

RESOLUTION 2025-0144

Adopted by the Sacramento City Council

May 27, 2025

Accepting the Fiscal Year 2023/24 Single Audit Report

BACKGROUND

- A. The City's Fiscal Year (FY) 2023/24 Single Audit Report was prepared to present the City's Schedule of Expenditures of Federal Awards (SEFA) for the fiscal year ended June 30, 2024. The SEFA was audited, as required by federal law, by an independent public accounting firm.
- B. The public accounting firm of, Macias, Gini & O'Connell LLP audited the City's FY2023/24 SEFA and rendered its unmodified opinion that the schedule is fairly presented in relation to the City's audited financial statements.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

SECTION 1.

The City Council accepts the FY2023/24 Single Audit Report, attached hereto as Exhibit A.

SECTION 2.

Exhibit A is part of this resolution.

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Exhibit A – Single Audit Report


Adopted by the City of Sacramento City Council on May 27, 2025, by the following vote:

Ayes: Members Dickinson, Jennings, Maple, Pluckebaum, Talamantes, and Vang

Noes: None

Abstain: None

Absent: Members Guerra, Kaplan, and Mayor McCarty

Attest:  06/05/2025

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

CITY OF SACRAMENTO, CALIFORNIA

Single Audit Reports

For the Fiscal Year Ended June 30, 2024



CITY OF SACRAMENTO, CALIFORNIA
Single Audit Reports
For the Fiscal Year Ended June 30, 2024

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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***

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

We have audited, 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 (*Government Auditing Standards*), 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 fiscal year ended June 30, 2024, 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 20, 2024.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Macias Gini & O'Connell LLP

Sacramento, California
December 20, 2024

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Sacramento, California's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the fiscal year ended June 30, 2024. 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.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 20, 2024, which contained unmodified opinions on those financial statements. Our audit was performed 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 basic 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 financial statements as a whole.

Macias Gini & O'Connell LLP

Sacramento, California

March 21, 2025, except for our report on the Schedule
of Expenditures of Federal Awards, for which the
date is December 20, 2024

CITY OF SACRAMENTO, CALIFORNIA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Cluster Title/ Federal Program Name/ City Program Name	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
United States Department of Housing and Urban Development				
Passed through Sacramento Housing and Redevelopment Agency:				
CDBG - Entitlement Grants Cluster:				
Tree Nursery Access Improvement Individual Project	14.218	2023-0199	\$ 1,239	\$ -
China Town Light Study	14.218	2023-0240	45,266	-
21st Avenue Park Master Plan	14.218	2022-0318	37,160	-
Nielsen Park	14.218	2020-1180	1,920	-
Woodlake Park	14.218	2022-0925	17,764	-
Lawrence Park Improvements	14.218	2022-0924	81,900	-
O'Neil Park Restroom Replacement	14.218	2021-0800	444,125	-
Mama Marks Park	14.218	2022-0513	608,290	-
Wood Park Design	14.218	2022-0341	22,833	-
Mangan Park Improvements	14.218	2021-0798-01	134,193	-
Temple Avenue Park Improvements	14.218	2021-0799	8,232	-
Chorley Park	14.218	2013-00125	189,714	-
Camellia Park	14.218	2013-0125-02	17,904	-
Nunn Park Improvements	14.218	2013-00125	163,316	-
Thelma and Hawk Park Master Plan	14.218	2022-0514	21,363	-
Ninos Park	14.218	2024-1212	16,005	-
North Pointe Park	14.218	2013-00125	3,510	-
Fruitridge Complete Streets	14.218	2023-1706	14,231	-
Northgate Boulevard Signals Project	14.218	2022-0563	63,397	-
Franklin Blvd Complete Street	14.218	2021-0213	47,443	-
Franklin Blvd Complete Street Phase 3	14.218	2024-0023	5,693	-
Northwood School Access Improvement	14.218	2023-0241	584,499	-
Envision Broadway in Oak Park	14.218	2023-1683	21,372	-
Subtotal Community Development Block Grant/Entitlement Grants			<u>2,551,369</u>	<u>-</u>
Passed through Sacramento Housing and Redevelopment Agency:				
HOPE VI Cluster				
Choice Neighborhoods Implementation Grants:				
Gateway	14.889	2015-2230	985	-
Total United States Department of Housing and Urban Development			<u>2,552,354</u>	<u>-</u>
United States Department of the Interior				
Direct Programs:				
Central Valley Improvement Act, Title XXXIV:				
Lower American River Salmonid Habitat Improvement	15.512	---	264,638	-
Lower Sailor Bar	15.512	---	8,398	-
Lower American River Salmonid Habitat Improvement Program - Upper Riverbend Phase 1	15.512	---	1,755,693	-
Habitat and Facility Improvement American River Salmonid Spawning and Rearing Habitat Restoration	15.512	---	268,122	-
Subtotal Central Valley Improvement Act, Title XXXIV			<u>2,296,851</u>	<u>-</u>
Central Valley Project Improvement Act (CVPIA):				
American River Juvenile Salmonid and Habitat Monitoring	15.648	---	544,354	-
Total United States Department of the Interior			<u>2,841,205</u>	<u>-</u>
United States Department of Justice				
Direct Programs:				
Public Safety Partnership and Community Policing Grants:				
COPS Hiring Program - 2021	16.710	---	592,106	-
Edward Byrne Memorial Justice Assistance Grant Program:				
Edward Byrne Memorial Justice Assistance Grant Program - 2021	16.738	---	55,207	-
Edward Byrne Memorial Justice Assistance Grant Program - 2022	16.738	---	136,387	-
Edward Byrne Memorial Justice Assistance Grant Program - 2023	16.738	---	1,920	-
Subtotal Edward Byrne Memorial Justice Assistance Grant Program			<u>193,514</u>	<u>-</u>
Total United States Department of Justice			<u>785,620</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

CITY OF SACRAMENTO, CALIFORNIA
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Cluster Title/ Federal Program Name/ City Program Name	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
United States Department of Labor				
Passed through Sacramento Employment and Training Agency:				
Workforce Investment Act/Workforce Innovation and Opportunity Act (WIA/WIOA) Cluster:				
WIOA Youth Activities	17.259	046301IS-23	\$ 221,151	\$ -
Total United States Department of Labor			221,151	-
United States Department of Transportation				
Passed through State of California Department of Transportation (CALTRANS):				
Highway Planning and Construction	20.205	CML-5002(155)	128,669	-
Highway Planning and Construction	20.205	CML-5002(178)	547,444	-
Highway Planning and Construction	20.205	ATPL-5002(189)	5,585,182	-
Highway Planning and Construction	20.205	STPCML-5002(222)	203,829	-
Highway Planning and Construction	20.205	STPL-5002(175)	100,997	-
Highway Planning and Construction	20.205	BRLS-5002(220)	12,083	-
Highway Planning and Construction	20.205	BRLS-5002(164)	1,792,978	-
Highway Planning and Construction	20.205	BRLS-5002(168)	104,812	-
Highway Planning and Construction	20.205	STPL-5002(195)	184,044	-
Highway Planning and Construction	20.205	CML-5002(219)	348,017	-
Highway Planning and Construction	20.205	STPL-5002(213)	240,346	-
Highway Planning and Construction	20.205	ATPL-5002(203)	8,983,822	-
Highway Planning and Construction	20.205	HSIPL-5002(198)	714,083	-
Highway Planning and Construction	20.205	HSIPL-5002(199)	182,225	-
Highway Planning and Construction	20.205	HSIPL-5002(200)	4,907,864	-
Highway Planning and Construction	20.205	ATPL-5002(204)	3,308,826	-
Highway Planning and Construction	20.205	ATPLNI-5002(234)	46,338	-
Highway Planning and Construction	20.205	HSIPL-5002(209)	10,856	-
Highway Planning and Construction	20.205	HSIPL-5002(210)	120,737	-
Highway Planning and Construction	20.205	HSIPL-5002(211)	1,031,869	-
Highway Planning and Construction	20.205	HSIPL-5002(212)	125,875	-
Highway Planning and Construction	20.205	STPL-5002(221)	177,806	-
Highway Planning and Construction	20.205	LPPSTPL-5002(226)	87,637	-
Highway Planning and Construction	20.205	STPL-5002(221)	294,973	-
Highway Planning and Construction	20.205	STPL-5002(224)	243,249	-
Highway Planning and Construction	20.205	DEMOL 5002(223)	205,050	-
Highway Planning and Construction	20.205	CML-5002(232)	244,507	-
Highway Planning and Construction	20.205	RSSTPL-5002 (239)	9,185	-
Subtotal Highway Planning and Construction			29,943,303	-
Passed through State of California Department of Transportation (CALTRANS):				
Highway Railroad Grade Crossing Safety Program	20.301	STPLR-7500(260)	961,356	-
Passed through State of California Office of Traffic Safety:				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	PT21046	1,375	-
State and Community Highway Safety	20.600	PT23162	22,031	-
State and Community Highway Safety	20.600	PT24166	45,265	-
Subtotal Highway Safety Cluster			68,671	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT23162	36,712	-
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT24166	22,684	-
Subtotal Minimum Penalties for Repeat Offenders for Driving While Intoxicated			59,396	-
Passed through California Governor's Office of Emergency Services				
Hazardous Materials Emergency Preparedness Planning				
Hazardous Materials Emergency Preparedness 2022- Emergency Response Kit Project	20.703	---	69,621	-
Hazardous Materials Emergency Preparedness 2022- Self-Contained Breathing Apparatus (SCBA)	20.703	---	21,098	-
Subtotal Hazardous Materials Emergency Preparedness Planning			90,719	-
Total United States Department of Transportation			31,123,445	-
United States Department of the Treasury				
Passed through California State Water Resources Control Board:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	CA3410020, W00012	3,203,469	-
Passed through County of Sacramento:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	ER3-2022-01	1,006,106	-
Total United States Department of the Treasury			4,209,575	-

The accompanying notes are an integral part of this schedule.

CITY OF SACRAMENTO, CALIFORNIA
Schedule of Expenditures of Federal Awards (Continued)
For the Fiscal Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Cluster Title/ Federal Program Name/ City Program Name	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
National Endowment for the Arts				
Direct Programs:				
COVID-19 Promotion of the Arts, Grants to Organizations and Individuals	45.024	1895554-66-22	\$ 132,501	\$ -
Total National Endowment for the Arts			132,501	-
United States Environmental Protection Agency				
Direct Programs:				
Brownfields Assessment and Cleanup Cooperative Agreements: Revolving Loan Fund	66.818	---	13,484	-
Total United States Environmental Protection Agency			13,484	-
United States Department of Homeland Security				
Direct Programs:				
National Urban Search & Rescue (US&R) Response System:				
Urban Search and Rescue 2018	97.025	---	73,232	-
Urban Search and Rescue 2019	97.025	---	57,175	-
Urban Search and Rescue 2020	97.025	---	45,933	-
Urban Search and Rescue 2021	97.025	---	171,802	-
Urban Search and Rescue 2022	97.025	---	419,745	-
Urban Search and Rescue 2023	97.025	---	1,031,854	-
Urban Search and Rescue Hurricane Douglas	97.025	---	16	-
Urban Search and Rescue Tropical Cyclones Marco and Laura Deployment	97.025	---	919	-
Urban Search and Rescue 2021 Presidential Inauguration	97.025	---	383	-
Urban Search and Rescue Tropical Cyclone Ida	97.025	---	872	-
Urban Search and Rescue Kentucky Floods	97.025	---	2,294	-
Urban Search and Rescue Vermont Flooding	97.025	---	29,131	-
Urban Search and Rescue Hawaii Wildfires	97.025	---	140,172	-
Urban Search and Rescue Tropical Cyclone Idalia	97.025	---	17,967	-
Subtotal National Urban Search & Rescue (US&R) Response System			1,991,495	-
Passed through California Governor's Office of Emergency Services:				
		FEMA-4482-DR-CA FEMA-4683-DR-CA		
Public Assistance Grants	97.036	PA-09-CA-4683-PW-01156(867)	215,243	-
Public Assistance Grants- Emergency Protective Measures	97.036	PA-09-CA-4482-PW-02962(3248)	937,100	-
Subtotal Public Assistance Grants			1,152,343	-
Passed through State of California Office of Emergency Services:				
Homeland Security Grant Program:				
Homeland Security Grant Program - 2020	97.067	2020-0095	390,773	263,523
Homeland Security Grant Program - 2021	97.067	2021-0081	1,546,144	805,007
Homeland Security Grant Program - 2022	97.067	2022-0043	286,090	-
Passed through the Sacramento County Office of Emergency Services:				
Homeland Security Grant Program - 2022	97.067	2022-0043	138,093	-
Subtotal Homeland Security Grant Program			2,361,100	1,068,530
Total United States Department of Homeland Security			5,504,938	1,068,530
Total Expenditures of Federal Awards			\$ 47,384,273	\$ 1,068,530

The accompanying notes are an integral part of this schedule.

CITY OF SACRAMENTO, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the City of Sacramento, California (City) under programs of the federal government for the fiscal year ended June 30, 2024. The information in the Schedule 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).

As a result of the COVID-19 pandemic, many new federal programs have been established and funding has been added to existing federal programs. Expenditures funded from the following acts are denoted by the prefix COVID-19 in the federal program title in the Schedule:

- Coronavirus Preparedness and Response Supplemental Appropriations Act
- Families First Coronavirus Response Act
- Coronavirus Aid, Relief, and Economic Security Act (CARES Act)
- Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)
- American Rescue Plan Act (ARP)

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

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

NOTE 3 – ASSISTANCE LISTING NUMBERS (ALN)

The ALNs included in the accompanying Schedule were determined based on the program name, review of grant contract information, and the U.S. General Service Administration's [SAM.gov](https://www.sam.gov) website.

NOTE 4 – INDIRECT COST RATE

The City has elected not 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, 2024

NOTE 5 – LITIGATION RELATED TO FEDERAL GRANT FUNDING FREEZE

The City is currently engaged in litigation against the federal government concerning the suspension of certain federal grant funds. As of March 21, 2025, several federal grant programs listed in the Schedule have been impacted by the freeze, resulting in delayed reimbursements and uncertainty regarding future funding availability.

The affected programs include, but are not limited to, the following:

- COPS Hiring Program, ALN #16.710
- Edward Byrne Memorial Justice Assistance Grant Program, ALN #16.738
- Homeland Security Grant Program, ALN #97.067

The City continues to comply with all grant requirements and is actively pursuing legal remedies to ensure the release of awarded funds. While the outcome of this litigation remains uncertain, the City is monitoring the situation closely and assessing the potential financial and operational impacts.

CITY OF SACRAMENTO, CALIFORNIA
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I Summary of Auditor's Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

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

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program
20.205	Highway Planning and Construction
20.301	Highway Railroad Grade Crossing Safety Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B program:	\$1,421,528
Auditee qualified as a low-risk auditee?	Yes

CITY OF SACRAMENTO, CALIFORNIA
Schedule of Findings and Questioned Costs (Continued)
For the Fiscal Year Ended June 30, 2024

Section II Financial Statement Findings

No matters were reported.

Section III Federal Awards Findings

No matters were reported.