

CITY OF EAU CLAIRE

Eau Claire, Wisconsin

**REPORT ON FEDERAL
AND STATE AWARDS**

For the Year Ended December 31, 2007

CITY OF EAU CLAIRE

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December 31, 2007

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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, 2007, which collectively comprise the City of Eau Claire's basic financial statements and have issued our report thereon dated July 17, 2008. 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 would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Eau Claire's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Eau Claire's financial statements that is more than inconsequential will not be prevented or detected by the City of Eau Claire's internal control. The deficiency is listed as item 07-1.

To The City Council
City of Eau Claire

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Eau Claire's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies identified above, we consider item 07-1 to be material weaknesses.

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 17, 2008.

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

This report is intended solely for the information and use of the city council, management, 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.

Vickor Kumar & Company LLP

July 17, 2008



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, 2007. 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, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 07-2.

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 control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

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, 2007, which collectively comprise the City of Eau Claire's basic financial statements and have issued our report thereon dated July 17, 2008. 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.

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.

Vicki K. Kerner + Company LLP

September 8, 2008 except for the Schedule of
Expenditures of Federal and State Awards, as to
which the date is July 17, 2008

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial statements noted? yes X No

FEDERAL OR STATE AWARDS

Internal control over major programs:

- Material weakness(es) identified? yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X yes No

Auditee qualified as low-risk auditee? Federal State
 yes X no yes X no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Voucher
20.500	Federal Transit – Capital Investment Grants
20.507	Federal Transit – Formula Grant
11.307	Economic Adjustment Assistance
10.557	Supplemental Nutrition Program for Women, Infants and Children

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.)
For the Year Ended December 31, 2007

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
N/A	E 911 Program

SECTION II – FINANCIAL STATEMENT FINDINGS

07-1 Internal Control over Financial Reporting.

Condition: During the 2007 audit, audit procedures found material adjustments to sewer capital assets and bonds payable recorded in the water utility. In addition, several other adjustments were found during the audit which are deemed immaterial, but indicate a weakness in internal control over financial reporting. 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 that 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: The City will advance the timing of reversal journal entries to improve the timeliness of the financial reports, reduce the volume of adjustments needed at year-end, and eliminate the need for audit adjustments after the start of fieldwork.

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2007

SECTION III – FEDERAL AND STATE FINDINGS AND QUESTIONED COSTS

07-2 Program: Section 8 Housing Choice Vouchers

CFDA Number: 14.871

Granting Agency: Department of Housing and Urban Development

Criteria: The Housing Authority is required to maintain a waiting list from which individuals are selected for admission to the program. In general, individuals who reach the top of the waiting list must be provided the opportunity to be admitted to the program. Timely monitoring and maintenance of the waiting list is essential.

Condition: One individual tested during the audit reached the top of the waiting list but was not offered the opportunity to be admitted to the program. We noted three other instances where the waiting list was not properly maintained: 1) an individual not taken off the list when admitted to the program and 2) two individuals with applications which could not be located.

Effect: Without proper maintenance of the waiting list, individuals reaching the top of the waiting list may not be given the opportunity for admittance to the program in a timely manner.

Cause: When an individual turns down admittance to the program but wants to remain on the waiting list, the applicant is moved to the bottom of the waiting list. The Housing Authority staff currently track these individuals manually since the software does not have the ability to change placement on the waiting list. In the case of the individual reaching the top of the waiting list and not being offered admittance to the program, the individual was being manually tracked in this manner. An error was made in this manual tracking process. The three other applicants noted above had all been on the waiting list for several years. They were not removed from the waiting list timely, but the cause has not been determined.

Questioned Costs: None

Recommendation: We recommend that the Housing Authority review processes in place for tracking of individuals who are returned to the bottom of the waiting list to ensure they are offered the opportunity to be admitted to the program when they again reach the top of the list. We also recommend review of applicants that have been on the waiting list for extensive periods of time to ensure they are still eligible to be on the list.

Management's Response: The Housing Authority is in the process of reviewing all procedures regarding admission to the Section 8 Housing Choice Voucher Program. The system has been restructured for safeguards to maintain complete documentation regarding seniority status. Current financial information has been requested from the applicants, and oversight responsibility for the waiting list has been specifically assigned.

CITY OF EAU CLAIRE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2007

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 and Family Services	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of Workforce Development	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of Natural Resources	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of Administration	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of Transportation	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Public Service Commission	<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 8, 2008

CITY OF EAU CLAIRE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2007

Federal Grantor/ Passed-Through Grantor/ Program or Cluster Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Revenue				Total Revenues	Federal Expenditures
			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 and Family Services								
Women, Infants and Children Supplemental Food Program	10.557	\$ (4,206)	\$ -	\$ 324,201	\$ 4,797	\$ -	\$ 324,792	\$ 324,792
U.S. Department of Commerce								
Economic Adjustment Assistance	11.307	-	-	-	-	-	-	643,516
U.S. Department of Housing and Urban Development								
Section 8 Housing Assistance Payments Program: Special Allocations	14.195	-	-	103,146	-	-	103,146	103,146
Community Development Block Grants/Entitlement Grants	14.218	(89,322)	-	1,243,480	128,824	-	1,282,982	1,282,982
Home Investment Partnership Program	14.239	(72,127)	-	516,191	29,396	-	473,460	473,460
Public and Indian Housing Program	14.850	-	-	233,710	-	-	233,710	233,710
Section 8 Housing Choice Vouchers	14.871	-	-	1,533,582	-	-	1,533,582	1,533,582
Public Housing Capital Fund	14.872	(39,400)	-	276,303	-	-	236,903	236,903
Passed-Through Program From:								
Wisconsin Housing and Economic Development Authority								
Section 8 Housing Assistance Payments Program: Special Allocations	14.195	-	-	664,166	-	-	664,166	664,166
Western Dairyland								
Supportive Housing Program	14.235	-	-	12,296	-	-	12,296	12,296
Total U.S. Department of Housing and Urban Development		(200,849)	-	4,582,874	158,220	-	4,540,245	4,540,245
U.S. Department of Interior								
Passed Through Program From:								
Wisconsin Historical Society								
Historic Preservation Fund Grants	15.904	-	-	-	5,000	(5,000)	-	5,000

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, 2007

Federal Grantor/ Passed-Through Grantor/ Program or Cluster Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Adjustments	Revenue			Total Revenues	Federal Expenditures
				Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue		
FEDERAL AWARDS (cont.)								
U.S. Department of Justice								
Paul Coverdell Forensic Science Improvement Grant Program	16.742	\$ -	\$ -	\$ -	\$ 29,996	\$ (29,996)	\$ -	\$ 29,996
Bulletproof Vests Partnership Program	16.607	-	-	23,086	838	-	23,924	23,924
Passed Through Program From:								
Eau Claire County								
Byrne Formula Grant Program	16.579	(8,246)	-	8,246	3,875	4,123	7,998	3,875
Project Safe Neighborhoods	16.609	(6,889)	6,889	-	-	-	-	-
Wisconsin Office of Justice Assistance								
Juvenile Accountability Incentive Block Grant	16.523	(16,797)	-	30,435	23,631	(10,990)	26,279	37,269
Total U.S. Department of Justice		(31,932)	6,889	61,767	58,340	(36,863)	58,201	95,064
U.S. Department of Transportation								
Federal Transit: Formula Grants	20.507*	-	-	1,523,062	-	-	1,523,062	1,523,062
Passed-Through Program From:								
Wisconsin Department of Transportation								
Highway Planning and Construction	20.205	-	-	-	42,744	(42,744)	-	42,744
Motor Carrier Safety	20.217	-	-	24,987	-	-	24,987	24,987
Federal Transit - Capital Investment Grants	20.500*	(4,796)	-	4,796	29,194	-	29,194	29,194
State and Community Highway Safety	20.600	-	-	4,000	(356)	-	3,644	3,644
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	-	-	37,456	5,250	-	42,706	42,706
Total U.S. Department of Transportation		(4,796)	-	1,594,301	76,832	(42,744)	1,623,593	1,666,337

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, 2007

Federal Grantor/ Passed-Through Grantor/ Program or Cluster Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Revenue				Total Revenues	Federal Expenditures
			Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue		
FEDERAL AWARDS (cont.)								
Environmental Protection Agency								
Passed-Through Program From:								
Wisconsin Department of Health and Family Services								
State Indoor Radon Grants	66.032	\$ (1,352)	\$ -	\$ 11,633	\$ -	\$ 10,281	\$ 10,281	
U.S. Department of Education								
Passed-Through Program From:								
Eau Claire County Department of Human Services								
Birth to Three	84.181	-	-	43,022	-	43,022	43,022	
U.S. Department of Health and Human Services								
Passed-Through Program From:								
Wisconsin Department of Health and Family Services								
Immunization Grants	93.268	(3,239)	-	70,186	-	66,947	66,947	
Centers for Disease Control and Prevention: Investigations and Technical Assistance	93.283	-	-	32,621	-	32,621	32,621	
Preventive Health and Health Service Block Grant	93.991	-	-	11,165	-	11,165	11,165	
Maternal and Child Health Services Block Grant to the States	93.994	-	-	108,972	-	108,972	108,972	
Medical Assistance Program - Consolidated Contracts	93.778	-	-	2,854	-	2,854	2,854	
Polk County Emergency Preparedness Consortium								
Centers for Disease Control and Prevention: Investigations and Technical Assistance	93.283	-	-	48,500	-	48,500	48,500	
Eau Claire County Human Services Department								
Child Care Mandatory and Matching Funds of CCDF	93.596	-	-	9,911	-	9,911	9,911	
Chippewa County Public Health Department								
Children with Special Health Care Needs	93.994	-	-	14,350	-	14,350	14,350	
Total U.S. Department of Health and Human Services		(3,239)	-	298,559	-	295,320	295,320	

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, 2007

Federal Grantor/ Passed-Through Grantor/ Program or Cluster Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Revenue			Deferred Revenue	Total Revenues	Federal Expenditures
			Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance			
FEDERAL AWARDS (cont.)								
U.S. Department of Homeland Security								
Assistance to Firefighters Grant	97.044	\$ -	\$ -	\$ 29,452	\$ -	\$ -	\$ 29,452	\$ 29,452
Homeland Security Grant Program	97.067	-	-	-	105,774	(102,317)	3,457	105,774
Passed-Through Program From:								
Wisconsin Office of Justice Assistance								
State Domestic Preparedness Equipment Support Program	97.004	(32,140)	-	143,363	-	11,505	122,728	111,223
Total U.S. Department of Homeland Security		(32,140)	-	172,815	105,774	(90,812)	155,637	246,449
TOTAL FEDERAL AWARDS		\$ (278,514)	\$ 6,889	\$ 7,089,172	\$ 408,963	\$ (175,419)	\$ 7,051,091	\$ 7,870,026

* These programs have been identified as part of a cluster - Federal Transit 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, 2007

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	State ID Number	(Accrued) Deferred Beginning Balance	Adjustments	Revenue			Deferred Revenue	Total Revenues	State Expenditures
				Cash Received (Returned)	Accrued (Deferred) Ending Balance				
STATE AWARDS									
Wisconsin Department of Natural Resources									
Urban and Community Forestry	370.572	\$ (9,310)	\$ -	\$ -	\$ 20,870	\$ 9,310	\$ 20,870	\$ 11,560	
Lake Management Planning Grant	370.664	(7,500)	-	16,000	14,417	(4,417)	18,500	22,917	
Urban Rivers	370.TA2	(212,249)	-	212,575	1,028	(1,028)	1,354	1,354	
Urban Rivers	370.XXX	(121,092)	-	-	121,092	-	-	-	
Total Wisconsin Department of Natural Resources		(350,151)	-	228,575	157,407	3,865	40,724	35,831	
Wisconsin Department of Transportation									
Transit Operating Aids	395.104	(254,603)	-	1,100,628	197,382	-	1,043,407	1,043,407	
Total Wisconsin Department of Transportation		(254,603)	-	1,100,628	197,382	-	1,043,407	1,043,407	
Wisconsin Department of Health and Family Services									
Fluoride Rinse Program	435.151732	433	-	653	(433)	-	653	653	
WIC - Farmers Market	435.154720	-	-	2,385	-	-	2,385	2,385	
Consolidated Contracts-CHHD LD	435.157720	-	-	12,781	-	-	12,781	12,781	
WI Wins	435.158116	-	-	700	-	-	700	700	
Consolidated Contracts-MCH	435.159320	-	-	2,845	-	-	2,845	2,845	
Reproductive Health	435.159326	-	-	56,795	-	-	56,795	56,795	
WI Wins	435.158125	-	-	40,668	-	-	40,668	40,668	
WI Wins	435.158127	-	-	8,750	-	-	8,750	8,750	
Passed-Through Program From:									
Children's Health Alliance of Wisconsin									
Fluoride Rinse Program	435.151730	-	-	7,483	-	-	7,483	7,483	
Total Wisconsin Department of Health and Family Services		433	-	133,060	(433)	-	133,060	133,060	
Wisconsin Department of Workforce Development									
Refugee Health	445.87309	-	-	16,047	-	-	16,047	16,047	

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, 2007

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	State ID Number	Revenue					Total Revenues	State Expenditures
		(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Deferred Revenue		
STATE AWARDS (cont.)								
Wisconsin Public Service Commission								
Wireless E911 (1)	N/A	\$ (368,055)	\$ (6,889)	\$ 116,134	\$ 391,392	\$ (129,393)	\$ 3,189	\$ 132,582
TOTAL STATE AWARDS		\$ (972,376)	\$ (6,889)	\$ 1,594,444	\$ 745,748	\$ (125,528)	\$ 1,236,427	\$ 1,360,927

(1) Receivable includes expenditures from prior years that became eligible for grant funding in 2007.

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, 2007

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 2007:

	<u>Provider Number</u>	<u>Unaudited Amount</u>
City/County Health Department		
Reproductive Health	43102500	\$ 22,537
Prenatal Care	42141400	<u>40,483</u>
Total		<u>\$ 63,020</u>

CITY OF EAU CLAIRE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2007

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	04/01/2008

NOTE 5 – ADJUSTMENTS COLUMN

The adjustment column was used to correct errors in the reporting of the accrued/(deferred) ending balance of the prior year.