City of Madison

Report on Federal and State Awards

December 31, 2025

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December 31, 2025

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

Independent Auditors' Report

To the City Council of the
City of Madison

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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Madison, Wisconsin, (the City) as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 24, 2026. Our report includes a reference to other auditors who audited the financial statements of the Library Foundation, Madison Parks Foundation, Olbrich Society and Foundation, the limited liability corporations (LLCs) presented as component units of the Community Development Authority of the City of Madison (CDA), Village on Park and MRCDC, presented as major funds of the CDA, and Monona Shores and CDA 95-1, presented as nonmajor funds of the CDA, as described in our report on the City's financial statements. The financial statements of the Library Foundation, Madison Parks Foundation, Olbrich Society and Foundation, the LLCs of the CDA, Village on Park, MRCDC, Monona Shores, and CDA 95-1 were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Library Foundation, Madison Parks Foundation, Olbrich Society and Foundation, the LLCs of the CDA, Village on Park, MRCDC, Monona Shores and CDA 95-1 or that are reported on separately by those auditors who audited the financial statements of the Library Foundation, Madison Parks Foundation, Olbrich Society and Foundation, the LLCs of the CDA, Village on Park, MRCDC, Monona Shores and CDA 95-1.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001, that we consider to be a material weakness.

Report on 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 financial statements. 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 Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Madison, Wisconsin
June 24, 2026

Report on Compliance
for Each Major Federal and Major State Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of
Federal and State Awards Required by the Uniform Guidance, the
***State Single Audit Guidelines*, and the U.S. Department of Housing and**
Urban Development

Independent Auditors' Report

To the City Council of the
City of Madison

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited the City of Madison's (the City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *State Single Audit Guidelines* (the *Guidelines*) that could have a direct and material effect on each of the City's major federal and major state programs for the year ended December 31, 2025. The City's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal and Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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); the *Guidelines*. Our responsibilities under those standards, the Uniform Guidance, the *Guidelines* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, the *Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal and major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, the *Guidelines*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance the *Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 *Guidelines*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by the Uniform Guidance, the *Guidelines*, and PHA's Statement and Certification of Actual Modernization Costs

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, 2025, and the related notes to the financial statements, which collectively comprise the City's financial statements. We issued our report thereon dated June 24, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards and the PHA's statement and certification of actual modernization costs are presented for purposes of additional analysis as required by the Uniform Guidance, the *Guidelines*, and the U.S. Department of Housing and Urban Development 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 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 schedule of expenditures of federal and state awards and the PHA's statement and certification of actual modernization costs are fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Madison, Wisconsin
June 24, 2026

Federal Grantor/Program Title	Assistance Listing Number	Pass-Through Agency	Direct Grant Number/ Pass-Through Grantor's Number	Program of Award Amount	Expenditures	Payments to Subrecipients
Federal Awards						
U.S. Department of Housing and Urban Development						
Multifamily Housing Service Coordinators	14.191					
Service Coordinator Multifamily		N/A	MFSC177020	$ 947,012	$ 65,392	$ -
Service Coordinator Multifamily		N/A	MFSC170289	900,610	93,790	-
					159,182	-
Section 8 Project-Based Cluster						
Section 8 Housing Assistance Payments Program						
New Construction/Substantial Rehabilitation						
Housing Assistance Payments - Karabis	14.182	WHEDA	N/A	N/A	217,069	-
Housing Assistance Payments - Parkside	14.195	WHEDA	N/A	N/A	832,288	-
Total Section 8 Project-Based Cluster					1,049,357	-
Community Development Block Grant Cluster: Entitlement/Special Purpose Grants						
Community Development Block Grants/Entitlement Grants (CDBG)	14.218					
Community Development Block Grants/Entitlement Grants		N/A	B**-MC-55-0005	N/A	1,106,473	531,000
Community Development Block Grants - Program Income		N/A	N/A	N/A	1,197,400	1,038,243
Total Community Development Block Grant Cluster: Entitlement/Special Purpose Grants					2,303,873	1,569,243
Emergency Solutions Grants Program (ESG)	14.231					
Emergency Solutions Grant		N/A	E**-MC-55-0005	N/A	168,370	138,502
Emergency Solutions Grant		WI DOA	EHH **-10	N/A	243,041	234,626
					411,411	373,128
HOME Investment Partnerships Program (HOME)	14.239					
HOME Investment Partnerships Program		N/A	M**-MC-55-0201	N/A	431,396	302,366
COVID-19 HOME - American Rescue Plan Program (HOME-ARP)		N/A	M21-MP-55-0201	5,076,197	511,755	511,755
HOME Investment Partnerships Program - Program Income		N/A	N/A	N/A	2,913,618	1,654,933
					3,856,769	2,469,054
Economic Development Initiative, Community Project Funding and Misc Grants	14.251					
FY22 EDI Community Project Funding (EDI-CPF)		N/A	B22-CP-WI-0968	2,000,000	2,000,000	2,000,000
Continuum of Care Program (CoC)	14.267					
CoC Planning Grant FY23		N/A	WI0293L5I032300	243,245	216,653	36,000
CoC Planning - Unsheltered and Rural Homeless Grant FY22 (CoC-URH)		N/A	WI0284H5I032200	50,838	245	-
					216,898	36,000
Youth Homelessness Demonstration Program (YHDP)	14.276					
YHDP Joint Transitional Housing & Rapid Re-Housing Grant FY23		N/A	WI0252Y5I032301	811,858	650,399	650,399
YHDP Youth & Young Adult (YYA) Connections Grant FY23		N/A	WI0253Y5I032301	360,000	359,678	359,678
					1,010,077	1,010,077

See notes to schedules of expenditures of federal and state awards

Federal Grantor/Program Title	Assistance Listing Number	Pass-Through Agency	Direct Grant Number/ Pass-Through Grantor's Number	Program of Award Amount	Expenditures	Payments to Subrecipients
Public and Indian Housing	14.850					
Low-Income Assistance Program - Operating Subsidy		N/A	N/A	N/A	$ 1,811,591	$ -
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	ROSS221678	$ 245,850	4,406	-
Resident Opportunity and Supportive Services - Service Coordinators	14.870	N/A	ROSS252131	272,250	57,939	-
					62,345	-
Housing Voucher Cluster						
Section 8 Housing Choice Voucher Program	14.871	N/A	WI003VO0119 (2010)	N/A	24,893,230	-
Total Housing Voucher Cluster					24,893,230	-
Public Housing Capital Fund	14.872					
Capital Fund Program FY19		N/A	WI39P00350119	1,684,754	8,404	-
Capital Fund Program FY21		N/A	WI39P00350121	1,913,865	320,579	-
Capital Fund Program FY22		N/A	WI39P00350122	2,300,915	74,352	-
Capital Fund Program FY24		N/A	WI39P00350124	2,432,712	1,009,924	-
Capital Fund Program FY25		N/A	WI39P00350125	2,460,600	588,999	-
					2,002,258	-
Total U.S. Department of Housing and Urban Development					39,776,991	7,457,502
U.S. Department of Justice						
Project Safe Neighborhoods National Training and Technical Assistance Program	16.609					
Madison Safe Neighborhoods Project 2023		WI DOJ	2023-PW-01-18754	12,888	3,021	-
Public Safety Partnership and Community Policing Grants	16.710					
COPS Law Enforcement Mental Health Awareness Act (LEMWHA) 2022		N/A	15JCOPS-22-GG-04099-LEMH	165,000	37,936	31,725
COPS CPD Microgrant 2022		N/A	15JCOPS-22-GG-04529-PPSE	175,000	60,423	48,342
COPS CPD Microgrant 2024		N/A	15JCOPS-24-GG-02554-PPSE	175,000	109,200	109,200
COPS Hiring 2021		N/A	15JCOPS-21-GG-03531-UHPX	750,000	237,418	-
					444,977	189,267
Edward Byrne Memorial Justice Assistance Grant Program	16.738					
E. Byrne Memorial Justice Assistance 2022		N/A	15PBJA-22-GG-02226-JAGX	110,839	1,520	-
E. Byrne Memorial Justice Assistance 2023		N/A	15PBJA-23-GG-03929-JAGX	111,454	34,609	-
E. Byrne Memorial Justice Assistance 2024		N/A	15PBJA-24-GG-05197-JAGX	88,319	89,018	10,820
E. Byrne Memorial Justice Assistance 2021 NIBIN		WI DOJ	2021-DJ-06019457	225,000	103,322	-
E. Byrne Memorial Justice Assistance DFU		WI DOJ	2020-DJ-06-18923	20,000	20,000	-
					248,469	10,820
Byrne Criminal Justice Innovation Program	16.817					
Byrne Criminal Justice Innovation: Downtown / State Street Safety Initiative		N/A	2020-BJ-BX-0003	1,000,000	297,973	-
Comprehensive Opioid Abuse Site-Based Program	16.838					
COSSUP First Responder Diversion Program 2024		N/A	15PBJA-24-GG-04442-COAP	1,600,000	224,174	123,625
					224,174	123,625

Federal Grantor/Program Title	Assistance Listing Number	Pass-Through Agency	Direct Grant Number/ Pass-Through Grantor's Number	Program of Award Amount	Expenditures	Payments to Subrecipients
Equitable Sharing Program	16.922					
Asset Forfeiture Program - Task Force (USDOJ)		Dane Co	WI0130100	N/A	$ 226,808	$ -
Bureau of Alcohol, Tobacco & Firearms	16.922					
ATF/Madison Police Task Force		N/A	N/A	N/A	5,710	-
					232,518	-
Federal Bureau of Investigation	16.UNKNOWN					
Joint Terrorism Task Force		N/A	333-MW-C37208-MOU	$ 20,000	1,266	-
					1,266	-
Total U.S. Department of Justice					1,452,398	323,712
U.S. Department of Transportation						
Federal Transit Cluster						
Federal Transit Capital Investment Grants	20.500					
TOD Planning Pilot Program (20005b)		N/A	WI-2021-038	290,000	28,913	-
Section 5309 - CIG - Small Starts (East-West BRT)		N/A	WI-2023-061	110,600,000	5,073,287	-
					5,102,200	-
Federal Transit Formula Grants	20.507					
Section 5307 - Capital and Planning		N/A	WI-2023-057	30,629,713	843,799	-
Section 5307 - Capital and Planning		N/A	WI-2025-019	10,804,562	7,070,552	-
COVID-19 Section 5307 - CRRSA Act Stimulus		N/A	WI-2021-041	14,983,291	2,242,134	-
COVID-19 Section 5307 - ARP Act Stimulus Route Planning Restoration Program		N/A	WI-2023-025	436,170	89,543	-
					10,246,028	-
Buses & Bus Facilities Formula, Competitive and Low or No Emissions Programs	20.526					
Section 5339 - Capital Low or No Emission (Satellite Facility)		N/A	WI-2023-057	4,676,760	1,433,143	-
Section 5339 - Capital Low or No Emission		N/A	WI-2024-014	26,046,840	381,771	-
					1,814,914	-
Total Federal Transit Cluster					17,163,142	-
Highway Planning and Construction	20.205					
Ped/Bike Safety		WI DOT	5992-08-50	91,100	64,112	-
Transportation Alternatives Program (TAP)						
City of Madison Electric Bicycles		WI DOT	5922-22-00	346,400	40,640	-
Badger Rusk Shared-Use Path		WI DOT	5992-02-28/29	889,280	685,672	-
West Towne Path (Ph2A) Ext-S High Point to Zor Shrine		WI DOT	5992-10-44/45	990,225	425,981	-
Safe Route to School Planning		WI DOT	1009-22-14	297,584	209,191	-
City of Madison Bike Traffic Counters		WI DOT	5992-11-41	132,000	56,309	-
City of Madison Stop Signs Paddles		WI DOT	5992-11-40	16,000	10,875	-
Carbon Reduction Program (CRP)						
City of Madison LED Streetlights		WI DOT	5992-11-34/35	1,261,042	1,147,209	-
City of Madison Traffic Controller		WI DOT	5992-11-38	4,195,200	787,801	-
City of Madison Traffic Signals		WI DOT	5992-11-39	706,800	(70)	-
					3,427,720	-

See notes to schedules of expenditures of federal and state awards

Federal Grantor/Program Title	Assistance Listing Number	Pass-Through Agency	Direct Grant Number/ Pass-Through Grantor's Number	Program of Award Amount	Expenditures	Payments to Subrecipients
Federal Transit - Metropolitan Planning Grants	20.505					
Federal Highway Planning Grant		WI DOT	0096-25-75	$ 1,154,446	$ 1,019,555	$ -
Federal STP Rideshare Grant		WI DOT	5992-08-53	106,100	106,100	-
State Highway Planning Grant		WI DOT	W0096-25-75	53,186	42,357	-
Federal Highway Planning Grant		Dane Co	0403-84-48	4,911	4,883	-
Federal Transit - Areas of Persistent Poverty (AOPP)						
Section 5305-2 - Areas of Persistent Poverty (AOPP)		N/A	WI-2023-040	928,480	258,480	-
					1,431,375	-
Transit Services Program Cluster						
Federal Transit - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513					
Section 5310 - Enhanced Mobility		N/A	WI-2023-039	949,190	140,030	127,311
Section 5310 - Enhanced Mobility		N/A	WI-2025-018	543,318	322,855	200,943
					462,885	328,254
Total Transit Services Program Cluster					462,885	328,254
Highway Safety Cluster						
National Priority Safety Program	20.616					
Pedestrian/Bicycle Enforcement 2025		WI DOT	PBS-2025-MADISON PD-00053	89,999	35,636	-
					35,636	-
Total Highway Safety Cluster					35,636	-
Safe Streets and Roads for All 2022	20.939	N/A	693JJ32440014	267,680	179,656	-
Safe Streets and Roads for All 2023	20.939	N/A	693JJ32440433	6,267,668	92,624	-
					272,280	-
Reconnecting Communities Pilot (RCP) Discretionary Grant Program	20.940	N/A	693JJ32540227	1,000,000	151,258	-
Asset Concessions and Innovative Finance Assistance	20.945	N/A	69A6212550003 (FAIN)	670,000	162,335	162,335
Total U.S. Department of Transportation					23,106,631	490,589
U.S. Department of the Treasury						
COVID-19 Emergency Rental Assistance	21.023					
COVID-19 Emergency Rental Assistance - American Rescue Plan Act 2021 (ERA2)		N/A	ERAE0047 (FAIN)	45,387,612	13,254,759	13,522,860
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027					
COVID-19 State and Local Fiscal Recovery Fund - American Rescue Plan Act 2021		N/A	SLT-0704	47,197,155	983,302	782,520
COVID-19 Coronavirus Capital Projects Fund	21.029					
COVID-19 Coronavirus Capital Projects Fund - Wisconsin Flexible Facilities Program		WI DEHCR	FFP 24-17	4,250,000	2,425,695	-
Total U.S. Department of Treasury					16,663,756	14,305,380

See notes to schedules of expenditures of federal and state awards

Federal Grantor/Program Title	Assistance Listing Number	Pass-Through Agency	Direct Grant Number/ Pass-Through Grantor's Number	Program of Award Amount	Expenditures	Payments to Subrecipients
U.S. Equal Employment Opportunity Commission						
Employment Discrimination - Title VII of the Civil Rights Act of 1964	30.010					
Title VII Processing Contract - 10/1/2024 - 9/30/2025		N/A	2025	$ 45,305	$ 41,412	$ -
					41,412	-
Total U.S. Equal Employment Opportunity Commission					41,412	-
Institute of Museum and Library Services						
National Leadership Grants for Libraries (2022)	45.312	N/A	LG-250134-OLS-21	242,335	14,325	-
Total Institute of Museum and Library Services					14,325	-
U.S. Environmental Protection Agency						
COVID-19 Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	N/A	5X - 00E03356 - 0	429,746	80,337	57,816
Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating To The Clean Air Act	66.034	N/A	XA00E03712	40,000	29,103	29,103
				469,746	109,440	86,919
Drinking Water State Revolving Fund (DWSRF)						
Capitalization Grants for Drinking Water State Revolving Funds	66.468	WI DOA	4837-09	5,865,725	2,173,799	-
Environmental and Climate Justice Community Change Grants Program	66.616	N/A	5F00E05005	20,232,335	543,768	507,815
Total U.S. Environmental Protection Agency					2,827,007	594,734
U.S. Department of Energy						
Energy Innovation Grant Program						
Monona Terrace Geothermal Feasibility Study	81.041	WI PSC	EIGP-2023-16	50,000	21,898	-
Connected Communities Grant - Grid Interactive Efficient Buildings	81.086	Slipstream Group, Inc.	DE-FOA-0002206	1,157,855	110,617	-
Renewable Energy Research and Development	81.087					
FY23 Congressionally Directed Spending - Truax Apartment Solar Project		N/A	DE-EE0010773 FY23 CDP	1,500,000	897,933	-
					897,933	-
ARRA-Energy Efficiency and Conservation Block Grant (EECBG)	81.128					
ARRA EECBG - Program Income		N/A	N/A	N/A	499,017	449,017
Energy Efficiency and Conservation Block Grant Program (EECBG)		N/A	DE-SE0000611	291,340	169,428	-
					668,445	449,017
Total U.S. Department of Energy					1,698,893	449,017
U.S. Department of Homeland Security						
Federal Emergency Management Agency (FEMA)						
Regional Catastrophic Preparedness Grant Program	97.111	N/A	EMW-2024-CA-05076	520,384	60,478	-
Building Resilient Infrastructure and Communities (BRIC)	97.047					
Pheasant Branch Tributary Greenway Enhancement Project		WI DEM	EMC-2021-BR-064-0019	6,028,190	4,909,229	-
Total U.S. Department of Homeland Security					4,969,707	-
Total federal awards					$ 90,551,120	$ 23,620,934

See notes to schedules of expenditures of federal and state awards

State Grantor/Program Title	State ID Number	Grant Number	Program of Award Amount	Expenditures	Payments to Subrecipients
State Awards					
Wisconsin Department of Natural Resources					
Surface Water Grant					
Aquatic Invasive Species Control (Water Celery)	370.678	AIRR28123	$ 18,750	$ 1,995	$ -
Recycling Grants to Responsible Units	370.670	N/A	N/A	742,440	-
RU Consolidated Grant	370.673	N/A	N/A	70,839	-
Total Wisconsin Department of Natural Resources				815,274	-
Wisconsin Department of Transportation					
Transit Operating Aids, State Funds	395.104	2025	18,247,988	18,247,988	-
Total Wisconsin Department of Transportation				18,247,988	-
Wisconsin Department of Justice					
Beat Patrol 2025	455.275	2025-BP-01A-19338	126,714	126,714	-
Internet Crimes Against Children (ICAC) Task Force Invited	455.284	NA	179,227	15,553	-
Total Wisconsin Department of Justice				142,267	-
Wisconsin Department of Military Affairs					
Regional Emergency Response Teams	465.306	7/01/2023 - 06/30/2025	320,171	87,203	-
Regional Emergency Response Teams	465.306	7/01/2025 - 06/30/2027	320,171	111,942	-
				199,145	-
HRER WHMRS Equipment Grant (SFY 2024)	N/A	2024-HRER-01-14066	5,428	5,428	-
Total Wisconsin Department of Military Affairs				204,574	-
Wisconsin Department of Administration					
Housing Cost Reduction Initiative (HCRI)	505.703A				
Housing Cost Reduction Initiative		HCRI **-**	N/A	121,962	-
Housing Cost Reduction Initiative - Program Income		N/A	N/A	166,274	-
				288,236	-

See notes to schedules of expenditures of federal and state awards

State Grantor/Program Title	State ID Number	Grant Number	Program of Award Amount	Expenditures	Payments to Subrecipients
Homelessness Prevention Program (HPP)	505.703B	EHH **-**	N/A	$ 142,618	$ 122,636
Housing Assistance Program (HAP)	505.707B	EHH **-**	N/A	182,422	162,602
Employment Grants Program (EG)	505.710				
FY24 Employment Grant		EG 24-01	$ 75,000	19,210	19,210
FY25 Employment Grant		EG 25-01	75,000	12,564	12,564
				31,774	31,774
Total Wisconsin Department of Administration				645,049	317,012
Wisconsin Department of Tourism					
Wisconsin Arts Board	N/A	2024 - 2025	15,000	7,490	7,490
Total Wisconsin Department of Tourism				7,490	7,490
Wisconsin Economic Development Corporation (WEDC)					
Community Development Investment (CDI) Grant - CBEC	N/A	CDI FY24-53991	250,000	250,000	250,000
Community Development Investment (CDI) Grant -109 E Wilson	N/A	CDI FY25-54172	250,000	250,000	250,000
Site Assessment Grant (SAG) - 1810, 1901 S Park St & 814, 826 North Ave	N/A	SAG FY26-54505	150,000	112,160	-
Total Wisconsin Economic Development Corporation (WEDC)				612,160	500,000
Wisconsin Department of Health Services					
Comm Water Fluoridation	435.151741	151741	22,846	21,163	-
Delta Dental	435.151743	151743	12,412	11,664	-
				32,827	-
Opioid Abatement Efforts by Law Enforcement Agencies Part 2 2023	435.533506	435200-G25-71810-50 M1	198,511	56,291	42,420
Opioid Abatement Efforts by Law Enforcement Agencies 2024	435.533214	435200-G25-71810-50 X	95,935	95,935	65,397
Opioid Abatement Efforts by Law Enforcement Agencies 2025	435.533559	435200-G26-71810-50	206,013	63,709	21,166
				215,935	128,983.00
Total Wisconsin Department of Health Services				248,762	128,983
Total state awards				$ 20,923,564	$ 953,485

1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the Schedules) includes the federal and state award activity of the City of Madison (the City) under programs of the federal and state government for the year ended December 31, 2025. The information in these Schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines*. Because the Schedules present only a selected portion of the operations of the City, they are not intended to and do not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

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

3. Pass-Through Grantors

Federal funds have been passed through the following grantors:

WHEDA - Wisconsin Housing and Economic Development Authority
WI DOJ - Wisconsin Department of Justice
WI DOT - Wisconsin Department of Transportation
WI DOA - Wisconsin Department of Administration
Dane Co - Dane County, Wisconsin
WI DEM - Wisconsin Division of Emergency Management
WI DEHCR – Wisconsin Division of Energy, Housing and Community Resources
WI PSC – Wisconsin Public Service Commission
Slipstream Group, Inc.

4. Indirect Cost Rate

The City has not elected to use the applicable de minimis indirect cost rate of the Uniform Guidance.

5. Wisconsin Economic Development Corporation (WEDC) – Matching Funds

The City met the matching requirements for the following WEDC awards:

Contract:	Match Requirement:
CDI FY24-53991	$ 250,000
CDI FY25-54172	750,000
SAG FY26-54505	30,000

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?		yes	X	none reported
Noncompliance material to financial statements noted?		yes	X	no

Federal and State Awards

Internal control over major programs:

	Federal Programs				State Programs			
Material weakness(es) identified?		yes	X	no		yes	X	no
Significant deficiencies identified that are not considered to be material weakness(es)?		yes	X	none reported		yes	X	none reported
Type of auditors' report issued on compliance for major programs:	Unmodified				Unmodified			
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the *State Single Audit Guidelines*?		yes	X	no		yes	X	no
Auditee qualified as low-risk auditee?		yes	X	no		yes	X	no
Dollar threshold used to distinguish between Type A and Type B programs:	$2,716,534				$682,689			

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
	Community Development Block Grant Cluster:
14.218	Entitlement / Special Purpose Grants: Community Development Block Grants / Entitlement Grants
20.205	Highway Planning and Construction
	Federal Transit Cluster:
20.500	Federal Transit Capital Investment Grants
20.507	Federal Transit Formula Grants
20.507	COVID-19 Federal Transit Formula Grants
20.526	Buses and Bus Facilities Formula, Competitive and Low or No Emissions Programs
21.023	COVID-19 Emergency Rental Assistance Program
97.047	Building Resilient Infrastructure and Communities

Identification of major state programs:

State Numbers	Name of State Program
N/A	Wisconsin Economic Development Corporation (WEDC): CDI FY24-53991, CDI FY25-54172, SAG FY26-54505
435.533506 435.533214 435.533559	Opioid Abatement Efforts by Law Enforcement Agencies
395.104	Transit Operating Aids

Section II - Financial Statement Findings Required to be Reported in Accordance With *Government Auditing Standards*

Finding 2025-001: Internal Control Over Financial Statement Close Process

Criteria: Auditing Standards contained in AU-C Sec. 265 state that the City should have internal control procedures that ensure the financial statements are free from material errors.

Condition: Auditing standards require that we perform procedures to obtain an understanding of your government and its internal control environment as part of the annual audit. This includes an analysis of the City's year-end financial reporting process and preparation of your financial statements, including the schedules of expenditures of federal and state awards. A properly designed system of internal control allows for the presentation of year-end financial data and financial statements without material errors. At this time, the City does not have sufficient internal controls in place that allow for the preparation of complete and accurate financial statements as there was a material adjustment related to the Water Utility identified during the financial audit.

Cause: Due to staffing constraints, material errors in the financial statements were not identified by city personnel.

Effect: The City's financial records may be materially misstated before the annual audit is completed.

Recommendation: The City may consider and implement additional internal control procedures in order to prevent material corrections to the financial statements.

Management's Response: Management acknowledges the material audit adjustment. Water Utility Finance Manager will review all significant and nonroutine transactions on a quarterly basis with the City of Madison Assistant Finance Director to ensure all significant and nonroutine transactions are timely identified, evaluated and accounted for in accordance with applicable accounting standards.

Section IV - Other Issues

Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?	____	yes	X	no
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 Natural Resources	____	yes	X	no
Department of Tourism	____	yes	X	no
Department of Justice	____	yes	X	no
Department of Transportation	____	yes	X	no
Department of Military Affairs	____	yes	X	no
Department of Administration	____	yes	X	no
Wisconsin Economic Development Corporation	____	yes	X	no
Department of Health Services	____	yes	X	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 prinicpal or director

Amanda Blomberg

Amanda Blomberg, Managing Director

Date of report June 24, 2026

CITY OF MADISON

PHA'S STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
For the Year Ended December 31, 2025

1. The Actual Modernization Costs are as follows:

	Project					
	WI39-P003-501-14	WI39-P003-501-15	WI39-P003-501-16	WI39-P003-501-17	WI39-P003-501-18	WI39-P003-501-19
Funds Approved	$ 913,769	$ 934,240	$ 1,050,702	$ 1,116,675	$ 1,598,267	$ 1,684,754
Funds Expended	$ 913,769	$ 934,240	$ 1,050,702	$ 1,114,644	$ 1,598,267	$ 1,684,753
EXCESS OF FUNDS APPROVED	$ -	$ -	$ -	$ (2,031)	$ -	$ (1)
Funds Advanced	$ -	$ -	$ -	$ -	$ -	$ -
EXCESS OF FUNDS ADVANCED	$ -	$ -	$ -	$ -	$ -	$ -
RECEIVED DURING CURRENT YEAR	$ -	$ -	$ -	$ -	$ -	$ 29,545
Final AMCC Date	9/18/2023	9/18/2023	9/18/2023	9/18/2023	9/18/2023	Incomplete

2. The distribution of costs by project as shown on the Final Actual Modernization Cost Certificates dated as noted above accompanying the Actual Modernization Grant Cost Certificates submitted to HUD for approval is in agreement with the PHA's records.

3. All modernization grant costs have been paid and all related liabilities have been discharged through payment.

CITY OF MADISON

PHA'S STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
For the Year Ended December 31, 2025

1. The Actual Modernization Costs are as follows:

	Project				
	WI39-P003-501-20	WI39-P003-501-21	WI39-P003-501-22	WI39-P003-501-23	WI39-P003-501-24
Funds Approved	$ 1,804,532	$ 1,922,589	$ 2,309,146	$ 2,348,832	$ 2,432,712
Funds Expended	$ 604,299	$ 1,922,589	$ 764,626	$ 702,438	$ 1,739,738
EXCESS OF FUNDS APPROVED	$ (1,200,233)	$ -	$ (1,544,520)	$ (1,646,394)	$ (692,974)
Funds Advanced	$ -	$ -	$ -	$ -	$ -
EXCESS OF FUNDS ADVANCED	$ -	$ -	$ -	$ -	$ -
RECEIVED DURING CURRENT YEAR	$ -	$ 546,010	$ 74,352	$ -	$ 891,107
Final AMCC Date	Incomplete	Incomplete	Incomplete	Incomplete	Incomplete

2. The distribution of costs by project as shown on the Final Actual Modernization Cost Certificates dated as noted above accompanying the Actual Modernization Grant Cost Certificates submitted to HUD for approval is in agreement with the PHA's records.

3. All modernization grant costs have been paid and all related liabilities have been discharged through payment.