

CITY OF EAU CLAIRE
Eau Claire, Wisconsin

**REPORT ON FEDERAL
AND STATE AWARDS**

For the Year Ended December 31, 2009

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, 2009, which collectively comprise the City of Eau Claire's basic financial statements and have issued our report thereon dated July 21, 2010. 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 09-1.

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 July 21, 2010.

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 of Eau Claire 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

July 21, 2010



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND 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 compliance of the City of Eau Claire, Wisconsin with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that are applicable to each of its major federal and major state programs for the year ended December 31, 2009. 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 requirements referred to above that are applicable to each of its major federal and major state programs for the year ended December 31, 2009. 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 09-2, 09-3 and 09-4.

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, 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, 2009, which collectively comprise the City of Eau Claire's basic financial statements and have issued our report thereon dated July 21, 2010. 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, 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

September 7, 2010 except for the Schedule of
Expenditures of Federal and State Awards, as to
which the date is July 21, 2010

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2009

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:	<u>\$ 300,000</u>	<u>\$ 100,000</u>

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

SECTION II – FINANCIAL STATEMENT FINDINGS

FINDING 09-1: INTERNAL CONTROL OVER FINANCIAL REPORTING.

Condition: During the 2009 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.
- > Infrastructure records compiled by the public works department were not reviewed or reconciled by the finance department. In addition, procedures for accounting for governmental activities construction work in progress, including retainages for projects that do not run through public works, are not adequate to ensure accuracy.

In addition, audit procedures found material adjustments to sewer capital assets and notes receivable balances. The current process does not reduce the risk of material errors in financial reporting to remote, 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: It is difficult for a City the size of Eau Claire to segregate all of the accounting functions. Material journal entries and account reconciliations are reviewed. The routine monthly journal entries will be reviewed and approved at the start of each year.

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2009

SECTION III – FEDERAL AND STATE FINDINGS AND QUESTIONED COSTS

FINDING 09-2: PROGRAM: WOMEN, INFANTS AND CHILDREN SUPPLEMENTAL FOOD PROGRAM

CFDA Number: 10.557

Granting Agency: Wisconsin Department of Health Services (pass-through agency)

Criteria: Grant expenditures charged to grants should only include costs incurred during the period of availability. Generally accepted accounting principles state that costs should be expended in the period the items are received.

Condition: Expenditures for items received after December 31, 2009 were included in 2009 grant expenditures. The expenditures in question were for computers and books ordered prior to year end, but not received by the City until 2010.

Effect: Expenditures were charged to the incorrect grant period.

Questioned Costs: Two invoices totaling \$6,547 were included in 2009 expenditures. The items purchased were not received by the City until 2010.

Recommendation: A thorough review of expenditures near year end, including invoices recorded as accounts payable, to ensure proper cut-off is recommended.

Management's Response/Planned Corrective Action: The Administrative Services Manager has reviewed the generally accepted accounting principles which states that costs should be expended in the period the items are received with department staff that has responsibility for program funding, including the Department Director, Director of Nursing, Director of Environmental Health, and the WIC Director/Nutritionist.

At year-end, the Administrative Services Manager will monitor the outstanding purchase orders and monitor their receipt, noting the receipt date on the purchase order request so costs are expended in the proper period.

When purchases are made near the end of the fiscal year, directors will determine if the item will be received by the end of the year. If the item will not be received, the directors will determine if the item may be paid for from the following year's budget or if the item should not be purchased.

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2009

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

FINDING 09-3: PROGRAM: CAPITAL FUNDS PROGRAM CLUSTER

CFDA Number: 14.872/14.885

Granting Agency: U.S. Department of Housing and Urban Development

Criteria: Grant recipients are required to submit Form HUD 60002 performance reports by January 10th of each year, or within 10 days of project completion. Since the City of Eau Claire's project was not complete prior to year end, the report was due January 10th 2010. The City should also document review over all required reports.

Condition: The Form HUD 60002 was not submitted by the due date. Upon requesting the performance reporting during the audit in April 2010, the City filed the form. The review process over quarterly and performance reports was not documented in all instances.

Effect: Reports may be submitted late.

Questioned Costs: None

Recommendation: The City should evaluate the process for tracking due dates of reports required by grants. Also, review of reports prior to submission should be documented and maintained.

Management's Response/Planned Corrective Action: The Housing Authority will work diligently to ensure that all reports are filed when due. We will also work with our accountants to ensure that any reports they are responsible for filing are filed on time, as well.

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2009

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

FINDING 09-4: PROGRAM: TRANSIT OPERATING AIDS

State ID Number: 395.104

Granting Agency: Wisconsin Department of Transportation

Criteria: The 2009 Urban Mass Transit Operating Assistance Contract between the City of Eau Claire and the State of Wisconsin requires quarterly transit operational reports. The City should have adequate controls in place to ensure accurate completion of required reports.

Condition: The 2009 year end Urban Bus Operations Report includes errors which overstate revenues.

Effect: The information submitted to the Wisconsin Department of Transportation is inaccurate.

Questioned Costs: None

Recommendation: The City should consider whether the existing review process is adequate to ensure that accurate reports are filed timely in the future. More thorough or additional review of reports and supporting documentation may be necessary.

Management's Response/Planned Corrective Action: A \$9,800 transaction was inadvertently posted to an incorrect revenue account. Staff subsequently identified and corrected the error, but in the interim the final quarterly report was filed. A revised report was not filed when the error was corrected.

The quarterly report focuses on statistics such as the number of trips, vehicle miles, and vehicle hours. The error on the report will not impact the state reimbursement for operations. The final reimbursement amount is calculated based on the audited financial statements, not this particular report.

Journal entries are reviewed for accuracy to minimize the possibility of errors. Staff has been instructed to file corrected reports if an error is found.

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.)
For the Year Ended December 31, 2009

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 Commerce | <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 checked="" type="checkbox"/> yes | <input type="checkbox"/> no |
| Public Service Commission | <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 7, 2010

CITY OF EAU CLAIRE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2009

Federal Grantor/ Passed-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Revenue					Total Revenues	Federal Expenditures
		(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue		
FEDERAL AWARDS								
U.S. Department of Agriculture								
Passed-Through Program From:								
Wisconsin Department of Health Services								
Women, Infants and Children Supplemental Food Program	10.557	\$ (26,211)	\$ -	\$ 399,994	\$ 33,326	\$ -	\$ 407,109	\$ 407,109
U.S. Department of Commerce								
Economic Adjustment Assistance	11.307	-	-	-	-	-	-	432,244
U.S. Department of Housing and Urban Development								
Section 8 Housing Assistance Payments Program: Special Allocations	14.195	-	-	106,622	-	-	106,622	106,622
Community Development Block Grants/Entitlement Grants (3)	14.218	(87,812)	-	928,939	20,845	-	861,972	861,972
Home Investment Partnership Program	14.239	(26,119)	-	527,115	66,408	-	567,404	567,404
Community Development Block Grant ARRA Entitlement Grants (CDBG-R) (Recovery Act Funded) (3)	14.253	-	-	6,929	-	-	6,929	6,929
Public and Indian Housing Program	14.850	-	-	280,843	-	-	280,843	280,843
Section 8 Housing Choice Vouchers	14.871	-	-	1,436,906	-	-	1,436,906	1,436,906
Public Housing Capital Fund (2)	14.872	(2,800)	-	284,064	-	-	281,264	281,264
Public Housing Capital Fund Stimulus (Formula) Recovery Act Funded (2)	14.885	-	-	83,048	89,453	-	172,501	172,501
Passed-Through Program From:								
Wisconsin Department of Commerce								
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	-	-	121,101	20,937	-	142,038	142,038
Wisconsin Housing and Economic Development Authority								
Section 8 Housing Assistance Payments Program: Special Allocations	14.195	-	-	637,417	-	-	637,417	637,417
Western Dairyland								
Supportive Housing Program	14.235	-	-	8,768	-	-	8,768	8,768
Total U.S. Department of Housing and Urban Development		(116,731)	-	4,421,752	197,643	-	4,502,664	4,502,664
U.S. Department of Interior								
Passed Through Program From:								
Wisconsin Historical Society								
Historic Preservation Fund Grants	15.904	-	-	-	5,562	(5,562)	-	5,562

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, 2009

Federal Grantor/ Passed-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Revenue					Total Revenues	Federal Expenditures
		(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue		
FEDERAL AWARDS (cont.)								
U.S. Department of Justice								
Bulletproof Vests Partnership Program	16.607	\$ (332)	\$ -	\$ 1,741	\$ -	\$ -	\$ 1,409	\$ 1,409
Paul Coverdell Forensic Science Improvement Grant Program	16.742	(12,614)	-	13,964	-	-	1,350	1,350
Edward Bryne Memorial Justice Assistance Grant - ARRA	16.803	-	-	-	82,463	(82,463)	-	82,463
Passed Through Program From:								
Wisconsin Department of Transportation								
Enforcing Underage Drinking Laws Program	16.727	-	-	10,001	-	-	10,001	10,001
Passed Through Program From:								
Eau Claire County								
Byrne Formula Grant Program	16.579	(19,040)	-	19,419	-	19,040	19,419	379
Wisconsin Office of Justice Assistance								
Edward Bryne Memorial Justice Assistance Grant	16.738	-	-	-	5,000	(5,000)	-	5,000
Total U.S. Department of Justice		<u>(31,986)</u>	<u>-</u>	<u>45,125</u>	<u>87,463</u>	<u>(68,423)</u>	<u>32,179</u>	<u>100,602</u>
U.S. Department of Transportation								
Federal Transit: Formula Grants (1)	20.507	-	-	1,711,856	-	-	1,711,856	1,711,856
Passed-Through Program From:								
Wisconsin Department of Transportation								
Federal Transit - Capital Investment Grants (1)	20.500	(23,854)	14,745	9,109	-	-	-	-
State and Community Highway Safety (4)	20.600	-	-	4,000	6,252	(4,812)	5,440	10,252
Alcohol Enforcement Grant (4)	20.601	(2,026)	-	19,997	6,188	-	24,159	24,159
Total U.S. Department of Transportation		<u>(25,880)</u>	<u>14,745</u>	<u>1,744,962</u>	<u>12,440</u>	<u>(4,812)</u>	<u>1,741,455</u>	<u>1,746,267</u>
Environmental Protection Agency								
Passed-Through Program From:								
Wisconsin Department of Health and Family Services								
State Indoor Radon Grants	66.032	-	-	10,795	-	-	10,795	10,795

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, 2009**

Federal Grantor/ Passed-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Revenue					Total Revenues	Federal Expenditures
		(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue		
FEDERAL AWARDS (cont.)								
U.S. Department of Education								
Passed-Through Program From:								
Eau Claire County Department of Human Services								
Birth to Three	84.181	\$ -	\$ -	\$ 50,139	\$ -	\$ -	\$ 50,139	\$ 50,139
U.S. Department of Health and Human Services								
Passed-Through Program From:								
Wisconsin Department of Health Services								
Public Health Emergency Preparedness	93.069	-	-	74,379	49,335	-	123,714	123,714
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	-	-	58,769	18,423	-	77,192	77,192
Immunization Grants	93.268	-	-	22,181	-	-	22,181	22,181
Preventive Health and Health Service Block Grant	93.991	-	-	10,900	-	-	10,900	10,900
Maternal and Child Health Services Block Grant to the States	93.994	-	-	100,815	6,678	-	107,493	107,493
Medical Assistance Program - Consolidated Contracts	93.778	-	-	3,843	-	-	3,843	3,843
Total U.S. Department of Health and Human Services		-	-	270,887	74,436	-	345,323	345,323
U.S. Department of Homeland Security								
Homeland Security Grant Program	97.067	-	-	-	18,562	(18,562)	-	18,562
Passed-Through Program From:								
Wisconsin Office of Justice Assistance								
State Domestic Preparedness Equipment Support Program	97.004	-	-	23,991	-	-	23,991	23,991
Total U.S. Department of Homeland Security		-	-	23,991	18,562	(18,562)	23,991	42,553
TOTAL FEDERAL AWARDS		\$ (200,808)	\$ 14,745	\$ 6,967,645	\$ 429,432	\$ (97,359)	\$ 7,113,655	\$ 7,643,258

- (1) These programs have been identified as part of a cluster - Federal Transit Cluster.
- (2) These programs have been identified as part of a cluster - CFP Cluster.
- (3) These programs have been identified as part of a cluster - CDBG - Entitlement Grants Cluster.
- (4) These programs have been identified as part of a cluster - Highway Safety Cluster.

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, 2009

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
STATE AWARDS								
Wisconsin Department of Commerce								
Hobbs Ice Arena Grant (LEG 20.143)	143.XXX	\$ (50,000)	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Wisconsin Department of Natural Resources								
Urban and Community Forestry	370.572	(41,740)	41,740	-	-	-	-	-
Aquatic Species Control Grant	370.663	-	-	61,673	-	-	61,673	61,673
Lake Management Planning Grant	370.664	(19,417)	-	19,417	-	-	-	-
Total Wisconsin Department of Natural Resources		(61,157)	41,740	81,090	-	-	61,673	61,673
Wisconsin Department of Transportation								
Transit Operating Aids	395.104	(116,893)	-	1,194,598	102,148	-	1,179,853	1,179,853
Wisconsin Department of Health Services								
Fluoride Rinse Program	435.151735	-	-	398	269	-	667	667
WIC - Farmers Market	435.154720	-	-	2,385	-	-	2,385	2,385
Medical Reserve Corp Unit	435.15513	-	-	230	2,076	-	2,306	2,306
Consolidated Contracts-Well Women GPR	435.157000	-	-	34,964	-	-	34,964	34,964
Consolidated Contracts-CHHD LD	435.157720	-	-	13,031	-	-	13,031	13,031
WI Wins	435.158116	-	-	700	-	-	700	700
WI Wins	435.158125	-	-	79,041	-	-	79,041	79,041
WI Wins	435.158127	-	-	5,050	-	-	5,050	5,050
Consolidated Contracts-MCH	435.159320	-	-	2,842	-	-	2,842	2,842
Reproductive Health	435.159321	-	-	51,894	5,606	-	57,500	57,500
Ambulance Funding Assistance	435.162	-	-	16,275	-	-	16,275	16,275
Passed-Through Program From:								
Children's Health Alliance of Wisconsin								
Fluoride Rinse Program	435.151730	-	-	12,900	-	-	12,900	12,900
Total Wisconsin Department of Health Services		-	-	219,710	7,951	-	227,661	227,661
Wisconsin Public Service Commission								
Wireless E911	N/A	(121,297)	-	121,297	-	-	-	-
Wisconsin Department of Military Affairs								
SERB Hazardous Materials Contract	465.306	-	-	178,263	-	-	178,263	178,263
TOTAL STATE AWARDS		\$ (349,347)	\$ 41,740	\$ 1,844,958	\$ 110,099	\$ -	\$ 1,647,450	\$ 1,647,450

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, 2009

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 2009:

	<u>Provider Number</u>	<u>Unaudited Amount</u>
City/County Health Department		
Reproductive Health	43102500	\$ 167,362
Prenatal Care	42141400	<u>73,318</u>
Total		<u>\$ 240,680</u>

CITY OF EAU CLAIRE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2009

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	05/01/2010

NOTE 5 – ADJUSTMENTS COLUMN

The adjustment column presents differences between estimated accrued/deferred ending balances as of December 31, 2008 and actual reimbursements received by the grantee in 2009.

CITY OF EAU CLAIRE

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended December 31, 2009

The previous audit of the federal award programs was for year ended December 31, 2008. The report showed no federal or state findings.