

CITY OF EAU CLAIRE

Eau Claire, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2018

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 the 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 (City) as of and for the year ended December 31, 2018, 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 28, 2019.

Internal Control Over Financial Reporting

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

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

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 Virchow Krause, LLP

Eau Claire, Wisconsin
June 28, 2019

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND DHS COST REIMBURSEMENT AWARD SCHEDULES REQUIRED BY THE UNIFORM GUIDANCE 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's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of the City's major federal and major state programs for the year ended December 31, 2018. The City'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.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City'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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*. Those standards, the Uniform Guidance 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 a major state program occurred. An audit includes examining, on a test basis, evidence about the City'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's compliance.

Opinion on Each Major Federal and Major State Program

In our opinion, the City 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, 2018.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City'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 the Uniform Guidance 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'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 the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards and DHS Cost Reimbursement Award Schedules Required by the Uniform Guidance 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, 2018, 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 28, 2019, 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 DHS cost reimbursement award schedules are presented for purposes of additional analysis as required by the Uniform Guidance 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 DHS cost reimbursement award schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Eau Claire, Wisconsin
September 27, 2019

CITY OF EAU CLAIRE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2018

Federal Grantor/ Program or Cluster Title	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenue							Federal Expenditures	Amounts Provided to Subrecipients
				(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Change in Unavailable Revenue	Total Revenues			
FEDERAL AWARDS												
U.S. Department of Agriculture												
WIC Special Supplemental Nutrition Program for Women, Infants, and Children SNAP Cluster	10.557	DHS	154710, 154760	\$ (104,000)	\$ -	\$ 428,765	\$ 98,616	\$ -	\$ 423,381	\$ 423,381	\$ -	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	154661	(6,372)	-	13,441	1,391	-	8,460	8,460	-	
Total U.S. Department of Agriculture				(110,372)	-	442,206	100,007	-	431,841	431,841	-	
U.S. Department of Commerce												
Economic Development Cluster												
Economic Adjustment Assistance	11.307	N/A	N/A	-	-	-	-	-	-	447,002	-	
U.S. Department of Housing and Urban Development												
CDBG - Entitlement Grants Cluster												
Community Development Block Grants/Entitlement Grants	14.218	N/A	N/A	(73,591)	-	788,449	104,096	-	818,954	818,954	535,733	
Home Investment Partnerships Program	14.239	N/A	N/A	(46,532)	-	170,829	82,178	-	206,475	206,475	19,085	
Total U.S. Department of Housing and Urban Development				(120,123)	-	959,278	186,274	-	1,025,429	1,025,429	554,818	
U.S. Department of Justice												
Bulletproof Vest Partnership Program (2018 Program)	16.607	N/A	N/A	-	-	-	624	(624)	-	624	-	
Bulletproof Vest Partnership Program (2016 Program)	16.607	N/A	N/A	(303)	-	1,107	-	-	804	804	-	
Bulletproof Vest Partnership Program (2015 Program)	16.607	N/A	N/A	-	(303)	303	-	-	-	-	-	
Total Bulletproof Vest Partnership Program				(303)	(303)	1,410	624	(624)	804	1,428	-	
Public Safety Partnership and Community Policing Grants	16.710	DOJ	10134	-	-	6,721	2,000	-	8,721	8,721	-	
Public Safety Partnership and Community Policing Grants	16.710	DOJ	10135	-	-	6,678	7,042	(3,814)	9,906	13,720	-	
Total Public Safety Partnership and Community Policing Grants				-	-	13,399	9,042	(3,814)	18,627	22,441	-	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ	2017-DJ-BX-0627	-	-	4,886	-	-	4,886	4,886	-	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	DOJ	2018-DJ-BX-0918	-	-	-	12,033	(12,033)	-	12,033	-	
Total Edward Byrne Memorial Justice Assistance Grant Program				-	-	4,886	12,033	(12,033)	4,886	16,919	-	
Total U.S. Department of Justice				(303)	(303)	19,695	21,699	(16,471)	24,317	40,788	-	
U.S. Department of Transportation												
Highway Planning and Construction Cluster												
Recreational Trails Program	20.219	DNR	RTA-740-15	(45,000)	-	45,000	-	-	-	-	-	
Recreational Trails Program	20.219	DNR	RTP-883-17N	-	-	-	26,687	(26,687)	-	26,687	-	
Total Recreational Trails Program				(45,000)	-	45,000	26,687	(26,687)	-	26,687	-	
Total Highway Planning and Construction Cluster				(45,000)	-	45,000	26,687	(26,687)	-	26,687	-	
Federal Transit Cluster												
Federal Transit Formula Grants	20.507	N/A	N/A	-	-	1,232,061	513,279	-	1,745,340	1,745,340	-	
Total U.S. Department of Transportation				(45,000)	-	1,277,061	539,966	(26,687)	1,745,340	1,772,027	-	
National Endowment for the Humanities												
Grants to States	45.310	DPI	2017-187469	-	-	4,298	-	-	4,298	4,298	-	
Grants to States	45.310	DPI	2018-187469	-	-	2,039	-	-	2,039	2,039	-	
Total Grants to States				-	-	6,337	-	-	6,337	6,337	-	
Total National Endowment for the Humanities				-	-	6,337	-	-	6,337	6,337	-	
Environmental Protection Agency												
State Indoor Radon Grants	66.032	DHS	150321	(6,289)	-	12,863	5,492	-	12,066	12,066	-	

See accompanying notes to schedule of expenditures of federal and state awards and DHS cost reimbursement award schedules.

CITY OF EAU CLAIRE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2018

Federal Grantor/ Program or Cluster Title	Federal CFDA Number	Passed Through Agency	Passed Through Agency ID	Revenue						Federal Expenditures	Amounts Provided to Subrecipients
				(Accrued) Deferred Beginning Balance	Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance	Change in Unavailable Revenue	Total Revenues		
U.S. Department of Health and Human Services											
Medical Reserve Corps Small Grant Program	93.008	NACCHO	MRC 15-2025C	\$ 5,256	\$ -	\$ -	\$ -	\$ -	\$ 5,256	\$ 5,256	\$ -
Public Health Emergency Preparedness	93.069	DHS	155050, 155015	(11,542)	-	53,487	(4,862)	-	37,083	37,083	-
Environmental Public Health and Emergency Response	93.070	DHS	155078	(1,655)	-	10,000	5,495	-	13,840	13,840	-
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	NACCHO	25045	3,890	-	-	-	-	3,890	3,890	-
Food and Drug Administration - Research	93.103	AFDO	25130	(4,083)	-	4,083	2,806	(689)	2,117	2,806	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	DHS	155080	-	-	32,345	17,655	-	50,000	50,000	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	DOJ	25202	-	-	-	848	(116)	732	848	-
Total Injury Prevention and Control Research and State and Community Based Programs				-	-	32,345	18,503	(116)	50,732	50,848	-
State Capacity Building	93.240	DHS	150328	-	-	-	1,116	-	1,116	1,116	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	MCRF	25179	(8,076)	-	48,052	10,344	5,780	56,100	50,320	-
Drug-Free Communities Support Program Grants	93.276	DHS	25046	(27,972)	-	159,819	6,692	2,916	141,455	138,539	-
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	DHS	150426, 150429	-	-	-	1,289	-	1,289	1,289	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	DHS	157120	(3,833)	-	3,833	-	-	-	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance Financed in Part by prevention and Public Health Funds	93.539	DHS	155020	-	-	21,729	-	-	21,729	21,729	-
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - Financed in Part by the Prevention and Public Health Fund (PPHF)	93.733	DHS	43500-0000018518	-	-	3,810	-	-	3,810	3,810	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	DHS	155800, 159220, 25197	(825)	-	17,179	2,116	-	18,470	18,470	-
Medicaid Cluster											
Medical Assistance Program	93.778	DHS	159320, 159322	(864)	-	3,438	-	-	2,574	2,574	-
Assistance Programs for Chronic Disease Prevention and Control	93.945	DHS	25180	-	-	12,000	-	-	12,000	12,000	-
Maternal and Child Health Services Block Grant to the States	93.994	DHS	159320, 159321, 159322	(28,098)	-	114,418	15,657	-	101,977	101,977	-
Total U.S. Department of Health and Human Services				(77,802)	-	484,193	59,156	7,891	473,438	465,547	-
U.S. Department of Homeland Security											
Assistance to Firefighters Grant	97.044	DEM	EMW-2014-FO-01081	-	(3,289)	3,289	-	-	-	-	-
Total U.S. Department of Homeland Security				-	(3,289)	3,289	-	-	-	-	-
TOTAL FEDERAL AWARDS				\$ (359,889)	\$ (3,592)	\$ 3,204,922	\$ 912,594	\$ (35,267)	\$ 3,718,768	\$ 4,201,037	\$ 554,818

See accompanying notes to schedule of expenditures of federal and state awards and DHS cost reimbursement award schedules.

CITY OF EAU CLAIRE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2018

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	State ID Number	Revenue					Total Revenues	State Expenditures
		(Accrued) Beginning Balance	Cash Received (Returned)	Accrued Ending Balance	Change in Unavailable Revenue			
STATE AWARDS								
Wisconsin Department of Natural Resources								
Aquatic Invasive Species Control	370.678	\$ (13,937)	\$ -	\$ 72,807	\$ 1,061	\$ 59,931	\$ 58,870	
Knowles-Nelson Stewardship Program	370.TZ1	(180,705)	180,705	-	-	-	-	
Urban Wildlife Damage Abatement Program (15076-Urban Deer)	370.580	(5,432)	5,000	4,609	823	5,000	4,177	
Lake Management Planning - Large Scale and Small Scale Grants	370.663	(40,451)	-	42,392	(1,941)	-	1,941	
Total Wisconsin Department of Natural Resources		<u>(240,525)</u>	<u>185,705</u>	<u>119,808</u>	<u>(57)</u>	<u>64,931</u>	<u>64,988</u>	
Wisconsin Department of Transportation								
Transit Operating Aids - 2018	395.104	-	1,368,229	-	-	1,368,229	1,368,229	
Transit Operating Aids - 2017	395.104	(143,357)	-	143,357	-	-	-	
Transit Operating Aids - 2016	395.104	(131,290)	-	131,290	-	-	-	
Paratransit Aids - 2018	395.104	-	61,475	-	-	61,475	61,475	
Total Transit Operating Aids		<u>(274,647)</u>	<u>1,429,704</u>	<u>274,647</u>	<u>-</u>	<u>1,429,704</u>	<u>1,429,704</u>	
Total Wisconsin Department of Transportation		<u>(274,647)</u>	<u>1,429,704</u>	<u>274,647</u>	<u>-</u>	<u>1,429,704</u>	<u>1,429,704</u>	
Wisconsin Department of Health Services								
Fluoride Rinse Program	435.151735	-	547	972	-	1,519	1,519	
WIC - Farmers Market	435.154720	-	3,258	128	-	3,386	3,386	
Communicable Disease	435.155800	-	6,971	-	-	6,971	6,971	
HIV Prevention Partner Services	435.155957	(13,144)	78,383	9,761	-	75,000	75,000	
Consolidated Contracts-Well Women GPR	435.157010	(12,156)	57,860	7,822	-	53,526	53,526	
Consolidated Contracts-CHHD LD	435.157720	(5,111)	12,052	2,854	-	9,795	9,795	
Reproductive Health	435.159321	(9,136)	52,472	12,725	-	56,061	56,061	
Consolidated Contracts-MCH	435.159320	(864)	864	-	-	-	-	
Consolidated Contracts-MCH	435.159322	-	2,574	-	-	2,574	2,574	
NP Wins	435.181004	-	4,427	99	-	4,526	4,526	
NP Wins	435.181005	(806)	806	-	-	-	-	
Total Wisconsin Department of Health Services		<u>(41,217)</u>	<u>220,214</u>	<u>34,361</u>	<u>-</u>	<u>213,358</u>	<u>213,358</u>	
Wisconsin Department of Military Affairs								
Computer and HazMat Response Equipment Grant	465.308	(9,348)	9,348	8,077	1,154	9,231	8,077	
Regional Emergency Response Teams	465.306	(28,989)	115,955	28,989	-	115,955	115,955	
Total Wisconsin Department of Military Affairs		<u>(38,337)</u>	<u>125,303</u>	<u>37,066</u>	<u>1,154</u>	<u>125,186</u>	<u>124,032</u>	
TOTAL STATE AWARDS		<u>\$ (594,726)</u>	<u>\$ 1,960,926</u>	<u>\$ 465,882</u>	<u>\$ 1,097</u>	<u>\$ 1,833,179</u>	<u>\$ 1,832,082</u>	

See accompanying notes to schedule of expenditures of federal and state awards and DHS cost reimbursement award schedules.

EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT

DHS Cost Reimbursement Award Schedules
For the Audit Period Ended December 31, 2018

DHS Identification Number:	CARS Profile 154720 WIC - Farmers Market	CARS Profile 154760 WIC - Peer Counseling	CARS Profile 154710 WIC	CARS Profile 159321 Reproductive Health	CARS Profile 159220 Prevention	CARS Profile 159220 Prevention	CARS Profile 181004 WI WINS
Award Amount:	\$ 3,386	\$ 14,604	\$ 408,776	\$ 114,785	\$ 17,150	\$ 11,631	\$ 4,526
Award Period:	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	10/1/16 - 8/31/18	10/1/17 - 8/31/19	1/1/18 - 12/31/18
Period of Award within Audit Period:	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 8/31/18	9/1/18 - 12/31/18	1/1/18 - 12/31/18
A. Expenditures Reported to DHS for Payment	\$ 3,407	\$ 14,607	\$ 411,717	\$ 115,405	\$ 9,875	\$ 2,116	\$ 4,772
B. Total Costs of Award							
1. Employee Salaries and Wages	2,867	12,378	255,030	84,517	4,155	1,353	4,164
2. Employee Fringe Benefits	247	-	87,093	24,755	1,614	668	119
3. Payroll Taxes	229	947	18,252	6,133	285	91	319
4. Rent of Occupancy	-	-	18,100	-	-	-	-
5. Professional Services	-	-	77	-	-	-	-
6. Employee Travel	-	-	943	-	65	-	126
7. Conferences, Meetings or Education	-	553	4,147	-	3,689	-	9
8. Employee Licenses and Dues	-	-	-	-	-	-	-
9. Supplies	64	729	14,276	-	-	-	-
10. Telephone	-	-	3,020	-	-	-	-
11. Equipment	-	-	-	-	-	-	-
12. Depreciation	-	-	-	-	-	-	-
13. Utilities	-	-	-	-	-	-	-
14. Bad Debts	-	-	-	-	-	-	-
15. Postage and Shipping	-	-	1,069	-	17	4	35
16. Insurance	-	-	-	-	-	-	-
17. Interest	-	-	-	-	-	-	-
18. Bank Fees and Charges	-	-	-	-	-	-	-
19. Advertising and Marketing	-	-	8,747	-	-	-	-
20. Other	-	-	963	-	50	-	-
Total Operating Costs of Award	3,407	14,607	411,717	115,405	9,875	2,116	4,772
C. Less Disallowed Costs	-	-	-	-	-	-	-
Offsets to Costs	-	-	-	-	-	-	-
E. Net Allowable Operating Costs Before Profit	-	-	-	-	-	-	-
F. Add Allowable Profit	-	-	-	-	-	-	-
G. Total Allowable Costs	\$ 3,407	\$ 14,607	\$ 411,717	\$ 115,405	\$ 9,875	\$ 2,116	\$ 4,772

See accompanying notes to schedule of expenditures of federal and state awards and DHS cost reimbursement award schedules.

EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT

DHS Cost Reimbursement Award Schedules
For the Audit Period Ended December 31, 2018

DHS Identification Number:	CARS Profile 155015	CARS Profile 155015	CARS Profile 155957	CARS Profile 157720	CARS Profile 155020	CARS Profile 159320	CARS Profile 159322
Award Amount:	Bio-Terrorism \$ 58,261	Bio-Terrorism \$ 51,919	HIV Prevention \$ 75,000	Childhood Lead \$ 9,795	Immunization \$ 21,729	MCH \$ 43,248	WH/FP RH 20.435 \$ 5,153
Award Period:	7/1/17 - 6/30/18	7/1/18 - 6/30/19	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18
Period of Award within Audit Period:	1/1/18 - 6/30/18	7/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 12/31/18
A. Expenditures Reported to DHS for Payment	\$ 31,177	\$ 6,787	\$ 76,654	\$ 10,050	\$ 23,417	\$ 43,980	\$ 5,153
B. Total Costs of Award							
1. Employee Salaries and Wages	16,319	2,961	52,264	6,182	12,628	\$ 27,454	\$ 5,153
2. Employee Fringe Benefits	1,730	561	18,045	912	6,229	12,884	-
3. Payroll Taxes	1,225	270	3,831	493	859	2,338	-
4. Rent of Occupancy	300	300	800	-	-	600	-
5. Professional Services	499	-	-	-	-	-	-
6. Employee Travel	251	262	99	-	-	30	-
7. Conferences, Meetings or Education	9,837	866	268	-	-	-	-
8. Employee Licenses and Dues	50	-	-	-	-	84	-
9. Supplies	219	308	175	2,463	995	-	-
10. Telephone	747	1,040	1,172	-	-	240	-
11. Equipment	-	-	-	-	-	-	-
12. Depreciation	-	-	-	-	-	-	-
13. Utilities	-	-	-	-	-	-	-
14. Bad Debts	-	-	-	-	-	-	-
15. Postage and Shipping	-	-	-	-	2,408	350	-
16. Insurance	-	-	-	-	-	-	-
17. Interest	-	-	-	-	-	-	-
18. Bank Fees and Charges	-	-	-	-	-	-	-
19. Advertising and Marketing	-	-	-	-	298	-	-
20. Other	-	219	-	-	-	-	-
Total Operating Costs of Award	31,177	6,787	76,654	10,050	23,417	43,980	5,153
C. Less Disallowed Costs	-	-	-	-	-	-	-
D. Less Program Revenue and Other Offsets to Costs	-	-	-	-	-	-	-
E. Net Allowable Operating Costs Before Profit	-	-	-	-	-	-	-
F. Add Allowable Profit	-	-	-	-	-	-	-
G. Total Allowable Costs	\$ 31,177	\$ 6,787	\$ 76,654	\$ 10,050	\$ 23,417	\$ 43,980	\$ 5,153

See accompanying notes to schedule of expenditures of federal and state awards and DHS cost reimbursement award schedules.

EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT

DHS Cost Reimbursement Award Schedules

For the Audit Period Ended December 31, 2018

DHS Identification Number:	CARS Profile 150321	CARS Profile 151735	CARS Profile 154661	CARS Profile 154661	CARS Profile 157010	CARS Profile 157010	CARS Profile 155078
	EPA Indoor Radon Services	Flouride Mouthrinse	Snap Ed	Snap Ed	Well Woman Program	Well Woman Program	Env Ph Tracking Network
Award Amount:	\$ 12,066	\$ 1,519	\$ 15,606	\$ 15,981	\$ 65,250	\$ 65,250	\$ 10,000
Award Period:	1/1/18 - 12/31/18	1/1/18 - 12/31/18	10/1/17 - 9/30/18	10/1/18 - 9/30/19	7/1/17 - 6/30/18	7/1/18 - 6/30/19	8/1/17 - 7/31/18
Period of Award within Audit Period:	1/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 9/30/18	10/1/18 -12/31/18	1/1/18 - 6/30/18	7/1/18 - 12/31/18	1/1/18 - 7/31/18
A. Expenditures Reported to DHS for Payment	<u>\$ 13,067</u>	<u>\$ 1,558</u>	<u>\$ 7,637</u>	<u>\$ 1,391</u>	<u>\$ 34,550</u>	<u>\$ 20,568</u>	<u>\$ 8,750</u>
B. Total Costs of Award							
1. Employee Salaries and Wages	6,681	474	4,118	1,077	18,493	12,906	4,312
2. Employee Fringe Benefits	3,131	170	1,298	171	7,914	5,481	1,279
3. Payroll Taxes	471	34	292	76	1,304	917	301
4. Rent of Occupancy	-	-	-	-	-	-	-
5. Professional Services	-	-	-	-	700	700	-
6. Employee Travel	138	-	-	18	160	134	-
7. Conferences, Meetings or Education	425	-	-	-	14	11	-
8. Employee Licenses and Dues	-	-	-	-	-	-	-
9. Supplies	184	880	1,930	49	216	-	1,055
10. Telephone	-	-	-	-	367	372	-
11. Equipment	-	-	-	-	-	-	-
12. Depreciation	-	-	-	-	-	-	-
13. Utilities	-	-	-	-	-	-	-
14. Bad Debts	-	-	-	-	-	-	-
15. Postage and Shipping	-	-	-	-	42	47	-
16. Insurance	-	-	-	-	-	-	-
17. Interest	-	-	-	-	-	-	-
18. Bank Fees and Charges	-	-	-	-	-	-	-
19. Advertising and Marketing	2,037	-	-	-	5,340	-	1,803
20. Other	-	-	-	-	-	-	-
Total Operating Costs of Award	<u>13,067</u>	<u>1,558</u>	<u>7,638</u>	<u>1,391</u>	<u>34,550</u>	<u>20,568</u>	<u>8,750</u>
C. Less Disallowed Costs	-	-	-	-	-	-	-
D. Less Program Revenue and Other Offsets to Costs	-	-	-	-	-	-	-
E. Net Allowable Operating Costs Before Profit	-	-	-	-	-	-	-
F. Add Allowable Profit	-	-	-	-	-	-	-
G. Total Allowable Costs	<u>\$ 13,067</u>	<u>\$ 1,558</u>	<u>\$ 7,638</u>	<u>\$ 1,391</u>	<u>\$ 34,550</u>	<u>\$ 20,568</u>	<u>\$ 8,750</u>

See accompanying notes to schedule of expenditures of federal and state awards and DHS cost reimbursement award schedules.

EAU CLAIRE CITY-COUNTY HEALTH DEPARTMENT

DHS Cost Reimbursement Award Schedules
For the Audit Period Ended December 31, 2018

DHS Identification Number:	CARS Profile 155078 Env Ph Tracking Network	CARS Profile 150328 ATSDR Appletree	CARS Profile 150426 Diabetes	CARS Profile 150429 Diabetes & Cardiovascular	CARS Profile 155080 Rape Prev and Education	CARS Profile 155800 Comm Disease Ctrl & Prev
Award Amount:	\$ 10,000	\$ 9,000	\$ 15,013	\$ 230,149	\$ 50,000	\$ 7,000
Award Period:	8/1/18 - 7/31/19	12/1/18 - 3/31/19	10/1/18 - 6/30/19	10/1/18 - 9/30/19	1/1/18 - 12/31/18	7/1/17 - 6/30/18
Period of Award within Audit Period:	8/1/18 - 12/31/18	12/1/18 - 12/31/18	10/1/18 - 12/31/18	10/1/18 - 12/31/18	1/1/18 - 12/31/18	1/1/18 - 6/30/18
A. Expenditures Reported to DHS for Payment	\$ 5,495	\$ 1,116	\$ 896	\$ 393	\$ 50,019	\$ 7,018
B. Total Costs of Award						
1. Employee Salaries and Wages	202	732	479	289	31,316	5,405
2. Employee Fringe Benefits	69	-	124	85	8,899	1,206
3. Payroll Taxes	15	50	32	19	2,323	407
4. Rent of Occupancy	-	334	-	-	-	-
5. Professional Services	-	-	-	-	3,000	-
6. Employee Travel	78	-	-	-	290	-
7. Conferences, Meetings or Education	-	-	161	-	611	-
8. Employee Licenses and Dues	-	-	-	-	-	-
9. Supplies	5,071	-	100	-	925	-
10. Telephone	-	-	-	-	-	-
11. Equipment	-	-	-	-	-	-
12. Depreciation	-	-	-	-	-	-
13. Utilities	-	-	-	-	-	-
14. Bad Debts	-	-	-	-	-	-
15. Postage and Shipping	-	-	-	-	-	-
16. Insurance	-	-	-	-	-	-
17. Interest	-	-	-	-	-	-
18. Bank Fees and Charges	-	-	-	-	-	-
19. Advertising and Marketing	60	-	-	-	1,465	-
20. Other	-	-	-	-	1,190	-
Total Operating Costs of Award	5,495	1,116	896	393	50,019	7,018
C. Less Disallowed Costs	-	-	-	-	-	-
D. Less Program Revenue and Other Offsets to Costs	-	-	-	-	-	-
E. Net Allowable Operating Costs Before Profit	-	-	-	-	-	-
F. Add Allowable Profit	-	-	-	-	-	-
G. Total Allowable Costs	\$ 5,495	\$ 1,116	\$ 896	\$ 393	\$ 50,019	\$ 7,018

See accompanying notes to schedule of expenditures of federal and state awards and DHS cost reimbursement award schedules.

CITY OF EAU CLAIRE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND DHS COST REIMBURSEMENT AWARD SCHEDULES For the Year Ended December 31, 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the “schedule”) includes the federal and state award activity of the City of Eau Claire under programs of the federal and state government for the year ended December 31, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in either the Uniform Guidance or the Office of Management and Budget 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 other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

NOTE 3 – CARS REPORT DATES

The schedule of expenditures of federal and state awards includes adjustments through the June 17, 2019 (expected payment date) Community Aids Reporting System (CARS) reports.

NOTE 4 – INDIRECT COST RATE

The City of Eau Claire has elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.

CITY OF EAU CLAIRE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND DHS COST REIMBURSEMENT AWARD SCHEDULES

For the Year Ended December 31, 2018

NOTE 5 – LOAN AND LOAN GUARANTEE PROGRAMS

The loan program listed below is administered by the City of Eau Claire, and balances and transactions relating to this program are included in the City of Eau Claire's basic financial statements. The amount shown on the Schedule of Expenditures of Federal Awards for CFDA number 11.307 is calculated as described in the compliance supplement.

Balance of loans outstanding at December 31, 2018	\$	202,300
Cash and investment balance at December 31, 2018		474,045
Administrative expenses paid out of income during the year		932
		<u>677,277</u>
Federal share of the fund		<u>66%</u>
Total	\$	<u>447,002</u>

The balance of loans outstanding at December 31, 2018 was \$202,300.

NOTE 6 – ADJUSTMENTS COLUMN

The adjustments column presents differences between estimated accrued/deferred ending balances as of December 31, 2017 and actual reimbursements received by the grantee in 2018.

NOTE 7 – PASS-THROUGH GRANTORS

Federal funds have been passed through the following grantors:

DHS	Wisconsin Department of Health Services
DNR	Wisconsin Department of Natural Resources
DOJ	Wisconsin Department of Justice
DEM	Wisconsin Department of Military Affairs – Division of Emergency Management
DPI	Wisconsin Department of Public Instruction
NACCHO	National Association for City County Health Organizations
MCRF	Marshfield Clinic Research Foundation
AFDO	Association of Food and Drug Officials

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2018

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- > Material weakness (es) identified? yes X no
- > Significant deficiency (ies) identified? yes X none reported

Noncompliance material to financial statements noted?

 yes X no

FEDERAL AND STATE AWARDS

Internal control over major programs:

- | | Federal Programs | State Programs |
|--|--|--|
| > Material weakness(es) identified? | <u> </u> yes <u> X </u> no | <u> </u> yes <u> X </u> no |
| > Significant deficiencies identified that are not considered to be material weakness(es)? | <u> </u> yes <u> X </u> none reported | <u> </u> yes <u> X </u> none reported |

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

Unmodified

- | | Federal Programs | State Programs |
|---|-----------------------------------|-----------------------------------|
| Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the <i>State Single Audit Guidelines</i> ? | <u> </u> yes <u> X </u> no | <u> </u> yes <u> X </u> no |
| Auditee qualified as low-risk auditee? | <u> </u> yes <u> X </u> no | <u> </u> yes <u> X </u> no |
| Dollar threshold used to distinguish between type A and type B programs: | <u> \$750,000 </u> | <u> \$250,000 </u> |

CITY OF EAU CLAIRE

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018**

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

FEDERAL AND STATE AWARDS (cont.)

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.557	WIC Special Supplemental Nutrition Program for Woman, Infants, and Children
14.218	CDBG – Entitlement Grants Cluster – Community Development Block Grants/Entitlement Grants
20.507	Federal Transit Cluster – Federal Transit Formula Grants

Identification of major state programs:

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

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

None reported.

SECTION III – FEDERAL AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

SECTION IV – OTHER ISSUES

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 X no

CITY OF EAU CLAIRE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2018

SECTION IV – OTHER ISSUES (CONT.)

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	<u> </u>	yes	<u> X </u>	no
Department of Natural Resources	<u> </u>	yes	<u> X </u>	no
Department of Transportation	<u> </u>	yes	<u> X </u>	no
Department of Military Affairs	<u> </u>	yes	<u> X </u>	no

Was a Management Letter or other document conveying audit comments issued as a result of this audit? yes X no

Name and signature of partner



Kimberly M. Shult, CPA, Partner

Date of report

September 27, 2019