



**The Single Audit Act
Supplemental
Financial
Report**

•

**City
of
Milwaukee,
Wisconsin**

**for the
Year Ended
December 31, 2011**

**Martin Matson
Comptroller**

CITY OF MILWAUKEE
Federal and State Single Audit Report

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Office of the Comptroller

Martin Watson
Comptroller

John M. Egan, C.P.A.
Deputy Comptroller

September 26, 2012

Honorable Tom Barrett
The Members of the Common Council
City of Milwaukee
Milwaukee, WI 53202

Dear Mayor and Council Members:

The Single Audit Report for the City of Milwaukee, Wisconsin (the City) for the year ended December 31, 2011 is submitted in accordance with the amended Single Audit Act of 1996 and State Single Audit Guidelines. The Single Audit provides for an organization-wide audit of Federal and State grant programs rather than a grant-by-grant audit. The audit was conducted by KPMG LLP, an independent firm of certified public accountants. This report will be submitted to the Federal Audit Clearinghouse and the Department of Revenue of the State of Wisconsin.

This report was prepared by the Office of the Comptroller. The management of the City is responsible for establishing and maintaining an internal control structure designed to reasonably ensure both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. The Schedules of Expenditures of Federal, State and Other Awards are supplementary data to the Comprehensive Annual Financial Report of the City of Milwaukee, Wisconsin for the year ended December 31, 2011. We believe the grant financial activity presented is accurate in all material aspects and fairly represents the results of operation of the City's grants. All disclosures necessary to enable the reader to understand the City's grant financial activity have also been included.

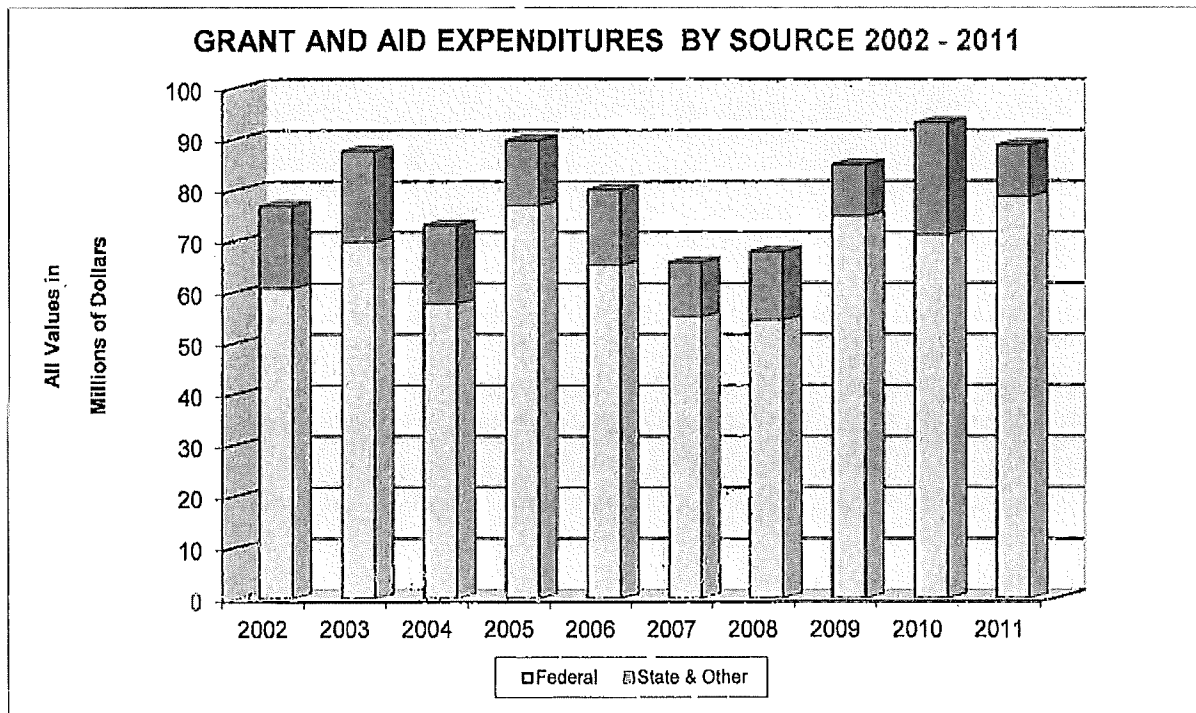
RECIPIENT ORGANIZATION

Grant programs reflected in the City of Milwaukee's Single Audit Act Supplemental Financial Report are operated by city departments under the fiscal administration of the City Comptroller. These grant programs have been approved by the Common Council in accordance with City of Milwaukee Code of Ordinances 304-81 adopted by Common Council Resolution File Number 061326, effective March 16, 2007. This ordinance revised an earlier Common Council resolution and provides current procedural guidelines for budgeting and accounting of grant programs.

Grants made directly to the Housing Authority of the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, the Milwaukee Economic Development Corporation, the Neighborhood Improvement Development Corporation and the Century City Redevelopment Corporation are not included in this report. The Housing Authority and any other applicable component units which receive grants and meet the requirements of the 1997 revised Circular A-133 publish separate financial and single audit reports.

2011 GRANT ACTIVITIES

The City of Milwaukee expended \$88.7 million of grant and aid dollars in 2011. This represents a decrease of \$4.4 million from 2010. Federal assistance increased by \$7.5 million. The increase was primarily the result of activities of the Neighborhood Stabilization Program-2, which was funded through the American Recovery and Reinvestment Act. The program has a strict statutory expenditure deadline requirement which stipulates that fifty percent of the grant allocation is to be expended within two years of the award. The two year expenditure deadline was due February 11, 2012. State and Other assistance dropped significantly by \$11.9 million. The decrease was mainly due to the winding down of the Clean Water Revolving Funds Program with \$9.6 million drop in expenditures and a net reduction of \$2.3 million in expenditures from all other grants in this category.

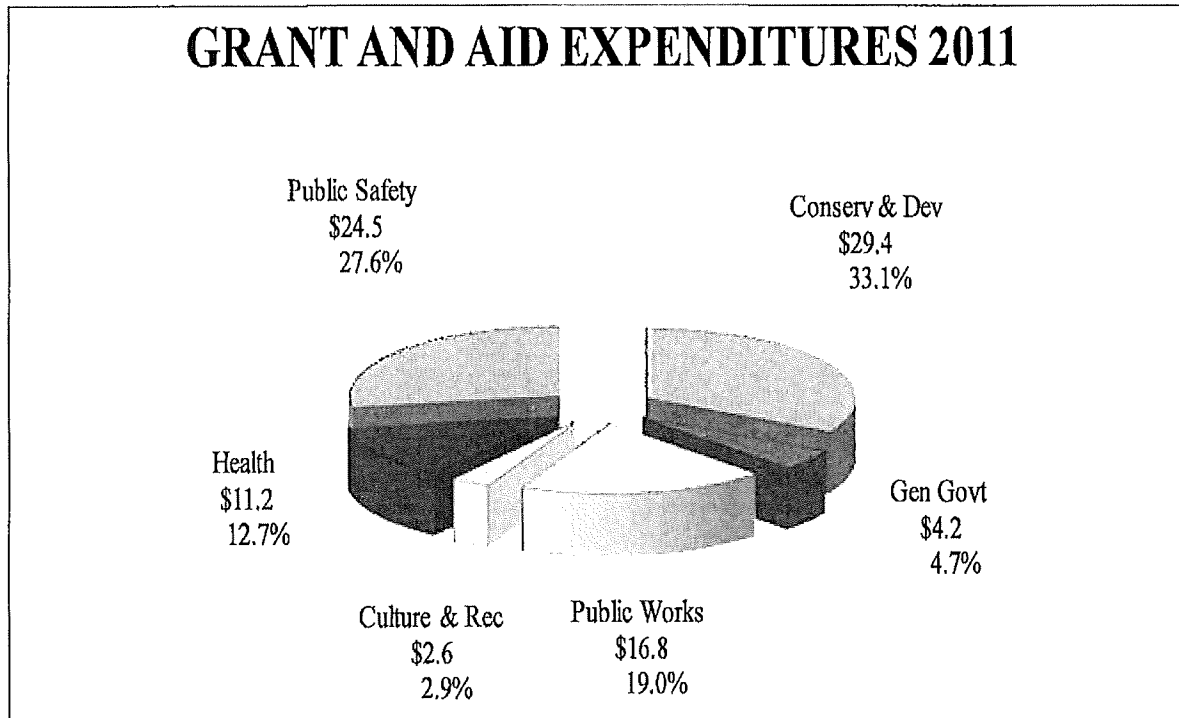


The chart above presents the City of Milwaukee grant and aid expenditures by source over the past 10 years. The chart reflects a slight drop in expenditures for 2011 following three years of upward trend from 2008 through 2010. The chart also reflects the highest federal expenditures for 2011 compared to all the other years presented due to the funding opportunities from the American Recovery and Reinvestment Act.

GRANT EXPENDITURES

2002-2011

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$76.8	\$87.6	\$73.0	\$89.7	\$80.0	\$65.7	\$67.8	\$84.9	\$93.1	\$88.7



The graph above indicates the areas in which the City expended 2011 grant funds. The largest category is that of Conservation and Development, which includes Community Development Block Grant, Home Investment Partnerships Program and Neighborhood Stabilization Program dollars. Expenditures in this category are primarily related to acquisition and rehabilitation of City's housing stock; and addressing foreclosure issues in the city.

INDEPENDENT AUDIT

The independent auditors' reports required by OMB Circular A-133 have been included in this report. The content of the independent auditors' reports changed consistent with changes in the Single Audit Act and the implementing federal circular.

Sincerely,

Martin Matson
Comptroller

**SCHEDULE OF EXPENDITURES OF
FEDERAL, STATE, AND OTHER AWARDS**

CITY OF MILWAUKEE
 Schedule of Expenditures of Federal, State, and Other Awards
 Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	Federal assistance:				
	U.S. Department of Agriculture:				
	Passed through the State of Wisconsin Department of Health Services – Division of Public Health:				
	Special Supplemental Nutrition Program for Women, Infants, and Children:				
GR3801110000	2010 Women, Infant, and Children	10.557		\$ 1,587,955	10,252
GR3801111000	2011 Women, Infant and Children	10.557	154710-160,154760-160	1,496,147	1,405,902
GR3801110010	2010 Women, Infant, and Children Program Income	10.557		221,657	67,624
	Subtotal CFDA# 10.557				1,483,778
	Passed through Wisconsin Department of Health Services – Division of Public Health:				
	State Admin. Matching Grants for the Supplemental Nutrition Assistance Program				
GR3802811000	WIC Fit Families	10.561		25,000	1,210
	Passed through the Wisconsin Department of Natural Resources:				
	Cooperative Forestry Assistance:				
GR5800209000	2009 – 2011 Urban Forestry Service	10.664	09-DG-11420004-091	201,600	20,683
PR320070100	Urban and Community Forestry Program: Green Schools	10.675		345,000	914
	Total U.S. Department of Agriculture				1,506,585
	U.S. Department of Commerce:				
	Passed through the State of Wisconsin Department of Administration:				
	Broadband Technology Opportunities Program:				
	American Recovery and Reinvestment Act:				
AR1500710000	2010 – 2013 Broadcast Technology Opportunities Program	11.557	55-42-B10549	2,479,742	924,380
	Total U.S. Department of Commerce				924,380
	U.S. Department of Housing and Urban Development:				
	Direct programs:				
	Community Development Block Grants – Entitlement Grants Cluster:				
CD00000000XX	Community Development Block Grant	14.218	B-11-MC-55-0006	34,289,550	16,552,901
	Community Development Block Grant – Loans	14.218	B-10-MC-55-0006	N/A	111,223
	Housing and Economic Recovery Act:				
NS1XXXXXXXXXX	Neighborhood Stabilization Program	14.218	B-08-MN-55-0006	10,039,046	1,316,788
	Neighborhood Stabilization Program – Loans	14.218	B-08-MN-55-0006	N/A	1,094,845
	Dodd-Frank Act				
NS4XXXXXXXXXX	Neighborhood Stabilization Program 3	14.218	B-11-MN-55-0006	2,727,715	75,707
	Neighborhood Stabilization Program 3 – Loans	14.218	B-11-MN-55-0006	N/A	288,308
	Subtotal CFDA# 14.218				19,439,772
	American Recovery and Reinvestment Act:				
DR1XXXXXXXXXX	Community Development Block Grant	14.253	B-09-MY-55-0006	4,518,509	1,564,379
	Subtotal Community Development Block Grants – Entitlement Grants Cluster				21,004,151

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Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	Passed through the State of Wisconsin Department of Commerce:				
	Community Development Block Grants – State-Administered Small Cities Program Cluster:				
GR1501209000	2009 – 2012 Community Development Block Grants – Emergency Assistance	14.228	EAP 08-33	\$ 3,300,972	1,058,678
GR1501610000	2010 – 2014 CDBG – EAP	14.228	EAP 08-51	9,550,000	18,308
NS3XXXXXXXXXX	Housing and Economic Recovery Act: Wisconsin Neighborhood Stabilization Program	14.228	NSP09-17	4,016,225	1,372,340
	Wisconsin Neighborhood Stabilization Program- Loans Dodd-Frank Act	14.228	NSP09-17	N/A	600,188
NS5XXXXXXXXXX	Neighborhood Stabilization Program	14.228	NSP11-01	1,506,250	4,762
	Subtotal Community Development Block Grants – State Administered Small Cities Program Cluster				<u>3,054,276</u>
	Direct programs:				
	Emergency Shelter Grants Program:				
GR1500311000	2011 Federal Shelter Grant	14.231		740,157	740,157
	Direct programs:				
	Home Investment Partnership Programs:				
HM00000000	Home	14.239	M-11-MC-55-0204	6,091,162	3,000,163
	Home – Loans	14.239	M-10-MC-55-0204	6,891,780	2,849,571
	Subtotal CFDA# 14.239				<u>5,849,734</u>
	Direct programs:				
	Housing Opportunities for Persons with AIDS:				
GR1500110000	2010 HOPWA Grant	14.241		574,936	28,776
GR1500111000	2011 HOPWA Grant	14.241		576,432	542,289
	Subtotal CFDA#14.241				<u>571,065</u>
UR320080100	2008 EDI-30th Street Corridor – Esser Paint	14.246		247,500	44,067
	Direct programs:				
	American Recovery and Reinvestment Act:				
NS2XXXXXXXXXX	Neighborhood Stabilization Program 2	14.256	B-09-LN-WI-0036	25,391,835	5,942,419
	Neighborhood Stabilization Program 2-Loans	14.256		N/A	4,412,854
	Subtotal CFDA# 14.256				<u>10,355,273</u>
	Direct programs:				
	American Recovery and Reinvestment Act:				
AR1511009000	Homeless Prevention and Rapid Rehousing	14.257	S-09-MY-55-0006	6,912,159	3,112,287
	Direct programs:				
	Lead-Based Paint Hazard in Privately Owned Housing:				
GR3803409000	2009 Lead Based Paint Hazard	14.900	WILHB0404-08	2,999,580	799,436
GR3810290000	2000 Lead Hazard Reduction	14.900	WILHB0173-00	5,356,985	28,492
	Subtotal CFDA# 14.900				<u>827,928</u>

CITY OF MILWAUKEE
Schedule of Expenditures of Federal, State, and Other Awards
Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	Direct programs:				
	Lead Hazard Reduction Demonstration Grant Program:				
GR3802809000	2009 Lead Hazard Reduction	14.905	WILH0192-08	\$ 3,997,986	1,029,485
GR3803711000	2010 Lead Hazard Reduction Demo	14.905	WILHD0220-10	4,500,000	426,481
	Subtotal CFDA# 14.905				<u>1,455,966</u>
	Direct programs:				
	Lead Hazard Control Cluster:				
	American Recovery and Reinvestment Act:				
	Healthy Homes Demonstration Grants	14.908	WILHH0189-08	874,065	452,989
AR3800109000	Total U.S. Department of Housing and Urban Development				<u>47,467,893</u>
	U.S. Department of Justice:				
	Direct programs:				
	Services for Trafficking Victims:				
	2010 – 2011 Human Trafficking TF	16.320	2010-VT-BX-0012	170,000	120,936
GR3306210000	Passed through the State of Wisconsin Office of Justice Assistance:				
	Juvenile Accountability Block Grants:				
	2010 – 2011 Juvenile Accountability	16.523	2009-JB-11-7863	87,415	69,528
GR1500910000	2011 – 2012 Juvenile Accountability	16.523	2010-JB-11-8911	84,362	28,772
GR1500911000	Subtotal CFDA# 16.523				<u>98,300</u>
	Passed through Independence First:				
	Education, Training and Enhanced Services to End Violence Against Women with Disabilities:				
	2009 Community Collaborative-Victims of Sexual Assault	16.529	INDFIRST08	70,000	553
GR3807709000	Passed through the State of Wisconsin Department of Justice:				
	Missing Children's Assistance:				
	2011 – 2012 WI Internet Crimes	16.543	2009-MC-CX-K050	69,568	51,090
GR3303111000	Direct programs:				
	National Institute of Justice Research, Evaluation and Development Projects Grants:				
	2010 – 2012 Enhanced Cold Case Investigation	16.560	2010-DN-BX-K007	334,061	156,163
GR3305510000	Passed through Milwaukee County:				
	Edward Byrne Memorial Formula Grant Program:				
	2011 Milwaukee Metro Drug Enforcement	16.579		189,700	189,700
GR3300211000	Passed through the State of Wisconsin Department of Justice Assistance:				
	Violence Against Women Formula Grants:				
	2010 Sexual Assault Planning Grant	16.588	2009-VA03-7795	112,365	69,620
GR3807210000	2011 Sexual Assault Planning Grant	16.588	2011-VA03-9328	53,264	4,394
GR3807211000	Subtotal CFDA# 16.588				<u>74,014</u>
	Direct programs:				
	Executive Office for Weed and Seed				
	Community Capacity Development Office:				
	2010-2011 Federal Weed and Seed-Clarke Square	16.595	2010-WS-QX-0072	157,000	132,705
GR1501310000					

See accompanying independent auditors' report and notes to schedule.

(Continued)

CITY OF MILWAUKEE
 Schedule of Expenditures of Federal, State, and Other Awards
 Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	Passed through the State of Wisconsin Office of Justice Assistance:				
	Community Prosecution and Project Safe Neighborhoods:				
GR3304010000	2010 - 2012 Safe Streets Reentry	16.609	2009-PE-01-7456	\$ 55,000	26,899
GR3305611000	2011 Prolific Offender	16.609	2010-PE-01-8581	50,000	50,000
	Subtotal CFDA#16.609				<u>76,899</u>
	Direct programs:				
	Public Safety Partnership and Community Policing Grants:				
GR3304310000	2010 - 2012 COPS Technology	16.710	2010CKWX0065	550,000	35,820
GR3305309000	2009 - 2011 COPS Child Sexual Predator	16.710	2009CSWX0022	400,341	127,711
GR3309509000	2009 - 2012 COPS Technology - Gunshot	16.710	2009CKWX0139	650,000	131,500
GR3805610000	2010 National Train & Tech Asst. Home Rev American Recovery and Reinvestment Act:	16.710	2010CKWXK018	456,060	109,212
AR3300109000	2009 - 2012 COPS Hiring Recovery Program	16.710	2009RJWX0088	10,298,750	3,538,707
	Passed through the State of Wisconsin Department of Justice:				
GR3302609000	2009 - 2011 COPS Child Sexual Predator	16.710	2008CSWX0023	92,567	26,819
	Subtotal CFDA# 16.710				<u>3,969,769</u>
	Passed through Milwaukee County:				
	Edward Byrne Memorial Justice Assistance Grant Program Cluster:				
GR3307110000	2010 - 2014 JAG-Edward Byrne Memorial	16.738		818,825	385,092
	Passed through the State of Wisconsin Office of Justice Assistance:				
GR3300711000	2011 - 2012 JAG MHRC Strangulation	16.738	2009-dj-06-8925	50,000	25,563
	Subtotal CFDA# 16.738				<u>410,655</u>
	Passed through Milwaukee County				
	Edward Byrne Memorial Justice Assistance Program/Grants to Units of Local Governments:				
	American Recovery and Reinvestment Act:				
AR3300209000	2009 - 2013 Edward Byrne Memorial	16.804	2009-SB-B9-2201	4,092,754	921,617
	Subtotal Edward Byrne Memorial Justice Assistance Grant Program Cluster				<u>1,332,272</u>
	Direct programs:				
	Federal Bureau of Investigation:				
GR3300111000	2011 Save Our Streets	16.XXX	281D-MW-47558	75,000	75,000
GR3300610000	2010 - 2011 Joint Terrorism Task Force	16.XXX		17,202	12,228
GR3300611000	2011 - 2012 Joint Terrorism Task Force	16.XXX		17,202	2,837
GR3301010000	2010 - 2011 Operation Ceasefire	16.XXX		13,247	12,260
GR3301011000	2011 - 2012 Operation Ceasefire	16.XXX	12-STP-242-AFF	5,000	2,700
GR3301310000	2010 - 2011 Organized Crime-GreenMountn #2	16.XXX	GL-WIE-0152	10,668	5,583
GR3301911000	2011 - 2012 Organized Crime - Eastside Story	16.XXX	GL-WIE-158	20,000	5,506
GR3302011000	2011 Organized Crime - East Side Story	16.XXX	GL-WIE-0158	20,216	20,216
GR3302111000	2011 SNAP Fraud	16.XXX		7,500	7,500
GR3302310000	2010 - 2011 Organized Crime - 17th St. Snow	16.XXX	GL-WIE-0159	20,000	2,629
GR3302710000	2010 - 2011 Organized Crime-El Santo #2	16.XXX	GL-WIE-0151	25,000	1,673
GR3303310000	2010 - 2011 DEA Task Force	16.XXX		34,405	24,575

CITY OF MILWAUKEE
Schedule of Expenditures of Federal, State, and Other Awards
Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
GR3303311000	2011 – 2012 DEA Task Force	16.XXX		\$ 34,405	8,359
GR3304610000	2010 – 2011 ATF/Firearms and VCIT	16.XXX	11-STP-243-AFF	135,300	82,319
GR3304611000	2011 – 2012 ATF/Firearms and VCIT	16.XXX	12-STP-243-AFF	76,037	19,321
GR3304910000	2010 – 2011 Organized Crime-In It To Win It	16.XXX	GL-WIE-0160	39,000	22,934
GR3308310000	2010 – 2011 Cyber Crime Task Force	16.XXX		17,202	2,278
GR3308311000	2011 – 2012 Cyber Crime Task Force	16.XXX		17,202	1,014
	Passed through the State of Wisconsin Department of Justice: Federal Bureau of Investigation: 2011 CEASE Grant	16.XXX		5,000	4,461
GR3303911000	Direct programs: Federal Bureau of Investigation: 2011 Federal Asset Forfeiture	16.XXX			250,828
Fund 0001	Subtotal CFDA# 16.XXX				564,221
	Total U.S. Department of Justice				6,766,622
	U.S. Department of Labor: Direct programs: WIA Pilots, Demonstrations and Research Projects				
GR1501510000	2010 – 2012 Growing Milwaukee	17.261	EA-20174-10-60-A55	381,000	278,470
GR1502409000	2009 – 2011 Youth Construction Training	17.261	EA-18812-09-60-A55	238,755	13,515
	Subtotal CFDA# 17.261				291,985
	Passed through Jobs For The Future, Inc.: Program of Competitive Grants for Workers Training and Placement in High Growth and Emerging Industry Sectors: American Recovery and Reinvestment Act: 2010 – 2012 Pathways out of Poverty	17.275	GJ-20024-10-60-A25	1,075,000	611,324
AR1500610000	Total U.S. Department of Labor				903,309
	U.S. Department of Transportation: Highway Planning and Construction Cluster: Passed through the State of Wisconsin Department of Transportation: Federal Aid Highway Program	20.205	Various	60,745,449	3,171,996
BR & ST	2011 – 2012 I-94 N-S Freeway Project	20.205	1030-20-99 NO.14	6,000	3,247
GR3200611000	2011 – 2012 I-94 N-S Freeway Project	20.205	1030-20-99 NO.19	20,000	9,266
GR3305711000	2010 – 2011 Vehicle Travel Monitor	20.205	0093-13-32	92,655	43,013
GR5200410000	2009 – 2010 I-94 N-S Recon. -Overtime	20.205	1030-20-99 No.8	16,000	1,587
GR3306309000	2011 – 2012 I-94 N/S Freeway Project	20.205	1030-20-99 NO.20	15,000	3,020
GR3306311000	2009 – 2011 Clean Fleet Emission	20.205	1693-47-71	264,476	194,695
GR5400309000	Subtotal Highway Planning and Construction Cluster				3,426,824

CITY OF MILWAUKEE
Schedule of Expenditures of Federal, State, and Other Awards
Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	Highway Safety Cluster:				
	Passed through the State of Wisconsin Department of Transportation:				
	State and Community Highway Safety:				
GR3300310000	2010 - 2011 Speed Enforcement	20.600	0951-40-38	\$ 60,000	49,617
GR3300311000	2011 - 2012 Speed Enforcement	20.600	0952-40-13	60,000	7,034
GR3300410000	2011 - 2012 Alcohol Enforcement	20.600	0952-31-35	60,000	8,889
GR3305910000	2010 - 2011 Bicycle Safety Enforcement	20.600	0951-80-10	6,000	5,447
GR3305911000	2011 - 2012 Bicycle Safety Enforcement	20.600	0952-80-04	6,000	966
GR3306010000	2010 - 2011 Pedestrian Safety Enforcement	20.600	0951-80-11	6,000	5,073
GR3306011000	2011 - 2012 Pedestrian Safety Enforcement	20.600	0952-80-05	6,000	966
	Subtotal CFDA# 20.600				<u>77,992</u>
	Passed through the State of Wisconsin Department of Transportation:				
	Alcohol Impaired Driving Countermeasures Incentive Grants:				
GR3300410000	2010 - 2011 Alcohol Enforcement	20.601	0951-31-20	50,000	40,118
GR3303511000	2011 Drug Recognition Expert	20.601		27,360	13,557
	Subtotal CFDA# 20.601				<u>53,675</u>
	Passed through the State of Wisconsin Department of Transportation:				
	Occupant Protection Incentive Grants:				
GR3304211000	2011 - 2012 Click It or Ticket	20.602	0952-25-09	30,000	11,115
	Subtotal Highway Safety Cluster				<u>142,782</u>
	Total U.S. Department of Transportation				<u>3,569,606</u>
	U.S. Department of Treasury:				
	Direct programs:				
GR3302510000	2010 - 2011 IRS SAR Project	21.XXX		10,500	4,840
GR3302511000	2011 - 2012 IRS FITF	21.XXX		10,500	1,067
	Total U.S. Department of Treasury				<u>5,907</u>
	National Foundation on the Arts and the Humanities:				
	Direct programs:				
	Promotion of the Arts-Grants to Organizations and Individuals:				
GR1900711000	2011 WI Arts Board Regranting	45.024	RGT FY11-0477	33,734	33,734
	Direct programs:				
	Promotion of the Humanities Public Programs:				
GR8600307000	2007 Benjamin Franklin Better World	45.164	LS-50049-07	1,000	100
	Total National Foundation on the Arts and the Humanities				<u>33,834</u>
	U.S. Environmental Protection Agency:				
	Passed through Wisconsin Department of Natural Resources:				
	Beach Monitoring and Notification Program Implementation Grants:				
GR3804611000	2011 Beach Monitoring	66.472		7,831	7,831
	Total U.S. Environmental Protection Agency				<u>7,831</u>

See accompanying independent auditors' report and notes to schedule.

(Continued)

CITY OF MILWAUKEE
 Schedule of Expenditures of Federal, State, and Other Awards
 Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	U.S. Department of Energy:				
	Passed through Wisconsin Department of Administration:				
	Conservation Research and Development:				
BU52010XXXX	Compressed Natural Gas Fueling Stations	81.086	AD09-9348	\$ N/A	2,885,181
Fund 0410	2010 - 2013 W1 Clean Transportation - Water Enterprise	81.086	AD09-9348	N/A	4,000
Fund 0450	2010 - 2013 W1 Clean Transportation - Parking Enterprise	81.086	AD09-9348	N/A	2,000
	American Recovery and Reinvestment Act:				
AR5400110000	2010 - 2013 Wisconsin Clean Transportation	81.086	AD09-9348	4,842,060	229,120
	Subtotal CFDA# 81.086				<u>3,120,301</u>
	Direct Programs:				
	Renewable Energy Research and Development:				
	American Recovery and Reinvestment Act:				
AR1500310000	2010 - 2011 Milwaukee Shines - Solar	81.117	DE-EE0002081	660,543	324,486
	Direct Programs:				
	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance:				
GR1501808000	2008 - 2011 Solar America Cities	81.117	DE-FC36-08GO18094	220,000	20,608
	Subtotal CFDA#81.117				<u>345,094</u>
	Direct Programs:				
	Energy Efficiency and Conservation Block Grant				
	American Recovery and Reinvestment Act:				
AR1500409000	2009 - 2012 Energy Efficiency and Conservation Block Grant	81.128	DE-EE0000844	5,839,100	1,736,261
PTS20110100	Wind Turbine	81.128	DE-EE0000844	N/A	217,651
	Passed through Wisconsin Energy Conservation:				
	American Recovery and Reinvestment Act:				
AR1500510000	2010 - 2013 Retrofit Ramp - up	81.128	DE-EE00035791000	1,433,400	280,392
	Subtotal CFDA# 81.128				<u>2,234,304</u>
	Total U.S. Department of Energy				<u>5,699,699</u>
	U.S. Election Assistance Commission (EAC):				
	Passed through the State of Wisconsin Government Accountability Board:				
	Help America Vote College Program:				
	U.S. Election Assistance Commission				
GR1700209000	2009 Election Data Reimbursement	90.400		31,400	10,056
	Total U.S. Election Assistance Commission				<u>10,056</u>
	U.S. Department of Health and Human Services:				
	Passed through the State of Wisconsin Department of Health Services - Division of Public Health:				
	Public Health Emergency Preparedness:				
GR3804410000	2010 - 2011 Bioterrorism Focus CRI	93.069	155190-160	186,818	120,050
GR3804411000	2011 - 2012 Bioterrorism Focus CRI	93.069	155190-260	159,348	50,780

See accompanying independent auditors' report and notes to schedule.

(Continued)

CITY OF MILWAUKEE
Schedule of Expenditures of Federal, State, and Other Awards
Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	Passed through the State of Wisconsin Department of Health and Family Services:				
	Public Health Emergency Preparedness:				
GR3801811000	2011 Public Health Emergency Preparedness	93.069	155015-260	\$ 331,629	120,714
GR3801810000	2010 Public Health Emergency Preparedness	93.069	155015-060	549,062	219,260
	Subtotal CFDA# 93.069				<u>510,804</u>
	Passed through Alcohol Research Programs – STD/HIV Risk Counseling				
	Affordable Care Act (ACA) Personal Responsibility Education Program				
	Plain Talk-Prep for Youth				
GR3803611000		93.092	159354-160	50,000	37,122
	Passed through Wisconsin Department of Health Services – Division of Public Health:				
	Project Grants and Cooperative Agreements for Tuberculosis Control Programs:				
	2011 Tuberculosis Training				
GR3805711000		93.116	150170-160	2,000	848
	Passed through Alcohol Research Programs – STD/HIV Risk Counseling:				
	Coordinated Services and Access to Research for Women, Infants, Children and Youth				
	2010 – 2011 HIV Women's Project				
GR3802410000		93.153		144,263	76,249
GR3802411000	2011 – 2012 HIV Women's Project	93.153		144,263	70,587
	Subtotal CFDA# 93.153				<u>146,836</u>
	Passed through Wisconsin Department of Health Services – Division of Public Health:				
	Childhood Lead Poisoning Prevention Projects – States and Local Childhood Lead Poisoning				
	Prevention and Surveillance of				
	Blood Lead Levels in Children:				
	2010 – 2011 Child Lead Poison Prevention				
GR3802610000		93.197	150670-160	555,956	279,804
	Passed through Alcohol Research Programs – STD/HIV Risk Counseling				
	Mental health Research Grants				
	HIV Risk Reduction				
GR3805311000		93.242	1R01MH089129-01A1	95,351	95,351
	Passed through Board of Regents of The University of Wisconsin System				
	HIV Risk reduction				
GR3805312000		93.242	1R01MH089129	96,414	41,238
	Subtotal CFDA#93.242				<u>136,589</u>
	Passed through Wisconsin Department of Health Services – Division of Public Health:				
	Substance Abuse and Mental Health Services Projects of Regional and National Significance:				
	2010 Launch				
GR3804310000		93.243	159319-160	689,600	481,716
GR3804309000	2009 Launch	93.243	159319-060	534,400	83
	Passed through the State of Wisconsin Department of Health and Family Services				
	2011 LAUNCH				
GR3804311000		93.243	159319-160	612,000	119,868
	Subtotal CFDA# 93.243				<u>601,667</u>
	Passed through Wisconsin Department of Health Services – Division of Public health				
	Universal Newborn Hearing Screening				
	Universal Newborn Hear Screen				
GR3804011000		93.251		62,614	41,143

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Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	Immunization Grants Cluster:				
	Passed through Wisconsin Department of Health Services – Division of Public Health:				
GR3801511000	2011 Cons Immunization Action	93.268		\$ 289,370	270,251
GR3801510000	2010 Cons Immunization Action	93.268	155020-060	288,888	152
GR3802911000	2011 Hepatitis B Immunization	93.268	150280-160	45,000	44,850
	Subtotal CFDA# 93.268				315,253
	Passed through the State of Wisconsin Department of Health and Family Services:				
	American Recovery and Reinvestment Act:				
AR3804509000	2009 Immunization Action Supplemental	93.712		241,673	107,979
	Subtotal Immunization Grants Cluster				423,232
	Passed through the State of Wisconsin Department of Health Services – Div. of Public Health				
	Centers for Disease Control and Prevention – Investigations and Technical Assistance				
GR3801010000	2010 Wisconsin Well Women Program	93.283	157023-160	142,913	60,354
GR3801011000	2011 Breast Cancer Well Women	93.283		504,493	223,057
	Passed through the Board of Regents of the University of Wisconsin System:				
GR3800510000	2010 Public Health Impact Initiative	93.283	IH75DP002736-01	317,133	221,028
GR3800511000	2011 Public Health Impact Initiative	93.283	IH75DP002736-01	75,000	62,000
	Passed through Wisconsin Department of Health Services – Division of Public Health:				
GR3803110000	2010 SURVNET	93.283	155140-060	54,576	73
GR3803111000	2011 SURVNET	93.283	155140-160	54,576	54,576
GR3803411000	2011 SURVNET – ACA	93.283	155141-260	60,680	9,461
GR3806910000	2010 Wise Woman Grant	93.283	157020-160	160,000	74,117
	Passed through Association of Public Health Laboratories				
GR3803510000	Inv in Public Health Laboratory Practice	93.283	APHL10	20,000	20,000
	Passed through Council of State & Territorial Epidemiologist				
GR3801711000	CIFOR – Foodborne Dis Outbreak	93.283		6,800	6,800
	Subtotal CFDA# 93.283				731,466
	Passed through Alcohol Research Programs – STD/HIV Risk Counseling:				
	Minority Health and Health Disparities Research:				
GR3805911000	2011 Community Health Improvement Metcalfe	93.307	SR24MD001812-07	8,790	7,375
	Passed through Wisconsin Department of Health Services – Division of Public Health				
	Strengthening Public Health Infrastructure for Improved Health Outcomes				
GR3800611000	2011 Public Health Infrastructure and Quality Improvement	93.507	72000-160	12,000	11,838
	Temporary Assistance for Needy Families Cluster:				
	Passed through Wisconsin Department of Children and Families:				
GR3806311000	2011 Milwaukee Comprehensive Home Visiting Family Foundation	93.558	CFA0064	900,000	415,126
GR3806410000	2010 Milwaukee Comprehensive Home Visiting	93.558	521110-060	812,085	3,177
GR3806411000	2011 Milwaukee Comprehensive Home Visiting	93.558	521110-160	406,042	385,462

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Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
GR3806409010	Passed through the State of Wisconsin Department of Health and Family Services: 2009 Milwaukee Comprehensive Home Visiting Program Income	93.558		\$ 392,626	172,296
	Subtotal Temporary Assistance for Needy Families Cluster				976,061
GR3803310000	Passed through Wisconsin Department of Children and Families: Refugee and Entrant Assistance – State Administered Programs:				
GR3803311000	2010 Refugee Health Screening Grant	93.566	7309-RP	495,750	204,535
	2011 Refugee Health Screening Grant	93.566	7310-RP	440,000	63,766
	Subtotal CFDA# 93.566				268,301
	Direct Programs:				
	Medical Assistance Program Cluster:				
GR3805809000	2009 MA Outreach – Forward Health	93.778	445460-60	154,700	266
GR3805811000	Passed through the State of Wisconsin Department of Health and Family Services 2011 MA Outreach – Forward Health	93.778	445461-160	295,469	259,436
	Subtotal CFDA#93.778				259,702
	Direct Programs:				
	Center for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations:				
GR3803609000	2009 Insure the Uninsured	93.779	1COCMS030436/01	171,000	7,216
	Passed through Blood Center of Wisconsin: Allergy, Immunology and Transplantation Research:				
GR3802210000	2010 Blood Center of Wisconsin Flu Grant	93.855	HHSN266200500032C	39,900	7,800
	Passed through Wisconsin Department of Health Services-Division of Public Health: HIV Prevention Activities Health Department Based:				
GR3800311000	2011 Sexually Transmitted Diseases	93.940	155945-160	194,000	193,878
	Passed through Wisconsin Department of Health Services-Division of Public Health: Preventive Health Services Sexually Transmitted Diseases Control Grants:				
GR3800311000	2011 Sexually Transmitted Diseases	93.977	155027-160	334,865	298,209
	Passed through the State of Wisconsin Department of Health Services – Div. of Public health: Maternal and Child Health Services Block Grant to the States:				
GR3801310000	2010 Consol Maternal and Child Health	93.994	159320-060	463,643	35,314
GR3801610000	2010 Early Detection of Pregnancy	93.994	152009-060	42,245	353
GR3800911000	2011 Consol Preventive Health	93.994	159220-160	47,840	47,840
GR3801311000	2011 Consol Maternal and Child Health	93.994	159320-160	417,295	417,295
	Subtotal CFDA# 93.994				500,802
	Direct Program:				
GR3280083000	2003 Metro Medical Response System	93.XXX	233-03-0065	280,000	5,808
	Total U.S. Department of Health and Human Services				5,446,501

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Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
Executive Office of the President:					
Direct programs:					
High Intensity Drug Trafficking Area Program:					
GR1501410000	2010 HIDTA – Safe and Sound	95.001	G10ML0003A	\$ 744,000	91,417
GR1501411000	2011 HIDTA – Safe and Sound	95.001	G11ML0003A	747,000	635,262
GR3302411000	2011 HIDTA – Intelligence	95.001	G11ML0002A	37,131	37,131
GR3303610000	2010 HIDTA – Fugitive Task Force	95.001	G10ML0002A	39,930	5,000
GR3303611000	2011 HIDTA – Fugitive Task Force	95.001	G11ML0002A	37,676	21,676
GR3304710000	2010 HIDTA – REACT	95.001	G10ML0002A	186,680	729
GR3304711000	2011 HIDTA – REACT	95.001	G11ML0002A	155,485	155,485
GR3304810000	2010 HIDTA – Joint Drug Gang	95.001	G10ML0002A	546,241	105,969
GR3304811000	2011 HIDTA – Joint Drug Gang	95.001	G11ML0002A	607,508	494,773
Passed through the City of West Allis:					
GR3309110000	2011 HIDTA – DHE – 11-02	95.001	10-02DHE	2,633	2,633
GR3309211000	2011 HIDTA – DHE – 11-06	95.001	11-06DHE	2,208	2,208
GR3309311000	2011 HIDTA – DHE – 11-08	95.001	11-08DHE	3,789	3,789
GR3309611000	2011 HIDTA – DHE – 11-12	95.001	11-12DHE	888	888
GR3309711000	2011 HIDTA – DHE – 11-15	95.001	11-15DHE	3,859	3,859
Total Executive Office of the President					1,560,819
U.S. Department of Homeland Security:					
Passed through the State of Wisconsin Department of Military Affairs:					
Disaster Grants – Public Assistance (Presidentially Declared Disasters) Cluster					
GR3100611000	2011 FEMA – February Snow	97.036		968,728	968,728
Fund 0410	2011 FEMA – Riverside – Pumping Station	97.036		750	750
Fund 0490	2011 FEMA – February Snow – Sewer	97.036		8,719	8,719
Fund 0480	2011 FEMA – February Snow – Port of Milwaukee	97.036		30,355	30,355
Fund 0420	2008 FEMA – June Flood – Water – Pumping Station	97.036		114,001	114,001
Subtotal Disaster Grants – Public Assistance Cluster					1,122,553
Passed through Milwaukee County					
GR5010019000	Disaster Housing Program	97.037		1,723,980	3,780
Passed through the State of Wisconsin Office of Justice Assistance:					
Interoperable Emergency Communications					
GR3100211000	2011 SCIP Coordinator	97.055	2009/2008-10-01-8596	58,666	53,410
Direct programs:					
Port Security Grant Program:					
GR1502610000	2010 – 2013 Port Security	97.056	2010-PU-T0-0069	366,795	179,244
GR1502509000	2009 – 2012 Port Security	97.056	2009-PU-T9-0098	766,686	278,540
GR1502208000	2008 – 2012 Port Security	97.056	2008-GB-T8-0145	779,044	25,920
PT320100300	2008/2011 Port Security (Boat)	97.056	2008-GB-T8-0145	N/A	513,506
GR1502108000	2007 – 2012 Port Security – Supplement	97.056	2007-GB-T7-0332	630,580	17,299
PT320100200	2007 – 2010 Port Security Supplement (Fence)	97.056	2007-GB-T7-0332	N/A	126,379
Subtotal CFDA# 97.056					1,140,888

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Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	Homeland Security Grant Program Cluster:				
	Passed through the State of Wisconsin Department of Justice:				
GR3803210000	2010 Urban Area Security Initiative	97.067	VARIOUS	\$ 300,000	164,946
GR3803211000	2011 Urban Area Security Initiative	97.067		210,284	25,069
	Passed through the State of Wisconsin Office of Justice Assistance:				
GR3201411000	2011 - 2013 UASI Grant	97.067	Various	282,580	108,905
GR3201410000	2010 - 2012 UASI Grant	97.067	VARIOUS	860,000	32,390
GR3100109000	2009 - 2011 UASI Grant	97.067	2008-HS-18L7629	130,000	15,663
GR3201409000	2009 - 2012 UASI Grant	97.067	VARIOUS	768,612	287,452
GR3305411000	2011 - 2013 Uuasi PROGRAM	97.067	VARIOUS	1,050,000	172,333
GR3305410000	2010 - 2012 UASI Program	97.067	VARIOUS	920,000	488,282
GR3305409000	2009 - 2011 UASI Program	97.067	VARIOUS	767,500	180,355
GR3305407000	2007 - 2010 UASI Program	97.067	VARIOUS	989,658	15,677
GR3100310000	2010 - 2012 UASI Planning and M&A	97.067	2008-HS-18K-7636	116,465	90,522
GR3305011000	2011 - 2012 UASI Equipment	97.067	2010-HS-18-8801	175,283	153,392
GR5400409000	2009 - 2011 HS/UASI Interoperability	97.067	2008-HS-18H-7128	100,000	100,000
GR3200810000	2010 - 2012 MMRS Grant	97.067	2009-HS-20-7838	311,584	159,363
GR3201008000	2008 - 2011 MMRS Grant	97.067	2008-HS-20-6029	321,221	75,058
GR3308010000	2010 - 2011 WISCOM Command Radio	97.067	2007-HS-13-7919	3,400	3,087
GR3100111000	2011 - 2012 Homeland Security Planning	97.067	2009-HS-18-8709	278,000	102,795
GR3200511000	2011 - 2012 Homeland Security Training	97.067	2010-HS-038715	4,310	2,485
GR3100410000	2010 - 2012 Homeland Security M&A	97.067	2009-HS18L8265	20,000	11,808
GR3200210000	2010 - 2012 HS/Reg. Haz - Mat Exercise	97.067	2009-HS-04-7700	27,011	15,089
	Subtotal Homeland Security Cluster				<u>2,204,671</u>
	Passed through Milwaukee County:				
	Rail and Transit Security Grant Program:				
GR3301110000	2010 - 2011 Transit Security	97.075	8RT016439,RZ017594	418,055	99,239
	Direct programs:				
	Port Security Grant Program:				
	American Recovery and Reinvestment Act:				
AR1500209000	2009 - 2012 Port Security	97.116	2009-PU-RJ-0281	423,773	104,548
	Total Department of Homeland Security				<u>4,729,089</u>
	U.S. Marshalls Service				
	Direct programs:				
GR3307611000	2011 - 2012 U.S. Marshalls Service	97.XXX		16,947	3,999
GR3307610000	2010 - 2011 U.S. Marshalls Service	97.XXX		17,202	15,631
	Total U.S. Marshalls Service				<u>19,630</u>
	Total federal assistance				<u>78,651,761</u>

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Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
	State assistance:				
	State of Wisconsin Department of Administration:				
	Direct programs:				
GR1901711000	2011 Wisconsin Coastal Management Grant	505.XXX	AD119502-012-08	\$ 34,000	4,200
	Total State of Wisconsin Department of Administration				<u>4,200</u>
	State of Wisconsin Department of Health Services				
	Wisconsin Division of Public Health				
	Passed through Community Advocates				
GR3307811000	2011 Wisconsin WINS Anti Tobacco	181.043		5,500	5,500
GR3308211000	2011 Wisconsin Smoke Free Air	181.046		5,000	4,701
	Direct programs:				
GR3801211000	2011 Breast and Cervix Cancer Awareness	435.119		115,200	58,836
GR3801010000	2010 Wisconsin Well Women	435.119	119011-160	104,256	44,029
	Subtotal State Approp.# 435.119				<u>102,865</u>
GR3800711000	2011 – 2012 Congenital Disorders	435.128		142,026	73,875
GR3800710000	2010 – 2011 Congenital Disorders	435.128	128010-160	132,735	57,215
	Subtotal State Approp.# 435.128				<u>131,090</u>
GR3801111000	2011 Women, Infants and Children	435.154	154720-060	6,237	6,236
GR3801911000	2011 Consolidate Child lead Detection	425.157		266,499	258,376
GR3801910000	2010 Consolidated Child Lead Detection	435.157	157720-060	283,596	67,242
GR3801411000	2011 CONS WWWP – Breast and Cervix Cancer	435.157	157023-160	75,029	75,029
GR3801011000	2011 Breast Cancer Well Woman	435.157		150,058	66,347
GR3801010000	2010 Wisconsin Well Women	435.157	157023-160	233,903	98,780
	Subtotal State Approp.# 435.157				<u>565,774</u>
	Wisconsin Division of Public Health				
	Direct Programs:				
GR3803911000	2010 – 2011 WIC CYSHCN	435.XXX		1,500	1,500
GR3807611000	2011 Dual Protection Part Initiative	435.XXX		161,650	95,485
GR3200410000	2010 – 2011 EMS Funding Assistance	435.XXX		80,345	30,656
GR3200409000	2009 – 2010 EMS Funding Assistance	435.XXX		80,662	4,338
	Subtotal State Approp.# 435.XXX				<u>131,979</u>
	Total State of Wisconsin Department of Health Services				<u>948,145</u>
	State of Wisconsin Department of Justice:				
	Direct Programs:				
	Law Enforcement Community Policing Grant:				
GR3308511000	2011 – 2012 Neighborhood Safety Unit	455.214		247,500	247,500
	Law Enforcement Training Fund-Local Assistance:				
GR3306110000	2010 – 2011 Advanced Training – Supervision – Person #3	455.231	11-506	18,000	18,000
GR3301411000	2011 – 2012 Advanced Training – Fitness Specialist	455.231	12-036	17,000	1,500
GR3302209000	2009 – 2010 Advanced Training – Relationship	455.231	10-042	25,500	(19,023)
	Subtotal State Approp.# 455.231				<u>477</u>

See accompanying independent auditors' report and notes to schedule.

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Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
GR3306610000	2010 – 2011 Roll Call Law Video	455.XXX	JDA00000001	\$ 14,140	5,330
GR3307011000	2011 – 2012 Roll Call Law Video	455.XXX	12-019	14,140	674
	Subtotal State Approp.# 455.XXX				<u>6,204</u>
	Total State of Wisconsin Department of Justice				<u>254,181</u>
	Wisconsin Office of Justice Assistance:				
	Direct programs:				
	Uniform Beat Patrol Officers:				
GR3301511000	2011 Beat Patrol	505.603	2011-BP-01-7442-2	140,793	140,793
	Total Wisconsin Office of Justice Assistance				<u>140,793</u>
	State of Wisconsin Department of Military Affairs:				
	Direct programs:				
	State Match – Federal Disaster Assistance:				
GR3100610000	2011 FEMA – February Snow	465.305		161,455	161,455
Fund 0410	2011 FEMA – Riverside Pumping Station	465.305	WATER ENTERPRISE	125	125
Fund 0490	2011 FEMA – February Snow	465.305	SEWER ENTERPRISE	1,453	1,453
Fund 0480	2011 FEMA – February Snow	465.305	PORT OF MILWAUKEE	5,059	5,059
Fund 0420	2008 FEMA – June Flooding Pump Station	465.305		19,000	19,000
	Subtotal State Approp.#465.305				<u>187,092</u>
	Total State of Wisconsin Department of Military Affairs				<u>187,092</u>
	State of Wisconsin Department of Natural Resources:				
	Direct programs:				
GR5800310000	2010 – 2011 Urban Forestry Program	370.665	UF 982-10	25,000	25,000
GR5800311000	2011 Urban Forestry Program	370.665	UF-1030-11	25,000	24,273
GR5400111000	2011 Recycling Grant-Basic	370.665	RU#40251	2,164,861	2,164,861
GR5457029000	2009 Recycling Efficiency Grant	370.665	RU#40251	329,597	175,328
	Subtotal State Approp.# 370.665				<u>2,389,462</u>
GR1901310000	2010 Brownfield Site Assessment	370.687		143,497	104,976
GR1910139000	2009 Brownfield Site Assessment	370.687		241,760	28,636
	Subtotal State Approp.# 370.687				<u>133,612</u>
GR5200210000	2010 – 2013 Hawthorn Glen Trail	370.TA1	S-ADLP3-1086	140,000	26,647
SM320100101	NonPoint Source Stormwater Management Grant Program	370.TH1	USC-SE05-40251-10	150,000	1,044
	Total State of Wisconsin Department of Natural Resources				<u>2,550,765</u>
	State of Wisconsin Department of Public Instruction:				
	Direct programs:				
GR8600110000	2010 – 2011 Interlibrary Loan	255.XXX	WIPUBINT10	53,600	26,988
GR8600111000	2011 – 2012 Interlibrary Loan	255.XXX		48,240	21,992
GR8600210000	2010 – 2011 Regional Library Blind	255.XXX	WI REG LIB10	968,700	441,082

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Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
GR8600211000	2011 – 2012 Regional Library Blind	255.XXX	WI REG LIB11	\$ 968,700	<u>382,026</u>
	Subtotal State Approp.# 255.XXX				<u>872,088</u>
	Total State of Wisconsin Department of Public Instruction				<u>872,088</u>
	State of Wisconsin Department of Transportation:				
	Direct programs:				
	Local Roads Improvement Program:				
ST211100000	Local Roads Improvement Grants	395.206	0880-11-03	1,006,258	63,870
GR3200611000	2011 – 2012 I – 94 N – S Freeway Project	395.361	1030-20-99 NO.14	24,000	12,987
GR3200711000	2011 – 2012 I – 94 E – W Freeway Repaving	395.361	1060-34-90 BO.21	10,000	5,827
GR3305711000	2011 – 2012 I – 94 N – S Freeway Project	395.361	1030-20-99 NO. 19	80,000	37,066
GR3306311000	2011 – 2012 I – 94 N – S Freeway Project	395.361	1030-20-99 NO. 20	60,000	12,080
GR3307711000	2011 – 2012 I – 94 E – W Freeway Repaving	395.361	1060-34-90	40,000	11,784
GR3306309000	2009 – 2011 I – 94 N – S Reconstruction – Overtime	395.361	1030-20-99 NO. 8	64,000	<u>6,347</u>
	Subtotal State Approp.# 395.361				<u>86,091</u>
	Total State of Wisconsin Department of Transportation				<u>149,961</u>
	Total State Assistance				<u>5,107,225</u>
	Local assistance:				
	AAA Wisconsin				
	Direct Programs:				
GR3308210000	2010 AAA Crossing Guards – Vest			4,500	<u>4,500</u>
	Total AAA Wisconsin				<u>4,500</u>
	Blood Center of Wisconsin:				
	Direct Programs:				
GR3802210000	Blood Center of Wisconsin Flu Grant			39,900	<u>8,071</u>
	Total Blood Center of Wisconsin				<u>8,071</u>
	Bradley Center:				
	Direct programs:				
GR3304511000	2011 – 2013 Bradley Center			162,000	8,883
GR3304509000	2009 – 2011 Bradley Center			162,000	<u>26,262</u>
	Total Bradley Center				<u>35,145</u>
	Columbia St. Mary's:				
	Direct programs:				
GR3806309000	2009 Milwaukee Intensive Home Visiting-Columbia/St. Mary's Health Equity		CSM 063	439,708	<u>32,346</u>
	Total Columbia St. Mary's				<u>32,346</u>
	Greater Milwaukee Foundation:				
	Direct Programs:				
GR1901611000	2011 Civic Best Practices Grant		#20111233	10,000	320

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GR8600411000	2011 Civic Best Practices Grant		CIVICBEST11	\$ 6,050	1,572
	Total Greater Milwaukee Foundation				<u>1,892</u>
	Helen Bader Foundation				
	Direct Programs:				
GR3308611000	2011 – 2012 Students Talking It Over			10,000	8,106
	Total Helen Bader Foundation				<u>8,106</u>
	Joyce Foundation:				
	Direct Programs:				
GR3807511000	2011 Mayors Against Illegal Guns			75,000	32,836
GR3807509000	2009 Mayors Against Illegal Guns		ILLGUNS09	75,000	810
	Total Joyce Foundation				<u>33,646</u>
	MAC AIDS Funds (MAC Cosmetic Co.) Passed through Diverse and Resilient, Inc.				
GR3802511000	2011 End AIDS Milwaukee		ENDAIDS11	50,000	7,161
	Total MAC AIDS Funds (MAC Cosmetic Co.)				<u>7,161</u>
	Medical College of Wisconsin:				
	Direct Programs:				
GR3806810000	2010 Nurturing Healthy Youth Leaders		MCW610	4,800	3,115
	Total Medical College of Wisconsin				<u>3,115</u>
	Milwaukee County				
	Direct Programs:				
GR3302911000	2011 HVE OWI Enforcement			10,000	4,556
	Total Milwaukee County				<u>4,556</u>
	Milwaukee County Federated Library System:				
	Direct programs:				
GR8600110000	2010 – 2011 Interlibrary Loan		MCFLS 7/1/10-6/30/11	40,500	20,424
GR8600111000	2011 – 2012 Interlibrary Loan		MCFLS 7/1/11-12/31/11	38,475	17,540
	Total Milwaukee County Federated Library System				<u>37,964</u>
	Milwaukee Foundation:				
	Direct programs:				
GR3802111000	2011 Breast Cancer GMF-Urban Fund		GMF20102962	13,230	13,230
GR3810110000	2010 Milwaukee Foundation Breast Cancer Awareness Grant			853,821	28,387
	Total Milwaukee Foundation				<u>41,617</u>
	Milwaukee Metropolitan Sewerage District:				
	Direct programs:				
LB320090300	Green Roof Grant		M03030 P023	250,000	56,553

See accompanying independent auditors' report and notes to schedule.

(Continued)

CITY OF MILWAUKEE
Schedule of Expenditures of Federal, State, and Other Awards
Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
SM320100102	MMSD/Tellier Foundation			15,000	15,000
SM320110100	Parking Lot Inlet Restrictors		MMSD	3,400,000	1,239,681
ST320110610	Private Property Infiltration & Inflow MMSD		MMSD	98,749	98,749
	Best Management Practices		MMSD		<u>98,749</u>
	Total Milwaukee Metropolitan Sewerage District				<u>1,409,983</u>
	Milwaukee Public Schools:				
	Direct programs:				
GR3300910000	2010 – 2011 TABS Grant			320,000	179,017
GR3300911000	2011 – 2012 TABS Grant			320,000	178,215
GR3306810000	2011 – 2012 MBSD Grant			60,000	1,131
GR3306810000	2010 – 2011 MBSD Grant			60,000	36,831
GR3304410000	2011 – 2012 MPS – SRO			375,000	163,134
GR3304410000	2010 – 2011 MPS – SRO			375,000	219,360
GR3307311000	2011 – 2012 MPS – SRO – Northwest School			96,000	31,152
GR3307308000	2008 – 2011 MPS – SRO – Northwest School			288,000	45,379
	Total Milwaukee Public Schools				<u>854,219</u>
	Milwaukee Brewers Baseball Club				
	Direct Programs:				
GR3305811000	2011 – 2012 Brewers Baseball			1,067,891	1,067,891
GR3305810000	2010 Brewers Baseball			1,000,000	162
	Total Milwaukee Brewers Baseball Club				<u>1,068,053</u>
	Robert Wood Johnson Foundation				
	Direct Programs:				
GR3806711000	2011 Center for Health Equity		320K504-005619	7,500	7,500
GR3800609000	2009 Increasing Adolescence Immunization Rates		INCRADOLIMM09	157,718	44,782
	Total Robert Wood Johnson Foundation				<u>52,282</u>
	Southeast Wisconsin Watersheds Trust, Inc. (Sweet Water)				
	Direct Programs:				
GR1901510000	2010 Sweet Water Mini Grant			1,210	939
	Total Southeast Wisconsin Watersheds Trust, Inc. (Sweet Water)				<u>939</u>
	University of Wisconsin Medical School				
	Direct Programs:				
GR3807810000	2010 Ecocultural Family Inter Assessment		UW-SMPH-09	161,317	107,109
GR3303008000	2008 – 2011 U.W. Medical School			226,824	11,965
	Total University of Wisconsin Medical School				<u>119,074</u>
	Board of Regents of the University of Wisconsin System				
	Direct Programs:				
GR3804911000	2011 Immunize Milwaukee			27,680	9,518
	Total Board of Regents of the University of Wisconsin System				<u>9,518</u>

CITY OF MILWAUKEE
Schedule of Expenditures of Federal, State, and Other Awards
Year ended December 31, 2011

Project I.D.	Grantor agencies	CFDA or state approp. number	Grant award/ contract number	Grant award amount	Grantor expenditures
GR3805111000	United Health Foundation Direct Programs: 2011 Cribs for Kids		CRIBSSUHC11	50,000	\$ (4,500)
	Total United Health Foundation				<u>(4,500)</u>
SM49XXXXXX	State Wisconsin Department of Natural Resources: Capitalization Grants for Clean Water-State Revolving Fund: 2009 Clean Water		DNR#4428.12	17,340,826	<u>1,183,146</u>
	Total State Wisconsin Department of Natural Resources:				<u>1,183,146</u>
GR3807111000 GR3804909000	United Way of Greater Milwaukee Direct Programs: 2011 Infant Mortality Reduction Initiative 2009 Plaintalk Initiative-United Way		UWGM11 UNITED WAY09	200,000 50,000	18,786 445
	Total United Way of Greater Milwaukee				<u>19,231</u>
GR3300511000 GR3301211000	University of Wisconsin-Milwaukee Direct Programs: 2011 UWM Grant 2011 UWM Grant#2			15,000 25,000	15,000 25,000
	Total University of Wisconsin-Milwaukee				<u>40,000</u>
GR1901911000 GR1901410000	Youth Service America, Inc. Direct Programs: 2011 Global Youth Service Day 2010 Global Youth Service Day			2,000 2,000	157 1,850
	Total Youth Service America, Inc.				<u>2,007</u>
	Total local assistance				<u>4,972,071</u>
	Total Federal, State, and Other Award Expenditures				<u>\$ 88,731,057</u>

See accompanying independent auditors' report and notes to schedule.

CITY OF MILWAUKEE

Notes to Schedule of Expenditures
of Federal, State, and Other Awards

Year ended December 31, 2011

(1) Reporting Entity

The funds and entities presented in the City of Milwaukee's Single Audit Act Supplemental Financial Report are controlled by or are dependent on the City of Milwaukee (the City). The basis for defining the reporting entity of the City is discussed in the summary of significant accounting policies note in the City's Comprehensive Annual Financial Report. The Catalog of Federal Domestic Assistance (CFDA) Number or State Appropriation Number has been provided on the accompanying schedule of expenditures of federal, state, and other awards to the extent it is available.

Financial data for the Milwaukee Public School System, the Milwaukee Metropolitan Sewerage District, Milwaukee County government, Wisconsin Center District and the Milwaukee Area Technical College have not been included in this report. These governmental entities are not considered component units of the City, the primary government, because these entities do not meet the criteria established by Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*.

Grants made directly to the City's component units, the Housing Authority of the City of Milwaukee (HACM), the Redevelopment Authority of the City of Milwaukee (RACM), Milwaukee Economic Development Corporation (MEDC), the Neighborhood Improvement Development Corporation (NIDC), and the Century City Redevelopment Corporation are not included in this report. The Housing Authority, the Redevelopment Authority, the Milwaukee Economic Development Corporation, the Neighborhood Improvement Development Corporation, and the Century City Redevelopment Corporation publish separate financial and single audit reports.

(2) Basis of Accounting

The City has a centralized accounting system for grant programs. The accounting records for grant programs are maintained on the modified accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which all eligibility requirements have been satisfied and the resources are available. Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements in which the City must provide local resources to be used for specified purpose, and expenditure requirements in which the resources are provided to the City on a reimbursement basis.

Budgetary control is maintained by a formal appropriation and encumbrance system. Encumbrances are made against appropriations prior to issuance of purchase requisitions. Purchase requisitions which exceed appropriation balances are not released until additional appropriations are made available. Expenditures are recorded when the services or materials are received.

Accounting and budgeting for grants is further controlled by Milwaukee Code of Ordinances Section 304-81. This ordinance provides that no grant programs can be put into operation (expenditures incurred) unless the program has been approved by the Common Council of the City of Milwaukee. It also provides other procedural guidelines for budgeting and accounting of grant programs.

CITY OF MILWAUKEE

Notes to Schedule of Expenditures of Federal, State, and Other Awards

Year ended December 31, 2011

(3) Comprehensive Annual Financial Report

In the Comprehensive Annual Financial Report, City grant projects are accounted for in the Special Revenue Funds, Capital Projects Funds and the Port of Milwaukee Enterprise Fund. Details on the individual grant projects are not readily identifiable in the Comprehensive Annual Financial Report. However, allowable grantor expenditures as reported within the schedule of expenditures of federal, state, and other awards have been reconciled with the balances reported within the Comprehensive Annual Financial Report.

(4) Carryover Provisions and Program Income

Under Community Development Block Grant (CDBG) regulations, unspent allocations of the grant award can be carried over and reallocated in a subsequent grant year. As a result, the allowable grantor expenditures shown on the grant schedule represent more than one grant award. The grant schedule, therefore, contains both the 2011 and 2010 pass-through grantor's numbers and the total grant awards for the two years. In addition, the City received \$279,920 and \$458,334 in 2011 and 2010, respectively, of program income as defined under Title 24, Code of Federal Regulations, Subpart J, Section 570.500(a) for the CDBG. This program income has been reported as grantor revenue and added to the grant award amount.

(5) Related-Party Transactions

The City expended \$1,281,517 in 2011 of its CDBG funds for the RACM. The expenditures incurred by RACM related to purchase, demolition, relocation, and rehabilitation of housing structures in the City. The City entered into a cooperation agreement with RACM, which detailed responsibilities and allowable expenditure categories.

CITY OF MILWAUKEE

Notes to Schedule of Expenditures
of Federal, State, and Other Awards

Year ended December 31, 2011

(6) Major Programs

Major Federal Financial Assistance Programs are defined in the Single Audit Act of 1996 as those programs (1) considered to be high risk with allowable expenditures of the greater of \$300,000 or 3% of total Federal Financial Assistance Program expenditures of the City (type A programs). For 2011, the greater amount was \$2,016,228. (2) Programs over this threshold which are considered low risk may not be tested; however a high-risk program with allowable expenditures between 0.3% and 3% of total Federal Financial Assistance Program expenditures (type B programs) must be tested in its place. For 2011, the threshold for these programs was \$2,016,228 to \$201,220. Federal programs classified as major for the year ended December 31, 2011 were as follows:

<u>Grant programs</u>	<u>CFDA number</u>	<u>2011 Grantor expenditures</u>
CDBG – Entitlement Grants Cluster	14.218/14.253	\$ 21,004,151
Neighborhood Stabilization Program 2	14.256	10,355,273
Homelessness Prevention and Rapid Re-Housing	14.257	3,112,287
Lead Hazard Reduction Demonstration Grant Program	14.905	1,455,966
Public Safety Partnership and Community Policing Grants	16.710	3,969,769
Edward Byrne Memorial Justice Assistance Grant Program	16.738/16.804	1,332,272
Highway Planning and Construction Cluster	20.205	3,426,824
Conservation Research and Development	81.086	3,120,301
Energy Efficiency and Conservation Block Grant	81.128	2,234,304
Homeland Security Grant Program Cluster	97.067	2,204,671

State Financial Assistance Programs do not involve federal funding. Major State Financial Assistance Programs are defined as those programs (1) considered being high risk with allowable expenditures of at least \$100,000. (2) Programs over this threshold, which are considered low risk, may not be tested; however a high-risk program with allowable expenditures of at least \$25,000 must be tested in its place. State programs classified as major for the year ended December 31, 2011 were as follows:

<u>Grant programs</u>	<u>State appropriation number</u>	<u>2011 Grantor expenditures</u>
Interlibrary Loan/Regional Library Blind	255.XXX	872,088
Brownfield Site Assessment	370.687	133,612
Law Enforcement Community Policing Grant	455.214	247,500
Uniform Beat Patrol Officers	505.603	140,793

CITY OF MILWAUKEE

Notes to Schedule of Expenditures
of Federal, State, and Other Awards

Year ended December 31, 2011

(7) Loan Programs

The City has utilized funds from a number of grant sources to provide loans to various businesses and individuals. These loans are primarily for the rehabilitation of commercial and residential properties. At December 31, 2011, the aggregate outstanding balance of these loans was \$32,578,216. This amount consisted of Community Development Block Grant – \$4,377,384 (CFDA #14.218), Neighborhood Stabilization Program – \$3,224,147 (CFDA #14.218), HOME Investment Partnerships Program – \$20,051,685 (CFDA #14.239), Neighborhood Stabilization Program 2 – \$4,148,381 (CFDA #14.256), Neighborhood Stabilization Program – WI – \$600,188 (CFDA #14.228) and Neighborhood Stabilization Program 3 – \$176,431 (CFDA #14.218).

In 2009, the City became eligible to receive \$33,655,934 of financial assistance in the form of a loan from the State of Wisconsin, Department of Natural Resources, Clean Water Fund (CWF) Program with the City's Sewer Revenue Bonds, Series 2009 S7. A total of \$16,315,108 of the principal loan amount was to be forgiven with American Recovery and Reinvestment Act (ARRA) funds. As of December 31, 2011, the City received a total of \$32,000,038 of the loan proceeds of which \$14,488,848 principal was forgiven in 2009 and \$1,826,260 was forgiven in 2010. The remaining balance of the financial assistance will be loaned to the City as eligible expenditures are incurred.

(8) State Programs Excluded from Testing

Various programs funded by the State of Wisconsin that are included in the schedule of expenditures of federal, state, and other awards are not required to be tested under State of Wisconsin Single Audit guidelines. These programs are as follows:

- Local Roads Improvement Projects (State ID #395.206)
- Advance Training Grants (State ID #455.231)

CITY OF MILWAUKEE

Notes to Schedule of Expenditures
of Federal, State, and Other Awards

Year ended December 31, 2011

(9) Subrecipient Pass-Through Amounts

Certain federal and state awards have been passed through to subrecipients. The following shows the programs and amounts that were passed through to subrecipients in 2011:

Program	CFDA/State ID number	Amount
Broadband Technology – ARRA	11.557	\$ 293,288
Community Development Block Grant	14.218	6,882,199
Neighborhood Stabilization Program 1	14.218	115,978
Neighborhood Stabilization Program – WI	14.228	1,284,419
CDBG – Emergency Assistance Program	14.228	1,042,512
Emergency Shelter Grants Program	14.231	740,157
Home Investment Partnerships Program	14.239	4,714,325
Housing Opportunity for Persons with Aids	14.241	571,065
Community Development Block Grant – ARRA	14.253	313,870
Neighborhood Stabilization Program 2 – ARRA	14.256	785,054
Homelessness Prevention and Rapid Re-Housing Program – ARRA	14.257	3,050,656
Juvenile Accountability Block Grants	16.523	66,572
Federal Weed and Seed	16.595	60,137
WIA Pilots, Demonstrations, and Research Projects	17.261	273,471
Pathways Out of Poverty – ARRA	17.275	555,759
Energy Efficiency and Conservation Block Grant – ARRA	81.128	(96,009)
High Intensity Drug Trafficking Area – Safe and Sound	95.001	726,679
Port Security Grant Program	97.056	357,025
Port Security Grant Program – ARRA	97.116	48,930

INDEPENDENT AUDITORS' REPORTS



KPMG LLP
Suite 1500
777 East Wisconsin Avenue
Milwaukee, WI 53202-5337

**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***

The Honorable Members
of the Common Council
of the City of Milwaukee:

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 Milwaukee, Wisconsin (the City) as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 30, 2012. Our report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the Housing Authority of the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, the Milwaukee Economic Development Corporation, the Neighborhood Improvement Development Corporation, and the Century City Redevelopment Corporation, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

Management of the City of Milwaukee is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City'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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency and that is described in the accompanying schedule



of findings and questioned costs as finding 2011-1. A significant deficiency is a deficiency, or combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 have reported to management of the City in a separate letter dated July 30, 2012.

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the City's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Common Council of the City of Milwaukee, City management and federal awarding agencies, pass-through entities, and the State of Wisconsin and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

July 30, 2012



KPMG LLP
Suite 1500
777 East Wisconsin Avenue
Milwaukee, WI 53202-5337

Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Federal and State Award Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

The Honorable Members
of the Common Council
of the City of Milwaukee:

Compliance

We have audited the City of Milwaukee's (a municipality incorporated under the laws of the State of Wisconsin) (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the State of Wisconsin *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct or material effect on each of the City's major federal and state programs for the year ended December 31, 2011. The City's major federal and 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 state programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

The City's basic financial statements include the operations of the Housing Authority of the City, the Redevelopment Authority of the City, the Neighborhood Improvement Development Corporation, the Milwaukee Economic Development Corporation, and the Century City Redevelopment Corporation, component units of the City, however, they are not included in the schedule of expenditures of federal, state, and other awards during the year ended December 31, 2011. Our audit, described below, did not include the operations of the component units listed above because the component units engaged other auditors to perform an audit in accordance with OMB Circular A-133.

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 provisions of the State of Wisconsin *State Single Audit Guidelines*. Those standards, OMB Circular A-133, and the State of Wisconsin *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 state award 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. Our audit does not provide a legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct or material effect on each of its major federal and state programs for the year ended December 31, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB



Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as findings 2011-2 and 2011-3.

Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal and state programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State of Wisconsin *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 combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as finding 2011-2. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2011, and have issued our report thereon dated July 30, 2012 which contained unqualified opinions on those financial statements. Our report was modified to include a reference to other auditors. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the City's basic financial statements. Other auditors audited the financial statements of the Housing Authority of the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee, the Milwaukee Economic Development Corporation, the Neighborhood Improvement Development Corporation, and the Century City Redevelopment Corporation, as described in our report on the City's 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 of Wisconsin *State Single Audit Guidelines* and is 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 basic 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 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 is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The City's responses 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 responses, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Common Council of the City, City management, the State of Wisconsin, 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.

KPMG LLP

September 26, 2012, except for our report on the schedule of expenditures of federal and state awards as to which the date is July 30, 2012

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CITY OF MILWAUKEE
Schedule of Findings and Questioned Costs
Year ended December 31, 2011

(1) Summary of Auditors' Results

Financial Statements

- A. Type of auditors' report issued on the basic financial statements: **Unqualified opinions**
- B. Internal control over financial reporting:
- Material weaknesses identified? **None reported**
 - Significant deficiencies identified that are not considered to be material weaknesses? **Yes**
- C. Noncompliance material to basic financial statements noted? **No**

Federal and State Awards

- D. Internal control over major programs:
- Material weaknesses identified? **None reported**
 - Significant deficiencies identified that are not considered to be material weaknesses? **Yes**
- E. Type of auditors' report issued on compliance for major programs: **Unqualified**
- F. Any audit findings that are required to be reported in accordance with Section 0.510(a) of OMB Circular No. A-133? **Yes**

CITY OF MILWAUKEE
 Schedule of Findings and Questioned Costs
 Year ended December 31, 2011

G. Identification of major federal and state programs:

Federal:

U.S. Department of Housing and Urban Development:	
CDBG – Entitlement Grants Cluster	14.218/14.253
Neighborhood Stabilization Program-2	14.256
Homelessness Prevention and Rapid Re-Housing	14.257
Lead Hazard Reduction Demonstration Grant Program	14.905
U.S. Department of Justice	
Public Safety Partnership and Community Policing Grant	16.710
Edward Byrne Memorial Justice Assistance Grant Program Cluster	16.738/16.804
U.S. Department of Transportation	
Highway Planning and Construction Cluster	20.205
U.S. Department of Energy	
Conservation Research and Development	81.086
Energy Efficiency and Conservation Block Grant	81.128
U.S. Department of Homeland Security:	
Homeland Security Cluster	97.067

State:

WI Office of Justice Assistance	
Law Enforcement Community Policing Grant	455.214
WI Office of Justice Assistance	
Uniform Beat Patrol Officers	505.603
WI Department of Natural Resources	
Brownfield Site Assessment	370.687
WI Department of Public Instruction	
Interlibrary Loan/Regional Library Blind	255.XXX

H. Dollar threshold used to distinguish between type A and type B Federal programs: \$2,016,228

I. Auditee qualified as low-risk auditee under Section 0.530 of OMB Circular A-133? **No**

CITY OF MILWAUKEE
Schedule of Findings and Questioned Costs
Year ended December 31, 2011

(2) **Findings Related to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards***

Finding 2011-1 – Accrued Expenditures

U.S. generally accepted accounting principles require expenditures to be accrued in the period incurred. Expenditures in the capital projects funds totaling approximately \$828,000 were incurred during the year ended December 31, 2010 but were incorrectly reported as expenditures in the City's financial statements during the year ended December 31, 2011, and expenditures totaling approximately \$146,000 were incurred but were not reported as expenditures during the year ended December 31, 2011.

Recommendation

We recommend the City establish procedures to ensure expenditures are properly evaluated and accrued in the year-end financial statements in accordance with U.S. generally accepted accounting principles.

Management's Response

We concur with the comment that there were expenditures not properly evaluated and accrued in the end of the year financial statements. The Comptroller's Office makes every effort to review and accrue expenditures processed through March 31 for possible accrual to statements prior to the preparation of the financial statements and final trial balances. The Comptroller's Office has a process in place that includes weekly queries of transactions through March 31 and communications with departments to notify us of additional items for accrual. Since the expenditures are decentralized in the departments, we will continue to work with departments to provide timelier processing of vouchers. For 2011, the Comptroller's Office continued to review additional queries through the month of April and revised completed financial statements accordingly for significant items. In addition, departments cooperated in this effort by notifying and providing additional material vouchers through June for our review and accrual if warranted.

CITY OF MILWAUKEE
Schedule of Findings and Questioned Costs
Year ended December 31, 2011

(3) Findings and Questioned Costs Relating to Federal and State Awards

Finding 2011-2 – Equipment Management

Program Name: Public Safety Partnership and Community Policing Grants, Edward Byrne Memorial Justice Assistance Grant Program Cluster, Homeland Security Grant Cluster

CFDA Number: 16.710 (ARRA) 16.738, 16.804 (ARRA), 97.067

Award Numbers, Amounts, and Expenditures

<u>CFDA number</u>	<u>Award number</u>	<u>Award amount</u>	<u>2011 Expenditures</u>
16.710	2010CKWX0065	\$ 550,000	35,820
16.710	2009CSWX0022	400,341	127,711
16.710	2009CKWX0139	650,000	131,500
16.710	2010CKWXK018	456,060	109,212
16.710 (ARRA)	2009RJWX0088	10,298,750	3,538,707
16.710	2008CSWX0023	92,567	26,819
	Total 16.710		<u>3,969,769</u>
16.738	Unknown	818,825	385,092
16.738	2009-DJ-06-8925	50,000	25,563
16.804 (ARRA)	2009-SB-B9-2201	4,092,754	921,617
	Total 16.738/16.804		<u>1,332,272</u>
97.067	VARIOUS	300,000	164,946
97.067	Unknown	210,284	25,069
97.067	VARIOUS	282,580	108,905
97.067	VARIOUS	860,000	32,390
97.067	2008-HS-18L-7629	130,000	15,663
97.067	VARIOUS	768,612	287,452
97.067	VARIOUS	1,050,000	172,333
97.067	VARIOUS	920,000	488,282
97.067	VARIOUS	767,500	180,355
97.067	VARIOUS	989,658	15,677
97.067	2008-HS-18K-7636	116,465	90,522
97.067	2010-HS-18-8801	175,283	153,392
97.067	2008-HS-18H-7128	100,000	100,000
97.067	2009-HS-20-7838	311,584	159,363
97.067	2008-HS-20-6029	321,221	75,058
97.067	2007-HS-13-7919	3,400	3,087
97.067	2009-HS-18-8709	278,000	102,795
97.067	2010-HS-038715	4,310	2,485
97.067	2009-HS-18L-8265	20,000	11,808
97.067	2009-HS-04-7700	27,011	15,089
	Total 97.067		<u>\$ 2,204,671</u>

CITY OF MILWAUKEE

Schedule of Findings and Questioned Costs

Year ended December 31, 2011

Requirement

According to 44 CFR 13.32 (4)(d)(2) and 28 CFR 66.32(4)(d)(2), a physical inventory of property must be taken and the results reconciled with the property records at least once every two years. The A-102 Common Rule requires nonfederal entities receiving federal awards establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure a physical inventory of property is taken at least once every two years and reconciled to the property records.

Condition

The City did not perform a physical inventory for all federally funded equipment at least once within the two year period ended December 31, 2011 for the Public Safety Partnership and Community Policing (COPS) Grant, the Edward Byrne Memorial Justice Assistance Grant (JAG) Program, and the Homeland Security Grant (Homeland) Program. The balance of equipment as of December 31, 2011 for each program follows:

Program	CFDA Number	Inventory balance December 31, 2011
COPS	16.710	\$ 590,958
JAG	16.738/16.804	767,451
Homeland	97.067	6,225,067

The City has never performed a physical inventory of equipment purchased with COPS grant funds and JAG grant funds. Equipment was first purchased with COPS grant funds and JAG grant funds during the year ended December 31, 2009. The City has performed partial physical inventories for equipment purchased with Homeland grant funds by grant year, however a full physical inventory has not been performed for all equipment purchased with Homeland grant funds within the last two years.

Cause

Management indicated the Fire and Police Department are responsible for performing the equipment inventory; however, due to staff turnover, the departments were not able to complete the inventory within the required timeframe.

Questioned Costs

None

Effect

Without performing the required physical inventory of property and equipment purchased with federal funds, equipment may not be adequately safeguarded and used in accordance with the federal program.

CITY OF MILWAUKEE
Schedule of Findings and Questioned Costs
Year ended December 31, 2011

Recommendation

We recommend the City implement procedures to ensure a complete physical inventory of property and equipment purchased with federal funds is performed at least once every two years in accordance with the federal requirements.

Management's Response

The Milwaukee Police Department (MPD) was not able to complete physical inventory of all property acquired with grant funds due to staffing constraint; only partial physical inventory was completed as grants expired. Following the audit, the MPD have staff in place to assist in coordination and tracking of inventory. Earlier this year, the method of conducting physical inventory was revised. Requests for physical inventory were sent out for 79% of active and inactive grants; and 72% have been completed. With the current process, it is expected that physical inventory of all property acquired with grant funds will be completed by the end of 2012. Afterward, physical inventory will be requested in November and December of each year. In 2012, the Milwaukee Fire Department began to implement a cross-training program that should minimize negative impacts on inventory controls due to staff turnover. In the past, 4 key persons conducted inventory, the controls are now expanded to include dedicated officers assigned to the 36 fire houses.

CITY OF MILWAUKEE
 Schedule of Findings and Questioned Costs
 Year ended December 31, 2011

Finding 2011-03 – Eligibility

Program Name: Lead Hazard Reduction Demonstration Grant Program

CFDA Number: 14.905

Award Numbers, Amounts and Expenditures

<u>CFDA Number</u>	<u>Award number</u>	<u>Award amount</u>	<u>2011 Expenditures</u>
14.905	WILHD0192-08	\$ 3,997,986	1,029,485
14.905	WILHD0220-10	4,500,000	426,481
	Total 14.905		<u>\$ 1,455,966</u>

Requirement

The Housing and Urban Development Notice of Funding Authority requires grantees to document the income eligibility of the renter and owner occupants of properties to be assisted with the lead hazard reduction grants, and allows the grantee to use three methods of income verification, which are:

- (1) third-party verification method (online or hard copy),
- (2) verbal third-party verification method (documented by the grantee), and
- (3) tenant/landlord declaration method (signed statement by tenant and/or landlord).

When using the tenant/landlord declaration method, the U.S. Department of Housing and Urban Development Policy Guidance Number 2009-01 (Policy 2009-01) requires the certification to state, “I certify under penalty of law that the information contained in this declaration is true, accurate and complete to the best of my knowledge. I understand that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations.”

Condition

The City uses the tenant/landlord declaration method to determine income eligibility for tenant occupied rental units when third-party verification is not possible. During our audit, we noted the City did not use the certification required by Policy 2009-01. The City obtained a signed statement, which required the beneficiary to certify that the income reported was accurate.

CITY OF MILWAUKEE
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Year ended December 31, 2011

Cause

Management indicated they thought the signed statement included on the tenant/landlord declaration form was sufficient.

Questioned Costs

None

Effect

Without requiring the beneficiary to certify income using the stronger language required by Policy 2009-01, a beneficiary may not understand the implications of reporting false income information and could be more inclined to falsify the certification in an effort to receive the program funding.

Recommendation

We recommend the City implement procedures to obtain the income certification as required by Policy 2009-01 when determining eligibility using the tenant/landlord certification method.

Management's Response

The Milwaukee Health Department Home Environmental Health Program implemented an update to the Tenant Income Verification Certification previously obtained from renter occupants following the 2011 audit. The updated certification is designed to comply with HUD Policy Guidance Number 2009-01 and was put into use in August 2012. Due to outstanding commitments, the updated certification may not be consistently found in occupant's file for work done during the 2012 funding period. Full implementation of the updated certification is expected by January of 2013.