

**CITY OF EAU CLAIRE**

Eau Claire, Wisconsin

**REPORT ON FEDERAL  
AND STATE AWARDS**

For the Year Ended December 31, 2008

# 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, 2008, which collectively comprise the City of Eau Claire's basic financial statements and have issued our report thereon dated June 25, 2009. Our opinion on the financial statements was modified to include a paragraph stating that the City of Eau Claire implemented GASB Statement No. 45 during 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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting. The deficiency is listed as item 08-1.

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, we consider item 08-1 to be a material weakness.

***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 June 25, 2009.

The City of Eau Claire's response to the findings identified in our audit are 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 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*

June 25, 2009

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, 2008. 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, 2008.

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, 2008, which collectively comprise the City of Eau Claire's basic financial statements and have issued our report thereon dated June 25, 2009. Our opinion on the financial statements was modified to include a paragraph stating that the City of Eau Claire implemented GASB Statement No. 45 during 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.

*Baker Tilly Vuchow Krume, LLP*

August 31, 2009 except for the Schedule of  
Expenditures of Federal and State Awards, as to  
which the date is June 25, 2009



# CITY OF EAU CLAIRE

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.) For the Year Ended December 31, 2008

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

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#### 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

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### SECTION II – FINANCIAL STATEMENT FINDINGS

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#### 08-1 Internal Control over Financial Reporting.

*Condition:* During the 2008 audit, we noted deficiencies in the financial reporting process as follows:

- > With turnover in the finance department during the year end close process, year end account reconciliations were not always performed by someone independent of the processing of transactions in the account (segregation of duties).
- > 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 are not adequate to ensure accuracy.

In addition, audit procedures found material adjustments to sewer capital assets and governmental activities capital assets. 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:* 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. Time constraints between year-end and the start of the auditors' field work limit the amount of reconciliations and entries that can be completed prior to the auditors' reviews. We are in agreement with the auditors recommended entries.

**CITY OF EAU CLAIRE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (cont.)  
For the Year Ended December 31, 2008**

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**SECTION III – FEDERAL AND STATE FINDINGS AND QUESTIONED COSTS**

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None.

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**SECTION IV – OTHER ISSUES**

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1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?  yes  no

2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Health Services	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Department of 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 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



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James R. Murray, CPA, Partner

5. Date of report August 31, 2009

**CITY OF EAU CLAIRE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2008

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		
<b>FEDERAL AWARDS</b>								
<b>U.S. Department of Agriculture</b>								
Passed-Through Program From:								
<b>Wisconsin Department of Health Services</b>								
Women, Infants and Children Supplemental Food Program	10.557	\$ (4,797)	\$ -	\$ 345,075	\$ 26,211	\$ -	\$ 366,489	
<b>U.S. Department of Commerce</b>								
Economic Adjustment Assistance	11.307	-	-	-	-	-	424,082	
<b>U.S. Department of Housing and Urban Development</b>								
Section 8 Housing Assistance Payments Program: Special Allocations	14.195	-	-	108,012	-	-	108,012	
Community Development Block Grants/Entitlement Grants	14.218	(128,824)	-	1,062,023	87,812	-	1,021,011	
Home Investment Partnership Program	14.239	(29,396)	-	455,257	26,119	-	451,980	
Public and Indian Housing Program	14.850	-	-	253,613	-	-	253,613	
Section 8 Housing Choice Vouchers	14.871	-	-	1,347,555	-	-	1,347,555	
Public Housing Capital Fund	14.872	-	-	279,164	2,800	-	281,964	
Passed-Through Program From:								
<b>Wisconsin Housing and Economic Development Authority</b>								
Section 8 Housing Assistance Payments Program: Special Allocations	14.195	-	-	661,894	-	-	661,894	
<b>Western Dairyland</b>								
Supportive Housing Program	14.235	-	-	7,882	-	-	7,882	
Total U.S. Department of Housing and Urban Development		(158,220)	-	4,175,400	116,731	-	4,133,911	
<b>U.S. Department of Interior</b>								
Passed Through Program From:								
<b>Wisconsin Historical Society</b>								
Historic Preservation Fund Grants	15.904	(5,000)	-	6,000	-	-	1,000	

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, 2008

Federal Grantor/ Passed-Through Grantor/ Program or Cluster Title	Federal CFDA Number	(Accrued) Deferred Beginning Balance	Adjustments	Revenue			Deferred Revenue	Total Revenues	Federal Expenditures
				Cash Received (Returned)	Accrued (Deferred) Ending Balance				
<b>FEDERAL AWARDS (cont.)</b>									
<b>U.S. Department of Justice</b>									
Internet Crimes Against Children	16.800	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ 1,500	\$ 1,500
Paul Coverdell Forensic Science Improvement Grant Program	16.742	(29,996)	-	32,037	12,614	(12,614)	2,041	14,655	14,655
Bulletproof Vests Partnership Program	16.607	(838)	-	838	332	(332)	-	332	332
Passed Through Program From:									
<b>Eau Claire County</b>									
Byrne Formula Grant Program	16.579	(3,875)	-	17,471	19,040	3,875	36,511	32,636	32,636
<b>Wisconsin Office of Justice Assistance</b>									
Juvenile Accountability Incentive Block Grant	16.523	(23,631)	-	28,310	-	10,990	15,669	4,679	4,679
Total U.S. Department of Justice		<u>(58,340)</u>	<u>-</u>	<u>80,156</u>	<u>31,986</u>	<u>1,919</u>	<u>55,721</u>	<u>53,802</u>	
<b>U.S. Department of Transportation</b>									
Federal Transit: Formula Grants	20.507*	-	-	1,422,308	-	-	1,422,308	1,422,308	1,422,308
Passed-Through Program From:									
<b>Wisconsin Department of Transportation</b>									
Highway Planning and Construction	20.205	(42,744)	-	94,470	-	-	51,726	51,726	51,726
Federal Transit - Capital Investment Grants	20.500*	(29,194)	5,340	-	23,854	-	-	-	-
State and Community Highway Safety	20.600	356	-	228	-	-	584	584	584
Alcohol Enforcement Grant	20.601	-	-	17,134	2,026	-	19,160	19,160	19,160
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	(5,250)	-	6,677	-	-	1,427	1,427	1,427
Total U.S. Department of Transportation		<u>(76,832)</u>	<u>5,340</u>	<u>1,540,817</u>	<u>25,880</u>	<u>-</u>	<u>1,495,205</u>	<u>1,495,205</u>	<u>1,495,205</u>

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, 2008

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			
<b>FEDERAL AWARDS (cont.)</b>								
<b>U.S. Department of Education</b>								
Passed-Through Program From:								
<b>Eau Claire County Department of Human Services</b>								
Birth to Three	84.181	\$ -	\$ -	\$ 44,098	\$ -	\$ -	\$ 44,098	\$ 44,098
<b>U.S. Department of Health and Human Services</b>								
Passed-Through Program From:								
<b>Wisconsin Department of Health Services</b>								
Immunization Grants	93.268	-	-	22,181	-	-	22,181	22,181
Centers for Disease Control and Prevention: Investigations and Technical Assistance	93.283	-	-	116,377	-	-	116,377	116,377
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	-	-	107,853	-	-	107,853	107,853
Medical Assistance Program - Consolidated Contracts	93.778	-	-	7,620	-	-	7,620	7,620
<b>Eau Claire County Human Services Department</b>								
Child Care Mandatory and Matching Funds of CCDF	93.596	-	-	74	-	-	74	74
<b>Chippewa County Public Health Department</b>								
Children with Special Health Care Needs	93.994	-	-	2,850	-	-	2,850	2,850
Total U.S. Department of Health and Human Services				268,120			268,120	268,120
<b>U.S. Department of Homeland Security</b>								
Homeland Security Grant Program	97.067	(105,774)	-	153,092	-	-	47,318	47,318
Passed-Through Program From:								
<b>Wisconsin Office of Justice Assistance</b>								
State Domestic Preparedness Equipment Support Program	97.004	-	-	42,820	-	-	42,820	42,820
Total U.S. Department of Homeland Security		(105,774)	-	195,912	-	-	90,138	90,138
<b>TOTAL FEDERAL AWARDS</b>		\$ (408,963)	\$ 5,340	\$ 6,655,578	\$ 200,808	\$ 1,919	\$ 6,454,682	\$ 6,876,845

\* 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, 2008

State Grantor/ Pass-Through Grantor/ Program or Cluster Title	State ID Number	(Accrued) Deferred Beginning Balance	Revenue			Deferred Revenue	Total Revenues	State Expenditures
			Adjustments	Cash Received (Returned)	Accrued (Deferred) Ending Balance			
<b>STATE AWARDS</b>								
<b>Wisconsin Department of Commerce</b>								
Hobbs Ice Arena Grant (LEG 20.143)	143.XXX	\$ -	\$ -	\$ -	\$ 50,000	\$ (50,000)	\$ -	\$ 50,000
<b>Wisconsin Department of Natural Resources</b>								
Urban and Community Forestry	370.572	(20,870)	-	1,502	41,740	-	22,372	22,372
Lake Management Planning Grant	370.664	(14,417)	-	-	19,417	(9,417)	(4,417)	5,000
Urban Rivers	370.TA2	(1,028)	1,028	-	-	-	-	-
Urban Rivers	370.XXX	(121,092)	-	121,092	-	-	-	-
Total Wisconsin Department of Natural Resources		(157,407)	1,028	122,594	61,157	(9,417)	17,955	27,372
<b>Wisconsin Department of Transportation</b>								
Transit Operating Aids	395.104	(197,382)	639	1,354,779	116,893	-	1,274,929	1,274,929
<b>Wisconsin Department of Health Services</b>								
Fluoride Rinse Program	435.151732	433	-	(58)	-	-	375	375
WIC - Farmers Market	435.154720	-	-	2,385	-	-	2,385	2,385
Consolidated Contracts-CHHD LD	435.157720	-	-	13,031	-	-	13,031	13,031
WI Wins	435.158116	-	-	700	-	-	700	700
Consolidated Contracts-MCH	435.159320	-	-	2,845	-	-	2,845	2,845
Reproductive Health	435.159326	-	-	57,500	-	-	57,500	57,500
WI Wins	435.158125	-	-	56,230	-	-	56,230	56,230
WI Wins	435.158127	-	-	8,750	-	-	8,750	8,750
Badger Care Plus	435.445445	-	-	6,574	-	-	6,574	6,574
Passed-Through Program From:								
<b>Children's Health Alliance of Wisconsin</b>								
Fluoride Rinse Program	435.151730	-	-	12,780	-	-	12,780	12,780
Total Wisconsin Department of Health Services		433	-	160,737	-	-	161,170	161,170
<b>Wisconsin Public Service Commission</b>								
Wireless E911	N/A	(391,392)	-	456,290	121,297	(41,982)	144,213	186,195
<b>TOTAL STATE AWARDS</b>		\$ (745,748)	\$ 1,667	\$ 2,094,400	\$ 349,347	\$ (101,399)	\$ 1,598,267	\$ 1,699,666

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, 2008

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### NOTE 1 – REPORTING ENTITY

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This report on Federal and State Awards includes the federal and state awards of the City of Eau Claire. The reporting entity for the City is based upon criteria established by the Governmental Accounting Standards Board (GASB).

The City is the primary government according to GASB criteria, while the Eau Claire Housing Authority (Housing Authority) is a component unit.

Federal and state awards received directly by the Housing Authority are included in this report.

The schedule includes only those programs required to be included in accordance with the *State Single Audit Guidelines*.

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### NOTE 2 – BASIS OF PRESENTATION

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The accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for the other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*.

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

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The city received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2008:

	<u>Provider Number</u>	<u>Unaudited Amount</u>
City/County Health Department		
Reproductive Health	43102500	\$ 17,047
Prenatal Care	42141400	<u>44,799</u>
Total		<u>\$ 61,846</u>

## CITY OF EAU CLAIRE

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2008

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#### **NOTE 4 – CARS REPORT DATES**

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The Schedule of Expenditures of Federal and State Awards includes adjustments through the following Community Aids Reporting System (CARS) report:

<u>Agency Number</u>	<u>Expected Payment Date</u>
256321	04/01/2009

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#### **NOTE 5 – ADJUSTMENTS COLUMN**

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The adjustment column presents differences between estimated accrued/deferred ending balances as of December 31, 2007 and actual reimbursements received by the grantee in 2008.

## CITY OF EAU CLAIRE

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended December 31, 2008

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The previous audit of the federal award programs was for year ended December 31, 2007. The City's corrective actions on Funding 2007-1 are as follows:

#### **Finding 2007-1: Section 8 Housing Choice Vouchers – Waiting List**

One individual tested during the 2007 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.

#### Action Taken

During testing of the Section 8 Housing Choice Vouchers waiting list testing for the December 31, 2008 audit, we noted no similar problems.