

City of Madison

Report on Federal and State Awards

December 31, 2022

City of Madison

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**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 Organization) as of and for the year ended December 31, 2022, 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 26, 2023. Our report includes a reference to other auditors who audited the financial statements of the 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 and MR CDC, presented as nonmajor funds 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, CDA 95-1 and MR CDC 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, CDA 95-1 and MR CDC or that are reported on separately by those auditors who audited 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, CDA 95-1 and MR CDC.

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-01, that we consider to be a material weakness.

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*.

The Organization's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the finding identified in our audit and 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 the financial statements and, accordingly, we express no opinion on it.

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 26, 2023

**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 and the
State Single Audit Guidelines**

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 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, 2022. 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, 2022.

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 control 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.

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 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, 2022, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements. We issued our report thereon dated June 26, 2023, 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of 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 26, 2023

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

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 Agriculture						
Urban Agriculture and Innovative Production	10.935	N/A	NR213A750001C030	\$ 90,000	\$ 46,500	\$ 46,500
Total U.S. Department of Agriculture					46,500	46,500
U.S. Department of Housing and Urban Development						
Multifamily Housing Service Coordinators	14.191					
Service Coordinator Multifamily		N/A	MFSC177020	947,012	61,582	-
Service Coordinator Multifamily		N/A	MFSC170289	900,610	82,177	-
					143,759	-
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	155,872	-
Housing Assistance Payments - Parkside	14.195	WHEDA	N/A	N/A	329,224	-
Total Section 8 Project -Based Cluster					485,096	-
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	1,138,471	958,471
Community Development Block Grants - Program Income		N/A	N/A	N/A	743,019	392,228
					1,881,490	1,350,698
COVID-19 Community Development Block Grants/Entitlement Grants (CDBG)	14.218					
COVID-19 CDBG/Entitlement Grants - CARES Act Supplemental (CDBG-CV)		N/A	B20-MW-55-0005	2,602,959	1,780,188	1,780,188
Total CDBG - Entitlement Grants Cluster					3,661,678	3,130,886
COVID-19 Community Development Block Grants/State's Program	14.228					
COVID-19 CDBG/State's Program - CARES Act Supplemental (CDBG-CV)		WI DOA	CDBG-CV 21-36	493,377	107,771	107,771
Emergency Solutions Grants Program (ESG)	14.231					
Emergency Solutions Grant		N/A	E**-MC-55-0005	N/A	118,057	102,154
Emergency Solutions Grant - Program Income		N/A	N/A	N/A	19,400	19,400
Emergency Solutions Grant		WI DOA	EHH **-10	N/A	449,988	438,011
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	674,431	541,787
COVID-19 Emergency Solutions Grant - CARES Act Supplemental (ESG-CV)		WI DOA	ESG-CV 20-09	3,514,765	760,848	702,839
					2,022,724	1,804,191
HOME Investment Partnerships Program (HOME)	14.239					
HOME Investment Partnerships Program		N/A	M**-MC-55-0201	N/A	367,099	293,513
HOME Investment Partnerships Program - Program Income		N/A	N/A	N/A	642,226	74,500
					1,009,325	368,013
Continuum of Care Program (CoC)	14.267					
Continuum of Care Program Grant FY19		N/A	WI0232L5I031900	107,086	3,106	-
Continuum of Care Program Grant FY20		N/A	WI0240L5I032000	107,304	104,047	-
					107,153	-

See notes to schedule of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

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
Youth Homelessness Demonstration Program (YHDP)	14.276					
YHDP Planning Grant FY20		N/A	WI0244Y5I032000	\$ 199,200	\$ 143,084	\$ 73,587
Public and Indian Housing	14.850					
Low Income Assistance Program - Operating Subsidy		N/A	N/A	N/A	1,563,549	-
Resident Opportunity & Supportive Services - Service Coordinators	14.870	N/A	ROSS221678	245,850	74,192	-
Housing Voucher Cluster						
Housing Choice Voucher Program	14.871	N/A	WI003VO0119 (2010)	N/A	<u>17,998,272</u>	<u>-</u>
Total Housing Voucher Cluster					<u>17,998,272</u>	<u>-</u>
Public Housing Capital Fund	14.872					
Capital Fund Program FY17		N/A	WI39P00350117	1,116,675	24,572	-
Capital Fund Program FY18		N/A	WI39P00350118	1,598,267	282,569	-
Capital Fund Program FY19		N/A	WI39P00350119	1,684,754	1,668	-
Capital Fund Program FY21		N/A	WI39P00350121	1,913,865	<u>562,465</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development					<u>28,187,877</u>	<u>5,484,449</u>
U.S. Department of Interior						
Historic Preservation Fund Grants-In-Aid	15.904	WI SHPO	WI-22-10015	26,500	<u>752</u>	<u>752</u>
Total U.S. Department of Interior					<u>752</u>	<u>752</u>
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	88,198	-
Juvenile Justice and Delinquency Prevention	16.540					
Title II Justice Youth Mentoring		WI DOJ	2019-JF-14-17096	33,066	735	735
Project Safe Neighborhoods	16.609					
Dane County Narcotics Task Force PSNTF 2022		Dane Co	2019-PW-01-15801	32,420	3,281	-
Madison Safe Neighborhoods Project		WI DOJ	2020-PW-01-16547	16,271	111	-
Madison Safe Neighborhoods Project		WI DOJ	2019-PW-01-15820	15,642	<u>2,633</u>	<u>-</u>
Total U.S. Department of Justice					<u>6,025</u>	<u>-</u>
Public Safety Partnership and Community Policing Grants	16.710					
COPS Anti-Heroin Task Force (AHTF) 2022		Dane Co	2018-HP-WX-0017	65,000	5,210	-
COPS DE-escalation Training 2021		Dane Co	15JCOPS-21-GG-02449-SPPS	175,000	43,985	-
COPS CPD Microgrant 2021		Dane Co	15JCOPS-21-GG-02294-SPPS	175,000	<u>52,269</u>	<u>52,269</u>
Total U.S. Department of Justice					<u>101,464</u>	<u>52,269</u>

See notes to schedule of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

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
Edward Byrne Memorial Justice Assistance Grant Program	16.738					
E. Byrne Memorial Justice Assistance		N/A	15PBJA-22-GG-02226-JAGX	\$ 110,389	\$ 4,018	\$ -
E. Byrne Memorial Justice Assistance		N/A	15PBJA-21-GG-01981-JAGX	101,346	79,448	24,865
E. Byrne Memorial Justice Assistance		N/A	2020-DJ-BX-0706	84,289	59,177	-
E. Byrne Memorial Justice Assistance		N/A	2019-DJ-BX-0616	86,633	7,085	-
E. Byrne Memorial Justice Assistance		N/A	2018-DJ-BX-0479	87,781	30,098	-
E. Byrne Memorial Justice Assistance TRGT 2022		Dane Co	2020-DJ-01-17060	80,000	40,862	-
					<u>220,688</u>	<u>24,865</u>
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	177,665	-
Comprehensive Opioid, Stimulants and Substance Abuse Program	16.838					
COSSAP First Responder Diversion Program (PTRMDC)		N/A	2019-AR-BX-K032	1,200,000	309,768	89,824
STOP School Violence	16.839					
STOP School Violence Prevention and Mental Health Training Program		N/A	2018-YS-BX-0099	250,000	10,322	10,322
Equitable Sharing Program	16.922					
Asset Forfeiture Program - Task Force		Dane Co	WI0130100	N/A	142,262	-
Drug Enforcement Administration	16.UNKNOWN					
Organized Crime Drug Enforcement Task Force (OCDETF)		Dane Co	GL-WIW-0086	40,000	33,141	-
Federal Bureau of Investigation	16.UNKNOWN					
Safe Streets Task Force		N/A	281D-MW-C44708	62,500	18,946	-
					<u>1,109,214</u>	<u>178,015</u>
Total U.S. Department of Justice						
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	54,677	-
COVID-19 Federal Transit - Formula Grants	20.507					
COVID-19 Section 5307 - CARES Act Stimulus		N/A	WI-2020-049	24,498,820	8,429	-
COVID-19 Section 5307 - CRRSA Act Stimulus		N/A	WI-2021-041	14,983,291	241,437	-
COVID-19 Section 5307 - ARP Act Stimulus		N/A	WI-2021-042	30,006,405	7,900,000	-
					<u>8,149,866</u>	<u>-</u>
Buses & Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526					
Section 5339 - Capital Low or No Emission		N/A	WI-2018-012	1,278,950	31,453	-
					<u>8,235,996</u>	<u>-</u>
Total Federal Transit Cluster						
Highway Planning and Construction Cluster						
Highway Planning and Construction	20.205					
Ped/Bike Safety		WI DOT	5992-08-47	83,595	73,347	-
					<u>73,347</u>	<u>-</u>
Total Highway Planning and Construction Cluster						

See notes to schedule of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

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 Transportation Planning and State and Non-Metropolitan Planning and Research	20.505					
Federal Highway Planning Grant		WI DOT	0095-05-75	\$ 797,883	\$ 17,218	\$ -
Federal STP Rideshare Grant		WI DOT	5992-08-37	84,264	31,498	-
State Highway Planning Grant		WI DOT	W095-05-75	47,020	1,035	-
Federal Highway Planning Grant		WI DOT	0096-22-75	797,351	784,610	-
Federal STP Rideshare Grant		WI DOT	5992-08-37	96,800	69,596	-
State Highway Planning Grant		WI DOT	W0096-22-75	47,021	46,269	-
Federal Highway Planning Grant		Dane Co	0403-84-48	5,457	5,457	-
					<u>955,683</u>	<u>-</u>
Transit Services Program Cluster						
Federal Transit - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513					
Section 5310 - Enhanced Mobility		N/A	WI-2021-029	245,631	46,716	42,661
Section 5310 - Enhanced Mobility		N/A	WI-2022-028	280,948	154,938	55,956
					<u>201,654</u>	<u>98,617</u>
Total Transit Services Program Cluster					<u>201,654</u>	<u>98,617</u>
Highway Safety Cluster						
State and Community Highway Safety Speed Enforcement 2022	20.600	Dane Co	FG-2022-DANE CO -05943	65,000	48,800	-
National Priority Safety Program	20.616					
Alcohol Enforcement 2023		Dane Co	IDE-2023-DANE CO SO-00045	100,000	14,759	-
Alcohol Enforcement 2022		Dane Co	FG-2022-DANE CO-05764	100,000	79,951	-
Seatbelt Enforcement 2023		Dane Co	SBE-2023-DANE CO SO-00042	68,372	19,169	-
Seatbelt Enforcement 2022		Dane Co	FG-2022-DANE CO-05801	68,372	45,304	-
Mobilization Equipment 2022		WI DOT	FG-2022-MADISON -06023	4,545	4,545	-
Pedestrian Enforcement 2022		WI DOT	FG-2022-MADISON -05977	50,000	46,499	-
					<u>210,227</u>	<u>-</u>
Total Highway Safety Cluster					<u>259,027</u>	<u>-</u>
U.S. Department of Transportation					<u>9,725,707</u>	<u>98,617</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)	43,598,995	27,864,149	27,862,976
COVID-19 Emergency Rental Assistance - American Rescue Plan Act 2021 (ERA2)		N/A	ERAE0047 (FAIN)	45,387,612	18,344,680	18,343,512
Total Emergency Rental Assistance					<u>46,208,829</u>	<u>46,206,488</u>
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	17,024,581	2,928,455
COVID-19 State of Wisconsin Tribal and Local Law Enforcement Agency Initiative		WI DOA	N/A	834,338	8,000	-
Total Coronavirus State and Local Fiscal Recovery Funds					<u>17,032,581</u>	<u>2,928,455</u>
Total U.S. Department of Treasury					<u>63,241,410</u>	<u>49,134,943</u>

See notes to schedule of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

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 Title VII Processing Contract	30.001	N/A	2021	\$ 17,400	\$ 17,400	\$ -
Total U.S. Equal Employment Opportunity Commission					<u>17,400</u>	<u>-</u>
National Endowment for the Arts						
Promotion of the Arts Grants to Organizations and Individuals	45.024	N/A	1886758-42	50,000	12,000	12,000
COVID-19 ARPA Promotion of the Arts Grants to Organizations and Individuals (Artists at Work)	45.024	N/A	1894638-66-22	500,000	239,823	229,750
Total National Endowment for the Arts					<u>251,823</u>	<u>241,750</u>
Institute of Museum and Library Services						
Grants to States	45.310	WI DPI	N/A	4,000	2,947	-
COVID-19 Grants to State ARPA State Grants	45.310	WI DPI	LS-250245-OLS21	67,000	65,558	-
Total Institute of Museum and Library Services					<u>68,505</u>	<u>-</u>
National Leadership Grants	45.312	N/A	LG-250134-OLS-21	242,335	4,805	-
Total Institute of Museum and Library Services					<u>73,310</u>	<u>-</u>
U.S. Environmental Protection Agency						
COVID-19 State Environmental Justice Cooperative Agreement Program	66.312	N/A	84033601.000	200,000	53,916	-
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	N/A	N/A	300,000	92,919	92,219
Total U.S. Environmental Protection Agency					<u>146,835</u>	<u>92,219</u>
U.S. Department of Energy						
State Energy Program	81.041	WI PSC	DE-EE0008669 / 22-07	50,000	48,723	-
State Energy Program	81.041	WI PSC	EIGP-2020-14	246,595	229,095	229,095
Total U.S. Department of Energy					<u>277,818</u>	<u>229,095</u>
ARRA-Energy Efficiency and Conservation Block Grant (EECBG) Wisconsin Energy Efficiency Project	81.128	MKE	N/A	1,674,756	16,987	-
Total U.S. Department of Energy					<u>294,805</u>	<u>229,095</u>
U.S. Department of Health & Human Services						
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Responses to Public Health or Healthcare Crises COVID-19 Just Response	93.391	WI DHS	155813	100,000	33,333	33,333
Total U.S. Department of Health & Human Services					<u>33,333</u>	<u>33,333</u>
Executive Office of the President						
Anti-Doping Activities	95.004	Dane Co	N/A	N/A	31,665	-
Total Executive Office of the President					<u>31,665</u>	<u>-</u>
Total Federal Awards					<u>\$ 103,160,631</u>	<u>\$ 55,539,673</u>

See notes to schedule of expenditures of federal and state awards

City of Madison

Schedule of Expenditures of State Awards
Year Ended December 31, 2022

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	\$ 1,230	\$ -
Recreational Boating Facilities Grant					
Spring Harbor Dredging	370.573	RBF-1795	249,000	169,430	-
Recycling Grants to Responsible Units	370.670	N/A	N/A	741,291	-
RU Consolidated Grant	370.673	N/A	N/A	<u>65,543</u>	<u>-</u>
Total for Wisconsin Department of Natural Resources				<u>977,494</u>	<u>-</u>
Wisconsin Department of Transportation					
Transit Operating Aids, State Funds	395.104	2022	9,111,922	<u>9,111,922</u>	<u>-</u>
Total for Wisconsin Department of Transportation				<u>9,111,922</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	<u>14,214</u>	<u>-</u>
Total for Wisconsin Department of Justice				<u>140,928</u>	<u>-</u>
Wisconsin Department of Military Affairs					
Regional Emergency Response Teams	465.306	7/01/2021 - 06/30/2024	320,171	<u>160,591</u>	<u>-</u>
Total for Wisconsin Department of Military Affairs				<u>160,591</u>	<u>-</u>
Wisconsin Department of Administration					
Housing Cost Reduction Initiative (HCRI)	505.703A				
Housing Cost Reduction Initiative		HCRI **-07	N/A	188,234	-
Housing Cost Reduction Initiative - Program Income		N/A	N/A	<u>274,698</u>	<u>-</u>
				<u>462,932</u>	<u>-</u>
Homelessness Prevention Program (HPP)	505.703B	EHH **-10	N/A	252,873	252,873
Housing Assistance Program (HAP)	505.707B	EHH **-10	N/A	<u>88,519</u>	<u>88,519</u>
Total for Wisconsin Department of Administration				<u>804,324</u>	<u>341,392</u>
Wisconsin Department of Tourism					
Wisconsin Arts Board	N/A	2021 - 2022	10,510	<u>9,010</u>	<u>9,010</u>
Total for Wisconsin Department of Tourism				<u>9,010</u>	<u>9,010</u>
Total State Awards				<u>\$ 11,204,269</u>	<u>\$ 350,402</u>

See notes to schedule of expenditures of federal and state awards

City of Madison

Notes to Schedules of Expenditures of Federal and State Awards
Year Ended December 31, 2022

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, 2022. 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
- WI SHPO - Wisconsin State Historic Preservation Office
- MKE - City of Milwaukee, Wisconsin
- Dane Co - Dane County, Wisconsin
- WI DPI - Wisconsin Department of Public Instruction
- WI PSC - Wisconsin Public Service Commission
- WI DHS - Wisconsin Department of Health Services

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, 2022

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 no

Noncompliance material to financial statements noted? yes X 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> </u> yes	<u> X </u> none reported	<u> </u> yes	<u> X </u> none reported

Type of auditor's 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: \$3,000,000 \$250,000

City of Madison

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.218	CDBG - Entitlement Grants Cluster
14.218	CDBG/Entitlement Grants
21.023	COVID-19 CDBG/Entitlement Grants
21.027	COVID-19 Emergency Rental Assistance
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
20.500	Federal Transit Cluster
20.507	Federal Transit - Capital Investment Grants
20.507	Federal Transit - Formula Grant
20.507	COVID 19 Federal Transit - Formula Grant
20.526	Federal Transit - Bus and Bus Facilities Formula Program

Identification of major state programs:

<u>State Numbers</u>	<u>Name of State Program</u>
395.104	Transit Operating Aids
505.703A	Housing Cost Reduction Initiative
505.703B	Homelessness Prevention Program

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

Finding 2022-001: 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 ensures 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 schedule 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 the auditors identified a material change to the financial statements.

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 changes to the financial statements.

City of Madison

Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Management's Response: The Transit finance team will work to ensure a complete and accurate set of unaudited financial statements ready for external audit, consistent with deadlines, that are free of material misstatements. Transit management will allocate sufficient resources during the year and at year-end for required financial reporting. Additionally, coordinated and cooperative efforts will be undertaken to implement high level management reviews of Transit unaudited financial statements, and for other material financial transactions, including entries and footnote disclosures required for GASB pronouncements, and/or partnership contracts prior to external auditor arrival annually in April.

Section III - Federal or State Awards Findings and Questioned Costs

None reported.

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 or director



Amanda Blomberg, CPA, Director

Date of report

June 26, 2023