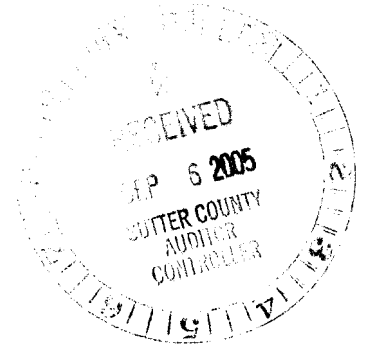




STEVE WESTLY
California State Controller

August 30, 2005

Auditor-Controller
County of Sutter
463 Second Street
Yuba City, California 95991



**SUBJECT: 2003-2004 FISCAL YEAR SINGLE AUDIT REPORT CERTIFICATION AND
AUDIT FINDING RESOLUTION**

We completed a desk review of your single audit report for the year ended June 30, 2004. We determined that the report meets the requirements of the United States Office of Management and Budget (OMB) Circular A-133. OMB Circular A-133 prescribes the audit and reporting standards for state and local governments that expend federal awards.

OMB Circular A-133 requires federal and state funding agencies to resolve any audit findings cited in the report that may affect federal award programs. Attachment A to this letter identifies those findings that require resolution. The findings are referenced by enclosure (EN) and page number (PAGE).

State agencies should resolve those findings listed in Attachment A. OMB policies require the state to resolve findings that affect federal programs administered by state agencies. The responsible state agency will contact you to resolve the audit findings listed.

The State Controller's Office (SCO) is responsible for resolving most cross-cutting findings or audit leads. A cross-cutting finding is one that affects the programs of more than one agency. Our office will contact you about those findings later. An audit lead is a specific issue identified in your report that may require additional investigation by federal or state agencies. Federal or state agencies may ask you to provide additional information related to the audit lead.

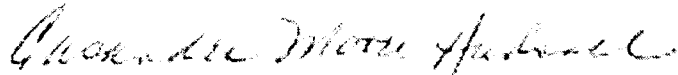
Your audit report may also contain general internal control findings not referenced in Attachment A. These findings do not appear to affect the federal award programs. Therefore, we have not identified them for resolution action; however, you should ensure your audit report for the 2004-2005 fiscal year addresses these findings.

MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250-5874
SACRAMENTO 300 Capitol Mall, Suite 518, Sacramento, CA 95814 (916) 324-8907
LOS ANGELES 600 Corporate Pointe, Suite 1000, Culver City, CA 90230 (310) 342-5656

Your audit satisfies all financial and compliance audit requirements under individual federal award programs. This does not preclude state and federal agencies from making any additional audits that are necessary to carry out their responsibilities under federal laws and regulations. State and federal agencies may contact you to arrange for additional audits.

If you have any questions regarding this letter and its attachment, please contact a member of my Single Audits staff at (916) 324-6442.

Sincerely,

A handwritten signature in cursive script, appearing to read "Casandra Moore-Hudnall".

Casandra Moore-Hudnall, Chief
Financial Audits Bureau
Division of Audits

CMH:at

Attachment

cc: State Funding Agencies

ATTACHMENT A
AUDIT REPORT FINDINGS – STATE AGENCIES
County of Sutter
2003-2004 Fiscal Year

<u>AGENCY NAME</u>	<u>PROGRAM NAME</u>	<u>FEDERAL CATALOG</u>	<u>PAGE</u>	<u>EN</u>
State Department of Housing and Community Development	Community Development Block Grants (Finding 04-2)	14.228	9	2