CITY OF ROSEVILLE

SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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CITY OF ROSEVILLE

SINGLE AUDIT REPORT
For The Year Ended June 30, 2010

TABLE OF CONTENTS

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CITY OF ROSEVILLE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2010

SECTION I—SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unqualified			
Internal control over financial reporting:				
• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None Reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unqualified			
Internal control over major programs:				
• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None Reported
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?		Yes	X	No

Identification of major programs:

CFDA#(s)	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
20.205	Highway Planning and Construction
97.036	Disaster Grants-Public Assistance (Presidentially Declared Disasters)
20.500 and 20.507	Federal Transit- Cluster
11.555	Public Safety Interoperable Communications Grant Program
16.579	Edward Byrnes Memorial Formula Grant Program

Dollar threshold used to distinguish between type A and type B programs: $579,282

Auditee qualified as low-risk auditee?		Yes	X	No

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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. However, we have issued a separate Memorandum on Internal Control dated November 5, 2010, 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 section 510(a) of OMB Circular A-133.

SECTION IV - STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS –
Prepared by Management

Financial Statement Prior Year Findings

There were other matters reported in the prior year which we have communicated in a separate Memorandum on Internal Control dated November 6, 2009, which is an integral part of our audits and should be read in conjunction with this report.

Federal Award Prior Year Findings and Questioned Costs

There was no prior year Federal Award Findings and Questioned Costs reported.

CITY OF ROSEVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures
Department of Housing and Urban Development **Direct** Programs			
Section 8 Housing Choice Vouchers	14.871		$4,161,037
Community Development Block Grants	14.218		572,966
NSP - Community Development Block Grants	14.218		156,173
ARRA - Community Development Block Grants	14.218		5,499
Total Community Development Block Grants			734,638
Subtotal Department of Housing and Urban Development **Direct** Programs			4,895,675
Department of Housing and Urban Development **Pass-Through** Programs From:			
California Department of Housing and Community Development	14.239		
Home Investment Partnerships Program		2008-HOME-4695	831,919
Home Investment Partnerships Program		2007-HOME-3062	3,135,134
Subtotal Department of Housing and Urban Development **Pass-Through** Programs			3,967,053
Total Department of Housing and Urban Development			8,862,728
Department of Justice **Direct** Programs			
Bulletproof Vest Partnership Program (FY09)	16.607	52031005	4,430
Public Safety Partnership and Community Policing Grants	16.710		
2007 Secure Our Schools		2006CKWX0616	12,495
COPS Tech Grant 2006/ 07		2006CKW0249	36,289
Total Public Safety Partnership and Community Policy Grants			48,784
Juvenile Accountability Block Grant FY09-10	16.523	CSA 118-09	11,075
ARRA Edward Byrne Memorial Formula Grant Program FY 2009	16.579	2009-SB-B9-0679	124,309
Total Department of Justice **Direct** Programs			188,598
Department of Transportation **Direct** Programs			
Federal Transit Administration (FTA)			
Federal Transit - Cluster			
FTA 5309 Roseville TP & Bus Stop Improvement Grant	20.500	CA-03-0772-00	895,092
FTA 5309-Bus Facility Project City of Lincoln	20.500	CA-03-0772-00	52,684
Riverside Avenue Streetscape	20.500	CML-5182 (025)	1,014,891
Federal Transit - Formula Grants: CMAQ-Bus Acquisition	20.507	CA-95-X075	600,000
Total Federal Transit - Cluster			2,562,667
Subtotal Department of Transportation **Direct** Programs			2,562,667

CITY OF ROSEVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures
Department of Transportation **Pass-Through** Programs From:			
State of California			
Highway Planning and Construction , ARRA Grants	20.205		
ARRA-Washington Bl from All American Dr to Corp Yard		ESPLCM-5182(041)	795,145
ARRA-Sierra College/ Douglas Dual LT		ESPL 5182(048)	295,436
ARRA- Bonded Wearing Course		ESPL 5182(049)	844,208
ARRA-Arterial Microsurface		STPL 5182(046)	905,556
ARRA- Cirby Way Rubberized		ESPL 5182(050)	7,857
ARRA-Sunrise Ave		ESPL 5182(051)	105,207
ARRA-Sierra College/RSVL Pkwy		ESPL 5182(052)	121,208
ARRA-Arterial Microsurface		ESPL 5182(054)	2,203
ARRA - Arterial Microsurface		ESPL 5182(054)	3,613
Highway Planning and Construction , non-ARRA Grants	20.205		
Mahany ITS Conversion Project		CML-5182(034)	218,977
Washington Bl from Junction Blvd to Kaseberg Dr		CML-5182(040)	346,186
Washington Bl from All American Dr to Corp Yard		ESPLCM-	259,706
Congestion Mgmt Hub Project		CML-5182(045)	306,328
West Roseville IT Conversion Project		CML-5182(053)	192,340
East Street to Folsom Road (Segment 2)		CML-5182 (047)	211,057
Safe Route to School		SRTSLNI-5182(044)	33,633
2008 RSTP-Bonded Wearing Cours		STPL 5182 (038)	751,765
Sierra College Fiber Optic		TLSPL-5182 (039)	666,977
Placer County Transportation Planning Agency			
Congestion Management Program	20.205	CML-6158(035)	35,000
Total Highway Planning and Construction			6,102,402
State and Community Highway Safety			
State of California			
CHP FAST Grant	20.600	9C220003	7,006
The City of Berkeley			
Click It or Ticket FY 09-10	20.600	CT10355	11,799
OTS-Sobriety Checkpoint Minigrant	20.600	SC10355	8,065
The State Office of Traffic Safety			
OTS-STEP-2009	20.600	AL0902	40,155
Total State and Community Highway Safety			67,025
Subtotal Department of Transportation **Pass-Through** Programs			6,169,427
Total Department of Transportation			8,732,094
Department of Commerce **Pass-Through** Programs From:			
City of Sacramento			
Public Safety Interoperable Communication Grant Programs	11.555		
Public Safety Interoperable Communications Grant Program		G11006100	320,296
CalEMA Hazmat Training Grant		6014-9	27,469
Total Department of Commerce **Pass-Through** Programs			347,765
Department of Homeland Security **Pass-Through** Programs From:			
Placer County			
Buffer Zone Protection Programs	97.078		
Homeland Security Buffer Zone Protection		Not available	88,498
Homeland Security Grant - Fire		Not available	117,355
Homeland Security Grant - Police		Not available	49,545
Homeland Security Grant - Electric		Not available	1,742
Total Buffer Zone Protection Programs			257,140
California Emergency Management Agency			
Disaster Grants - Public Assistance (Presidentially Declared Disaster)			
FEMA-1628-DR 2005-2006 Winter Storms Grant	97.036	FEMA-1628-DR-	278,637
Assistance to Firefighters Grant FY09	97.044	EMW-2009-FO-07281	100,686
Total Department of Homeland Security **Pass-Through** Programs			636,463

CITY OF ROSEVILLE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Identifying Number	Federal Expenditures
Department of Defense **Direct** Programs			
Flood Control Projects			
Water Meter Retrofit Program	12.106		299,093
Total Department of Defense **Direct** Programs			299,093
National Endowment for the Arts **Direct** Program			
Promotion of the Arts, Grants to Organizations and Individuals			
The Big Read	45.024	32490	1,000
Institute of Museum and Library Services **Direct** Program			
Museums for America	45.301	MA-01-07-0067-07	119,790
Grants to States	45.310		
Library Service & TEAC ACT-LSTA FY09-10		40-7409	9,617
Early Learning With Families		40-7064	2,500
Subtotal Institute of Museum and Library Services **Direct** Programs			131,907
Institute of Museum and Library Services **Pass-Through** Programs From:			
State of California			
Grants to States	45.310		
CA of the Past Digital Storytell FY08-09		40-7128	1,000
CA of the Past Digital Storytell FY09-10		40-7305	5,000
LSTA-TLAF (Transfer Life After 50)		40-7192	2,000
CA Family Place Library Program		40-7450	15,000
LSTA Nor Cal Lit Festival Grant		40-7460	5,000
LSTA Build-Your-Own-Business		40-7461	5,000
Subtotal Institute of Museum and Library Services **Pass-Through** Programs			33,000
Total Institute of Museum and Library Services			165,907
Department of Labor **Pass-Through** Programs From:			
Golden Sierra Job Training Agency			
WIA Dislocated Workers	17.260	KO74139-03	61,265
Total Department of Labor **Pass-Through** Program			61,265
Department of Energy - **Direct** Program			
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	SC00002596	15,492
Total Department of Energy **Direct** Program			15,492
Total Expenditures of Federal Awards			$19,309,405

See Accompanying Notes to Schedule of Expenditures of Federal Awards

CITY OF ROSEVILLE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2010

NOTE 1-REPORTING ENTITY

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

NOTE 2-BASIS OF ACCOUNTING

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. All governmental funds and agency funds are accounted for using the modified accrual basis of accounting. All proprietary funds are accounted for using the accrual basis of accounting. Expenditures of Federal Awards reported on the Schedule are recognized when incurred.

NOTE 3-DIRECT AND INDIRECT (PASS-THROUGH) FEDERAL AWARDS

Federal awards may be granted directly to the City by a federal granting agency or may be granted to other government agencies which pass-through federal awards to the City. The Schedule includes both of these types of Federal award programs when they occur.

NOTE 4 - SUBRECEIPIENTS

Of the federal expenditures presented in the Schedule, the City provided federal awards to subrecipients as follows:

CFDA Number	Program Name	Amount Provided to Subrecipients
14.218	Community Development Block Grant	$188,769
20.500	Federal Transit - Capital Investment Grants	52,684

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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*

Honorable Mayor and City Council
of the City of Roseville, California

We have audited the financial statements of the City of Roseville as of and for the year ended June 30, 2010, and have issued our report thereon dated November 5, 2010. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards.*

We have also issued a separate Memorandum on Internal Control dated November 5, 2010, which is an integral part of our audits and should be read in conjunction with this report.

This report is intended solely for the information and use of City Council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

November 5, 2010

MAZE & ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Mayor and City Council
of the City of Roseville, California

Compliance

We have audited City of Roseville's compliance with the types of compliance requirements described in the *OMB Circular A-133 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, 2010. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Roseville's compliance with those requirements.

In our opinion, the City of Roseville 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, 2010.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the City as of and for the year ended June 30, 2010, and have issued our report thereon dated November 5, 2010. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, City Council, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Maze & Associates

January 28, 2011