



**The Single Audit Act  
Supplemental  
Financial  
Report**



**City  
of Milwaukee,  
Wisconsin**

**for the  
Year Ended  
December 31, 2012**

**Martin Matson  
Comptroller**

**CITY OF MILWAUKEE**  
Federal and State Single Audit Report

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**Office of the Comptroller**

September 20, 2013

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

Dear Mayor and Council Members:

The Single Audit Report for the City of Milwaukee, Wisconsin (the City) for the year ended December 31, 2012 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 Administration of the State of Wisconsin.

This report was prepared by the Office of the Comptroller. 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 for the year ended December 31, 2012. 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'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.

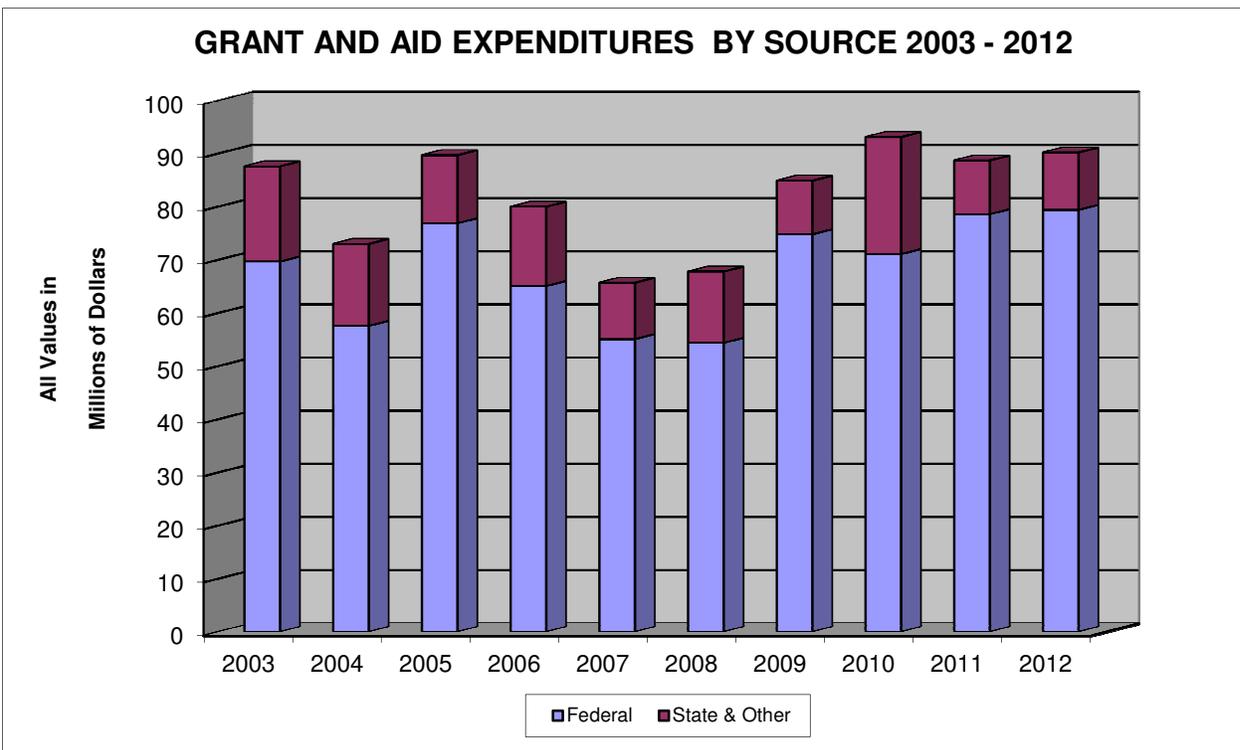
Grants made directly to the Redevelopment Authority of the City, the Milwaukee Economic Development Corporation, and the Century City Redevelopment Corporation are not included in this report. The Redevelopment Authority and any other applicable component units which receive grant funds and meet the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

## 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.

## 2012 GRANT ACTIVITIES

The City expended \$90.2 million of grant and aid dollars in 2012. This reflects a slight increase of approximately \$1.5 million compared to the previous year with \$0.8 million of the increase attributable to Federal assistance and \$0.7 million resulting from State and Other assistance. Any significant increases measured on a grant by grant basis were offset by competing reductions due to the winding down of programs funded through the recovery acts.

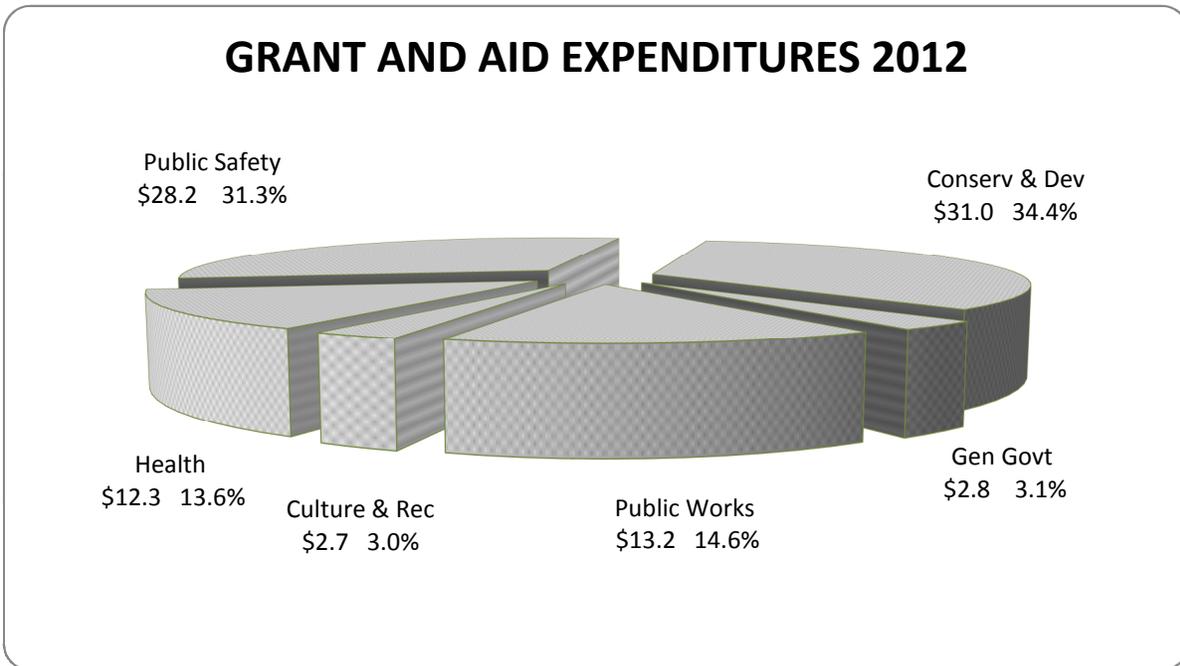


The chart above presents the City's grant and aid expenditures by source over the past 10 years. The chart reflects three years upward trend from 2008 through 2010 a slight drop in 2011 and a rebound in 2012. The chart also reflects the highest federal expenditures for 2012 compared to all the other years presented.

## GRANT EXPENDITURES

### 2003-2012

<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>	<u>2012</u>
\$87.6	\$73.0	\$89.7	\$80.0	\$65.7	\$67.8	\$84.9	\$93.1	\$88.7	\$90.2



The graph above indicates the areas in which the City expended 2012 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.

### ACKNOWLEDGEMENT

The preparation and timeliness of this report could not have been accomplished without the professionalism and dedication demonstrated by each member of the Revenue and Cost Division of the Comptroller's Office, the cooperation and involvement of the City departments grant programs staff and the able assistance of our independent auditors, KPMG LLP and affiliates. I extend my appreciation to you and members of your respective staff for your support and commitment in planning and conducting the fiscal affairs of the City.

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, 2012

Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	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:				
GR3801111000	2011 Women, Infant and Children	10.557	154710-160,154760-160	\$ 1,496,147	\$ 9,249
GR3801112000	2012 Women, Infants and Children	10.557	154710-260,154760-260	1,481,500	1,388,051
GR3801110010	2010 Women, Infant, and Children Program Income	10.557		390,393	104,464
	Subtotal CFDA #10.557				<u>1,501,764</u>
	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	23,788
GR3802812000	WIC Fit Families	10.561	154661-360	26,000	4,923
	Subtotal CFDA #10.561				<u>28,711</u>
	Direct Programs:				
	Urban and Community Forestry Program:				
GR5800212000	2012-2013 Urban Forestry	10.675	11-dg-1140004-019	272,821	8,014
PR320070100	Green Schools	10.675		345,000	130,738
	Subtotal CFDA #10.675				<u>138,752</u>
	Total U.S. Department of Agriculture				<u>1,669,227</u>
	U.S. Department of Commerce:				
	Passed through the State of Wisconsin Department of Administration:				
	Coastal Zone Management Administration Awards				
GR1500812000	2012-2013 Green Streets Policy	11.419	AD129611-011.47	60,000	30,886
	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	740,868
	Total U.S. Department of Commerce				<u>771,754</u>
	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-12-MC-55-0006	30,233,723	15,003,938
	Community Development Block Grant - Loans	14.218	B-11-MC-55-0006	N/A	195,195
	Housing and Economic Recovery Act:				
NS1XXXXXXXXXX	Neighborhood Stabilization Program	14.218	B-08-MN-55-0006	10,750,478	891,187
	Neighborhood Stabilization Program - Loans	14.218	B-08-MN-55-0006	N/A	239,408
	Dodd-Frank Act:				
NS4XXXXXXXXXX	Neighborhood Stabilization Program 4	14.218	B-11-MN-55-0006	2,858,691	607,324
	Neighborhood Stabilization Program 4 - Loans	14.218	B-11-MN-55-0006	N/A	428,189
	Subtotal CFDA #14.218				<u>17,365,241</u>

**CITY OF MILWAUKEE**  
Schedule of Expenditures of Federal, State, and Other Awards  
Year ended December 31, 2012

Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
DR1XXXXXXXXXX	American Recovery and Reinvestment Act: Community Development Block Grant	14.253	B-09-MY-55-0006	\$ 4,518,509	\$ 450,767
	Subtotal Community Development Block Grants – Entitlement Grants Cluster				<u>17,816,008</u>
	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	3,600,972	1,837,881
GR1501610000	2010-2014 CDBG - EAP	14.228	EAP 08-51	9,250,000	2,336,390
	Housing and Economic Recovery Act: Wisconsin Neighborhood Stabilization Program	14.228	NSP09-17	4,357,008	633,878
NS3XXXXXXXXXX	Dodd-Frank Act				
NS5XXXXXXXXXX	Neighborhood Stabilization Program	14.228	NSP11-01	1,506,250	161,547
	Neighborhood Stabilization Program - Loans	14.228	NSP11-01	N/A	732,930
	Subtotal Community Development Block Grants – State Administered Small Cities Program Cluster				<u>5,702,626</u>
	Direct programs:				
	Emergency Solutions Grant Program				
GR1500312000	2012 Federal Emergency Solution Grant	14.231	E-12-MC-55-0006	1,323,403	1,171,065
GR1510311000	2011 Federal Emergency Solution Grant	14.231	E-11-MC-55-0006	416,338	271,259
	Subtotal				<u>1,442,324</u>
	Passed through the State of Wisconsin Department of Administration:				
GR1541200000	State Emergency Solution Grants	14.231	ETH 12-13	344,264	70,150
	Subtotal CFDA #14.231				<u>1,512,474</u>
	Direct programs:				
	Home Investment Partnerships Program:				
HM00000000	Home	14.239	M-12-MC-55-0204	4,201,353	2,390,682
	Home - Loans	14.239	M-11-MC-55-0204	6,091,162	4,241,517
	Subtotal CFDA #14.239				<u>6,632,199</u>
	Direct programs:				
	Housing Opportunities for Persons with AIDS:				
GR1500111000	2011 HOPWA Grant	14.241	WIH 011-F001	576,432	34,143
GR1500112000	2012 HOPWA Grant	14.241	WIH 012-F001	579,000	575,899
	Subtotal CFDA #14.241				<u>610,042</u>
	Direct Programs:				
	Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants:				
GR1907010000	2010 30th Street Industrial Corridor	14.251	B-09-SP-WI-0153	332,500	53,556
	Direct programs:				
	American Recovery and Reinvestment Act: Neighborhood Stabilization Program 2	14.256	B-09-LN-WI-0036	26,950,485	4,607,480
NS2XXXXXXXXXX	Neighborhood Stabilization Program 2-Loans	14.256	B-09-LN-WI-0036	N/A	7,440,845
	Subtotal CFDA #14.256				<u>12,048,325</u>
	Direct programs:				
	American Recovery and Reinvestment Act: Homelessness Prevention and Rapid Re-housing	14.257	S-09-MY-55-0006	6,912,159	1,081,866

**CITY OF MILWAUKEE**  
Schedule of Expenditures of Federal, State, and Other Awards  
Year ended December 31, 2012

Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Direct programs:				
	Lead-Based Paint Hazard Control in Privately Owned Housing:				
GR3803409000	2009 Lead Based Paint Hazard	14.900	WILHB0404-08	\$ 2,999,580	\$ 1,102,942
GR3810290000	2000 Lead Hazard Reduction	14.900	WILHB0173-00	5,408,378	34,768
	Subtotal CFDA #14.900				<u>1,137,710</u>
	Direct programs:				
	Lead Hazard Reduction Demonstration Grant Program:				
GR3802809000	2009 Lead Hazard Reduction	14.905	WILH0192-08	3,997,986	1,105,574
GR3803711000	2010 Lead Hazard Reduction Demo	14.905	WILHD0220-10	4,500,000	1,862,629
	Subtotal CFDA #14.905				<u>2,968,203</u>
	Direct programs:				
	Lead Hazard Control Cluster:				
	American Recovery and Reinvestment Act:				
AR3800109000	Healthy Homes Demonstration Grants	14.908	WILHH0189-08	874,065	50,361
	Total U.S. Department of Housing and Urban Development				<u>49,613,370</u>
	U.S. Department of Interior:				
	Passed through Wisconsin Historical Society:				
	Historic Preservation Fund Grants-In-Aid:				
GR1300112000	2012 Certified Local Government	15.904		24,900	14,900
	Total U.S. Department of Interior				<u>14,900</u>
	U.S. Department of Justice:				
	Passed through the State of Wisconsin Office of Justice Assistance:				
	Juvenile Accountability Block Grants:				
GR1500911000	2011-2012 Juvenile Accountability	16.523	2010-JB-11-8911	84,362	54,273
GR1500912000	2012-2013 Juvenile Accountability	16.523	2011-JB-11-9634	64,311	10,655
	Subtotal CFDA #16.523				<u>64,928</u>
	Passed through the State of Wisconsin Office of Justice Assistance:				
	Developing, Testing and Demonstrating Promising New Programs:				
GR3300812000	2012-2013 Disproportionate Minority	16.541	2009-DM-01-9582	60,000	27,880
	Passed through the State of Wisconsin Department of Justice:				
	Missing Children's Assistance:				
GR3303111000	2011-2012 WI Internet Crimes	16.543	2009-MC-CX-K050	69,568	18,478
GR3303112000	2012-2013 WI Internet Crimes	16.543		35,000	6,808
	Subtotal CFDA #16.543				<u>25,286</u>
	Direct programs:				
	National Institute of Justice Research, Evaluation and Development Projects Grants:				
GR3305510000	2010-2012 Enhanced Cold Case Investigation	16.560	2010-DN-BX-K007	334,061	110,285
	Passed through Milwaukee County:				
	Edward Byrne Memorial Formula Grant Program:				
GR3300212000	2012 Milwaukee Metro Drug Enforcement	16.579		168,446	168,446

**CITY OF MILWAUKEE**  
Schedule of Expenditures of Federal, State, and Other Awards  
Year ended December 31, 2012

Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Passed through the State of Wisconsin Department of Justice Assistance:				
	Violence Against Women Formula Grants				
GR3807211000	2011 Sexual Assault Planning Grant	16.588	2011-VA03-9328	\$ 53,264	\$ 27,842
	Direct Programs:				
	Bulletproof Vest Partnership Program				
GR3303809000	2009-2013 Bulletproof Vest	16.607		11,712	1,972
GR3308112000	2012 Bulletproof Vest	16.607		24,142	24,142
	Subtotal CFDA #16.607				<u>26,114</u>
	Passed through the State of Wisconsin Office of Justice Assistance:				
	Project Safe Neighborhoods:				
GR3304010000	2010-2012 Safe Streets Reentry	16.609	2009-PE-01-7456	55,000	1,505
	Direct programs:				
	Public Safety Partnership and Community Policing Grants:				
GR3304310000	2010-2013 COPS Technology	16.710	2010CKWX0065	550,000	475,405
GR3305309000	2009-2013 COPS Child Sexual Predator	16.710	2009CSWX0022	400,341	99,577
GR3309509000	2009-2013 COPS Technology-Gunshot	16.710	2009CKWX0139	650,000	78,900
GR3805610000	2010 National Training and Technical Assistance for Homicide Review	16.710	2010CKWXX018	456,060	127,967
	American Recovery and Reinvestment Act:				
AR3300109000	2009-2012 COPS Hiring Recovery Program	16.710	2009RJWX0088	10,298,750	3,890,080
	Subtotal CFDA #16.710				<u>4,671,929</u>
	Passed through Milwaukee County:				
	Edward Byrne Memorial Justice Assistance Grant Program Cluster:				
GR3307110000	2010-2014 JAG-Edward Byrne Memorial	16.738		818,825	313,702
GR3307111000	2011-1014 JAG-Edward Byrne Memorial	16.738	2011-DJ-BX-3370	496,640	385,560
GR3307112000	2012-2015 JAG-Edward Byrne Memorial	16.738	2012-DJ-BX-1234	412,354	81,135
GR3308712000	2012 JAG Overtime	16.738	2009-DJ-BX-1040	148,847	148,847
	Passed through the State of Wisconsin Office of Justice Assistance:				
GR3300711000	2011-2012 JAG MHRC Strangulation	16.738	2009-DJ-06-8925	50,000	20,948
GR3301712000	2012-2013 Crisis Intervention Team	16.738	2009-DJ-01-9602	14,000	6,796
	Subtotal Edward Byrne Memorial Justice Assistance Grant Program Cluster				<u>956,988</u>
	Direct programs:				
	Federal Bureau of Investigation:				
GR3300611000	2011-2012 Joint Terrorism Task Force	16.XXX		17,202	3,111
GR3300612000	2012-2013 Joint Terrorism Task Force	16.XXX		17,202	934
GR3301812000	2012 Organized Crime-Rearview Mirror	16.XXX	GL-WIE-0170	33,698	33,698
GR3301911000	2011-2012 Organized Crime - Eastside Story	16.XXX	GL-WIE-158	20,000	7,323
GR3302112000	2012-2013 Organized Crime-Crooked Wrench #2	16.XXX	GL-WIE-0175	20,000	13,712
GR3302511000	2011-2012 IRS FITF	16.XXX		10,500	159
GR3302712000	2012 Organized Crime-Crooked Wrench	16.XXX	GL-WIE-0175	7,381	7,381
GR3303311000	2011-2012 DEA Task Force	16.XXX		34,405	25,148
GR3303312000	2012-2013 DEA Task Force	16.XXX		34,405	7,580

**CITY OF MILWAUKEE**  
Schedule of Expenditures of Federal, State, and Other Awards  
Year ended December 31, 2012

Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
GR3304611000	2011-2012 ATF/Firearms and VCIT	16.XXX	12-STP-243-AFF	\$ 76,037	\$ 56,716
GR3304612000	2012-2013 ATF/Firearms and VCIT	16.XXX	13-STP-243-AFF	99,000	12,798
GR3304912000	2012-2013 Organized Crime-Ricochet	16.XXX	GL-WIE-0168	15,000	2,415
GR3306712000	2012-2013 Organized Crime - Hands On #2	16.XXX	GL-WIE-0172	5,000	581
GR3307611000	2011-2012 U.S. Marshalls Service	16.XXX		16,947	12,102
GR3307611200	2012-2013 U.S. Marshalls Service	16.XXX		17,000	3,848
GR3308311000	2011-2012 Cyber Crime Task Force	16.XXX		17,202	4,156
GR3308312000	2012-2013 Cyber Crimes Task Force	16.XXX		17,202	2,669
	Passed through the State of Wisconsin Department of Justice:				
	Federal Bureau of Investigation:				
GR3303911000	2011-2012 CEASE Grant	16.XXX		7,455	2,994
GR3303912000	2012-2013 CEASE Grant	16.XXX		2,448	2,448
GR3302812000	2012 Organized Crime Poison Control	16.XXX		2,516	2,516
	Subtotal CFDA #16.XXX				<u>202,289</u>
	Direct programs:				
	Federal Bureau of Investigation:				
	Equitable Sharing Program				
Fund 0001	2012 Federal Asset Forfeiture	16.922			2,351,510
	Total U.S. Department of Justice				<u>8,635,002</u>
	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	16,779
	Passed through Jobs For The Future, Inc.:				
	Program of Competitive Grants for Worker Training and Placement in High Growth and Emerging Industry Sectors:				
	American Recovery and Reinvestment Act:				
AR1500610000	2010-2012 Pathways Out of Poverty	17.275	GJ-20024-10-60-A25	1,200,000	299,011
	Green Jobs Innovation Fund Grants				
GR1501711000	2011-2014 Green Jobs Innovation	17.279	IF-21926-11-60-A-25	901,200	291,123
	Total U.S. Department of Labor				<u>606,913</u>
	U.S. Department of Transportation:				
	Passed through the State of Wisconsin Department of Transportation:				
	Highway Planning and Construction Cluster:				
BR & ST	Federal Aid Highway Program	20.205	Various	67,803,231	4,376,710
GR5400309000	2009-2011 Clean Fleet Emission	20.205	1693-47-71	264,476	69,781
GR3200611000	2011-2012 I-94 N-S Freeway Project	20.205	1030-20-99 NO.14	6,000	2,753
GR3305711000	2011-2012 I-94 N-S Freeway Project	20.205	1030-20-99 NO.19	20,000	10,590
GR3306311000	2011-2013 I-94 N/S Freeway Project	20.205	1030-20-99 NO.20	15,000	7,292
GR5200411000	2011-2012 Vehicle Travel Monitor	20.205	0095-23-32	90,818	47,921
GR5200412000	2012-2013 Vehicle Travel Monitor	20.205	0095-33-32	89,749	15,688
	Subtotal CFDA #20.205				<u>4,530,735</u>

**CITY OF MILWAUKEE**  
Schedule of Expenditures of Federal, State, and Other Awards  
Year ended December 31, 2012

Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Passed through State of Wisconsin Department of Natural Resources:				
	Recreational Trails Program:				
GR5200210000	2010-2013 Hawthorn Glen Trail	20.219	RTA-444-10	\$ 30,000	\$ 28,047
	Subtotal Highway Planning and Construction Cluster				<u>4,558,782</u>
	Passed through the State of Wisconsin Department of Transportation:				
	Federal Transit - Formula Grants				
ST3201230XX	Interstate Cost Estimate Substitute - Milwaukee Connector	20.507	WI-95-X033-01	52,692,803	<u>373,840</u>
	Passed through the State of Wisconsin Department of Transportation:				
	Highway Safety Cluster:				
	State and Community Highway Safety:				
GR3300311000	2011-2012 Speed Enforcement	20.600	0952-40-13	60,000	52,504
GR3300312000	2012-2013 Speed Enforcement	20.600	0953-40-86	60,000	15,767
GR3305911000	2011-2012 Bicycle Safety Enforcement	20.600	0952-80-04	6,000	4,921
GR3306011000	2011-2012 Pedestrian Safety Enforcement	20.600	0952-80-05	6,000	4,889
	Subtotal CFDA #20.600				<u>78,081</u>
	Alcohol Impaired Driving Countermeasures Incentive Grants:				
GR3300411000	2011-2012 Alcohol Enforcement	20.601	0952-31-35	75,000	65,369
GR3300412000	2012-2013 Alcohol Enforcement	20.601	0953-31-65	74,900	16,842
	Subtotal CFDA #20.601				<u>82,211</u>
	Occupant Protection Incentive Grants:				
GR3304212000	2012-2013 Click It or Ticket	20.602	0953-25-74	50,000	8,000
GR3304211000	2011-2012 Click It or Ticket	20.602	0952-25-09	30,000	18,245
	Subtotal CFDA #20.602				<u>26,245</u>
	Child Safety and Child Booster Seats Incentive Grants				
GR3306112000	2012 Child Safety Seat	20.613	0952-24-63	4,000	3,822
	Subtotal Highway Safety Cluster				<u>190,359</u>
	Total U.S. Department of Transportation				<u>5,122,981</u>
	National Foundation on the Arts and the Humanities:				
	Direct programs:				
	Promotion of the Arts-Grants to Organizations and Individuals:				
GR1900712000	2012 WI Arts Board Regranting	45.024	RGT FY12-0242	23,060	<u>23,060</u>
	Passed through the State of Wisconsin Department of Public Instruction:				
	Grants to States				
GR8600812000	2012 Bridging the Summer Reading Gap	45.310	12-40-12-217-LSTA	28,346	28,254
	Total National Foundation on the Arts and the Humanities				<u>51,314</u>
	U.S. Environmental Protection Agency:				
	Passed through Wisconsin Department of Health Services-Division of Public Health:				
	Environmental Protection Agency - Office of Air and Radiation				
	State Indoor Radon Grants				
GR3801912000	2012 Cons Lead Detection	66.032	157720-260	261,492	<u>261,492</u>

**CITY OF MILWAUKEE**  
Schedule of Expenditures of Federal, State, and Other Awards  
Year ended December 31, 2012

Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Passed through Wisconsin Department of Natural Resources:				
	Beach Monitoring and Notification Program Implementation Grants:				
GR3804612000	2012 Beach Monitoring	66.472	WIDNR	\$ 8,717	\$ 8,717
	Total U.S. Environmental Protection Agency				<u>270,209</u>
	U.S. Department of Energy:				
	Passed through Wisconsin Department of Administration:				
	Conservation Research and Development:				
	American Recovery and Reinvestment Act:				
AR5400110000	2010-2013 Wisconsin Clean Transportation	81.086	AD09-9348	4,842,060	485,075
BU52010XXXX	Compressed Natural Gas Fueling Stations	81.086	AD09-9348	N/A	<u>665,284</u>
	Subtotal CFDA #81.086				<u>1,150,359</u>
	Direct Programs:				
	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance:				
	American Recovery and Reinvestment Act:				
AR1500310000	2010-2011 Milwaukee Shines-Solar	81.117	DE-EE0002081	660,543	260,832
	Direct Programs:				
GR1501808000	2008-2011 Solar America Cities	81.117	DE-FC36-08GO18094	220,000	33,083
	Passed through Midwest Renewable Energy Association:				
GR1500712000	2012-2013 SunShot Solar	81.117	DE-EE0005686.000	130,000	<u>86,703</u>
	Subtotal CFDA #81.117				<u>380,618</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	1,194,933
PT520110100	Wind Turbine	81.128	DE-EE0000844	N/A	172,363
	Passed through Wisconsin Energy Conservation:				
	American Recovery and Reinvestment Act:				
AR1500510000	2010-2013 Retrofit Ramp-Up	81.128	DE-EE00035791000	1,433,400	<u>496,077</u>
	Subtotal CFDA #81.128				<u>1,863,373</u>
	Total U.S. Department of Energy				<u>3,394,350</u>
	U.S. Department of Health and Human Services:				
	Passed through Association of Public Health Laboratories:				
	Laboratory Leadership, Workforce Training and Management Dev. Improving Public Health Laboratory Infrastructure				
GR3803512000	2012 Innovation in Public Health Laboratory Practice	93.065	APHL 12	20,000	20,000
	Passed through Association of Public Health Laboratories:				
GR3802712000	2012 Lab Master Mix Study Part	93.065		9,000	<u>9,000</u>
	Subtotal CFDA #93.065				<u>29,000</u>
	Passed through the State of Wisconsin Department of Health Services-Division of Public Health:				
	Public Health Emergency Preparedness:				
GR3804412000	2012-2013 Bioterrorism Focus CRI	93.069	155190-360	182,585	35,695
GR3804411000	2011-2012 Bioterrorism Focus CRI	93.069	155190-260	159,348	108,568

**CITY OF MILWAUKEE**  
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Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
GR3801812000	2012 Public Health Emergency Preparedness	93.069	155015-360	\$ 331,629	\$ 83,584
GR3801811000	2011 Public Health Emergency Preparedness	93.069	155015-260	331,629	210,915
	Subtotal CFDA #93.069				<u>438,762</u>
	Passed through Medical College of Wisconsin:				
	Affordable Care Act (ACA) Personal Responsibility Education Program				
GR3803612000	Plain Talk-Prep for Youth	93.092		60,000	56,877
GR3803611000	Plain Talk-Prep for Youth	93.092	159354-160	50,000	12,878
	Subtotal CFDA #93.092				<u>69,755</u>
	Direct Programs:				
	Food and Drug Administration - Research				
GR3806612000	FDA Food Inspection	93.103		70,000	6,263
	Passed through Wisconsin Department of Health Services-Division of Public Health:				
	Project Grants and Cooperative Agreements for Tuberculosis Control Programs:				
GR3805712000	2012 Tuberculosis Training	93.116	TBTRAIN	2,000	2,000
	Passed through Medical College of Wisconsin:				
	Coordinated Services and Access to Research for Women, Infants, Children and Youth				
GR3802412000	2012-2013 HIV Women's Project	93.153		164,610	29,322
GR3802411000	2011-2012 HIV Women's Project	93.153	5H12HA00093-16-00	150,029	78,189
	Subtotal CFDA #93.153				<u>107,511</u>
	Passed through Board of Regents of The University of Wisconsin System:				
	Mental Health Research Grants				
GR3805313000	HIV Risk Reduction	93.242	1R01MH089129	99,307	31,855
GR3805312000	HIV Risk Reduction	93.242	1R01MH089129	101,436	60,197
	Subtotal CFDA #93.242				<u>92,052</u>
	Passed through Wisconsin Department of Health Services-Division of Public Health:				
	Substance Abuse and Mental Health Services Projects of Regional and National Significance:				
GR3804312000	2012 LAUNCH	93.243	159319-260	612,000	137,687
GR3804310000	2010 LAUNCH	93.243	159319-160	689,600	(2,000)
	Passed through the State of Wisconsin Department of Health and Family Services				
GR3804311000	2011 LAUNCH	93.243	159319-160	625,000	471,705
	Subtotal CFDA #93.243				<u>607,392</u>
	Passed through Children's Hospital of Wisconsin:				
	Public Health Training Centers Program				
GR3802312000	2012 Children's Hospital Immunology Clinic	93.249	CHILDIMM12	75,000	31,130
	Passed through Board of Regents of the University of Wisconsin System				
GR3800812000	2012 Community Health Assessment	93.249	13-8224	22,000	19,943
	Subtotal CFDA #93.249				<u>51,073</u>
	Passed through Wisconsin Department of Health Services-Division of Public Health				
	Universal Newborn Hearing Screening				
GR3804012000	2012 Universal Newborn Hear Screen	93.251	115002-360	57,561	40,750
GR3804011000	2011 Universal Newborn Hear Screen	93.251		62,614	21,466
	Subtotal CFDA #93.251				<u>62,216</u>

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Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Passed through Wisconsin Department of Health Services-Division of Public Health:				
	Immunization Cooperative Agreements Cluster:				
GR3801512000	2012 Cons Immunization Action	93.268	155020-260	\$ 283,778	\$ 215,861
GR3801511000	2011 Cons Immunization Action	93.268		289,370	19,119
GR3802912000	2012 Hepatitis B Immunization	93.268	150280-260	45,000	45,000
GR3802911000	2011 Hepatitis B Immunization	93.268	150280-160	45,000	150
	Subtotal Immunization Grants Cluster				<u>280,130</u>
	Passed through the Board of Regents of the University of Wisconsin System:				
	The Affordable Care Act: Center for Disease Control and Prevention-Investigation and Technical Assistance				
GR3800510000	2010 Public Health Impact Initiative	93.283	1H75DP002736-01	317,133	45,562
GR3800511000	2011 Public Health Impact Initiative	93.283	1H75DP002736-01	75,000	13,000
	Passed through Wisconsin Department of Health Services-Division of Public Health:				
GR3801012000	2012 Breast Cancer Well Women	93.283	150156-360,157020-360	769,047	315,350
GR3801011000	2011 Breast Cancer Well Women	93.283		504,493	281,163
GR3803412000	2012 SURVNET - ACA	93.283		60,680	23,928
GR3803411000	2011 SURVNET - ACA	93.283	155141-260	60,680	50,715
	Subtotal CFDA #93.283				<u>729,718</u>
	Passed through Medical College of Wisconsin:				
	Minority Health and Health Disparities Research:				
GR3805912000	2012 Community Health Improvement Metcalfe - Save Lives Immunize	93.307		14,984	7,459
GR3805911000	2011 Community Health Improvement Metcalfe	93.307	5R24MD001812-07	8,790	1,415
	Subtotal CFDA #93.307				<u>8,874</u>
	Passed through Wisconsin Department of Children and Families:				
	Affordable Care Act (ACA) Maternal, Infant and Early Childhood Home Visiting Program:				
GR3805212000	2012 Home Visiting Comm of Practice	93.505	CFC000098	15,000	7,813
	Passed through Wisconsin Department of Children and Families:				
	Temporary Assistance for Needy Families Cluster:				
GR3806312000	2012 Milwaukee Comprehensive Home Visiting Family Foundation	93.558	CFA0064	900,000	402,737
GR3806311000	2011 Milwaukee Comprehensive Home Visiting Family Foundation	93.558	CFA0064	900,000	431,599
GR3806411000	2011 Milwaukee Comprehensive Home Visiting	93.558	521110-160	406,042	(123)
	Passed through the State of Wisconsin Department of Health and Family Services:				
GR3806409010	2009 Milwaukee Comprehensive Home Visiting Program Income	93.558		633,816	162,660
	Subtotal Temporary Assistance for Needy Families Cluster				<u>996,873</u>
	Passed through Wisconsin Department of Children and Families:				
	Refugee and Entrant Assistance-State Administered Programs:				
GR3803311000	2011 Refugee Health Screening Grant	93.566	7310-RP	440,000	328,590
	Passed through the State of Wisconsin Department of Health and Family Services				
	Medical Assistance Program				
GR3805812000	2012 MA Outreach-Forward Health	93.778	445461-260	319,125	319,092
GR3805811000	2011 MA Outreach-Forward Health	93.778	445461-160	295,469	2,036
	Subtotal CFDA #93.778				<u>321,128</u>

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Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Passed through Wisconsin Department of Health Services-Division of Public Health: HIV Prevention Activities Health Department Based:				
GR3800312000	2012 Sexually Transmitted Diseases	93.940	155945-260	\$ 194,000	\$ 191,232
	Passed through Wisconsin Department of Health Services-Division of Public Health: Preventive Health Services Sexually Transmitted Diseases Control Grants:				
GR3800312000	2012 Sexually Transmitted Diseases	93.977	155027-260	340,000	338,669
GR3800311000	2011 Sexually Transmitted Diseases	93.977	155027-160	334,865	3,727
	Subtotal CFDA #93.977				<u>342,396</u>
	Passed through Wisconsin Department of Health Services-Division of Public Health: Preventive Health and Health Services Block Grant				
GR3800912000	2012 Preventive Health	93.991	159220-360	37,667	<u>6,000</u>
	Passed through the State of Wisconsin Department of Health Services - Div. of Public Health: Maternal and Child Health Services Block Grant to the States:				
GR3801312000	2012 Consol Maternal & Child Health	93.994	159320-260	419,869	<u>339,299</u>
	Total U.S. Department of Health and Human Services				<u>5,018,077</u>
	Executive Office of the President:				
	Direct programs:				
	High Intensity Drug Trafficking Area Program:				
GR1501412000	2012 HIDTA - Safe and Sound	95.001	G12ML0003A	742,654	673,297
GR1501411000	2011 HIDTA - Safe and Sound	95.001	G11ML0003A	747,000	111,738
GR3302212000	2012 HIDTA - Interdiction	95.001	G12ML0002A	29,181	28,563
GR3302312000	2012 HIDTA - Heroin	95.001	G12ML0002A	19,558	16,660
GR3302412000	2012 HIDTA - Intelligence	95.001	G12ML0002A	33,509	29,195
GR3303612000	2012 HIDTA - Fugitive Task Force	95.001	G12ML0002A	22,509	20,009
GR3303611000	2011 HIDTA - Fugitive Task Force	95.001	G11ML0002A	36,776	15,100
GR3304712000	2012 HIDTA - REACT	95.001	G12ML0002A	89,930	89,930
GR3304812000	2012 HIDTA - Joint Drug Gang	95.001	G12ML0002A	612,335	445,342
GR3304811000	2011 HIDTA - Joint Drug Gang	95.001	G11ML0002A	608,408	113,634
	Passed through the City of West Allis:				
GR3308610000	2010 HIDTA - DHE - 10-52	95.001	10-52DHE	456	(456)
GR3309112000	2012 HIDTA - DHE - 12-25	95.001	12-25DHE	347	<u>347</u>
	Total Executive Office of the President				<u>1,543,359</u>
	U.S. Department of Homeland Security:				
	Passed through the State of Wisconsin Department of Military Affairs: Disaster Grants – Public Assistance (Presidentially Declared Disasters) Cluster				
Fund 0420	2008 FEMA – June Flood - Water - Pumping Station	97.036		300,983	<u>300,983</u>
	Passed through Milwaukee County Disaster Housing Program				
GR5010019000		97.037	3MD02	1,723,980	<u>3,275</u>
	Passed through the State of Wisconsin Department of Military Affairs: Pre-Disaster Mitigation				
GR5400210000	2010-2013 Pre-Disaster Mitigation	97.047	EMC-2010-PC-0002	30,000	<u>30,000</u>

**CITY OF MILWAUKEE**  
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Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Passed through the State of Wisconsin Office of Justice Assistance:				
	Interoperable Emergency Communications				
GR3100212000	2012-2013 SCIP Implementation	97.055	2010-IO/SHS-01/05-9299	\$ 60,333	\$ 58,335
GR3100211000	2011 SCIP Coordinator	97.055	2009/2008-IO-01-8596	58,666	5,256
	Subtotal CFDA #97.055				<u>63,591</u>
	Direct programs:				
	Port Security Grant Program:				
PT320100200	2007-2012 Port Security - Port of Milwaukee - Fence	97.056	2007-GB-T7-0332	630,580	77,155
GR1502012000	2012-2014 Port Security	97.056	EMW2012PU00300	301,873	3,935
GR1502610000	2010-2013 Port Security	97.056	2010-PU-T0-0069	366,795	42,606
GR1502711000	2011-2014 Port Security	97.056	EMW2011PU00294S01	337,344	79,599
GR1502509000	2009-2012 Port Security	97.056	2009--PU-T9-0098	766,686	174,749
Fund 0480	2009-2012 Port Security - Port of Milwaukee	97.056		N/A	37,344
GR1502208000	2008-2012 Port Security	97.056	2008-GB-T8-0145	779,044	14,425
Fund 0480	2008-2012 Port Security - Port of Milwaukee	97.056		N/A	9,516
PT320100300	2008/2012 Port Security - Port of Milwaukee - (Boat)	97.056		N/A	86,494
	Subtotal CFDA #97.056				<u>525,823</u>
	Homeland Security Grant Program Cluster:				
	Passed through the State of Wisconsin Department of Justice:				
GR3803211000	2011 Urban Area Security Initiative	97.067		210,284	142,353
	Passed through the State of Wisconsin Office of Justice Assistance:				
GR3100112000	2012-2013 HS/UASI Planning & M&A	97.067	2010-HS-18L-9639	182,992	35,185
GR3100310000	2010-2012 UASI Planning & M&A	97.067	2008-HS-18K-7636	116,465	5,472
GR3201411000	2011-2013 UASI Grant	97.067	VARIOUS	436,645	185,973
GR3201410000	2010-2012 UASI Grant	97.067	VARIOUS	800,802	68,412
GR3201409000	2009-2012 UASI Grant	97.067	VARIOUS	768,612	21,482
GR3305411000	2011-2013 UASI Program	97.067	VARIOUS	1,175,000	385,706
GR3305410000	2010-2012 UASI Program	97.067	VARIOUS	894,510	389,639
GR3201212000	2012 HS/UASI Equipment	97.067	2009-HS-19-9651	63,284	62,718
GR3301612000	2012 HS/UASI Equipment	97.067	2009-HS-19-9650	132,402	132,395
GR3305011000	2011-2012 UASI Equipment	97.067	2010-HS-18-8801	175,283	17,570
GR3200812000	2011-2013 MMRS Grant	97.067	2010-HS-20-9225	301,548	61,822
GR3200810000	2010-2012 MMRS Grant	97.067	2009-HS-20-7838	311,584	152,222
GR3200911000	2011-2012 Homeland Security Training	97.067	2010-HS-03-9243	8,029	7,578
GR3100111000	2011-2012 Homeland Security Planning	97.067	2009-HS-18-8709	216,242	113,447
GR3100410000	2010 -2012 Homeland Security M&A	97.067	2009-HS18L8265	20,000	703
GR3200210000	2010-2012 HS/Reg. Haz-Mat Exercise	97.067	2009-HS-04-7700	27,011	9,701
	Subtotal Homeland Security Cluster				<u>1,792,378</u>
	Direct Programs:				
	Metropolitan Medical Response System				
GR3280083000	2003 Metro Medical Response System	97.071	233-03-0065	280,000	41,690

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Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Direct programs:				
	Port Security Grant Program:				
	American Recovery and Reinvestment Act:				
AR1500209000	2009-2012 Port Security	97.116	2009-PU-RI-0281	\$ 423,773	\$ <u>5,813</u>
	Total Department of Homeland Security				<u>2,763,553</u>
	Total Federal Assistance				<u>79,475,009</u>
	State Assistance:				
	State of Wisconsin Department of Administration:				
	Direct programs:				
GR1901711000	2011 Wisconsin Coastal Management Grant	505.112	AD119502-012-08	\$ 34,000	\$ <u>22,850</u>
	Total State of Wisconsin Department of Administration				<u>22,850</u>
	State of Wisconsin Department of Administration - Bureau of Supportive Housing				
	Direct Programs:				
GR1541200000	State Emergency Solutions Grant	505.XXX	ETH 12-13	456,737	<u>32,835</u>
	Total State of Wisconsin Department of Administration- Bureau of Supportive Housing				<u>32,835</u>
	State of Wisconsin Department of Health Services				
	Wisconsin Division of Public Health				
	Direct programs:				
	Passed through Breast Cancer Mammography:				
GR3801211000	2011 Breast and Cervix Cancer Awareness	435.119		115,200	<u>56,364</u>
GR3800712000	2012-2013 Congenital Disorders	435.128		142,026	72,175
GR3800711000	2011-2012 Congenital Disorders	435.128		142,026	<u>68,151</u>
	Subtotal State Approp. #435.128				<u>140,326</u>
GR3801112000	2012 Women, Infants and Children	435.154	154720-260	6,237	<u>6,237</u>
GR3801911000	2011 Consolidated Child Lead Detection	435.157		266,499	8,123
GR3801011000	2011 Breast Cancer Well Woman	435.157		150,058	<u>83,984</u>
	Subtotal State Approp #435.157				<u>92,107</u>
	Wisconsin Division of Public Health				
	Direct Programs:				
GR3807612000	2012 Dual Protection Part Initiative	435.XXX	DUALPROT12	200,000	16,429
GR3200412000	2012-2013 EMS Funding Assistance	435.XXX		70,062	6,561
GR3200411000	2011-2013 EMS Funding Assistance	435.XXX		58,937	58,937
GR3200410000	2010-2012 EMS Funding Assistance	435.XXX		80,345	<u>9,183</u>
	Subtotal State Approp. #435.XXX				<u>91,110</u>
	Total State of Wisconsin Department of Health Services				<u>386,144</u>

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Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	State of Wisconsin Department of Justice:				
	Direct Programs:				
	Law Enforcement Community Policing Grant:				
GR3308512000	2012 Neighborhood Safety Initiative	455.214	165.984	\$ 222,700	\$ 222,700
	Law Enforcement Training Fund - Local Assistance:				
GR3301412000	2012-2013 Advanced Training-Crisis Negotiation	455.231	13-008	11,355	11,095
GR3301411000	2011-2012 Advanced Training – Fitness Specialist	455.231	12-036	17,000	15,500
GR3306511000	2011-2012 Advanced Training - Supervisor Personnel	455.231	12-509	19,000	19,000
GR3306612000	2012-2013 Roll Call Law Video	455.231	13-025	14,140	4,711
GR3307011000	2011-2012 Roll Call Law Video	455.231	12-019	14,140	13,466
	Subtotal State Approp# 455.231				<u>63,772</u>
	Total State of Wisconsin Department of Justice				<u>286,472</u>
	Wisconsin Office of Justice Assistance:				
	Direct programs:				
	Uniform Beat Patrol Officers:				
GR3301512000	2012 Beat Patrol	505.620	2012-BP-01-7442-3	126,714	126,714
	Total Wisconsin Office of Justice Assistance				<u>126,714</u>
	State of Wisconsin Department of Military Affairs:				
	Direct programs:				
Fund 0420	2008 FEMA – June Flooding Pump Station	465.305		50,164	50,164
GR3306912000	2012 HazMat Tech Class			5,400	5,052
	Total State of Wisconsin Department of Military Affairs				<u>55,216</u>
	State of Wisconsin Department of Natural Resources:				
	Direct programs:				
GR5800312000	2012-2013 Urban Forestry Program	370.587	UF-1076-12	25,000	20,000
GR5400112000	2012 Recycling Grant-Basic	370.665	RU#40251	2,324,896	2,324,896
GR5457029000	2009 Recycling Efficiency Grant	370.665	RU#40251	329,597	38,487
	Subtotal State Approp #370.665				<u>2,363,383</u>
GR1901310000	2010 Brownfield Site Assessment	370.687		143,497	1,884
GR5200210000	2010-2013 Hawthorn Glen Trail	370.TA1	S-ADLP3-1086	110,000	76,191
SM320120100	Non Point Source Stormwater Management Grant Program - Green Streets	370.TH1	USC-MI01-40251-12	150,000	123,145
	Total State of Wisconsin Department of Natural Resources				<u>2,584,603</u>
	State of Wisconsin Department of Public Instruction:				
	Direct programs:				
GR8600112000	2012-2013 Interlibrary Loan	255.XXX	WIPUBINT12	48,240	27,235
GR8600111000	2011-2012 Interlibrary Loan	255.XXX	WIPUBINT11	48,240	30,643
GR8600212000	2012-2013 Regional Library Blind	255.XXX	WI REG LIB12	968,700	398,800
GR8600211000	2011-2012 Regional Library Blind	255.XXX	WI REG LIB11	968,700	362,723

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Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Subtotal State Approp. #255.XXX				<u>819,401</u>
	Total State of Wisconsin Department of Public Instruction				<u>819,401</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	\$ <u>925,451</u>
GR3200611000	2011-2012 I-94 N-S Freeway Project	395.361	1030-20-99 NO.14	30,000	11,013
GR3200711000	2011-2012 I-94 E-W Freeway Repaving	395.361	1060-34-90 BO.21	10,000	4,173
GR3305711000	2011-2012 I-94 N-S Freeway Project	395.361	1030-20-99 NO. 19	100,000	42,358
GR3306311000	2011-2012 I-94 N-S Freeway Project	395.361	1030-20-99 NO. 20	75,000	29,170
GR3307711000	2011-2012 I-94 E-W Freeway Repaving	395.361	1060-34-90	40,000	12,733
	Subtotal State Approp.# 395.361				<u>99,447</u>
PT320080100	Harbor Assistance Grant for Liquid Cargo Pier Rehabilitation	395.128	0495-07-01, 0495-07-02	1,200,000	<u>23,196</u>
	Total State of Wisconsin Department of Transportation				<u>1,048,094</u>
	Total State Assistance				<u>5,362,329</u>
	Local Assistance:				
	Bradley Center:				
	Direct programs:				
GR3304511000	2011-2013 Bradley Center			\$ 162,000	\$ <u>72,538</u>
	Total Bradley Center				<u>72,538</u>
	City of Charlotte, North Carolina				
	Direct programs:				
GR3305112000	2012 Charlotte Democratic Convention			252,000	<u>197,265</u>
	Total City of Charlotte, North Carolina				<u>197,265</u>
	City of Chicago				
	Direct programs:				
GR3303412000	2012 Chicago NATO Summit			500,000	<u>264,027</u>
	Total City of Chicago				<u>264,027</u>
	Columbia St. Mary's				
	Direct programs:				
GR3806309000	Intensive Home Visit/Center Health		CSM 063	439,708	<u>44,332</u>
	Total Columbia St. Mary's				<u>44,332</u>
	Focus on Energy				
	Direct programs:				
PT520110100	Wind Turbine			100,000	<u>100,000</u>
	Total Focus on Energy				<u>100,000</u>
	Greater Milwaukee Foundation				
	Direct programs:				

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Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
GR1901611000	2011 Civic Best Practices Grant		#20111233	\$ 10,000	\$ 5,451
GR3308612000	2012-2013 Students Talking It Over			25,000	9,777
GR3803811000	GMF-Homicide Review Commission		GMFHOM11	10,000	10,000
GR3806511000	GMF-Homicide Review Commission		GMFHOMCOMM11	30,000	30,000
GR8600411000	Civic Best Practices Grant		CIVICBEST11	6,050	1,758
	Total Greater Milwaukee Foundation				56,986
	Health Care Education & Training, Inc. (HCET)				
	Direct programs:				
GR3800411000	FCH Dual Protect Partnership			2,500	2,500
	Total Health Care Education & Training, Inc. (HCET)				2,500
	Health Care Financing Administration				
	Direct programs:				
GR3800106000	2006 MHSP Management Grant			4,200,000	49,284
GR3800107000	2007 MHSP Management Grant			447,000	(5,100)
GR3010014000	2004 MHSP Management Grant			5,774,553	65,587
	Total Health Care Financing Administration				109,771
	Healthier Wisconsin Partnership Program				
	Direct Programs:				
	Passed through Alcohol Research Programs-STD/HIV Risk Counseling				
GR3802612000	Around the Corner to Better Health		1328336	40,002	14,958
GR3803012000	Immunization-Utilizing Peer Teen Advocate		IMM12	29,431	29,431
	Total Healthier Wisconsin Partnership Program				44,389
	Helen Bader Foundation				
	Direct programs:				
GR3308611000	2011-2012 Students Talking it Over			10,000	1,894
	Total Helen Bader Foundation				1,894
	Joyce Foundation:				
	Direct programs:				
GR3807512000	2012 Mayors Against Illegal Guns		ILLGUNS12	75,000	42,409
GR3807511000	2011 Mayors Against Illegal Guns		ILLGUNS11	75,000	33,060
GR3807509000	2009 Mayors Against Illegal Guns		ILLGUNS09	75,000	2,894
	Total Joyce Foundation				78,363
	MAC AIDS Funds (MAC Cosmetic Co.)				
	Direct programs:				
GR3802512000	2012 End AIDS Milwaukee		ENDAIDS12	55,000	29,386
	Passed through Diverse and Resilient, Inc.				
GR3802511000	2011 End AIDS Milwaukee		ENDAIDS11	105,000	97,839
	Total MAC AIDS Funds (MAC Cosmetic Co.)				127,225

**CITY OF MILWAUKEE**  
 Schedule of Expenditures of Federal, State, and Other Awards  
 Year ended December 31, 2012

Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	Milwaukee County Federated Library System:				
	Direct programs:				
GR8600112000	2012-2013 Interlibrary Loan		MCFLS 1/1/13-6/30/13	\$ 18,225	\$ 10,073
GR8600111000	2011-2012 Interlibrary Loan		MCFLS 7/1/11-12/31/11	18,225	11,334
	Total Milwaukee County Federated Library System				<u>21,407</u>
	Milwaukee Foundation:				
	Direct programs:				
GR3802112000	Breast Cancer GMF-Urban Fund		GMF20112962	13,040	13,040
GR3804810000	Milwaukee Champion Prize		CHAMPPRIZE	1,130	630
GR3804811000	Milwaukee Champion Prize		CHAMPPRIZE	1,440	310
GR3810110000	2010 Milwaukee Foundation Breast Cancer Awareness Grant			883,062	2,100
	Total Milwaukee Foundation				<u>16,080</u>
	Milwaukee Metropolitan Sewerage District:				
	MMSD/Tellier Foundation				
SM320110100	Private Property Infiltration & Inflow MMSD		MMSD	3,400,000	2,033,065
	Total Milwaukee Metropolitan Sewerage District				<u>2,033,065</u>
	Milwaukee Public Schools:				
	Direct programs:				
GR3300912000	2012-2013 TABS Grant			320,000	175,430
GR3300911000	2011-2012 TABS Grant			320,000	141,785
GR3306811000	2011-2012 MBSD Grant			60,000	29,725
GR3306812000	2012-2013 MBSD Grant			60,000	26,862
GR3304411000	2011-2012 MPS-SRO			375,000	186,745
GR3304412000	2012-2013 MPS-SRO			471,000	179,344
GR3307311000	2011-2012 MPS-SRO-Northwest School			96,000	55,662
	Total Milwaukee Public Schools				<u>795,553</u>
	Milwaukee Brewers Baseball Club				
	Direct programs:				
GR3305812000	2012-2013 Brewers Baseball			1,000,000	970,359
	Total Milwaukee Brewers Baseball Club				<u>970,359</u>
	University of Wisconsin Medical School				
	Direct programs:				
GR3807810000	2010 Ecocultural Family Inter Assessment		UW-SMPH-09	161,317	7,338
	Total University of Wisconsin Medical School				<u>7,338</u>
	Board of Regents of the University of Wisconsin System				
	Direct programs:				
GR3804911000	2011 Immunize Milwaukee			27,680	8,962
	Total Board of Regents of the University of Wisconsin System				<u>8,962</u>
	United Health Foundation				
	Direct programs:				
GR3805111000	2011 Cribs for Kids		CRIBSSUHC11	50,000	53,849
	Total United Health Foundation				<u>53,849</u>

**CITY OF MILWAUKEE**  
Schedule of Expenditures of Federal, State, and Other Awards  
Year ended December 31, 2012

Project I.D.	Grantor agencies	CFDA or State approp. number	Grant Award/ Contract	Grant award amount	Grantor expenditures
	State of Wisconsin Department of Natural Resources				
	Direct programs:				
	Capitalization Grants for Clean Water - State Revolving Fund				
SM49XXXXXXXX	2009 Clean water		DNR#4428.12	\$ 17,340,826	\$ 37,527
	Total State of Wisconsin Department of Natural Resources				<u>37,527</u>
	United Way of Greater Milwaukee				
	Direct programs:				
GR3807111000	2011 Infant Mortality Reduction Initiative		UWGM11	200,000	71,542
	Total United Way of Greater Milwaukee				<u>71,542</u>
	University of Wisconsin-Milwaukee				
	Direct programs:				
GR3300512000	2012 UWM Grant			15,000	15,000
GR3301212000	2012 UWM Grant#2			25,000	24,235
GR3807412000	Public Health 101		MC11693	7,500	7,500
	Total University of Wisconsin-Milwaukee				<u>46,735</u>
	WE Energies				
	Direct programs:				
PT520110100	Wind Turbine			100,000	100,000
	Total WE Energies				<u>100,000</u>
	Wisconsin Housing and Economic Development Authority				
	Direct programs:				
GR3601812000	2012 Strategic Blight Elimination Grant			500,000	71,511
	Total Wisconsin Housing and Economic Development Authority				<u>71,511</u>
	Wisconsin Partnership Program				
	Passed through Children's Hospital of Wisconsin				
GR3803712000	Preserving Infant & Child Health			48,394	35,559
	Total Wisconsin Partnership Program				<u>35,559</u>
	Youth Service America, Inc.				
	Direct programs:				
GR1901911000	2011 Global Youth Service Day			2,000	1,693
	Total Youth Service America, Inc.				<u>1,693</u>
	Total Local Assistance				<u>5,370,470</u>
	Total All Agencies				<u>\$ 90,207,808</u>

## CITY OF MILWAUKEE

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

Year ended December 31, 2012

#### (1) Reporting Entity

The funds and entities presented in the City of Milwaukee's Federal and State Single Audit Report are controlled by or are dependent on the City of Milwaukee (the City). The basis for defining the reporting entity of the City of Milwaukee is discussed in the summary of significant accounting policies note in the City's Comprehensive Annual Financial Report, which can be found on the City's Web site at <http://city.milwaukee.gov/ComprehensiveAnnualFinancial>. 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 Redevelopment Authority of the City of Milwaukee (RACM), the Neighborhood Improvement Development Corporation (NIDC), and the Century City Redevelopment Corporation (CCRC) are not included in this report. The Redevelopment Authority, 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 that 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.

#### (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.

**CITY OF MILWAUKEE**

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

Year ended December 31, 2012

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 2012 and 2011 pass – through grantor’s numbers and the total grant awards for the two years. In addition, the City received \$288,962 and \$279,920 in 2012 and 2011, 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 \$1,187,392 in 2012 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.

**(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 2012, the greater amount was \$2,132,488. (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 2012, the threshold for these programs was \$213,249 to \$2,132,488. Federal programs classified as major for the year ended December 31, 2012 were as follows:

<u>Grant programs</u>	<u>CFDA number</u>	<u>2012 expenditures</u>
CDBG – Entitlement Grants Cluster	14.218/14.253	\$ 17,816,008
Home Investment Partnerships Program	14.239	6,632,199
Neighborhood Stabilization Program 2	14.256	12,048,325
Homelessness Prevention and Rapid ReHousing	14.257	1,081,866
Lead Hazard Reduction Demonstration Grant Program	14.905	2,968,203
Equitable Sharing Program	16.922	2,351,510
Public Safety Partnership and Community Policing Grants	16.710	4,671,929
Energy Efficiency and Conservation Block Grant	81.128	1,863,373

**CITY OF MILWAUKEE**

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

Year ended December 31, 2012

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, 2012 was as follows:

<u>Grant programs</u>	<u>State appropriation number</u>	<u>2012 Grantor expenditures</u>
Recycling Grant	370.665	2,363,383

**(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, 2012, the aggregate outstanding balance of these loans was \$38,886,124. This amount consisted of Community Development Block Grant – \$4,181,737 (CFDA #14.218), Neighborhood Stabilization Program 1 – \$3,103,952 (CFDA #14.218), HOME Investment Partnerships Program – \$20,641,584 (CFDA #14.239), Neighborhood Stabilization Program 2 (ARRA) – \$9,572,564 (CFDA #14.256), Neighborhood Stabilization Program 3 – \$436,188 (CFDA #14.228), Neighborhood Stabilization Program 4 – \$217,169 (CFDA #14.218), and Neighborhood Stabilization Program 5 – \$732,930 (CFDA #14.228).

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, 2012, the City received a total of \$32,276,848 of the loan proceeds of which \$14,488,848 principal was forgiven in 2009 and \$1,826,260 was forgiven in 2010.

**(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, 2012

**(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 2012:

<b>Program</b>	<b>CFDA/State ID number</b>	<b>Amount</b>
Broadband Technology – ARRA	11.557	\$ 199,980
Community Development Block Grant	14.218	7,241,491
Neighborhood Stabilization Program 1	14.218	50,270
Neighborhood Stabilization Program 1 – WI	14.228	349,745
CDBG – Emergency Assistance Program	14.228	4,162,091
Emergency Solutions Grants Program – 2012	14.231	1,123,130
Emergency Solutions Grants Program – 2011	14.231	263,226
Emergency Solutions Grants Program – WI	14.231	102,739
Home Investment Partnerships Program	14.239	4,154,048
Housing Opportunity for Persons with Aids	14.241	610,042
Community Development Block Grant – ARRA	14.253	104,349
Neighborhood Stabilization Program 2 – ARRA	14.256	473,926
Homelessness Prevention and Rapid ReHousing Program – ARRA	14.257	1,028,792
Juvenile Accountability Block Grants	16.523	42,857
WIA Pilots, Demonstrations, and Research Projects	17.261	15,190
Pathways Out of Poverty – ARRA	17.275	291,515
Green Jobs Innovation	17.279	259,918
High Intensity Drug Trafficking Area – Safe and Sound	95.001	785,035
Port Security Grant Program	97.056	204,989
Port Security Grant Program – ARRA	97.116	5,812

## **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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 30, 2013. Our report includes a reference to other auditors who audited the financial statements of the Redevelopment Authority of the City of Milwaukee, 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**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described below as findings 2012-001 and 2012-002 that we consider to be significant deficiencies.



### ***Finding 2012-001 – Accrued Expenditures***

U.S. generally accepted accounting principles require expenditures to be accrued in the period incurred. The City's process to ensure all expenditures are accrued in the proper period includes weekly queries of transactions through April 30 and ongoing communications with departments to notify the comptroller's office of additional items for accrual. Although the City continues to refine its year-end processes for ensuring expenditures are recorded in the proper period, during our audit, we found expenditures in the capital projects funds totaling approximately \$276,000 were incurred during the year ended December 31, 2011 but were incorrectly reported as expenditures in the City's financial statements during the year ended December 31, 2012. We also found expenditures totaling approximately \$474,000, which were incurred but were not reported as expenditures during the year ended December 31, 2012. In some cases, the invoices were unclear as to when the services were performed and further investigation was not performed to determine the period to which the expenditure pertained. In other cases, the invoices were reviewed, and however, the conclusion reached was incorrect.

### ***Recommendation***

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

### ***City'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 mid-April for possible accrual to statements prior to the preparation of the financial statements and final trial balances. In addition, departments cooperated in this effort by notifying and providing additional material vouchers through June for our review and accrual if warranted. We will continue to work with departments on this process.

### ***Finding 2012-002 – Bank Account and Investment Reconciliations***

The City performs bank account and investment reconciliations as part of their internal control policies and procedures. The reconciliations consist of a rollforward of the activity for the entire year and have unreconciled variances, which fluctuate in amounts from month to month. The majority of the variances pertain to deposits made either by another department or direct wires into the bank and investment accounts for which the purpose is unknown, which prohibits the treasurer's office from recording the revenue in the general ledger. During our test work over the bank account and investment reconciliations at year-end, we found a reconciling item totaling approximately \$10 million in the local government investment pool reconciliation, which was not adjusted in the general ledger. The reconciling item was cash received prior to year-end that should have been reflected as a due to other government agencies in the agency funds. Management ultimately recorded the correcting journal entry in the 2012 financial statements. Without the timely resolution of reconciling items, revenues or expenses could be understated in the City's financial statements.

### ***Recommendation***

We recommend the City implement procedures to clearly identify the year-end reconciling items on the bank reconciliation. We also recommend the City establish procedures to investigate and adjust the reconciling items in the general ledger on a timely basis.



### ***City's Response***

All unreconciled variances relate to deposits made by other City departments or the Milwaukee Public Schools and have always been clearly identified on the bank reconciliation. Items are booked to the general ledger as soon as the requisite documents are received by the Office of the City Treasurer. If deemed appropriate, such year-end deposits could be booked to the customer deposits account and then transferred to the proper revenue accounts by journal entry upon receipt of the requisite documents from the deposit recipient departments.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The City's Responses to Findings**

The City's responses to the findings identified in our audit are previously described above. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the responses.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**KPMG LLP**

July 30, 2013



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

**Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations**

The Honorable Members  
Common Council  
City of Milwaukee, Wisconsin

**Report on Compliance for Each Major Federal Program**

We have audited the City of Milwaukee, Wisconsin's (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*, that could have a direct and material effect on each of the City's major federal and state programs for the year ended December 31, 2012. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 and state program occurred. An audit includes examining, on a test basis, evidence about The City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.



### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding 2012-003. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program 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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2012-003, that we consider to be a significant deficiency.

The City's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the State of Wisconsin *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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 as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated July 30, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedules of expenditures of federal and state awards are 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditure of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**KPMG LLP**

Milwaukee, Wisconsin  
September 20, 2013

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**CITY OF MILWAUKEE**  
Schedule of Findings and Questioned Costs  
Year ended December 31, 2012

**(1) Summary of Auditors' Results**

***Financial Statements***

- A. Type of auditors' report issued on the basic financial statements: **Unmodified**
- B. Internal control over financial reporting:
- Material weaknesses identified? **No**
  - 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? **No**
  - Significant deficiencies identified that are not considered to be material weaknesses? **Yes**
- E. Type of auditors' report issued on compliance for major programs: **Unmodified for all major programs.**
- F. Any audit findings that are required to be reported in accordance with §\_\_\_.510(a) of OMB Circular No. A-133? **Yes**
- G. Identification of major federal and state programs:

Federal:

- U.S. Department of Housing and Urban Development:
  - CDBG – Entitlement Grants Cluster (CFDA #14.218/14.253)
  - HOME Investment Partnerships Program (CFDA #14.239)
  - Neighborhood Stabilization Program-2 (CFDA #14.256)
  - Homelessness Prevention and Rapid ReHousing (CFDA #14.257)
  - Lead Hazard Reduction Demonstration Grant Program (CFDA #14.905)
- U.S. Department of Justice
  - Public Safety Partnership and Community Policing Grant (CFDA #16.710)
  - Equitable Sharing Program – Federal Asset Forfeiture (CFDA #16.922)
- U.S. Department of Energy
  - Energy Efficiency and Conservation Block Grant (CFDA #81.128)

State:

- WI Department of Natural Resources:
  - Recycling Grant Program (State Appropriation #370.665)

- H. Dollar threshold used to distinguish between type A and type B Federal programs: **\$2,132,487**
- I. Auditee qualified as low-risk auditee under §\_\_\_.530 of OMB Circular A-133? **No**

**CITY OF MILWAUKEE**  
Schedule of Findings and Questioned Costs  
Year ended December 31, 2012

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

***Finding 2012-001 – Accrued Expenditures***

U.S. generally accepted accounting principles require expenditures to be accrued in the period incurred. The City's process to ensure all expenditures are accrued in the proper period includes weekly queries of transactions through April 30 and ongoing communications with departments to notify the comptroller's office of additional items for accrual. Although the City continues to refine its year-end processes for ensuring expenditures are recorded in the proper period, during our audit, we found expenditures in the capital projects funds totaling approximately \$276,000 were incurred during the year ended December 31, 2011 but were incorrectly reported as expenditures in the City's financial statements during the year ended December 31, 2012. We also found expenditures totaling approximately \$474,000, which were incurred but were not reported as expenditures during the year ended December 31, 2012. In some cases, the invoices were unclear as to when the services were performed and further investigation was not performed to determine the period to which the expenditure pertained. In other cases, the invoices were reviewed, and however, the conclusion reached was incorrect.

***Recommendation***

We recommend the City continue to refine its 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 mid-April for possible accrual to statements prior to the preparation of the financial statements and final trial balances. In addition, departments cooperated in this effort by notifying and providing additional material vouchers through June for our review and accrual if warranted. We will continue to work with departments on this process.

***Finding 2012-002 – Bank Account and Investment Reconciliations***

The City performs bank account and investment reconciliations as part of their internal control policies and procedures. The reconciliations consist of a rollforward of the activity for the entire year and have unreconciled variances, which fluctuate in amounts from month to month. The majority of the variances pertain to deposits made either by another department or direct wires into the bank and investment accounts for which the purpose is unknown, which prohibits the treasurer's office from recording the revenue in the general ledger. During our test work over the bank account and investment reconciliations at year-end, we found a reconciling item totaling approximately \$10 million in the local government investment pool reconciliation, which was not adjusted in the general ledger. The reconciling item was cash received prior to year-end that should have been reflected as a due to other government agencies in the agency funds. Management ultimately recorded the correcting journal entry in the 2012 financial statements. Without the timely resolution of reconciling items, revenues or expenses could be understated in the City's financial statements.

**CITY OF MILWAUKEE**

Schedule of Findings and Questioned Costs

Year ended December 31, 2012

***Recommendation***

We recommend the City implement procedures to clearly identify the year-end reconciling items on the bank reconciliation. We also recommend the City establish procedures to investigate and adjust the reconciling items in the general ledger on a timely basis.

***Management's Response***

All unreconciled variances relate to deposits made by other City departments or the Milwaukee Public Schools and have always been clearly identified on the bank reconciliation. Items are booked to the general ledger as soon as the requisite documents are received by the Office of the City Treasurer. If deemed appropriate, such year-end deposits could be booked to the customer deposits account and then transferred to the proper revenue accounts by journal entry upon receipt of the requisite documents from the deposit recipient departments.

**CITY OF MILWAUKEE**  
 Schedule of Findings and Questioned Costs  
 Year ended December 31, 2012

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

<i>Finding Number</i>	<b>2012-003</b>
<i>Prior Year Finding Number</i>	<b>N/A</b>
<i>Federal Program</i>	<b>Equitable Sharing Program – Federal Asset Forfeiture (16,922)</b>
<i>Federal Award Number</i>	<b>None</b>
<i>Federal Agency</i>	<b>U.S. Department of Justice (DOJ)</b>
<i>City Department</i>	<b>Milwaukee Police Department (MPD)</b>
<i>Compliance Requirement</i>	<b>Equipment</b>

**Criteria**

According to Section 3 compliance supplement, entities are required to be listed in the equipment rollforward, in the correct period. Controls should be in place to ensure that the equipment is placed into service in the correct period, for depreciation and asset valuation purposes. In addition, according to Title 28, Part 66, Subpart C, Section 66.32(d), the City is required to perform a physical inventory of equipment at least every two years.

**Condition**

The City did not perform physical inventory of equipment acquired under the Equitable Sharing Program (CFDA #16.922). The City also placed equipment acquired under the Equitable Sharing Program into service prematurely.

1. The City entered into a sales agreement for a communications shelter in 2011, at which time they paid half of the payment. The other half of the payment was made upon delivery of the shelter in 2012. Because the shelter was “delivered” in 2012, it should be placed into service in 2012. However, the shelter was erroneously placed into service, and included in the rollforward in 2011.
2. The City did not perform a physical inventory over Asset Forfeiture equipment in either of the last two years (i.e., 2011 or 2012).

**Cause**

Management indicated that they relied on the Equitable Sharing Program guidelines, which did not specify physical inventory as a requirement. Management also inadvertently included the shelter in the 2011 rollforward because an adjusting entry made during the year to correct the amount paid in 2011 was not considered during the reconciliation process.

**Questioned Costs**

None

**CITY OF MILWAUKEE**

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Year ended December 31, 2012

***Effect***

Without accurate property records, the equipment inventory will be incorrectly valued and depreciated, leading to inaccuracies in the Police Department's records. In addition, without a physical inventory, the Police Department may not be able to accurately track the equipment that has been purchased.

***Recommendation***

We recommend the City implement procedures to review asset in-service dates and ensure that asset inventories occur in accordance with federal regulations.

***Management's Response***

The Milwaukee Police Department concurs with the finding and will perform physical inventory of the Equitable Sharing Program equipment annually. The physical inventory and any necessary adjustments will be performed during the month of November in advance of the fiscal year-end. Going forward, additional controls will be put in place to improve accuracy of property records. The controls will include additional level of coordination and verification with city departments.