
**COUNTY OF COLUSA, CALIFORNIA
SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2007**

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**COUNTY OF COLUSA, CALIFORNIA
SINGLE AUDIT ACT
FOR THE YEAR ENDED JUNE 30, 2007**

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors and Grand Jury
County of Colusa
Colusa, California

Compliance

We have audited the compliance of County of Colusa, California (County), 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 each of its major federal programs for the year ended June 30, 2007. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County'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 County'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 on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the 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 County'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.

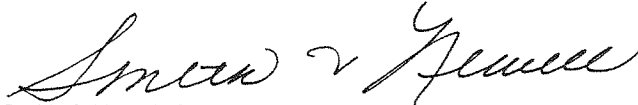
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

To the Board of Supervisors and Grand Jury
County of Colusa
Colusa, California

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the County of Colusa as of and for the year ended June 30, 2007, and have issued our report thereon dated April 10, 2008. Our audit was performed for the purpose of forming an opinion on the basic financial statements that collectively comprise the County's basic 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 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Supervisors, others within the organization, and 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.



Smith & Newell CPA's
Yuba City, California
April 10, 2008

COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

<u>Federal Grantor/Pass-Through Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Receipts or Revenues Recognized</u>	<u>Disbursements Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Passed through State Department of Social Services:				
Food Stamps	10.551	-	\$ 1,316,983	\$ 1,316,983
State Administrative Matching Grants for Food Stamp Program	10.561	-	145,133	145,133
Passed through State Controller's Office:				
Schools and Roads - Grants to States	10.665	-	110,780	110,780
Total U.S. Department of Agriculture			1,572,896	1,572,896
<u>U.S. Department of Defense</u>				
Direct Program:				
Payments to States in Lieu of Real Estate Taxes	12.112	-	79,558	79,558
Total U.S. Department of Defense			79,558	79,558
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
Community Development Block Grants/Technical Assistance Program	14.227	05 PTAA 1437	31,500	19,355
HOME Investment Partnerships Program	14.239	05 HOME 1686	-	39,027
Community Development Block Grants/State's Program	14.228	04 STBG 1884	10,000	75,174
Community Development Block Grants/State's Program	14.228	05 STBG 1575	126,000	40,000
Subtotal 14.228			136,000	115,174
Total U.S. Department of Housing and Urban Development			167,500	173,556
<u>U.S. Department of Interior</u>				
Direct Program:				
Fish and Wildlife Management Assistance	15.608	-	46,002	46,002
Total U.S. Department of Interior			46,002	46,002
<u>U.S. Department of Justice</u>				
Passed through State Office of Criminal Justice Planning:				
Gang Resistance Education and Training	16.737	2006 JV FX 0092	55,991	55,991
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	CSA 305-05	27,724	-
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	CSA 306-06	58,955	58,955
Subtotal 16.540			86,679	58,955
Edward Byrne Memorial Formula Grant Program	16.579	DC 05 180060	53,545	-
Edward Byrne Memorial Formula Grant Program	16.579	DC 06 190060	111,853	111,853
Subtotal 16.579			165,398	111,853
Total U.S. Department of Justice			308,068	226,799

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor/Pass-Through Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Receipts or Revenues Recognized	Disbursements, Expenditures
<u>U.S. Department of Transportation</u>				
Direct Program:				
Airport Improvement Program	20.106	AIP 3-06-0048-09	213,932	230,080
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	BHLS-5915(037)	1,983	1,983
Highway Planning and Construction	20.205	BRLO-5915(029)	447,733	447,733
Highway Planning and Construction	20.205	BRLO-5915(043)	291,005	291,005
Highway Planning and Construction	20.205	BRLO-5915(044)	9,474	9,474
Highway Planning and Construction	20.205	BRLO-5915(045)	13,631	13,631
Subtotal 20.205			<u>763,826</u>	<u>763,826</u>
Total U.S. Department of Transportation			<u>977,758</u>	<u>993,906</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through California Department of Aging and CSU, Chico Research Foundation/Area Agency on Aging:				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	IIIB-0212-06	13,337	13,337
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIIC-1 Congregate Meals	7,151	7,151
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIIC-2 Home Delivered Meals	35,378	35,378
Subtotal 93.045			<u>42,529</u>	<u>42,529</u>
Nutrition Services Incentive Program	93.053	IIIC-1 Congregate Meals	3,133	3,133
Nutrition Services Incentive Program	93.053	IIIC-2 Home Delivered Meals	5,262	5,262
Subtotal 93.053			<u>8,395</u>	<u>8,395</u>
Passed through State Department of Social Services:				
Promoting Safe and Stable Families	93.556	-	9,403	9,403
Temporary Assistance for Needy Families	93.558	-	1,152,460	1,152,460
Child Support Enforcement	93.563	-	570,001	402,271
Child Welfare Services - State Grants	93.645	-	24,859	24,859
Foster Care - Title IV-E	93.658	-	916,850	916,850
Adoption Assistance	93.659	-	86,630	86,630
Social Services Block Grant	93.667	-	16,094	16,094
Chafee Foster Care Independence Program	93.674	-	16,930	16,930
Passed through State Department of Alcohol and Drug Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	386,903	388,024
Block Grant for Community Mental Health Services	93.958	SAMSHA	48,840	53,280
Passed through State Department of Health Services:				
Medical Assistance Program	93.778	Foster Care Health	3,497	5,789
Medical Assistance Program	93.778	CHDP	30,475	46,350
Medical Assistance Program	93.778	CCS Admin	73,798	81,262
Subtotal 93.778			<u>107,770</u>	<u>133,401</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

Federal Grantor/Pass-Through Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Receipts or Revenues Recognized	Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services (Continued)</u>				
Maternal and Child Health Services Block Grant to the States	93.994	MCH	36,490	26,033
Passed through State Department of Community Services and Development				
Community Services Block Grant	93.569	06F-4712	2,200	1,630
Subtotal 93.569			2,200	1,630
Passed through State Department of Community Services and Development (Continued)				
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	-	87,684	40,650
Total U.S. Department of Health and Human Services			3,527,375	3,332,776
<u>U.S. Department of Homeland Security</u>				
Passed through State Office of Emergency Services:				
Emergency Management Performance Grants	97.042	2005-15	14,443	-
Emergency Management Performance Grants	97.042	2006-8	52,352	52,352
Subtotal 97.042			66,795	52,352
State Homeland Security Program (SHSP)	97.073	2005-15	85,227	87,205
State Homeland Security Program (SHSP)	97.073	2006-0071	-	6,780
Subtotal 97.073			85,227	93,985
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2005-15	37,178	58,823
Law Enforcement Terrorism Prevention Program (LETPP)	97.074	2006-0071	-	35,042
Subtotal 97.074			37,178	93,865
Total U.S. Department of Homeland Security			189,200	240,202
Total Expenditures of Federal Awards			\$ 6,868,357	\$ 6,665,695

See accompanying Notes to Schedule of Expenditures of Federal Awards

COUNTY OF COLUSA, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2007

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Colusa. The County of Colusa reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the schedule.

2. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on a basis other than that used to record transactions in the accounting records and as reported in the basic financial statements. Sources of information for preparation of the Schedule of Expenditures of Federal Awards varies, depending on the accounting practices and reporting requirements of the department implementing the program.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements, federal award revenues are reported principally in the County's financial statements as inter governmental revenue in the General and Special Revenue Funds.

4. PROGRAM CLUSTERS

Federal programs, which must be audited together as a program closure, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Food Stamp Cluster</u>		
10.551	Food Stamps	\$ 1,316,983
10.561	State Administrative Matching Grants for Food Stamp Program	<u>145,133</u>
	Total	<u>\$ 1,462,116</u>

5. PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

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

To the Board of Supervisors and Grand Jury
County of Colusa
Colusa, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Colusa, California (County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 10, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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 County'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 County's financial statements that is more than inconsequential will not be prevented or detected by the County'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 County's internal control.

Our consideration of internal control over financial reporting 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 financial reporting that we consider to be material weaknesses, as defined above.

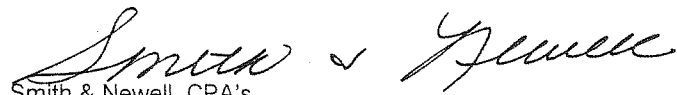
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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.

We noted certain matters that we reported to management of the County of Colusa, California, in a separate report dated April 10, 2008.

To the Board of Supervisors and Grand Jury
County of Colusa
Colusa, California

This report is intended solely for the information and use of management, the Board of Supervisors, others within the organization, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in cursive script, appearing to read "Smith & Newell", written in dark ink.

Smith & Newell, CPA's
Yuba City, California
April 10, 2008

COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30 2007

I Summary of Audit Results

1. Type of report issued on the financial statements - Unqualified
2. Reportable condition in internal control disclosed by the audit of the financial statements and any such conditions that are material weaknesses - None
3. Disclosure of any noncompliance which are material to the financial statements - None
4. Disclosure of any reportable conditions in internal control over major programs and any such conditions that are material weaknesses - None
5. Type of report issued on compliance for major programs - Unqualified
6. Disclosure of any audit findings which are required to be reported under Section 510(a) - None
7. Major programs are as follows: 93.563, 93.658, and 93.959.
8. \$300,000 was used as the threshold to distinguish between Type A and Type B programs
9. Did the County qualify as a low-risk audit under Section 530? - Yes

II Findings related to the financial statements which are required to be reported in accordance with GAGAS

None

III Findings and questioned costs for Federal Awards which includes findings as defined in Section 510(a)

None