

**CITY OF SACRAMENTO, CALIFORNIA**

**SINGLE AUDIT REPORT  
(UNIFORM GUIDANCE)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**CITY OF SACRAMENTO, CALIFORNIA**

**SINGLE AUDIT REPORT  
(UNIFORM GUIDANCE)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**INDEPENDENT AUDITORS' 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, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sacramento, California (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 23, 2016. Our report includes an emphasis of matter paragraph regarding the City's adoption of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective July 1, 2015. Our report also included an emphasis of matter paragraph regarding a change in reporting entity.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vavrinik, Trine, Day & Co. LLP*

Sacramento, California  
December 23, 2016



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited the City of Sacramento, California's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2016. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

## **Report on Internal Control over Compliance**

Management of the City 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 City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 City'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 federal 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 federal 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 federal 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 23, 2016, which contained unmodified opinions on those financial statements. Our report includes an emphasis of matter paragraph regarding the City's adoption of Governmental Accounting Standards Board (GASB) Statements No. 72. *Fair Value Measurement and Application*, and GASB Statement No. 82. *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective July 1, 2015. Our report also included an emphasis of matter paragraph regarding a change in the reporting entity. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Vavrinik, Trine, Day & Co. LLP*

Sacramento, California

January 31, 2017

**CITY OF SACRAMENTO, CALIFORNIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>United States Department of Housing and Urban Development</b>				
Passed through Sacramento Housing and Redevelopment Agency:				
Community Development Block Grants/Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants - R Street Phase III	14.218	2013-00125-1	\$ 8,633	
Community Development Block Grants/Entitlement Grants - 12th Street Streetscape Project	14.218	2013-00125-3	30,194	
Community Development Block Grants/Entitlement Grants - Downtown Riverfront Street Car Design	14.218	2015-0467	15,550	
Community Development Block Grants/Entitlement Grants - Mack Road Pedestrian Lighting	14.218	2016-0233	1,606	
Community Development Block Grants/Entitlement Grants - Mack Road and Valley Hi/La Mancha Traffic Signal/Intersection Improvements	14.218	2016-0758	105,036	
Community Development Block Grants/Entitlement Grants - Meadowview Streetscape	14.218	2016-0211	50,000	
Community Development Block Grants/Entitlement Grants - Meadowview and Manorside Traffic Signal	14.218	2014-0970	45,088	
Community Development Block Grants/Entitlement Grants - Midtown Street Lighting	14.218	2015-1286	23,677	
Community Development Block Grants/Entitlement Grants - North 12th Complete Street	14.218	2015-0113	31,347	
Community Development Block Grants/Entitlement Grants - El Camino and Clay Traffic Signal and Crosswalk Improvements	14.218	2016-0767	697	
Community Development Block Grants/Entitlement Grants - Fourth Street Pedestrian Access	14.218	2016-0201	8,794	
Community Development Block Grants/Entitlement Grants - North 16th Street Streetscape	14.218	2016-0203	666	
Community Development Block Grants/Entitlement Grants - Franklin Blvd Complete Streets	14.218	2016-0202	666	
Subtotal Community Development Block Grants / Entitlement Grants Cluster			<u>321,954</u>	
<b>Total United States Department of Housing and Urban Development</b>			<b><u>321,954</u></b>	
<b>United States Department of the Interior</b>				
Direct Programs:				
WaterSMART (Sustaining and Manage America's Resources for Tomorrow)	15.507	2016-0259	149,250	
Passed through Sacramento Suburban Water District:				
California Water Security and Environmental Enhancement - Land Park Water Main Replacement Phase 2	15.533	2015-121	99,277	
California Water Security and Environmental Enhancement - Oak Park and Colonial Manor WMR	15.533	2014-0177	155,563	
Subtotal California Water Security and Environmental Enhancement			<u>254,840</u>	
Direct Programs:				
Central Valley Improvement Act, Title XXXIV	15.512	N/A	356,426	
Central Valley Improvement (CVI) Andromous Fish Restoration (AFR)	15.648	N/A	207,281	
<b>Total United States Department of the Interior</b>			<b><u>967,797</u></b>	
<b>United States Department of Justice</b>				
Direct Programs:				
Public Safety Partnership and Community Policing Grants:				
Public Safety Partnership and Community Policing Grants - 2011	16.710	N/A	117,542	
Public Safety Partnership and Community Policing Grants - 2013	16.710	N/A	419,794	
Public Safety Partnership and Community Policing Grants - 2014	16.710	N/A	438,965	
Subtotal Public Safety Partnership and Community Policing Grants			<u>976,301</u>	
Edward Byrne Memorial Justice Assistance Grant Program:				
Edward Byrne Memorial Justice Assistance Grant Program - 2012	16.738	N/A	117,655	
Edward Byrne Memorial Justice Assistance Grant Program - 2013	16.738	N/A	63,628	
Edward Byrne Memorial Justice Assistance Grant Program - 2013	16.738	N/A	95	
Edward Byrne Memorial Justice Assistance Grant Program - 2014	16.738	N/A	133,604	
Edward Byrne Memorial Justice Assistance Grant Program - 2015	16.738	N/A	60,271	
Subtotal Edward Byrne Memorial Justice Assistance Grant Program			<u>375,253</u>	
Equitable Sharing Program	16.922	N/A	143,419	
<b>Total United States Department of Justice</b>			<b><u>1,494,973</u></b>	
<b>United States Department of Labor</b>				
Passed through Sacramento Employment and Training Agency:				
Workforce Investment Act (WIA) / Workforce Innovation and Opportunity Act (WIOA) Cluster:				
WIA/WIOA Youth Activities - 2016	17.259	046301IS-12(E4)	228,055	
<b>Total United States Department of Labor</b>			<b><u>228,055</u></b>	

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**CITY OF SACRAMENTO, CALIFORNIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>United States Department of Transportation</b>				
Passed through State of California Department of Transportation (CALTRANS):				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	CML-5002(041)	5,593	
Highway Planning and Construction	20.205	CML-5002(155)	33,418	
Highway Planning and Construction	20.205	CML-5002(178)	23,836	
Highway Planning and Construction	20.205	STPL-5002(156)	306,387	
Highway Planning and Construction	20.205	STPL-5002(103)	607,156	
Highway Planning and Construction	20.205	HP21L-5002(068)	190,879	
Highway Planning and Construction	20.205	STPL-5002(175)	46,760	
Highway Planning and Construction	20.205	RPSTPLEC-5002(147)	3,904,242	
Highway Planning and Construction	20.205	CML-5002(139)	736,838	
Highway Planning and Construction	20.205	BHLS-5002(115)	3,108,368	
Highway Planning and Construction	20.205	BRLS-5002(134)	165,795	
Highway Planning and Construction	20.205	HSIPL-5002(145)	53,259	
Highway Planning and Construction	20.205	STPCML-5002(159)	117,076	
Highway Planning and Construction	20.205	BPMP-5002(144)	394,037	
Highway Planning and Construction	20.205	DEMO5L-5002(163)	112,675	
Highway Planning and Construction	20.205	BRLS-5002(164)	881,214	
Highway Planning and Construction	20.205	HSIPLN-5002(165)	81,313	
Highway Planning and Construction	20.205	STPL-5002(170)	103,455	
Highway Planning and Construction	20.205	BRLS-5002(168)	275,742	
Highway Planning and Construction	20.205	STPL-5002(172)	8,748	
Highway Planning and Construction	20.205	STPL-5002(173)	148,475	
Highway Planning and Construction	20.205	STPL-5002(174)	40,499	
Highway Planning and Construction	20.205	STPL-5002(171)	122,366	
Highway Planning and Construction	20.205	ATPL-5002(179)	1,000	
Highway Planning and Construction	20.205	HSIPL-5002(183)	130	
Highway Planning and Construction	20.205	HSIPL-5002(184)	144	
Highway Planning and Construction	20.205	HSIPL-5002(185)	144	
Highway Planning and Construction	20.205	HSIPL-5002(186)	144	
Highway Planning and Construction	20.205	HSIPL-5002(187)	144	
Highway Planning and Construction	20.205	HSIPL-5002(188)	144	
Highway Planning and Construction	20.205	CML-5002(192)	350	
Highway Planning and Construction	20.205	STPCML-5002(177)	8,808,162	
Subtotal Highway Planning and Construction Cluster			<u>20,278,493</u>	
Passed through Sacramento Regional Transit District:				
Federal Transit Cluster:				
Federal Transit - Capital Investment Grants - Sacramento Intermodal Transportation Facility Retrofit Project - Phase II	20.500	CA-04-0013-03	497,653	
Passed through State of California Office of Traffic Safety:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	PT1565	90,610	
State and Community Highway Safety	20.600	PS1503	12,247	
State and Community Highway Safety	20.600	PT1684	143,386	
Subtotal Highway Safety Cluster			<u>246,243</u>	
Passed through City of Folsom Police Department:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1515	58,450	\$ 45,844
Passed through State of California Office of Traffic Safety:				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	AL1637	85,037	57,395
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT1684	162,949	
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated			<u>306,436</u>	<u>103,239</u>
Passed through State of California Office of Traffic Safety:				
National Priority Safety Programs	20.616	PT1565	179,843	
National Priority Safety Programs	20.616	PS1608	89,035	
Subtotal National Priority Safety Programs			<u>268,878</u>	
Direct Programs:				
National Infrastructure Investments - TIGER Discretionary Grants	20.933	N/A	6,852,934	
<b>Total United States Department of Transportation</b>			<u><b>28,450,638</b></u>	<u><b>103,239</b></u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.



**CITY OF SACRAMENTO, CALIFORNIA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Passed Through to Subrecipients
<b>United States Department of Treasury</b>				
Direct Programs:				
Equitable Sharing Program	21.016	N/A	38,434	
<b>Total United States Department of Treasury</b>			<b>38,434</b>	
<b>United States Department of Veterans Affairs</b>				
Direct Programs:				
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces - 201	64.034	N/A	21,057	
VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces - 201	64.034	N/A	48,311	
Subtotal VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces			69,368	
<b>Total United States Department of Veteran Affairs</b>			<b>69,368</b>	
<b>United States Environmental Protection Agency</b>				
Direct Programs:				
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements - Assessment Phase I	66.818	N/A	7,863	
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements - Assessment and Cleanup	66.818	N/A	289,148	
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements - Revolving Loan Fund	66.818	N/A	167,462	
Subtotal Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements			464,473	
<b>Total United States Environmental Protection Agency</b>			<b>464,473</b>	
<b>United States Department of Education</b>				
Passed through California Department of Education:				
21st Century Community Learning Centers	84.287	14-14349-2192-8A	88,303	
21st Century Community Learning Centers	84.287	15-14349-2192-8A	516,888	
Subtotal 21st Century Community Learning Centers			605,191	
<b>Total United States Department of Education</b>			<b>605,191</b>	
<b>United States Department of Health and Human Services</b>				
Passed through State of California Department of Education:				
CCDF Cluster:				
Child Care and Development Block Grant	93.575	CCTR-5184	102,808	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	CCTR-5184	186,865	
Subtotal CCDF Cluster			289,673	
Passed through State of California Department of Health Care Services:				
Medicaid Cluster:				
Ground Emergency Medical Transportation (GEMT) Reimbursement Program	93.778	2013-0930	933,449	
<b>Total United States Department of Health and Human Services</b>			<b>1,223,122</b>	
<b>United States Department of Homeland Security</b>				
Passed through State of California Department of Parks and Recreation, Division of Boating and Waterways:				
Boating Safety Financial Assistance	97.012	C15L0603	21,766	
Direct Programs:				
National Urban Search & Rescue (US&R) Response System:				
National Urban Search and Rescue (US&R) Response System - 2013	97.025	N/A	6,269	
National Urban Search and Rescue (US&R) Response System - 2014	97.025	N/A	377,927	
National Urban Search and Rescue (US&R) Response System - 2015	97.025	N/A	774,177	
National Urban Search and Rescue (US&R) Response System - Washington Mudslide	97.025	N/A	27,686	
National Urban Search and Rescue (US&R) Response System - Arkansas Tornadoes	97.025	N/A	251	
National Urban Search and Rescue (US&R) Response System - Joaquin Hurricane	97.025	N/A	26,698	
Subtotal National Urban Search & Rescue (US&R) Response System			1,213,008	
Federal Emergency Management Agency:				
Assistance to Firefighters Grant:				
Wellness/Fitness Initiative - 2014	97.044	EMW-2014-FO-05291	167,343	
Passed through State of California Office of Emergency Services:				
Homeland Security Grant Program - 2014	97.067	2014-00093	757,217	203,555
Passed through the Sacramento County Office of Emergency Services:				
Homeland Security Grant Program - 2014	97.067	2014-00093	8,950	
Subtotal Homeland Security Grant Program			766,167	203,555
Federal Emergency Management Agency:				
Staffing for Adequate Fire and Emergency Response (SAFER) - 2010	97.083	EMW-2010-FH-00609	12,670	
<b>Total United States Department of Homeland Security</b>			<b>2,180,953</b>	<b>203,555</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 36,044,958</b>	<b>\$ 306,794</b>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**CITY OF SACRAMENTO, CALIFORNIA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, 2016. The City's reporting entity is defined in Note 1 to the City's Comprehensive Annual Financial Report (CAFR). 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 PRESENTATION**

The accompanying SEFA includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2016. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICY**

Expenditures reported on the SEFA are reported on the modified accrual basis of accounting for governmental funds and the accrual basis for proprietary funds. Such expenditures are recognized following the cost principles continued in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown in the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 4 – 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 General Service Administration's Catalog of Federal Domestic Assistance.

**NOTE 5 – INDIRECT COST RATE**

The City has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance Section 2 CFR 200.414.

**CITY OF SACRAMENTO, CALIFORNIA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 6 – SCHEDULE OF SACRAMENTO EMPLOYMENT AND TRAINING AGENCY  
(SETA) EXPENDITURES**

The following represents expenditures of the grants from the Sacramento Employment and Training Agency for the fiscal year ended June 30, 2016:

**Workforce Innovation and Opportunity Act (WIOA) - Youth Program**

<b>CFDA Number</b>	<b>Sub-grant Number</b>	<b>Federal Expenditures</b>		
		<b>Personnel Service</b>	<b>Other</b>	<b>Total</b>
17.259	046301IS-12(E4)	\$ 216,558	\$ 11,497	\$ 228,055

**CITY OF SACRAMENTO, CALIFORNIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**I. SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of report auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major federal programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>No</u>

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Programs or Clusters</u>
<u>20.933</u>	<u>National Infrastructure Investments</u>
<u>97.025</u>	<u>Urban Search &amp; Rescue Response System</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 1,081,349</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

**CITY OF SACRAMENTO, CALIFORNIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**II. FINANCIAL STATEMENT FINDINGS**

None Reported.

**CITY OF SACRAMENTO, CALIFORNIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None Reported.

**CITY OF SACRAMENTO, CALIFORNIA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

None reported.