

CITY OF EAU CLAIRE

Eau Claire, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2010

CITY OF EAU CLAIRE

TABLE OF CONTENTS December 31, 2010

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 – 2
Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program, Internal Control Over Compliance in Accordance with OMB Circular A-133 and the <i>State Single Audit Guidelines</i> , and the Schedule of Expenditures of Federal and State Awards	3 – 5
Schedule of Findings and Questioned Costs	6 – 10
Schedule of Expenditures of Federal and State Awards	11 – 14
Notes to Schedule of Expenditures of Federal and State Awards	15 – 16

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

To The City Council
City of Eau Claire
Eau Claire, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Eau Claire, Wisconsin as of and for the year ended December 31, 2010, which collectively comprise the City of Eau Claire's basic financial statements and have issued our report thereon dated June 29, 2011. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Eau Claire'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 of Eau Claire's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Eau Claire's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses; and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. The material weakness is item 10-1.

To The City Council
City of Eau Claire

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Eau Claire's basic 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Eau Claire in a separate letter dated June 29, 2011.

The City of Eau Claire's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

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

Baker Tilly Vinchow Krume, LLP

June 29, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133 AND THE *STATE SINGLE AUDIT GUIDELINES*,
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

To The City Council
City of Eau Claire
Eau Claire, Wisconsin

Compliance

We have audited the City of Eau Claire, Wisconsin's compliance with the types of compliance requirements described in OMB *Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct or material effect each of the City of Eau Claire's major federal and major state programs for the year ended December 31, 2010. The City of Eau Claire's major federal and major state programs are identified in the summary of auditors' 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 and major state programs is the responsibility of the City of Eau Claire's management. Our responsibility is to express an opinion on the City of Eau Claire'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133, and the *State Single Audit Guidelines* 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 or major state program occurred. An audit includes examining, on a test basis, evidence about the City of Eau Claire'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 Eau Claire's compliance with those requirements.

In our opinion, the City of Eau Claire complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal and major state programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 or the *State Single Audit Guidelines*, and which are described in the accompanying schedule of findings and questioned costs as items 10-2 and 10-3.

To The City Council
City of Eau Claire

Internal Control Over Compliance

The management of the City of Eau Claire is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the City of Eau Claire's internal control over compliance with requirements that could have a direct and material effect on a major federal or major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Eau Claire'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 or state 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 or state 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 would not necessarily identify all deficiencies in internal control that might be 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 and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Eau Claire, Wisconsin as of and for the year ended December 31, 2010, which collectively comprise the City of Eau Claire's basic financial statements and have issued our report thereon dated June 29, 2011. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the City of Eau Claire's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the *State Single Audit Guidelines* 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.

The City of Eau Claire's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response and, accordingly, we express no opinion on it.

To The City Council
City of Eau Claire

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

Baker Tilly Vinchow Krume, LLP

September 28, 2011 except for the schedule of
expenditures of federal and state awards, as to
which the date is June 29, 2011

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2010

SECTION I – SUMMARY OF AUDITORS' RESULTS (cont.)

FEDERAL OR STATE AWARDS (cont.)

	<u>Federal</u>	<u>State</u>
Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000	\$ 100,000

Identification of major state programs:

<u>State Number</u>	<u>Name of State Program</u>
395.104	Transit Operating Aids

SECTION II – FINANCIAL STATEMENT FINDINGS

FINDING 10-1: INTERNAL CONTROL OVER FINANCIAL REPORTING.

Condition: During the 2010 audit, we noted deficiencies in the financial reporting process as follows:

- > Adjusting journal entries and supporting documentation are not consistently reviewed and approved by an appropriate person who is not the original preparer.
- > Capital asset records and reconciliations are not consistently reviewed by an appropriate person who is not the original preparer before the audit. Also, procedures are not currently in place to ensure completeness of contributed assets and disposals of capital assets. Classification of completed infrastructure projects in construction in progress should be done on a timely basis.
- > Audit procedures found material adjustments to the 2010 financial records.

The current controls over financial reporting do not reduce the risk of material errors to less than reasonably possible, as required by the standards.

Criteria: Internal controls should be in place to provide reasonable assurance in the reliability of financial reporting.

Effect: Financial reports may be materially misstated.

Recommendation: The City should consider additional internal controls or other procedures to strengthen the internal controls over financial reporting.

Management's Response: All general journal entries now require a secondary electronic approval by another employee through workflow incorporated within our financial system. Accounting staff has identified a source document available in Public Works to use for verifying that all contributed assets are recorded. A form has been created for the departments to complete when an asset is going to be disposed of; this form is routed to Accounting so the necessary entries can be completed. Accounting staff is also working closely with Public Works to obtain the necessary information earlier in the process. We are in agreement with the auditors' recommended entries.

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2010

SECTION III – FEDERAL AND STATE FINDINGS AND QUESTIONED COSTS

FINDING 10-2: PROGRAM: FEDERAL TRANSIT CLUSTER

CFDA Number: 20.500/20.507 – ARRA: Federal Transit: Formula Grants

Granting Agency: U.S. Department of Transportation

Criteria: Reports submitted to the grantor should be accurate.

Condition: Errors were noted in the FTA Quarterly Narrative Report for third quarter 2010 indicating \$0 federal cash receipts and disbursements instead of \$62,490 actual amount. Another error was noted on the ARRA 1512 reporting where funds received were indicated as \$0 for third quarter instead of \$62,490.

Effect: Financial information reported to the grantor was inaccurate.

Questioned Costs: None.

Recommendation: A thorough review of all reports submitted to grantors should be performed by someone other than the preparer to ensure accuracy.

Management's Response/Planned Corrective Action: The third quarter reports were inadvertently submitted without indicating the federal cash receipts and disbursements of \$62,490. Staff subsequently identified and corrected the error on the first quarterly reports for 2011. Transit staff has been instructed to have a secondary review completed by another employee prior to submitting the reports.

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2010

SECTION III – FEDERAL AND STATE FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 10-3: PROGRAM: ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM

CFDA Number: 81.128

Granting Agency: U.S. Department of Energy

Criteria: Reports submitted to the grantor should be accurate.

Condition: Testing of ARRA, performance and financial reports found instances where supporting information did not agree with amounts reported.

Effect: Information reported to the grantor was inaccurate.

Questioned Costs: None

Context: During the audit, two quarterly ARRA, performance and financial reports were tested. Differences between the supporting documentation and the reports were found on one quarter of each type of report.

Recommendation: The reports should be reviewed by someone other than the preparer prior to submission.

Management's Response/Planned Corrective Action: Two of the quarterly ARRA performance and financial reports were inadvertently submitted with inaccurate information. Staff has been instructed to have a secondary review completed by Finance prior to submitting the reports.

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.)
For the Year Ended December 31, 2010

SECTION IV – OTHER ISSUES

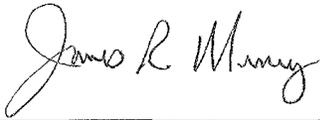
1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? yes no

2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Health Services	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of Natural Resources	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of Transportation	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of Military Affairs	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> No

3. Was a management letter or other document conveying audit comments issued as a result of this audit? yes No

4. Name and signature of partner



James R. Murray, CPA, Partner

5. Date of report September 28, 2011

CITY OF EAU CLAIRE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2010

Federal Grantor/ Program or Cluster Title	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenue						
				(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue	Total Revenues	Federal Expenditures
FEDERAL AWARDS										
U.S. Department of Agriculture										
Women, Infants and Children Supplemental Food Program	10.557	DHS	N/A	\$ (33,326)	\$ -	\$ 455,103	\$ 51,383	\$ -	\$ 473,160	\$ 473,160
WIC Farmers' Market Nutrition Program	10.572	DHS	N/A	-	-	297	-	-	297	297
Total U.S. Department of Agriculture				<u>(33,326)</u>	<u>-</u>	<u>455,400</u>	<u>51,383</u>	<u>-</u>	<u>473,457</u>	<u>473,457</u>
U.S. Department of Commerce										
Economic Adjustment Assistance	11.307	N/A	N/A	-	-	-	-	-	-	440,758
U.S. Department of Housing and Urban Development										
Section 8 Housing Assistance Payments Program:										
Special Allocations	14.195	N/A	N/A	-	-	113,273	-	-	113,273	113,273
Section 8 Housing Assistance Payments Program:										
Special Allocations	14.195	WHEDA	N/A	-	-	670,009	-	-	670,009	670,009
Total Section 8 HAP Special Allocations				<u>-</u>	<u>-</u>	<u>783,282</u>	<u>-</u>	<u>-</u>	<u>783,282</u>	<u>783,282</u>
Supportive Housing Program	14.235	Western Dairyland	N/A	-	-	10,190	-	-	10,190	10,190
Community Development Block Grants/Entitlement Grants	14.218	N/A	N/A	(20,845)	-	934,882	52,913	-	966,950	966,950
Community Development Block Grant ARRA Entitlement Grants CDBG - R (Recovery Act Funded)	14.253	N/A	N/A	-	-	163,461	-	-	163,461	163,461
Total CDBG - Entitlement Grants Cluster				<u>(20,845)</u>	<u>-</u>	<u>1,098,343</u>	<u>52,913</u>	<u>-</u>	<u>1,130,411</u>	<u>1,130,411</u>
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	DOC	NSP 09-08	(20,937)	-	209,515	37,321	-	225,899	225,899
Home Investment Partnership Program	14.239	N/A	N/A	(66,408)	-	505,115	36,969	-	475,676	475,676
Public and Indian Housing Program	14.850	N/A	N/A	-	-	323,587	-	-	323,587	323,587
Section 8 Housing Choice Vouchers	14.871	N/A	N/A	-	-	1,710,439	-	-	1,710,439	1,710,439
Public Housing Capital Fund	14.872	N/A	N/A	-	-	407,879	-	-	407,879	407,879
Public Housing Capital Fund Stimulus (Formula) - Recovery Act Funded - ARRA	14.885	N/A	N/A	(89,453)	-	177,149	-	-	87,696	87,696
Total CFP Cluster				<u>(89,453)</u>	<u>-</u>	<u>585,028</u>	<u>-</u>	<u>-</u>	<u>495,575</u>	<u>495,575</u>
Total U.S. Department of Housing and Urban Development				<u>(197,643)</u>	<u>-</u>	<u>5,225,499</u>	<u>127,203</u>	<u>-</u>	<u>5,155,059</u>	<u>5,155,059</u>

See accompanying notes to schedule of expenditures of federal and state awards.

CITY OF EAU CLAIRE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2010

Federal Grantor/ Program or Cluster Title	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenue							Federal Expenditures
				(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue	Total Revenues		
FEDERAL AWARDS (cont.)											
U.S. Department of Interior											
Historic Preservation Fund Grants	15.904	Historical Society	55-09-21855-02	\$ (5,562)	\$ -	\$ 18,000	\$ -	\$ 5,562	\$ 18,000	\$ 12,438	
U.S. Department of Justice											
Byrne Formula Grant Program	16.579	Eau Claire County	N/A	-	-	-	6,064	(6,064)	-	6,064	
Bulletproof Vests Partnership Program	16.607	N/A	N/A	-	-	1,722	(332)	-	1,390	1,390	
Enforcing Underage Drinking Laws Program	16.727	DOT	0960-30-69	-	-	14,534	-	-	14,534	14,534	
Edward Byrne Memorial Justice Assistance Grant	16.738	OJA	2007-DJ-BX-0272	-	-	31,076	-	-	31,076	31,076	
Edward Byrne Memorial Justice Assistance Grant	16.738	OJA	2009-DJ-BX-0339	(5,000)	-	-	7,125	(2,125)	-	2,125	
Edward Byrne Memorial Justice Assistance Grant	16.738	OJA	2010-DJ-BX-0548	-	-	-	13,561	(13,561)	-	13,561	
Total Edward Byrne Memorial Justice Assistance Grant				(5,000)	-	31,076	20,686	(15,686)	31,076	46,762	
Internet Crimes against Children Task Force Program	16.800	OJA	N/A	-	-	7,000	-	-	7,000	7,000	
Edward Bryne Memorial Justice Assistance Grant - ARRA	16.803	N/A	N/A	(82,463)	-	-	95,309	(12,846)	-	12,846	
Total U.S. Department of Justice				(87,463)	-	54,332	121,727	(34,596)	54,000	88,596	
U.S. Department of Transportation											
Federal Transit: Formula Grants	20.507	N/A	N/A	-	-	1,686,453	-	-	1,686,453	1,686,453	
ARRA: Federal Transit: Formula Grants	20.507	N/A	N/A	-	-	62,490	-	-	62,490	62,490	
Federal Transit - Capital Investment Grants	20.500	DOT	WI-03-0091	-	-	-	6,028	(6,028)	-	6,028	
Total Federal Transit Cluster				-	-	1,748,943	6,028	(6,028)	1,748,943	1,754,971	
State and Community Highway Safety	20.600	DOT	0950-40-12	(6,252)	-	24,999	-	4,812	23,559	18,747	
State and Community Highway Safety	20.600	DOT	0951-40-41	-	-	-	2,276	-	2,276	2,276	
Alcohol Enforcement Grant	20.601	DOT	0951-31-30	-	-	-	2,476	-	2,476	2,476	
Alcohol Enforcement Grant	20.601	DOT	0950-30-06	(6,188)	-	30,000	-	-	23,812	23,812	
Total Highway Safety Cluster				(12,440)	-	54,999	4,752	4,812	52,123	47,311	
Total U.S. Department of Transportation				(12,440)	-	1,803,942	10,780	(1,216)	1,801,066	1,802,282	
Environmental Protection Agency											
State Indoor Radon Grants	66.032	DHS	N/A	-	-	7,974	-	-	7,974	7,974	

See accompanying notes to schedule of expenditures of federal and state awards.

CITY OF EAU CLAIRE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2010

Federal Grantor/ Program or Cluster Title	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenue						
				(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue	Total Revenues	Federal Expenditures
FEDERAL AWARDS (cont.)										
U.S. Department of Energy										
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	N/A	N/A	\$ -	\$ -	\$ 343,592	\$ -	\$ -	\$ 343,592	\$ 343,592
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	DOA	AD09-9345	-	-	21,725	32,025	-	53,750	53,750
Total U.S. Department of Energy				-	-	365,317	32,025	-	397,342	397,342
U.S. Department of Education										
Birth to Three	84.181	Eau Claire County	N/A	-	-	59,290	-	-	59,290	59,290
U.S. Department of Health and Human Services										
Public Health Emergency Preparedness Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.069	DHS	N/A	(49,335)	-	178,059	14,519	-	143,243	143,243
Immunization Grants	93.243	DHS	N/A	(18,423)	-	96,877	21,671	-	100,125	100,125
Centers for Disease Control and Prevention: Investigations and Technical Assistance	93.268	DHS	N/A	-	-	24,096	-	-	24,096	24,096
ARRA - Immunization	93.283	DHS	N/A	-	-	9,745	-	-	9,745	9,745
HIV Prevention Activities - Health Department Based Preventive Health and Health Service Block Grant	93.712	DHS	N/A	-	-	19,323	-	-	19,323	19,323
Maternal and Child Health Services Block Grant to the States	93.940	DHS	N/A	-	-	-	2,007	-	2,007	2,007
Medical Assistance Program - Consolidated Contracts	93.991	DHS	N/A	-	-	-	11,012	-	11,012	11,012
Total U.S. Department of Health and Human Services	93.994	DHS	N/A	(6,678)	-	117,838	-	-	111,160	111,160
	93.778	DHS	N/A	-	-	-	3,132	-	3,132	3,132
				(74,436)	-	445,938	52,341	-	423,843	423,843
U.S. Department of Homeland Security										
Assistance to Firefighters Grant	97.044	N/A	N/A	-	-	54,424	-	-	54,424	54,424
Homeland Security Grant Program	97.067	N/A	N/A	(18,562)	2,460	16,102	-	16,102	16,102	-
Homeland Security Grant Program	97.067	County	N/A	-	-	27,184	-	-	27,184	27,184
Total Homeland Security Grant Program				(18,562)	2,460	43,286	-	16,102	43,286	27,184
Total U.S. Department of Homeland Security				(18,562)	2,460	97,710	-	16,102	97,710	81,608
TOTAL FEDERAL AWARDS				<u>\$ (429,432)</u>	<u>\$ 2,460</u>	<u>\$ 8,533,402</u>	<u>\$ 395,459</u>	<u>\$ (14,148)</u>	<u>\$ 8,487,741</u>	<u>\$ 8,942,647</u>

See accompanying notes to schedule of expenditures of federal and state awards.

CITY OF EAU CLAIRE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2010

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	State ID Number	Revenue						Total Revenues	State Expenditures
		(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue			
STATE AWARDS									
Wisconsin Department of Natural Resources									
Urban and Community Forestry	370.572	\$ -	\$ -	\$ -	\$ 6,646	\$ (6,646)	\$ -	\$ 6,646	
Aquatic Species Control Grant	370.663	-	-	62,895	-	-	62,895	62,895	
Acquisition and Development of Local Parks	370.TA1	-	-	-	11,369	(11,369)	-	11,369	
Total Wisconsin Department of Natural Resources		-	-	62,895	18,015	(18,015)	62,895	80,910	
Wisconsin Department of Transportation									
Transit Operating Aids - 2006 and 2007	395.104	1,035	(16,828)	15,793	-	-	-	-	
Transit Operating Aids - 2008	395.104	(103,183)	-	130,193	(27,010)	-	-	-	
Transit Operating Aids - 2009	395.104	-	199,968	-	(199,968)	-	-	-	
Transit Operating Aids - 2010	395.104	-	-	1,017,663	127,848	-	1,145,511	1,145,511	
Total Wisconsin Department of Transportation		(102,148)	183,140	1,163,649	(99,130)	-	1,145,511	1,145,511	
Wisconsin Department of Health Services									
Fluoride Rinse Program	435.151735	(269)	-	1,656	-	-	1,387	1,387	
WIC - Farmers Market	435.154720	-	-	2,088	-	-	2,088	2,088	
Medical Reserve Corp Unit	435.15513	(2,076)	-	2,770	-	-	694	694	
Consolidated Contracts-Well Women GPR	435.157000	-	-	34,964	-	-	34,964	34,964	
Consolidated Contracts-CHHD LD	435.157720	-	-	13,397	-	-	13,397	13,397	
WI Wins	435.158127	-	-	713	-	-	713	713	
Consolidated Contracts-MCH	435.159320	-	-	3,132	-	-	3,132	3,132	
Reproductive Health	435.159321	(5,606)	-	62,253	-	-	56,647	56,647	
Ambulance Funding Assistance	435.162	-	-	16,457	-	-	16,457	16,457	
Total Wisconsin Department of Health Services		(7,951)	-	137,430	-	-	129,479	129,479	
Wisconsin Department of Military Affairs									
SERB Hazardous Materials Contract	465.306	-	-	178,263	-	-	178,263	178,263	
TOTAL STATE AWARDS		<u>\$ (110,099)</u>	<u>\$ 183,140</u>	<u>\$ 1,542,237</u>	<u>\$ (81,115)</u>	<u>\$ (18,015)</u>	<u>\$ 1,516,148</u>	<u>\$ 1,534,163</u>	

See accompanying notes to schedule of expenditures of federal and state awards.

CITY OF EAU CLAIRE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2010

NOTE 1 – REPORTING ENTITY

This report on Federal and State Awards includes the federal and state awards of the City of Eau Claire. The reporting entity for the City is based upon criteria established by the Governmental Accounting Standards Board (GASB).

The City is the primary government according to GASB criteria, while the Eau Claire Housing Authority (Housing Authority) is a component unit.

Federal and state awards received directly by the Housing Authority are included in this report.

The schedule includes only those programs required to be included in accordance with the *State Single Audit Guidelines*.

NOTE 2 – BASIS OF PRESENTATION

The accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for the other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*.

NOTE 3 – DIRECT PAYMENT - WISCONSIN MEDICAL ASSISTANCE

The city received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2010:

	Provider Number	Unaudited Amount
City/County Health Department		
Reproductive Health	43102500	\$ 164,503
Prenatal Care	42141400	57,969
		<hr/>
Total		\$ 222,472

CITY OF EAU CLAIRE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2010

NOTE 4 – CARS REPORT DATES

The Schedule of Expenditures of Federal and State Awards includes adjustments through the following Community Aids Reporting System (CARS) report:

<u>Agency Number</u>	<u>Expected Payment Date</u>
256321	05/01/2011

NOTE 5 – ADJUSTMENTS COLUMN

The adjustment column presents differences between estimated accrued/deferred ending balances as of December 31, 2009 and actual reimbursements received by the grantee in 2010.