



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A LEVY, CPA  
CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES  
433 N. CAMDEN DRIVE, SUITE 730  
BEVERLY HILLS, CA 90210  
TEL: 310.273.2745  
FAX: 310.670.1689  
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES  
5800 HANNUM AVENUE, SUITE E  
CULVER CITY, CA 90230  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR A STATE PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Members of the Board of Directors  
Sutter Butte Flood Control Agency  
Post Office Box M  
Yuba City, California 95991

**Report on Compliance for Sutter County Proposition 13 Grant**

We have audited Sutter Butte Flood Control Agency's (Agency) compliance with the types of compliance requirements described in *Grant Agreement No. 4600010631* (Grant), between the Agency and the State of California Department of Water Resources, that could have a direct and material effect on the Grant for the period of July 1, 2014 to June 30, 2016.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance with the Grant based on our audit of the types of compliance requirements referred to above.

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 *Grant Agreement No. 4600010631*. Those standards 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 Grant occurred. An audit includes examining, on a test basis, evidence about Agency'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 on compliance of the Grant. However our audit does not provide a legal determination of the Agency's compliance.

***Opinion on Compliance for Grant Agreement No. 4600010631***

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Grant for the period of July 1, 2014 through June 30, 2016

***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance or other matters that are required to be reported in accordance with the Grant.

## Report on Internal Control Over Compliance

Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on the Grant to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with the Grant and to test and report on internal control over compliance in accordance with *Grant Agreement No. 4600010631*, 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 Agency's internal control over compliance.

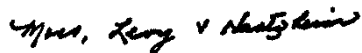
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a grant program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a grant program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a grant program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *Grant Agreement No. 4600010631*. Accordingly, this report is not suitable for any other purpose.

Very truly yours,



MOSS, LEVY & HARTZHEIM, LLP  
Culver City, CA

September 15, 2016

### Schedule of Claimed Amounts

<b>Task</b>	<b>Claimed</b>
Surveying	\$ 30,000.00
60% Design	125,000.00
Independent Panel of Experts Review	15,000.00
Enviromental Assessment	30,000.00
Permitting	135,000.00
Final Design	75,000.00
Project Management	50,000.00
<b>Total:</b>	<b>\$ 460,000.00</b>