
**COUNTY OF COLUSA, CALIFORNIA
SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2006**

**SMITH AND NEWELL
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**COUNTY OF COLUSA, CALIFORNIA
SINGLE AUDIT ACT
FOR THE YEAR ENDED JUNE 30, 2006**

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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, 2006. 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, 2006.

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 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

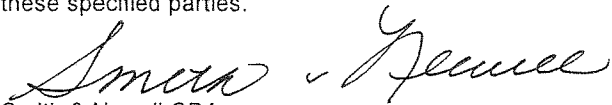
Our consideration of the internal controls over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

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 as of and for the year ended June 30, 2006, and have issued our report thereon dated May 3, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. 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, others within the organization, Board of Supervisors, and Federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

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

Smith & Newell CPAs
Yuba City, California
May 3, 2007

COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2006

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 Agriculture</u>				
Passed through State Department of Social Services:				
Food Stamps	10.551	-	\$ 1,242,908	\$ 1,242,908
State Administrative Matching Grants for Food Stamp Program	10.561	-	148,266	148,266
Passed through State Controller's Office:				
Schools and Roads - Grants to States	10.665	-	109,684	109,684
Total U.S. Department of Agriculture			1,500,858	1,500,858
<u>U.S. Department of Defense</u>				
Direct Program:				
Payments to States in Lieu of Real Estate Taxes	12.112	-	80,253	80,253
Total U.S. Department of Defense			80,253	80,253
<u>U.S. Department of Justice</u>				
Passed through State Office of Criminal Justice Planning:				
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	CSA 305-05	36,115	63,839
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	BDC 205-04	2,500	-
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	BDC 306-04	63,839	-
Subtotal 16.540			102,454	63,839
Edward Byrne Memorial Formula Grant Program	16.579	DC04170060	51,269	-
Edward Byrne Memorial Formula Grant Program	16.579	DC05180060	125,668	179,213
Subtotal 16.579			176,937	179,213
Total U.S. Department of Justice			279,391	243,052
<u>U.S. Department of Homeland Security</u>				
Passed through State Office of Emergency Services:				
State Domestic Preparedness Equipment Support Program	97.004	2003-0035	1,685	-
Emergency Management Performance Grants	97.042	2005-15	27,718	42,161
Homeland Security Grant Program	97.067	2005-15	47,213	47,213
Law Enforcement Terrorism Prevention Program	97.074	2004-0045	1,842	1,842
Law Enforcement Terrorism Prevention Program	97.074	2005-15	1,028	1,028
Subtotal 97.074			2,870	2,870
Total U.S. Department of Homeland Security			79,486	92,244
<u>U.S. Department of Housing and Urban Development</u>				
Direct Program:				
Community Development Block Grants/State's Program	14.228	04 STBG 1884	33,000	31,547
Total U.S. Department of Housing and Urban Development			33,000	31,547

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, 2006

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 3-06-0048-08	260,395	260,395
Passed through State Department of Transportation:				
Highway Planning and Construction	20.205	BHLS-5915(037)	5,784	5,784
Highway Planning and Construction	20.205	BRLO-5915(004)	195,003	195,003
Highway Planning and Construction	20.205	BRLO-5915(013)	417,348	417,348
Highway Planning and Construction	20.205	BRLO-5915(027)	-	1,964
Highway Planning and Construction	20.205	BRLO-5915(029)	23,978	23,978
Highway Planning and Construction	20.205	BRLO-5915(043)	11,399	11,399
Highway Planning and Construction	20.205	BRLO-5915(044)	21,942	21,942
Highway Planning and Construction	20.205	BRLO-5915(045)	5,111	5,111
Highway Planning and Construction	20.205	STPLH-5915(038)	284,428	284,428
Subtotal 20.205			964,993	966,957
Total U.S. Department of Transportation			1,225,388	1,227,352
<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-0212-05	12,556	12,556
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIIC-1 Congregate Meals	6,818	6,818
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	IIIC-2 Home Deliverd Meals	39,713	39,713
Subtotal 93.045			46,531	46,531
Nutrition Services Incentive Program	93.053	IIIC-1 Congregate Meals	3,247	3,247
Nutrition Services Incentive Program	93.053	IIIC-2 Home Deliverd Meals	4,986	4,986
Subtotal 93.053			8,233	8,233
Passed through State Department of Social Services:				
Promoting Safe and Stable Families	93.556	-	71,588	71,588
Temporary Assistance for Needy Families	93.558	-	1,201,369	1,201,369
Child Support Enforcement	93.563	-	625,816	666,997
Child Welfare Services - State Grants	93.645	-	15,101	15,101
Foster Care - Title IV-E	93.658	-	889,081	889,081
Adoption Assistance	93.659	-	48,154	48,154
Social Services Block Grant	93.667	-	16,458	16,458
Chafee Foster Care Independence Program	93.674	-	24,546	24,546
Passed through State Department of Alcohol and Drug Programs:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SAPT	456,617	387,250
Block Grant for Community Mental Health Services	93.958	SAMSHA	48,974	53,426
Passed through State Department of Health Services:				
Medical Assistance Program	93.778	Foster Care Health	5,237	5,136
Medical Assistance Program	93.778	CCS Admin	72,321	82,426
Subtotal 93.778			77,558	87,562

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, 2006

<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 Health and Human Services (Continued)</u>				
Preventive Health and Health Services Block Grant	93.991	314D		
Maternal and Child Health Services Block Grant to the States	93.994	MCH	64,840	40,563
Maternal and Child Health Services Block Grant to the States	93.994	CHDP	<u>61,658</u>	<u>58,015</u>
Subtotal 93.994			<u>126,498</u>	<u>98,578</u>
Passed through State Department of Community Services and Development				
Community Services Block Grant	93.569	06F-4712	<u>1,180</u>	<u>2,437</u>
Subtotal 93.569			<u>1,180</u>	<u>2,437</u>
Passed through State Department of Community Services and Development (Continued)				
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	-	<u>122,682</u>	<u>145,508</u>
Total U.S. Department of Health and Human Services			<u>3,792,942</u>	<u>3,775,375</u>
<u>U.S. Department of Interior</u>				
Direct Program:				
Fish and Wildlife Management Assistance	15.608	-	<u>49,252</u>	<u>49,252</u>
Total U.S. Department of Interior			<u>49,252</u>	<u>49,252</u>
Total Expenditures of Federal Awards			<u>\$ 7,040,570</u>	<u>\$ 6,999,933</u>

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, 2006

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.

**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, 2006, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 3, 2007. 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.

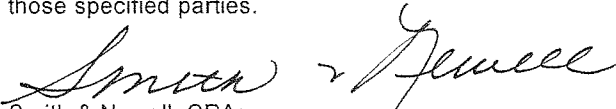
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the County in a separate report dated May 3, 2007.

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.

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



Smith & Newell, CPAs
Yuba City, California
May 3, 2007

COUNTY OF COLUSA, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2006

- 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 - See Section II and III
 - 3. Disclosure or 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: 20.205 and 93.558
 - 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