

**CITY OF EAU CLAIRE**

Eau Claire, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2011

# CITY OF EAU CLAIRE

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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, 2011, which collectively comprise the City of Eau Claire's basic financial statements and have issued our report thereon dated June 28, 2012. Our report was modified to include a paragraph stating the City of Eau Claire adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011. The financial statements also include a restatement to correct an error related to the reporting of the City's duty disability liability. 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***

Management of the City of Eau Claire is responsible for establishing and maintaining effective 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. This material weakness is item 11-1.

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 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 28, 2012.

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

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 Vuchow Krume, LLP*

June 28, 2012

INDEPENDENT AUDITORS' 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 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 the 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, 2011. 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 could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2011. 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 item 11-2.

To The City Council  
City of Eau Claire

### ***Internal Control Over Compliance***

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 to determine our 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance 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 discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

*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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 11-2 to be a material weakness.

### ***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, 2011, and have issued our report thereon dated June 28, 2012 which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the City of Eau Claire's financial statements. Our report was modified to include a paragraph stating the City of Eau Claire adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective January 1, 2011. The financial statements also include a restatement to correct an error related to the reporting of the City's duty disability liability. 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 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 other 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 schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.

To The City Council  
City of Eau Claire

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

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 Vuchow Krume, J2P*

September 6, 2012 except for the schedule of  
expenditures of federal and state awards, as to  
which the date is June 28, 2012



# CITY OF EAU CLAIRE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2011

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### SECTION I – SUMMARY OF AUDITORS’ RESULTS (cont.)

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#### *FEDERAL OR STATE AWARDS (cont.)*

Identification of major state programs:

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

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### SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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#### ***FINDING 11-1: INTERNAL CONTROL OVER FINANCIAL REPORTING.***

***Condition:*** During the 2011 audit, we noted deficiencies in the financial reporting process as follows:

- > An error in reporting the City’s duty disability liability at December 31, 2010 resulted in a restatement of Governmental Activities net assets.
- > 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 2011 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.

***Cause:*** The cause of the condition is unknown.

***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:*** Time constraints between year-end and the start of the auditors’ field work limit the amount of reconciliations of capital asset workpapers and reviews of construction work in progress that can be completed prior to the auditors’ reviews. Accounting staff assigned to capital assets have received additional training and some duties have been redistributed. Accounting staff has also been instructed to have a secondary employee review all capital asset journals. We are in agreement with the auditors’ recommendation of reviewing the council minutes for contributed assets and disposals of capital assets. Summaries of each council meeting are prepared for staff within a week of the meeting.

## CITY OF EAU CLAIRE

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2011

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#### SECTION III – FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

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**FINDING 11-2: PROGRAM: ARRA: FEDERAL TRANSIT: FORMULA GRANTS**

**CFDA Number:** 20.507 – ARRA: Federal Transit: Formula Grants

**Granting Agency:** U.S. Department of Transportation

**Criteria:** Contract files will document the method of procurement, basis of contract price, provide full and open competition, and include cost analysis in connection with the procurement. Verification checks will be performed for covered transactions by checking the Excluded parties Listing Service (EPLS) for suspended or debarred parties; and ARRA procurements will have documentation supporting Buy American.

**Condition:** The Federal Transit Administration performed a review of the ARRA grant contract during 2011 and had several deficiencies within the procurement, suspension and debarment area. The deficiencies relate to the following procurement areas: there was no review procedures around the piggybacking contract that resulted in deficiencies related to Buy American, verification that contracted parties were not suspended or debarred, or verification that independent cost estimates were obtained (open competition and cost/price analysis) and there was no pre-award/post delivery audits to verify these items.

**Cause:** The City lacked policies and procedures for the piggybacking on procurement used for these purchases.

**Effect:** Improper procurements could have been made.

**Questioned Costs:** None.

**Recommendation:** These issues were resolved to the Federal Transit Administrations satisfaction, through the implementation of revised procurement procedures that include the processes for piggybacking and independent cost estimates and procedures that require a search of the EPLS to determine if a contractor is on the federal debarred or suspended list prior to entering into third-party contracts in excess of \$25,000. Care should be taken that these procedures are followed and documented.

**Management's Response/Planned Corrective Action:** The City has been informed of the deficiencies related to the following procurement areas: there was no review procedures around the piggybacking contract that resulted in deficiencies related to Buy American, verification that contracted parties were not suspended or debarred, or verification that independent cost estimates were obtained (open competition and cost/price analysis) and there was no pre-award/post-delivery audits to verify these items. The City implemented the revised procurement procedures that include the processes for piggybacking and independent cost estimates and procedures that require a search of the EPLS to determine if a contractor is on the federal debarred or suspended list prior to entering into third-party contracts in excess of \$25,000.

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.)  
For the Year Ended December 31, 2011

**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 6, 2012

**CITY OF EAU CLAIRE**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2011

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
<b>FEDERAL AWARDS</b>										
<b>U.S. Department of Agriculture</b>										
Women, Infants and Children Supplemental Food Program	10.557	DHS	N/A	\$ (51,383)	\$ -	\$ 489,376	\$ 18,444	\$ (18,444)	\$ 437,993	\$ 456,437
Total U.S. Department of Agriculture				(51,383)	-	489,376	18,444	(18,444)	437,993	456,437
<b>U.S. Department of Commerce</b>										
Economic Adjustment Assistance	11.307	N/A	N/A	-	-	-	-	-	-	443,442
<b>U.S. Department of Housing and Urban Development</b>										
Section 8 Housing Assistance Payments Program: Special Allocations	14.195	N/A	N/A	-	-	126,307	-	-	126,307	126,307
Section 8 Housing Assistance Payments Program: Special Allocations	14.195	WHEDA	N/A	-	-	737,685	-	-	737,685	737,685
Total Section 8 HAP Special Allocations				-	-	863,992	-	-	863,992	863,992
Supportive Housing Program	14.235	Western Dairyland	N/A	-	-	9,721	-	-	9,721	9,721
Community Development Block Grants/Entitlement Grants	14.218	N/A	N/A	(52,913)	-	957,379	144	-	904,610	904,610
Community Development Block Grant ARRA Entitlement Grants CDBG - R (Recovery Act Funded)	14.253	N/A	N/A	-	-	1,999	-	-	1,999	1,999
Total CDBG - Entitlement Grants Cluster				(52,913)	-	959,378	144	-	906,609	906,609
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	DOC	NSP 09-08	(37,321)	-	47,590	-	-	10,269	10,269
Home Investment Partnership Program	14.239	N/A	N/A	(36,969)	-	414,803	31,670	-	409,504	409,504
Public and Indian Housing Program	14.850	N/A	N/A	-	-	315,816	-	-	315,816	315,816
Section 8 Housing Choice Vouchers	14.871	N/A	N/A	-	-	1,479,848	-	-	1,479,848	1,479,848
Public Housing Capital Fund	14.872	N/A	N/A	-	-	180,493	-	-	180,493	180,493
Total U.S. Department of Housing and Urban Development				(127,203)	-	4,271,641	31,814	-	4,176,252	4,176,252

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, 2011

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	
<b>FEDERAL AWARDS (cont.)</b>										
<b>U.S. Department of Interior</b>										
Historic Preservation Fund Grants	15.904	Historical Society	55-09-21855-02	\$ -	\$ -	\$ 17,000	\$ -	\$ -	\$ 17,000	\$ 17,000
<b>U.S. Department of Justice</b>										
Byrne Formula Grant Program	16.579	Eau Claire County	N/A	(6,064)	-	6,064	-	6,064	6,064	-
Bulletproof Vests Partnership Program	16.607	N/A	N/A	332	-	16,493	7,597	-	24,422	24,422
Enforcing Underage Drinking Laws Program	16.727	DOT	0960-30-69	-	-	10,405	-	-	10,405	10,405
Paul Coverdell Forensic Sciences Improvement Grant	16.742	OJA	2011-CD-BX-0075	-	-	-	42,853	(42,853)	-	42,853
Edward Byrne Memorial Justice Assistance Grant	16.738	OJA	2011-DJ-BX-2752	-	-	-	5,361	(5,361)	-	5,361
Edward Byrne Memorial Justice Assistance Grant	16.738	OJA	2009-DJ-BX-0339	(7,125)	-	20,180	-	7,125	20,180	13,055
Edward Byrne Memorial Justice Assistance Grant	16.738	OJA	2010-DJ-BX-0548	(13,561)	-	16,355	-	13,561	16,355	2,794
Edward Bryne Memorial Justice Assistance Grant - ARRA	16.803	N/A	N/A	(95,309)	-	95,309	14,545	95,309	109,854	14,545
Total JAG Program Cluster				(115,995)	-	131,844	19,906	110,634	146,389	35,755
Total U.S. Department of Justice				(121,727)	-	164,806	70,356	73,845	187,280	113,435
<b>U.S. Department of Transportation</b>										
Federal Transit: Formula Grants	20.507	N/A	N/A	-	-	1,652,757	-	-	1,652,757	1,652,757
ARRA: Federal Transit: Formula Grants	20.507	N/A	N/A	-	-	1,928,001	-	-	1,928,001	1,928,001
Federal Transit - Capital Investment Grants	20.500	DOT	WI-03-0091	(6,028)	-	-	14,186	-	8,158	8,158
Total Federal Transit Cluster				(6,028)	-	3,580,758	14,186	-	3,588,916	3,588,916
State and Community Highway Safety	20.600	DOT	0951-40-41	(2,276)	-	31,380	-	-	29,104	29,104
Alcohol Enforcement Grant	20.601	DOT	0951-31-30	(2,476)	-	28,071	-	-	25,595	25,595
Total Highway Safety Cluster				(4,752)	-	59,451	-	-	54,699	54,699
Total U.S. Department of Transportation				(10,780)	-	3,640,209	14,186	-	3,643,615	3,643,615
<b>Environmental Protection Agency</b>										
State Indoor Radon Grants	66.032	DHS	N/A	-	-	10,795	-	-	10,795	10,795
Nonpoint Source Implementation Grant	66.460	DNR	LPT-491-11	-	-	200,000	-	-	200,000	200,000
Total Environmental Protection Agency				-	-	210,795	-	-	210,795	210,795

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, 2011

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
<b>FEDERAL AWARDS (cont.)</b>										
<b>U.S. Department of Energy</b>										
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	N/A	N/A	\$ -	\$ -	\$ 39,824	\$ 254,461	\$ (47,665)	\$ 246,620	\$ 294,285
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	DOA	AD09-9345	(32,025)	-	33,417	5,752	-	7,144	7,144
Total U.S. Department of Energy				(32,025)	-	73,241	260,213	(47,665)	253,764	301,429
<b>U.S. Department of Education</b>										
Birth to Three	84.181	Eau Claire County	N/A	-	-	58,644	-	-	58,644	58,644
<b>U.S. Department of Health and Human Services</b>										
Public Health Emergency Preparedness Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.069	DHS	N/A	(14,519)	1,730	110,321	7,288	(5,237)	99,583	104,820
Immunization Grants	93.243	DHS	N/A	(21,671)	3,537	112,508	(3,968)	-	90,406	90,406
HIV Care Formula Grants	93.268	DHS	N/A	-	-	22,533	(8,723)	-	13,810	13,810
Preventive Health and Health Service Block Grant	93.917	DHS	N/A	(2,007)	3,049	708	824	(1,237)	1,337	2,574
Maternal and Child Health Services Block Grant to the States	93.991	DHS	N/A	(11,012)	11,012	8,302	(4,644)	-	3,658	3,658
Medical Assistance Program - Consolidated Contracts	93.994	DHS	N/A	-	(7,083)	108,440	539	-	101,896	101,896
Medical Assistance Program - Consolidated Contracts	93.778	DHS	N/A	(3,132)	3,132	2,845	-	-	2,845	2,845
Total U.S. Department of Health and Human Services				(52,341)	15,377	365,657	(8,684)	(6,474)	313,535	320,009
<b>U.S. Department of Homeland Security</b>										
Assistance to Firefighters Grant	97.044	N/A	N/A	-	-	42,800	-	-	42,800	42,800
Homeland Security Law Enforcement Specialty Team Training	97.004	OJA	2008-HS-xxx-9119	-	-	-	42,000	(42,000)	-	42,000
Homeland Security Grant Program	97.067	OJA	2010-HS-02E-9010	-	-	-	4,038	(4,038)	-	4,038
Total Homeland Security Grant Program				-	-	42,800	46,038	(46,038)	42,800	88,838
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ (395,459)</b>	<b>\$ 15,377</b>	<b>\$ 9,334,169</b>	<b>\$ 432,367</b>	<b>\$ (44,776)</b>	<b>\$ 9,341,678</b>	<b>\$ 9,829,896</b>

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, 2011

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	State ID Number	Revenue						
		(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue	Total Revenues	State Expenditures
<b>STATE AWARDS</b>								
<b>Wisconsin Department of Natural Resources</b>								
Urban and Community Forestry	370.572	\$ (6,646)	\$ -	\$ 6,646	\$ -	\$ -	\$ -	\$ -
Aquatic Species Control Grant	370.663	-	-	65,158	-	-	65,158	65,158
River Planning Grant	370.xxx	-	-	-	10,000	(10,000)	-	10,000
Acquisition and Development of Local Parks	370.TA1	(11,369)	-	-	15,089	(3,720)	-	3,720
Total Wisconsin Department of Natural Resources		(18,015)	-	71,804	25,089	(13,720)	65,158	78,878
<b>Wisconsin Department of Transportation</b>								
Transit Operating Aids - 2011	395.104	-	-	1,283,825	66,818	-	1,350,643	1,350,643
Transit Operating Aids - 2008	395.104	27,010	-	-	(27,010)	-	-	-
Transit Operating Aids - 2009	395.104	199,968	-	-	(199,968)	-	-	-
Transit Operating Aids - 2010	395.104	(127,848)	-	203,532	(75,684)	-	-	-
Total Wisconsin Department of Transportation		99,130	-	1,487,357	(235,844)	-	1,350,643	1,350,643
<b>Wisconsin Department of Health Services</b>								
Fluoride Rinse Program	435.151735	-	(314)	1,833	(850)	-	669	669
Medical Reserve Corp Unit	435.155130	-	-	5,000	-	-	5,000	5,000
Consolidated Contracts-Well Women GPR	435.157000	-	-	36,712	(23,648)	-	13,064	13,064
Consolidated Contracts-CHHD LD	435.157720	-	-	12,679	(906)	-	11,773	11,773
WI Wins	435.158127	-	241	1,035	1,714	(157)	2,833	2,990
Consolidated Contracts-MCH	435.159320	-	-	2,845	-	-	2,845	2,845
Reproductive Health	435.159321	-	(5,795)	57,007	441	-	51,653	51,653
Total Wisconsin Department of Health Services		-	(5,868)	117,111	(23,249)	(157)	87,837	87,994
<b>Wisconsin Department of Military Affairs</b>								
SERB Hazardous Materials Contract	465.306	-	-	79,015	-	-	79,015	79,015
<b>TOTAL STATE AWARDS</b>		<u>\$ 81,115</u>	<u>\$ (5,868)</u>	<u>\$ 1,755,287</u>	<u>\$ (234,004)</u>	<u>\$ (13,877)</u>	<u>\$ 1,582,653</u>	<u>\$ 1,596,530</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, 2011

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### NOTE 1 – REPORTING ENTITY

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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*.

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### NOTE 2 – BASIS OF PRESENTATION

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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*.

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### NOTE 3 – DIRECT PAYMENT - WISCONSIN MEDICAL ASSISTANCE

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The City received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2011:

	Provider Number	Unaudited Amount
City/County Health Department		
Reproductive Health	43102500	\$ 195,687
Prenatal Care	42141400	<u>59,816</u>
Total		<u>\$ 255,503</u>

## CITY OF EAU CLAIRE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2011

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#### NOTE 4 – CARS REPORT DATES

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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	06/01/2012

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#### NOTE 5 – SUBRECIPIENTS

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Of the federal expenditures presented in the schedule of expenditures of federal and state awards, the City provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Home Investment Partnership Program	14.239	\$ 136,186
Community Development Block Grants/Entitlement Grants	14.218	\$ 221,381

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#### NOTE 6 – ADJUSTMENTS COLUMN

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The adjustment column presents differences between estimated accrued/deferred ending balances as of December 31, 2010 and actual reimbursements received by the grantee in 2011.

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#### NOTE 7 – PASS-THROUGH GRANTORS

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Federal funds have been passed through the following grantors:

Eau Claire County – Eau Claire County, Wisconsin  
DHS – Wisconsin Department of Health Services  
DNR – Wisconsin Department of Transportation  
DOC – Wisconsin Department of Commerce  
DOT – Wisconsin Department of Transportation  
Historical Society – State of Wisconsin Historical Society  
OJA – Wisconsin Department of Administration – Office of Justice Assistance  
Western Dairyland – Western Dairyland Economic Opportunity Council, Inc.  
WHEDA – Wisconsin Housing and Economic Development