

**DISCUSSION CALENDAR - AGENDA ITEM NO. 2C
OCFAF BOARD OF DIRECTORS MEETING
April 28, 2021**

TO: Board of Directors, Orange County Fire Authority Foundation

FROM: Jim Ruane, Chief Financial Officer (OCFA Foundation)
Tammie Pickens, General Accounting Manager (OCFA)

SUBJECT: **Annual Financial Report and Audited Financial Statements for the Fiscal Year
Ending June 30, 2020**

Summary:

This agenda item is submitted to provide the Foundation's annual financial report for the period ending June 30, 2020, and its audited Financial Statements and related audit reports for Fiscal Year 2019/20.

Recommended Action:

Receive and approve the June 2020 Annual Financial Report, and the Financial Statements and related audit reports for Fiscal Year 2019/20.

Background:

Annual Financial Report:

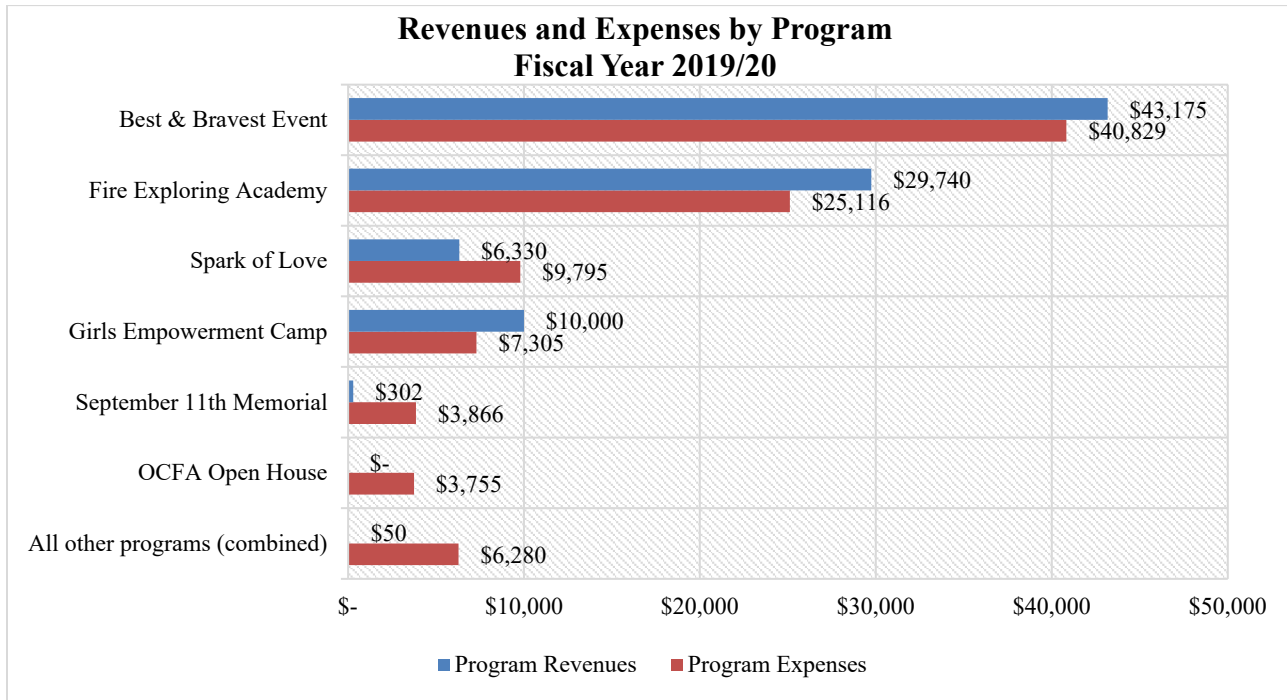
The June 2020 Annual Financial Report provides information regarding the financial status of the Foundation (Attachment 1), as well as transactions by program that occurred during Fiscal Year 2019/20 (Attachment 2). This report is intended to provide the Foundation's Board with greater transactional detail than is required to be reported in the audited financial statements.

Net Assets Without Donor Restrictions:

During the period, the Foundation received general donations and other revenues totaling \$40,785, and incurred administrative expenses totaling \$3,570 for sponsorship solicitation, bylaws review, the post office box, state filing fees, website license, and credit card convenience fees. As of June 30, 2020, net assets without donor restrictions totaled \$134,500.

Net Assets With Donor Restrictions:

During the period, the Foundation received donations and other revenues for specific programs totaling \$89,597 and incurred program expenses totaling \$96,946. Net assets with donor restrictions totaled \$39,490 as of June 30, 2020. A detailed list of all transactions for the twelve-month period is provided as Attachment 2. Most activity for the period pertained to the Best & Bravest Event, the Fire Exploring Academy, Spark of Love, Girls Empowerment Camp, the September 11th Memorial, and OCFA Open House, as shown in the chart below.



Major Donor(s)

The Foundation receives its revenues from a variety of individuals and organizations. Most donations from individual members of the public are received via the OCFA’s website or customer satisfaction surveys processed by the Clerk of the Authority. Major donors who contributed a combined total of \$2,000 or more during Fiscal Year 2019/20 included the following:

Major Donors	Without Donor Restrictions	With Donor Restrictions	Total
Applied Medical	\$5,000		\$5,000
Chanil Foundation	\$10,000		\$10,000
Edison International		\$5,000 (Fire Exploring Academy)	\$5,000
Huntington Beach Hospital		\$5,000 (Best & Bravest Event)	\$5,000
OCFA Chief Officers Association		\$4,055 (Spark of Love) \$1,000 (Fire Exploring Academy)	\$5,055
OCFA Employees (combined)		\$5,289 (Fire Exploring Academy) \$302 (911 Memorial)	\$5,591
Orange County Global Medical Center		\$2,500 (Best & Bravest Event)	\$2,500
Orange County Professional Firefighters Association		\$1,000 (Spark of Love) \$1,000 (Best & Bravest Event)	\$2,000
Rutan & Tucker		\$2,500 (Best & Bravest)	\$2,500
San Diego Gas & Electric	\$15,000	\$10,000 (Girls Empowerment Camp)	\$25,000
Southern California Edison		\$2,500 (Best & Bravest Event)	\$2,500
Steam of Change Foundation		\$15,450 (Best & Bravest Event)	\$15,450

In-Kind Donations:

In-kind donations of goods and professional services are reported in the Foundation’s annual audited financial statements at their estimated fair value, along with an off-setting expense of an equal amount. In-kind donations for Fiscal Year 2019/20 totaled \$375,824 and are summarized below:

Donor	Description	Received	Program	Total
Various career and reserve firefighters	3,584 firefighter instructor hours (FEA No. 21)	7/14/2019 - 7/20/2019	Fire Exploring Academy	\$200,704
Kidde	6,000 smoke alarms and 680 fire extinguishers	10/5/2019	Smoke Alarm Outreach Program	175,120
Total Fiscal Year 2019/20 in-kind donations				\$375,824

Audited Financial Statements and Related Reports:

Lance, Soll & Lunghard, LLP, a firm of Certified Public Accountants, performed the Foundation’s annual financial audit for Fiscal Year 2019/20, in conjunction with fieldwork for the overall audit of the Orange County Fire Authority. Their audit was performed in accordance with generally accepted auditing standards (GAAS), which require that the audit be planned and performed to obtain reasonable assurance that the Financial Statements are free of material misstatements.

The Foundation is reported as a discrete component unit (a separate column) within OCFA’s Financial Statements, because the nature and significance of its relationship with the OCFA is such that its exclusion would cause the OCFA’s Financial Statements to be misleading or incomplete. Separate, “stand-alone” Financial Statements have also been prepared for the Foundation (Attachment 3), and reflect only the activities of the Foundation. The auditors have provided an “unmodified” or “clean” opinion on the Foundation’s stand-alone Financial Statements for the year ended June 30, 2020, stating that they are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). The have also issued a separate Report on Internal Control Over Financial Reporting and on Compliance and Other Matters, which identified no deficiencies in internal control relating to the Foundation (Attachment 4).

Professional standards require the auditors to communicate certain information pertaining to the audit directly to those charged with the Foundation’s governance, including the following areas:

- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Findings or Issues

Each of the required communication areas is described in detail in the Auditor Communication Letter (see Attachment 5).

Tax Exempt Status Maintenance

To maintain the tax-exempt status, the Foundation is required to file the following financial documents by the due dates indicated. The Chief Financial Officer of the Foundation is responsible for maintaining the following list of required filings:

Agency	Document	Frequency	Last Completed	Next Due Date
Attorney General – Registry of Charitable Trusts	RRF-1	Annually	10/13/2020 (FY 2019/20)	11/15/2021 (FY 2020/21)
Internal Revenue Service	Form 990, 990-EZ, or 990-N	Annually	10/13/2020 (FY 2019/20)	11/15/2021 (FY 2020/21)
Franchise Tax Board	Form 199 or 199-N	Annually	10/13/2020 (FY 2019/20)	11/15/2021 (FY 2020/21)

Fiscal Impact:

None

Contact for Further Information:

Tammie Pickens, OCFA General Accounting Manager

TammiePickens@ocfa.org

(714) 573-6320

Jim Ruane, OCFAF Chief Financial Officer

JimRuane@ocfa.org

(714) 573-6801

Attachments:

- A. Annual Financial Report – June 2020
- B. Transactions by Program – Twelve Months Ending June 30, 2020
- C. Audited Financial Statements – Year ended June 30, 2020
- D. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters – Year ended June 30, 2020
- E. Auditor Communication Letter – Year ended June 30, 2020

ORANGE COUNTY FIRE AUTHORITY FOUNDATION

Annual Financial Report - June 2020

	Donor Restrictions	With Donor Restrictions	Total
Statement of Financial Position As of June 30, 2020			
Assets:			
Cash and cash equivalents	\$ 120,985.41	\$ 39,489.49	\$ 160,474.90
Property and equipment, net of accumulated depreciation	13,515.64	-	13,515.64
Total assets	\$ 134,501.05	\$ 39,489.49	\$ 173,990.54
Net Assets:			
Without donor restrictions	\$ 134,501.05	\$ -	\$ 134,501.05
With donor restrictions	-	39,489.49	39,489.49
Total net assets	\$ 134,501.05	\$ 39,489.49	\$ 173,990.54
Total liabilities and net assets	\$ 134,501.05	\$ 39,489.49	\$ 173,990.54
Statement of Activities Twelve Months Ending June 30, 2020			
Change in net assets:			
Support and revenues:			
Contributions	\$ 40,785.00	\$ 60,822.49	\$ 101,607.49
Other revenue	-	28,775.00	28,775.00
Subtotal support and revenues	40,785.00	89,597.49	130,382.49
Net assets released from restrictions	83,632.81	(83,632.81)	-
Total support and revenues	124,417.81	5,964.68	130,382.49
Expenses:			
Program services:			
Smoke Alarm Outreach Program	178.12	-	178.12
Fire FRIENDS	900.00	-	900.00
OCFA Open House	3,755.08	-	3,755.08
Spark of Love	9,794.94	-	9,794.94
Other CRR Programs	2,591.24	-	2,591.24
Fire Exploring Academy	25,115.72	-	25,115.72
Fire Exploring Trailer (depreciation)	798.95	-	798.95
Girls Empowerment Camp	7,305.40	-	7,305.40
Other Training Programs	1,811.93	-	1,811.93
September 11th Memorial	3,866.26	-	3,866.26
Best & Bravest Event	40,828.99	-	40,828.99
Total program services	96,946.63	-	96,946.63
Supporting services - Administrative	3,569.08	-	3,569.08
Total expenses	100,515.71	-	100,515.71
Increase (decrease) in net assets	23,902.10	5,964.68	29,866.78
Net assets at beginning of reporting period	110,598.95	33,524.81	144,123.76
Net assets at end of reporting period	\$ 134,501.05	\$ 39,489.49	\$ 173,990.54

ORANGE COUNTY FIRE AUTHORITY FOUNDATION
Transactions by Program
Twelve Months Ending June 30, 2020

Transaction Date	Donor / Payee	Description	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions												Total Net Assets With Donor Restrictions	Combined Total
				Community Risk Reduction				Training									
Smoke Alarm Outreach Program	Drowning Prevention	Fire FRIENDS	OCFA Open House	Spark of Love	Other CRR Programs	Fire Exploring Academy (FEA)	Exploring Trailer	Empowerment Camp (GEC)	Girls	Other Training Programs	September 11th Memorial Event	Best & Bravest Event	Donor Restrictions				
Balance as of 6/30/2019 (financial statement presentation)	\$ 110,598.95													\$ 33,524.81	\$ 144,123.76		
Adjustment: Less cumulative equipment purchases (15,979.07)															(15,979.07)		
Adjustment: Plus accumulated depreciation 1,664.48															1,664.48		
Balance last reported as of 6/30/2019 (internal reporting)	\$ 96,284.36													\$ 33,524.81	\$ 129,809.17		
7/1/2019	Individual		30.00											-	30.00		
7/2/2019	Individual		50.00											-	50.00		
7/2/2019	Individual		100.00											-	100.00		
7/3/2019	The Habit Restaurants, LLC					201.39								201.39	201.39		
7/5/2019	Individual		50.00											-	50.00		
7/15/2019	Individual		100.00											-	100.00		
7/15/2019	Individual		500.00											-	500.00		
7/22/2019	Individual		25.00											25.00	25.00		
7/29/2019	Individual		20.00											-	20.00		
8/5/2019	Steam of Change Foundation						25.00							-	25.00		
8/20/2019	Individual		300.00											25.00	300.00		
8/22/2019	Individual													-			
9/3/2019	Greater Houston Community Foundation													-			
9/11/2019	Dawert Law Corporation													-			
9/19/2019	Debutx Nightclub		1,500.00									500.00		500.00	500.00		
9/26/2019	Charit Foundation		10,000.00									500.00		500.00	500.00		
9/30/2019	Individual		10.00											-	10.00		
10/7/2019	Individual		25.00											-	25.00		
10/7/2019	Individual		10.00											-	10.00		
10/10/2019	Individual					25.00								25.00	25.00		
10/28/2019	Individual		50.00											-	50.00		
10/28/2019	Individual		20.00											-	20.00		
10/28/2019	Individual		50.00											-	50.00		
10/31/2019	Individual		100.00											-	100.00		
11/4/2019	Individual		1,000.00											-	1,000.00		
11/5/2019	Word & Brown		639.00											-	639.00		
11/27/2019	OCFA Chief Officers Association						1,000.00							-	1,000.00		
12/3/2019	Orange County Employees Association		50.00											500.00	500.00		
12/5/2019	Individual													-	50.00		
12/10/2019	Orange County Professional Firefighters Association						1,000.00							-	1,000.00		
12/16/2019	Individual		100.00											-	100.00		
12/16/2019	Individual		300.00											-	300.00		
12/23/2019	OCFA Chief Officers Association						3,055.00							3,055.00	3,055.00		
12/31/2019	Edison International						5,000.00							5,000.00	5,000.00		
12/31/2019	Individual		20.00											-	20.00		
1/2/2020	Formosa Wellness Center, Inc.		100.00											100.00	100.00		
1/2/2020	Individual		1,000.00											-	1,000.00		
1/2/2020	Kaex Technology LLC		1,000.00											-	1,000.00		
1/3/2020	Orange County Employees Association		25.00											1,000.00	1,000.00		
1/6/2020	Individual		100.00											-	100.00		
1/7/2020	Individual		15,000.00											-	15,000.00		
1/16/2020	San Diego Gas & Electric		5,000.00											-	5,000.00		
1/16/2020	Applied Medical													-			
1/23/2020	Orange County Fire Authority Management Association													250.00	250.00		
1/27/2020	Rutan & Tucker													2,500.00	2,500.00		
1/27/2020	Orange County Professional Firefighters Association													1,000.00	1,000.00		
1/27/2020	OCFA Benevolent Association													1,000.00	1,000.00		
2/10/2020	OCFA Benevolent Association						750.00							750.00	750.00		
2/10/2020	Robin Hood Montessori		100.00											-	100.00		

Transaction Date		Donor / Payee	Description	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions											Total Net Assets With Donor Restrictions			
					Community Risk Reduction				Training										
					Smoke Alarm Outreach Program	Drowning Prevention	Fire FRIENDS	OCFA Open House	Spark of Love	Other CRR Programs	Fire Exploring Academy (FEA)	Fire Exploring Trailer	Empowerment Camp (GEC)	Girls Training Programs	Other Training Programs	September 11th Memorial Event	Best & Bravest Event	Donor Restrictions	Combined Total
2/18/2020		Huntington Beach Hospital																5,000.00	5,000.00
2/19/2020		City of Los Alamitos																250.00	250.00
3/1/2020		Orange County Global Medical Center																2,500.00	2,500.00
3/19/2020		Individual		250.00														-	250.00
3/27/2020		Ninkasky Brewery, LLC		1,080.00														-	1,080.00
3/27/2020		Flaskbay International, Inc.		1,000.00														-	1,000.00
4/14/2020		Adina T. Nguyen																100.00	100.00
4/16/2020		Southern California Edison																2,500.00	2,500.00
5/27/2020		Grit Fitness Centers		800.00														-	800.00
6/22/2020		Individual		50.00														-	50.00
6/29/2020		Network for Good (Pacific Life)		1,256.00														-	1,256.00
		Various employees (PP 13/2019 - PP 13/2020)			50.00				6,330.00		5,289.10					302.00			5,591.10
		Donations		40,785.00	50.00				6,330.00		11,590.49		10,000.00			32,550.00			60,822.49
		Various (Academy #21 registration)									18,150.00								18,150.00
		Various (2020 Event Ticket Sales)									-								10,625.00
		Other revenues									18,150.00								28,775.00
		Total revenues for period		40,785.00	50.00				6,330.00		29,740.49		10,000.00			43,175.00			89,597.49
7/1/2019		Employee CalCard(s)	Website license, prorated	(103.53)							(800.00)								(800.00)
7/14/2019		Soylas Tacos	Meals								(4,633.25)								(4,633.25)
7/18/2019		Cuci's Mexican Food	Meals								(1,650.00)								(1,650.00)
7/25/2019		Aguiar, Manuel	Meals																
7/25/2019		Patterson, Brett	Intervention session (Fire FRIENDS)	(300.00)															(300.00)
7/31/2019		Cater Tots Too Inc.	Meals								(2,498.13)								(2,498.13)
7/31/2019		Apple Spice	Meals								(4,499.60)								(4,499.60)
8/5/2019		Gold Coast Tours	Bus rental								(2,430.40)								(2,430.40)
8/12/2019		Secretary of State	Logo trademark	(70.00)															(70.00)
8/14/2019		Hertz Equipment Rental	Generator rental								(1,758.80)								(1,758.80)
8/23/2019		Employee Reimbursement(s)	Hitch								(57.72)								(57.72)
8/26/2019		Employee CalCard(s)	Meals								(1,385.17)								(1,385.17)
8/26/2019		Employee CalCard(s)	Large containers (for food)								(12,699.00)								(12,699.00)
8/26/2019		Employee CalCard(s)	Towels, sports bottles								(812.40)								(812.40)
8/26/2019		Employee CalCard(s)	Graduation awards/trophies								(796.70)								(796.70)
8/26/2019		Employee CalCard(s)	Drinks, cutlery								(31.03)								(31.03)
8/26/2019		Employee CalCard(s)	Bandages								(16,900.00)								(16,900.00)
8/26/2019		Employee CalCard(s)	Meal supplies (GEC)	(27.11)															(27.11)
8/26/2019		Employee CalCard(s)	Electrolyte replacement								(1,746.80)								(1,746.80)
8/30/2019		Drip Drop Hydration	Materials for construction of wood base for WTC steel land mounting steel artifact and base																
9/12/2019		Bruce Newell	Intervention session (Fire FRIENDS)													(425.12)			(425.12)
9/23/2019		Patterson, Brett	Meals	(300.00)															(300.00)
9/24/2019		Employee CalCard(s)	Meals								(178.12)								(178.12)
9/24/2019		Ganahl Lumber Co. Costa Mesa	911 beam supplies																
9/24/2019		Employee CalCard(s)	Meals								(1,899.98)								(1,899.98)
10/4/2019		Employee Reimbursement(s)	911 steel plinth lettering																
10/4/2019		Employee Reimbursement(s)	Pillows, blankets, comforters (Other Training Program)	(221.03)															(221.03)
10/4/2019		Employee Reimbursement(s)	Meals (Other Training Program)	(240.13)															(240.13)
10/9/2019		Attorney General's Registry of Charitable Trusts	RRF-1 filing fee	(25.00)															(25.00)
10/17/2019		Cuci's Mexican Food	Meals (Open House)	(3,755.08)															(3,755.08)
10/25/2019		Employee CalCard(s)	Meals																(126.07)
10/25/2019		Employee CalCard(s)	Dividers																(183.51)
10/25/2019		Employee CalCard(s)	Material to cover dividers																(85.80)

		Net Assets With Donor Restrictions												Total Net Assets With Donor Restrictions												
		Community Risk Reduction						Training																		
		Smoke Alarm Outreach Program		Drowning Prevention		Fire FRIENDS		OCFA Open House		Spark of Love		Other CRR Programs		Fire Exploring Academy (FEA)		Fire Exploring Trailer		Empowerment Camp (GEC)		Girls Training Programs		September 11th Memorial Event		Best & Bravest	Restrictions	Combined Total
Transaction Date	Donor / Payee	Description	Net Assets Without Donor Restrictions	Smoke Alarm Outreach Program	Drowning Prevention	Fire FRIENDS	OCFA Open House	Spark of Love	Other CRR Programs	Fire Exploring Academy (FEA)	Fire Exploring Trailer	Empowerment Camp (GEC)	Girls Training Programs	September 11th Memorial Event	Best & Bravest	Restrictions	Combined Total									
10/25/2019	Employee CalCard(s)	Black felt cloth												(22.63)		(22.63)	(22.63)									
10/25/2019	Employee CalCard(s)	Black paint												(17.17)		(17.17)	(17.17)									
10/25/2019	Employee CalCard(s)	Lumber												(163.14)		(163.14)	(163.14)									
10/25/2019	Employee CalCard(s)	Meals (Other Training Program) (Other CRR Program)	(197.80)														(197.80)									
10/25/2019	Employee CalCard(s)	Cancer awareness challenge coins (Other CRR Program)	(650.00)														(650.00)									
10/25/2019	Employee CalCard(s)	SOP shirts (Other Training Programs)	(719.47)														(719.47)									
10/25/2019	Employee CalCard(s)	Water bottles (Other Training Program)	(247.70)														(247.70)									
10/25/2019	Employee CalCard(s)	Various household items (Other Training Program)	(136.43)														(136.43)									
11/20/2019	Patterson, Brett	Intervention session (Fire FRIENDS)	(300.00)											(1,773.29)		(1,773.29)	(1,773.29)									
11/22/2019	Employee CalCard(s)	Wall mural								(86.15)							(86.15)									
11/22/2019	Employee CalCard(s)	Award																								
11/22/2019	Employee CalCard(s)	Cancer awareness decals (Other CRR Program)	(1,250.63)														(1,250.63)									
12/17/2019	Employee CalCard(s)	Fuel/truck rentals						(207.24)									(207.24)									
1/1/2020	Municipal Services Bureau	Credit card 2% fee	(0.50)														(0.50)									
1/8/2020	Brown Marketing Strategies	Sponsorship solicitation	(1,045.20)														(1,045.20)									
1/21/2020	Employee CalCard(s)	Headsets																								
1/21/2020	Employee CalCard(s)	Toys						(3,076.61)							(129.24)		(3,076.61)									
1/21/2020	Employee CalCard(s)	Fuel/truck rentals						(2,296.15)									(2,296.15)									
1/21/2020	Employee CalCard(s)	Toys (Spark of Love)	(2,398.58)														(2,398.58)									
1/21/2020	Employee CalCard(s)	Statement of Information filing fee	(20.00)														(20.00)									
1/23/2020	Municipal Services Bureau	Credit card 2% fee	(25.00)														(25.00)									
2/18/2020	Eventbrite	Processing fee													(1,237.45)		(1,237.45)									
2/18/2020	Employee CalCard(s)	Invitation supplies													(43.66)		(43.66)									
2/18/2020	Employee CalCard(s)	Fuel/truck rentals						(750.00)									(750.00)									
2/18/2020	Employee CalCard(s)	Wagon (Other CRR Program)	(424.98)														(424.98)									
2/18/2020	Employee CalCard(s)	Supplies (Other CRR Program)	(239.88)														(239.88)									
2/18/2020	Employee CalCard(s)	T-shirts (Other CRR Program)	(25.75)														(25.75)									
2/18/2020	Employee CalCard(s)	Fuel/truck rentals (Spark of Love)	(1,066.36)														(1,066.36)									
2/19/2020	Municipal Services Bureau	Credit card 2% fee	(0.50)														(0.50)									
3/4/2020	American Engraving Company	Invitations and envelopes													(392.21)		(392.21)									
3/4/2020	American Engraving Company	Programs												(4,142.99)			(4,142.99)									
3/4/2020	Brown Marketing Strategies	Sponsorship solicitation	(718.85)														(718.85)									
3/4/2020	Postmaster	PO box fee	(318.00)														(318.00)									
3/11/2020	Coca's Mexican Food	Meals										(2,578.24)					(2,578.24)									
3/18/2020	Employee CalCard(s)	Cardstock and printing labels													(60.05)		(60.05)									
3/18/2020	Employee CalCard(s)	Poster boards and glue													(26.95)		(26.95)									
3/18/2020	Employee CalCard(s)	Award frames													(24.57)		(24.57)									
3/18/2020	Employee CalCard(s)	Flowers													(588.14)		(588.14)									
3/18/2020	Employee CalCard(s)	Ink for printers													(100.18)		(100.18)									
3/18/2020	Employee CalCard(s)	Cardstock and poster board													(45.00)		(45.00)									
3/18/2020	Employee CalCard(s)	Centerpiece materials													(32.26)		(32.26)									
3/18/2020	Employee CalCard(s)	Paint													(50.53)		(50.53)									
3/18/2020	Employee CalCard(s)	Vases													(21.85)		(21.85)									
3/18/2020	Employee CalCard(s)	Paper													(6.45)		(6.45)									
3/18/2020	Employee CalCard(s)	Postage													(66.00)		(66.00)									
3/18/2020	Employee CalCard(s)	Prints													(64.59)		(64.59)									
3/18/2020	Employee CalCard(s)	Backdrop													(429.11)		(429.11)									
3/18/2020	Employee CalCard(s)	Winners' parking signs													(188.82)		(188.82)									
3/19/2020	Irvine Marriott	1gloo water coolers													(126.47)		(126.47)									
4/6/2020	American Engraving Company	Facility and food													(1,830.03)		(1,830.03)									
4/6/2020	American Engraving Company	Backpacks													(329.85)		(329.85)									
4/6/2020	American Engraving Company	Water bottles													(306.42)		(306.42)									
4/6/2020	American Engraving Company	Sponsor banner													(118.53)		(118.53)									

		Net Assets With Donor Restrictions													Total Net Assets With Donor Restrictions			
		Community Risk Reduction						Training										
Transaction Date	Donor / Payee	Description	Net Assets Without Donor Restrictions	Smoke Alarm Outreach Program	Drowning Prevention	Fire FRIENDS	OCFA Open House	Spark of Love	Other CRR Programs	Fire Exploring Academy (FEA)	Fire Exploring Trailer	Empowerment Camp (GEC)	Girls Training Programs	Other Training Programs	September 11th Memorial Event	Best & Bravest Event	Restrictions	Combined Total
4/14/2020	Employee CalCard(s)	Meals											(892.90)	(171.54)			(892.90)	(892.90)
4/14/2020	Employee CalCard(s)	Pictures											(171.54)	(171.54)			(171.54)	(171.54)
4/14/2020	Employee CalCard(s)	Meal supplies											(45.26)	(45.26)			(45.26)	(45.26)
4/14/2020	Employee CalCard(s)	Feminine products											(18.51)	(18.51)			(18.51)	(18.51)
4/14/2020	Employee CalCard(s)	Knee pads											(72.70)	(72.70)			(72.70)	(72.70)
4/14/2020	Employee CalCard(s)	Rubber bands											(12.01)	(12.01)			(12.01)	(12.01)
4/15/2020	Municipal Services Bureau	Credit card 2% fee	(5.00)															(5.00)
4/16/2020	The PM Group	Banner														(408.38)		(408.38)
4/16/2020	American Engraving Company	Certificate folders												(463.35)			(463.35)	(463.35)
4/16/2020	American Engraving Company	Banner												(312.48)			(312.48)	(312.48)
4/29/2020	Wagener, Karen O.	Bylaws review	(1,237.50)															(1,237.50)
6/16/2020	Employee CalCard(s)	Canine supplies (Other Training Program)	(1,394)											(35.43)				(1,394)
Non-equipment purchases			(16,083.95)															
Total purchases for period / release of restrictions			(16,083.95)															
Balance as of 6/30/2020 (internal reporting)			\$ 120,985.41															
Adjustment: Plus cumulative equipment purchases			15,979.07															15,979.07
Adjustment: Less accumulated depreciation at beginning of year			(1,664.48)															(1,664.48)
Adjustment: Current year depreciation expense			(798.95)															(798.95)
Balance as of 6/30/2020 (financial statement presentation)			\$ 134,501.05															
Total expenses by program:																		
Non-equipment purchases			\$ (16,083.95)															
Equipment purchases																		
Current year depreciation expense			(798.95)															
Net assets without donor restrictions used for program activities			13,313.82															
Total revenues for period			(3,569.08)															
Net revenues over (under) expenses for period			\$ 37,215.92															



**ORANGE COUNTY FIRE AUTHORITY
FOUNDATION**

Financial Statements

**Year ended June 30, 2020
(With Independent Auditors' Report Thereon)**

ORANGE COUNTY FIRE AUTHORITY FOUNDATION

Financial Statements

Year ended June 30, 2020

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Orange County Fire Authority Foundation, a not-for-profit organization and discretely presented component unit of the Orange County Fire Authority, which comprise the statement of financial position as of June 30, 2020, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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 Foundation
Irvine, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Orange County Fire Authority Foundation as of June 30, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Prior Year Comparative Information

The financial statements include summarized 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, 2019, from which such partial information was derived.

Lance, Solt & Lughard, LLP

Brea, California
October 7, 2020

ORANGE COUNTY FIRE AUTHORITY FOUNDATION
Statement of Financial Position
June 30, 2020
(With Summarized Information for Prior Year)

	2020	2019
<u>Assets</u>		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 160,475	\$ 139,105
Prepaid expenses and other assets	-	104
Total current assets	160,475	139,209
Property and equipment, net of accumulated depreciation (Note 4)	13,515	14,314
Total assets	\$ 173,990	\$ 153,523
<u>Liabilities and Net Assets</u>		
Liabilities:		
Current liabilities:		
Accounts payable	\$ -	\$ 8,199
Unearned revenue	-	1,200
Total liabilities	-	9,399
Net assets:		
Without donor restrictions	134,500	110,599
With donor restrictions (Note 5)	39,490	33,525
Total net assets	173,990	144,124
Total liabilities and net assets	\$ 173,990	\$ 153,523

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY FOUNDATION
Statement of Activities
Year ended June 30, 2020
(With Summarized Information for Prior Year)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2020	2019
Support and revenues:				
General contributions	\$ 40,785	\$ 60,822	\$ 101,607	\$ 47,753
Other revenue	-	28,775	28,775	9,450
In-kind contributions (Note 1h)	375,824	-	375,824	268,600
Subtotal support and revenues	416,609	89,597	506,206	325,803
Net assets released from restrictions (Note 5)	83,632	(83,632)	-	-
Total support and revenues	500,241	5,965	506,206	325,803
Expenses:				
Program services:				
Community risk reduction:				
Smoke Alarm Outreach Program	175,298	-	175,298	95,491
Fire F.R.I.E.N.D.S.	900	-	900	1,215
OCFA Open House	3,755	-	3,755	2,126
Spark of Love	9,795	-	9,795	3,108
Other CRR Programs	2,591	-	2,591	2,897
Training:				
Fire Exploring Academy	225,820	-	225,820	207,311
Fire Exploring Trailer	799	-	799	799
Girls Empowerment Camp	7,305	-	7,305	6,119
Other Training Programs	1,812	-	1,812	165
September 11th Memorial Project	3,866	-	3,866	-
Best & Bravest Event	40,829	-	40,829	-
Total program services	472,770	-	472,770	319,231
Supporting services:				
Administration	3,570	-	3,570	1,671
Total supporting services	3,570	-	3,570	1,671
Total expenses	476,340	-	476,340	320,902
Increase in net assets	23,901	5,965	29,866	4,901
Net assets at beginning of year	110,599	33,525	144,124	139,223
Net assets at end of year	\$ 134,500	\$ 39,490	\$ 173,990	\$ 144,124

See Notes to the Financial Statements

ORANGE COUNTY FIRE AUTHORITY FOUNDATION
Statement of Functional Expenses
Year ended June 30, 2020
(With Summarized Information for Prior Year)

	Program Services													Supporting Services		Total
	Community Risk Reduction						Training						Administration	Administration	Administration	
	Smoke Alarm Outreach Program	Fire F.R.I.E.N.D.S.	O.C.F.A. Open House	Spark of Love	Other CRR Programs	Fire Exploring Academy	Fire Exploring Trailer	Fire Empowerment Camp	Girls Camp	Other Training Programs	September 11th Memorial Project	Best & Bravest Event	Subtotal	Administration	Administration	
Clothing and personal supplies	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ 812	\$ -	\$ -	\$ 2,558	\$ 1,325	\$ -	\$ -	\$ 4,721	\$ -	\$ 4,721	\$ 8,068
Depreciation	-	-	-	-	-	-	799	-	-	-	-	-	799	-	799	799
Equipment rental and maintenance	-	-	-	-	-	1,759	-	-	-	-	-	-	1,759	-	1,759	1,591
Fees	-	-	-	-	-	-	-	-	-	-	1,237	-	1,237	146	1,383	25
Food	178	-	3,755	-	-	19,113	-	3,471	438	438	126	-	27,081	-	27,081	25,861
Marketing and public relations	-	-	-	-	-	-	-	-	-	-	-	-	-	1,764	1,764	-
Miscellaneous	-	-	-	-	-	17	-	-	-	-	-	-	17	104	121	114
Office supplies	-	-	-	-	-	927	-	719	-	-	-	-	1,953	-	1,953	1,483
Postage and delivery	-	-	-	-	-	-	-	-	-	-	-	-	66	318	384	525
Printing and copying	-	-	-	-	1,250	-	-	431	-	-	-	-	6,690	-	6,690	4,789
Professional services	-	-	-	-	-	-	-	-	-	-	-	-	1,238	-	1,238	15
Program specific expenses	-	900	-	5,475	1,315	-	-	126	49	-	3,740	34,081	45,686	-	45,686	3,352
Small tools and instruments	-	-	-	-	-	58	-	-	-	-	-	129	187	-	187	312
Transportation	-	-	-	4,320	-	2,430	-	-	-	-	-	-	6,750	-	6,750	5,368
Subtotal	178	900	3,755	9,795	2,591	25,116	799	7,305	1,812	3,866	40,829	96,946	3,570	100,516	52,302	
In-kind expenses	175,120	-	-	-	-	200,704	-	-	-	-	-	-	375,824	-	375,824	268,600
Total expenses	\$ 175,298	\$ 900	\$ 3,755	\$ 9,795	\$ 2,591	\$ 225,820	\$ 799	\$ 7,305	\$ 1,812	\$ 3,866	\$ 40,829	\$ 472,770	\$ 3,570	\$ 476,340	\$ 320,902	

ORANGE COUNTY FIRE AUTHORITY FOUNDATION
Statement of Cash Flows
For the Year Ended June 30, 2020
(With Summarized Information for Prior Year)

	2020	2019
Cash flows from operating activities:		
Increase in net assets	\$ 29,866	\$ 4,901
Adjustments to reconcile increase in net assets to net cash:		
Provided by operating activities:		
Depreciation	799	799
Change in operating assets and liabilities:		
Prepaid expenses and other assets	104	342
Accounts payable	(8,199)	8,021
Unearned revenue	(1,200)	(1,600)
Net cash provided by (used for) operating activities	21,370	12,463
Net increase in cash and cash equivalents	21,370	12,463
Cash and cash equivalents at beginning of year	139,105	126,642
Cash and cash equivalents at end of year	\$ 160,475	\$ 139,105

For the year ended June 30, 2020, in-kind (non-cash) contributions and expenses totaled \$375,824.

For the year ended June 30, 2019, in-kind (non-cash) contributions and expenses totaled \$268,600.

See Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

(a) Organization

The Orange County Fire Authority (OCFA) was established in 1995 as a joint powers authority in order to provide fire suppression, protection, prevention, and related services to member cities and the unincorporated areas in Orange County, California. Emergency response services are provided to a community of over 1.8 million residents in a 576 square mile area.

In July 2010, OCFA established the Orange County Fire Authority Foundation (Foundation), which 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. The inaugural meeting of the Foundation Board was held on 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 the OCFA's Board appointed the first three Foundation Directors. As of June 30, 2020, there were five non-OCFA Board members on the Foundation's Board. Additional members may be appointed by the Foundation Board via a simple majority vote.

The Board of Directors has elected the following officers to manage the day-to-day activities of the Foundation: Chief Executive Officer (OCFA Fire Chief); Chief Financial Officer (OCFA Assistant Chief of Logistics); Secretary (Vacant).

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. As such, the Foundation is reported as a discrete component unit within OCFA's government-wide financial statements. However, these separate component unit financial statements report only the stand-alone activity of the Foundation and do not represent the complete financial activities of the OCFA.

(b) Initiatives and Programs

The Foundation's Board of Directors has identified the following major initiative and programs for which it intends to provide services and support:

Community Risk Reduction (CRR) – This initiative includes activities which educate the community on the importance of reducing risks in order to help protect their families and save lives. Specific programs include the following:

- The ***Smoke Alarm Outreach Program*** markets the importance for Orange County residents to take responsibility for installing and inspecting their smoke alarms in order to help protect their families from fires.
- The county-wide ***Drowning Prevention*** program markets the importance of water safety and drowning prevention through the distribution of educational materials, and through public safety announcements in movie theaters and print publications.
- ***Fire F.R.I.E.N.D.S.*** is a comprehensive intervention and education program that serves as an alternative to criminal prosecution of juveniles for fire-setting behavior. The program seeks to prevent future fire-setting behavior through the collaboration of fire professionals, mental health professionals, and the juvenile justice system.
- The ***OCFA Open House*** is an annual community education event hosted by OCFA in conjunction with National Fire Prevention Week.
- The ***Spark of Love*** toy drive fund was created in 2004 at the California Community Foundation to provide toys and sports equipment for underserved children in Southern California during the holiday season. Fire stations serve as a toy drop-off location, providing an opportunity for interaction and educational opportunities between firefighters and community members.

Training – This initiative includes activities which provide or enhance the education and training needs of OCFA. Specific programs include the following:

- The Fire Exploring program, in conjunction with Boy Scouts of America Learning for Life, offers young adults real life experiences, training, and exposure to career opportunities available in the fire service. The annual one-week ***Fire Exploring Academy*** is an approved Learning for Life class that is coordinated by OCFA volunteers. In addition, the Foundation utilizes a ***Fire Exploring Trailer*** in ongoing support of the Orange County Fire Authority's Fire Exploring program.

- **Girls Empowerment Camp** – The Girls Empowerment Camp is a free, two-day camp open to teens ages fourteen to eighteen that introduces them to the fire service and provides a realistic, hands-on overview of firefighting. The camp exposes teens to all aspects of a fire service career and empowers them with the life skills and professional guidance to pursue a career in public safety. OCFA hosts the camp and the Foundation provides support by purchasing items such as t-shirts, water bottles, food, and other supplies.

September 11th Memorial Project – This initiative is to construct a September 11th Memorial on the grounds of the Regional Fire Operations and Training Center (RFOTC) to serve as a tribute to acknowledge the sacrifice and heroism of the FDNY, the City of New York, and the roles of OCFA members who assisted in the recovery. The memorial displays a five-foot structural beam from the World Trade Center Tower 1 that was received from the New York City Port Authority. The display was installed and dedicated in the RFOTC lobby area in September 2019.

Best & Bravest Event – Best & Bravest is an annual dinner and OCFA employee recognition event. The Foundation began providing sponsorship and event oversight with the February 2020 event.

(c) Basis of Accounting and Financial Statement Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Under this method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

(d) Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of restrictions imposed by donors or grantors. Accordingly, net assets and changes therein are classified and reported as follows:

- **Net Assets Without Donor Restrictions** – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- **Net Assets With Donor Restrictions** – Net assets subject to restrictions imposed by donors or grantors. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor or grantor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. Restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

(e) Restricted and Unrestricted Revenue and Support

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Foundation records contributions received as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Expenses are reported as decreases in unrestricted net assets. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

(f) Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expense by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(g) Property and Equipment

Property and equipment are stated at historical cost. Donated assets are recorded at their fair market value when received. The Foundation capitalizes all property and equipment with an initial cost or fair market value of \$5,000 or more.

Property and equipment is depreciated using the straight-line method over the estimated useful lives of the related assets, which range from three to forty years for equipment. Maintenance and repairs are charged to expense as incurred.

At the time of retirement or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the statement of activities.

(h) Contribution of In-Kind Goods and Services

Contribution of in-kind goods and services are reported at the estimated fair value at the time of receipt, and are reported as both revenues and expenses in the Statement of Activities. Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are

provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year ended June 30, 2020, the Foundation recognized the following in-kind goods and services:

Description	Smoke Alarm Outreach Program	Fire Exploring Academy	Total
6,000 smoke alarms and 680 fire extinguishers Academy No. 21 volunteer instructor hours	\$175,120	\$ -	\$175,120
	<u>-</u>	<u>200,704</u>	<u>200,704</u>
	<u>\$175,120</u>	<u>\$200,704</u>	<u>\$375,824</u>

(i) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(j) Income Taxes

The Foundation is a tax-exempt organization (“other than a private foundation”) under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code.

The Foundation recognizes the financial statement effects from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Foundation and various positions related to the potential sources of unrelated business taxable income (UBIT). The assessment of the technical merits of a tax position is a matter of judgment. The Foundation believes that all of its tax positions are more likely than not to be sustained upon examination. The Foundation files informational tax returns in the U.S. federal jurisdiction (Form 990 or 990-N) and the State of California (Form 199 or 199N), which are subject to examination after they are filed by the Internal Revenue Service for three years (Fiscal Year 2016/17 through 2018/19) and by the State Franchise Tax Board for four years (Fiscal Year 2015/16 through Fiscal Year 2018/19).

(k) Comparative Financial Information

The accompanying financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting

principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2019, from which the summarized information was derived.

(l) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(m) Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

(2) Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, consist of cash and cash equivalents totaling \$134,500.

The Foundation's cash and cash equivalents are pooled with the total deposits of the OCFA. OCFA manages its liquidity and risk under the direction of its Treasurer, subject to an Investment Policy that is updated annually and approved by its Board of Directors. The Foundation's Board has not established any internal designations that would further limit its liquidity.

(3) Cash and Cash Equivalents

As of June 30, 2020, cash and cash equivalents totaling \$160,475 consisted of demand deposits, which are pooled with the deposits of the OCFA.

(4) Property and Equipment, Net of Accumulated Depreciation

As of June 30, 2020, property and equipment, net of accumulated depreciation, consisted of the following:

<u>Description</u>	<u>Amount</u>
Equipment	\$15,979
Less: accumulated depreciation	<u>(2,464)</u>
	<u>\$13,515</u>

Depreciation expense for the year ended June 30, 2020, was \$799.

(5) Net Assets With Donor Restrictions

Activity for net assets with donor restrictions for the year ended June 30, 2020, was as follows:

<u>Description</u>	<u>Beginning Balances</u>	<u>Support and Revenues</u>	<u>Net Assets Released from Restrictions</u>	<u>Ending Balances</u>
Smoke Alarm Outreach Program	\$ 6,483	\$ -	\$ (178)	\$ 6,305
Drowning Prevention	2,001	50	-	2,051
Spark of Love	-	6,330	(6,330)	-
Fire Exploring Academy	10,096	29,740	(25,116)	14,720
Girls Empowerment Camp	-	10,000	(7,278)	2,722
Other Training Programs	35	-	(35)	-
September 11 th Memorial Project	10,710	302	(3,866)	7,146
Best & Bravest Event	<u>4,200</u>	<u>43,175</u>	<u>(40,829)</u>	<u>6,546</u>
	<u>\$33,525</u>	<u>\$89,597</u>	<u>\$(83,632)</u>	<u>\$39,490</u>

(6) Insurance

The Foundation is insured under the OCFA's policy.

(7) Date of Management's Review

The Foundation's management has evaluated subsequent events through October 7, 2020, in connection with the preparation of these financial statements, which is the date the financial statements were available to be issued. No subsequent events were identified by management.



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

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

In planning and performing our audit of the financial statements of the Orange County Fire Authority Foundation (the "Foundation"), a not-for-profit organization and discretely presented component unit of the Orange County Fire Authority, as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management and the Board of Directors, and others within the Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Lance, Soll & Lunghard, LLP".

Brea, California
October 7, 2020





October 7, 2020

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

We have audited the financial statements of the Orange County Fire Authority Foundation (the "Foundation"), a not-for-profit organization and discretely presented component unit of the Orange County Fire Authority for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 19, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in the notes to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2019-2020. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were found.





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

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 7, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the use of Board of Directors and management of Orange County Fire Authority Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

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

Brea, California