ORANGE COUNTY FIRE AUTHORITY
Irvine, California

Single Audit Report on Federal Awards

Year ended June 30, 2009
ORANGE COUNTY FIRE AUTHORITY

Single Audit Report on Federal Awards

Year ended June 30, 2009

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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.

Irvine, California
October 9, 2009
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.

Irvine, California
October 9, 2009
# Schedule of Expenditures of Federal Awards

Year ended June 30, 2009

## U.S. Department of Homeland Security:

Direct assistance via Federal Emergency Management Agency:

<table>
<thead>
<tr>
<th>Federal Grantor / Pass-through Grantor / Program Title</th>
<th>Federal CFDA Number</th>
<th>Program / Project Identification Number</th>
<th>Program Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 Cooperative Agreement</td>
<td>97.025</td>
<td>EMW-2008-CA-0511</td>
<td>845,001</td>
</tr>
<tr>
<td>2008 Cooperative Agreement</td>
<td>97.025</td>
<td>2009-SR-24-K022</td>
<td>205</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td>987,206</td>
</tr>
</tbody>
</table>

Passed through the City of Anaheim:

Urban Areas Security Initiative (UASI):

<table>
<thead>
<tr>
<th>Federal Grantor / Pass-through Grantor / Program Title</th>
<th>Federal CFDA Number</th>
<th>Program / Project Identification Number</th>
<th>Program Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 UASI - Training</td>
<td>97.008</td>
<td>DHS 2008-GE-T8-0006</td>
<td>27,663</td>
</tr>
</tbody>
</table>

Passed through the City of Santa Ana:

Urban Areas Security Initiative (UASI):

<table>
<thead>
<tr>
<th>Federal Grantor / Pass-through Grantor / Program Title</th>
<th>Federal CFDA Number</th>
<th>Program / Project Identification Number</th>
<th>Program Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 UASI - Training</td>
<td>97.008</td>
<td>DHS 2007-GE-T7-0008</td>
<td>86,612</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td>114,275</td>
</tr>
</tbody>
</table>

Passed through the Orange County Sheriff's Department:

Homeland Security Grant (SHSG) Program:

<table>
<thead>
<tr>
<th>Federal Grantor / Pass-through Grantor / Program Title</th>
<th>Federal CFDA Number</th>
<th>Program / Project Identification Number</th>
<th>Program Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 SHSG - TLO Program</td>
<td>97.067</td>
<td>2007 TE-GE-0008</td>
<td>110,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td>230,068</td>
</tr>
</tbody>
</table>

**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):

<table>
<thead>
<tr>
<th>Federal Grantor / Pass-through Grantor / Program Title</th>
<th>Federal CFDA Number</th>
<th>Program / Project Identification Number</th>
<th>Program Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCFA HazMat Area Plan</td>
<td>20.703</td>
<td>HMECA7033150</td>
<td>14,327</td>
</tr>
</tbody>
</table>

**Total Federal Awards**

$ 1,345,876

* Major program

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


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.