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ORANGE COUNTY FIRE AUTHORITY
Irvine, California

Single Audit Report on Federal Awards

Year ended June 30, 2009

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ORANGE COUNTY FIRE AUTHORITY

Single Audit Report on Federal Awards

Year ended June 30, 2009

TABLE OF CONTENTS

	Page
Report on Compliance and Other Matters and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	1
Report on Compliance with Requirements Applicable to Each Major Program, Internal Control over Compliance and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	7
Summary Schedule of Prior Audit Findings	8

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Board of Directors
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Irvine, California

REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Orange County Fire Authority, California ("OCFA") as of and for the year ended June 30, 2009, and have issued our report thereon dated October 9, 2009. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the OCFA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the OCFA's internal control over financial reporting as a basis for designing our auditing procedures 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 OCFA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the OCFA's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, the OCFA's management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

Irvine, California
October 9, 2009

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of the Orange County Fire Authority ("OCFA"), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2009. The OCFA's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the OCFA's management. Our responsibility is to express an opinion on the OCFA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the OCFA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the OCFA's compliance with those requirements.

In our opinion, the OCFA complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the OCFA is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the OCFA's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the OCFA's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the OCFA as of and for the year ended June 30, 2009, and have issued our report thereon dated October 9, 2009. Our audit was performed for the purpose of forming our opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended for the information and use of the Board of Directors, the OCFA's management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

Irvine, California
October 9, 2009

ORANGE COUNTY FIRE AUTHORITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

Federal Grantor / Pass-through Grantor / Program Title	Federal CFDA Number	Program / Project Identification Number	Program Expenditures
U.S. Department of Homeland Security:			
Direct assistance via Federal Emergency Management Agency:			
National Urban Search and Rescue (US&R) Response System:			
2007 Cooperative Agreement	97.025	EMW-2007-CA-0158	$ 142,000
2008 Cooperative Agreement	97.025	EMW-2008-CA-0511	845,001
2009 Cooperative Agreement	97.025	2009-SR-24-K022	205
Subtotal		*	987,206
Passed through the City of Anaheim:			
Urban Areas Security Initiative (UASI):			
2008 UASI - Training	97.008	DHS 2008-GE-T8-0006	27,663
Passed through the City of Santa Ana:			
Urban Areas Security Initiative (UASI):			
2007 UASI - Training	97.008	DHS 2007-GE-T7-0008	86,612
Subtotal			114,275
Passed through the Orange County Sheriff's Department:			
Homeland Security Grant (SHSG) Program:			
2007 SHSG - State of California Conference	97.067	2007 TE-GE-0008	645
2007 SHSG - Earthquake Drill	97.067	2007 TE-GE-0008	4,160
2007 SHSG - TLO Program	97.067	2007 TE-GE-0008	110,000
2007 SHSG - Live MUM Project	97.067	2007 TE-GE-0008	115,263
Subtotal			230,068
Total U.S. Department of Homeland Security			1,331,549
U.S. Department of Transportation:			
Passed through the State of California / Governor's Office of Emergency Services:			
Interagency Hazardous Materials Public Sector Training and Planning Grants (HMEP):			
OCFA HazMat Area Plan	20.703	HMECA7033150	14,327
Total Federal Awards			$ 1,345,876

* Major program

See accompanying notes to the Schedule of Expenditures of Federal Awards.

ORANGE COUNTY FIRE AUTHORITY

Notes to the Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

(a) Scope of Presentation

The accompanying schedule of expenditures of federal awards presents all expenditures incurred by the Orange County Fire Authority ("OCFA") under federal programs of federal awards. For the purposes of this schedule, federal awards include both federal awards received directly from a federal agency, as well as federal funds received indirectly by the OCFA from a non-federal agency or other organization. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(b) Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Under the accrual basis of accounting, expenditures are recorded when a liability has incurred, regardless of the timing of related cash flows. Expenditures reported also include any property or equipment acquisitions incurred under the federal program.

(c) Subrecipients

OCFA paid no amounts to subrecipients for the year ended June 30, 2009.

ORANGE COUNTY FIRE AUTHORITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2009

(A) Summary of Auditors' Results

1. An unqualified report was issued by the auditors on the financial statements of the auditee.

2. There were no material weaknesses or significant deficiencies in internal control over financial reporting.

3. The audit disclosed no noncompliance which is material to the financial statements of the auditee.

4. There were no material weaknesses or significant deficiencies in internal control over the major program of the auditee.

5. An unqualified report was issued by the auditors on compliance for the major program.

6. The audit disclosed no audit findings which the auditor is required to report under paragraph .510(a) of OMB Circular A-133.

7. The major program of the auditee was CFDA No. 97.025 U.S. Department of Homeland Security (Federal Emergency Management Agency), National Urban Search and Rescue Response System.

8. The dollar threshold used to distinguish Type A and Type B programs was $300,000.

9. The auditee was considered to be a low risk auditee for the year ended June 30, 2009 for purposes of major program determination, as defined by OMB Circular A-133 paragraph .530.

(B) Findings Related to the Financial Statements which are Required to be Reported in Accordance with GAGAS

There are no auditors' findings required to be reported in accordance with GAGAS.

(C) Findings and Questioned Costs for Federal Awards as Defined in Paragraph .510(a) at OMB Circular A-133

There are no auditors' findings required to be reported in accordance with paragraph .510(a) of OMB Circular A-133.

ORANGE COUNTY FIRE AUTHORITY

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2009

There were no prior audit findings for the year ended June 30, 2008 that required follow-up during the year ended June 30, 2009.