

City of Madison

Report on Federal and State Awards

December 31, 2021

City of Madison

Table of Contents
December 31, 2021

	<u>Page</u>
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 <i>Government Auditing Standards</i>	1
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 <i>State Single Audit Guidelines</i>	3
Schedule of Expenditures of Federal Awards	6
Schedule of Expenditures of State Awards	12
Notes to Schedules of Expenditures of Federal and State Awards	13
Schedule of Findings and Questioned Costs	15

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

To the City Council of
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, 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 Organization) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated June 27, 2022. Our report includes a reference to other auditors who audited the financial statements of Library Foundation, Madison Parks Foundation, component units of the City, the limited liability corporations (LLCs) presented as component units of the Community Development Authority of the City of Madison (CDA), Monona Shores and Village on Park, presented as major funds of the CDA, and CDA 95-1 presented as a nonmajor fund of the CDA, as described in our report on the Organization's financial statements. The financial statements of the Olbrich Botanical Society and Olbrich Botanical Society Foundation, Library Foundation, Madison Parks Foundation, the LLCs of the CDA, Monona Shores, Village on Park 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 Olbrich Botanical Society and Olbrich Botanical Society Foundation, Library Foundation, Madison Parks Foundation, the LLCs of the CDA, Monona Shores, Village on Park and CDA 95-1 or that are reported on separately by those auditors who audited the financial statements of Library Foundation and Madison Parks Foundation, the LLCs of the CDA, Monona Shores, Village on Park and CDA 95-1.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

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.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin
June 27, 2022

**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 City Council of
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, Wisconsin's (the Organization) 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 Organization's major federal and major state programs for the year ended December 31, 2021. The Organization'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 Organization 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, 2021.

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); and the *Guidelines*. Our responsibilities under those standards, the Uniform Guidance, and 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 Organization 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 Organization'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 controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization'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 Organization'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, and 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 Organization'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, and 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 Organization'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 Organization'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 and the *Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal and major state program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001, to be a significant deficiency.

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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *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 Guidelines

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 Organization as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements. We issued our report thereon dated June 27, 2022, 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 *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.



Madison, Wisconsin
June 27, 2022

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

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	\$ 74,523	\$ -
Service Coordinator Multifamily		N/A	MFSC170289	900,610	79,688	-
Service Coordinator Multifamily		N/A	MFCC210693	4,600	4,600	-
Service Coordinator Multifamily		N/A	MFCC210695	5,872	3,415	-
					<u>162,226</u>	<u>-</u>
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	156,837	-
Housing Assistance Payments - Parkside	14.195	WHEDA	N/A	N/A	350,497	-
Total Section 8 Project -Based Cluster					<u>507,334</u>	<u>-</u>
CDBG - Entitlement Grants Cluster						
Community Development Block Grants/Entitlement Grants (CDBG)	14.218					
Community Development Block Grants/Entitlement Grants		N/A	B**-MC-55-0005	N/A	1,623,952	1,338,597
Community Development Block Grants - Program Income		N/A	N/A	N/A	720,474	580,149
					<u>2,344,426</u>	<u>1,918,746</u>
COVID 19 Community Development Block Grants/Entitlement Grants (CDBG) - CARES Act	14.218					
COVID 19 CDBG/Entitlement Grants - CARES Act Supplemental (CDBG-CV)		N/A	B20-MW-55-0005	2,602,959	38,964	38,964
Total CDBG - Entitlement Grants Cluster					<u>2,383,390</u>	<u>1,957,710</u>
Emergency Solutions Grants Program (ESG)	14.231					
Emergency Solutions Grant		N/A	E**-MC-55-0005	N/A	143,182	130,560
Emergency Solutions Grant		WI DOA	EHH **-09	N/A	480,189	469,640
COVID 19 Emergency Solutions Grants Program (ESG)	14.231					
COVID 19 Emergency Solutions Grant - CARES Act Supplemental (ESG-CV)		N/A	E20-MW-55-0005	2,890,929	1,702,668	1,321,683
COVID 19 Emergency Solutions Grant - CARES Act Supplemental (ESG-CV)		WI DOA	ESG-CV 20-09	3,514,765	2,030,192	2,025,525
					<u>4,356,231</u>	<u>3,947,408</u>
HOME Investment Partnerships Program (HOME)	14.239					
HOME Investment Partnerships Program		N/A	M**-MC-55-0201	N/A	2,276,492	1,798,703
HOME Investment Partnerships Program - Program Income		N/A	N/A	N/A	192,526	141,150
					<u>2,469,018</u>	<u>1,939,853</u>
Continuum of Care Program (CoC)	14.267					
Continuum of Care Program Grant FY18		N/A	WI0226L5I031800	93,891	1,128	-
Continuum of Care Program Grant FY19		N/A	WI0232L5I031900	107,086	104,881	-
					<u>106,009</u>	<u>-</u>
Public and Indian Housing	14.850					
Low Income Assistance Program - Operating Subsidy		N/A	N/A	N/A	1,618,891	-
Resident Opportunity & Self Sufficiency	14.870	N/A	ROSS191299	239,250	86,924	-

See notes to schedules of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

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						
Housing Voucher Cluster						
Housing Choice Voucher Program	14.871	N/A	WI003VO0119 (2010)	N/A	\$ 17,332,387	\$ -
Total Housing Voucher Cluster					17,332,387	-
Public Housing Capital Fund	14.872					
Capital Fund Program FY17		N/A	WI39P00350117	\$ 1,116,675.00	14,773	-
Capital Fund Program FY18		N/A	WI39P00350118	1,598,267	200,128	-
Capital Fund Program FY19		N/A	WI39P00350119	1,684,754	3,931	-
Capital Fund Program FY20		N/A	WI39P00350120	1,804,532	538,361	-
Capital Fund Program FY21		N/A	WI39P00350121	1,913,865	2,237	-
					759,430	-
Total U.S. Department of Housing and Urban Development					29,781,840	7,844,971
U.S. Department of Interior						
Partners for Fish and Wildlife	15.631	N/A	N/A	13,000	5,550	-
Total U.S. Department of Interior					5,550	-
U.S. Department of Justice						
COVID 19 Coronavirus Emergency Supplemental Funding Program	16.034					
COVID 19 Coronavirus Emergency Supplemental Funding (CESF)		N/A	2020-VD-BX-0082	279,128	156,333	-
Project Safe Neighborhoods National Training and Technical Assistance Program	16.609					
Madison Safe Neighborhoods Project		WI DOJ	2020-PW-01-16547	16,271	10,182	-
Madison Safe Neighborhoods Project		WI DOJ	2019-PW-01-15820	15,642	13,009	-
Madison Safe Neighborhoods Project		WI DOJ	281D-MW-C44708	175,245	144,149	-
					167,340	-
Public Safety Partnership and Community Policing Grants	16.710					
COPS Anti-Heroin Task Force (AHTF)		Dane Co	14364	65,000	7,811	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738					
Smart Policing Initiative: Smart Policing Innovation		N/A	2016-WY-BX-0004	700,000	43,011	43,760
E. Byrne Memorial Justice Assistance		N/A	2020-DJ-BX-0706	84,289	19,653	20,198
E. Byrne Memorial Justice Assistance		N/A	2019-DJ-BX-0616	86,633	23,880	-
E. Byrne Memorial Justice Assistance TRGT		Dane Co	2019-DJ-01-16456	80,000	41,432	-
					127,976	63,958
Byrne Criminal Justice Innovation Program	16.817					
Byrne Criminal Justice Innovation: Implementation		N/A	2017-AJ-BX-0010	850,000	51,762	3,182
Byrne Criminal Justice Innovation: Downtown / State Street Safety Initiative		N/A	2020-BJ-BX-0003	1,000,000	52,602	-
					104,364	3,182

See notes to schedules of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

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 Justice						
Comprehensive Opioid, Stimulants and Substance Abuse Program	16.838					
COSSAP First Responder Diversion Program (PTRMDC)		N/A	2019-AR-BX-K032	\$ 1,200,000	\$ 348,307	\$ 93,646
STOP School Violence	16.839					
STOP School Violence Prevention and Mental Health Training Program		N/A	2018-YS-BX-0099	250,000	65,588	65,588
Equitable Sharing Program	16.922					
Asset Forfeiture Program - Task Force		Dane Co	WI0130100	N/A	144,372	-
Federal Bureau of Investigation	16.UNKNOWN					
Safe Streets Task Force		NA	281D-MW-C44708	62,500	18,159	-
Total U.S. Department of Justice					1,140,250	226,374
U.S. Department of Transportation						
Federal Transit Cluster						
Federal Transit - Transit-Oriented Development Planning	20.500					
TOD Planning Pilot Program (20005b)		N/A	WI-2021-038	290,000	7,574	-
Federal Transit - Formula Grants	20.507					
Section 5307 - Capital and Planning		N/A	WI-2019-022	7,997,095	1,897,095	-
Section 5307 - Capital and Planning		N/A	WI-2020-031	7,776,895	1,776,895	-
COVID 19 Federal Transit - Formula Grants	20.507					
COVID-19 Section 5307 - CARES Act Stimulus		N/A	WI-2020-049	24,498,820	335,835	-
COVID-19 Section 5307 - ARP Act Stimulus		N/A	WI-2021-042	30,006,405	6,000,000	-
					10,009,825	-
Federal Transit - State of Good Repair Formula	20.525					
Section 5337 - Capital		N/A	WI-2019-022	943,467	943,467	-
Federal Transit - Bus & Bus Facilities Formula	20.526					
Section 5339 - Capital		N/A	WI-2019-022	1,469,525	221,333	-
Federal Transit - Bus & Bus Facilities Discretionary	20.526					
Section 5339 - Capital (Satellite Facility)		N/A	WI-2020-031	7,000,000	7,000,000	-
Federal Transit - Bus & Bus Facilities Formula Low-No	20.526					
Section 5339 - Capital Low or No Emission		N/A	WI-2018-012	1,278,950	951,279	-
					8,172,612	-
Total Federal Transit Cluster					19,133,478	-
Highway Planning and Construction Cluster						
Highway Planning and Construction	20.205					
Ped/Bike Safety		WI DOT	5992-08-46	81,600	53,013	-
Transportation Alternatives Program (TAP)	20.205					
Garver Path		WI DOT	5992-10-40/41	847,155	847,155	-
					900,168	-
Total Highway Planning and Construction Cluster					900,168	-

See notes to schedules of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

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 Transportation						
Federal Transit - Metropolitan Planning Grants	20.505					
Federal Highway Planning Grant		WI DOT	0095-05-75	\$ 797,883	\$ 67,291	\$ -
Federal STP Rideshare Grant		WI DOT	5992-08-37	84,264	24,240	-
State Highway Planning Grant		WI DOT	W095-05-75	47,020	3,966	-
Federal Highway Planning Grant		WI DOT	0095-05-75	797,883	764,709	-
Federal STP Rideshare Grant		WI DOT	5992-08-37	84,264	60,862	-
State Highway Planning Grant		WI DOT	W095-05-75	47,020	45,985	-
Federal Highway Planning Grant		Dane Co	0403-84-48	5,457	3,896	-
					<u>970,949</u>	<u>-</u>
Transit Services Program Cluster						
Federal Transit - Enhanced Mobility Formula	20.513					
Section 5310 - Enhanced Mobility		N/A	WI-2020-025	351,964	75,186	67,915
Section 5310 - Enhanced Mobility		N/A	WI-2021-029	245,631	198,915	107,637
COVID-19 Federal Transit - Enhanced Mobility Formula	20.513					
COVID-19 Section 5310 - Enhanced Mobility-CRRSA Act		N/A	WI-2021-036	54,368	44,932	39,989
COVID-19 Section 5310 - Enhanced Mobility-ARP Act		N/A	WI-2021-037	21,443	21,443	19,494
					<u>340,476</u>	<u>235,035</u>
Total Transit Services Program Cluster					<u>340,476</u>	<u>235,035</u>
Public Transportation Research	20.514					
Section 5314 - Capital & Planning		N/A	26-X012	990,000	516,395	-
Alternatives Analysis	20.522					
Section 5339 - Capital & Planning		N/A	39-X002	750,000	744,782	-
Highway Safety Cluster	20.600					
State and Community Highway Safety						
Speed Enforcement 2021		Dane Co	FG-2021- CO-05679	65,000	55,023	-
National Priority Safety Program	20.616					
Alcohol Enforcement 2021		Dane Co	FG-2021-DANE CO-05477	100,000	73,530	-
Seatbelt Enforcement 2021		Dane Co	FG-2021-DANE-CO-05496	56,700	61,693	-
Alcohol Enforcement 2022		Dane Co	FG-2022-DANE CO-05764	100,000	13,228	-
Seatbelt Enforcement 2022		Dane Co	FG-2022-DANE CO-05801	68,372	23,224	-
Pedestrian Enforcement 2021		NA	FG-2021-MADISON-05670	65,000	29,681	-
					<u>201,356</u>	<u>-</u>
Total Highway Safety Cluster					<u>256,379</u>	<u>-</u>
U.S. Department of Transportation					<u>22,862,627</u>	<u>235,035</u>
U.S. Department of the Treasury						
COVID 19 Emergency Rental Assistance	21.023					
COVID-19 Emergency Rental Assistance - Consolidated Appropriations Act 2021 (ERA1)		N/A	ERA0259 (FAIN)	42,991,053	15,237,071	15,085,925
COVID-19 Emergency Rental Assistance - American Rescue Plan Act 2021 (ERA2)		N/A	ERAE0047 (FAIN)	6,142,190	1,400,489	1,400,489
Total Emergency Rental Assistance					<u>16,637,560</u>	<u>16,486,414</u>

See notes to schedules of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

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 the Treasury						
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	\$ 8,487,126	\$ 571,998
Total U.S. Department of Treasury					25,124,686	17,058,412
U.S. Equal Employment Opportunity Commission						
Employment Discrimination - Title VII of the Civil Rights Act of 1964	30.001					
Title VII Processing Contract		N/A	2020	44,420	24,428	-
Total U.S. Equal Employment Opportunity Commission					24,428	-
National Endowment for the Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	N/A	N/A	50,000	25,000	-
Total National Endowment for the Arts					25,000	-
Institute of Museum and Library Services						
Grants to States	45.310	WI DPI	N/A	4,000	1,053	-
National Leadership Grants for Libraries (2022)	45.312	N/A	LG-250143-OLS-21	242,335	918	-
Total Institute of Museum and Library Services					1,971	-
U.S. Environmental Protection Agency						
Brownfields Assessment Grant	66.818	N/A	N/A	300,000	110,359	107,358
Total U.S. Environmental Protection Agency					110,359	107,358
U.S. Department of Energy						
ARRA-Energy Efficiency and Conservation Block Grant (EECBG)	81.128					
Wisconsin Energy Efficiency Project		MKE	N/A	1,674,756	13,864	-
Total U.S. Department of Energy					13,864	-
U.S. Department of Education						
National Resource Centers (NRC) Program for Foreign Language and Area Studies	84.015A	UW Madison	P015A180118	1,000.00	96	-
National Resource Centers (NRC) Program for Foreign Language Education	84.015A	UW Madison	P015A180025	400.00	399	-
					495	-
Total U.S. Department of Education					495	-
U.S. Department of Health & Human Services						
21st Century Cures Act - Precision Medicine Initiative	93.368	UW Madison	3OT2OD026555-01S1	20,000	20,000	-
COVID 19 Provider Relief Fund	93.498	N/A	N/A	158,105	158,105	-
Total U.S. Department of Health & Human Services					178,105	-

See notes to schedules of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2021

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						
Executive Office of the President						
Anti-Doping Activities	95.004	Dane Co	NA	NA	\$ 31,320	\$ -
Total Executive Office of the President					<u>31,320</u>	<u>-</u>
U.S. Department of Homeland Security						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WI DMA	465.305	N/A	324,849	-
Total U.S. Department of Homeland Security					<u>324,849</u>	<u>-</u>
Total Federal Awards					<u>\$ 79,625,344</u>	<u>\$ 25,472,150</u>

See notes to schedules of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of State Awards
Year Ended December 31, 2021

State Grantor/Program Title	State ID Number	Grant Number	Program of Award Amount	Expenditures	Payments to Subrecipients
State Awards					
Wisconsin Department of Natural Resources					
Municipal Flood Control					
Surface Water Grant - Aquatic Invasive Species Control	370.678	AIRR25220	\$ 20,000	\$ 2,294	\$ -
Recycling Grants to Responsible Units	370.670	N/A	N/A	743,165	-
RU Consolidated Grant	370.673	N/A	N/A	66,135	-
Total for Wisconsin Department of Natural Resources				<u>811,594</u>	<u>-</u>
Wisconsin Department of Transportation					
Transit Operating Aids, State Funds	395.104	2021	17,721,470	17,721,470	-
Total for Wisconsin Department of Transportation				<u>17,721,470</u>	<u>-</u>
Wisconsin Department of Justice					
Beat Patrol Overtime	455.275	2019-BP-01-14893	126,714	126,714	-
Internet Crimes Against Children (ICAC) Task Force Invited	455.284	NA	41,682	16,060	-
Total for Wisconsin Department of Justice				<u>142,774</u>	<u>-</u>
Wisconsin Department of Military Affairs					
Regional Emergency Response Teams	465.306	07/01/2019-06/30/2021	320,168	79,475	-
Regional Emergency Response Teams	465.306	7/01/2021 - 06/30/2024	240,127	94,520	-
				<u>173,995</u>	<u>-</u>
Total for Wisconsin Department of Military Affairs				<u>173,995</u>	<u>-</u>
Wisconsin Department of Administration					
Housing Cost Reduction Initiative (HCRI)	505.703A				
Housing Cost Reduction Initiative		HCRI **-06	N/A	87,501	-
Housing Cost Reduction Initiative - Program Income		N/A	N/A	100,000	-
				<u>187,501</u>	<u>-</u>
Homelessness Prevention Program (HPP)	505.703B	EHH **-09	N/A	123,136	123,136
Housing Assistance Program (HAP)	505.707B	EHH **-09	N/A	36,908	36,908
Total for Wisconsin Department of Administration				<u>347,545</u>	<u>160,044</u>
Wisconsin Department of Tourism					
Wisconsin Arts Board - Monona Terrace Maker Faire Event	N/A	2019-2020	10,510	750	750
Wisconsin Arts Board		2020-2021	11,380	11,830	11,830
Wisconsin Arts Board		2021 - 2022	10,510	750	750
Total for Wisconsin Department of Tourism				<u>13,330</u>	<u>13,330</u>
Total state awards				<u>\$ 19,210,708</u>	<u>\$ 173,374</u>

See notes to schedules of expenditures of federal and state awards

City of Madison

Notes to Schedules of Expenditures of Federal and State Awards
Year Ended December 31, 2021

1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the Schedule) 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, 2021. The information in this Schedule 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 Schedule presents only a selected portion of the operations of the City, it is not intended to and does 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 Schedule 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 Schedule 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
- WI DMA - Wisconsin Department of Military Affairs
- MKE - City of Milwaukee, Wisconsin
- Dane Co - Dane County, Wisconsin
- UW-Madison - University of Wisconsin – Madison
- WI DPI - Wisconsin Department of Public Instruction

4. Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate of the Uniform Guidance.

City of Madison

Notes to Schedules of Expenditures of Federal and State Awards
Year Ended December 31, 2021

5. Subsequent Event

The Federal American Rescue Plan Act (ARPA) was signed into law in early March 2021. Under ARPA, the City of Madison was awarded \$47.2 million of federal funding under the local government aid provisions of the legislation. That funding will be received in two equal tranches; the first was on May 19, 2021 for nearly \$23.6 million and the second will be received one year later and is available through December 31, 2024. Funding can be used to address the economic and public health impacts of COVID-19, pay bonuses to essential public and private employees, address local government revenue shortfalls, and for water, sewer and broadband infrastructure.

City of Madison

Schedule of Findings and Questioned Costs
Year Ended December 31, 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?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> no
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal and State Awards

Internal control over major programs:

	<u>Federal Programs</u>		<u>State Programs</u>	
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no
Significant deficiencies identified that are not considered to be material weakness(es)?	<u> X </u> yes	<u> </u> none reported	<u> </u> yes	<u> X </u> none reported
Type of auditor's report issued on compliance for major programs:	<u> </u> Unmodified		<u> </u> 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 <i>State Single Audit Guidelines</i> ?	<u> X </u> yes	<u> </u> no	<u> </u> yes	<u> X </u> no
Auditee qualified as low-risk auditee?	<u> </u> yes	<u> X </u> no	<u> </u> yes	<u> X </u> no
Dollar threshold used to distinguish between type A and type B programs:	\$2,388,760		\$250,000	

City of Madison

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.023	COVID-19 Emergency Rental Assistance
21.027	COVID-19 State and Local Fiscal Recovery Funds – ARPA
	Federal Transit Cluster
20.500	Federal Transit – Transit-Oriented Development Planning
20.507	Federal Transit – Formula Grant
20.507	COVID 19 Federal Transit – Formula Grant
20.525	Federal Transit – State of Good Repair Formula
20.526	Federal Transit – Bus and Bus Facilities Formula Program
14.231	COVID-19 Emergency Solutions Grant
14.231	Emergency Solutions Grant
	Housing Voucher Cluster
14.871	Section 8 Housing Vouchers

Identification of major state programs:

<u>State Number</u>	<u>Name of State Program</u>
395.104	Transit Operating Aids

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

None reported.

Section III – Federal or State Awards Findings and Questioned Costs

Finding 2021-001

Assistance Listing No.	21.023 COVID-19 Emergency Rental Assistance Program
Federal Agency	U.S. Department of Treasury
Pass-through Agency	Not applicable
Award Numbers / Year	ERA0259; ERAE0047 / 2021

Criteria: Subaward agreement contracts are required to include information necessary for the subrecipients to comply with the award. These requirements are found in 2 CFR Part 200.332(a).

Condition/Context: Both of the two subawards selected for testing did not contain the required elements found in 2 CFR Part 200.332(a). The sample selected was not statistically valid.

Effect: The subaward agreement contract did not contain the required information; therefore, the subgrantee may not have obtained the appropriate grant information needed to comply with the terms and conditions of the award.

Questioned Costs: None noted.

Cause: The boilerplate contract that contains the required information was not utilized for this program.

Recommendation: We recommend utilizing the boilerplate contract to ensure the required information is communicated to subrecipients. In addition, the City should consider providing the required information to the subgrantees retrospectively.

Management Response: The City of Madison Community Development Department staff will use a new boilerplate contract that includes the specific verbiage delineated in 2 CFR Part 200.332(a). The Community Development Department will also create amendments for any of the original contracts that did not include the required language.

City of Madison

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

Section IV – Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? yes 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	<u> </u> yes	<u> X </u> no
Department of Tourism	<u> </u> yes	<u> X </u> no
Department of Justice	<u> </u> yes	<u> X </u> no
Department of Transportation	<u> </u> yes	<u> X </u> no
Department of Military Affairs	<u> </u> yes	<u> X </u> no
Department of Administration	<u> </u> 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



Amanda Blomberg, CPA

Date of report

July 27, 2022