

# **City of Roseville, Michigan**

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**Federal Awards  
Supplemental Information  
June 30, 2013**

# City of Roseville, Michigan

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Report on Schedule of Expenditures of Federal Awards  
Required by OMB Circular A-133

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council  
City of Roseville, Michigan

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 of Roseville, Michigan (the "City") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 11, 2013 which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 11, 2013.

The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

December 11, 2013

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*

Independent Auditor's Report

To Management, the Honorable Mayor, and  
Members of the City Council  
City of Roseville, Michigan

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 Roseville, Michigan (the "City") as of and for the year ended June 30, 2013, 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 11, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Roseville, Michigan'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 entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity'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.

To Management, the Honorable Mayor, and  
Members of the City Council  
City of Roseville, Michigan

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Roseville, Michigan'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plante & Morse, PLLC*

December 11, 2013

Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance

Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council  
City of Roseville, Michigan

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

We have audited City of Roseville, Michigan's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013. The City of Roseville, Michigan's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Roseville, Michigan'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 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 of Roseville, Michigan'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 of Roseville, Michigan's compliance.

To the Honorable Mayor and  
Members of the City Council  
City of Roseville, Michigan

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

In our opinion, the City of Roseville, Michigan 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, 2013.

### **Report on Internal Control Over Compliance**

Management of the City of Roseville, Michigan 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 of Roseville, Michigan'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 OMB Circular A-133, 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 entity'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 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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Plante & Morse, PLLC*

December 11, 2013

# City of Roseville, Michigan

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Award Amount	Federal Expenditures
Community Development Block Grants -				
Entitlement Grants Cluster:				
U.S. Department of Housing and Urban Development:				
Direct awards - CDBG & ARRA-CDBG-R:				
Program year - 2010 B-00-MC-26-000010	14.218	N/A	\$ 537,596	\$ 453,653
Program year - 2011 B-00-MC-26-000010	14.218	N/A	535,973	<u>47,553</u>
Total direct awards - U.S. Department of Housing and Urban Development				501,206
Passed through Michigan State Housing Development - Neighborhood Stabilization Program	14.218	NSP-2008-5540-ENT	1,450,000	24,774
Passed through Macomb County - HOME Investment Partnership Program	14.236	M09-DC260209	191,472	<u>9,766</u>
Total U.S. Department of Housing and Urban Development				535,746
U.S. Department of Transportation:				
Passed through Michigan State Police Drive Michigan Safety Task Force - Highway Training and Education Grant 2012 Drive Michigan Safety Task Froce	20.215	N/A	17,107	17,107
U.S. Department of the Interior - Passed through Michigan Finance Authority - Drinking Water Revolving Fund/State Revolving Fund				
	66.458 / 66.468	5373-01	4,445,000	1,399,896
U.S. Department of Justice:				
Passed through Michigan Department of Community Health - ARRA - 2009 Byrne Justice Assistance Grant - Drug Court	16.803	50110-1-09-B	242,895	30,218
Passed through Drug Enforcement Administration:				
Crime Against Children Task Forces - Overtime	16.unknown	17-04-0228	16,526	16,526
Org Crime Drug Enf Task Forces - Overtime	16.922	17-04-0228	16,060	21,396
Org Crime Drug Enf Task Forces - % Sharing	16.922	17-04-0228	49,369	<u>275,357</u>
Total passed through Drug Enforcement Administration				313,279
Passed through Macomb Co. Department of Community Health:				
2011 Byrne Justice Assistance Grant	16.738	2011-DJ-BX-2276	23,538	23,538
2012 Byrne Justice Assistance Grant	16.738	2012-DJ-BX-0672	18,654	<u>18,654</u>
Total passed through Macomb Co. Department of Community Health				<u>42,192</u>
Total Department of Justice				385,689

# City of Roseville, Michigan

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2013

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Award Amount	Federal Expenditures
Community Development Block Grants - Entitlement Grants Cluster (Continued):				
U.S. Department of Emergency Management -				
Direct award - FEMA:				
2011 HSP - Airparks Equipment Grant	97.044	EMW-2011-FO-09264	148,029	\$ 148,029
2010 SAFER Firefighter Grant	97.044	EMW-2010-FH-00940	522,758	<u>226,638</u>
Total direct awards - U.S. Department of Emergency Management				374,667
Passed through Macomb Co. Department of Emergency Management:				
2008 Homeland Security Grant Program	97.067	N/A	3,744	3,744
2009 Homeland Security Grant Program	97.067	N/A	456	456
2009 Homeland Security Grant Program	97.067	N/A	667	667
2009 Homeland Security Grant Program	97.067	N/A	4,035	4,035
2010 Homeland Security Grant Program	97.067	N/A	7,186	7,186
2010 Homeland Security Grant Program	97.067	N/A	129	129
2010 Homeland Security Grant Program	97.067	N/A	861	861
2010 Homeland Security Grant Program	97.067	N/A	6,344	6,344
2010 Homeland Security Grant Program	97.067	N/A	6,344	505
2010 Homeland Security Grant Program	97.067	N/A	3,041	<u>3,041</u>
Total passed through Macomb Co. Department of Emergency Management				<u>26,968</u>
Total U.S. Department of Emergency Management				<u>401,635</u>
Total federal awards				<u><b>\$ 2,740,073</b></u>

# City of Roseville, Michigan

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## Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 1,389,052
Change in deferred revenue	(339,419)
Expenditures recognized elsewhere	290,544
Federally reimbursed expenditures recorded as long-term debt	<u>1,399,896</u>
Federal expenditures per the schedule of expenditures of federal awards	<u>\$ 2,740,073</u>

# City of Roseville, Michigan

## Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2013

### Note 1 - Basis of Presentation and Significant Accounting Policies

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Roseville, Michigan under programs of the federal government for the year ended June 30, 2013. Expenditures reported on the Schedule are reported on the same basis of accounting as the basic financial statements, although the basis for determining when federal awards are expended is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. In addition, expenditures reported on the Schedule are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Because the Schedule presents only a selected portion of the operations of the City of Roseville, Michigan, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows, if applicable, of the City of Roseville, Michigan. Pass-through entity identifying numbers are presented where available.

### Note 2 - Subrecipient Awards

Of the federal expenditures presented in the schedule, federal awards were provided to subrecipients as follows:

<u>Federal Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community Development Block Grant Entitlement Cluster	14.218	\$ 25,050

# City of Roseville, Michigan

## Schedule of Findings and Questioned Costs Year Ended June 30, 2013

### Section I - Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?  Yes  No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.218	Community Development Block Grant Entitlement Cluster
66.458/66.468	State Revolving Fund
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?  Yes  No

# **City of Roseville, Michigan**

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## **Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2013**

### **Section II - Financial Statement Audit Findings**

None

### **Section III - Federal Program Audit Findings**

None