

Milwaukee Public Schools

Report on Federal and State Awards

June 30, 2021

Milwaukee Public Schools

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of School Directors of
Milwaukee Public Schools

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Milwaukee Public Schools (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Milwaukee Public Schools' basic financial statements, and have issued our report thereon dated December 20, 2021.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 District's Response to Findings

The District's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report

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

Baker Tilly US, LLP

Milwaukee, Wisconsin
December 20, 2021

**Independent Auditors' Report on Compliance for Each Major Federal
and Major State Program; Report on Internal Control Over Compliance;
and Report on the Schedules of Expenditures of Federal and State
Awards Required by the Uniform Guidance and the
State Single Audit Guidelines**

To the Board of School Directors of
Milwaukee Public Schools

Report on Compliance for Each Major Federal and Major State Program

We have audited Milwaukee Public Schools', (the District), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of the District's major federal and major state programs for the year ended June 30, 2021. The District's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State Single Audit Guidelines*. Those standards, the Uniform Guidance and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and Major State Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and the *State Single Audit Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 2021-003, 2021-004, 2021-005, 2021-006, 2021-007, 2021-008 and 2021-009. Our opinion on each major federal and major state program is not modified with respect to these matters.

District's Response to Findings

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

Report on Internal Control Over Compliance

Management of the District 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 District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-003, 2021-004, 2021-005, 2021-006, 2021-007, 2021-008 and 2021-009, that we consider to be significant deficiencies.

District's Response to Findings

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

Purpose of This Report

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

Report on Schedules of Expenditures of Federal and State Awards Required by the Uniform Guidance and the *State Single Audit Guidelines*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Milwaukee Public Schools as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Milwaukee Public Schools' basic financial statements. We issued our report thereon dated December 20, 2021, 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 the Uniform Guidance and the *State Single Audit Guidelines* and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Milwaukee, Wisconsin
March 7, 2022

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

Awarding Agency Pass-Through Agency Award Description	Federal or State Catalog Number	Pass Through Entity Identifying Number	Pass Through Agency	Accrued Receivable (Deferred Revenue) July 1, 2020	Federal Expenditures	Revenues Grantor Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2021	2021 Sub Recipient Expenditures
Federal Programs								
U.S. Department of Agriculture								
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants Food Science Labs 09/01/20-08/31/21	10.226	n/a	DIRECT	\$ -	21,774	-	21,774	-
Subtotal 10.226				-	21,774	-	21,774	-
Child Nutrition Cluster:								
National School Lunch Program	10.555							
07/01/19-06/30/20		2020-403619-DPI-NSL-547	WI DPI	34,092	(34,092)	-	-	-
07/01/20-06/30/21		2021-403619-DPI-NSL-547	WI DPI	-	-	-	-	-
COVID 19 - 7/1/19-6/30/20		2020-403619-DPI-NSL-547	WI DPI	82,950	-	82,950	-	-
COVID 19 - 7/1/20-6/30/21		2021-403619-DPI-NSL-547	WI DPI	-	47,504	45,537	1,967	-
Food Distribution (Donated Commodities)	10.555							
07/01/20-06/30/21		2021-403619-DPI-NSL-547	WI DPI	-	3,365,949	3,365,949	-	-
Subtotal 10.555				117,042	3,379,361	3,494,436	1,967	-
Summer Food Service Program for Children	10.559							
07/01/17-06/30/18		2018-403619-SFSP-586	WI DPI	300	-	-	300	-
07/01/19-06/30/20		2020-403619-DPI-SFSP-586	WI DPI	275,530	-	275,095	435	-
COVID 19 - 07/01/19-06/30/20		2020-403619-DPI-SFSP-586	WI DPI	604,148	-	604,148	-	-
COVID 19 - 07/01/20-06/30/21		2021-403619-DPI-SFSP-566	WI DPI	-	7,960,475	7,413,578	546,897	627,502
Subtotal 10.559				879,978	7,960,475	8,292,821	547,632	627,502
Child Nutrition Discretionary Grants Limited Availability	10.579	n/a	DIRECT	-	120,419	120,419	-	-
07/01/20-6/30/21								
Subtotal – Child Nutrition Cluster				997,020	11,460,255	11,907,676	549,599	627,502
Child and Adult Care Food Program	10.558							
07/01/19-06/30/20		2020-403619-DPI-CCI-551	WI DPI	39,710	-	39,710	-	-
07/01/20-06/30/21		2021-403619-DPI-CCI-551	WI DPI	-	824,308	805,021	19,287	-
Subtotal 10.558				39,710	824,308	844,731	19,287	-
Team Nutrition Grants	10.574							
02/01/19-05/31/19		2019-403619-17-TN Let's Plant Grant-552	WI DPI	657	-	-	657	-
Fresh Fruits and Vegetable Program	10.582							
07/01/20-09/30/20		2021-403619-DPI-FFVPJULPUB-594	WI DPI	-	210,746	210,746	-	-
10/01/20-06/30/21		2021-403619-DPI-FFVPOCTPUB-376	WI DPI	-	1,349,976	1,291,765	58,211	-
Subtotal 10.582				-	1,560,722	1,502,511	58,211	-
Cooperative Forestry Assistance	10.664	n/a	DIRECT	-	346,208	-	346,208	-
10/01/2019-09/30/21								
Total - U.S. Department of Agriculture				1,037,387	14,213,267	14,254,918	995,736	627,502

See notes to schedule of expenditures of federal and state awards

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

Awarding Agency Pass-Through Agency Award Description	Federal or State Catalog Number	Pass Through Entity Identifying Number	Pass Through Agency	Accrued Receivable (Deferred Revenue) July 1, 2020	Federal Expenditures	Revenues Grantor Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2021	2021 Sub Recipient Expenditures
U.S. Department of Commerce								
Coastal Zone Management Administration Awards 07/01/20-06/30/21	11.419	not available	WI DOA	\$ -	68,531	-	68,531	-
Total - U.S. Department of Commerce				-	68,531	-	68,531	-
U.S. Fish and Wildlife Foundation								
Great Lakes Restoration 07/01/19-06/30/20	15.662	0501.18.060058	NFWF	244,309	234,874	268,433	210,750	-
Total - U.S. Fish and Wildlife Foundation				244,309	234,874	268,433	210,750	-
U.S. Department of the Treasury								
COVID 19 - Coronavirus Relief Fund 03/01/20-12/31/20	21.019	not available	BGC	-	77,318	77,318	-	-
Total - U.S. Department of the Treasury				-	77,318	77,318	-	-
U.S. Department of Transportation								
Highway Planning and Construction Cluster 01/01/18-12/31/18 01/01/19-12/31/19 07/01/19-06/30/20 07/01/20-06/30/21	20.205	1009-00-66 1009-00-99 1009-00-99 1009-00-99	WI DOT WI DOT WI DOT WI DOT	(38,005) (1,387) 90,683 -	25,187 1,387 (39,449) 186,432	- - 45,352 -	(12,818) - 5,882 186,432	- - 45,352 -
Total - Highway Planning and Construction Cluster				51,291	173,557	45,352	179,496	45,352
National Science Foundation								
Computer and Information Science and Engineering 10/01/19-09/30/20	47.070	001925-00002-01-01	MU	-	117,015	-	117,015	-
Total - National Science Foundation				-	117,015	-	117,015	-
Public Service Commission of Wisconsin-Office of Energy Innovation								
State Energy Program 10/25/18-10/24/19 10/25/19-10/24/20 07/01/20-06/30/21	81.041	not available not available not available	PSCW PSCW PSCW	8,037 58,861 -	- 18,115 117,035	- - -	8,037 76,976 117,035	- - -
Total - Public Service Commission of Wisconsin-Office of Energy Innovation				66,898	135,150	-	202,048	-
U.S. Department of Education								
Title I - Part A Title I - Grants to Local Educational Agencies 07/01/19-06/30/20 07/01/20-06/30/21	84.010	2020-403619-TIA-141 2021-403619-DPI-TIA-141	WI DPI WI DPI	16,322,219 -	311,649 69,440,674	16,633,868 39,111,724	- 30,328,950	- -
Title I - Grants to Local Educational Agencies 07/01/18-06/30/19	84.010	2019-403619-CAR-155	WI DPI	(17,454)	-	-	(17,454)	-
Title I - Grants to Local Educational Agencies 07/01/18-06/30/19	84.010	A159-00000-403619	WI DPI	131	-	-	131	-

See notes to schedule of expenditures of federal and state awards

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

Awarding Agency Pass-Through Agency Award Description	Federal or State Catalog Number	Pass Through Entity Identifying Number	Pass Through Agency	Accrued Receivable (Deferred Revenue) July 1, 2020	Federal Expenditures	Revenues Grantor Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2021	2021 Sub Recipient Expenditures
U.S. Department of Education (Continued)								
<u>Title I – Grants to Local Educational Agencies</u>	84.010							
07/01/18-06/30/19		2019-403619-TI-Delinquent-140	WI DPI	\$ 1,792	-	-	1,792	-
07/01/19-06/30/20		2020-403619-TI-D Delin-140	WI DPI	54,279	7,041	61,320	-	-
07/01/20-06/30/21		2021-403619-TI-D Delin-140	WI DPI	-	125,686	2,498	123,188	-
<u>Title I – Grants to Local Educational Agencies</u>	84.010							
07/01/19-06/30/20		2020-403619-CSI-148	WI DPI	8,057,937	227,977	8,285,914	-	-
07/01/20-06/30/21		2021-403619-DPI-CSI-148	WI DPI	-	5,436,633	4,384,977	1,051,656	-
Subtotal – 84.010				<u>24,418,904</u>	<u>75,549,660</u>	<u>68,480,301</u>	<u>31,488,263</u>	<u>-</u>
Special Education Cluster (IDEA)								
<u>Special Education-Grants to States</u>	84.027							
07/01/19-06/30/20		2020-403619-DPI-IDEA-F-341	WI DPI	2,368,178	39,788	2,407,966	-	-
07/01/20-06/30/21		2021-403619-DPI-IDEA-FT-341	WI DPI	-	19,564,343	12,489,299	7,075,044	-
<u>Special Education-Grants to States</u>	84.027							
07/01/18-06/30/19		342-00000-403619	CESA 11	(1,989)	-	-	(1,989)	-
<u>Special Education-Grants to States</u>	84.027							
07/01/19-06/30/20		2020-403619-DPI-IDEA-F-341	WI DPI	250,286	-	250,286	-	-
07/01/20-06/30/21		2021-403619-DPI-IDEA-FT-341	WI DPI	-	4,036,279	3,469,906	566,373	-
Subtotal - 84.027				<u>2,616,475</u>	<u>23,640,410</u>	<u>18,617,457</u>	<u>7,639,428</u>	<u>-</u>
<u>Special Education-Preschool Grants (Entitlement)</u>	84.173							
07/01/19-06/30/20		2020-403619-DPI-IDEA-P-347	WI DPI	43,887	(4,608)	39,279	-	-
07/01/20-06/30/21		2021-403619-DPI-IDEA-P-347	WI DPI	-	1,346,949	899,171	447,778	-
<u>Special Education-Preschool Grants</u>	84.173							
07/01/19-06/30/20		2020-403619-DPI-ECSEPS-348	WI DPI	23,302	4,604	27,906	-	-
07/01/20-06/30/21		2021-403619-DPI-ECSE-348	WI DPI	-	183,000	120,772	62,228	-
Subtotal - 84.173				<u>67,189</u>	<u>1,529,945</u>	<u>1,087,128</u>	<u>510,006</u>	<u>-</u>
Subtotal - Special Education Cluster (IDEA)				<u>2,683,664</u>	<u>25,170,355</u>	<u>19,704,585</u>	<u>8,149,434</u>	<u>-</u>
<u>Career and Technical Education - Basic Grants to States</u>	84.048							
07/01/19-06/30/20		2020-403619-CTE-400	WI DPI	1,209,603	532,166	1,741,769	-	-
07/01/20-06/30/21		2021-403619-DPI-CTE-400	WI DPI	-	1,149,749	562,318	587,431	-
<u>Career and Technical Education - Basic Grants to States</u>	84.048							
07/01/19-06/30/20		2020-403619-DPI-CTE-400	WI DPI	873	5,424	4,579	1,718	-
Subtotal - 84.048				<u>1,210,476</u>	<u>1,687,339</u>	<u>2,308,666</u>	<u>589,149</u>	<u>-</u>
<u>Indian Education - Grants Local Educational Agencies</u>	84.060							
07/01/15-06/30/16		n/a	Direct	61	-	61	-	-
07/01/19-06/30/20		n/a	Direct	61,177	6,038	66,647	568	-
07/01/20-06/30/21			Direct	-	59,258	-	59,258	-
Subtotal - 84.060				<u>61,238</u>	<u>65,296</u>	<u>66,708</u>	<u>59,826</u>	<u>-</u>
<u>Safe and Drug-Free Schools and Communities-National Programs</u>	84.184M							
10/01/19-09/30/20		n/a	Direct	76,508	47,096	123,604	-	-
10/01/20-09/30/21		n/a	Direct	-	67,259	23,647	43,612	-
Subtotal - 84.184				<u>76,508</u>	<u>114,355</u>	<u>147,251</u>	<u>43,612</u>	<u>-</u>

See notes to schedule of expenditures of federal and state awards

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

Awarding Agency Pass-Through Agency Award Description	Federal or State Catalog Number	Pass Through Entity Identifying Number	Pass Through Agency	Accrued Receivable (Deferred Revenue) July 1, 2020	Federal Expenditures	Revenues Grantor Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2021	2021 Sub Recipient Expenditures
U.S. Department of Education (Continued)								
Education for Homeless Children and Youth	84.196							
07/01/18-06/30/19		2019-403619-DPI-EHCY-335	WI DPI	\$ 312	-	-	312	-
07/01/19-06/30/20		2020-403619-DPI-EHCY-335	WI DPI	22,121	-	22,121	-	-
07/01/20-06/30/21		2021-403619-DPI-EHCY-335	WI DPI	-	108,894	1,222	107,672	-
Subtotal - 84.196				22,433	108,894	23,343	107,984	-
Javits Gifted and Talented Students Education	84.206							
08/01/19-07/31/20		669K760	UW	165,142	-	165,142	-	-
Javits Gifted and Talented Students Education	84.206A							
10/01/19-09/30/20		n/a	Direct	125,863	129,203	255,066	-	-
10/01/20-09/30/21		n/a	Direct	-	359,719	207,332	152,387	-
Javits Gifted and Talented Students Education	84.206A							
10/01/18-09/30/19		n/a	Direct	41,594	-	41,594	-	-
10/01/19-09/30/20		n/a	Direct	82,206	73,895	156,101	-	-
10/01/20-09/30/21		n/a	Direct	-	249,591	137,947	111,644	-
Subtotal - 84.206				414,805	812,408	963,182	264,031	-
Wisconsin Charter Schools Program (3)	84.282A							
10/01/19-06/30/20		2020-403619-DPI-WCSP3-360	WI DPI	119,341	12,577	131,918	-	-
10/01/20-09/30/21		2021-403619-DPI-WCSP3-360	WI DPI	-	150,768	-	150,768	-
Wisconsin Charter Schools Program (2)	84.282A							
10/01/19-06/30/20		2020-403619-DPI-WCSP2-360	WI DPI	24,652	33,430	58,082	-	-
10/01/20-09/30/21		2021-403619-DPI-WCSP2-360	WI DPI	-	115,737	62,802	52,935	-
Subtotal - 84.282A				143,993	312,512	252,802	203,703	-
Twenty-First Century Community Learning Centers	84.287							
07/01/19-06/30/20		2020-403619-CLC DPI-367	WI DPI	443,095	76,448	519,543	-	-
07/01/20-06/30/21		2021-403619-DPI-T-IV-B-367	WI DPI	-	1,440,844	5,495	1,435,349	-
Twenty-First Century Community Learning Centers	84.287							
07/01/19-06/30/20		2020-403619-CLC DPI-367	WI DPI	628,504	89,039	717,543	-	-
07/01/20-06/30/21		2021-403619-DPI-T-IV-B-367	WI DPI	-	1,596,933	11,703	1,585,230	-
Twenty-First Century Community Learning Centers	84.287							
07/01/18-06/30/19		2019-403619-21st Century CLC-367	WI DPI	482	-	-	482	-
07/01/19-06/30/20		2020-403619-CLC DPI-367	WI DPI	418,307	86,991	505,298	-	-
07/01/20-06/30/21		2021-403619-DPI-T-IV-B-367	WI DPI	-	995,131	-	995,131	-
Twenty-First Century Community Learning Centers	84.287							
07/01/18-06/30/19		2019-403619-21st Century CLC-367	WI DPI	2,000	-	-	2,000	-
Twenty-First Century Community Learning Centers	84.287							
07/01/19-06/30/20		2020-403619-CLC DPI-367	WI DPI	40,349	8,940	49,289	-	-
07/01/20-06/30/21		2021-403619-DPI-T-IV-B-367	WI DPI	-	107,020	-	107,020	-
Twenty-First Century Community Learning Centers	84.287							
07/01/20-06/30/21		2021-403619-DPI-T-IV-B-367	WI DPI	-	67,207	-	67,207	-
Subtotal - 84.287				1,532,737	4,468,553	1,808,871	4,192,419	-
Indian Education - Special Programs For Indian Children	84.299A							
10/01/18-09/30/19		n/a	Direct	21,108	(26)	21,082	-	-
10/01/19-09/30/20		n/a	Direct	184,415	67,525	252,333	(393)	-
10/01/20-09/30/21		n/a	Direct	-	377,212	163,029	214,183	-
Subtotal - 84.299A				205,523	444,711	436,444	213,790	-

See notes to schedule of expenditures of federal and state awards

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

Awarding Agency Pass-Through Agency Award Description	Federal or State Catalog Number	Pass Through Entity Identifying Number	Pass Through Agency	Accrued Receivable (Deferred Revenue) July 1, 2020	Federal Expenditures	Revenues Grantor Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2021	2021 Sub Recipient Expenditures
U.S. Department of Education (Continued)								
Arts in Education	84.351D							
10/01/19-09/30/20		n/a	Direct	\$ 201,737	486,065	687,802	-	-
10/01/20-09/30/21		n/a	Direct	-	679,185	580,889	98,296	-
Subtotal - 84.351D				201,737	1,165,250	1,268,691	98,296	-
English Language Acquisition State Grants	84.365A							
07/01/19-06/30/20		2020-403619-DPI-T3-391	WI DPI	588,519	97,279	685,798	-	-
07/01/20-06/30/21		2021-403619-DPI-TIIIA-391	WI DPI	-	1,081,367	477,290	604,077	-
English Language Acquisition State Grants	84.365							
07/01/19-06/30/20		2020-403619-DPI-T3-Imm-371	WI DPI	24,898	-	24,898	-	-
07/01/20-06/30/21		2021-403619-DPI-TIIIA-371	WI DPI	-	12,941	-	12,941	-
Subtotal - 84.365				613,417	1,191,587	1,187,986	617,018	-
Improving Teacher Quality State Grants	84.367							
07/01/19-06/30/20		2020-403619-TIIA-365	WI DPI	1,042,465	111,876	1,154,341	-	-
07/01/20-06/30/21		2021-403619-DPI-TIIA-365	WI DPI	-	9,096,066	5,160,272	3,935,794	-
Subtotal - 84.367				1,042,465	9,207,942	6,314,613	3,935,794	-
School Improvement Grants	84.377A							
07/01/19-06/30/20		2020-403619-SIG-CSI-151	WI DPI	2,127,008	37,710	2,184,319	(19,601)	-
07/01/20-06/30/21		2021-403619-DPI-SIG-CSI-151	WI DPI	-	1,866,516	-	1,866,516	-
Subtotal - 84.377A				2,127,008	1,904,226	2,184,319	1,846,915	-
Supporting Effective Educator Development Program	84.423A							
07/01/19-06/30/20		not available	UW	68,961	14,281	83,242	-	-
Subtotal - 84.423A				68,961	14,281	83,242	-	-
Student Support and Academic Enrichment Program	84.424A							
07/01/19-06/30/20		2020-403619-TIVA-DPI-381	WI DPI	1,931,514	4,089	1,935,603	-	-
07/01/20-06/30/21		2021-403619-DPI-TIV-A-381	WI DPI	-	5,147,303	2,082,740	3,064,563	-
Subtotal - 84.424A				1,931,514	5,151,392	4,018,343	3,064,563	-
COVID-19 Education Stabilization Fund	84.425							
07/01/19 - 06/30/20		2021-403619-DPI-ESSERF-160	WI DPI	-	256,476	-	256,476	-
07/01/20 - 06/30/21		2021-403619-DPI-ESSERF-160	WI DPI	-	44,423,436	30,761,721	13,661,715	-
COVID-19 Education Stabilization Fund	84.425							
07/01/20 - 06/30/21		2021-403619-DPI-GEERF-162	WI DPI	-	5,696,200	-	5,696,200	-
COVID-19 Education Stabilization Fund	84.425D							
03/01/20 - 06/30/21		2022-403619-DPI-ESSERFII-163	WI DPI	-	1,383,398	-	1,383,398	-
Subtotal - 84.425				-	51,759,510	30,761,721	20,997,789	-
Total – U. S. Department of Education				36,755,383	179,128,271	140,011,068	75,872,586	-
U.S. Department of Health and Human Services								
Cooperative Agreements to Promote Adolescent Health through School Based HIV/STD Prevention and School-Based Surveillance	93.079							
08/01/15-07/31/16		not available	WI DPI	629	-	-	629	-
08/01/16-07/31/17		not available	WI DPI	(449)	-	-	(449)	-
Subtotal - 93.079				180	-	-	180	-

See notes to schedule of expenditures of federal and state awards

**MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021**

Awarding Agency Pass-Through Agency Award Description	Federal or State Catalog Number	Pass Through Entity Identifying Number	Pass Through Agency	Accrued Receivable (Deferred Revenue) July 1, 2020	Federal Expenditures	Revenues Grantor Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2021	2021 Sub Recipient Expenditures
U.S. Department of Health and Human Services (Continued)								
Pregnancy Assistance Fund Program	93.500							
07/01/19-06/30/20		2020-403619-DPI-Inspir-591	WI DPI	\$ 9,382	-	1,689	7,693	-
07/01/20-06/30/21		2021-403619-DPI-Inspir-591	WI DPI	-	54,023	-	54,023	-
Subtotal - 93.500				<u>9,382</u>	<u>54,023</u>	<u>1,689</u>	<u>61,716</u>	<u>-</u>
Refugee and Entrant Assistance - State Administered Programs	93.566							
03/01/19-09/30/19		2019-403619-Refugee-533	WI DCF	14,880			14,880	-
01/01/20-09/30/20		2020-403619-Refugee-533	WI DCF	-	58,057	59,321	(1,264)	-
10/01/20-09/30/21		2021-403619-Refugee-533	WI DCF	-	27,066	23,385	3,681	-
Subtotal - 93.566				<u>14,880</u>	<u>85,123</u>	<u>82,706</u>	<u>17,297</u>	<u>-</u>
Head Start Cluster	93.600							
06/01/18-05/31/19		n/a	Direct	17,116	-	-	17,116	-
06/01/19-05/31/20		n/a	Direct	769,332	-	769,332	-	-
06/01/20-05/31/21		n/a	Direct	640,042	10,617,373	1,716,831	9,540,584	-
06/01/21-05/31/22		n/a	Direct	-	1,045,077	-	1,045,077	-
Head Start	93.600							
06/01/19-05/31/20		n/a	Direct	237,547	1,096,016	223,689	1,109,874	-
Subtotal - Head Start Cluster				<u>1,664,037</u>	<u>12,758,466</u>	<u>2,709,852</u>	<u>11,712,651</u>	<u>-</u>
Medicaid Cluster	93.778							
07/01/19-06/30/20		not available	WI DHS	120,065	-	120,065	-	-
07/01/20-06/30/21		not available	WI DHS	-	7,105,675	6,999,925	105,750	-
Subtotal - Medicaid Cluster				<u>120,065</u>	<u>7,105,675</u>	<u>7,119,990</u>	<u>105,750</u>	<u>-</u>
Total – U.S. Department of Health and Human Services				<u>1,808,544</u>	<u>20,003,287</u>	<u>9,914,237</u>	<u>11,897,593</u>	<u>-</u>
U.S. Department of Homeland Security								
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036							
07/01/20-06/30/21		FEMA-1933-WI-DR	WI DMA	-	460,913	460,913	-	-
Total – U.S. Department of Homeland Security				<u>-</u>	<u>460,913</u>	<u>460,913</u>	<u>-</u>	<u>-</u>
Total Federal Awards				<u>\$ 39,963,812</u>	<u>214,612,183</u>	<u>165,032,239</u>	<u>89,543,756</u>	<u>672,854</u>

**Formula Driven Grant

See notes to Schedules of Federal and State Awards.

See notes to schedule of expenditures of federal and state awards

MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2021

Awarding Agency Pass-Through Agency Award Description	Federal or State Catalog Number	Accrued Receivable (Deferred Revenue) July 1, 2020	State Expenditures	Revenues Grantor Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2021
State Programs:					
Cost Reimbursement Programs					
Wisconsin Department of Justice					
School Safety Initiative	455.206				
07/01/18-06/30/20		\$ 554,105	(484,469)	59,366	10,270
10/1/18-08/31/20		461,841	2,004,141	77,752	2,388,230
Total – Wisconsin Department of Justice		1,015,946	1,519,672	137,118	2,398,500
Wisconsin Department of Military Affairs					
Presidential Disaster Declaration	465.305				
07/01/20-06/30/21		-	76,819	76,819	-
Total – Wisconsin Department of Military Affairs		-	76,819	76,819	-
Wisconsin Department of Natural Resources					
Greener Healthier Schoolyards	370.TH1				
02/21/21-02/20/22		-	93,478	-	93,478
Total – Wisconsin Department of Natural Resources		-	93,478	-	93,478
Wisconsin Department of Workforce Development					
Youth Apprenticeship Grant	445.107				
07/01/19-06/30/20		37,999	8,198	46,197	-
07/01/20-06/30/21		-	37,623	-	37,623
Subtotal 445.107		<u>37,999</u>	<u>45,821</u>	<u>46,197</u>	<u>37,623</u>
Wisconsin Fast Forward Teacher Training and Development	445.109				
07/01/18-06/30/19		3,193	-	-	3,193
07/01/19-06/30/20		236,300	5,483	-	241,783
Wisconsin Fast Forward Technical Education Equipment	445.109				
06/05/20-05/31/21		-	26,700	-	26,700
Subtotal 445.109		<u>239,493</u>	<u>32,183</u>	<u>-</u>	<u>271,676</u>
Total – Wisconsin Department of Workforce Development		277,492	78,004	46,197	309,299
Wisconsin Department of Public Instruction					
Peer to Peer Suicide Prevention	255.246				
07/01/20-06/30/21		-	2,195	1,000	1,195
Special Education Transition Readiness Grant	255.257				
07/01/18-06/30/19		(31,500)	-	-	(31,500)
07/01/20-06/30/21		-	30,063	-	30,063
Subtotal 255.257		<u>(31,500)</u>	<u>30,063</u>	<u>-</u>	<u>(1,437)</u>
Summer School Program Grants	255.281				
07/01/20-06/30/21		-	1,400,000	1,400,000	-
School Based Mental Health Services	255.297				
07/01/19-06/30/20		32,306	990	20,419	12,877
07/01/20-06/30/21		-	75,000	-	75,000
Subtotal 255.297		<u>32,306</u>	<u>75,990</u>	<u>20,419</u>	<u>87,877</u>

See notes to schedule of expenditures of federal and state awards

MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2021

Awarding Agency Pass-Through Agency Award Description	Federal or State Catalog Number	Accrued Receivable (Deferred Revenue) July 1, 2020	State Expenditures	Revenues Grantor Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2021
Wisconsin Department of Public Instruction (continued)					
Peer Review and Mentoring 07/01/19-06/30/20 07/01/20-06/30/21	255.301	\$ 11,015 -	2,105 17,119	11,015 9,190	2,105 7,929
Subtotal 255.301		11,015	19,224	20,205	10,034
Alcohol and Other Drug Abuse (Chapter 331) 07/01/19-06/30/20 07/01/20-06/30/21	255.306	14,101 -	- 35,461	14,101 13,652	- 21,809
Subtotal 255.306		14,101	35,461	27,753	21,809
AODA Program Grants 07/01/19-06/30/20 07/01/20-06/30/21	255.321	4,900 -	- 9,856	4,900 3,928	- 5,928
Subtotal 255.321		4,900	9,856	8,828	5,928
Head Start Supplement 07/01/20-06/30/21	255.327	-	450,604	406,347	44,257
Subtotal 255.327		-	450,604	406,347	44,257
Wisconsin Movin' Schools 07/01/15-06/30/16	255.345	(700)	-	-	(700)
WI Grants to Support Gifted and Talented 07/01/19-06/30/20 07/01/19-06/30/20 07/01/20-06/30/21	255.350	1,866 17,487 -	- - 20,201	1,866 17,487 7,733	- - 12,468
Subtotal 255.350		19,353	20,201	27,086	12,468
Tribal Language Revitalization Grants 07/01/19-06/30/20	255.364	3,023	-	3,023	-
Achievement Gap Reduction 07/01/19-06/30/20 07/01/20-06/30/21	255.504	(208,064) -	191,609 23,983,908	(16,455) 24,173,995	- (190,087)
Subtotal 255.504		(208,064)	24,175,517	24,157,540	(190,087)
Educator Effectiveness 07/01/19-06/30/20 07/01/20-06/30/21	255.940	95,901 -	7,986 406,064	69,985 -	33,902 406,064
Subtotal 255.940		95,901	414,050	69,985	439,966
Career and Technical Education Incentive Grants 07/01/19-06/30/20 07/01/20-06/30/21	255.950	(91,325) -	(7,872) 14,287	- 54,240	(99,197) (39,953)
Subtotal 255.950		(91,325)	6,415	54,240	(139,150)

See notes to schedule of expenditures of federal and state awards

MILWAUKEE PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
Year Ended June 30, 2021

Awarding Agency Pass-Through Agency Award Description	Federal or State Catalog Number	Accrued Receivable (Deferred Revenue) July 1, 2020	State Expenditures	Revenues Grantor Reimburse- ments	Accrued Receivable (Deferred Revenue) June 30, 2021
Wisconsin Department of Public Instruction (continued)					
Robotics League Participation Grant	255.959	\$ (2,430)	-	-	(2,430)
07/01/18-06/30/19		11,647	2,960	14,589	18
07/01/19-06/30/20		-	18,962	-	18,962
07/01/20-06/30/21					
Subtotal 255.959		9,217	21,922	14,589	16,550
Total – Wisconsin Department of Public Instruction					
		(141,773)	26,661,498	26,211,015	308,710
Things Fall Apart in Wisconsin	xxx.xxx	(386)	-	-	(386)
07/1/09-06/30/10					
Total State Financial Awards Cost Reimbursement Programs					
		1,151,279	28,429,471	26,471,149	3,109,601
State Programs:					
Entitlement Programs					
Wisconsin Department of Public Instruction					
Direct Program:					
Special Education and School Age Parents	255.101	-	56,570,576	56,570,576	-
State School Lunch Aid	255.102	-	433,972	433,972	-
Common School Fund Library Aid	255.103	-	5,150,629	5,150,629	-
Bilingual Bicultural Aid	255.106	-	1,254,105	1,254,105	-
Transportation Aid	255.107	-	2,225,709	2,225,709	-
Equalization Aids	255.201	8,572,266	503,113,403	503,296,128	8,389,541
Integration Transfer Non-Resident	255.204	-	506,549	506,549	-
Integration Transfer Resident	255.205	-	29,944,705	29,944,705	-
High Cost Special Education Aid	255.210	-	52,090	52,090	-
Aid for School Mental Health Programs	255.227	-	1,847,406	1,847,406	-
Supplemental Per Pupil Aid	255.245	-	225,594	225,594	-
State School Breakfast Aid	255.344	-	404,872	404,872	-
Tuition Payments by State	255.401	-	150,812	150,812	-
Early College Credit Program	255.445	-	6,014	6,014	-
Aid for High Poverty School District	255.926	-	5,018,688	5,018,688	-
Per Pupil Aid	255.945	-	55,083,112	55,083,112	-
Aid for Special Education Transition Grant BBL	255.960	-	462,000	462,000	-
Assessments of Reading Readiness	255.956	-	99,984	99,984	-
Total – Wisconsin Department of Public Instruction					
		8,572,266	662,550,220	662,732,945	8,389,541
Total State Awards – Entitlement Programs					
		8,572,266	662,550,220	662,732,945	8,389,541
Total State Awards					
		9,723,545	690,979,691	689,204,094	11,499,142
Total Federal and State Financial Assistance					
		\$ 49,687,357	905,591,874	854,236,334	101,042,897

(a) Allocation of funding is in accordance with a distribution formula prescribed by law or administrative regulation
See notes to Schedules of Federal and State Awards.

See notes to schedule of expenditures of federal and state awards

Milwaukee Public Schools

Notes to Schedules of Expenditures of Federal and State Awards
Year Ended June 30, 2021

1. Basis of Presentation

Milwaukee Public Schools (the District) was established on February 3, 1846 and operates under Chapter 119 of the Wisconsin Statutes. All significant operations of the District are included in the scope of the *Single Audit* in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*.

All financial assistance programs of the District which involve awards from the federal government or federal awards passed through the State of Wisconsin and certain state assistance programs, as required by the *State Single Audit Guidelines*, are included in the Schedules of Expenditures of Federal and State Awards. The Schedules of Expenditures of Federal and State Awards present only a selected portion of the operations of the District, they are not intended to and do not present the financial position or changes in net position of the District.

Programs subject to the Single Audit – all federal and state program awards received by the District have been included in the Schedules of Expenditures of Federal and State Awards. Federal and state programs are defined as major through a risk-based approach.

2. Significant Accounting Policies

Revenues and Expenditures

Revenues and expenditures in the Schedules of Expenditures of Federal and State Awards are presented in accordance with the modified accrual basis of accounting and have been reconciled to the District's fiscal 2021 basic financial statements. Grantor reimbursements reflect amounts received from the various funding agencies during the year. Receivables at year-end consist of federal and state program expenditures scheduled for reimbursement to the District in the succeeding year while deferred revenues represent advances for federal and state programs that exceed recorded District expenditures.

Subgrantees

Certain program funds are passed through the District to subgrantee organizations. The Schedules of Expenditures of Federal and State Awards do not contain separate schedules disclosing how the subgrantees outside of the District's control utilized the funds.

Indirect Cost

Indirect costs are allocated to certain grant programs based upon rates established by the Wisconsin Department of Public Instruction. The District has not elected to use the 10 percent de minimis indirect cost rate of the Uniform Guidance.

3. Contingency

All federal and state award programs are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agencies for costs disallowed under the terms of the programs. It is the opinion of management that all costs charged against those federal and state programs are allowable under the regulations of those programs.

Milwaukee Public Schools

Notes to Schedules of Expenditures of Federal and State Awards
Year Ended June 30, 2021

4. Program Disclosures

The Schedules of Expenditures of Federal and State Awards are organized by awarding agency.

5. Cognizant Agencies

The U.S. Department of Education and the Wisconsin Department of Public Instruction have been designated as federal and state cognizant agencies, respectively, for the District.

6. Special Education Costs

Eligible costs for special education under project 011 were \$183,976,150 for the year ended June 30, 2021.

7. Pass-Through Entities

The District received federal awards from the following pass-through entities:

WI DPI	Wisconsin Department of Public Instruction
WI DHS	Wisconsin Department of Health Services
WI DOT	Wisconsin Department of Transportation
WI DCF	Wisconsin Department of Children and Families
WI DMA	Wisconsin Department of Military Affairs
WI DOA	Wisconsin Department of Administration
CESA 11	Cooperative Educational Service Agency #11
UW	University of Wisconsin System
NFWF	National Fish and Wildlife Foundation
PSCW	Public Service Commission of Wisconsin
MU	Marquette University
BGC	Boys and Girls Club

Pass through entity identifying numbers are presented when available.

Milwaukee Public Schools

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

X yes no

Significant deficiency(ies) identified?

X yes none reported

Noncompliance material to the financial statements noted?

yes X no

Federal and State Awards

Internal control over major federal and state award programs:

Material weakness(es) identified?

<u>Federal Programs</u>		<u>State Programs</u>	
<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no

Significant deficiency(ies) identified?

<u> X </u> yes	<u> </u> none reported	<u> X </u> yes	<u> </u> none reported
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Type of auditor's report issued on compliance for major federal or state award programs:

<u> </u> Unmodified	<u> </u> Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance or the *State Single Audit Guidelines*?

<u> X </u> yes	<u> </u> no	<u> X </u> yes	<u> </u> no
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Auditee qualified as low-risk auditee for Federal and State?

<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no
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Dollar threshold used to distinguish between Type A and Type B programs

<u> \$3,000,000 </u>	<u> \$250,000 </u>
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Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Grants to Local Educational Agencies
84.367	Improving Teacher Quality State Grants
84.425	COVID-19 Education Stabilization Fund
93.778	Medicaid cluster

Identification of major state programs:

<u>State Identification Numbers</u>	<u>Name of State Program</u>
255.201	Equalization Aids
255.204	Integration Transfer Non Resident
255.205	Integration Transfer Resident
255.926	Aid for High Poverty School District
255.106	Bilingual Bicultural Aid
255.107	Transportation Aid

Milwaukee Public Schools

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section II – Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

Finding 2021-001 – Material Journal Entries

Criteria: Generally accepted auditing standards AU-C section 265 requires the communication of material weaknesses in the year-end financial reporting process.

Condition/Context: Year end audit procedures identified material adjustments that were needed to the District's records to properly reflect and record accounts payable at year end. These adjustments indicate that additional emphasis needs to be placed on monitoring and recording of transactions during the year and at year end.

Cause: The District did not make certain necessary adjusting journal entries at year end causing the accounting records to be materially incorrect.

Effect: Adjusting journal entries were identified and recorded as part of the audit to present the financial statements in accordance with GAAP.

Recommendation: Management should place additional emphasis on monitoring and recording of transactions during the year and at year-end to ensure completeness.

Management's Response: The District has developed templates for properly recording Long Term Capital Improvement Trust fund and other post-employment benefits trust fund contributions. These templates have been reviewed by the accounting manager and the financial reporting manager, who are responsible for preparing and approving these transactions. Review checkpoints have also been built into the financial statement preparation file, including comparative statement analysis and fund balancing.

Finding 2021-002 – Milwaukee Public Schools University (MPSU) Operations

Criteria: Generally accepted auditing standards AU-C section 265 requires the communication of significant deficiencies in the year-end financial reporting process.

Condition/Context: During the audit and as part of our follow up on prior year recommendations, we became aware of several procedures related to MPSU via MPS Internal Audit that require review. One of this program's objectives was to assist District employees in obtaining proper teacher licensure at a reduced cost. During the current year audit process it was noted that the District had been enrolling employees in the Urban Teacher Improvement Program, UTIP, since 2019 even though the program had not been approved by DPI as an approved Educator Preparation Program, EPP. Enrolling participants prior to EPP approval was not in alignment with DPI guidance and the request for EPP approval and enrollment of students was paused by the District in March 2021.

This program also provided discounted costs to employees for courses. Employee's costs were being accounted and paid for through payroll deductions. If an employee failed to complete the courses and "graduate", the employee is required to reimburse the District based on sponsorship agreements in place. The District is unable to provide an accurate current listing of participants, status of courses and potential amounts owed to the District. There are no specific policies or procedures documented regarding monitoring outstanding amounts owed, compliance with sponsorship agreements, how amounts owed should be collected, and determination of when amounts owed should be forgiven.

It was also noted in 2021 that inaccurate employee payroll deductions were being made. Reports received from the payroll department showed participants with amounts owed that have no deductions set up or employees that currently had payroll deductions but were not included in any HR records as being enrolled in MPSU or through a partner university or college program.

Milwaukee Public Schools

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Cause/Effect: Lack of documented processes and controls lead to inconsistencies in how the program is managed and accounted for.

Recommendation: We recommend that the District evaluate the procedures and policies needed for the MPSU program. Documented policies and procedures should be created outlining responsibilities for tracking amounts owed and collections, process for forgiveness and process for collecting amounts owed. The District should also create a comprehensive listing of all amounts owed by employees related to specific programs. Lastly, we recommend that the District evaluate all payroll deductions related to the program and maintain documentation related to scholarships and cancelled tuition debt to verify that payroll deductions are occurring for all applicable participants.

Management's Response: Since MPS-U was moved under the Office of Human Resource this fiscal year, steps have been taken to review and document policies and procedures related to tuition payments and collection of monies owed by employees. We agree that the payroll deduction process needs to be reviewed and appropriate documentation maintained. We will continue to work on improving documentation and establishing a process to verify payroll deductions.

Section III – Federal and State Award Findings

Finding 2021-003

Federal ID Number and Program Name: 93.600 Head Start

Federal Agency: U.S. Department of Health and Human Services

Award Amount: \$10,553,907 and \$8,974,184

Award Number: 05CH010537-03-01 and 05CH010537-02-00

Repeat of prior year finding: 2020-002

Criteria: Section 1302.15 Subpart (a) of the Head Start Program Performance Standards states "A program must maintain its funded enrollment level and fill any vacancy as soon as possible. A program must fill any vacancy within 30 days."

Condition: For eleven out of eleven months during fiscal year 2021, the District did not meet funded enrollment of 1,506 students.

Cause: Funded enrollment was not maintained each month or 30 days after the vacancies were created.

Questioned Costs: Could not be determined.

Context: Funded enrollment was not met in eleven out of eleven months. This sample was not statistically valid.

Effect: The District's under-enrollment may lead to the District receiving more funds than what the District is eligible to receive.

Recommendation: We recommend management increase efforts related to maintaining funded enrollment numbers throughout the year.

Milwaukee Public Schools

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Management's Response: Through joint efforts with the MPS Office of Student Services and Communications, the HS program recruited children at the Kindergarten Enrollment Fair in February 2021, updated the program's recruitment and enrollment plan to reflect increased marketing efforts that included but not limited to radio announcements on both iHeart Radio and Caliente (bilingual audience) stations and ads on bus tails.

During the months of September 2020-May 2021, the HS program maintained 41-47 percent of the funded enrollment and met with our Head Start program specialist monthly to discuss enrollment and recruitment strategies.

However, during the months of September 2020-March of 2021, The Milwaukee Public School Board of Directors, followed a phased approach for Reopening Schools in the 2020-2021 school year as a direct result of the Covid 19-Pandemic. Per the Board of School Directors, phase one of the Reopening Plan required all students to attend school virtually and as Covid cases rose in Milwaukee county, schools remained closed for face to face instruction during this time. In April 2021-May 2021 Per the Board of School Directors, Phase Two of the Reopening Plan, as of April 12, 2021, allowed students to attend school virtually or return to in-person learning. A parent survey was conducted to determine the number of families requesting to return to in-person learning. The Milwaukee Public Schools continued to follow both the CDC and the local health department guidance and implemented safeguards to mitigate the Covid-19 spread. However, at that time the District remained closed to the public.

As a result of the previous year's Covid-19 Pandemic, in 2020, the program kept in place the online registration option, a drop box system for families to obtain necessary paperwork for admittance into the program, and marketing on the District's portal and social media platforms such as Facebook, Twitter and Instagram.

Furthermore, the HS program organized and facilitated contactless registration events that continued to be on-going beyond the summer months, attended safely local festivals such as but not limited Juneteenth, State Fair, Run Back to School and outdoor school events, leafleted the community with HS literature, sent postcards to households of children turning 3 years old and canvassed in zip codes with existing Head Start sites and recommended schools to advertise Head Start programming in their respective buildings.

As a result, the existing HS recruitment plan was reviewed with the policy council and feedback was given to add additional locations to reach families such as foster care agencies, health clinics, refugee centers, check-cashing locations and Hmong Centers.

In effort to support HS programs nationwide, both flexibilities from the Office of Head Start (OHS) and guidance were provided as follows: "During this uncertain time, reported enrollment figures will not be considered in determining a grantee's enrollment status. OHS will continue to monitor monthly enrollment, but will pause its evaluation of under- or fully enrolled grantees until operations resume. If grantees report four consecutive months of under-enrollment, will OHS initiate the Full Enrollment Initiative? No, OHS will suspend issuance of all initial under-enrollment notifications, effective March 2020, until further notice. Any grantees that have four consecutive months of under-enrollment after March 2020 will not enter into the Full Enrollment process at this time. OHS will reset the counter of consecutive months of under-enrollment in HSES when we reinstate this portion of the Full Enrollment process." These flexibilities continued to be in place through May 2021.

Moving forward, the OHS will monitor the program enrollment over a 12-month period in which the program is required to maintain 97 percent of the funded enrollment of 1506. In addition, the program will be enrolling families that fall within 100-130 percent above income guidelines.

Through joint efforts, the Office of Academics is committed to ensuring that full-day programming for K3 students is implemented, in existing HS sites as required by the HS Performance Standard, 45 CFR Section 1302.21(c) (2) (iv) and in collaboration with Milwaukee Public Schools as a whole.

Milwaukee Public Schools

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Finding 2021-004

State ID Number and Program Name:	255.101 Special Education and School Age Parents
State Agency:	Wisconsin Department of Public Instruction
Award Amount:	\$56,570,576
Award Number:	N/A
Repeat of prior year finding:	2020-003

Criteria: According to the guidance provided in the State of Wisconsin Statutes section 115.88, "staff must be appropriately licensed for a special education work assignment listed in state statute in order for their salary and benefits to be eligible for aid".

Condition / Context: The No Valid License (NVL) Report created and provided by the Wisconsin Department of Public Instruction (DPI) included 1,085 individuals for which no valid licenses was found. Salary and benefits totaled \$96,169,709 for these 1,085 individuals.

Accordingly, the information noted above was communicated to DPI on the No Valid License / Questioned Cost Worksheet for ultimate resolution between the District and DPI. The sample was not statistically valid.

Cause: Factors that would cause a staff to be listed on the NVL report include; the license has expired and has not been renewed; there was a delay in issuing the license; there was a timing difference between when the NVL report was prepared and when the license was issued / renewed; and there may have been a name change and / or a misspelling of a name.

Questioned Costs: Could not be determined.

Effect: Salary and benefit amounts for the individuals with a licensure mismatch may have been improperly reported in Project 011 and if so, improperly included in the aid calculation.

Recommendation: We recommend management review and revise as necessary, existing processes and procedures to monitor the licensing status of special education teachers to ensure that they are appropriately licensed.

Management's Response: The District takes active steps to ensure licenses are valid. If someone does not have the required license, their expenditures are not reported in Project 011; instead they are correctly report in Project 019. Only expenditures in Project 011 are submitted to the Wisconsin Department of Public Instruction for reimbursement under the Special Education and School Age Parents Aid.

Teachers, administrators, support school staff and pupil service employees with expiring licenses were continually notified via 10-day letter (sent to home address on record via certified US mail) to rectify their expired licenses or be reassigned to a substitute teacher or paraprofessional status.

Going forward we are taking the steps to communicate with licensed staff through Thursday Updates, continuous emails and a 5-days letter of notification if necessary. Continued non-compliance may result in a reassignment to a non-license based position with the District or termination.

There were a few of this population reassigned to a substitute teacher or paraprofessional status until their licenses were renewed (short-term). Paraprofessionals and Children Health Assistants (CHA's) were also notified via 10-day letters in which the majority complied, and a few were terminated from their positions with MPS.

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The use of information included in the Thursday Updates regarding soon-to-be expired licenses has been very useful to get the staff to apply to renew their licenses prior to the license expiring. This mode of notification will continue to be provided to all license holders in the District.

In addition to the use of the Thursday Update, the Human Resources Department will use the audit reports provided by the Department of Public Instruction between January-February to identify and communicate on a one-on-one basis with staff with expired licenses and reassign accordingly.

Finding 2021-005

State ID Number and Program Name:	255.106 Bilingual/Bicultural Aid
State Agency:	Wisconsin Department of Public Instruction
Award Amount:	\$1,254,105
Award Number:	N/A
Repeat of prior year finding:	2020-004

Criteria: The State of Wisconsin Single Audit Guidelines for this program require the testing of expenditures reported on the claim forms. Reimbursement may only be made for expenditures for salaries and benefits of personnel participating in and attributable to the program. The amount of each teacher's salary and benefits that is reimbursable is based on the percentage of students considered to be English Learners (EL) to the total number of students enrolled in that teacher's specific school and grade. Percentage claimed for each employee should be supported by proper data.

Condition/Context: During testing of percentages of salaries and benefits claimed, supporting documentation could not be provided for three out of the 40 individuals tested that validated the percentages used in the claim. The sample was not statistically valid.

Cause: Documentation supporting the amount claimed was not maintained.

Questioned Costs: Could not be determined.

Effect: The reporting to Wisconsin Department of Public Instruction for reimbursement may cause the District to receive more or less state funding than what the District is eligible to receive.

Recommendation: We recommend that the District implement a process in which supporting documentation for the calculation of the employees' percentages of allowable salaries and benefits is maintained and reviewed for accuracy.

Management's Response:

1. The Bilingual and Multicultural Education (BME) Department will receive the Staff verification information form from each school principal.
2. The BME secretary will open the claim for each school, and update information in each column of the Staff verification information form, through the information provided in the Milwaukee public Schools (MPS) Bilingual/ESL Program Participation Report, which is housed in the Student Information System (SIS). This report was created on 2019-20 by the Department of Technology, to better support accuracy for the End of the Year Bilingual/Bicultural Aid/Claim which allow us to filter by EL status.
3. The percentage of salaries and benefits claimed, will be based on identified ELs and on ELs that took the ACCESS compared to the total number of students enrolled in that teacher's specific class.

Milwaukee Public Schools

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Year Ended June 30, 2021

Finding 2021-006

State ID Number and Program Name:	255.107 Transportation Aid
State Agency:	Wisconsin Department of Public Instruction
Award Amount:	\$2,225,709
Award Number:	N/A
Repeat of prior year finding:	2020-010

Criteria: Transportation aid is applied for annually through the School Finance Reporting Portal using the fiscal year Pupil Transportation Report (PI-1547) and Pupil Transportation Summer (PI-1547-SS). This report collects the number of pupils transported categorized by the distance from the pupils' residence to school using the most commonly traveled direct route. Students should only be counted in the PI-1547 once.

Condition/Context: On the PI-1547, the District reported forty-nine students twice in the same mileage category.

Cause: Forty-nine students were counted in the PI-1547 twice. This was due to students pick up and drop off routes both being counted.

Questioned Costs: Could not be determined.

Effect: The District's inaccurate reporting may cause the District to receive more state funding than entitled to.

Recommendation: We recommend that the District work to implement procedures, processes and accurate data reports to be able to file a claim with the accurate students included in all transported mileage categories.

Management's Response: MPS inadvertently submitted 49 students with both the pickup and the delivery locations. The data was exported out of the GIS system without eliminating the dropoff location, causing each student to have 2 records. Each student is represented annually by the pickup only. All subsequent data extracts will default to PICKUP locations only.

Finding 2021-007

State ID Number and Program Name:	255.107 Transportation Aid
State Agency:	Wisconsin Department of Public Instruction
Award Amount:	\$2,225,709
Award Number:	N/A
Repeat of prior year finding:	2020-011

Criteria: State transportation aid "for each pupil so transported" is determined under the provisions of WI Stats. 121.58. Although pupils may be eligible for transportation, the pupil must be actually transported, with supporting documentation, at least once during the school year for LEAs to include them on the transportation report for aid.

Milwaukee Public Schools

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Condition/Context: In a sample of 48 students, it was noted that the District did not have supporting documentation for 33 students verifying the student was transported at least once. This sample was not statistically valid.

Cause: The District was unable to verify ridership for all students.

Questioned Costs: Could not be determined.

Effect: The District's lack of verification may cause the District to receive more or less funding than entitled to.

Recommendation: We recommend that the District work to implement procedures and processes to make sure there is a record of all students who were transported.

Management's Response: Ridership Audits typically take an entire school year to perform with multiple attempts throughout the year to log riders. Due to the extremely late reopening (April 2021) and the extremely short duration of the term, MPS was unable to perform the rider audit adequately resulting in lower than anticipated rider verification. This was unique to the COVID-19 pandemic. All subsequent school years should result in ample time to perform rider audit task.

Finding 2021-008

State ID Number and Program Name:	255.107 Transportation Aid
State Agency:	Wisconsin Department of Public Instruction
Award Amount:	\$2,225,709
Award Number:	N/A

Criteria: Transportation aid is applied for annually through the School Finance Reporting Portal using the fiscal year Pupil Transportation Report (PI-1547). This report collects the number of pupils transported categorized by the distance from the pupil's residence to school using the most commonly traveled direct route.

Condition/Context: In a sample of 67 students, it was noted that the District had incorrect mileage associated with 1 student based on the addresses on record which would have modified which mileage category the student was reported in. Upon further review, it was noted that one school started summer school bussing to a different location while regular school was in session. The system used to generate the rider listings considered this a change for the regular school year which resulted in showing a higher mileage for each student bussed. An additional sample of 14 students was selected for testing from the 249 students included in the over 12 mileage category at this school with 13 students being included in the incorrect mileage category. This sample was not statistically valid.

Cause: The District had incorrect mileage calculations or incorrect address or school locations in their source data.

Questioned Costs: Could not be determined.

Effect: The District's inaccurate reporting may cause the District to receive more or less funding than entitled to.

Recommendation: We recommend that the District work to implement procedures, processes and accurate reports to be able to file a report with the accurate students included in all transported mileage categories.

Milwaukee Public Schools

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Management's Response: Hmong American Peace Academy (HAPA), a Non Instrumentality Charter School, enrolled students incorrectly into Infinite Campus under the regular school year calendar for a summer school term at a different school location causing a mileage error for some students when the mileage was larger than it would have been to their traditional calendar. It was later corrected in the term but the state report tallied up these mileage entries under the programming logic as a legitimate regular school year entry. The enrollment error was identified and restrictions to enrollment calendars usage will be accompanied by training to all schools to ensure all enrollment programming is done accurately. This coordination of programming has been orchestrated by the Office of Contracted School that oversee the charter schools in the District, the Office of Academics – Summer School that coordinates summer school offerings, and the Office of Operations – Pupil Transportation Services that managing the school bus operations for District schools.

Finding 2021-009

State ID Number and Program Name: 255.107 Transportation Aid
State Agency: Wisconsin Department of Public Instruction
Award Amount: \$2,225,709
Award Number: N/A

Criteria: Per the DPI Audit Manual, students who exclusively rode a specialized home to school route for the entire school year are ineligible to be included in the PI 1547.

Condition/Context: 21 students who were provided exclusively specialized transportation were reported in the PI 1547.

Cause: Students were not properly removed from the rider listing prior to submitting the PI 1547.

Questioned Costs: Could not be determined.

Effect: The District's inaccurate reporting may cause the District to receive more funding than entitled to.

Recommendation: We recommend that the District work to develop procedures and review processes to make sure only eligible students are reported in the PI 1547.

Management's Response: In the conversion of programming code that performs the state claim report an override section that was created in Infinite Campus for the purposes of expediting IEP changes necessary for Specialized Services was not incorporated. This resulted in 13 students having shown up in both the regular education transportation claim as well as the specialized services transportation claim. This coding issue was identified during the audit procedure and subsequently the Department of Information Technology has updated the code to eliminate the potential for further errors related to overrides performed in Infinite Campus by Specialized Services.

Milwaukee Public Schools

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section IV - Other Issues

Does the auditor's report on the notes to the financial statements include disclosure with regard to substantial doubt as of to the auditor's ability to continue as a going concern?

_____ yes X no

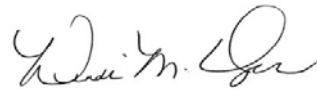
Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance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

Department of Public Instruction	<u> X </u>	yes	_____	no
Department of Military Affairs	_____	yes	<u> X </u>	no
Department of Natural Resources	_____	yes	<u> X </u>	no
Department of Workforce Development	_____	yes	<u> X </u>	no
Department of Justice	_____	yes	<u> X </u>	no

Was a Management Letter or other document conveying audit comments issued as a result of this audit?

 X yes _____ no

Name and signature of partner



Wendi M. Unger, CPA, Partner

Date of report

March 7, 2022

Milwaukee Public Schools

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

The following summary schedule of prior audit findings has been prepared by management of Milwaukee Public Schools.

Finding 2020-001

Current Status: Corrective action has been taken.

Finding 2020-002

Federal ID Number and Program Name: 93.600 Head Start

Agency: U.S. Department of Health and Human Services

Current Status: This finding is still ongoing in the year under audit. See finding 2021-003.

Finding 2020-003

State ID Number and Program Name: 255.101 Special Education and School Age Parents

State Agency: Wisconsin Department of Public Instruction

Current Status: This finding is still ongoing in the year under audit. See finding 2021-004.

Finding 2020-004

State ID Number and Program Name: 255.106 Bilingual/Bicultural Aid

State Agency: Wisconsin Department of Public Instruction

Current Status: This finding is still ongoing in the year under audit. See finding 2021-005.

Finding 2020-005

State ID Number and Program Name: 455.206 School Safety Initiative

State Agency: State of Wisconsin Department of Justice

Current Status: Corrective action has been taken.

Finding 2020-006

State ID Number and Program Name: 455.206 School Safety Initiative

State Agency: State of Wisconsin Department of Justice

Current Status: Corrective action has been taken.

Finding 2020-007

State ID Number and Program Name: 255.401 State Tuition

State Agency: Wisconsin Department of Public Instruction

Current Status: Corrective action has been taken.

Milwaukee Public Schools

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

Finding 2020-008

State ID Number and Program Name: 255.504 Achievement Gap Reduction (AGR)

State Agency: Wisconsin Department of Public Instruction

Current Status: Corrective action has been taken.

Finding 2020-009

State ID Number and Program Name: 255.107 Pupil Transportation

State Agency: Wisconsin Department of Public Instruction

Current Status: Corrective action has been taken.

Finding 2020-010

State ID Number and Program Name: 255.107 Pupil Transportation

State Agency: Wisconsin Department of Public Instruction

Current Status: This finding is still ongoing in the year under audit. See finding 2021-006.

Finding 2020-011

State ID Number and Program Name: 255.107 Pupil Transportation

State Agency: Wisconsin Department of Public Instruction

Current Status: This finding is still ongoing in the year under audit. See finding 2021-007.

The Milwaukee Public Schools contact official for the above responses is as follows:

Ms. Renee Dudley
Comptroller
414.475.8048
dudleyrm@milwaukee.k12.wi.us