

CITY OF SACRAMENTO

Single Audit Reports

For the Fiscal Year Ended June 30, 2005

**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

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CITY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2005

Federal Grantor/Pass Through Grantor/ Program Title	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity Identifying Number	Program Expenditures
United States Department of Labor			
Passed Through Sacramento Employment and Training Agency: Workforce Investment Act - Youth Program	17.259	N/A	\$ 103,621
Total United States Department of Labor			<u>103,621</u>
United States Department of Agriculture			
Passed Through State of California Department of Education:			
2004 Snack Program	10.558	34-2883-1K	55,688
2005 Snack Program	10.558	34-2883-1K	324,808
Subtotal Snack Program			<u>380,496</u>
2004 Year Round Food Program	10.559	34-83400V	370,688
2004 Year Round Food Program	10.559	34-83400V	133,623
Subtotal Year Round Food Program			<u>504,311</u>
Total United States Department of Agriculture			<u>884,807</u>
United States Department of Transportation			
Passed Through State of California Department of Transportation (CALTRANS):			
Highway Planning and Construction 2002	20.205	RPSTPL-5002(081)	35,700
Highway Planning and Construction 2002	20.205	RPSTPL-5002(083)	9,749
Highway Planning and Construction 2002	20.205	RPSTPL-5002(088)	107
Highway Planning and Construction 2003	20.205	RPSTPL-5002(081)	1,517,309
Highway Planning and Construction 2003	20.205	HP21L-5002(046)	7,726,409
Highway Planning and Construction 2003	20.205	RPSTPL-5002(083)	73,200
Highway Planning and Construction 2003	20.205	RPSTPL-5002(088)	56,232
Highway Planning and Construction 2004	20.205	RPSTPL-5002(081)	1,343,638
Highway Planning and Construction 2004	20.205	HP21L-5002(046)	2
Highway Planning and Construction 2004	20.205	RPSTPL-5002(083)	3,810
Highway Planning and Construction 2004	20.205	RPSTPL-5002(088)	49,799
Highway Planning and Construction	20.205	HP21L-5002(090)	304,785
Highway Planning and Construction	20.205	STLP-5002(5)	143,817
Highway Planning and Construction	20.205	STLP-5002(5)	195,711
Highway Planning and Construction	20.205	CML-5002(055)	315,624
Highway Planning and Construction	20.205	CML-5002(041)	20,762
Highway Planning and Construction	20.205	STPLER-5002(066)	79,570
Highway Planning and Construction	20.205	DA#03-0180	177,751
Highway Planning and Construction	20.205	CMLN-5002(006)	10,307
Highway Planning and Construction	20.205	CML-5002(043)	3,136
Highway Planning and Construction	20.205	STPL-5002(077)	4,791
Highway Planning and Construction	20.205	STPLER-5002(059)	5,925

The accompanying notes are an integral part of this schedule

CITY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2005

Federal Grantor/Pass Through Grantor/ Program Title	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity Identifying Number	Program Expenditures
United States Department of Transportation (Continued)			
Passed Through State of California Department of Transportation (CALTRANS) (Continued):			
Highway Planning and Construction	20.205	STPLER-5002(080)	1,502
Highway Planning and Construction	20.205	RPSTPL-5002(081)	492,943
Highway Planning and Construction	20.205	STPLH-5002(094)	125,067
Highway Planning and Construction	20.205	BRLS-5002(054)	4,092,741
Highway Planning and Construction	20.205	HP21L-5002(046)	2,914,698
Highway Planning and Construction	20.205	STPL-5002(045)	1,287,693
Highway Planning and Construction	20.205	STPL-5002(051)	16,932
Highway Planning and Construction	20.205	STPLER-5002(060)	204,969
Highway Planning and Construction	20.205	STPL-5002(044)	135,530
Highway Planning and Construction	20.205	HPO2L-5002(089)	24,539
Highway Planning and Construction	20.205	STPL-5002(040)	(43,309)
Highway Planning and Construction	20.205	CML-5002(047)	7,861
Highway Planning and Construction	20.205	BRLO-5002(050)	120,809
Highway Planning and Construction	20.205	STPLER-5002(085)	111
Highway Planning and Construction	20.205	HP21L-5002(068)	283,604
Highway Planning and Construction	20.205	STPL-5002-067	63,192
Highway Planning and Construction	20.205	STPL-5002(069)	31,015
Highway Planning and Construction	20.205	STPLER-5002(072)	4,300,153
Highway Planning and Construction	20.205	STPL-5002(097)	151,456
Highway Planning and Construction	20.205	BRLS-5002(098)	99,862
Subtotal Highway Planning and Construction			<u>26,389,502</u>
Passed Through State of California Office of Traffic Safety:			
Bicycle Safety Program	20.600	PS0416	28,788
Traffic Safety	20.600	AL0336	118,008
Traffic Safety	20.600	AL0567	111,060
Subtotal Passed Through Office of Traffic Safety			<u>257,856</u>
Total United States Department of Transportation			<u>26,647,358</u>
United States Department of Justice			
Direct Programs:			
Asset Forfeiture Program	16.000	N/A	70,191
2002 Local Law Enforcement Block Grants	16.592	N/A	196,241
2003 Local Law Enforcement Block Grants	16.592	N/A	317,624
2004 Local Law Enforcement Block Grants	16.592	N/A	94,957
Subtotal Local Law Enforcement Block Grants			<u>608,822</u>

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CITY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2005

Federal Grantor/Pass Through Grantor/ Program Title	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity Identifying Number	Program Expenditures
United States Department of Justice (Continued)			
Direct Programs (Continued):			
Weed and Seed - Asset Forfeiture	16.595	N/A	5,482
Weed and Seed - Meth Project	16.595	N/A	14,136
Weed and Seed - Year 2	16.595	N/A	146,240
Subtotal Weed and Seed			<u>165,858</u>
Bulletproof Vest Partnership	16.607	N/A	<u>3,276</u>
Universal Hiring II	16.710	N/A	1,645,662
Universal Hiring	16.710	N/A	22,515
COPS MORE Technology	16.710	N/A	2,797,559
Tech Sup Reduce Racial	16.710	N/A	270
Data Collection Technical Assistance	16.710	N/A	23,636
2003 RCPI Integrity/Public Trust Initiative	16.710	N/A	212,428
COPS Interoperable Communications Technology	16.710	N/A	823,382
Subtotal COPS Grants			<u>5,525,452</u>
G.R.E.A.T. - Year 5	16.737	N/A	<u>47,320</u>
Total United States Department of Justice			<u>6,420,919</u>
United States Department of Treasury			
Direct Program:			
Asset Forfeiture Program	16.000	N/A	<u>1,999</u>
Total United States Department of Treasury			<u>1,999</u>
United States Department of the Interior, Bureau of Reclamation			
Direct Program:			
SRWTP Intake Construction	15.7FG2014960	N/A	<u>1,000,000</u>
Total United States Department of the Interior, Bureau of Reclamation			<u>1,000,000</u>
United States Environmental Protection Agency			
Direct Program:			
Combined Sewer Rehabilitation Project	66.606	XP98960401-2	<u>2,221,467</u>
Total United States Environmental Protection Agency			<u>2,221,467</u>
United States Department of Education			
Passed through State of California Department of Education:			
21st Century Community Learning Centers	84.287	34-2002-CCLC-009	<u>513,474</u>
Total United States Department of Education			<u>513,474</u>

The accompanying notes are an integral part of this schedule

CITY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2005

Federal Grantor/Pass Through Grantor/ Program Title	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity Identifying Number	Program Expenditures
United States Department of Health and Human Services			
Passed through State of California Department of Education:			
Child Care and Development Block Grant	93.575	FSCC-3142	4,055
Child Care and Development Block Grant	93.575	FIMS-4661	2,385
Subtotal Child Care and Development Block Grants			<u>6,440</u>
Passed through Area 4 Agency on Aging:			
Alzheimer's Day Care Resource Center	93.052	AL-0405-ADRC	1,533
Total United States Department of Health and Human Services			<u>7,973</u>
Corporation for National and Community Service			
Direct Program:			
Americorps	94.006	03AFHCA002Y10-F90	124,885
Americorps	94.006	FHCA0020018	519,995
Total Corporation for National and Community Service			<u>644,880</u>
United States Department of Homeland Security			
Passed Through Federal Emergency Management Agency:			
Hurricane Isabel	97.001	N/A	16,359
Democratic National Convention	97.001	N/A	15,346
Republican National Convention	97.001	N/A	28,379
Hurricane Charley	97.001	N/A	35,327
Passed Through State of California Office of Emergency Services:			
Emergency Management Assistance	97.001	N/A	18,882
Stonesoup Assessment	97.001	N/A	44,554
Cert Grant 2003	97.001	N/A	11,375
G-8 Summit	97.001	N/A	6,905
Subtotal Hurricane and Other Earmarked Project Grants			<u>177,127</u>
Passed Through Federal Emergency Management Agency:			
Cert Grant 2004	97.004	N/A	7,417
Homeland Security Grant 2004	97.004	N/A	19,363
Subtotal Domestic Preparedness Equipment Support Grants			<u>26,780</u>

The accompanying notes are an integral part of this schedule

CITY OF SACRAMENTO, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2005

Federal Grantor/Pass Through Grantor/ Program Title	Catalog of Federal Domestic Assistance (CFDA) Number	Pass-Through Entity Identifying Number	Program Expenditures
United States Department of Homeland Security (Continued)			
Passed Through Federal Emergency Management Agency (Continued):			
Urban Search and Rescue	97.025	N/A	13,944
Urban Search and Rescue - Orange Alert	97.025	N/A	5,627
Urban Search and Rescue	97.025	N/A	11,045
Urban Search and Rescue	97.025	N/A	1,143
Hurricane Ivan	97.025	N/A	68,199
Hurricane Jeanne	97.025	N/A	21,697
Hurricane Frances	97.025	N/A	27,497
Columbia Space Shuttle	97.025	N/A	12,665
National Urban Search and Rescue Response System	97.025	N/A	860,718
National Urban Search and Rescue Response System	97.025	N/A	231,253
Subtotal Urban Search and Rescue Grants			<u>1,253,788</u>
 Paramedic Supplies for Firefighters	 97.044	 N/A	 <u>62,483</u>
 Passed Through State of California Office of Emergency Services:			
California State Homeland Security Program 2003	97.005	N/A	<u>7,868</u>
 Homeland Security Urban Areas Security Initiative	 97.008	 N/A	 3,065,470
Homeland Security Urban Areas Security Initiative	97.008	N/A	<u>887,878</u>
Subtotal Homeland Security Urban Areas Security Initiative Grants			<u>3,953,348</u>
 Hazardous Materials Emergency Preparedness	 97.021	 N/A	 15,000
Emergency Medical Personnel Grant	97.042	N/A	55,938
Metropolitan Medical Response System	97.071	N/A	<u>99,870</u>
 Total United States Department of Homeland Security			 <u>5,652,202</u>
 Total Expenditures of Federal Awards			 <u>\$ 44,098,700</u>

The accompanying notes are an integral part of this schedule

**CITY OF SACRAMENTO
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the expenditures of all federal award programs of the City of Sacramento, California (City) for the fiscal year ended June 30, 2005. The City's reporting entity is defined in Note 1 to the City'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 SEFA.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying SEFA is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types, and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 1 to the City's basic financial statements.

NOTE 3 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant contract information and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

NOTE 4 - SCHEDULE OF OFFICE OF EMERGENCY SERVICES GRANT EXPENDITURES

The following represents expenditures of the State of California Office of Emergency Services for the fiscal year ended June 30, 2005:

Program Title and Expenditure Category	Grant Award Number	Budget	Actual	Variance
Gang Violence Suppression Operating Expense	GV04017901	\$ 211,035	\$ 170,554	\$ 40,481

CITY OF SACRAMENTO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

NOTE 5 – SCHEDULE OF AREA 4 AGENCY ON AGING EXPENDITURES

The following represents expenditures of the grants from the Area 4 Agency on Aging for the fiscal year ended June 30, 2005:

<u>Program</u>	<u>Grant Amount</u>	<u>Agreement Number</u>	<u>Expenditures</u>		<u>Total</u>
			<u>Federal</u>	<u>State</u>	
Alzheimer's Day Care Resource Center	\$ <u>77,767</u>	AL-0405-ADCRC	\$ <u>1,533</u>	\$ <u>75,767</u>	\$ <u>77,300</u>



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To the Honorable Mayor and Members
of the City Council
City of Sacramento, California

INDEPENDENT AUDITOR'S 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*

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Sacramento, California (City), as of and for the fiscal year ended June 30, 2005, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 29, 2005. Our report contained an explanatory paragraph describing the City's implementation of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures, an Amendment of GASB Statement No. 3*. 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 City'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 the City Council, City 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.

Maciel Meiri & Company LLP

Certified Public Accountants

Sacramento, California
November 29, 2005



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To the Honorable Mayor and Members
of the City Council
City of Sacramento, California

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of City of Sacramento, California (the City), 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 fiscal year ended June 30, 2005. The City'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 City's management. Our responsibility is to express an opinion on the City'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 City'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 City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2005.

Internal Control Over Compliance

The management of the City 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 City'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 control 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 the 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, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City, as of and for the fiscal year ended June 30, 2005, and have issued our report thereon dated November 29, 2005. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City'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 the City Council, the City 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.

Macior Mini & Company LLP

Certified Public Accountants

Sacramento, California
November 29, 2005

**CITY OF SACRAMENTO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	None reported
Type of auditor’s 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?	No

Identification of major programs:

<u>Program Title</u>	<u>CFDA/Grant Number</u>
Highway Planning and Construction	20.205
Local Law Enforcement Block Grant	16.592
SRWPT Intake Construction	15.7FG2014960
Combined Sewer Rehabilitation Project	66.606

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,322,961
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Auditee qualified as low-risk auditee?	Yes
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**CITY OF SACRAMENTO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None