

**CITY OF EAU CLAIRE**

Eau Claire, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2012

# CITY OF EAU CLAIRE

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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 Auditors' Report

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

We have audited, 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, 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, 2012, and the related notes to the financial statements, which collectively comprise the City of Eau Claire's basic financial statements, and have issued our report thereon dated June 27, 2013.

***Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control 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 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 12-1.

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 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*.

***City of Eau Claire's Response to Findings***

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. The City of Eau Claire's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***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.

*Baker Tilly Vuchow Krume, LLP*

June 27, 2013

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;  
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
AND SETTLEMENT OF DHS COST REIMBURSEMENT AWARD SCHEDULES  
REQUIRED BY OMB CIRCULAR A-133 AND THE *STATE SINGLE AUDIT GUIDELINES*

Independent Auditors' Report

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

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

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 and material effect on each of the City of Eau Claire's major federal and major state programs for the year ended December, 31, 2012. The City of Eau Claire's major federal and major state 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 its federal and state programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City of Eau Claire's major federal and major state 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; 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 on compliance for each major federal and major state program. However, our audit does not provide a legal determination of the City of Eau Claire's compliance.

To The City Council  
City of Eau Claire

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

In our opinion, the City of Eau Claire 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 and major state programs for the year ended December 31, 2012.

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

Management of the City of Eau Claire is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered the City of Eau Claire's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or major state 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 and major state program 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 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 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 or state 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 or state 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.

### ***Purpose of this Report***

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 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

To The City Council  
City of Eau Claire

***Report on Schedule of Expenditures of Federal and State Awards and Settlement of DHS Cost Reimbursement Award Schedules Required by OMB Circular A-133 and the State Single Audit Guidelines***

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, 2012, and the related notes to the financial statements, which collectively comprise the City of Eau Claire's basic financial statements. We issued our report thereon dated June 27, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards and settlement of DHS cost reimbursement award schedules are presented for purposes of additional analysis as required by OMB Circular A-133 and the *State Single Audit Guidelines* and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards and settlement of DHS cost reimbursement award schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Baker Tilly Vinchow Kramer, LLP*

August 13, 2013 except for the schedule of  
expenditures of federal and state awards, as to  
which the date is June 27, 2013



# CITY OF EAU CLAIRE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2012

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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
465.306	SERB Hazardous Materials Contract

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

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#### ***FINDING 12-1: INTERNAL CONTROL OVER FINANCIAL REPORTING.***

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

***Condition:*** During the 2012 audit, we noted deficiencies in the financial reporting process as follows:

- > All capital asset workpapers and reconciliations (including underlying formulas) should be reviewed by a second individual prior to the start of the audit. In addition, classification of projects in construction work in progress should be done on a timely basis.
- > Audit procedures found material adjustments to the 2012 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.

***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 work papers and reviews of construction work in progress that can be completed prior to the auditors’ reviews. Accounting staff members assigned to capital assets have received additional training and some duties have been redistributed. To improve the process for reviewing capital asset work papers, staff members have been instructed to review the formulas contained within the spreadsheets to ensure that the correct cells are referenced. Accounting staff have also been instructed to have a secondary employee review all capital asset journals. The auditors’ work-in-progress adjustments relate to capitalizing Department of Transportation (DOT) projects. The DOT may take several years to finalize a project. Staff will now capitalize the DOT projects when the work is essentially complete. Final adjustments will be recorded when the last DOT invoices are received.

# CITY OF EAU CLAIRE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2012

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

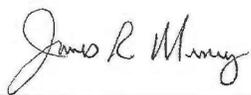
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None

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### SECTION IV – OTHER ISSUES

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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 |
| Department of Administration       | <input type="checkbox"/> yes | <input checked="" type="checkbox"/> no |
| Department of Administration - OJA | <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
- August 13, 2013

**CITY OF EAU CLAIRE**

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
For the Year Ended December 31, 2012

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</b>											
<b>U.S. Department of Agriculture</b>											
Women, Infants and Children Supplemental Food Program	10.557	DHS	N/A	\$ (18,444)	\$ -	\$ 425,262	\$ 25,941	\$ 6,483	\$ 439,242	\$ 432,759	
Total U.S. Department of Agriculture				(18,444)	-	425,262	25,941	6,483	439,242	432,759	
<b>U.S. Department of Commerce</b>											
Economic Adjustment Assistance	11.307	N/A	N/A	-	-	-	-	-	-	447,392	
<b>U.S. Department of Housing and Urban Development</b>											
Section 8 Housing Assistance Payments Program:											
Special Allocations	14.195	N/A	N/A	-	-	125,381	-	-	125,381	125,381	
Section 8 Housing Assistance Payments Program:											
Special Allocations	14.195	WHEDA	N/A	-	-	714,944	-	-	714,944	714,944	
Total Section 8 HAP Special Allocations				-	-	840,325	-	-	840,325	840,325	
Supportive Housing Program	14.235	Western Dairyland	N/A	-	-	4,885	-	-	4,885	4,885	
Community Development Block Grants/Entitlement Grants	14.218	N/A	N/A	(144)	-	1,259,416	80,416	-	1,339,688	1,339,688	
Home Investment Partnership Program	14.239	N/A	N/A	(31,670)	-	451,147	46,783	-	466,260	466,260	
Section 8 Housing Choice Vouchers	14.871	N/A	N/A	-	-	1,592,179	-	-	1,592,179	1,592,179	
Public Housing Capital Fund	14.872	N/A	N/A	-	-	155,367	-	-	155,367	155,367	
Total U.S. Department of Housing and Urban Development				(31,814)	-	4,303,319	127,199	-	4,398,704	4,398,704	

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, 2012

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 Justice</b>										
Bulletproof Vests Partnership Program	16.607	N/A	N/A	\$ (7,597)	\$ -	\$ 8,867	\$ -	\$ -	\$ 1,270	\$ 1,270
Paul Coverdell Forensic Sciences Improvement Grant	16.742	OJA	2011-CD-BX-0075	(42,853)	-	-	102,483	(59,630)	-	59,630
Public Safety Partnership and Community Policing Grant	16.710	OJA	2011-UMWX0196	-	-	-	65,174	(65,174)	-	65,174
Edward Byrne Memorial Justice Assistance Grant	16.738	OJA	2011-DJ-BX-2752	(5,361)	-	-	14,542	5,361	14,542	9,181
Edward Byrne Memorial Justice Assistance Grant	16.738	OJA	2009-DJ-01-9576	-	-	-	41,450	-	41,450	41,450
Edward Byrne Memorial Justice Assistance Grant	16.738	OJA	2012-DJ-BX-0498	-	-	-	11,419	(11,419)	-	11,419
ARRA - Edward Bryne Memorial Justice Assistance Grant	16.803	N/A	N/A	(14,545)	-	14,545	-	-	-	-
Total JAG Program Cluster				(19,906)	-	14,545	67,411	(6,058)	55,992	62,050
Total U.S. Department of Justice				(70,356)	-	23,412	235,068	(130,862)	57,262	188,124
<b>U.S. Department of Transportation</b>										
Highway Planning and Construction	20.205	DOT	7995-02-2829	-	-	-	117	(117)	-	117
Federal Transit: Formula Grants	20.507	N/A	N/A	-	-	-	1,626,201	-	1,626,201	1,626,201
Federal Transit - Capital Investment Grants	20.500	DOT	WI-03-0091	(14,186)	90	14,096	54,761	-	54,761	54,761
Total Federal Transit Cluster				(14,186)	90	14,096	1,680,962	-	1,680,962	1,680,962
State and Community Highway Safety	20.600	DOT	0952-24-40	-	-	3,971	-	-	3,971	3,971
State and Community Highway Safety	20.600	DOT	0953-40-65	-	-	-	61	(61)	-	61
Total State and Community Highway Safety				-	-	3,971	61	(61)	3,971	4,032
Total U.S. Department of Transportation				(14,186)	90	18,067	1,681,140	(178)	1,684,933	1,685,111
<b>Environmental Protection Agency</b>										
State Indoor Radon Grants	66.032	DHS	N/A	-	-	8,048	1,883	(1,499)	8,432	9,931
Great Lakes Program	66.469	DNR	ACEI-108-12	-	-	-	15,460	-	15,460	15,460
Great Lakes Program	66.469	DNR	ACEI-108-12	-	-	-	15,460	-	15,460	15,460
Great Lakes Program	66.469	DNR	LPL-1463-12	-	-	-	9,219	-	9,219	9,219
Total Great Lakes Program				-	-	-	40,139	-	40,139	40,139
Total Environmental Protection Agency				-	-	8,048	42,022	(1,499)	48,571	50,070

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, 2012

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 Energy</b>										
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	N/A	N/A	\$ (254,461)	\$ -	\$ 266,287	\$ 5,996	\$ 47,665	\$ 65,487	\$ 17,822
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	DOA	AD09-9345	(5,752)	-	8,859	-	-	3,107	3,107
Total U.S. Department of Energy				(260,213)	-	275,146	5,996	47,665	68,594	20,929
<b>U.S. Department of Education</b>										
Birth to Three	84.181	Eau Claire County	N/A	-	(2,831)	61,769	-	-	58,938	58,938
<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	(7,288)	3,596	37,880	24,079	(5,436)	52,831	58,267
Immunization Grants	93.243	DHS	N/A	3,968	-	77,301	-	-	81,269	81,269
HIV Care Formula Grants	93.268	DHS	N/A	8,723	-	7,175	(9,540)	-	6,358	6,358
Preventive Health and Health Service Block Grant	93.917	DHS	N/A	(824)	-	4,483	(1,649)	1,237	3,247	2,010
Maternal and Child Health Services Block Grant to the States	93.991	DHS	N/A	4,644	-	-	(3,985)	-	659	659
Medical Assistance Program - Consolidated Contracts	93.994	DHS	N/A	(539)	-	80,499	9,327	(1,058)	88,229	89,287
Medical Assistance Program - Consolidated Contracts	93.778	DHS	N/A	-	-	2,660	-	-	2,660	2,660
Total U.S. Department of Health and Human Services				8,684	3,596	209,998	18,232	(5,257)	235,253	240,510
<b>U.S. Department of Homeland Security</b>										
Assistance to Firefighters Grant	97.044	N/A	N/A	-	-	35,334	-	-	35,334	35,334
Pre-Disaster Mitigation	97.047	N/A	N/A	-	-	-	22,490	(22,490)	-	22,490
Homeland Security Law Enforcement Specialty Team Training	97.004	OJA	2008-HS-xxx-9119	(42,000)	441	41,559	-	41,559	41,559	-
Homeland Security Grant Program	97.067	OJA	2010-HS-02E-9010	(4,038)	-	9,370	-	4,038	9,370	5,332
Total Homeland Security Grant Program				(46,038)	441	86,263	22,490	23,107	86,263	63,156
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ (432,367)</b>	<b>\$ 1,296</b>	<b>\$ 5,411,284</b>	<b>\$ 2,158,088</b>	<b>\$ (60,541)</b>	<b>\$ 7,077,760</b>	<b>\$ 7,585,693</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, 2012

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	State ID Number	Revenue							State Expenditures
		(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue	Total Revenues		
<b>STATE AWARDS</b>									
<b>Wisconsin Department of Natural Resources</b>									
Stewardship	370.xxx	\$ -	\$ -	\$ -	\$ 74,500	\$ (74,500)	\$ -	\$ 74,500	\$ -
River Planning Grant	370.xxx	(10,000)	-	10,000	-	10,000	10,000	-	-
Acquisition and Development of Local Parks	370.TA1	(15,089)	-	-	15,089	-	-	-	-
Total Wisconsin Department of Natural Resources		<u>(25,089)</u>	<u>-</u>	<u>10,000</u>	<u>89,589</u>	<u>(64,500)</u>	<u>10,000</u>	<u>74,500</u>	<u>-</u>
<b>Wisconsin Department of Transportation</b>									
Transit Operating Aids - 2012	395.104	-	-	1,222,985	(50,701)	-	1,172,284	1,172,284	-
Transit Operating Aids - 2011	395.104	(66,818)	87,664	-	(20,846)	-	-	-	-
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	75,684	-	-	(75,684)	-	-	-	-
Total Transit Operating Aids		<u>235,844</u>	<u>87,664</u>	<u>1,222,985</u>	<u>(374,209)</u>	<u>-</u>	<u>1,172,284</u>	<u>1,172,284</u>	<u>-</u>
Paratransit Aids - 2012	395.xxx	-	-	44,588	-	-	44,588	44,588	-
Total Wisconsin Department of Transportation		<u>235,844</u>	<u>87,664</u>	<u>1,267,573</u>	<u>(374,209)</u>	<u>-</u>	<u>1,216,872</u>	<u>1,216,872</u>	<u>-</u>
<b>Wisconsin Department of Health Services</b>									
Fluoride Rinse Program	435.151735	850	-	1,455	(786)	(64)	1,455	1,519	-
WIC - Farmers Market	435.154720	-	(2,385)	3,463	989	2,385	4,452	2,067	-
Medical Reserve Corp Unit	435.155130	-	-	6,145	(4,862)	-	1,283	1,283	-
Consolidated Contracts-Well Women GPR	435.157000	23,648	-	21,032	(25,079)	-	19,601	19,601	-
Consolidated Contracts-CHHD LD	435.157720	906	-	10,661	-	-	11,567	11,567	-
WI Wins	435.158127	(1,714)	27	3,444	297	(83)	1,971	2,054	-
Consolidated Contracts-MCH	435.159320	-	-	2,660	-	-	2,660	2,660	-
Reproductive Health	435.159321	(441)	-	36,207	7,632	(866)	42,532	43,398	-
Total Wisconsin Department of Health Services		<u>23,249</u>	<u>(2,358)</u>	<u>85,067</u>	<u>(21,809)</u>	<u>1,372</u>	<u>85,521</u>	<u>84,149</u>	<u>-</u>
<b>Wisconsin Department of Military Affairs</b>									
SERB Hazardous Materials Contract	465.306	-	-	237,045	(79,015)	-	158,030	158,030	-
<b>TOTAL STATE AWARDS</b>		<b>\$ 234,004</b>	<b>\$ 85,306</b>	<b>\$ 1,599,685</b>	<b>\$ (385,444)</b>	<b>\$ (63,128)</b>	<b>\$ 1,470,423</b>	<b>\$ 1,533,551</b>	<b>\$ -</b>

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

**EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT**

WIC - Farmers Market

Settlement of DHS Cost Reimbursement Award

For the Year Ended: December 31, 2012

DHS Identification Number:	CARS Profile #	154720
Award Amount:	\$	2,385
Award Period:		1/1/12 - 12/31/12
Period of Award within Audit Period:		1/1/12 - 12/31/12
<b>A. Expenditures Reported to DHS for Payment</b>	\$	2,067
<b>B. Actual Allowable Cost of Award</b>		
<b>Program Expenses</b>		
7. Other salaries and wages		1,446
9. Other employee benefits		477
10. Payroll Taxes		111
13. Office Expenses		33
<b>Total Program Expenses</b>		<u>2,067</u>
<b>Management and general expenses allocated to the program</b>		<u>-</u>
<b>Total management and general expense allocated to program</b>		<u>-</u>
<b>C. Less Program revenue and other offsets to costs</b>		
<b>F. Total Allowable costs</b>	\$	<u><u>2,067</u></u>

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

**EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT**

WIC - Breast Feeding Peer Counseling  
Settlement of DHS Cost Reimbursement Award  
For the Year Ended: December 31, 2012

DHS Identification Number:	CARS Profile #	154760
Award Amount:	\$	16,480
Award Period:		1/1/12 - 12/31/12
Period of Award within Audit Period:		1/1/12 - 12/31/12
<b>A. Expenditures Reported to DHS for Payment</b>	\$	15,359
<b>B. Actual Allowable Cost of Award</b>		
<b>Program Expenses</b>		
7. Other salaries and wages		13,038
9. Other employee benefits		1,323
10. Payroll Taxes		997
<b>Total Program Expenses</b>		<u>15,358</u>
<b>Management and general expenses allocated to the program</b>		-
<b>Total management and general expense allocated to program</b>		<u>-</u>
<b>C. Less Program revenue and other offsets to costs</b>		
<b>F. Total Allowable costs</b>	\$	<u><u>15,358</u></u>

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

# EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT

## WIC

Settlement of DHS Cost Reimbursement Award

For the Year Ended: December 31, 2012

DHS Identification Number:	CARS Profile #	154710
Award Amount:	\$	446,666
Award Period:		1/1/12 - 12/31/12
Period of Award within Audit Period:		1/1/12 - 12/31/12
<b>A. Expenditures Reported to DHS for Payment</b>	\$	417,400
<b>B. Actual Allowable Cost of Award</b>		
<b>Program Expenses</b>		
7. Other salaries and wages		253,850
9. Other employee benefits		106,586
10. Payroll Taxes		19,419
11. Fees for Services (non-employees)		
g. Other		474
12. Advertising and promotion		889
13. Office Expenses		12,326
16. Occupancy		16,772
17. Travel		702
19. Conferences, conventions and meetings		2,156
24 Other Expenses itemize not covered above		
a. Equipment		405
b. Medical supplies		3,672
<b>Total Program Expenses</b>		<u>417,251</u>
<b>Management and general expenses allocated to the program</b>		<u>-</u>
<b>Total management and general expense allocated to program</b>		-
<b>C. Less Program revenue and other offsets to costs</b>		
<b>F. Total Allowable costs</b>	\$	<u><u>417,251</u></u>

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

**EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT**

Reproductive Health

Settlement of DHS Cost Reimbursement Award

For the Year Ended: December 31, 2012

DHS Identification Number: DPH WH-FP/RH 2012-7	CARS Profile #	159321
Award Amount:	\$	114,785
Award Period:	1/1/12 - 12/31/12	
Period of Award within Audit Period:	1/1/12 - 12/31/12	
<b>A. Expenditures Reported to DHS for Payment</b>	\$	96,439
<b>B. Actual Allowable Cost of Award</b>		
<b>Program Expenses</b>		
7. Other salaries and wages		70,115
9. Other employee benefits		16,718
10. Payroll Taxes		5,364
24 Other Expenses itemize not covered above		
c. Medical Director for clinic		4,242
<b>Total Program Expenses</b>		<u>96,439</u>
<b>Management and general expenses allocated to the program</b>		<u>-</u>
<b>Total management and general expense allocated to program</b>		-
<b>C. Less Program revenue and other offsets to costs</b>		
<b>F. Total Allowable costs</b>	\$	<u><u>96,439</u></u>

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

**EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT**

SPF - SIG

Settlement of DHS Cost Reimbursement Award

For the Year Ended: December 31, 2012

DHS Identification Number:	CARS Profile #	533410
Award Amount:	\$	189,810
Award Period:		10/1/10 - 9/30/12
Period of Award within Audit Period:		1/1/12 - 9/30/12
<b>A. Expenditures Reported to DHS for Payment</b>	\$	63,983
<b>B. Actual Allowable Cost of Award</b>		
<b>Program Expenses</b>		
7. Other salaries and wages		41,337
9. Other employee benefits		10,601
10. Payroll Taxes		3,162
11. Fees for Services (non-employees)		
g. Other		800
12. Advertising and promotion		1,170
13. Office Expenses		4,311
17. Travel		1,390
19. Conferences, conventions and meetings		1,212
<b>Total Program Expenses</b>		<u>63,983</u>
<b>Management and general expenses allocated to the program</b>		<u>-</u>
<b>Total management and general expense allocated to program</b>		-
<b>C. Less Program revenue and other offsets to costs</b>		
<b>F. Total Allowable costs</b>	\$	<u><u>63,983</u></u>

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

**EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT**

**WI WINS**

Settlement of DHS Cost Reimbursement Award

For the Year Ended: December 31, 2012

DHS Identification Number:	CARS Profile #	158127
Award Amount:	\$	2,002
Award Period:		1/1/12 - 12/31/12
Period of Award within Audit Period:		1/1/12 - 12/31/12
<b>A. Expenditures Reported to DHS for Payment</b>	\$	2,002
<b>B. Actual Allowable Cost of Award</b>		
<b>Program Expenses</b>		
7. Other salaries and wages		1,459
9. Other employee benefits		278
10. Payroll Taxes		112
13. Office Expenses		70
17. Travel		84
<b>Total Program Expenses</b>		<u>2,003</u>
<b>Management and general expenses allocated to the program</b>		<u>-</u>
<b>Total management and general expense allocated to program</b>		-
<b>C. Less Program revenue and other offsets to costs</b>		
<b>F. Total Allowable costs</b>	\$	<u><u>2,003</u></u>

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

**EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT**

Bio-Terrorism

Settlement of DHS Cost Reimbursement Award

For the Year Ended: December 31, 2012

DHS Identification Number: 19619 & 21396

CARS Profile # 155015

Award Amount:	\$ 52,816	\$ 52,816
Award Period:	8/1/11 - 7/31/12	8/1/12 - 6/30/13
Period of Award within Audit Period:	1/1/12 - 7/31/12	8/1/12 - 12/31/12
<b>A. Expenditures Reported to DHS for Payment</b>	\$ 29,039	\$ 29,227
<b>B. Actual Allowable Cost of Award</b>		
<b>Program Expenses</b>		
7. Other salaries and wages	23,422	23,802
9. Other employee benefits	2,771	2,658
10. Payroll Taxes	1,792	1,821
13. Office Expenses	755	598
16. Occupancy	233	166
19. Conferences, conventions and meetings	66	183
<b>Total Program Expenses</b>	<u>29,039</u>	<u>29,228</u>
<b>Management and general expenses allocated to the program</b>	<u>-</u>	<u>-</u>
<b>Total management and general expense allocated to program</b>	-	-
<b>C. Less Program revenue and other offsets to costs</b>		
<b>F. Total Allowable costs</b>	<u>\$ 29,039</u>	<u>\$ 29,228</u>

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

**EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT**

HIV Prevention

Settlement of DHS Cost Reimbursement Award

For the Year Ended: December 31, 2012

DHS Identification Number:	CARS Profile #	155957
Award Amount:	\$	9,000
Award Period:		1/1/12 - 12/31/12
Period of Award within Audit Period:		1/1/12 - 12/31/12
<b>A. Expenditures Reported to DHS for Payment</b>	\$	1,759
<b>B. Actual Allowable Cost of Award</b>		
<b>Program Expenses</b>		
7. Other salaries and wages		1,152
9. Other employee benefits		413
10. Payroll Taxes		88
17. Travel		104
19. Conferences, conventions and meetings		2
<b>Total Program Expenses</b>		<u>1,759</u>
<b>Management and general expenses allocated to the program</b>		<u>-</u>
<b>Total management and general expense allocated to program</b>		-
<b>C. Less Program revenue and other offsets to costs</b>		
<b>F. Total Allowable costs</b>	\$	<u><u>1,759</u></u>

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

**EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT**

Settlement of DHS Cost Reimbursement Award

For the Year Ended: December 31, 2012

Award Name	Childhood Lead		Immunization		MCH		Radon RICS		Oral Health Mouthrinse		Well Women Program	
DHS Identification Number: 20259	CARS Profile #	157720	CARS Profile #	155020	CARS Profile #	159320	CARS Profile #	150321	CARS Profile #	151735	CARS Profile #	157000
Award Amount:	\$	10,661	\$	23,238	\$	41,567	\$	10,795	\$	1,519	\$	36,712
Award Period:	1/1/12 - 12/31/12		1/1/12 - 12/31/12		1/1/12 - 12/31/12		1/1/12 - 12/31/12		1/1/12 - 12/31/12		1/1/12 - 12/31/12	
Period of Award within Audit Period:	1/1/12 - 12/31/12		1/1/12 - 12/31/12		1/1/12 - 12/31/12		1/1/12 - 12/31/12		1/1/12 - 12/31/12		1/1/12 - 12/31/12	
<b>A. Expenditures Reported to DHS for Payment</b>	\$	14,472	\$	6,358	\$	41,567	\$	9,931	\$	1,519	\$	19,601
<b>B. Actual Allowable Cost of Award</b>												
<b>Program Expenses</b>												
7. Other salaries and wages		8,257		4,227		29,899		6,359		169		14,250
9. Other employee benefits		4,062		1,410		8,292		1,918		76		3,070
10. Payroll Taxes		632		323		2,287		486		13		1,090
11. Fees for Services (non-employees)										567		
12. Advertising and promotion								100				80
13. Office Expenses		42		399		646		541		694		461
14. Information Technology												650
16. Occupancy						443						
17. Travel		8						104				
19. Conferences, conventions and meetings		5						423				
24 Other Expenses itemize not covered above												
a. Equipment		1,440										
b. Medical supplies		26										
<b>Total Program Expenses</b>		<u>14,472</u>		<u>6,359</u>		<u>41,567</u>		<u>9,931</u>		<u>1,519</u>		<u>19,601</u>
<b>Management and general expenses allocated to the program</b>		-		-		-		-		-		-
<b>Total management and general expense allocated to program</b>		-		-		-		-		-		-
<b>C. Less Program revenue and other offsets to costs</b>												
<b>F. Total Allowable costs</b>	\$	<u>14,472</u>	\$	<u>6,359</u>	\$	<u>41,567</u>	\$	<u>9,931</u>	\$	<u>1,519</u>	\$	<u>19,601</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, 2012

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#### **NOTE 1 – BASIS OF PRESENTATION**

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The accompanying schedule of expenditures of federal and state awards (the “schedule”) includes the federal and state grant activity of the City of Eau Claire under programs of the federal and state government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of the City of Eau Claire, it is not intended to and does not present the financial position, changes in net position or cash flows of the City of Eau Claire.

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 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying 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.

## CITY OF EAU CLAIRE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2012

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#### NOTE 3 – 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	06/01/2013

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#### NOTE 4 – 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	\$ 133,752
Community Development Block Grants/Entitlement Grants	14.218	\$ 174,514

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#### NOTE 5 – ADJUSTMENTS COLUMN

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The adjustment column presents differences between estimated accrued/deferred ending balances as of December 31, 2011 and actual reimbursements received by the grantee in 2012.

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#### NOTE 6 – 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 Natural Resources
- DOT – Wisconsin Department of Transportation
- DOA – Wisconsin Department of Administration
- OJA – Wisconsin Department of Administration – Office of Justice Assistance
- Western Dairyland – Western Dairyland Economic Opportunity Council, Inc.
- WHEDA – Wisconsin Housing and Economic Development