



ARPA - Reset

- Reverse all previous activity / rulings to put everything back to ARPA fund
- Not using 2021 expenses as Expenditure grant application (Lost Revenue)
- Will be using 2022 expenditures to use ARPA funds as directed by the Final Ruling of the US Treasury (FAQ #13.15)
- This is not Fishy, Misallocation, Manipulation or anything that has not been deemed by the US Treasury in their Final Rule as proper use of the ARPA funds.
- The Final Rule took note that funds were not being used or dispersed as quickly as was wanted due to COVID, supply chain, unclear directions by US Treasury.



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AS OF JULY 27, 2022

Coronavirus State and Local Fiscal Recovery Funds

Final Rule: Frequently Asked Questions

13.15. Which requirements of the Uniform Guidance apply to revenue loss funds?

Under the statute and the final rule, recipients may use SLFRF funds for the provision of government services up to the amount of their revenue loss due to the pandemic. Under the final rule, recipients may either calculate their revenue loss amount using a formula provided in the rule or elect up to a \$10 million “standard allowance” of revenue loss over the life of the program. Recipients have considerable flexibility to use SLFRF revenue loss funds on activities to address the diverse needs of their communities, as discussed in FAQ



ARPA - Reset Video

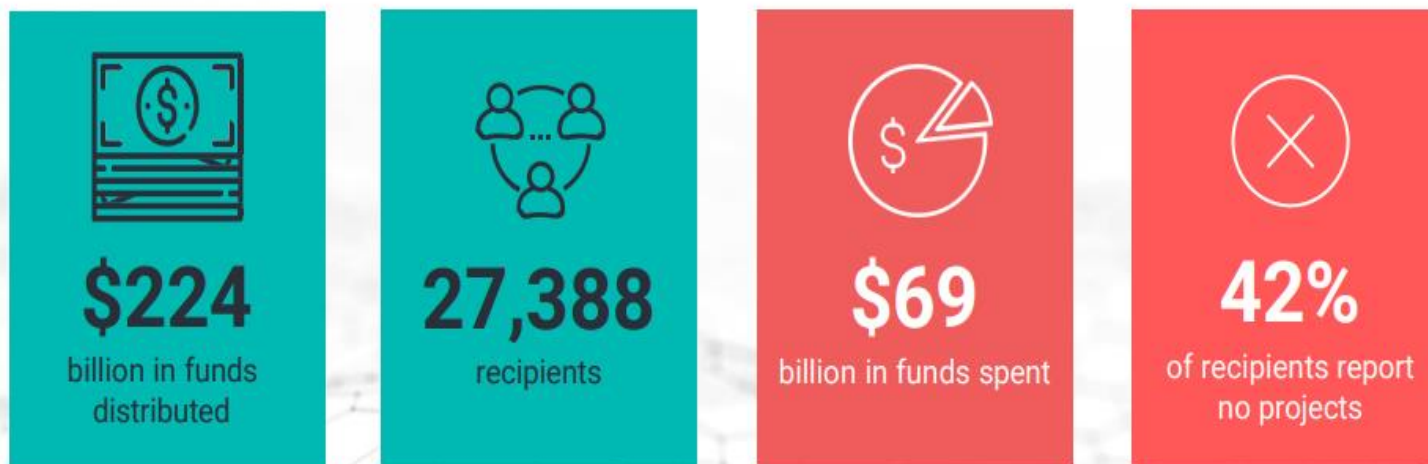
[Just a T.A.D. Episode 2: Coronavirus
State and Local Fiscal Recovery
Funds GAAP vs. Grant Rules -
YouTube](#)



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HOW MUCH HAS BEEN SPENT?

First tranche of SLFRF payments





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WHERE IS THE MONEY GOING?

Definitions

Reporting Tiers:

- **Tier 1:** States, U.S. territories, metropolitan cities and counties with a population that exceeds 250,000 residents.
- **Tier 2:** Metropolitan cities and counties with a population below 250,000 residents that are allocated more than \$10 million in SLFRF funding, and NEUs that are allocated more than \$10 million in SLFRF funding.
- **Tier 5:** Metropolitan cities and counties with a population below 250,000 residents that are allocated less than \$10 million in SLFRF funding, and NEUs that are allocated less than \$10 million in SLFRF funding.

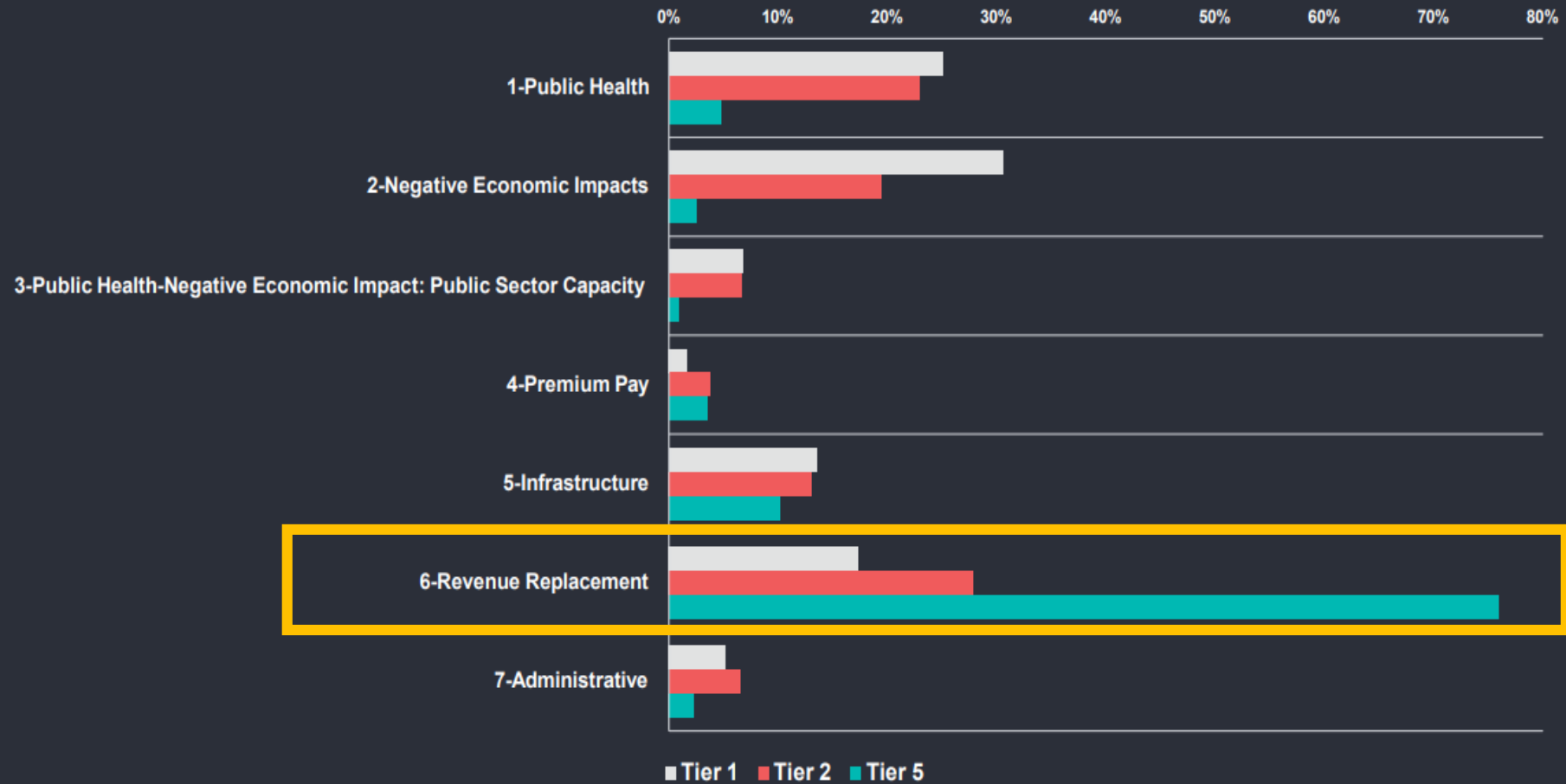




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WHERE IS THE MONEY GOING?

By Reporting Tier





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Final Rule Additions

- Recipients may determine their revenue loss by choosing between two options:
 - A standard allowance of up to \$10 million in aggregate, not to exceed your award amount, during the program
 - Calculating your jurisdiction's specific revenue loss each year using Treasury's formula, which compares actual revenue to a counterfactual trend.



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REPLACING LOST REVENUE

Counties can use Recovery Funds to provide government services, up to the amount of revenue loss experienced using one of two Treasury approaches. Under the Final Rule, counties now have two options:

KEY NEW FEATURES IN FINAL RULE

1. NEW \$10 MILLION REVENUE LOSS ALLOWANCE

- Counties may allocate up to \$10 million of their total Recovery Fund allocation to spend on government services
- Counties may still calculate actual revenue loss through Treasury formula – both must pick 1 of the 2 approaches
- Simplifies reporting requirements for counties using the standard \$10M standard allowance
- 2,137 counties (70%) now eligible to invest entirety of allocated Recovery Funds in general government services

2. IMPROVEMENTS TO THE REVENUE LOSS FORMULA

- Revenue loss **growth rate changed from 4.1% to 5.2%** as the new standard default allowance for the formula



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Wisconsin Counties that have used Revenue Loss Calculation & General Services Expenditures for ARPA funds.

| <u>County</u> | <u>ARPA Funds</u> | <u>General Service (Loss Revenue)</u> |
|--------------------|-------------------|---------------------------------------|
| Fond du Lac County | \$20,084,821 | All |
| LaCrosse County | \$22,923,224 | All |
| Rock County | \$31,729,599 | \$10,000,000 |
| Burnett County | \$ 2,993,989 | All |
| Wood County | \$14,179,200 | \$10,000,000 |
| Juneau | \$ 5,183,637 | All |
| Trempealeau County | \$ 5,758,971 | All |
| Columbia County | \$11,174,917 | \$10,000,000 |

The counties with less than \$10M in ARPA funds used the \$10M amount without having to go thru the Revenue Loss Calculation and the determination of General Service Expenditures.

Several Counties with over \$10M chose to only use the \$10M amount for reason above.

Fond du Lac & Lacrosse chose to do the additional work to be able to claim all ARPA funds as General Service Expenditures.



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Winnebago County Loss Revenue Calculation per US Treasury Final Rule

Revenue from Federal Sources Excluded

Growth Rate per US Treasury Guidelines

5.20%

Base Year Revenue - 2019

\$138,419,272

Estimated Lost

Year Ending

Counterfactual Revenue

Actual Revenue

Revenue

12/31/2020

\$145,617,074

\$139,634,851

\$5,982,223

12/31/2021

\$153,189,162

\$136,434,586

\$16,754,576

12/31/2022

\$161,154,998

\$131,507,766

\$29,647,232

Total 2020, 2021 & 2022

\$52,384,031

Funds will be used for provision of general governmental services.



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Grant Type and MF/BA Determine Accounting

- Expenditure-driven grants
 - Must incur qualifying expenditures to “obtain claim to resources” (i.e., incurrence is an eligibility requirement)
 - Often require matching funds or other actions by grantee, referred to as “contingencies”
 - Most Federal grants
- Purpose-restricted grants
 - Includes: Entitlements, some formula-driven grants, shared revenues, endowment and other restricted donations
 - Do not need to incur eligible expenditures before recognizing revenue



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Eligible Expenditures: Four Main Categories

A. COVID-19 or a negative economic impact

B. Premium pay for eligible workers

C. For government services to the extent of the loss of revenue

D. Investments in water, sewer and broadband infrastructure



FINAL RULE ISSUED

- Final rule issued January 7, 2022
- The final rule took effect on April 1, 2022

US Treasury Guidance on Final Rule July 27, 2022



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| Winnebago County 2022 Wages (not Grant funded) | | | |
|--|----------------------|---------------------|----------------------|
| | Reg Pay | Overtime | Total |
| General Fund | 23,033,688.58 | 1,473,863.14 | 24,507,551.72 |
| Park View Fund | 8,010,085.38 | 714,095.32 | 8,724,180.70 |
| | 31,043,773.96 | 2,187,958.46 | 33,231,732.42 |
| | | | |
| | | | |
| ARPA Funding | | | |
| 5/31/21 disbursement | 16,695,459.50 | | |
| 7/11/22 disbursement | 16,695,459.50 | | |
| | 33,390,919.00 | | |

Government Expenditures such as Highway projects may also be used in the calculation above.



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SEFA Preparation

- Incorporate into procedures to ensure an accurate and complete SEFA

Maintain electronic repository of relevant grant information

Prepare SEFA using same basis of accounting as financial statements

Reconcile expenditures in general ledger on a monthly basis

Include reconciliation of differences in notes to SEFA

Ensure Single Audit is submitted to Federal Audit Clearinghouse