent, sales tax, and state vehicle license fees | Monthly payments of \$2,886 (Eastern Half) and \$2,070 (Western Half) |
| Rent Increases | Base rent increases annually by \$18 for the first ten years. Base rent increases by 3% annually during the optional ten-year period. | Pricing adjusted annually for any additional copiers or accessories added over the term of the lease | None | 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, 2021 | \$1,737 monthly | \$8,991 monthly (139 copiers) | N/A | \$6,683 monthly |
| Due Date | Monthly on the 1 st | Monthly within 30 days of invoice | N/A | Payable monthly in advance on the 1 st |
| Implicit Lease 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) | Fees for actual miles driven over monthly allotment; \$0.20 per mile driven beyond 3,000 allotted miles (approximately \$2,232 per month) | None |

(b) Right-to-Use Leased Assets

Right-to-use leased assets included the following as of June 30, 2021:

| Lease | Major Class of Underlying Assets | Amount of Leased Capital Assets | Accumulated Amortization |
|------------------|----------------------------------|---------------------------------|--------------------------|
| Helicopter tower | Right-to-use leased buildings | \$ 238,888 | \$ 21,408 |
| Copiers | Right-to-use leased equipment | 174,672 | 99,828 |
| Land lease | Right-to-use leased land | <u>4,679,622</u> | <u>104,016</u> |
| Total | | <u>\$5,093,182</u> | <u>\$225,252</u> |

(c) Outflows of Resources for Variable Payments

Outflows of resources recognized in Fiscal Year 2020/21 for variable payments not included in the measurement of the lease liability consisted of the following:

| Outflows of Resources | Copiers | Utility Pickup Trucks |
|---|-----------------|-----------------------|
| Copy coverage and relocation fees | \$69,011 | \$ - |
| Mileage coverage fees and refueling charges | - | 305 |
| Total | <u>\$69,011</u> | <u>\$305</u> |

(d) Principal and Interest Requirements

Future principal and interest requirements to maturity for each lease liability as of June 30, 2021, are as follows:

| Helicopter Tower | | | |
|-------------------|------------------|-----------------|------------------|
| Fiscal Year(s) | Principal | Interest | Total |
| 2021/22 | \$ 17,453 | \$3,831 | \$ 21,284 |
| 2022/23 | 18,310 | 3,512 | 21,822 |
| 2023/24 | 19,206 | 3,176 | 22,382 |
| 2024/25 | 20,130 | 2,826 | 22,956 |
| 2025/26 | 21,096 | 2,456 | 23,552 |
| 2026/27 - 2030/31 | 121,184 | 6,120 | 127,304 |
| 2031/32 - 2035/36 | <u>4,481</u> | <u>5</u> | <u>4,486</u> |
| Total | <u>\$221,860</u> | <u>\$21,926</u> | <u>\$243,786</u> |

| Copiers | | | |
|----------------|-----------------|----------------|-----------------|
| Fiscal Year(s) | Principal | Interest | Total |
| 2021/22 | <u>\$78,869</u> | <u>\$2,050</u> | <u>\$80,919</u> |
| Total | <u>\$78,869</u> | <u>\$2,050</u> | <u>\$80,919</u> |

| Land Lease | | | |
|-------------------|--------------------|--------------------|--------------------|
| Fiscal Year(s) | Principal | Interest | Total |
| 2021/22 | \$ - | \$ 82,608 | \$ 82,608 |
| 2022/23 | 1,281 | 83,799 | 85,080 |
| 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 - 2030/31 | 94,821 | 413,571 | 508,392 |
| 2031/32 - 2035/36 | 188,251 | 401,117 | 589,368 |
| 2036/37 - 2040/41 | 303,910 | 379,346 | 683,256 |
| 2041/42 - 2045/46 | 446,019 | 346,089 | 792,108 |
| 2046/47 - 2050/51 | 619,449 | 298,755 | 918,204 |
| 2051/52 - 2055/56 | 830,117 | 234,307 | 1,064,424 |
| 2056/57 - 2060/61 | 1,084,880 | 149,104 | 1,233,984 |
| 2061/62 - 2065/66 | <u>1,090,947</u> | <u>36,309</u> | <u>1,127,256</u> |
| Total | <u>\$4,679,622</u> | <u>\$2,675,946</u> | <u>\$7,355,568</u> |

(22) 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 23 and Note 24. OCFA also provides other postemployment benefits (OPEB) through the Retiree Medical Plan. Additional plan information is provided within these notes as Note 25. Following is a summary of plan balances as of and for the year ended June 30, 2021:

| 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 | \$181,121,638 | \$130,063,613 | \$201,136,247 | \$17,590,285 |
| Extra Help Pension Plan | 84,598 | 1,330 | - | 10,408 |
| Subtotal | 181,206,236 | 130,064,943 | 201,136,247 | 17,600,693 |
| OPEB | 293,055,745 | 39,397,554 | 2,070,925 | 14,149,239 |
| Total | <u>\$474,261,981</u> | <u>\$169,462,497</u> | <u>\$203,207,172</u> | <u>\$31,749,932</u> |

(23) 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, 2021, 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 |
| I | I | 2.7% at 55 | Prior to 7/1/2011 | Prior to 12/1/2012 | Prior to 12/1/2012 |
| 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 (paid by OCFA) for the year ended June 30, 2021:

| Category | Plan | Tier | Benefit Formula | Employer Contribution Rates | | | Employee Contribution Rates (See Below) |
|----------|------|------|--------------------|-----------------------------|--------|--------|---|
| | | | | Normal Cost | UAAL | Total | |
| Safety | F | II | 3.0% at 50 | 26.97% | 23.84% | 50.81% | 15.03% - 21.24% |
| Safety | R | II | 3.0% at 55 | 21.83% | 23.84% | 45.67% | 14.24% - 20.12% |
| Safety | V | II | 2.7% at 57 (PEPRA) | 15.27% | 23.84% | 39.11% | 12.95% - 20.37% |
| General | I | I | 2.7% at 55 | 14.71% | 14.96% | 29.67% | 10.52% - 17.77% |
| General | J | II | 2.7% at 55 | 14.71% | 14.96% | 29.67% | 10.06% - 16.61% |
| General | N | II | 2.0% at 55 | 13.50% | 14.96% | 28.46% | 7.71% - 13.78% |
| General | U | II | 2.5% at 67 (PEPRA) | 10.16% | 14.96% | 25.12% | 7.43% - 14.79% |

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, 2021.

| Employee Hire Date | Benefit Formula | Employee Contribution Rate |
|---|--------------------|---|
| Safety – Firefighter Unit | | |
| Prior to 1/1/2011 | 3.0% at 50 | Effective 9/1/2019: 20.53%^ Effective 9/1/2020: 50% of Normal Cost^, Less a 2% Health Care Converted Retirement Contribution (HCRC) |
| 1/1/2011 - 6/30/2012 | 3.0% at 50 | Effective 9/1/2019: 20.53%^ |
| On or After 7/1/2012 (with reciprocity) | 3.0% at 55 | Effective 9/1/2020: 50% of Normal Cost^ |
| On or After 1/1/2013 (without reciprocity) | 2.7% at 57 (PEPRA) | 50% of Normal Cost^ |
| Safety – Firefighter Management Unit | | |
| 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^ |

| Employee Hire Date | Benefit Formula | Employee Contribution Rate |
|---|--------------------|---------------------------------|
| <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, 2021, employer and employee contributions remitted to OCERS were as follows:

| | Employer Contributions | Employee Contributions | Total Contributions |
|---------------------------------------|---------------------------|---------------------------|----------------------|
| Contributions paid (credited) by OCFA | \$106,715,236 | \$ (27,219) | \$106,688,017 |
| Contributions paid by employees | - | <u>27,232,305</u> | <u>27,232,305</u> |
| Total | <u>\$106,715,236</u> | <u>\$27,205,086</u> | <u>\$133,920,322</u> |

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

OCFA's net pension liability with OCERS is measured as the proportionate share of the net pension liability. The net pension liability of each member agency is measured as of December 31, 2020, and the total pension liability for each member agency used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, rolled forward to December 31, 2020, using standard update procedures. OCFA's proportion of the net pension liability 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 as of June 30, 2021 and 2020 was as follows:

| <u>Member Type</u> | <u>OCFA's Proportionate Share of the Total OCERS Net Pension Liability</u> | | | | | |
|--------------------|--|-------------------|----------------------------|-------------------|-------------------------|-------------------|
| | <u>At June 30, 2020</u> | | <u>Increase (Decrease)</u> | | <u>At June 30, 2021</u> | |
| | <u>Amount</u> | <u>% of Total</u> | <u>Amount</u> | <u>% of Total</u> | <u>Amount</u> | <u>% of Total</u> |
| Safety | \$321,941,742 | 6.4% | \$(160,422,665) | (2.6%) | \$161,519,077 | 3.8% |
| General | <u>32,453,715</u> | <u>0.6%</u> | <u>(12,851,154)</u> | <u>(0.1%)</u> | <u>19,602,561</u> | <u>0.5%</u> |
| Total | <u>\$354,395,457</u> | <u>7.0%</u> | <u>\$(173,273,819)</u> | <u>(2.7%)</u> | <u>\$181,121,638</u> | <u>4.3%</u> |

Comprehensive Annual Financial Report

For the year ended June 30, 2021, OCFA recognized pension expense of \$17,590,285. At June 30, 2021, 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 | \$ 42,647,259 | \$ (22,151,617) |
| Changes in assumptions | 20,847,354 | (51,604,825) |
| Net differences between projected and actual earnings on plan investments | <u>-</u> | <u>(127,379,805)</u> |
| | 63,494,613 | (201,136,247) |
| Employer contributions subsequent to measurement date | <u>66,569,000</u> | <u>-</u> |
| Total | <u>\$130,063,613</u> | <u>\$(201,136,247)</u> |

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$66,569,000 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. 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 |
|--------------------|------------------------|
| 2022 | \$ (42,479,079) |
| 2023 | (16,842,534) |
| 2024 | (50,346,635) |
| 2025 | (23,552,306) |
| 2026 | <u>(4,421,080)</u> |
| Total | <u>\$(137,641,634)</u> |

(c) Actuarial Assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions:

| | | | | |
|---|---|---|---------|--|
| Valuation Date | December 31, 2019 | | | |
| Measurement Date | December 31, 2020, rolled forward on an actuarial basis | | | |
| Actuarial Cost Method | Entry age actuarial cost method (normal) | | | |
| Discount rate | 7.00% | | | |
| Inflation | 2.75% | | | |
| Investment rate of return | 7.00%, net of pension plan investment expense, including inflation | | | |
| Salary increases | Safety 4.75% to 17.25% and General 4.25% to 12.25% (vary by service, including inflation) | | | |
| Date of experience study | Actuarial assumptions were based on the results of an experience study for the period January 1, 2014 through December 31, 2016. | | | |
| Mortality: | Safety | | General | |
| <ul style="list-style-type: none"> 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 | | |

| Mortality: | Safety | General |
|---|---|---|
| <ul style="list-style-type: none"> 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 |
| <ul style="list-style-type: none"> 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. | |
| <ul style="list-style-type: none"> Employee Contribution Rates | Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (male and female), projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 80% male and 20% female | Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (male and female) with rates increased by 5%, projected 30 years (from 2010) with the two-dimensional mortality improvement scale MP-2019, weighted 40% male and 60% female |

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, 2020, and December 31, 2019, 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 both December 31, 2020, and December 31, 2019.

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 to Changes in the Discount Rate

The following presents OCFA’s proportionate share of the net pension liability with OCERS, calculated using the discount rate of 7.00%, as well as what OCFA’s proportionate share of the net pension 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 rate.

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------|----------------------------------|------------------------|
| Total proportionate share of net pension liability | <u>\$498,882,290</u> | <u>\$181,121,638</u> | <u>\$77,902,060</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.

(24) 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, 2021, there were no lump sum distributions made to participants. Currently, there are no participants collecting retirement benefits.

Plan Membership

As of June 30, 2021, Plan membership consisted of the following:

| Plan Members (or Beneficiaries) | Balance as of June 30, 2021 | | |
|--|-----------------------------|----------------------|-----------|
| | \$3,500 or Less | More than \$3,500 | Total |
| Inactive; currently receiving benefits | - | - | - |
| Inactive; entitled to but not yet receiving benefits | 36 | 2 | 38 |
| Active | <u>1</u> | - | <u>1</u> |
| Total | <u>37</u> | <u>2</u> | <u>39</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. 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, 2021, employee and employer contributions totaled \$579 and \$2,117, respectively.

(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, 2021, using an actuarial valuation as of January 1, 2021, rolled forward to June 30, 2021, using standard update procedures. A summary of components of the Plan’s net pension liability as of June 30, 2021, is shown below, followed by principal assumptions and methods used to determine the net pension liability.

| | |
|-----------------------------|------------------|
| Total pension liability | \$134,494 |
| Plan fiduciary net position | <u>(49,896)</u> |
| Net pension liability | <u>\$ 84,598</u> |

| | |
|---|--------|
| Plan fiduciary net position as a % of the total pension liability | 37.10% |
|---|--------|

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, 2021, actuarial valuation was determined using the following actuarial assumptions:

| | |
|---------------------------|---|
| Valuation Date | January 1, 2021 |
| Measurement Date | June 30, 2021, rolled forward on an actuarial basis |
| Actuarial Cost Method | Entry age normal |
| Discount rate | 2.10% per annum; average (rounded to 5 basis points) of three 20-year municipal bond rate indices as of June 30, 2021: 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 | 2.10% |
| Salary increases | 3.00%, including merit, seniority, and inflation; annual salary for the current year assumed to be equal to the average annual salary over the last 3 years |
| Mortality | PubS2010 mortality table with generational improvements based on the MP-2020 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, 2021 and 2020:

| | <u>As of June 30, 2021</u> | <u>As of June 30, 2020</u> | <u>Change</u> |
|---------------------------|----------------------------|----------------------------|---------------|
| Discount rate | 2.10% | 2.45% | (0.35)% |
| Inflation | 2.75% | 2.75% | n/a |
| Investment rate of return | 2.10% | 2.45% | (0.35)% |
| Salary increases | 3.00% | 3.00% | n/a |

Discount Rate

The discount rate used to measure the total pension liability was 2.10% (a decrease of 0.35% 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, 2021, 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% | 2.10% |

The annual money-weighted rate of return was 0.55%, 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, 2021, were as follows:

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/ (Asset) |
|--|----------------------------|--------------------------------|-----------------------------------|
| Balance at June 30, 2020 | <u>\$122,785</u> | <u>\$46,934</u> | <u>\$75,851</u> |
| Changes in the year: | | | |
| Service cost | 994 | - | 994 |
| Interest | 3,033 | - | 3,033 |
| Differences between expected and actual experience | 829 | - | 829 |
| Changes of assumptions | 6,853 | - | 6,853 |
| Contributions – employer | - | 2,117 | (2,117) |
| Contributions – plan members | - | 579 | (579) |
| Net investment income | - | 266 | (266) |
| Benefit payments, including refunds of employee contributions | - | - | - |
| Net changes | <u>11,709</u> | <u>2,962</u> | <u>8,747</u> |
| Balance at June 30, 2021 | <u>\$134,494</u> | <u>\$49,896</u> | <u>\$84,598</u> |

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

The following presents the net pension liability, calculated using the discount rate of 2.10%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.10%) or one percentage point higher (3.10%) than the current rate:

| | 1% Decrease (1.10%) | Current Discount Rate (2.10%) | 1% Increase (3.10%) |
|-----------------------|---------------------|-------------------------------|---------------------|
| Net pension liability | <u>\$111,453</u> | <u>\$84,598</u> | <u>\$63,567</u> |

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

For the year ended June 30, 2021, OCFA recognized pension expense of \$10,408. At June 30, 2021, 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>1,330</u> | - |
| Total | <u>\$1,330</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:

| Year Ended June 30 | Amount |
|--------------------|----------------|
| 2022 | \$ 536 |
| 2023 | 338 |
| 2024 | 271 |
| 2025 | <u>185</u> |
| Total | <u>\$1,330</u> |

(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, 2021:

| | Extra Help Retirement |
|---|--------------------------|
| Assets: | |
| Cash and investments: | |
| Local Agency Investment Fund: | |
| Domestic fixed income | \$49,896 |
| Total assets | <u>49,896</u> |
| Net position restricted for pensions | <u>\$49,896</u> |
| | |
| Additions: | |
| Contributions: | |
| Employer | \$ 2,117 |
| Plan members | <u>579</u> |
| Total contributions | <u>2,696</u> |
| Net investment income: | |
| Total investment income | <u>266</u> |
| Total net investment income | <u>266</u> |
| Total additions | <u>2,962</u> |
| | |
| Deductions: | |
| Benefits and refunds paid to plan members and beneficiaries | <u>-</u> |
| Total deductions | <u>-</u> |
| Change in net position | 2,962 |
| Net position, beginning of year | <u>46,934</u> |
| Net position, end of year | <u>\$49,896</u> |

(25) 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, 2020. 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, 2020 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 or online at <http://www.ocers.org/finance/finance.htm>. 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 \$139 for 2020 and \$143 for 2021. 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 26.

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 2019 through 2021:

| <u>Calendar Year</u> | <u>Monthly Grant Amount</u> | <u>% Increase</u> |
|----------------------|-----------------------------|-------------------|
| 2021 | \$29.13 | 5.0% |
| 2020 | \$27.74 | 5.0% |
| 2019 | \$26.42 | 1.4% |

- 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, 2020, the date of the latest actuarial valuation:

| Plan Membership Status | Retiree Medical Plan (Hired Prior to January 1, 2007) | PEMHCA Eligible Employees (Hired on or After January 1, 2007) | Total |
|---|---|--|--------------|
| Inactive plan members or beneficiaries currently receiving benefit payments | 826 | 4 | 830 |
| Inactive plan members entitled to but not yet receiving benefit payments | 37 | - | 37 |
| Active plan members | <u>406</u> | <u>1,046</u> | <u>1,452</u> |
| Total | <u>1,269</u> | <u>1,050</u> | <u>2,319</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. OCFA's employer contributions to the Plan were as follows:

| Type of Employer Contribution | Measurement Period Ending December 31, 2020 | Fiscal Year Ending June 30, 2021 |
|-------------------------------|--|-------------------------------------|
| Cash contributions | \$ - | \$ - |
| Implicit subsidy | <u>2,284,326</u> | <u>2,361,738</u> |
| Total | <u>\$2,284,326</u> | <u>\$2,361,738</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, 2020:

| <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, 2020. 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, 2020, the annual money-weighted rate of return on OCERS’ plan assets, net of investment expense, was 11.2%. 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, 2020, using an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2020, 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 | \$335,009,795 |
| Plan fiduciary net position | <u>(41,954,050)</u> |
| Net OPEB liability | <u>\$293,055,745</u> |

| | |
|--|--------|
| Plan fiduciary net position as a % of the total OPEB liability | 12.52% |
|--|--------|

Actuarial Assumptions

The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions:

| | |
|-----------------------|--|
| Valuation Date | December 31, 2020 |
| Measurement Date | December 31, 2020 |
| Actuarial Cost Method | Entry age normal |
| Discount Rate | <ul style="list-style-type: none"> • 2.20%; Based on the blended rate of return on invested assets available to pay future benefits and a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (bond index range 1.93% - 2.12%). • The 20-year tax-exempt general obligation municipal bond rates as of December 31, 2020, included the Bond Buyer Go 20-Bond Municipal Bond Index (2.12%), the S&P |

| | Municipal Bond 20-Year High Grade Rate Index (1.93%), and the Fidelity 20-Year Go Municipal Bond Index (2.00%). <ul style="list-style-type: none"> The crossover year is 2027 (year that the Trust is expected to be depleted based on the current funding strategy). | | | | | | | | | | | | | | | | | | | | | |
|--|--|---------------|---------|--------|-------|-------------|--------------|-------|---------------|---------------|-------|---------------|---------------|-------|---------------|--------|-------|-------|--------|-----|--------|--------|
| Inflation | 2.75% | | | | | | | | | | | | | | | | | | | | | |
| Investment Rate of Return | 7.0% | | | | | | | | | | | | | | | | | | | | | |
| Salary Increases | 3.25% | | | | | | | | | | | | | | | | | | | | | |
| Pre and Post-Retirement Mortality | Mortality rates from the SOA Pub-2010 Headcount Weighted Mortality Tables for General, Public Safety, and Continuing Survivor projected fully generational using Scale MP-2020. | | | | | | | | | | | | | | | | | | | | | |
| Healthcare Cost Trend Rates | <table border="1"> <thead> <tr> <th>Year</th> <th>Trend</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>6.5%</td> </tr> <tr> <td>2021</td> <td>6.0%</td> </tr> <tr> <td>2022</td> <td>5.5%</td> </tr> <tr> <td>2023</td> <td>5.0%</td> </tr> <tr> <td>2024</td> <td>4.5%</td> </tr> </tbody> </table> | Year | Trend | 2020 | 6.5% | 2021 | 6.0% | 2022 | 5.5% | 2023 | 5.0% | 2024 | 4.5% | | | | | | | | | |
| Year | Trend | | | | | | | | | | | | | | | | | | | | | |
| 2020 | 6.5% | | | | | | | | | | | | | | | | | | | | | |
| 2021 | 6.0% | | | | | | | | | | | | | | | | | | | | | |
| 2022 | 5.5% | | | | | | | | | | | | | | | | | | | | | |
| 2023 | 5.0% | | | | | | | | | | | | | | | | | | | | | |
| 2024 | 4.5% | | | | | | | | | | | | | | | | | | | | | |
| Funding Policy | Partially prefund benefits through 4% employee contributions through a 401(h) account held in trust with OCERS | | | | | | | | | | | | | | | | | | | | | |
| Pre-Retirement Turnover | 0.9% - 11.0% (General) 0.2% - 4.5% (Safety) | | | | | | | | | | | | | | | | | | | | | |
| Retirement Age | <table border="1"> <thead> <tr> <th>Age</th> <th>General</th> <th>Safety</th> </tr> </thead> <tbody> <tr> <td>50-54</td> <td>2.0% - 5.5%</td> <td>5.0% - 15.0%</td> </tr> <tr> <td>55-59</td> <td>10.0% - 15.0%</td> <td>18.0% - 28.0%</td> </tr> <tr> <td>60-64</td> <td>12.0% - 16.0%</td> <td>30.0% - 35.0%</td> </tr> <tr> <td>65-69</td> <td>22.0% - 23.0%</td> <td>100.0%</td> </tr> <tr> <td>70-74</td> <td>25.0%</td> <td>100.0%</td> </tr> <tr> <td>75+</td> <td>100.0%</td> <td>100.0%</td> </tr> </tbody> </table> | Age | General | Safety | 50-54 | 2.0% - 5.5% | 5.0% - 15.0% | 55-59 | 10.0% - 15.0% | 18.0% - 28.0% | 60-64 | 12.0% - 16.0% | 30.0% - 35.0% | 65-69 | 22.0% - 23.0% | 100.0% | 70-74 | 25.0% | 100.0% | 75+ | 100.0% | 100.0% |
| Age | General | Safety | | | | | | | | | | | | | | | | | | | | |
| 50-54 | 2.0% - 5.5% | 5.0% - 15.0% | | | | | | | | | | | | | | | | | | | | |
| 55-59 | 10.0% - 15.0% | 18.0% - 28.0% | | | | | | | | | | | | | | | | | | | | |
| 60-64 | 12.0% - 16.0% | 30.0% - 35.0% | | | | | | | | | | | | | | | | | | | | |
| 65-69 | 22.0% - 23.0% | 100.0% | | | | | | | | | | | | | | | | | | | | |
| 70-74 | 25.0% | 100.0% | | | | | | | | | | | | | | | | | | | | |
| 75+ | 100.0% | 100.0% | | | | | | | | | | | | | | | | | | | | |
| Future Accruals | Current active employees are assumed to earn one year of service for each future year. | | | | | | | | | | | | | | | | | | | | | |
| Participation Rates | 100% of active 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 | For future retirees, 65% of males and 25% females are assumed to be married at retirement or pre-retirement death. For current retirees, spouses are assumed for those enrolled in two-party and family coverage. Male spouses are assumed to be three years older than female spouses. | | | | | | | | | | | | | | | | | | | | | |
| Claim Cost Development | Based on the 2020 and 2021 premiums and funding rates. 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. | | | | | | | | | | | | | | | | | | | | | |
| Medical Grant Amount | Assumed 5% annual increase | | | | | | | | | | | | | | | | | | | | | |
| Minimum Required Contribution (PEMHCA) | Assumed 4% annual increase | | | | | | | | | | | | | | | | | | | | | |
| Actuarial Value of Assets | Market Value | | | | | | | | | | | | | | | | | | | | | |

Changes of Assumptions

Following is a comparison of changes in actuarial assumptions as of December 31, 2020 and 2019:

| | <u>As of December 31, 2020</u> | <u>As of December 31, 2019</u> | <u>Change</u> |
|------------------------|---|---|--------------------------|
| Discount rate | 2.20% | 3.31% | (1.11%) |
| Twenty-year bond rate | 1.93% – 2.12% Range | 2.74% - 3.26% Range | (0.81%) to (1.14%) Range |
| Crossover year | 2027 | 2025 | 2 years |
| Mortality rate scale | MP-2020 | MP-2019 | n/a |
| Healthcare trend rates | Initial rate of 6.0% (2021) decreasing by 0.5% annually to an ultimate rate of 4.5% (2024) | Initial rate of 6.5% (2020) decreasing by 0.5% annually to an ultimate rate of 4.5% (2024) | (0.5%) Initial rate |

Discount Rate

The discount rate used to measure the total OPEB liability was 2.20% (a decrease of 1.11% since the prior measurement date). The projection of cash flows used to determine the discount rate assumed that plan member contributions were made at the 4.0% required contribution rate. The discount rate incorporates a municipal bond rate range of 1.93 – 2.12% (Bond Buyer Go 20-Bond Municipal Bond Index; S&P Municipal Bond 20-Year High Grade Rate Index; Fidelity 20-Year Go Municipal Bond Index). Based on those assumptions, the Plan’s fiduciary net position is projected to be unable to make all projected future benefit payments for its current plan members in the year 2027.

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 (2.75%). 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, 2020, are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|--------------------|--------------------------|---|
| Global Equities | 47.0% | 5.0% |
| Private Equities | 13.0% | 7.0% |
| Real Assets | 12.0% | 5.0% |
| Fixed Income | 11.0% | 1.0% |
| Risk Mitigation | 10.0% | 4.0% |
| Credit | <u>7.0%</u> | 5.0% |
| Total | <u>100.0%</u> | 7.0% |

The annual money-weighted rate of return was 11.2%.

(d) Changes in the Net OPEB Liability

Changes in the Plan's net OPEB liability for the year ended June 30, 2021, were as follows:

| | <u>Total OPEB Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Net OPEB Liability</u> |
|--|---------------------------------|--|-------------------------------|
| Balance at June 30, 2020 | <u>\$286,369,153</u> | <u>\$41,404,890</u> | <u>\$244,964,263</u> |
| Changes in the year: | | | |
| Service cost | 8,510,680 | - | 8,510,680 |
| Interest on the total OPEB liability | 9,632,097 | - | 9,632,097 |
| Difference between expected and actual experience | 1,145,322 | - | 1,145,322 |
| Changes in assumptions | 37,176,101 | - | 37,176,101 |
| Contributions – employer | - | 2,284,326 | (2,284,326) |
| Contributions – plan members | - | 1,976,295 | (1,976,295) |
| Net investment income (loss) | - | 4,134,537 | (4,134,537) |
| Benefit payments, including refunds of employee contributions | (7,823,558) | (7,823,558) | - |
| Administrative expense | - | <u>(22,440)</u> | <u>22,440</u> |
| Net changes | <u>48,640,642</u> | <u>549,160</u> | <u>48,091,482</u> |
| Balance at June 30, 2021 | <u>\$335,009,795</u> | <u>\$41,954,050</u> | <u>\$293,055,745</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 2.20%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.20%) or one percentage point higher (3.20%) than the current discount rate:

| | <u>1% Decrease (1.20%)</u> | <u>Current Discount Rate (2.20%)</u> | <u>1% Increase (3.20%)</u> |
|--------------------|----------------------------|--------------------------------------|----------------------------|
| Net OPEB liability | <u>\$358,828,018</u> | <u>\$293,055,745</u> | <u>\$241,815,304</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 (6.5% 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 (5.5% decreasing to 3.5%) or one percentage point higher (7.5% decreasing to 5.5%) than the current rates:

| | <u>1% Decrease (5.5% decreasing to 3.5%)</u> | <u>Current Healthcare Cost Trend Rates (6.5% decreasing to 4.5%)</u> | <u>1% Increase (7.5% decreasing to 5.5%)</u> |
|--------------------|--|--|--|
| Net OPEB liability | <u>\$275,454,029</u> | <u>\$293,055,745</u> | <u>\$302,298,077</u> |

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

For the year ended June 30, 2021, OCFA recognized OPEB expense of \$14,149,239. At June 30, 2021, OCFA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Differences between actual and expected experience in the total OPEB liability | \$ 858,991 | \$ (323,685) |
| Changes in assumptions | 37,318,988 | - |
| Net differences between projected and actual earnings on plan investments | - | (1,747,240) |
| | 38,177,979 | (2,070,925) |
| Contributions subsequent to measurement date | 1,219,575 | - |
| Total | \$39,397,554 | \$(2,070,925) |

Deferred outflows of resources related to contributions subsequent to the measurement date totaling \$1,219,575 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. 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:

| Year Ended June 30 | Amount |
|--------------------|--------------|
| 2022 | \$13,538,897 |
| 2023 | 14,052,276 |
| 2024 | 8,783,149 |
| 2025 | (267,268) |
| Total | \$36,107,054 |

(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, 2021:

| | Retiree Medical Plan |
|---|----------------------|
| Assets: | |
| Cash and investments: | |
| Pooled amounts held in trust with OCERS | \$42,830,564 |
| Total cash and investments | 42,830,564 |
| Receivables: | |
| Other receivables | 9,679 |
| Total assets | \$42,840,243 |
| Liabilities: | |
| Accrued liabilities | 886,193 |
| Total liabilities | 886,193 |
| Net position restricted for postemployment benefits other than pensions | \$41,954,050 |

| | <u>Retiree Medical Plan</u> |
|---|-----------------------------|
| Additions: | |
| Contributions: | |
| Employer | \$ 2,284,326 |
| Plan members | <u>1,976,295</u> |
| Total contributions | <u>4,260,621</u> |
| Net investment income: | |
| Total investment income (loss) | 4,371,125 |
| Investment fees and expenses | <u>(236,588)</u> |
| Total net investment income (loss) | <u>4,134,537</u> |
| Total additions | <u>8,395,158</u> |
| Deductions: | |
| Benefits and refunds paid to plan members and beneficiaries | 7,823,558 |
| Administrative expenses | <u>22,440</u> |
| Total deductions | <u>7,845,998</u> |
| Change in net position | 549,160 |
| Net position, beginning of year | <u>41,404,890</u> |
| Net position, end of year | <u>\$41,954,050</u> |

(26) 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 Further (formerly Select Account). 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, 2021, totaled \$4,027,078.

(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 25.

(27) 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, 2021, totaled \$12,280,109.

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, 2021, totaled \$113,901 for Executive Management employees and \$8,500 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 24.

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, 2021, totaled \$19,973.

(28) Subsequent Events

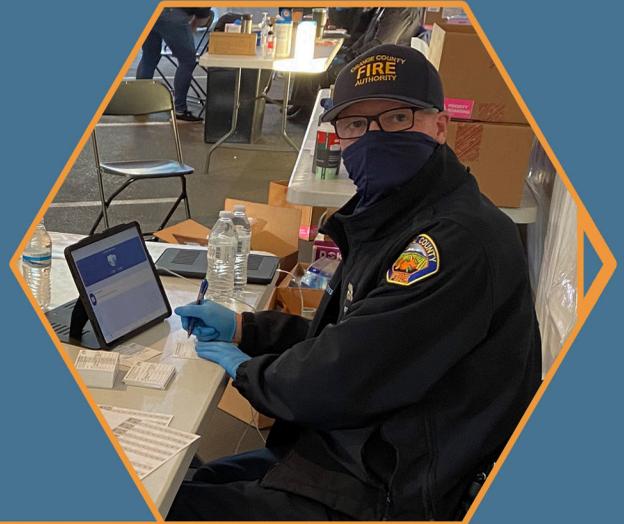
(a) Deposit to 115 Trust

On July 2, 2021, OCFA deposited \$1,500,000 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

In July 2021, OCFA renewed its Fiscal Year 2021/22 general liability insurance premium at a cost of \$2,151,311. This was an 84% increase over the expiring Fiscal Year 2020/21 premium totaling \$1,169,408. The Fiscal Year 2021/22 premium was paid in two equal installments of \$1,075,656 each on July 23, 2021, and August 13, 2021. 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, and employees. In addition, the Fiscal Year 2021/22 deductible for the management liability portion of the policy increased from \$7,500 to \$250,000 per wrongful act.

Required Supplementary Information



COVID-19 Vaccine Clinic
January-March 2021

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, 2021
Last Ten Fiscal Years (A)

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 | OCFA's Proportionate Share of the Collective Net Pension Liability | OCFA's Covered Payroll | Proportionate Share of the Collective Net Pension Liability as a Percentage of Covered Payroll | Plan's Fiduciary Net Position | Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability | Applicable Measurement Date (B) |
|---------------------------|---|--|------------------------|--|-------------------------------|--|---------------------------------|
| 2014 | 8.366% | \$ 442,651,348 | \$ 129,689,221 | 341.32% | \$ 10,821,318,000 | 67.16% | 12/31/2013 |
| 2015 | 9.188% | \$ 466,968,323 | \$ 129,187,729 | 361.46% | \$ 11,536,106,000 | 69.42% | 12/31/2014 |
| 2016 | 9.056% | \$ 517,669,806 | \$ 129,452,647 | 399.89% | \$ 11,657,318,000 | 67.10% | 12/31/2015 |
| 2017 | 9.043% | \$ 469,430,660 | \$ 124,514,004 | 377.01% | \$ 12,809,208,000 | 71.16% | 12/31/2016 |
| 2018 | 7.485% | \$ 370,674,668 | \$ 148,890,685 | 248.96% | \$ 14,801,895,000 | 74.93% | 12/31/2017 |
| 2019 | 7.531% | \$ 466,731,526 | \$ 155,479,486 | 300.19% | \$ 14,481,680,000 | 70.03% | 12/31/2018 |
| 2020 | 6.982% | \$ 354,395,457 | \$ 164,583,742 | 215.33% | \$ 16,678,581,000 | 76.67% | 12/31/2019 |
| 2021 | 4.299% | \$ 181,121,638 | \$ 190,254,989 | 95.20% | \$ 18,797,203,000 | 81.69% | 12/31/2020 |

Notes to Schedule:

(A) Fiscal year ended June 30, 2015 was the first year of implementation of GASB Statement No. 68; therefore, only eight years of data are available for presentation. Other years will be added as they become available.

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

ORANGE COUNTY FIRE AUTHORITY

**OCERS Retirement Plan
A Cost-Sharing, Multiple-Employer Defined Benefit Pension Plan
As of June 30, 2021
Last Ten Fiscal Years**

Schedule of Contributions

| Fiscal Year Ended June 30 | Required Employer Contributions | | Actual Employer Contributions | Contribution Excess (Deficiency) | Covered Payroll | Actual Contributions as a Percentage of Covered Payroll |
|------------------------------|------------------------------------|----------------|----------------------------------|-------------------------------------|-----------------|--|
| | (Actuarially Determined) | | | | | |
| 2012 | \$ 55,756,764 | \$ 55,756,764 | \$ - | \$ - | \$ 111,444,130 | 50.03% |
| 2013 | \$ 61,206,670 | \$ 61,206,670 | \$ - | \$ - | \$ 128,121,447 | 47.77% |
| 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% |
| 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% |

(A)

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.

ORANGE COUNTY FIRE AUTHORITY

Extra Help Retirement Plan
A Single-Employer Defined Benefit Pension Plan
As of June 30, 2021
For the Last Ten Fiscal Years (A)

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 |
| 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 | 119.63% | 117.05% | 150.83% | 114.68% |

Notes to Schedule:

(A) GASB Statements No. 67 and No. 68 were implemented during Fiscal Year 2013/14 and Fiscal Year 2014/15, respectively. Additional years will be added as they become available in the future.

(B) 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% |

| | 2018 | 2019 | 2020 | 2021 |
|----|-----------------|-------------------|------------------|------------------|
| \$ | 5,386 | \$ 2,911 | \$ 6,786 | \$ 994 |
| | 6,297 | 5,007 | 5,388 | 3,033 |
| | (36,700) | 21,397 | (63,020) | 829 |
| | 5,961 | 9,879 | 16,260 | 6,853 |
| | <u>(24,786)</u> | <u>(16,426)</u> | <u>(13,768)</u> | <u>-</u> |
| | (43,842) | 22,768 | (48,354) | 11,709 |
| | <u>192,213</u> | <u>148,371</u> | <u>171,139</u> | <u>122,785</u> |
| | <u>148,371</u> | <u>171,139</u> | <u>122,785</u> | <u>134,494</u> |
| | 1,519 | 876 | 1,072 | 2,117 |
| | 16,641 | 9,043 | 891 | 579 |
| | 1,196 | 1,731 | 1,191 | 266 |
| | <u>(24,786)</u> | <u>(16,426)</u> | <u>(13,768)</u> | <u>-</u> |
| | (5,430) | (4,776) | (10,614) | 2,962 |
| | <u>67,754</u> | <u>62,324</u> | <u>57,548</u> | <u>46,934</u> |
| | <u>62,324</u> | <u>57,548</u> | <u>46,934</u> | <u>49,896</u> |
| \$ | <u>86,047</u> | <u>\$ 113,591</u> | <u>\$ 75,851</u> | <u>\$ 84,598</u> |
| | 42.01% | 33.63% | 38.22% | 37.10% |
| \$ | 73,747 | \$ 160,212 | \$ 9,541 | \$ 7,744 |
| | 116.68% | 70.90% | 795.00% | 1092.43% |

| | | | |
|-------|-------|-------|-------|
| 3.50% | 3.15% | 2.45% | 2.10% |
| 2.75% | 2.75% | 2.75% | 2.75% |
| 3.00% | 3.00% | 3.00% | 3.00% |

ORANGE COUNTY FIRE AUTHORITY

Extra Help Retirement Plan
A Single-Employer Defined Benefit Pension Plan
As of June 30, 2021
For the Last Ten Fiscal Years (A)

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 | \$ 205,340 | \$ 205,340 | \$ 108,526 | \$ 108,526 |
| Actual contributions as a % of covered payroll | 1.03% | 1.21% | 2.09% | 0.77% |

Notes to Schedule:

(A) GASB Statements No. 67 and No. 68 were implemented during Fiscal Year 2013/14 and Fiscal Year 2014/15, respectively. Additional years will be added as they become available in the future.

(B) 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 |

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

ORANGE COUNTY FIRE AUTHORITY

Extra Help Retirement Plan
A Single-Employer Defined Benefit Pension Plan
As of June 30, 2021
For the Last Ten Fiscal Years (A)

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% |

Notes to Schedule:

(A) GASB Statement No. 67, which requires ten years of history for this schedule, was implemented during Fiscal Year 2013/14. Additional years will be added as they become available in the future.

ORANGE COUNTY FIRE AUTHORITY

**Retiree Medical Plan
A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan
As of June 30, 2021
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 | 2021 |
| Total OPEB liability (TOPEBL): | | | | |
| Service cost | \$ 7,712,349 | \$ 7,989,994 | \$ 6,034,031 | \$ 8,510,680 |
| Interest | 10,007,111 | 10,432,082 | 10,878,843 | 9,632,097 |
| Differences between expected and actual experience | - | (2,909,247) | (647,369) | 1,145,322 |
| Changes of assumptions | - | (35,431,920) | 18,873,824 | 37,176,101 |
| Benefit payments, including refunds of member contributions | (5,581,055) | (6,803,645) | (7,239,321) | (7,823,558) |
| Net change in total pension liability | 12,138,405 | (26,722,736) | 27,900,008 | 48,640,642 |
| Total OPEB liability - beginning | 273,053,476 | 285,191,881 | 258,469,145 | 286,369,153 |
| Total OPEB liability - ending | 285,191,881 | 258,469,145 | 286,369,153 | 335,009,795 |
| Plan fiduciary net position (FNP): | | | | |
| Contributions - employer | 1,603,537 | 4,002,323 | 2,221,564 | 2,284,326 |
| Contributions - plan members | 2,379,665 | 2,259,947 | 2,111,158 | 1,976,295 |
| Net investment income (loss) | 5,116,794 | (728,045) | 5,301,391 | 4,134,537 |
| Benefit payments, including refunds of member contributions | (5,581,055) | (6,803,645) | (7,239,321) | (7,823,558) |
| Administrative expense | (27,068) | (30,304) | (21,240) | (22,440) |
| Net change in plan fiduciary net position | 3,491,873 | (1,299,724) | 2,373,552 | 549,160 |
| Total plan fiduciary net position - beginning | 36,839,189 | 40,331,062 | 39,031,338 | 41,404,890 |
| Total plan fiduciary net position - ending | 40,331,062 | 39,031,338 | 41,404,890 | 41,954,050 |
| Net OPEB liability (NOPEBL) | \$ 244,860,819 | \$ 219,437,807 | \$ 244,964,263 | \$ 293,055,745 |
| Plan FNP as a % of the TOPEBL | 14.14% | 15.10% | 14.46% | 12.52% |
| Covered employee payroll | \$ 68,808,979 | \$ 66,697,012 | \$ 63,351,188 | \$ 58,610,629 |
| NOPEBL as a % of covered employee payroll | 355.86% | 329.01% | 386.68% | 500.00% |

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) Applicable measurement date | 12/31/2017 | 12/31/2018 | 12/31/2019 | 12/31/2020 |
|---------------------------------|------------|------------|------------|------------|

(C) Change in actuarial assumptions:

| | | | | |
|-------------------------|---------------|----------------|----------------|----------------|
| Discount rate | 3.60% | 4.17% | 3.31% | 2.20% |
| Twenty-year bond rate | 3.44% | 4.11% | 2.76% - 3.26% | 1.93% - 2.12% |
| Crossover year | 2028 | 2025 | 2025 | 2027 |
| Mortality rate scale | MP-2015 | MP-2018 | MP-2019 | MP-2020 |
| Pre-retirement turnover | 0.00% - 5.00% | 0.20% - 11.00% | 0.20% - 11.00% | 0.20% - 11.00% |

ORANGE COUNTY FIRE AUTHORITY

Retiree Medical Plan
A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan
As of June 30, 2021
For the Last Ten Fiscal Years (A)

Schedule of Contributions

| | Fiscal Year Ended June 30 | | | |
|---|---------------------------|---------------|---------------|---------------|
| | 2018 | 2019 | 2020 | 2021 |
| Required employer contributions (contractually determined) (B) | \$ 3,941,686 | \$ 1,974,029 | \$ 2,252,945 | \$ 2,361,738 |
| Actual employer contributions | 3,941,686 | 1,974,029 | 2,252,945 | 2,361,738 |
| Contribution excess (deficiency) | \$ - | \$ - | \$ - | \$ - |
| Actual contributions as a % of contractually required contributions | 100.00% | 100.00% | 100.00% | 100.00% |
| Covered employee payroll | \$ 65,955,614 | \$ 62,958,049 | \$ 59,454,055 | \$ 57,043,737 |
| Actual contributions as a % of covered employee payroll | 5.98% | 3.14% | 3.79% | 4.14% |

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) cash contributions paid directly to retirees outside of the trust per the Retiree Medical Plan; and (3) 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) Changes in size or composition of plan members:

| | As of June 30 | | | |
|--|---------------|-------|-------|-------|
| | 2018 | 2019 | 2020 | 2021 |
| Retiree Medical Plan (Hired Prior to January 1, 2007): | | | | |
| Inactive; currently receiving benefits | 738 | 781 | 817 | 844 |
| Inactive; entitled to but no yet receiving benefits | 41 | 39 | 36 | 36 |
| Active | 511 | 457 | 419 | 384 |
| Subtotal | 1,290 | 1,277 | 1,272 | 1,264 |
| PEMHCA Eligible Employees (Hired on or After January 1, 2007): | | | | |
| Inactive; currently receiving benefits | 1 | 1 | 4 | 4 |
| Active | 763 | 821 | 1,008 | 1,102 |
| Subtotal | 764 | 822 | 1,012 | 1,106 |
| Total Plan Members as of June 30: | | | | |
| Inactive; currently receiving benefits | 739 | 782 | 821 | 848 |
| Inactive; entitled to but no yet receiving benefits | 41 | 39 | 36 | 36 |
| Active | 1,274 | 1,278 | 1,427 | 1,486 |
| Total | 2,054 | 2,099 | 2,284 | 2,370 |

ORANGE COUNTY FIRE AUTHORITY

Retiree Medical Plan
A Single-Employer Defined Benefit Other Postemployment Benefit (OPEB) Plan
As of June 30, 2021
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% |

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.



Orange County Fire Authority Safety Message

Vegetation Management



Vegetation Management is controlling plant material to prevent wildfire spread. It requires a constant commitment to follow the 4 R's of Vegetation Management to reduce the threat.

- ✓ Removal:
 - Remove all dead and dying plants within 100 feet of your home
 - Identify and remove plants found on OCFA's Undesirable Plant List
 - Remove dry leaves, bark, and pine needles from the yard, roof, and rain gutters

- ✓ Reduction:
 - Prune and thin plants within 100 feet of your home, including plants within 100 feet of your neighbor's home
 - Provide 4 feet vertical separation between shrub tops and lower tree branches to reduce "ladder fuels"
 - Use Horizontal Separation Guidelines for plants over 2 feet in height (15 feet min. or 3 times the tallest plant)
 - Keep all shrubs within 10 feet of your home trimmed to 2 feet or lower
 - Prune or remove plants near windows
 - Remove all tree branches or plants within 10 feet of chimney outlets
 - Move wood piles at least 30 feet from your home, or to the property line
 - Keep annual grasses and weeds cut to 4 inches or less

- ✓ Replacement:
 - Replace fire-prone plants with fire-resistant and drought tolerant plants. See the OCFA Planting Guide for recommendations.
 - When putting in new plants, leave enough space for them to grow to mature size

- ✓ Resistant:
 - Use fire-resistant plants whenever possible
 - Keep in mind that even plants listed on the Planting Guide must be maintained using Spacing Guidelines for both vertical and horizontal separation. Plant separation is an important part reducing wildfire threat.

Vegetation Management isn't a one-time fix. It's an ongoing commitment.

Supplementary Schedules



Academy 52 Graduation
June 17, 2021

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, 2021
(With Comparative Data for Prior Year)

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|--------------------------------------|----------------|--------------|-------------------|---|-------------------|
| | Budget Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Budgetary fund balance, July 1 | \$ 6,228,913 | \$ 6,228,913 | \$ 6,228,913 | \$ - | \$ 7,907,713 |
| Resources (inflows): | | | | | |
| Use of money and property | 17,104 | 15,562 | 3,384 | (12,178) | 132,392 |
| Total resources (inflows) | 17,104 | 15,562 | 3,384 | (12,178) | 132,392 |
| Amounts available for appropriations | 6,246,017 | 6,244,475 | 6,232,297 | (12,178) | 8,040,105 |
| Charges to appropriation (outflows): | | | | | |
| Services and supplies | 524,234 | 2,386,779 | 242,213 | 2,144,566 | 573,225 |
| Capital outlay | 1,552,548 | 2,638,392 | 766,349 | 1,872,043 | 1,237,967 |
| Total charges to appropriations | 2,076,782 | 5,025,171 | 1,008,562 | 4,016,609 | 1,811,192 |
| Budgetary fund balance, June 30 | \$ 4,169,235 | \$ 1,219,304 | \$ 5,223,735 | \$ 4,004,431 | \$ 6,228,913 |

ORANGE COUNTY FIRE AUTHORITY
Fire Apparatus
Budgetary Comparison Schedule
Year ended June 30, 2021
(With Comparative Data for Prior Year)

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|--------------------------------------|---------------------|---------------------|----------------------|---|----------------------|
| | Budget Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Budgetary fund balance, July 1 | \$ 18,990,529 | \$ 18,990,529 | \$ 18,990,529 | \$ - | \$ 11,631,823 |
| Resources (inflows): | | | | | |
| Charges for services | 1,632,441 | 1,632,441 | 1,632,441 | - | 1,750,537 |
| Use of money and property | 78,537 | 54,938 | 33,178 | (21,760) | 339,613 |
| Transfers in | 11,059,336 | 11,059,336 | 11,059,336 | - | 8,000,000 |
| Total resources (inflows) | <u>12,770,314</u> | <u>12,746,715</u> | <u>12,724,955</u> | <u>(21,760)</u> | <u>10,090,150</u> |
| Amounts available for appropriations | <u>31,760,843</u> | <u>31,737,244</u> | <u>31,715,484</u> | <u>(21,760)</u> | <u>21,721,973</u> |
| Charges to appropriation (outflows): | | | | | |
| Services and supplies | - | - | 1,940 | (1,940) | - |
| Capital outlay | <u>28,028,241</u> | <u>30,512,771</u> | <u>5,681,632</u> | <u>24,831,139</u> | <u>2,731,444</u> |
| Total charges to appropriations | <u>28,028,241</u> | <u>30,512,771</u> | <u>5,683,572</u> | <u>24,829,199</u> | <u>2,731,444</u> |
| Budgetary fund balance, June 30 | <u>\$ 3,732,602</u> | <u>\$ 1,224,473</u> | <u>\$ 26,031,912</u> | <u>\$ 24,807,439</u> | <u>\$ 18,990,529</u> |

ORANGE COUNTY FIRE AUTHORITY
Fire Stations and Facilities
Budgetary Comparison Schedule
Year ended June 30, 2021
(With Comparative Data for Prior Year)

| | 2021 | | | Variance with Final Budget Positive (Negative) | 2020 |
|--------------------------------------|----------------------|---------------------|----------------------|---|----------------------|
| | Budget Amounts | | Actual Amounts | | Actual Amounts |
| | Original | Final | | | |
| Budgetary fund balance, July 1 | \$ 17,627,926 | \$ 17,627,926 | \$ 17,627,926 | \$ - | \$ 25,942,605 |
| Resources (inflows): | | | | | |
| Intergovernmental | - | - | 43,286 | 43,286 | - |
| Use of money and property | 60,212 | 140,613 | 10,499 | (130,114) | 344,906 |
| Miscellaneous | 540,000 | - | - | - | - |
| Developer contributions | - | 1,148,000 | 1,317,000 | 169,000 | 679,800 |
| Total resources (inflows) | <u>600,212</u> | <u>1,288,613</u> | <u>1,370,785</u> | <u>82,172</u> | <u>1,024,706</u> |
| Amounts available for appropriations | <u>18,228,138</u> | <u>18,916,539</u> | <u>18,998,711</u> | <u>82,172</u> | <u>26,967,311</u> |
| Charges to appropriation (outflows): | | | | | |
| Services and supplies | 34,805 | 34,805 | 228,875 | (194,070) | 761,453 |
| Capital outlay | 8,177,900 | 9,143,709 | 281,354 | 8,862,355 | 577,932 |
| Transfers out | - | - | - | - | 8,000,000 |
| Total charges to appropriations | <u>8,212,705</u> | <u>9,178,514</u> | <u>510,229</u> | <u>8,668,285</u> | <u>9,339,385</u> |
| Budgetary fund balance, June 30 | <u>\$ 10,015,433</u> | <u>\$ 9,738,025</u> | <u>\$ 18,488,482</u> | <u>\$ 8,750,457</u> | <u>\$ 17,627,926</u> |

Major Governmental Funds

“Sub-Fund” Components of General Fund

The following “sub-funds” are have been 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, 2021
(With Comparative Data for Prior Year)

| | General | | Structural | | | Eliminations | Total General Fund | |
|--|----------------------|----------------------|---------------------|-----------------------|----------------------|--------------|-----------------------|-----------------------|
| | Operating Fund | General Fund CIP | Fire Entitlement | Self Insurance | Settlement Agreement | | 2021 | 2020 |
| Assets: | | | | | | | | |
| Cash and investments | \$ 3,260,143 | \$ 10,205,382 | \$ 1,262,273 | \$ 110,365,471 | \$ 21,517,816 | \$ - | \$ 146,611,085 | \$ 144,154,508 |
| Accounts receivable, net | 2,105,913 | - | - | - | - | - | 2,105,913 | 2,566,137 |
| Accrued interest receivable | - | - | 95 | 53,371 | 2 | - | 53,468 | 237,707 |
| Prepaid costs and other assets | 41,645,330 | 80,199 | - | - | - | - | 41,725,529 | 42,717,727 |
| Due from other governments, net | 23,704,580 | - | - | - | - | - | 23,704,580 | 16,765,308 |
| Restricted cash and investments | - | - | - | - | 3,797,698 | - | 3,797,698 | 2,121,417 |
| Lease receivables | 873,249 | - | - | - | - | - | 873,249 | - |
| Total assets | \$ 71,589,215 | \$ 10,285,581 | \$ 1,262,368 | \$ 110,418,842 | \$ 25,315,516 | \$ - | \$ 218,871,522 | \$ 208,562,804 |
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 5,448,389 | \$ 606,573 | \$ 141,418 | \$ 648,213 | \$ 1,885 | \$ - | \$ 6,846,478 | \$ 5,291,818 |
| Accrued liabilities | 12,928,630 | - | - | - | - | - | 12,928,630 | 10,980,091 |
| Unearned revenue | 6,960,549 | - | - | - | - | - | 6,960,549 | 574,002 |
| Due to other governments | 92,230 | - | - | - | - | - | 92,230 | 106,037 |
| Total liabilities | 25,429,798 | 606,573 | 141,418 | 648,213 | 1,885 | - | 26,827,887 | 16,951,948 |
| Deferred inflows of resources: | | | | | | | | |
| Unavailable revenue | 908,979 | - | - | - | - | - | 908,979 | 1,022,603 |
| Related to leases | 854,202 | - | - | - | - | - | 854,202 | - |
| Total deferred inflows of resources | 1,763,181 | - | - | - | - | - | 1,763,181 | 1,022,603 |
| Fund balances: | | | | | | | | |
| Nonspendable prepaid costs | 41,626,946 | 80,199 | - | - | - | - | 41,707,145 | 42,700,572 |
| Restricted: | | | | | | | | |
| Various departments | 3,584,469 | - | - | - | - | - | 3,584,469 | 4,148,316 |
| Section 115 pension trust | - | - | - | - | 3,795,815 | - | 3,795,815 | 2,120,383 |
| Committed to SFF cities enhancements | | | | | | | | |
| | - | - | 1,120,950 | - | - | - | 1,120,950 | 1,288,272 |
| Assigned: | | | | | | | | |
| Capital improvement program | - | 7,982,644 | - | - | - | - | 7,982,644 | 5,123,124 |
| Workers' compensation | - | - | - | 109,770,629 | - | - | 109,770,629 | 98,998,999 |
| Various departments | 254,661 | 117,641 | - | - | - | - | 372,302 | 739,400 |
| Facilities projects | 56,082 | - | - | - | - | - | 56,082 | 83,568 |
| Communications/IT projects | - | 813,975 | - | - | - | - | 813,975 | 359,144 |
| Construction projects | - | 684,549 | - | - | - | - | 684,549 | 672,540 |
| Unassigned | (1,125,922) | - | - | - | 21,517,816 | - | 20,391,894 | 34,353,935 |
| Total fund balances | 44,396,236 | 9,679,008 | 1,120,950 | 109,770,629 | 25,313,631 | - | 190,280,454 | 190,588,253 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 71,589,215 | \$ 10,285,581 | \$ 1,262,368 | \$ 110,418,842 | \$ 25,315,516 | \$ - | \$ 218,871,522 | \$ 208,562,804 |

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Year ended June 30, 2021
(With Comparative Data for Prior Year)

| | General | General | Structural | Self | Settlement | Eliminations | Total General Fund | |
|---|---------------------|------------------|------------------|-------------------|------------------|---------------------|--------------------|--------------------|
| | Operating | | Fire | | | | Insurance | Agreement |
| | Fund | Fund CIP | Entitlement | | | | | |
| Revenues: | | | | | | | | |
| Taxes | \$ 290,310,882 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 290,310,882 | \$ 277,721,815 |
| Intergovernmental | 58,222,827 | - | - | - | - | - | 58,222,827 | 41,258,003 |
| Charges for services | 137,177,441 | - | - | 20,093,346 | - | (20,093,346) | 137,177,441 | 136,890,975 |
| Use of money and property | 331,031 | - | 644 | 76,565 | 212,885 | (169,151) | 451,974 | 2,883,542 |
| Miscellaneous | 3,978,404 | - | - | - | - | - | 3,978,404 | 6,184,387 |
| Total revenues | 490,020,585 | - | 644 | 20,169,911 | 212,885 | (20,262,497) | 490,141,528 | 464,938,722 |
| Expenditures: | | | | | | | | |
| Current - public safety: | | | | | | | | |
| Salaries and benefits | 427,028,538 | - | - | - | - | (20,093,346) | 406,935,192 | 375,032,147 |
| Services and supplies | 50,761,775 | 4,769,586 | 167,966 | 14,795,847 | 599,330 | - | 71,094,504 | 65,936,776 |
| Capital outlay | 2,208,975 | 814,880 | - | - | - | - | 3,023,855 | 3,242,740 |
| Debt service: | | | | | | | | |
| Interest and fiscal charges | 205,397 | - | - | - | - | (169,151) | 36,246 | 325,640 |
| Total expenditures | 480,204,685 | 5,584,466 | 167,966 | 14,795,847 | 599,330 | (20,262,497) | 481,089,797 | 444,537,303 |
| Excess (deficiency) of revenues over (under) expenditures | 9,815,900 | (5,584,466) | (167,322) | 5,374,064 | (386,445) | - | 9,051,731 | 20,401,419 |
| Other financing sources (uses): | | | | | | | | |
| Transfers in | 500,000 | 9,000,000 | - | 3,949,257 | 2,668,000 | (16,117,257) | - | - |
| Transfers out | (26,676,593) | - | - | - | (500,000) | 16,117,257 | (11,059,336) | - |
| Sale of capital assets | 147,194 | - | - | - | - | - | 147,194 | 142,044 |
| Insurance recoveries | 104,303 | - | - | 1,448,309 | - | - | 1,552,612 | 1,320,164 |
| Total other financing sources (uses) | (25,925,096) | 9,000,000 | - | 5,397,566 | 2,168,000 | - | (9,359,530) | 1,462,208 |
| Net change in fund balances | (16,109,196) | 3,415,534 | (167,322) | 10,771,630 | 1,781,555 | - | (307,799) | 21,863,627 |
| Fund balances, beginning of year | 60,505,432 | 6,263,474 | 1,288,272 | 98,998,999 | 23,532,076 | - | 190,588,253 | 168,724,626 |
| Fund balances, end of year | \$ 44,396,236 | \$ 9,679,008 | \$ 1,120,950 | \$ 109,770,629 | \$ 25,313,631 | \$ - | \$ 190,280,454 | \$ 190,588,253 |

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Original Budget
Year ended June 30, 2021

| | General Operating Fund | General Fund CIP | Structural Fire Entitlement | Self Insurance | Settlement Agreement | Eliminations | Total General Fund 2021 |
|---|------------------------------|---------------------|-----------------------------------|----------------------|-------------------------|---------------------|-------------------------------|
| Budgetary fund balance, July 1 | \$ 60,505,432 | \$ 6,263,474 | \$ 1,288,272 | \$ 98,998,999 | \$ 23,532,076 | \$ - | \$ 190,588,253 |
| Resources (inflows): | | | | | | | |
| Taxes | 285,647,942 | - | - | - | - | - | 285,647,942 |
| Intergovernmental | 24,986,249 | - | - | - | - | - | 24,986,249 |
| Charges for services | 137,821,137 | - | - | 20,093,346 | - | (20,093,346) | 137,821,137 |
| Use of money and property | 460,251 | - | 1,157 | 583,754 | 148,770 | (28,823) | 1,165,109 |
| Miscellaneous | 1,018,500 | - | - | - | - | - | 1,018,500 |
| Transfers in | - | 9,000,000 | - | - | 2,668,000 | (11,668,000) | - |
| Sale of capital assets | 75,000 | - | - | - | - | - | 75,000 |
| Total resources (inflows) | <u>450,009,079</u> | <u>9,000,000</u> | <u>1,157</u> | <u>20,677,100</u> | <u>2,816,770</u> | <u>(31,790,169)</u> | <u>450,713,937</u> |
| Amounts available for appropriations | <u>510,514,511</u> | <u>15,263,474</u> | <u>1,289,429</u> | <u>119,676,099</u> | <u>26,348,846</u> | <u>(31,790,169)</u> | <u>641,302,190</u> |
| Charges to appropriation (outflows): | | | | | | | |
| Salaries and benefits | 395,642,544 | - | - | - | - | (20,093,346) | 375,549,198 |
| Services and supplies | 32,843,773 | 8,255,513 | 60,238 | 20,057,235 | 668,000 | - | 61,884,759 |
| Capital outlay | 1,887,462 | 853,900 | - | - | - | - | 2,741,362 |
| Interest and fiscal charges | 35,000 | - | - | - | - | (28,823) | 6,177 |
| Transfers out | 22,727,336 | - | - | - | - | (11,668,000) | 11,059,336 |
| Total charges to appropriations | <u>453,136,115</u> | <u>9,109,413</u> | <u>60,238</u> | <u>20,057,235</u> | <u>668,000</u> | <u>(31,790,169)</u> | <u>451,240,832</u> |
| Budgetary fund balance, June 30 | <u>\$ 57,378,396</u> | <u>\$ 6,154,061</u> | <u>\$ 1,229,191</u> | <u>\$ 99,618,864</u> | <u>\$ 25,680,846</u> | <u>\$ -</u> | <u>\$ 190,061,358</u> |

ORANGE COUNTY FIRE AUTHORITY
Components of General Fund
Combining Final Budget
Year ended June 30, 2021

| | General Operating Fund | General Fund CIP | Structural Fire Entitlement | Self Insurance | Settlement Agreement | Eliminations | Total General Fund 2021 |
|---|------------------------------|------------------------|-----------------------------------|-----------------------|-------------------------|---------------------|-------------------------------|
| Budgetary fund balance, July 1 | \$ 60,505,432 | \$ 6,263,474 | \$ 1,288,272 | \$ 98,998,999 | \$ 23,532,076 | \$ - | \$ 190,588,253 |
| Resources (inflows): | | | | | | | |
| Taxes | 287,967,482 | - | - | - | - | - | 287,967,482 |
| Intergovernmental | 66,489,858 | - | - | - | - | - | 66,489,858 |
| Charges for services | 135,497,444 | - | - | 20,093,346 | - | (20,093,346) | 135,497,444 |
| Use of money and property | 219,571 | - | 3,194 | 319,962 | 135,448 | (164,706) | 513,469 |
| Miscellaneous | 12,803,488 | - | - | - | - | - | 12,803,488 |
| Transfers in | 500,000 | 9,000,000 | - | 3,949,257 | 2,668,000 | (16,117,257) | - |
| Sale of capital assets | 95,000 | - | - | - | - | - | 95,000 |
| Insurance recoveries | 66,504 | - | - | 292,377 | - | - | 358,881 |
| Total resources (inflows) | <u>503,639,347</u> | <u>9,000,000</u> | <u>3,194</u> | <u>24,654,942</u> | <u>2,803,448</u> | <u>(36,375,309)</u> | <u>503,725,622</u> |
| Amounts available for appropriations | <u>564,144,779</u> | <u>15,263,474</u> | <u>1,291,466</u> | <u>123,653,941</u> | <u>26,335,524</u> | <u>(36,375,309)</u> | <u>694,313,875</u> |
| Charges to appropriations (outflows): | | | | | | | |
| Salaries and benefits | 427,395,216 | - | - | - | - | (20,093,346) | 407,301,870 |
| Services and supplies | 67,171,188 | 9,867,127 | 1,286,258 | 20,057,235 | 2,183,000 | - | 100,564,808 |
| Capital outlay | 4,256,429 | 3,480,908 | - | - | - | - | 7,737,337 |
| Interest and fiscal charges | 200,000 | - | - | - | - | (164,706) | 35,294 |
| Transfers out | 26,676,593 | - | - | - | 500,000 | (16,117,257) | 11,059,336 |
| Total charges to appropriations | <u>525,699,426</u> | <u>13,348,035</u> | <u>1,286,258</u> | <u>20,057,235</u> | <u>2,683,000</u> | <u>(36,375,309)</u> | <u>526,698,645</u> |
| Budgetary fund balance, June 30 | <u>\$ 38,445,353</u> | <u>\$ 1,915,439</u> | <u>\$ 5,208</u> | <u>\$ 103,596,706</u> | <u>\$ 23,652,524</u> | <u>\$ -</u> | <u>\$ 167,615,230</u> |



Orange County Fire Authority Safety Message

Disaster Supply Kit



A disaster supply kit should include enough food, water, and other important items to last everyone in your household at least three days. It should also be portable in case you need to evacuate. Be sure to consider individual and family needs, including pets, when building your disaster supply kit.

- ✓ Water (1 gallon per person per day)
- ✓ Non-perishable food and manual can opener
- ✓ Battery powered radio and extra batteries
- ✓ Flashlights (one per person) and extra batteries
- ✓ First aid kit, including manual
- ✓ Prescription medications
- ✓ Spare eyeglasses
- ✓ Whistle to signal for help
- ✓ Dust mask to filter contaminated air
- ✓ Personal sanitation items (soap, shampoo, toothbrushes, etc.)
- ✓ Portable shelter (tent, sheet, or blankets with duct tape)
- ✓ Toilet paper and garbage bags for waste
- ✓ Tool kit, including wrench to turn off utilities
- ✓ Heavy gloves for clearing debris
- ✓ ABC fire extinguisher
- ✓ Cooking/eating necessities, including cups, plates, utensils, and paper towels
- ✓ Local maps
- ✓ Cash (small bills and change)
- ✓ Copies of important family documents
- ✓ Food, water and supplies for pets

It's important to have disaster supply kits at your work, in your car, and in your home. Ready-made kits are available for purchase or you can choose to build your own.

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, 2021
(With Comparative Data for Prior Year)

| | Extra Help Retirement | Retiree Medical Plan | Total Pension and Other Employee Benefit Trust Funds | |
|---|--------------------------|-------------------------|---|----------------------|
| | | | 2021 | 2020 |
| Assets: | | | | |
| Cash and investments: | | | | |
| Local Agency Investment Fund: | | | | |
| Domestic fixed income | \$ 49,896 | \$ - | \$ 49,896 | \$ 46,934 |
| Pooled amounts held in trust with OCERS | - | 42,830,564 | 42,830,564 | 42,242,955 |
| Total cash and investments | 49,896 | 42,830,564 | 42,880,460 | 42,289,889 |
| Receivables: | | | | |
| Other receivables | - | 9,679 | 9,679 | 12,302 |
| Total assets | 49,896 | 42,840,243 | 42,890,139 | 42,302,191 |
| Liabilities: | | | | |
| Accrued liabilities | - | 886,193 | 886,193 | 850,367 |
| Total liabilities | - | 886,193 | 886,193 | 850,367 |
| Net position restricted for: | | | | |
| Pensions | 49,896 | - | 49,896 | 46,934 |
| Postemployment benefits other than pensions | - | 41,954,050 | 41,954,050 | 41,404,890 |
| Total net position | <u>\$ 49,896</u> | <u>\$ 41,954,050</u> | <u>\$ 42,003,946</u> | <u>\$ 41,451,824</u> |

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, 2021
(With Comparative Data for Prior Year)

| | Extra Help Retirement | Retiree Medical Plan | Total Pension and Other Employee Benefit Trust Funds | |
|---|--------------------------|-------------------------|---|---------------|
| | | | 2021 | 2020 |
| Additions: | | | | |
| Contributions: | | | | |
| Employer | \$ 2,117 | \$ 2,284,326 | \$ 2,286,443 | \$ 2,222,636 |
| Plan members | 579 | 1,976,295 | 1,976,874 | 2,112,049 |
| Total contributions | 2,696 | 4,260,621 | 4,263,317 | 4,334,685 |
| Net investment income: | | | | |
| Total investment income (loss) | 266 | 4,371,125 | 4,371,391 | 5,566,977 |
| Investment fees and expenses | - | (236,588) | (236,588) | (264,395) |
| Total net investment income (loss) | 266 | 4,134,537 | 4,134,803 | 5,302,582 |
| Total additions | 2,962 | 8,395,158 | 8,398,120 | 9,637,267 |
| Deductions: | | | | |
| Benefits and refunds paid to plan members and beneficiaries | - | 7,823,558 | 7,823,558 | 7,253,089 |
| Administrative expenses | - | 22,440 | 22,440 | 21,240 |
| Total deductions | - | 7,845,998 | 7,845,998 | 7,274,329 |
| Change in net position | 2,962 | 549,160 | 552,122 | 2,362,938 |
| Net position, beginning of year | 46,934 | 41,404,890 | 41,451,824 | 39,088,886 |
| Net position, end of year | \$ 49,896 | \$ 41,954,050 | \$ 42,003,946 | \$ 41,451,824 |



Orange County Fire Authority Safety Message

Planning for Disasters



Planning in advance helps families survive and recover from disasters. Take steps now to protect your family and your home before the next earthquake, wildfire, pandemic, or other disaster.

- ✓ Make a family disaster plan:
 - Assign individual responsibilities and work together as a team.
 - Choose meeting places outside your home and outside your neighborhood. Discuss what to do in an evacuation and plan multiple exit routes in case of road closures.
 - Visit www.alertoc.com, Orange County's emergency notification system, to register and receive information during and after an emergency.
 - Enroll in safety classes like CERT, First Aid, and CPR.
 - Gather important documentation (insurance, medical documents, or legal documents) and store them in a safe or on a flash drive.
- ✓ Create emergency supply kits:
 - Your emergency supply kits should have enough necessities to last you and your family for a minimum of three days, although its recommended to be prepared for 7-10 days.
 - Make sure your family kit is portable and easily accessible.
 - Consider additional kits for your car and workplace.
- ✓ Prepare your home by identifying home hazards:
 - Bolt and brace major appliances, heavy furniture, electronics, and any overhead fixtures.
 - Use flexible connections where gas lines meet appliances.
 - Identify and have the proper tools available to shut off gas, water, and electricity, if necessary.

*41% of Americans say they are not prepared for a disaster.
In 2018, insured losses due to natural disasters in the U.S. totaled \$52 billion.*



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 Safety Message

Holiday Cooking Fire Safety



More cooking fires are reported on Thanksgiving Day than any other day of the year, followed by Christmas and Christmas Eve. Help protect your family and your home by practicing cooking safety this holiday season.

- ✓ Holiday cooking safety tips:
 - Stay in the kitchen when frying, grilling, or broiling food. Unattended cooking is the leading cause of home cooking fires.
 - Check food often while cooking. If you are entertaining guests, use a kitchen timer to remind you that the stove or oven is on.
 - Wear short, fitted, or tightly rolled sleeves when cooking.
 - Keep cooking areas clear. Potholders, paper towels, wooden utensils, and even cookbooks can be fire hazards if left too close to the stove, oven, or other kitchen appliances.
 - Clean cooking surfaces regularly to prevent grease buildup.
 - Make sure children and pets stay at least three feet from the oven or stove.
 - Test your smoke alarms and never disable them while cooking.

- ✓ What to do if there is a fire:
 - If the fire is on the stove, cover the pan with a lid and turn off the stove. Never try to move the pan to the sink and NEVER pour water on a grease fire.
 - If the fire is in the oven or microwave, keep the door closed and turn off the appliance.
 - A multipurpose ABC fire extinguisher can also be used on a small cooking fire. An extinguisher should only be used if the fire is not spreading, smoke and heat have not filled the area, and you have a clear escape path.

There are more than 3x as many home cooking fires on Thanksgiving Day, a 250% increase over the daily average.

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 | | | |
|--|---------------------------|-----------------------|-----------------------|-----------------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Governmental activities: | | | | |
| Net investment in capital assets | \$ 183,584,385 | \$ 181,363,364 | \$ 180,917,654 | \$ 190,800,116 |
| Restricted | 3,252,969 | 1,690,858 | 1,810,134 | 1,840,561 |
| Unrestricted | <u>81,450,846</u> | <u>74,510,482</u> | <u>61,026,827</u> | <u>(361,765,050)</u> (1) |
| Total governmental activities net position | <u>\$ 268,288,200</u> | <u>\$ 257,564,704</u> | <u>\$ 243,754,615</u> | <u>\$ (169,124,373)</u> |

SOURCE: OCFA Comprehensive Annual 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 thereafter.

(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.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 187,910,677 | \$ 192,430,467 | \$ 207,951,822 | \$ 218,642,679 | \$ 217,317,435 | \$ 214,278,884 |
| 2,881,910 | 3,897,614 | 3,953,884 | 4,278,304 | 6,660,176 | 7,815,047 |
| <u>(351,456,505)</u> | <u>(373,102,128)</u> | <u>(511,359,152)</u> | <u>(520,991,297)</u> | <u>(498,642,409)</u> | <u>(429,605,880)</u> |
| | | (2) | | | |
| <u>\$ (160,663,918)</u> | <u>\$ (176,774,047)</u> | <u>\$ (299,453,446)</u> | <u>\$ (298,070,314)</u> | <u>\$ (274,664,798)</u> | <u>\$ (207,511,949)</u> |

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

| Governmental Activities | Fiscal Year Ended June 30 | | | |
|------------------------------------|---------------------------|-----------------------|------------------------|------------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Expenses - public safety: | | | | |
| Salaries and benefits | \$ 240,084,607 | \$ 264,067,489 | \$ 266,764,367 | \$ 335,419,737 |
| Services and supplies | 37,069,099 | 45,879,501 | 47,912,808 | 46,073,201 |
| Depreciation and amortization | 9,300,853 | 9,793,491 | 9,612,453 | 9,050,195 |
| Interest on long-term debt | 494,014 | 367,701 | 311,327 | 582,565 |
| Total program expenses | <u>286,948,573</u> | <u>320,108,182</u> | <u>324,600,955</u> | <u>391,125,698</u> |
| Program revenues - public safety: | | | | |
| Charges for services | 76,347,126 | 102,875,410 | 106,874,513 | 113,150,325 |
| Operating grants and contributions | 6,580,681 | 19,523,853 | 10,339,966 | 11,410,019 |
| Capital grants and contributions | 3,926,275 | 2,811,180 | 1,462,540 | 9,182,195 |
| Total program revenues | <u>86,854,082</u> | <u>125,210,443</u> | <u>118,677,019</u> | <u>133,742,539</u> |
| Net program revenues (expenses) | <u>(200,094,491)</u> | <u>(194,897,739)</u> | <u>(205,923,936)</u> | <u>(257,383,159)</u> |
| General revenues: | | | | |
| Property taxes | 177,728,290 | 181,720,253 | 190,873,689 | 205,141,237 |
| Investment income | 524,602 | (121,485) | 982,541 | 946,282 |
| Gain on disposal of capital assets | 79,705 | 11,924 | 21,834 | 63,953 |
| Miscellaneous | 2,420,723 | 4,314,595 | 1,040,664 | 1,128,586 |
| Total general revenues | <u>180,753,320</u> | <u>185,925,287</u> | <u>192,918,728</u> | <u>207,280,058</u> |
| Changes in net position | <u>\$ (19,341,171)</u> | <u>\$ (8,972,452)</u> | <u>\$ (13,005,208)</u> | <u>\$ (50,103,101)</u> |
| | (1) | | | (2) |

SOURCE: OCFA Comprehensive Annual Financial Reports

NOTES:

(1) The City of Santa Ana became a member city of OCFA during Fiscal Year 2011/12 (April 2012).

(2) 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.

(3) 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.

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

(5) 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.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------|------------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 316,292,785 | \$ 327,515,166 | \$ 323,845,042 | \$ 339,249,853 | \$ 352,573,221 | \$ 331,869,650 |
| 35,127,573 | 52,819,125 | 57,275,465 | 62,877,930 | 84,600,263 | 82,748,977 |
| 9,267,982 | 9,512,777 | 10,084,196 | 10,531,098 | 12,137,499 | 12,961,222 |
| 917,320 | 133,239 | 70,751 | 11,444 | - | - |
| <u>361,605,660</u> | <u>389,980,307</u> | <u>391,275,454</u> | <u>412,670,325</u> | <u>449,310,983</u> | <u>427,579,849</u> |
| 117,263,679 | 121,875,157 | 132,634,280 | 128,320,646 | 156,740,363 | 169,343,205 |
| 12,165,015 | 11,992,438 | 13,920,686 | 15,454,060 | 29,275,482 | 31,323,104 |
| 3,331,088 | 1,040,129 | 16,875,139 | 454,200 | 3,850,481 | 1,332,000 |
| <u>132,759,782</u> | <u>134,907,724</u> | <u>163,430,105</u> | <u>144,228,906</u> | <u>189,866,326</u> | <u>201,998,309</u> |
| <u>(228,845,878)</u> | <u>(255,072,583)</u> | <u>(227,845,349)</u> | <u>(268,441,419)</u> | <u>(259,444,657)</u> | <u>(225,581,540)</u> |
| 219,840,417 | 232,832,758 | 250,326,172 | 264,267,387 | 277,721,815 | 290,310,882 |
| 1,848,365 | 1,236,818 | 2,439,702 | 4,494,924 | 3,374,813 | 462,789 (5) |
| 6,000 | 657,944 | 719,372 | - | 12,641 | 174,666 |
| 2,629,203 | 4,234,934 | 4,838,512 | 1,062,240 | 1,740,904 | 1,786,052 (5) |
| <u>224,323,985</u> | <u>238,962,454</u> | <u>258,323,758</u> | <u>269,824,551</u> | <u>282,850,173</u> | <u>292,734,389</u> |
| <u>\$ (4,521,893)</u> | <u>\$ (16,110,129)</u> | <u>\$ 30,478,409</u> | <u>\$ 1,383,132</u> | <u>\$ 23,405,516</u> | <u>\$ 67,152,849</u> |
| | | (3) | | (4) | |

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

| | Fiscal Year Ended June 30 | | | |
|------------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| General Fund: | | | | |
| Nondisposable | \$ 22,756,709 | \$ 26,727,849 | \$ 30,560,638 | \$ 31,127,148 |
| Restricted | 1,699,787 | 137,676 | 766,094 | 1,307,329 |
| Committed | 1,372,789 | 1,268,160 | 784,617 | 691,265 |
| Assigned | 34,715,397 | 53,668,608 | 61,236,092 | 69,282,830 |
| Unassigned | 25,751,128 | 25,782,851 | 22,156,848 | 17,864,685 |
| Total General Fund | <u>\$ 86,295,810</u> | <u>\$ 107,585,144</u> | <u>\$ 115,504,289</u> | <u>\$ 120,273,257</u> |
| All other governmental funds: | | | | |
| Nondisposable | \$ 405,815 | \$ 352,318 | \$ 284,349 | \$ 32,946 |
| Restricted | 1,553,182 | 1,553,182 | 1,044,040 | 533,232 |
| Assigned | 74,037,637 | 67,317,090 | 64,340,833 | 56,050,351 |
| Total all other governmental funds | <u>\$ 75,996,634</u> | <u>\$ 69,222,590</u> | <u>\$ 65,669,222</u> | <u>\$ 56,616,529</u> |

SOURCE: OCFA Comprehensive Annual Financial Reports

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 36,779,845 | \$ 33,750,548 | \$ 34,800,682 | \$ 36,732,385 | \$ 42,700,572 | \$ 41,707,145 |
| 2,348,678 | 3,364,382 | 3,420,652 | 3,886,827 | 6,268,699 | 7,380,284 |
| 584,464 | 549,651 | 1,496,954 | 1,338,850 | 1,288,272 | 1,120,950 |
| 78,922,725 | 78,346,099 | 83,030,746 | 94,085,894 | 105,976,775 | 119,680,181 |
| 34,421,993 | 31,346,672 | 35,352,256 | 32,680,670 | 34,353,935 | 20,391,894 |
| <u>\$ 153,057,705</u> | <u>\$ 147,357,352</u> | <u>\$ 158,101,290</u> | <u>\$ 168,724,626</u> | <u>\$ 190,588,253</u> | <u>\$ 190,280,454</u> |
| | | | | | |
| \$ - | \$ 4,608 | \$ 25,216 | \$ 13,725 | \$ 4,247 | \$ 14,255 |
| 533,232 | 533,232 | 533,232 | 391,477 | 391,477 | 434,763 |
| 55,779,948 | 65,015,386 | 59,924,778 | 45,076,939 | 42,451,644 | 49,295,111 |
| <u>\$ 56,313,180</u> | <u>\$ 65,553,226</u> | <u>\$ 60,483,226</u> | <u>\$ 45,482,141</u> | <u>\$ 42,847,368</u> | <u>\$ 49,744,129</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 | | | |
|---|---------------------------|----------------------|---------------------|-----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Revenues: | | | | |
| Taxes | \$ 177,728,290 | \$ 181,720,253 | \$ 190,873,689 | \$ 205,141,237 |
| Intergovernmental | 12,894,882 | 28,883,649 | 19,111,811 | 23,565,214 |
| Charges for services | 65,556,905 | 95,904,052 | 97,705,183 | 102,000,677 |
| Use of money and property | 660,621 | (5,548) | 1,091,815 | 947,940 |
| Miscellaneous | 2,800,466 | 5,140,751 | 1,537,556 | 1,595,318 |
| Developer contributions | 10,140 | 538,260 | 1,271,400 | 8,307,207 |
| Total revenues | 259,651,304 | 312,181,417 | 311,591,454 | 341,557,593 |
| Expenditures: | | | | |
| Current - public safety: | | | | |
| Salaries and benefits | 228,452,010 | 255,301,913 | 257,134,030 | 285,988,997 |
| Services and supplies | 30,737,551 | 32,613,137 | 40,187,878 | 40,490,370 |
| Capital outlay | 932,034 | 5,420,102 | 7,681,418 | 16,644,798 |
| Debt service: | | | | |
| Principal retirement | 2,139,694 | 2,162,809 | 2,219,152 | 2,276,963 |
| Interest and fiscal charges | 635,351 | 484,851 | 421,845 | 585,501 |
| Issuance costs | 286,599 | - | - | - |
| Total expenditures | 263,183,239 | 295,982,812 | 307,644,323 | 345,986,629 |
| Excess (deficiency) of revenues over (under) expenditures | (3,531,935) | 16,198,605 | 3,947,131 | (4,429,036) |
| Other financing sources (uses): | | | | |
| Transfers in | - | 381,222 | 5,370,375 | 6,845,320 |
| Transfers out | - | (381,222) | (5,370,375) | (6,845,320) |
| Issuance of long-term debt | 16,756,078 | - | - | - |
| Refinanced long-term debt | (16,377,093) | - | - | - |
| Sale of capital assets | 99,272 | 14,200 | 57,843 | 112,363 |
| Insurance recoveries | 89,095 | 53,529 | 360,803 | 32,948 |
| Total other financing sources (uses) | 567,352 | 67,729 | 418,646 | 145,311 |
| Net change in fund balances | \$ (2,964,583) | \$ 16,266,334 | \$ 4,365,777 | \$ (4,283,725) |
| Debt service as a percentage of noncapital expenditures | 1.1% | 0.9% | 0.9% | 0.9% |

SOURCE: OCFA Comprehensive Annual 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.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | |
|----------------------|---------------------|---------------------|-----------------------|----------------------|---------------------|-------|
| \$ 219,840,417 | \$ 232,832,758 | \$ 250,326,172 | \$ 264,267,387 | \$ 277,721,815 | \$ 290,310,882 | |
| 25,978,081 | 29,069,065 | 37,063,147 | 28,521,605 | 41,258,003 | 58,266,113 | |
| 103,830,436 | 106,061,060 | 108,750,420 | 113,719,047 | 138,641,512 | 138,809,882 | |
| 1,865,616 | 1,503,122 | 2,827,492 | 4,816,165 | 3,700,453 | 499,035 | (2) |
| 2,606,413 | 4,365,243 | 4,343,194 | 1,170,010 | 6,184,387 | 3,978,404 | (1,2) |
| 3,233,082 | 962,627 | 3,545,139 | 454,200 | 679,800 | 1,317,000 | |
| <u>357,354,045</u> | <u>374,793,875</u> | <u>406,855,564</u> | <u>412,948,414</u> | <u>468,185,970</u> | <u>493,181,316</u> | |
| 294,414,084 | 309,507,433 | 340,720,267 | 346,953,705 | 375,032,147 | 406,935,192 | |
| 36,303,618 | 48,087,618 | 49,871,973 | 49,488,301 | 67,271,454 | 71,567,532 | |
| 3,996,650 | 12,116,937 | 9,970,652 | 20,095,072 | 7,790,083 | 9,753,190 | |
| 2,336,279 | 2,397,140 | 2,459,589 | 1,253,718 | - | - | |
| 935,881 | 400,887 | 459,924 | 333,385 | 325,640 | 36,246 | |
| - | - | - | - | - | - | |
| <u>337,986,512</u> | <u>372,510,015</u> | <u>403,482,405</u> | <u>418,124,181</u> | <u>450,419,324</u> | <u>488,292,160</u> | |
| <u>19,367,533</u> | <u>2,283,860</u> | <u>3,373,159</u> | <u>(5,175,767)</u> | <u>17,766,646</u> | <u>4,889,156</u> | |
| 78,187 | 33,724,099 | - | 2,150,000 | 8,000,000 | 11,059,336 | |
| (78,187) | (33,724,099) | - | (2,150,000) | (8,000,000) | (11,059,336) | |
| - | - | - | - | - | - | |
| - | - | - | - | - | - | |
| 9,930 | 37,400 | 844,512 | 22,548 | 142,044 | 147,194 | (1) |
| <u>121,288</u> | <u>1,218,433</u> | <u>1,456,267</u> | <u>775,470</u> | <u>1,320,164</u> | <u>1,552,612</u> | |
| <u>131,218</u> | <u>1,255,833</u> | <u>2,300,779</u> | <u>798,018</u> | <u>1,462,208</u> | <u>1,699,806</u> | |
| <u>\$ 19,498,751</u> | <u>\$ 3,539,693</u> | <u>\$ 5,673,938</u> | <u>\$ (4,377,749)</u> | <u>\$ 19,228,854</u> | <u>\$ 6,588,962</u> | |
| 1.0% | 0.8% | 0.7% | 0.4% | 0.1% | 0.0% | |



Orange County Fire Authority Safety Message

Holiday Fire Safety



The holidays should be enjoyable. To ensure your holiday celebrations are fire safe and injury free, follow these safety tips.

- ✓ Candles:
 - Consider using flameless candles and flame-resistant candleholders to reduce fire risk.
 - Keep candles at least 12 inches from flammable materials and place them on heat-resistant surfaces.
 - Keep candles out of the reach of children and pets.
 - Extinguish all candles before leaving a room or going to sleep.
- ✓ Lighting and decorations:
 - Check lights for broken or cracked sockets, frayed or bare wires, or loose connections before using.
 - Replace burned-out bulbs promptly with the same wattage bulb.
 - Don't overload electrical outlets with too many lights or decorations and make sure all extension cords are marked for proper use.
 - Plug outdoor electric lights and decorations into circuits protected by ground fault circuit interrupters (GFCIs).
 - Turn off all indoor and outdoor holiday lighting before leaving the house or going to bed.
- ✓ Christmas trees:
 - Place your tree away from fireplaces, radiators, heater vents, air ducts, and other heat sources.
 - Make sure the tree is out of the way of day-to-day traffic and doesn't block doorways.
 - Ornaments and other holiday decorations should be non-combustible or flame-resistant.
 - Remove your tree promptly from your home after the holidays. An ignited tree can be totally consumed by fire in 3-5 seconds and generate over 2,000 degrees of radiant heat.

Holiday decorations are responsible for more than \$11 million in home fire damages each year.

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 2011/12 | FY 2012/13 | FY 2013/14 | FY 2014/15 |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Buena Park | \$ 7,484,717 | 7,602,927 | 7,886,342 | 8,313,496 |
| Garden Grove (4) | n/a | n/a | n/a | n/a |
| Placentia (5) | 5,007,558 | 5,080,849 | 5,203,417 | 5,519,085 |
| San Clemente | 12,356,019 | 12,506,118 | 12,824,727 | 13,666,851 |
| Santa Ana | 20,100,864 | 20,339,779 | 21,119,683 | 22,075,383 |
| Seal Beach | 4,434,345 | 4,480,557 | 4,580,472 | 4,891,060 |
| Stanton | 2,063,293 | 2,073,752 | 2,144,270 | 2,297,508 |
| Tustin | 9,378,899 | 9,502,173 | 9,732,381 | 10,292,805 |
| Westminster | 6,935,762 | 7,023,383 | 7,176,141 | 7,628,669 |
| Total cash contract cities (3) | 67,761,457 | 68,609,538 | 70,667,433 | 74,684,857 |
| Aliso Viejo | 7,511,408 | 7,605,524 | 7,877,812 | 8,440,740 |
| Cypress | 5,560,190 | 5,666,354 | 5,854,809 | 6,104,218 |
| Dana Point | 8,735,352 | 8,844,364 | 9,126,750 | 9,787,132 |
| Irvine | 47,136,231 | 48,646,093 | 51,002,248 | 55,693,885 |
| Laguna Hills | 5,463,649 | 5,513,066 | 5,643,545 | 5,961,947 |
| Laguna Niguel | 11,991,939 | 12,116,601 | 12,402,919 | 13,270,851 |
| Laguna Woods | 2,186,990 | 2,193,624 | 2,237,288 | 2,424,736 |
| Lake Forest | 10,721,083 | 10,885,724 | 11,238,775 | 11,920,081 |
| La Palma | 1,698,169 | 1,718,007 | 1,744,907 | 1,829,353 |
| Los Alamitos | 1,603,255 | 1,638,193 | 1,674,933 | 1,778,110 |
| Mission Viejo | 13,226,115 | 13,320,574 | 13,639,460 | 14,533,544 |
| Rancho Santa Margarita | 6,623,819 | 6,679,191 | 6,759,144 | 7,231,597 |
| San Juan Capistrano | 5,799,444 | 5,833,269 | 6,039,344 | 6,443,224 |
| Villa Park | 1,372,687 | 1,398,666 | 1,466,599 | 1,527,255 |
| Yorba Linda | 11,262,427 | 11,484,958 | 11,857,840 | 12,668,130 |
| Unincorporated | 21,509,471 | 21,332,072 | 21,915,863 | 23,573,390 |
| Total SFF jurisdictions (2) | 162,402,229 | 164,876,280 | 170,482,236 | 183,188,193 |
| Percentage change from prior year | 0.76% | 1.52% | 3.40% | 7.45% |
| Total assessed valuation | \$ 230,163,686 | \$ 233,485,818 | \$ 241,149,669 | \$ 257,873,050 |
| 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.

| <u>FY 2015/16</u> | <u>FY 2016/17</u> | <u>FY 2017/18</u> | <u>FY 2018/19</u> | <u>FY 2019/20</u> | <u>FY 2020/21</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 8,769,022 | 9,229,491 | 9,771,180 | 10,534,143 | 11,010,946 | 11,489,594 |
| n/a | n/a | n/a | n/a | 17,647,291 | 18,531,828 |
| 5,878,473 | 6,133,423 | 6,445,280 | 6,778,269 | 7,057,342 | n/a |
| 14,447,434 | 15,269,878 | 16,078,965 | 16,904,336 | 17,783,910 | 18,559,898 |
| 23,013,226 | 23,886,126 | 25,232,515 | 26,520,241 | 27,943,961 | 29,080,200 |
| 5,081,691 | 5,167,629 | 5,428,187 | 5,625,920 | 5,981,331 | 6,200,421 |
| 2,433,266 | 2,569,937 | 2,679,870 | 2,836,469 | 3,015,953 | 3,303,024 |
| 11,004,027 | 11,577,792 | 12,399,614 | 13,043,122 | 13,658,894 | 14,373,207 |
| 8,279,644 | 8,410,335 | 8,907,507 | 9,391,194 | 9,801,405 | 10,290,576 |
| <u>78,906,783</u> | <u>82,244,611</u> | <u>86,943,118</u> | <u>91,633,694</u> | <u>113,901,033</u> | <u>111,828,748</u> |
| 8,765,964 | 9,262,105 | 9,757,603 | 10,320,678 | 10,706,653 | 11,057,982 |
| 6,463,650 | 6,751,019 | 7,049,085 | 7,492,895 | 7,865,560 | 8,175,217 |
| 10,513,667 | 11,209,516 | 12,184,560 | 12,716,978 | 13,330,883 | 13,901,090 |
| 60,912,694 | 65,754,243 | 71,898,708 | 78,439,756 | 85,045,012 | 90,058,179 |
| 6,256,109 | 6,506,374 | 6,744,152 | 7,169,367 | 7,360,865 | 7,648,234 |
| 14,015,647 | 14,571,803 | 15,341,994 | 15,925,158 | 16,566,379 | 17,211,775 |
| 2,620,217 | 2,772,774 | 2,949,710 | 3,141,574 | 3,308,199 | 3,655,931 |
| 12,672,969 | 13,710,657 | 14,701,561 | 15,968,847 | 17,239,225 | 17,826,418 |
| 1,904,950 | 1,998,105 | 2,042,167 | 2,137,829 | 2,218,935 | 2,294,417 |
| 1,887,771 | 1,961,259 | 2,068,339 | 2,165,016 | 2,279,998 | 2,430,512 |
| 15,262,434 | 15,835,376 | 16,538,595 | 17,362,619 | 18,087,505 | 18,749,279 |
| 7,572,862 | 7,810,951 | 8,247,183 | 8,640,697 | 8,947,481 | 9,238,425 |
| 6,828,239 | 7,190,143 | 7,600,135 | 7,959,762 | 8,336,034 | 8,820,714 |
| 1,596,806 | 1,674,085 | 1,755,259 | 1,836,352 | 1,912,173 | 1,993,610 |
| 13,488,124 | 14,098,053 | 14,862,265 | 15,623,191 | 16,292,118 | 16,933,257 |
| 24,999,336 | 26,380,370 | 28,230,720 | 29,526,544 | 31,132,442 | 32,498,066 |
| <u>195,761,439</u> | <u>207,486,833</u> | <u>221,972,036</u> | <u>236,427,263</u> | <u>250,629,462</u> | <u>262,493,106</u> |
| 6.86% | 5.99% | 6.98% | 6.51% | 6.01% | 4.73% |
| <u>\$ 274,668,222</u> | <u>\$ 289,731,444</u> | <u>\$ 308,915,154</u> | <u>\$ 328,060,957</u> | <u>\$ 364,530,495</u> | <u>\$ 374,321,854</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 |
| 2012 | 1.00000 | 0.00000 | 1.00000 | 0.0011 |
| 2013 | 1.00000 | 0.00000 | 1.00000 | 0.0011 |
| 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 |
| | (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 2011/12 (A) | | | Fiscal Year 2020/21 (B) | | |
|--|-------------------------|------|--------------------|-------------------------|------|-----------------------|
| | Actual Taxes | | Percent of | Actual Taxes | | Percent |
| | Levied | Rank | Total Taxes Levied | Levied | Rank | of Total Taxes Levied |
| Irvine Co. | \$ 60,233 | 1 | 1.24% | | | |
| The Irvine Company LLC | \$ 15,067 | 4 | 0.31% | | | |
| Irvine Company LLC | \$ 13,538 | 5 | 0.28% | | | |
| Irvine Company | \$ 88,838 | | 1.83% | \$ 76,208 | 1 | 1.05% |
| Walt Disney World Co. | \$ 36,701 | 2 | 0.76% | | | |
| Walt Disney World | \$ 8,446 | 8 | 0.17% | | | |
| Walt Disney Parks & Resorts U.S. (Walt Disney World Co.) | \$ 45,147 | | 0.93% | \$ 63,999 | 2 | 0.89% |
| Southern California Edison Company (Edison International) | \$ 28,050 | 3 | 0.58% | \$ 49,220 | 3 | 0.68% |
| Five Points Holdings, LLC (Lennar) | | | | \$ 20,233 | 4 | 0.28% |
| Sempra Energy (SDG&E, Southern California Gas) | | | | \$ 14,883 | 5 | 0.21% |
| United Laguna Hills Mutual (Laguna Woods) | \$ 7,282 | 9 | 0.15% | \$ 11,346 | 6 | 0.16% |
| BEX Portfolio, Inc. | | | | \$ 8,680 | 7 | 0.12% |
| Anbang Insurance Group Company (Ritz-Carlton, Montage) | | | | \$ 7,011 | 8 | 0.10% |
| AT&T (Pacific Bell Telephone Company) | \$ 9,001 | 7 | 0.19% | \$ 6,474 | 9 | 0.90% |
| Bella Terra Associates, LLC | | | | \$ 6,431 | 10 | 0.90% |
| Irvine Apartment Communities | \$ 9,744 | 6 | 0.20% | | | |
| Heritage Fields El Toro LLC | \$ 7,012 | 10 | 0.14% | | | |

SOURCE:

(A) OCFA Comprehensive Annual Financial Report for Fiscal Year 2011/12. The information presented here reflects certain corrections to the data, as previously reported, in order to match the County of Orange, Treasurer-Tax Collector's "Top 20 Secured Taxpayer List" for Fiscal Year 2011/12 and for better comparability to the current fiscal year's presentation.

(B) County of Orange, Treasurer-Tax Collector, Top 20 Secured Taxpayer List for Fiscal Year 2019/20 (http://www.ttc.ocgov.com/rptstats/stats). Updated Fiscal Year 2020/21 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 |
| 2012 | \$179,564 | \$173,169 | 96.4% | \$ 2,324 | \$ 262 | \$ 79 | \$ 46 | \$175,880 | 97.9% | \$ 3,468 | \$ - |
| 2013 | \$184,029 | \$178,299 | 96.9% | \$ 1,674 | \$ 157 | \$ 30 | \$ 37 | \$180,197 | 97.9% | \$ 6,248 | \$ 10,269 |
| 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 |

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 Comprehensive Annual 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 Bonded Debt – OCFA is not obligated for any direct, bonded debt.

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 |
| 2012 | \$ 15,106 | \$ 15,106 | \$85 | 17771.8% | 1,694 | \$9 |
| 2013 | \$ 12,943 | \$ 12,943 | \$84 | 15408.3% | 1,712 | \$8 |
| 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) |

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>

NOTE:

- (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 (Orange County) | Total Personal Income | Per Capita Income | Unemployment Rate |
| 2012 | 3,056 | \$ 169,584,000 | \$ 55,492 | 8.3 |
| 2013 | 3,082 | \$ 166,370,000 | \$ 53,981 | 6.9 |
| 2014 | 3,114 | \$ 179,141,000 | \$ 57,528 | 5.6 |
| 2015 | 3,147 | \$ 193,081,000 | \$ 61,354 | 4.6 |
| 2016 | 3,183 | \$ 200,783,000 | \$ 63,080 | 4.3 |
| 2017 | 3,194 | \$ 209,642,000 | \$ 65,636 | 3.7 |
| 2018 | 3,221 | \$ 218,878,000 | \$ 67,953 | 3.3 |
| 2019 | 3,222 | \$ 227,732,000 | \$ 70,680 | 2.9 |
| 2020 | 3,194 | \$ 242,361,000 | \$ 75,880 | 13.7 |
| 2021 | 3,154 | \$ 258,933,000 | \$ 82,097 | 6.4 |

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 2016 - 2020 have been updated as of June 30, 2021.
 The most recent year (2021) 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 2021 for FY 2020/21). 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 | | |
|---|------------------|------------------|----------|------------------|------------------|----------|
| | 2012 | 2021 | % Change | 2012 | 2021 | % Change |
| Aliso Viejo | 48,988 | 49,813 | 1.7% | 19,161 | 20,192 | 5.4% |
| Buena Park | 81,460 | 81,626 | 0.2% | 24,691 | 25,140 | 1.8% |
| Cypress | 48,273 | 48,531 | 0.5% | 16,085 | 16,631 | 3.4% |
| Dana Point | 33,667 | 33,189 | -1.4% | 15,949 | 16,212 | 1.6% |
| Garden Grove (1) | 172,648 | 172,476 | -0.1% | 47,829 | 48,504 | 1.4% |
| Irvine | 223,729 | 271,564 | 21.4% | 83,792 | 110,884 | 32.3% |
| Laguna Hills | 30,618 | 31,073 | 1.5% | 11,049 | 11,302 | 2.3% |
| Laguna Niguel | 63,691 | 65,168 | 2.3% | 25,374 | 26,774 | 5.5% |
| Laguna Woods | 16,334 | 16,036 | -1.8% | 13,016 | 13,079 | 0.5% |
| Lake Forest | 78,036 | 84,538 | 8.3% | 27,120 | 30,567 | 12.7% |
| La Palma | 15,700 | 15,442 | -1.6% | 5,222 | 5,241 | 0.4% |
| Los Alamitos | 11,557 | 11,538 | -0.2% | 4,358 | 4,437 | 1.8% |
| Mission Viejo | 94,196 | 94,119 | -0.1% | 34,254 | 34,961 | 2.1% |
| Rancho Santa Margarita | 48,278 | 48,183 | -0.2% | 17,260 | 17,346 | 0.5% |
| San Clemente | 64,208 | 64,065 | -0.2% | 26,017 | 26,665 | 2.5% |
| San Juan Capistrano | 35,022 | 35,801 | 2.2% | 11,982 | 12,596 | 5.1% |
| Santa Ana | 327,731 | 331,369 | 1.1% | 76,944 | 80,285 | 4.3% |
| Seal Beach | 24,354 | 24,443 | 0.4% | 14,545 | 14,552 | 0.0% |
| Stanton | 38,498 | 39,573 | 2.8% | 11,276 | 11,699 | 3.8% |
| Tustin | 76,567 | 80,009 | 4.5% | 26,602 | 28,386 | 6.7% |
| Villa Park | 5,867 | 5,759 | -1.8% | 2,017 | 2,031 | 0.7% |
| Westminster | 90,677 | 91,466 | 0.9% | 27,707 | 28,163 | 1.6% |
| Yorba Linda | 65,777 | 67,846 | 3.1% | 22,641 | 23,850 | 5.3% |
| Unincorporated | 119,698 | 127,787 | 6.8% | 39,319 | 42,891 | 9.1% |
| Total OCFA, adjusted (1) | 1,815,574 | 1,891,414 | 4.2% | 604,210 | 652,388 | 8.0% |
| Total non-OCFA (2) | 1,240,218 | 1,262,350 | 1.8% | 448,151 | 466,583 | 4.1% |
| Total Orange County | <u>3,055,792</u> | <u>3,153,764</u> | 3.2% | <u>1,052,361</u> | <u>1,118,971</u> | 6.3% |
| Total OCFA, adjusted | 1,815,574 | | | 604,210 | | |
| Less: Garden Grove totals | (172,648) | | | (47,829) | | |
| Plus: Placentia totals | 51,084 | | | 16,907 | | |
| Total OCFA, actual as reported nine years ago | <u>1,694,010</u> | <u>1,891,414</u> | 11.7% | <u>573,288</u> | <u>652,388</u> | 13.8% |

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

As of January 1, 2012 and 2021 <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 2012 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 2012 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 2011/12 | | | Fiscal Year 2020/21 | | |
|----------------------------------|---------------------|------|-----------------------------|---------------------|------|-----------------------------|
| | Number of Employees | Rank | Percent of Total Employment | Number of Employees | Rank | Percent of Total Employment |
| Walt Disney Co. | 22,000 | 1 | 1.37% | 32,000 | 1 | 2.04% |
| University of California, Irvine | 21,291 | 2 | 1.33% | 24,174 | 2 | 1.54% |
| County of Orange | 17,257 | 3 | 1.08% | 18,435 | 3 | 1.17% |
| St. Joseph Health System | 12,048 | 4 | 0.75% | 14,000 | 4 | 0.89% |
| Kaiser Permanente | 5,968 | 8 | 0.37% | 8,200 | 5 | 0.52% |
| Albertsons | | | | 7,535 | 6 | 0.48% |
| Boeing Co. | 7,700 | 5 | 0.48% | 6,500 | 7 | 0.41% |
| Hoag Memorial Hospital | | | | 6,500 | 8 | 0.41% |
| Walmart | | | | 6,200 | 9 | 0.39% |
| Target Corporation | 5,527 | 9 | 0.34% | 6,000 | 10 | 0.38% |
| Bank of America Corporation | 6,300 | 6 | 0.39% | | | |
| Yum! Brands Inc. | 6,300 | 7 | 0.39% | | | |
| Cedar Fair LP | 5,200 | 10 | 0.32% | | | |

SOURCE:

County of Orange Comprehensive Annual Financial Report for Fiscal Year 2019/20

For years ended June 30, 2020 and 2011

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

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

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 | | | | | | | | | |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Firefighter | 1,010 | 1,011 | 1,011 | 1,011 | 1,023 | 1,023 | 1,048 | 1,153 | 1,152 | 1,151 |
| Fire Management | 45 | 45 | 45 | 45 | 45 | 45 | 45 | 52 | 53 | 53 |
| General | 203 | 205 | 205 | 205 | 213 | 213 | 211 | 252 | 248 | 248 |
| Supervisory Management | 28 | 28 | 27 | 27 | 27 | 27 | 30 | 32 | 33 | 34 |
| Supported Employment | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Administrative Management | 42 | 43 | 44 | 44 | 43 | 43 | 43 | 41 | 46 | 47 |
| Executive Management | 7 | 7 | 7 | 8 | 8 | 8 | 7 | 10 | 10 | 10 |
| Subtotal | <u>1,339</u> | <u>1,343</u> | <u>1,343</u> | <u>1,344</u> | <u>1,363</u> | <u>1,363</u> | <u>1,388</u> | <u>1,544</u> | <u>1,546</u> | <u>1,547</u> |
| Board Director | - | - | - | - | - | - | 25 | 25 | 25 | 25 |
| Total authorized positions | <u>1,339</u> | <u>1,343</u> | <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> |
| Funded positions: | | | | | | | | | | |
| General Operating Fund | <u>1,245</u> | <u>1,238</u> | <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> |
| Total funded positions | <u>1,245</u> | <u>1,238</u> | <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> |
| Unfunded positions: | | | | | | | | | | |
| Unbudgeted positions | 1 | 3 | 3 | 3 | 3 | 3 | - | - | - | - |
| Frozen | <u>93</u> | <u>102</u> | <u>100</u> | <u>97</u> | <u>86</u> | <u>76</u> | <u>13</u> | <u>3</u> | <u>30</u> | <u>32</u> |
| Total unfunded positions | <u>94</u> | <u>105</u> | <u>103</u> | <u>100</u> | <u>89</u> | <u>79</u> | <u>13</u> | <u>3</u> | <u>30</u> | <u>32</u> |
| Total authorized positions | <u>1,339</u> | <u>1,343</u> | <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> |
| Increase (decrease) from prior fiscal year: | | | | | | | | | | |
| Total funded positions | 159 | (7) | 2 | 4 | 30 | 10 | 116 | 166 | (25) | (1) |
| Total unfunded positions | <u>(1)</u> | <u>11</u> | <u>(2)</u> | <u>(3)</u> | <u>(11)</u> | <u>(10)</u> | <u>(66)</u> | <u>(10)</u> | <u>27</u> | <u>2</u> |
| Total authorized positions | <u>158</u> | <u>4</u> | <u>-</u> | <u>1</u> | <u>19</u> | <u>-</u> | <u>50</u> | <u>156</u> | <u>2</u> | <u>1</u> |
| | (1) | | | | | | (2) | (3) | | |

SOURCE: OCFA Treasury Division, Budget Section

NOTES:

- (1) The net increase of total authorized positions during Fiscal Year 2011/12 included 163 authorized positions for employees transitioning from the City of Santa Ana (147 Firefighter Unit, 4 Fire Management Unit, 11 General Unit, and 1 Supervisory Management Unit).
- (2) During Fiscal Year 2017/18, Board Members were converted into employee positions and added to the authorized position control (25 positions).
- (3) 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).

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

| Unit / Position | As of June 30 | | | | | | | | | |
|---|---------------|------------|------------|-----------|-----------|-----------|-----------|----------|-----------|-----------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Firefighter Unit: | | | | | | | | | | |
| Fire Apparatus Engineer | 18 | 24 | 24 | 24 | 21 | 20 | - | - | 6 | 6 |
| Fire Captain | 24 | 27 | 27 | 27 | 24 | 22 | 3 | 1 | 7 | 7 |
| Fire Pilot | - | - | 1 | 1 | 1 | 1 | - | - | - | - |
| Firefighter | 18 | 18 | 18 | 18 | 18 | 18 | - | - | 15 | 15 |
| Heavy Fire Equipment Operator | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - | - |
| Total Firefighter Unit | 61 | 70 | 71 | 71 | 65 | 62 | 3 | 1 | 28 | 28 |
| Fire Management Unit: | | | | | | | | | | |
| Fire Battalion Chief | 2 | 2 | 2 | 2 | 2 | 1 | - | - | - | - |
| Total Fire Management Unit | 2 | 2 | 2 | 2 | 2 | 1 | - | - | - | - |
| General Unit: | | | | | | | | | | |
| Accountant | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - |
| Administrative Assistant | 5 | 5 | 5 | 5 | 4 | 1 | 1 | - | - | - |
| Assistant Purchasing Agent | 1 | 1 | - | - | - | - | - | - | - | - |
| Business Analyst | - | - | 1 | 1 | 1 | - | - | - | - | - |
| Communications Installer | - | - | - | - | - | - | - | - | - | 1 |
| Communications Installer (Part-Time) | - | - | - | - | - | - | - | - | - | 1 |
| Fire Equipment Technician | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - |
| Fire Prevention Analyst | 4 | 4 | 4 | 4 | 4 | 4 | 2 | - | - | - |
| Fire Prevention Specialist | 2 | 2 | 2 | - | - | - | - | - | - | - |
| Human Resources Analyst | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Management Assistant | 1 | 1 | - | - | - | - | - | - | - | - |
| Office Services Specialist | 2 | 2 | 3 | 3 | - | - | - | 1 | 1 | 1 |
| Senior Fire Equipment Technician | 1 | - | - | - | - | - | - | - | - | - |
| Senior Fire Prevention Specialist | 3 | 3 | 2 | 2 | 2 | 2 | 2 | - | - | - |
| WEFIT Coordinator | - | 1 | - | - | - | - | - | - | - | - |
| Total General Unit | 22 | 22 | 20 | 18 | 13 | 7 | 5 | 1 | 1 | 3 |
| Supervisory Management Unit: | | | | | | | | | | |
| Assistant Fire Marshal | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - |
| Information Technology Supervisor | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Senior Fire Communications Supervisor | - | - | - | - | - | - | 1 | - | - | - |
| Total Supervisory Management Unit | 2 | 2 | 2 | 2 | 1 | 1 | 2 | - | - | - |
| Administrative Management Unit: | | | | | | | | | | |
| Assistant IT Manager | - | - | - | - | 1 | 1 | 1 | - | - | - |
| Benefits Services Manager | 1 | 1 | - | - | - | 1 | - | - | - | - |
| Management Analyst | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - |
| ODT Program Manager | 1 | 1 | 1 | - | - | - | - | 1 | 1 | 1 |
| Senior Accountant | 2 | 2 | 2 | 2 | 2 | 2 | 1 | - | - | - |
| Senior Human Resources Analyst | 1 | 1 | 1 | 1 | 1 | - | - | - | - | - |
| Total Administrative Management Unit | 6 | 6 | 5 | 4 | 5 | 5 | 3 | 1 | 1 | 1 |
| Total frozen positions | 93 | 102 | 100 | 97 | 86 | 76 | 13 | 3 | 30 | 32 |

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 |
| 2012 | 24 | 576 | 1,694,010 | 71 | 10 | New Stations 70 through 79 (Santa Ana) |
| 2013 | 24 | 571 | 1,712,234 | 71 | - | |
| 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) |

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 Santa Ana became an OCFA member city in Fiscal Year 2011/12.
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, Command & Emergency Planning Division

**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 | |
|-------------------------------------|-------|-----------------------|----------------|------------------------|-----------------|----------------|----------------|---------------------|-------|---------|-------|
| 2012 | 1,635 | 157 | 66,383 | 965 | 6,457 | 12,802 | 4,065 | 4 | 192 | 92,660 | (2) |
| 2013 | 2,004 | 219 | 80,167 | 1,100 | 7,753 | 14,786 | 5,710 | 1 | 149 | 111,889 | (2) |
| 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 | (3) |
| 2021 | 2,688 | 221 | 113,735 | 1,317 | 8,777 | 18,737 | 6,616 | 27 | 171 | 152,289 | (3,4) |

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 Santa Ana joined the OCFA effective April 20, 2012. Fiscal Year 2011/12 data includes the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2012/13 data includes the first full year of Santa Ana activity.
 - (3) 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.
 - (4) 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

Fiscal Year Ended June 30 (1)

| Member | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Aliso Viejo | 2,071 | 2,226 | 2,194 | 2,420 | 2,511 | 2,654 | 2,810 | 2,871 | 3,022 | 3,172 |
| Buena Park | 5,836 | 5,849 | 6,057 | 6,569 | 7,016 | 7,053 | 7,193 | 7,242 | 7,175 | 7,363 |
| Cypress | 2,556 | 2,699 | 2,633 | 2,833 | 3,013 | 3,145 | 3,238 | 3,292 | 3,215 | 3,162 |
| Dana Point | 2,772 | 2,950 | 2,925 | 3,297 | 3,291 | 3,663 | 3,717 | 3,399 | 3,343 | 3,334 |
| Garden Grove (3) | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 11,288 | 13,557 |
| Irvine | 11,969 | 12,485 | 12,896 | 13,875 | 14,688 | 15,967 | 16,325 | 16,797 | 16,481 | 15,704 |
| La Palma | 750 | 808 | 925 | 1,036 | 1,059 | 1,212 | 1,303 | 1,282 | 1,224 | 1,210 |
| Laguna Hills | 2,542 | 2,579 | 2,584 | 2,675 | 2,887 | 3,078 | 3,303 | 3,303 | 3,122 | 3,263 |
| Laguna Niguel | 3,358 | 3,476 | 3,685 | 3,584 | 3,861 | 4,054 | 3,947 | 4,192 | 4,421 | 4,268 |
| Laguna Woods | 4,717 | 4,748 | 4,306 | 4,847 | 5,319 | 5,636 | 5,281 | 5,342 | 4,967 | 5,353 |
| Lake Forest | 4,230 | 4,459 | 4,297 | 4,651 | 4,995 | 5,474 | 5,333 | 5,335 | 5,378 | 5,629 |
| Los Alamitos | 1,101 | 1,199 | 1,123 | 1,254 | 1,380 | 1,360 | 1,477 | 1,468 | 1,405 | 1,363 |
| Mission Viejo | 6,355 | 6,760 | 6,791 | 7,072 | 7,508 | 7,777 | 8,041 | 7,989 | 7,718 | 7,512 |
| Placentia (4) | 2,714 | 2,846 | 2,806 | 2,981 | 3,132 | 3,325 | 3,609 | 3,564 | 3,616 | n/a |
| Rancho Santa Margarita | 2,105 | 1,983 | 2,111 | 2,254 | 2,415 | 2,447 | 2,542 | 2,366 | 2,521 | 2,518 |
| San Clemente | 3,999 | 4,187 | 4,334 | 4,668 | 5,080 | 5,311 | 5,239 | 5,069 | 4,999 | 5,168 |
| San Juan Capistrano | 2,617 | 2,701 | 2,934 | 3,164 | 3,629 | 3,899 | 3,931 | 3,786 | 3,571 | 3,552 |
| Santa Ana (2) | 3,654 | 18,915 | 19,303 | 21,465 | 23,455 | 25,074 | 26,707 | 27,518 | 27,335 | 27,493 |
| Seal Beach | 3,617 | 3,571 | 3,343 | 3,783 | 4,882 | 4,753 | 4,591 | 4,216 | 4,300 | 4,276 |
| Stanton | 2,660 | 2,878 | 2,879 | 3,113 | 3,413 | 3,396 | 3,284 | 3,343 | 3,645 | 3,701 |
| Tustin | 4,196 | 4,582 | 4,614 | 5,205 | 5,406 | 5,419 | 5,470 | 5,748 | 5,623 | 5,780 |
| Villa Park | 363 | 392 | 338 | 378 | 452 | 475 | 448 | 480 | 469 | 448 |
| Westminster | 6,012 | 6,486 | 6,201 | 6,880 | 7,442 | 7,560 | 7,702 | 7,772 | 7,945 | 8,357 |
| Yorba Linda | 3,125 | 3,277 | 3,185 | 3,547 | 3,716 | 3,747 | 4,059 | 4,146 | 4,023 | 4,168 |
| Unincorporated | 5,991 | 6,312 | 6,073 | 6,496 | 6,719 | 7,390 | 7,437 | 7,573 | 7,788 | 8,065 |
| | <u>89,310</u> | <u>108,368</u> | <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> |
| Auto/Mutual Aid Given | <u>3,350</u> | <u>3,521</u> | <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> |
| Total | <u>92,660</u> | <u>111,889</u> | <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> |

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 Santa Ana joined the OCFA effective April 20, 2012. Fiscal Year 2011/12 data is reported only for the portion of the fiscal year during which the city was a member of OCFA. Fiscal Year 2012/13 data includes the first full year of Santa Ana activity.

(3) 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.

(4) 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, 2012 | | June 30, 2013 | |
|--|----------------------|------------|----------------------|------------|
| | 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 | 716,800 | 18 |
| Boat | 31,515 | 4 | 31,515 | 4 |
| Breathing Apparatus | - | - | - | - |
| Camera, thermal imaging | 1,251,757 | 104 | 1,117,422 | 97 |
| Camera, other | 11,171 | 1 | 11,171 | 1 |
| Communications equipment | 1,512,740 | 42 | 1,533,009 | 44 |
| Computer | 82,126 | 5 | 82,126 | 5 |
| Defibrillator | 1,528,398 | 105 | 1,528,398 | 105 |
| Exercise equipment | 35,622 | 5 | 35,622 | 5 |
| Fleet equipment | 172,042 | 16 | 172,042 | 16 |
| 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 | 337,453 | 24 | 336,275 | 23 |
| 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 | - | - | - | - |
| Helicopter, flight director | - | - | - | - |
| Helicopter, multi-band radio upgrade | - | - | - | - |
| Helicopter equipment | 778,885 | 42 | 787,062 | 43 |
| Hydraulic tool | 368,216 | 55 | 377,287 | 56 |
| Kitchen equipment | 33,403 | 4 | 33,403 | 4 |
| Laptop | 44,108 | 7 | 29,058 | 5 |
| Manikin | 67,452 | 11 | 67,452 | 11 |
| Miscellaneous equipment | 597,167 | 40 | 643,040 | 46 |
| Mobile radio project (FY 2003/04 - FY 2004/05) | 2,424,594 | 1 | 2,424,594 | 1 |
| Mobile radio | 107,671 | 17 | 107,671 | 17 |
| Mobile radio, mobile data computer (MDC) | - | - | - | - |
| Network equipment | 804,981 | 27 | 952,374 | 30 |
| Office equipment | 648,440 | 8 | 638,472 | 7 |
| Portable building | 226,348 | 13 | 236,843 | 14 |
| Portable radio | 25,640 | 5 | 79,452 | 15 |
| Printer | 72,039 | 7 | 72,039 | 6 |
| Projector | 10,372 | 2 | 10,372 | 2 |
| Router | 37,405 | 4 | 37,405 | 4 |
| Scanner | - | - | - | - |
| Search equipment | 163,944 | 11 | 163,944 | 11 |
| Server | 1,027,950 | 81 | 1,022,818 | 81 |
| Software | 7,074,050 | 55 | 7,117,506 | 56 |
| Switch | 282,393 | 16 | 282,393 | 16 |
| Tablet | - | - | - | - |
| Tent | 122,237 | 12 | 122,237 | 12 |
| Trailer | 437,742 | 16 | 527,629 | 18 |
| Workstation | 1,641,243 | 25 | 1,641,243 | 25 |
| | <u>\$ 54,569,962</u> | <u>828</u> | <u>\$ 54,832,732</u> | <u>843</u> |

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

| June 30, 2014 | | June 30, 2015 | | June 30, 2016 | |
|----------------------|------------|----------------------|------------|----------------------|------------|
| 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 |
| 716,800 | 18 | 734,581 | 20 | 734,581 | 20 |
| 31,515 | 4 | 31,515 | 4 | 31,515 | 4 |
| - | - | - | - | - | - |
| 1,214,725 | 113 | 1,167,318 | 107 | 1,115,772 | 102 |
| 11,171 | 1 | 33,713 | 4 | 44,264 | 5 |
| 1,458,744 | 39 | 1,458,744 | 39 | 1,523,812 | 51 |
| 82,126 | 5 | 90,386 | 6 | 90,386 | 6 |
| 1,526,069 | 105 | 1,526,069 | 105 | 1,526,069 | 105 |
| 35,622 | 5 | 35,622 | 5 | 35,622 | 5 |
| 172,042 | 16 | 189,888 | 17 | 252,867 | 24 |
| 93,177 | 3 | 93,177 | 3 | 93,177 | 3 |
| 504,562 | 22 | 504,562 | 22 | 504,562 | 22 |
| 1,391,000 | 2 | 1,391,000 | 2 | 1,391,000 | 2 |
| 432,282 | 23 | 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 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 780,245 | 42 | 942,245 | 43 | 942,245 | 43 |
| 401,133 | 60 | 468,400 | 67 | 490,913 | 69 |
| 33,403 | 4 | 33,403 | 4 | 33,403 | 4 |
| 29,058 | 5 | 29,058 | 5 | 23,832 | 4 |
| 67,452 | 11 | 67,452 | 11 | 67,452 | 11 |
| 660,496 | 49 | 702,500 | 52 | 735,503 | 55 |
| 2,424,594 | 1 | 2,424,594 | 1 | 2,424,594 | 1 |
| 107,671 | 17 | 82,659 | 14 | 88,700 | 16 |
| - | - | - | - | - | - |
| 1,321,172 | 31 | 1,288,223 | 29 | 1,294,452 | 30 |
| 632,865 | 6 | 632,865 | 6 | 632,865 | 6 |
| 274,656 | 14 | 352,872 | 17 | 352,872 | 17 |
| 79,452 | 15 | 143,605 | 27 | 138,477 | 26 |
| 72,039 | 6 | 72,039 | 6 | 72,039 | 6 |
| 10,372 | 2 | 10,372 | 2 | 10,372 | 2 |
| 37,405 | 4 | 37,405 | 4 | 72,745 | 8 |
| - | - | 5,489 | 1 | 5,489 | 1 |
| 196,302 | 13 | 210,657 | 14 | 236,657 | 16 |
| 997,288 | 79 | 1,000,858 | 69 | 1,211,242 | 72 |
| 7,117,506 | 56 | 9,176,979 | 50 | 10,502,153 | 53 |
| 312,760 | 17 | 312,760 | 17 | 349,909 | 20 |
| - | - | 5,455 | 1 | 24,882 | 4 |
| 122,237 | 12 | 122,237 | 12 | 122,237 | 12 |
| 512,761 | 18 | 523,455 | 18 | 523,455 | 18 |
| 1,641,243 | 25 | 1,641,243 | 25 | 1,641,243 | 25 |
| <u>\$ 55,555,368</u> | <u>863</u> | <u>\$ 58,076,609</u> | <u>875</u> | <u>\$ 59,874,567</u> | <u>914</u> |

(Continued on next page)

ORANGE COUNTY FIRE AUTHORITY
Capital Equipment by Category
(Continued)

| Category | June 30, 2017 | | June 30, 2018 | |
|--|----------------------|--------------|----------------------|--------------|
| | 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 | 64,986 | 6 | 80,606 | 7 |
| Breathing Apparatus | - | - | - | - |
| Camera, thermal imaging | 1,107,655 | 101 | 1,198,258 | 111 |
| Camera, other | 44,264 | 5 | 44,264 | 5 |
| Communications equipment | 1,702,712 | 83 | 1,689,198 | 81 |
| Computer | 25,900 | 4 | 25,900 | 4 |
| Defibrillator | 5,312,042 | 229 | 3,802,620 | 121 |
| Exercise equipment | 40,790 | 6 | 40,790 | 6 |
| Fleet equipment | 284,885 | 27 | 261,714 | 28 |
| 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 | 479,786 | 26 | 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 | - | - | 168,804 | 2 |
| Helicopter, multi-band radio upgrade | - | - | - | - |
| Helicopter equipment | 995,953 | 46 | 1,003,199 | 47 |
| Hydraulic tool | 535,309 | 72 | 1,108,303 | 148 |
| Kitchen equipment | 26,394 | 3 | 26,394 | 3 |
| Laptop | 17,957 | 3 | 17,957 | 3 |
| Manikin | 67,452 | 11 | 75,129 | 12 |
| Miscellaneous equipment | 798,762 | 59 | 891,816 | 67 |
| Mobile radio project (FY 2003/04 - FY 2004/05) | 2,424,594 | 1 | 2,424,594 | 1 |
| Mobile radio | 88,700 | 16 | 88,700 | 16 |
| Mobile radio, mobile data computer (MDC) | 196,398 | 30 | 196,398 | 30 |
| Network equipment | 1,294,452 | 30 | 1,294,452 | 30 |
| Office equipment | 632,865 | 6 | 642,985 | 7 |
| Portable building | 352,872 | 17 | 352,872 | 17 |
| Portable radio | 138,477 | 26 | 138,477 | 26 |
| Printer | 68,552 | 6 | 68,552 | 6 |
| Projector | 10,372 | 2 | 5,153 | 1 |
| Router | 72,745 | 8 | 72,745 | 8 |
| Scanner | 5,489 | 1 | 5,489 | 1 |
| Search equipment | 258,921 | 18 | 258,921 | 18 |
| Server | 936,541 | 57 | 1,150,118 | 72 |
| Software | 10,491,277 | 52 | 10,491,277 | 52 |
| Switch | 349,909 | 20 | 356,521 | 21 |
| Tablet | 24,882 | 4 | 24,882 | 4 |
| Tent | 154,551 | 13 | 180,849 | 15 |
| Trailer | 465,143 | 18 | 572,659 | 21 |
| Workstation | 1,641,243 | 25 | 1,641,243 | 25 |
| | <u>\$ 63,930,534</u> | <u>1,099</u> | <u>\$ 63,699,329</u> | <u>1,110</u> |

| June 30, 2019 | | June 30, 2020 | | June 30, 2021 | |
|----------------------|--------------|----------------------|--------------|----------------------|--------------|
| Historical Cost | Quantity | Historical Cost | Quantity | Historical Cost | Quantity |
| 53,179 | 2 | 53,179 | 2 | 79,266 | 4 |
| 678,014 | 8 | 678,014 | 8 | 678,014 | 8 |
| 734,581 | 20 | 734,581 | 20 | 240,142 | 12 |
| 80,606 | 7 | 80,606 | 7 | 80,606 | 7 |
| 20,394 | 4 | 20,394 | 4 | 20,394 | 4 |
| 1,251,200 | 117 | 1,360,096 | 131 | 1,360,096 | 131 |
| 44,264 | 5 | 44,264 | 5 | 44,264 | 5 |
| 1,696,094 | 82 | 3,919,452 | 83 | 3,919,452 | 83 |
| 25,900 | 4 | 34,261 | 5 | 28,490 | 4 |
| 4,089,086 | 130 | 4,334,152 | 138 | 4,334,152 | 138 |
| 40,790 | 6 | 40,790 | 6 | 40,790 | 6 |
| 294,849 | 29 | 292,914 | 29 | 292,914 | 29 |
| 134,138 | 4 | 134,138 | 4 | 222,642 | 5 |
| 504,562 | 22 | 504,562 | 22 | 463,592 | 20 |
| 1,391,000 | 2 | 1,391,000 | 2 | 1,391,000 | 2 |
| 500,242 | 30 | 801,854 | 32 | 828,743 | 36 |
| 28,854,977 | 4 | 28,854,977 | 4 | 28,854,977 | 4 |
| 319,149 | 4 | 319,149 | 4 | 319,149 | 4 |
| 213,749 | 3 | 213,749 | 3 | 213,749 | 3 |
| 168,804 | 2 | 168,804 | 2 | 168,804 | 2 |
| 183,096 | 2 | 366,193 | 4 | 366,193 | 4 |
| 1,003,199 | 47 | 1,003,199 | 47 | 1,020,261 | 48 |
| 905,931 | 119 | 882,673 | 113 | 849,580 | 108 |
| 20,395 | 2 | 20,395 | 2 | 20,395 | 2 |
| 17,957 | 3 | 12,081 | 2 | 12,081 | 2 |
| 32,371 | 5 | 109,410 | 13 | 109,410 | 13 |
| 978,892 | 74 | 2,580,791 | 197 | 2,715,740 | 210 |
| 2,424,594 | 1 | 2,424,594 | 1 | 2,424,594 | 1 |
| 99,592 | 18 | 136,527 | 23 | 136,527 | 23 |
| 385,726 | 60 | 385,726 | 60 | 512,370 | 80 |
| 1,294,452 | 30 | 1,294,452 | 23 | 1,294,452 | 23 |
| 685,053 | 9 | 685,053 | 9 | 685,053 | 9 |
| 687,025 | 20 | 980,837 | 28 | 974,765 | 27 |
| 400,892 | 71 | 400,892 | 71 | 907,709 | 161 |
| 77,501 | 7 | 66,101 | 6 | 82,274 | 7 |
| 5,153 | 1 | 5,153 | 1 | 5,153 | 1 |
| 72,745 | 8 | 58,132 | 7 | 58,132 | 7 |
| 5,489 | 1 | 5,489 | 1 | 5,489 | 1 |
| 258,921 | 18 | 258,921 | 18 | 302,246 | 21 |
| 944,725 | 48 | 870,201 | 41 | 887,375 | 42 |
| 10,538,302 | 56 | 10,666,466 | 50 | 10,751,591 | 45 |
| 514,813 | 58 | 522,347 | 59 | 574,594 | 61 |
| 24,882 | 4 | 24,882 | 4 | 24,882 | 4 |
| 194,207 | 16 | 226,055 | 18 | 226,055 | 18 |
| 656,551 | 22 | 836,564 | 25 | 1,024,838 | 30 |
| 1,647,704 | 26 | 1,698,204 | 27 | 1,687,318 | 28 |
| <u>\$ 65,155,746</u> | <u>1,211</u> | <u>\$ 70,502,274</u> | <u>1,361</u> | <u>\$ 71,240,313</u> | <u>1,483</u> |

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

| Category | June 30, 2012 | | June 30, 2013 | |
|---|----------------------|------------|-------------------|------------|
| | Historical Cost | Quantity | Historical Cost | Quantity |
| Air Utility | \$ 820,733 | 4 | 820,733 | 4 |
| Ambulance | 776,283 | 6 | 674,739 | 5 |
| Battalion Chief Vehicle | 1,518,914 | 29 | 1,518,914 | 29 |
| Brush Chipper | 34,289 | 2 | 34,289 | 2 |
| Crew Cab | 69,009 | 2 | 69,009 | 2 |
| Crew-Carrying Vehicle | 452,373 | 4 | 452,373 | 4 |
| Dump Truck | 66,366 | 1 | 66,366 | 1 |
| Fire Command | 402,755 | 2 | 402,755 | 2 |
| Fire Dozer | 723,403 | 4 | 723,403 | 4 |
| 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 | 102,396 | 1 |
| 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 |
| Parade Engine | - | - | - | - |
| Patrol | 1,539,901 | 19 | 1,539,901 | 19 |
| Patrol, Compressed Air Foam System (CAFS) | 858,456 | 12 | 858,456 | 12 |
| Pickup Truck | 1,796,208 | 49 | 1,943,905 | 51 |
| Sedan | 61,256 | 3 | 61,256 | 3 |
| Squad | 578,998 | 7 | 578,998 | 7 |
| Stakeside | 34,289 | 1 | 34,289 | 1 |
| Sport Utility Vehicle (SUV) | 2,658,508 | 98 | 2,637,875 | 97 |
| Telesquirt | 2,344,077 | 7 | 1,995,305 | 6 |
| Transport Tractor | 506,673 | 5 | 506,673 | 5 |
| Truck, 90', 100' and 110' Tractor Drawn Aerials | 4,943,110 | 8 | 4,938,110 | 7 |
| Truck, 75' Quint | 3,124,257 | 6 | 3,124,257 | 6 |
| Truck, 90' Quint | 3,562,035 | 7 | 3,562,035 | 7 |
| Truck, 100' Quint | 2,354,146 | 2 | 2,354,146 | 2 |
| Truck, Other | 427,538 | 5 | 427,538 | 5 |
| Truck, Compressed Air Foam System (CAFS) | 21,649 | 1 | 44,058 | 2 |
| Type 1 Engine | 26,638,285 | 90 | 26,638,285 | 90 |
| Type 1 Wildland Urban Interface Engine | 2,127,949 | 5 | 3,451,627 | 8 |
| Type 2 Engine | 152,610 | 1 | 152,610 | 1 |
| Type 3 Engine | 4,105,746 | 13 | 3,871,874 | 11 |
| Utility | 145,169 | 3 | 145,169 | 3 |
| Van | 623,608 | 24 | 623,608 | 24 |
| Water Tender | 753,535 | 5 | 753,535 | 5 |
| | <u>\$ 68,624,259</u> | <u>458</u> | <u>69,408,222</u> | <u>458</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, 2014 | | June 30, 2015 | | June 30, 2016 | |
|----------------------|------------|----------------------|------------|----------------------|------------|
| Historical Cost | Quantity | Historical Cost | Quantity | Historical Cost | Quantity |
| \$ 820,733 | 4 | \$ 820,733 | 4 | 820,733 | 4 |
| 674,739 | 5 | 573,194 | 4 | 573,194 | 4 |
| 1,518,914 | 29 | 1,518,914 | 29 | 2,098,087 | 42 |
| 34,289 | 2 | 34,289 | 2 | 103,545 | 3 |
| - | - | - | - | - | - |
| 452,373 | 4 | 452,373 | 4 | 452,373 | 4 |
| 66,366 | 1 | 66,366 | 1 | 66,366 | 1 |
| 820,829 | 4 | 674,655 | 3 | 674,655 | 3 |
| 723,403 | 4 | 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 | 1,077,646 | 3 | 1,077,646 | 3 |
| 102,396 | 1 | 184,392 | 2 | 184,392 | 2 |
| 658,107 | 1 | 658,107 | 1 | 679,608 | 1 |
| 103,189 | 1 | 103,189 | 1 | 103,189 | 1 |
| 71,780 | 1 | 71,780 | 1 | 71,780 | 1 |
| 1,860,604 | 22 | 1,860,604 | 22 | 1,860,604 | 22 |
| - | - | - | - | - | - |
| 1,539,901 | 19 | 1,539,901 | 19 | 1,539,901 | 19 |
| 858,456 | 12 | 858,456 | 12 | 858,456 | 12 |
| 2,081,006 | 53 | 2,081,006 | 53 | 2,327,501 | 63 |
| 44,994 | 2 | 44,994 | 2 | - | - |
| 578,998 | 7 | 578,998 | 7 | 578,998 | 7 |
| 34,289 | 1 | 34,289 | 1 | 34,289 | 1 |
| 2,560,913 | 94 | 2,505,905 | 92 | 2,621,995 | 93 |
| 1,736,407 | 5 | 1,736,407 | 5 | 1,736,407 | 5 |
| 506,673 | 5 | 506,673 | 5 | 506,673 | 5 |
| 4,938,110 | 7 | 4,938,110 | 7 | 4,948,930 | 8 |
| 3,124,257 | 6 | 3,124,257 | 6 | 3,124,257 | 6 |
| 3,562,035 | 7 | 3,062,553 | 6 | 3,062,553 | 6 |
| 2,354,146 | 2 | 2,354,146 | 2 | 2,354,146 | 2 |
| 592,188 | 7 | 768,076 | 11 | 768,076 | 11 |
| 44,058 | 2 | 44,058 | 2 | 44,058 | 2 |
| 28,363,285 | 92 | 28,442,065 | 90 | 30,580,415 | 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 |
| 623,608 | 24 | 451,395 | 19 | 451,395 | 19 |
| 753,535 | 5 | 753,535 | 5 | 753,535 | 5 |
| <u>\$ 72,213,263</u> | <u>461</u> | <u>\$ 71,403,080</u> | <u>452</u> | <u>\$ 74,539,771</u> | <u>480</u> |

(Continued on next page)

ORANGE COUNTY FIRE AUTHORITY
Capital Vehicles by Category
(Continued)

| Category | June 30, 2017 | | June 30, 2018 | |
|---|----------------------|------------|----------------------|------------|
| | Historical Cost | Quantity | Historical Cost | Quantity |
| Air Utility | 820,733 | 4 | 820,733 | 4 |
| Ambulance | 573,194 | 4 | 573,194 | 4 |
| Battalion Chief Vehicle | 2,161,593 | 42 | 2,224,326 | 42 |
| Brush Chipper | 84,438 | 2 | 84,438 | 2 |
| Crew Cab | - | - | - | - |
| Crew-Carrying Vehicle | 452,373 | 4 | 447,373 | 3 |
| Dump Truck | 66,366 | 1 | 66,366 | 1 |
| Fire Command | 674,655 | 3 | 674,655 | 3 |
| Fire Dozer | 550,978 | 2 | 550,978 | 2 |
| 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 | 184,392 | 2 | 252,434 | 3 |
| Heavy Rescue Unit | 679,608 | 1 | 679,608 | 1 |
| Hose Tender | 103,189 | 1 | - | - |
| Lift Truck | 71,780 | 1 | 71,780 | 1 |
| Paramedic Van | 1,860,604 | 22 | 1,566,150 | 19 |
| Parade Engine | - | - | - | - |
| Patrol | 1,539,901 | 19 | 1,791,780 | 20 |
| Patrol, Compressed Air Foam System (CAFS) | 858,456 | 12 | 858,456 | 12 |
| Pickup Truck | 3,213,233 | 85 | 3,275,670 | 86 |
| Sedan | - | - | - | - |
| Squad | 496,839 | 6 | 1,074,089 | 9 |
| Stakeside | 34,289 | 1 | 34,289 | 1 |
| Sport Utility Vehicle (SUV) | 2,602,271 | 92 | 2,224,726 | 79 |
| Telesquirt | 1,736,407 | 5 | 1,387,635 | 4 |
| Transport Tractor | 506,673 | 5 | 506,673 | 5 |
| Truck, 90', 100' and 110' Tractor Drawn Aerials | 6,641,223 | 9 | 9,236,148 | 11 |
| Truck, 75' Quint | 3,124,257 | 6 | 3,124,257 | 6 |
| Truck, 90' Quint | 3,062,553 | 6 | 3,062,553 | 6 |
| Truck, 100' Quint | 2,354,146 | 2 | 2,354,146 | 2 |
| Truck, Other | 804,028 | 11 | 790,798 | 10 |
| Truck, Compressed Air Foam System (CAFS) | 44,058 | 2 | 44,058 | 2 |
| Type 1 Engine | 32,151,624 | 94 | 32,151,624 | 94 |
| 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 | 435,224 | 18 | 435,224 | 18 |
| Water Tender | 753,535 | 5 | 753,535 | 5 |
| | <u>\$ 78,512,818</u> | <u>498</u> | <u>\$ 80,987,894</u> | <u>486</u> |

| June 30, 2019 | | June 30, 2020 | | June 30, 2021 | |
|----------------------|------------|-----------------------|------------|-----------------------|------------|
| Historical Cost | Quantity | Historical Cost | Quantity | Historical Cost | Quantity |
| 820,733 | 4 | 1,216,732 | 5 | 1,216,732 | 5 |
| 573,194 | 4 | - | - | - | - |
| 2,468,254 | 46 | 2,603,667 | 47 | 2,566,931 | 46 |
| 84,438 | 2 | 160,272 | 3 | 160,272 | 3 |
| - | - | - | - | - | - |
| 447,373 | 3 | 447,373 | 3 | 1,668,656 | 7 |
| 66,366 | 1 | 66,366 | 1 | 66,366 | 1 |
| 674,655 | 3 | 674,655 | 3 | 674,655 | 3 |
| 550,978 | 2 | 1,112,241 | 3 | 1,112,241 | 3 |
| 152,245 | 1 | 152,245 | 1 | 152,245 | 1 |
| 376,164 | 3 | 376,164 | 3 | 376,164 | 3 |
| 939,162 | 2 | 939,162 | 2 | 939,162 | 2 |
| 252,434 | 3 | 418,917 | 5 | 598,591 | 6 |
| 679,608 | 1 | 679,608 | 1 | 739,608 | 2 |
| - | - | - | - | - | - |
| 71,780 | 1 | 71,780 | 1 | 71,780 | 1 |
| 1,566,150 | 19 | 1,468,553 | 18 | 1,302,899 | 16 |
| - | - | - | - | - | - |
| 1,791,780 | 20 | 1,791,780 | 20 | 1,631,773 | 18 |
| 858,456 | 12 | 858,456 | 12 | 858,456 | 12 |
| 3,726,138 | 98 | 5,190,357 | 130 | 5,593,216 | 143 |
| - | - | - | - | 45,800 | 2 |
| 1,465,052 | 11 | 1,465,052 | 11 | 1,465,052 | 11 |
| 34,289 | 1 | 34,289 | 1 | 131,961 | 2 |
| 2,186,521 | 77 | 1,889,421 | 59 | 1,819,287 | 58 |
| 1,038,862 | 3 | - | - | - | - |
| 506,673 | 5 | 1,093,171 | 8 | 1,093,171 | 8 |
| 17,609,131 | 17 | 18,802,835 | 18 | 18,734,735 | 17 |
| 3,124,257 | 6 | 2,694,556 | 5 | 2,694,556 | 5 |
| 3,062,553 | 6 | 3,062,553 | 6 | 3,062,553 | 6 |
| 2,354,146 | 2 | 2,354,146 | 2 | 2,354,146 | 2 |
| 790,798 | 10 | 1,138,258 | 12 | 1,072,345 | 11 |
| 44,058 | 2 | 44,058 | 2 | 44,058 | 2 |
| 37,752,647 | 103 | 43,198,345 | 113 | 42,220,704 | 108 |
| 3,451,627 | 8 | 3,451,627 | 8 | 3,451,627 | 8 |
| 152,610 | 1 | - | - | - | - |
| 4,653,221 | 13 | 4,653,221 | 13 | 6,238,675 | 16 |
| 145,169 | 3 | 145,169 | 3 | 944,947 | 10 |
| 649,798 | 26 | 557,619 | 22 | 785,038 | 27 |
| 753,535 | 5 | 753,535 | 5 | 1,639,178 | 7 |
| <u>\$ 95,874,855</u> | <u>524</u> | <u>\$ 103,566,183</u> | <u>546</u> | <u>\$ 107,527,580</u> | <u>572</u> |



Orange County Fire Authority Safety Message

Fireworks



Every year thousands of burns and eye injuries are caused by fireworks. Following these simple tips can help you enjoy fireworks safely.

- ✓ Recommended safety tips:
 - Obey local laws. Safe and Sane fireworks are only legal in the cities of **Anaheim, Buena Park, Costa Mesa, Fullerton, Garden Grove, Huntington Beach, Santa Ana, Stanton, Villa Park, and Westminster**.
 - Buy only Safe and Sane fireworks that are State Fire Marshal approved.
 - Light fireworks outdoors in a clear area and at a safe distance away from people, homes, vehicles, or flammable materials.
 - Light one firework at a time and never relight a dud.
 - Have a bucket of water and a hose nearby to soak fireworks before throwing them in a trash can.
 - Never point or throw fireworks at another person.

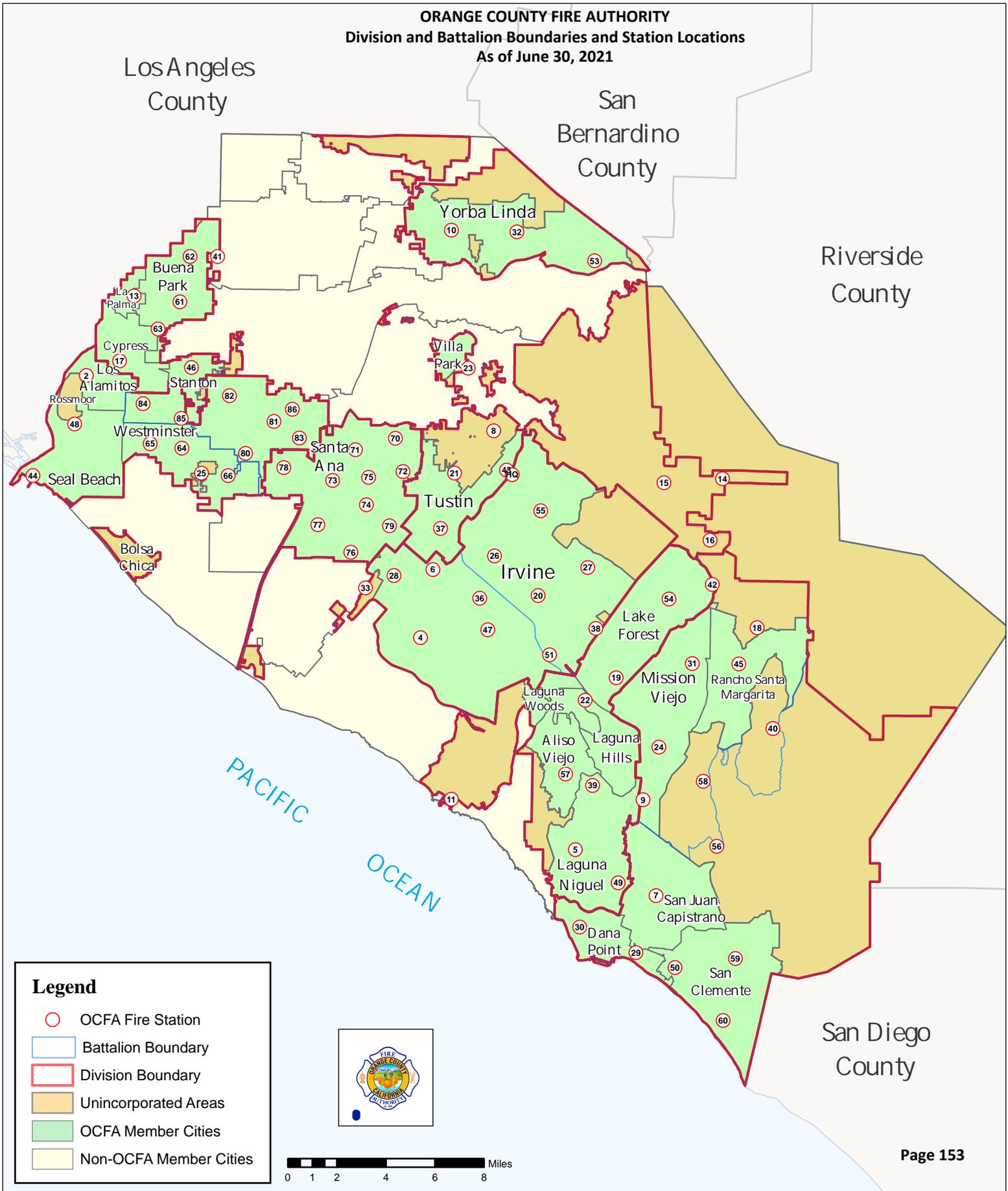
- ✓ Fireworks and child safety:
 - Fireworks should only be handled by adults.
 - Sparklers can exceed temperatures up to 1,200 degrees Fahrenheit, which is hot enough to melt gold.
 - Never let children pick up pieces of fireworks after a show as some may still be active.
 - Parents are liable for any damages or injuries caused by their children using fireworks.

- ✓ In case of an accident:
 - Call 9-1-1 and run cool water over any burn.
 - In case of an eye injury, do not rub, touch, or rinse the eye as this can cause more damage to the injury.

- ✓ A city-sponsored fireworks display is a great alternative to lighting your own fireworks. To find a fireworks display near you, please visit our website at www.ocfa.org.

*To report illegal fireworks,
please call your local law enforcement non-emergency line.*

ORANGE COUNTY FIRE AUTHORITY
 Division and Battalion Boundaries and Station Locations
 As of June 30, 2021



ORANGE COUNTY FIRE AUTHORITY
 List of Stations by Member Agency
 As of June 30, 2021



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, 2021, (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, 2021**

Orange County Fire Authority (OCFA) is managed by an Executive Management team consisting of an appointed Fire Chief, two Deputy Chiefs, six Assistant Chiefs, and one Director. Assistant Chiefs oversee service activities that are organized into six primary departments – Operations, Emergency Medical Services (EMS) and Training, Business Services, Community Risk Reduction, Human Resources, and Logistics – which are further organized into divisions, battalions, sections, 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 / Program | Battalion Chief or Section 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, Spradlin, & 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.

SPECIAL OPERATIONS DIVISION

The **Special Operations Division**, which is overseen by a Division Chief reporting directly to the Deputy Chief of the Emergency Operations Bureau, coordinates and facilitates all operational agreements that OCFA maintains with outside entities, including the California Governor's Office of Emergency Services (Cal OES), the California Department of Forestry and Fire Protection (CAL FIRE), and the United States Forest Service (USFS). The division also provides the following services and programs:

- The **Urban Search and Rescue (USAR) Program** provides specialized emergency response capabilities and equipment for the federal USAR task force, the Swift Water Rescue program, and the Mass Casualty Unit.
- 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).
- **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.
- **Wildland Operations** oversees the coordination of firefighting hand crews and heavy fire equipment.

OPERATIONS DEPARTMENT

The **Operations Department** provides command and control direction regarding daily operations and all fire suppression activities, as well as specialized training programs for safety personnel and overall OCFA-wide staff development. 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 Division include the following:

- **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 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 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 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.
- **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.

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:

- **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).
- 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, land owners, 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.



COMPREHENSIVE ANNUAL FINANCIAL REPORT 2021

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