

Sonoma County Transportation Authority

Single Audit Report

Year Ended June 30, 2007

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Independent Auditors' Report

To the Board of Directors
Sonoma County Transportation Authority
Santa Rosa, California

We have audited the accompanying Schedule of Expenditures of Federal Awards (the "schedule") for the **Highway Planning and Construction Program** of the **Sonoma County Transportation Authority** for the year ended June 30, 2007. This schedule is the responsibility of the **Sonoma County Transportation Authority's** management. Our responsibility is to express an opinion on the schedule of the program based on our audit.

We conducted our audit 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 the schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedule. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Schedule of Expenditures of Federal Awards referred to above presents fairly, in all material respects, the expenditures of federal awards of the Sonoma County Transportation Authority for the year ended June 30, 2007 under the **Highway Planning and Construction Program**, in conformity with accounting principles generally accepted in the United States of America.

Pisenti & Brinker LLP

Santa Rosa, California
September 11, 2007

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Sonoma County Transportation Authority

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2007

Federal Grantor	CFDA Number	Expenditures
<u>U.S. Department of Transportation</u>		
Passed through the State of California, Department of Transportation		
Highway Planning and Construction Grant	20.205	\$ 612,365
Passed through the Metropolitan Transportation Commission		
Highway Planning and Construction Grant	20.205	363,205
Total Federal Expenditures		\$ 975,570

See accompanying Note to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Sonoma County Transportation Authority and is presented on the *modified accrual basis* of accounting. Under the modified accrual basis of accounting, expenditures are recorded when incurred and due, and if current financial resources will be used to address the expenditure.

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 Organizations*.

**Report on Compliance with Requirements
Applicable to the Federal Program and on
Internal Control over Compliance in Accordance
with the Program-Specific Audit Option under
OMB Circular A-133 for the Year ended June 30, 2007**

To the Board of Directors
Sonoma County Transportation Authority
Santa Rosa, California

Compliance

We have audited the compliance of the **Sonoma County Transportation Authority** 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 the Highway Planning and Construction program for the year ended June 30, 2007. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the **Sonoma County Transportation Authority's** management. Our responsibility is to express an opinion on the **Sonoma County Transportation Authority'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 the Highway Planning and Construction program have occurred. An audit includes examining, on a test basis, evidence about the **Sonoma County Transportation Authority'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 **Sonoma County Transportation Authority's** compliance with those requirements.

In our opinion, the **Sonoma County Transportation Authority** complied, in all material respects, with the requirements referred to above that are applicable to its Highway Planning and Construction program for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the **Sonoma County Transportation Authority** 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 **Sonoma County Transportation Authority's** internal control over compliance with requirements that could have a direct and material effect on its Highway Planning and Construction 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 **Sonoma County Transportation Authority's** internal control over compliance.

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**Report on Compliance with Requirements
Applicable to the Federal Program and on
Internal Control over Compliance in Accordance
with the Program-Specific Audit Option under
OMB Circular A-133 for the Year ended June 30, 2007
(continued)**

Internal Control Over Compliance (continued)

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.

This report is intended solely for the information and use of the audit committee, management, and federal awarding agency and pass-through entity and is not intended to be and should not be used by anyone other than these specified parties.

Asimbi & Brinkley LLP

Santa Rosa, California
September 11, 2007

Section I. Summary of Auditors' Results

Financial Statements (Schedule of Expenditures of Federal Awards)

Type of auditors' report issued: *unqualified*

Internal control over financial reporting:

Material weakness identified? _____ yes X no

Significant deficiency identified not considered to be material weakness? _____ None reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness identified? _____ yes X no

Significant deficiency identified not considered to be material weakness? _____ None reported

Type of auditors' report issued on compliance for major programs: *unqualified*

Any audit finding disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ yes X no

Program audited under program specific audit option under OMB Circular A-133:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Program

Auditee qualified as low-risk auditee? _____ yes X no

Section II. Financial Statement Findings

No matters were noted.

Section III. Findings and Questioned Costs for Federal Awards

No matters were noted.

Summary Schedule of Prior Year Audit Findings

Year Ended June 30, 2007

No matters were noted in the prior year.