

**CITY OF SUNNYVALE**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2023**

This Page Left Intentionally Blank

**CITY OF SUNNYVALE**  
**SINGLE AUDIT REPORT**  
**For The Year Ended June 30, 2023**

**TABLE OF CONTENTS**

	<u>Page</u>
Schedule of Findings and Questioned Costs .....	1
Section I – Summary of Auditor’s Results .....	1
Section II – Financial Statement Findings .....	2
Section III – Federal Award Findings and Questioned Costs .....	2
Schedule of Expenditures of Federal Awards .....	4
Notes to the Schedule of Expenditures of Federal Awards.....	7
Independent Auditor’s Report on Internal Control Over Financial Reporting and Report on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	9
Independent Auditor's 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 .....	11

This Page Left Intentionally Blank

**CITY OF SUNNYVALE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2023**

**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?            Yes       x       No
- Significant deficiency(ies) identified?            Yes       x       None Reported

Noncompliance material to financial statements noted?            Yes       x       No

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?            Yes       x       No
- Significant deficiency(ies) identified?            Yes       x       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)?            Yes       x       No

Identification of major program(s):

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
<u>14.218</u>	<u>Community Development Block Grant</u>
<u>66.958</u>	<u>Water Infrastructure Finance and Innovation Act (WIFIA)</u>

Dollar threshold used to distinguish between type A and type B programs: \$972,467

Auditee qualified as low-risk auditee?       x       Yes            No

## **SECTION II – FINANCIAL STATEMENT FINDINGS**

Our audit did not disclose any significant deficiencies, or material weaknesses or instances of noncompliance material to the basic financial statements. We have also issued a separate Memorandum on Internal Control dated December 1, 2023, which is an integral part of our audits and should be read in conjunction with this report.

## **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Our audit did not disclose any findings or questioned costs required to be reported in accordance with Uniform Guidance.

This Page Left Intentionally Blank

**CITY OF SUNNYVALE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Pass-Through To Subrecipients	Federal Expenditures
<b>U.S. Department of Housing and Urban Development Direct Programs</b>				
<b>Community Development Block Grant (CDBG) - Entitlement Grants Cluster:</b>				
Community Development Block Grant - Entitlement Grants	14.218			
Program expenditures			\$667,269	\$1,455,759
COVID-19 - Emergency Rental Assistance Program and Administration			90,935	150,226
<b>Subtotal CDBG - Entitlement Grants Cluster</b>			<b>758,204</b>	<b>1,605,985</b>
Home Investment Partnerships Program	14.239		527,229	604,937
<b>Subtotal Home Investment Partnerships Program</b>			<b>527,229</b>	<b>604,937</b>
<b>Total U.S. Department of Housing and Urban Development</b>			<b>1,285,433</b>	<b>2,210,922</b>
<b>U.S. Department of Labor Pass-Through Programs From:</b>				
<b>Workforce Innovation &amp; Opportunity Act (WIOA) Cluster:</b>				
State of California Employment Development Department				
WIOA Adult Program	17.258	AA211021		200,804
WIOA Adult Program	17.258	AA311021	328,486	1,500,989
WIOA Adult Program - Regional Plan Implementation 4.0	17.258	AA111021	1,724	95,660
<b>Subtotal WIOA Adult Program</b>			<b>330,210</b>	<b>1,797,453</b>
WIOA Youth Activities	17.259	AA211021	86,005	405,912
WIOA Youth Activities	17.259	AA311021	247,496	505,100
<b>Subtotal WIOA Youth Activities</b>			<b>333,501</b>	<b>911,012</b>
WIOA Dislocated Workers Formula Grants	17.278	AA211021		418,390
WIOA Dislocated Workers Formula Grants	17.278	AA311021	327,080	1,652,781
WIOA Dislocated Workers Formula Grants - Rapid Response	17.278	AA311021		1,286,092
WIOA Dislocated Workers Formula Grants - Rapid Response Additional Assistance	17.278	AA111021	1,867	160,488
WIOA Dislocated Workers Formula Grants - Rapid Response Layoff Aversion	17.278	AA311021		386,027
WIOA Dislocated Workers Formula Grants - Rapid Response Layoff Aversion	17.278	AA211021		15,918
WIOA Dislocated Workers Formula Grants - Rapid Response Reemploy & Equity Init.	17.278	AA211021		12,664
<b>Subtotal WIOA Dislocated Workers Formula Grants</b>			<b>328,947</b>	<b>3,932,360</b>
<b>Subtotal WIOA Cluster</b>			<b>992,658</b>	<b>6,640,825</b>
<b>State of California Employment Development Department</b>				
WIOA National Emergency Grant	17.277	AA111021		159,705
WIOA National DW Grant	17.277	DW-36841-21-60-A-6	548,317	1,619,610
<b>Subtotal WIOA National Emergency Grants</b>			<b>548,317</b>	<b>1,779,315</b>
<b>Total Department of Labor</b>			<b>1,540,975</b>	<b>10,631,062</b>
<b>U.S. Department of Transportation Pass-Through Programs From:</b>				
<b>State of California Department of Transportation</b>				
Highway Planning and Construction				
Sunnyvale Safe Routes to School Improvements	20.205	ATPL-5213(067)		25,497
Snail Neighborhood Improvements	20.205	ATPL-5213(068)		566,734
Fair Oaks Avenue Over Caltrain	20.205	BHLS-5213(039)		4,476,595
East Sunnyvale Area Transportation Improvements	20.205	CML-5213(060)		5,656
Peery Park Area Transportation Improvements	20.205	CML-5213(061)		232,891
Java Drive Road Diet and Bike Lanes	20.205	CML-5213(064)		230,164
Lawrence Station Area Sidewalks and Bicycle Facilities	20.205	CML-5213(065)		258,850
Pedestrian and Bicyclist Infrastructure Improvements	20.205	CML-5213(073)		742,430
Advance Dilemma Zone Detection	20.205	HSIPL-5213(071)		874,121
Sunnyvale Traffic Signal Upgrades	20.205	STPL-5213(063)		369,612
Mary Ave Caltrains Tracks Cross Safety	20.205	STPLR-7500(256)		1,249
<b>Subtotal Highway Planning and Construction Program</b>				<b>7,783,799</b>

(Continued)



CITY OF SUNNYVALE  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Pass-Through To Subrecipients	Federal Expenditures
<b>State of California Office of Traffic Safety</b>				
<b>Highway Safety Cluster:</b>				
State and Community Highway Safety				
Selective Traffic Enforcement Program (STEP)	20.600	PT20126		34,564
<b>Subtotal Highway Safety Cluster</b>				<b>34,564</b>
<b>Total U.S. Department of Transportation</b>				<b>7,818,363</b>
<b>U.S. Department of Treasury Direct Programs</b>				
COVID-19 - Coronavirus State & Local Fiscal Recovery Funds	21.027			436,136
<b>Total U.S. Department of Treasury</b>				<b>436,136</b>
<b>Institute of Museum and Library Services Pass-Through Programs From:</b>				
<b>California State Library:</b>				
Grants to State				
Title III D Evidence Based Health Promotion	45.310	40-8595		24,898
<b>Total Institute of Museum and Library Services</b>				<b>24,898</b>
<b>U.S. Environmental Protection Agency Direct Programs</b>				
Water Infrastructure Finance Innovation Act (WIFIA)	66.958			10,710,896
<b>Total U.S. Environmental Protection Agency</b>				<b>10,710,896</b>
<b>U.S. Department of Health and Human Services Pass-Through Programs From:</b>				
<b>Sourcewise Disease Prevention and Health Promotion Program (Title III D)</b>				
<b>Aging Cluster:</b>				
Special Programs for the Aging Title III, Part B				
Grants for Supportive Services and Senior Centers	93.044	20171601		40,914
<b>Subtotal Aging Cluster</b>				<b>40,914</b>
<b>Total U.S. Department of Health and Human Services</b>				<b>40,914</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$2,826,408</b>	<b>\$29,662,269</b>

See Accompanying Notes to Schedule of Expenditures of Federal Awards

This Page Left Intentionally Blank

**City of Sunnyvale**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2023**

**NOTE 1 – REPORTING ENTITY**

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City of Sunnyvale, California, and its component units as disclosed in the notes to the Basic Financial Statements.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. The proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

**NOTE 3 – INDIRECT COST ELECTION**

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

This Page Left Intentionally Blank

**INDEPENDENT AUDITOR’S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND REPORT ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City Council  
City of Sunnyvale, 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 Sunnyvale as of and for the year ended June 30, 2023, 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 1, 2023. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

***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 City’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*.

We have also issued a separate Memorandum on Internal Control dated December 1, 2023, which is an integral part of our audit and should be read in conjunction with this report.

***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 City'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.

*Maze & Associates*

Pleasant Hill, California  
December 1, 2023

**INDEPENDENT AUDITOR'S 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**

To the Honorable Members of the City Council  
City of Sunnyvale, California

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

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

We have audited City of Sunnyvale's 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 year ended June 30, 2023. 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 year ended June 30, 2023.

***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 funds information of the City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 1, 2023, which contained an unmodified opinion 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 basic financial statements as a whole.

*Maze & Associates*

Pleasant Hill, California  
February 2, 2024

This Page Left Intentionally Blank