



**James Marta & Company**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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

Board of Directors  
Sacramento Metropolitan Air Quality Management District  
Sacramento, California 95814

*Compliance*

We have audited the compliance of Sacramento Metropolitan Air Quality Management District (the District) 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, 2008. The District'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 requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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 Nonprofit 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 District's compliance with those requirements and performing 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 District's compliance with those requirements.

In our opinion, Sacramento Metropolitan Air Quality Management District 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, 2008.

*Internal Control Over Compliance*

The management of the District 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 District'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 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 Sacramento Metropolitan Air Quality Management District's internal control over compliance.

A control deficiency in an District'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 District'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 District'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 for the information of the board of directors, management, 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.

A handwritten signature in black ink that reads "James Marta". The signature is written in a cursive, flowing style.

James Marta & Company, CPAs  
December 16, 2008

## **FINDINGS AND RECOMMENDATIONS SECTION**

**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**

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**SECTION I—SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditors report issued: *Unqualified*  
Internal control over financial reporting:  
Material weakness(es) identified? \_\_\_\_\_ yes x no  
Reportable condition(s) identified that are  
not considered to be material weakness(es)? \_\_\_\_\_ yes x no  
Noncompliance material to financial statements noted? \_\_\_\_\_ yes x no

**Federal Awards**

Internal control over major programs:  
Material weakness(es) identified? \_\_\_\_\_ yes x no  
Reportable condition(s) identified that are  
not considered to be material weakness(es)? \_\_\_\_\_ yes x none reported  
Type of auditors report issued on compliance  
for major programs: *Unqualified*  
Any audit findings disclosed that are required  
to be reported in accordance with section 510(a) of  
Circular A-133? \_\_\_\_\_ yes x no

**Identification of major programs:**

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
<u>66.001</u>	<u>Air Pollution Control Program Support</u>
<u>20.205</u>	<u>Highway Planning and Construction</u>

Dollar threshold used to distinguish  
between type A and type B programs: \$300,000  
Auditee qualified as low-risk auditee? \_\_\_\_\_ yes x no

**SECTION II—FINANCIAL STATEMENT FINDINGS**

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**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED ERROR! UNKNOWN DOCUMENT PROPERTY NAME.**

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**No Findings**

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**SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS**

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**SECTION III—FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**No Findings**

**SECTION IV—STATE AWARD FINDINGS AND QUESTIONED COSTS**

**No Findings**

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**STATUS OF PRIOR YEAR FINDINGS**

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**STATUS OF PRIOR YEAR FINDINGS**

<b><u>FINDING #</u></b>	<b><u>FINDING/RECOMMENDATIONS</u></b>	<b><u>CURRENT STATUS</u></b>
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**No Prior Year Findings**