

CITY OF SACRAMENTO

Single Audit Reports

For the Fiscal Year Ended June 30, 2006

**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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	\$ 107,898
Total United States Department of Labor			<u>107,898</u>
United States Department of Agriculture:			
Passed Through State of California Department of Education:			
2005 Snack Program	10.558	34-2883-1K	75,832
2006 Snack Program	10.558	34-2883-1K	300,488
Subtotal Snack Program			<u>376,320</u>
2005 Year Round Food Program	10.559	34-83400V	413,253
2006 Year Round Food Program	10.559	34-83400V	177,229
Subtotal Year Round Food Program			<u>590,482</u>
Total United States Department of Agriculture			<u>966,802</u>
United States Department of Transportation:			
Passed Through State of California Department of Transportation (CALTRANS):			
Highway Planning and Construction	20.205	HP21L-5002(090)	42,119
Highway Planning and Construction	20.205	STLP-5002(5)	3,460
Highway Planning and Construction	20.205	STLP-5002(5)	286,535
Highway Planning and Construction	20.205	CML-5002(053)	4,418
Highway Planning and Construction	20.205	CML-5002(055)	836,065
Highway Planning and Construction	20.205	CML-5002(041)	21,156
Highway Planning and Construction	20.205	STPLER-5002(066)	6,645
Highway Planning and Construction	20.205	STPL-5002(106)	377,190
Highway Planning and Construction	20.205	DA#03-0180	21,832
Highway Planning and Construction	20.205	STPE-5002(102)	1,339,580
Highway Planning and Construction	20.205	STPE-5002(110)	800
Highway Planning and Construction	20.205	CML-5002(043)	3,627
Highway Planning and Construction	20.205	STPLER-5002(059)	8,758
Highway Planning and Construction	20.205	STPLER-5002(080)	1,415
Highway Planning and Construction	20.205	RPSTPL-5002(081)	267,743
Highway Planning and Construction	20.205	ITS02-5002(091)	80,627
Highway Planning and Construction	20.205	STPLH-5002(094)	9,933
Highway Planning and Construction	20.205	STPL-5002(107)	39,244
Highway Planning and Construction	20.205	BRLS-5002(054)	6,051,756
Highway Planning and Construction	20.205	STPL-5002(045)	301,620
Highway Planning and Construction	20.205	RPSTPLE-5002(105)	6,858
Highway Planning and Construction	20.205	STPL-5002(044)	43,791
Highway Planning and Construction	20.205	HPO2L-5002(089)	548,994
Highway Planning and Construction	20.205	STPL-5002(084)	773,517
Highway Planning and Construction	20.205	CML-5002(047)	10,206
Highway Planning and Construction	20.205	BRLO-5002(050)	529,178

The accompanying notes are an integral part of this schedule.

**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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	STPL-5002(103)	20,073
Highway Planning and Construction	20.205	HP21L-5002(068)	23,569
Highway Planning and Construction	20.205	STPL-5002(067)	34,459
Highway Planning and Construction	20.205	STPL-5002(069)	10,874
Highway Planning and Construction	20.205	STPLER-5002(072)	703,290
Highway Planning and Construction	20.205	CML-5002(073)	39,769
Highway Planning and Construction	20.205	CML-5002(109)	22,779
Highway Planning and Construction	20.205	STPL-5002(097)	82,254
Highway Planning and Construction	20.205	RPSTPL-502(088)	938,450
Highway Planning and Construction	20.205	BRLS-5002(098)	174,435
Subtotal Highway Planning and Construction			<u>13,667,019</u>
Passed Through State of California Office of Traffic Safety: Traffic Safety	20.600	AL0567 / AL0567	<u>327,333</u>
Total United States Department of Transportation			<u>13,994,352</u>
United States Department of Justice:			
Direct Programs:			
Asset Forfeiture Program	16.000	N/A	<u>53,572</u>
Solving Cold Case DNA	16.560	2005DNBACK030	<u>65,137</u>
2003 Local Law Enforcement Block Grants	16.592	2003-LB-BX-1398	116,685
2004 Local Law Enforcement Block Grants	16.592	2004-LB-BX-0815	<u>19,207</u>
Subtotal Local Law Enforcement Block Grants			<u>135,892</u>
Bulletproof Vest Partnership	16.607	N/A	<u>8,480</u>
Project Safe Neighborhood	16.609	2004-PSN-1011	<u>26,072</u>
Universal Hiring II	16.710	2001ULWX0014	2,275,721
Universal Hiring	16.710	2002ULWX0063	1,200,955
2003 RCPI Integrity/Public Trust Initiative	16.710	2003-HS-WXK-003	106,243
COPS Interoperable Communications Technology	16.710	2004INWX0004	3,979,256
COPS in Schools	16.710	2004SHWX0161	<u>347,220</u>
Subtotal Public Safety Partnership and Community Policing Grants (COPS)			<u>7,909,395</u>
G.R.E.A.T. - Year 5	16.737	2004-JV-FX-0013	<u>25,062</u>
Justice Assist. Grant - Edward Byrne Memorial	16.738	2005-DJ-BX-0628	318,671
Justice Assist. Grant - Edward Byrne Memorial	16.738	2006-DJ-BX-0238	<u>30,284</u>
Subtotal Justice Assistance Grants			<u>348,955</u>

The accompanying notes are an integral part of this schedule.

**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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):			
Passed Through State of California Office of Emergency Services			
Gang Violence Suppression - Probation	16.579	GV04017901	22,865
Gang Violence Suppression - District Attorney	16.579	GV04017901	34,297
Gang Violence Suppression - Another Choice	16.579	GV04017901	10,162
Gang Violence Suppression - SCUSD	16.579	GV04017901	15,243
Gang Violence Suppression - LA FAMILIA	16.579	GV04017901	13,973
Gang Violence Suppression - Police	16.579	GV04017901	30,487
Subtotal Gang Violence Suppression Grants			<u>127,027</u>
Total United States Department of Justice			<u>8,699,592</u>
United States Department of Treasury:			
Direct Program:			
Asset Forfeiture Program	21.000	N/A	31,325
Total United States Department of Treasury			<u>31,325</u>
United States Environmental Protection Agency:			
Direct Programs:			
Combined Sewer Rehabilitation Project	66.606	XP98960401-2	2,608,933
Brownfields Assessment and Cleanup Cooperative Agreement	66.818	N/A	216,370
Total United States Environmental Protection Agency			<u>2,825,303</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	635,518
Total United States Department of Education			<u>635,518</u>
United States Department of Health and Human Services:			
Passed through State of California Department of Education :			
Child Care and Development Block Grant	93.575	CIMS-5454	3,690
Child Care and Development Fund Facilities	93.575	CRPM-4079	4,479
CCDF School Age Resource	93.575	CSCC-4162	6,758
Total United States Department of Health and Human Services			<u>14,927</u>
Corporation for National and Community Service:			
Americorps	94.006	03AFHY12-F90	114,651
Total Corporation for National and Community Service			<u>114,651</u>

The accompanying notes are an integral part of this schedule.

**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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:			
Direct Programs:			
Cert Grant 2004	97.004	N/A	26,767
Homeland Security Grant FY04	97.004	N/A	635,259
Subtotal Domestic Preparedness Equipment Support Grants			<u>662,026</u>
Urban Search and Rescue	97.025	N/A	<u>264,384</u>
Passed through FEMA			
Hurricane Charley	97.001	EMW-2003-CA-0104	<u>630</u>
National Urban Search & Rescue Response System	97.025	EMW-2003-CA-0302	176,178
National Urban Search & Rescue Response System	97.025	EMW-2004-CA-0454	428,674
Type II Katrina	97.025	EMW-2003-CA-0104	1,163,204
Hurricane Dennis	97.025	EMW-2003-CA-0104	11,878
Hurricane Rita	97.025	EMW-2003-CA-0104	51,644
Hurricane Ophelia	97.025	EMW-2003-CA-0104	52,982
Hurricane Wilma	97.025	EMW-2003-CA-0104	9,451
Subtotal Urban Search and Rescue Programs			<u>1,894,011</u>
Repetitive Flood Claims Program	97.092	FEMA-1628-DR-CA	<u>445,839</u>
Passed through State of California Office of Emergency Services			
Homeland Security Urban Areas Security Initiative	97.008	067-6400	2,448,769
Homeland Security Urban Areas Security Initiative	97.008	067-64000	2,388,254
Homeland Security Urban Areas Security Initiative	97.008	067-64000	347,199
Subtotal Homeland Security Urban Areas Security Initiative			<u>5,184,222</u>
Metropolitan Medical Response System	97.071	282-99-0034	<u>10,819</u>
Total United States Department of Homeland Security			<u>8,461,931</u>
Total Federal Financial Assistance			<u>\$ 35,852,299</u>

The accompanying notes are an integral part of this schedule.

**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the expenditures of all federal awards programs of the City of Sacramento, California (City) for the fiscal year ended June 30, 2006. 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 governmental 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 AREA 4 AGENCY ON AGING EXPENDITURES

The following represents expenditures of the grant from the Area 4 Agency on Aging for the fiscal year ended June 30, 2006:

Program	Grant Amount	Agreement Number	Expenditures		Total
			Federal	State	
Alzheimer's Day Care Resource Center	\$ 75,767	AL-0506-ADCRC	\$ -	\$ 75,767	\$ 75,767

**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

NOTE 5 – SCHEDULE OF STATE OF CALIFORNIA OFFICE OF EMERGENCY SERVICE EXPENDITURES

The following represents expenditures of the grants from the State of California Office of Emergency Service for the fiscal year ended June 30, 2006:

	Grant Award Number	Grant Amount	Federal	Expenditures State	Match	Total
Gang Violence Suppression						
Personnel Service	GV05017901	\$ 108,343	\$ -	\$ 86,337	\$ 9,384	\$ 95,721
Operating Expense		418,865	-	373,407	36,591	409,998
Equipment		22,792	-	-	-	-
Total		<u>\$ 550,000</u>	<u>\$ -</u>	<u>\$ 459,744</u>	<u>\$ 45,975</u>	<u>\$ 505,719</u>
Gang Violence Suppression						
Personnel Service	GV04017901	\$ 93,997	\$ 30,487	\$ 51,959	\$ 5,598	\$ 88,044
Operating Expense		304,184	96,540	15,711	18,287	130,538
Total		<u>\$ 398,181</u>	<u>\$ 127,027</u>	<u>\$ 67,670</u>	<u>\$ 23,885</u>	<u>\$ 218,582</u>



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**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**

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

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, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 8, 2006. Our report contained an explanatory paragraph discussing that the Sacramento Housing and Redevelopment Agency is no longer reported as a blended component unit in the financial statements based upon the criteria set forth in Governmental Standards Board (GASB) Statement No. 14 – *The Financial Reporting Entity*. 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.

Macin Mini, O'Connell LLP

Certified Public Accountants

Sacramento, California
December 8, 2006



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**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**

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

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, 2006. 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, 2006.

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, 2006, and have issued our report thereon dated December 8, 2006. 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 & O'Connell LLP

Certified Public Accountants

Sacramento, California
December 8, 2006

**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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>
Public Safety Partnership and Community Policing Grants (COPS)	16.710
Highway Planning and Construction	20.205

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,075,569
Auditee qualified as low-risk auditee?	Yes

**CITY OF SACRAMENTO
SINGLE AUDIT REPORTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None