

SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2023



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**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2023**

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 AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL AND 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 WISCONSIN <i>STATE SINGLE AUDIT GUIDELINES</i>	3
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS AND OTHER AUDITORS' REPORTS	7
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS	8
NOTES TO EXPENDITURES OF FEDERAL AND STATE AWARDS	12
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

Board of Directors
Southwest Wisconsin Technical College
Fennimore, Wisconsin

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 business type activities and the discretely presented component unit of the Southwest Wisconsin Technical College (the District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 13, 2024.

The consolidated financial statement of the Southwest Wisconsin Technical College Foundation, Inc. (the Foundation) were not audited in accordance with *Government Auditing Standards*, and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

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

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 District'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 charge 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 District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Middleton, Wisconsin
February 13, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND 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
WISCONSIN STATE SINGLE AUDIT GUIDELINES**

Board of Directors
Southwest Wisconsin Technical College
Fennimore, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Southwest Wisconsin Technical College (the District)'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the Wisconsin *State Single Audit Guidelines* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2023. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and 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; 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 Wisconsin *State Single Audit Guidelines*. Our responsibilities under those standards and the Uniform Guidance and the Wisconsin *State Single Audit 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 District 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 state program. Our audit does not provide a legal determination of the District'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 District'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 District'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 Wisconsin *State Single Audit 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 District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the Wisconsin *State Single Audit 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 District'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 District'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 Wisconsin *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the District'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 and the Wisconsin State Single Audit Guidelines and which are described in the accompanying schedule of findings and questioned costs as item 2023-001. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District'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 certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 and 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 and 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 and 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 2023-001, 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 District's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The District'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.

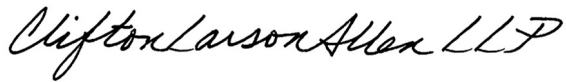
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the Wisconsin *State Single Audit Guidelines*. Accordingly, this report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

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of the District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We have issued our report thereon, dated March 12, 2024, 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 is presented for purposes of additional analysis as required by the Uniform Guidance and the Wisconsin *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from

Board of Directors
Southwest Wisconsin Technical College

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 is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Middleton, Wisconsin
March 12, 2024

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
AND OTHER AUDITORS' REPORTS**

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Project Identification Number	Federal Grant Amount	Passed Through to Subrecipients	Expenditures		Total Expenditures
					Federal	Match	
Department of Agriculture							
Pass-Through Program from Wisconsin Department of Agriculture, Trade, and Consumer Protection							
Commodity Partnerships for Small Agricultural Risk Management Education Sessions							
Nutrient Management 2021 Funds	10.459	03-103-000-021	\$ 16,396	\$ -	\$ 16,396	\$ -	\$ 16,396
Nutrient Management 2022 Funds	10.459	Grant # 105	540	-	540	-	540
Total Commodity Partnerships for Small Agricultural Risk Management Education Sessions			16,936	-	16,936	-	16,936
Farm Business Management and Benchmarking Competitive Grants	10.319	03-114-000-021	7,192	-	7,996	-	7,996
Cooperative Extension Service	10.500	03-152-000-021	40,193	-	4,406	-	4,406
Total Department of Agriculture			\$ 64,321	\$ -	\$ 29,338	\$ -	\$ 29,338
Department of Labor							
Pass-Through Wisconsin Technical College System							
Registered Apprenticeship							
Apprenticeship USA Grant - Operational Enhancements	17.285	03-157-155-252	\$ 21,159	\$ -	\$ 18,209	\$ -	\$ 18,209
Apprenticeship USA Grant - Youth Apprenticeship Dual Credit	17.285	03-156-155-262	22,929	-	3,342	-	3,342
Total Department of Labor			\$ 44,088	\$ -	\$ 21,551	\$ -	\$ 21,551
Department of the Treasury							
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds							
Workforce Innovation Grant	21.027	Grant # 214	\$ 1,448,792	\$ 46,997	\$ 1,373,932	\$ 19,114	\$ 1,393,046
Meat Talent	21.027	03-215-138-253	213,235	-	4,978	-	4,978
Total Department of Treasury			\$ 1,662,027	\$ 46,997	\$ 1,378,910	\$ 19,114	\$ 1,398,024
Department of Energy							
(COVID-19) State Energy Program	81.041	Grant #201	\$ 80,000	\$ -	\$ 14,413	\$ 8,648	\$ 23,061
Department of Education							
Department of Education Direct Programs							
Student Financial Assistance Cluster							
Federal Supplemental Education							
Opportunity Grant	84.007	Not Applicable	\$ -	\$ -	\$ 60,102	\$ -	\$ 60,102
Federal College Work Study	84.033	Not Applicable	-	-	63,221	-	63,221
Federal Pell Grant	84.063	Not Applicable	-	-	2,426,483	-	2,426,483
Direct Student Loans							
Federal Student Stafford Loans - Plus	84.268	Not Applicable	-	-	20,115	-	20,115
Federal Student Stafford Loans - Subsidized	84.268	Not Applicable	-	-	1,256,576	-	1,256,576
Federal Student Stafford Loans - Unsubsidized	84.268	Not Applicable	-	-	902,573	-	902,573
Total Direct Student Loans			-	-	2,179,264	-	2,179,264
Total Student Financial Assistance Cluster			-	-	4,729,070	-	4,729,070
Pass-Through Program from Wisconsin Technical College System							
Adult Education Act							
Adult Education - Basic Grants to States	84.002	03-110-146-123	148,552	-	67,989	80,563	148,552

See accompanying Notes to Expenditures of Federal and State Awards.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Project Identification Number	Federal Grant Amount	Passed Through to Subrecipients	Expenditures		Total Expenditures
					Federal	Match	
Department of Education (Continued)							
Career and Technical Education -- Basic Grants to States							
Career Prep	84.048	03-106-150-213	\$ 44,377	\$ -	\$ 44,377	\$ -	\$ 44,377
Capacity Building	84.048	03-119-150-223	27,252	-	27,252	-	27,252
High School to College Transition	84.048	03-137-150-243	62,076	-	62,076	-	62,076
Strengthening CTE Programs	84.048	03-193-150-253	49,661	-	44,083	-	44,083
Non-Traditional Occupations (NTO)	84.048	03-194-150-263	12,415	-	11,867	-	11,867
Student Success	84.048	03-198-150-233	279,776	-	120,928	151,584	272,512
Total Career and Technical Education Basic Grants to States			475,557	-	310,583	151,584	462,167
(COVID-19) Education Stabilization Fund COVID-19 Higher Education Emergency Relief Fund - Institutional Portion							
	84.425F	03-107-000-021	407,292	-	407,292	-	407,292
Total Department of Education			\$ 1,031,401	\$ -	\$ 5,514,934	\$ 232,147	\$ 5,747,081
Department of Children and Families							
Child Care and Development Block Grant							
Stabilization Payment Program: Funding Workforce							
Recruitment and Retention	93.575	Grant # 136	\$ 1,800	\$ -	\$ 1,800	\$ -	\$ 1,800
Stabilization Payment Program: Funding Workforce							
Recruitment and Retention	93.575	Grant # 142	19,050	-	19,050	-	19,050
Stabilization Payment Program: Increasing Access to High-Quality Care	93.575	Grant # 139	5,449	-	5,449	-	5,449
Stabilization Payment Program: Increasing Access to High-Quality Care	93.575	Grant # 140	1,100	-	1,100	-	1,100
Stabilization Payment Program: Increasing Access to High-Quality Care	93.575	Grant # 141	43,955	-	43,955	-	43,955
Stabilization Payment Program: Increasing Access to High-Quality Care	93.575	Grant # 143	5,095	-	5,095	-	5,095
Total Department of Children and Families			\$ 76,449	\$ -	\$ 76,449	\$ -	\$ 76,449
Department of Homeland Security							
Pass-Through Program from Wisconsin Technical College System							
Assistance to Firefighters Grant- Extrication Equipment	97.044	03-113-153-113	\$ 19,600	\$ -	\$ 17,043	\$ 2,558	\$ 19,601
Total Federal Awards			\$ 2,977,886	\$ 46,997	\$ 7,052,638	\$ 262,467	\$ 7,315,105

See accompanying Notes to Expenditures of Federal and State Awards.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)
JUNE 30, 2023**

State Grant/Program	State Identifying Number	Project Identification Number	Grant Amount	Expenditures		Total Expenditures
				State	Match	
Wisconsin Higher Education Board						
Wisconsin Higher Education Grant	235.102	Not Applicable	\$ 590,934	\$ 590,934	\$ -	\$ 590,934
Remissions of Fees for Veterans and Dependents	235.105	Not Applicable	-	-	-	-
Minority Undergraduate Retention Grant	235.107	Not Applicable	1,060	1,060	-	1,060
Academic Excellence Scholarship	235.109	Not Applicable	38,813	38,813	-	38,813
Talent Incentive Program Grant	235.114	Not Applicable	11,600	11,600	-	11,600
Nursing	235.117	Not Applicable	18,000	18,000	-	18,000
Wisconsin Covenant Scholars Grant Revenue	235.131	Not Applicable	-	-	-	-
Total Wisconsin Higher Education Board			\$ 660,407	\$ 660,407	\$ -	\$ 660,407
Wisconsin Department of Transportation						
Motorcycle Safety	266.735	GRA-2223-123(1)	\$ 26,960	\$ 1,223	\$ -	\$ 1,223
Motorcycle Safety	266.735	GRA-2122-123(2)	15,384	5,798	-	5,798
Total Wisconsin Department of Transportation			\$ 42,344	\$ 7,021	\$ -	\$ 7,021
Wisconsin Technical College Systems Board						
Emergency Assistance	292.104	03-124-104-113	\$ 22,766	\$ 18,930	\$ -	\$ 18,930
State Aids for Vocation Technical and Adult Education	292.105	Not Applicable	2,076,700	2,076,700	-	2,076,700
Performance Based Aid	292.105	Not Applicable	1,019,828	1,019,828	-	1,019,828
State Aids Prior Years	292.105	Not Applicable	133,600	133,600	-	133,600
Total State ID 292.105			3,230,128	3,230,128	-	3,230,128

See accompanying Notes to Expenditures of Federal and State Awards.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)
JUNE 30, 2023**

State Grant/Program	State Identifying Number	Project Identification Number	Grant Amount	Expenditures		Total Expenditures
				State	Match	
Incentive Grants:						
Basic Education Review in HS and Corrections	292.124	03-129-124-182	\$ 103,224	\$ 46,774	\$ -	\$ 46,774
Apprenticeship Direct Instruction Support Grant	292.124	03-199-124-113	12,959	12,959	-	12,959
Manufacturing Month Project	292.124	01-377-124-183	5,000	176	-	176
Leadership: AAC&U Conference	292.124	03-107-124-183	3,000	3,000	-	3,000
Developing Markets: Surgical Technology	292.124	03-133-124-143	200,000	113,236	-	113,236
Non-Profit Management	292.124	03-133-124-141	23,947	18,054	-	18,054
Professional Growth	292.124	03-161-124-153	47,745	47,745	23,873	71,618
Leadership: Universal Design	292.124	03-217-124-193	200,000	147,023	-	147,023
Business Analyst	292.124	03-138-124-142	93,773	93,293	-	93,293
Articulation	292.124	03-218-124-183	150,000	90,277	-	90,277
Enrollment	292.124	03-219-124-193	200,000	169,291	-	169,291
High Risk Case management	292.124	03-220-124-193	199,999	199,999	-	199,999
Farm Production - Agronomy	292.124	13-180-124-131	2,000	2,000	-	2,000
Total Incentive Grants			1,241,647	943,827	23,873	967,700
Fire Fighter Training 2%	292.137	Not Applicable	26,855	26,855	-	26,855
Property Tax Relief Aid	292.162	Not Applicable	7,219,602	7,219,602	-	7,219,602
Hazmat	292.372	Not Applicable	3,440	3,440	-	3,440
Total Wisconsin Technical College Systems Board			\$ 11,744,438	\$ 11,442,782	\$ 23,873	\$ 11,466,655
Wisconsin Department of Natural Resources						
DNR Payment in Lieu of Taxes	370.503	Not Applicable	\$ 31,408	\$ 31,408	\$ -	\$ 31,408
Wisconsin Department of Revenue						
Personal Property Aid	835.103	Not Applicable	\$ 74,513	\$ 74,513	\$ -	\$ 74,513
State Aid computers	835.109	Not Applicable	43,736	43,736	-	43,736
Total Wisconsin Department of Revenue			\$ 118,249	\$ 118,249	\$ -	\$ 118,249
Total State Awards			\$ 12,596,846	\$ 12,259,867	\$ 23,873	\$ 12,283,740

See accompanying Notes to Expenditures of Federal and State Awards.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the Schedule) includes the federal and state award activity of the Southwest Wisconsin Technical College (the District) under programs of the federal government and state agencies for the year ended June 30, 2023. 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 Wisconsin *State Single Audit Guidelines*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the Wisconsin *State Single Audit Guidelines* for all awards. Under these principles, 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.

NOTE 3 INDIRECT COST RATE

The District has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 OVERSIGHT AND COGNIZANT AGENCIES

The District's federal oversight agency for audit is the U.S. Department of Education. The District's state cognizant agency is the Wisconsin Higher Education Aids Board.

Grant monies received and disbursed by the University are for specific purposes and are subject to review and audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the District does not believe that such disallowances, if any, would have a material effect on the financial position of the District. As of June 30, 2023 management was not aware of any material questioned or disallowed costs as a result of grant audits in process or completed.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 5 FEDERAL DIRECT STUDENT LOAN PROGRAM (DIRECT LOANS)

The Direct Loans (Federal ALN 84.268) is comprised of the following types of loans:

Subsidized Stafford Loans	\$ 1,256,576
Unsubsidized Stafford Loans	902,573
PLUS Loans	<u>20,115</u>
Total Direct Loans	<u><u>\$ 2,179,264</u></u>

NOTE 6 RECONCILIATION OF FEDERAL AND STATE AWARDS TO THE BASIC FINANCIAL STATEMENTS

Federal revenue reported in the basic financial statements is reconciled to the Schedule as follows:

Reconciliation

Federal Revenues Reported on the Schedule of Expenditures of Federal and State Awards	\$ 7,052,638
Miscellaneous - Rounding	<u>(1)</u>
Revenues per basic financial statements	<u><u>\$ 7,052,637</u></u>
Federal Revenue Reported in the Statement of Revenues, Expenses, and Changes in Net Position	
Operating	\$ 2,039,617
Nonoperating	2,833,756
Direct Student Loans Included on the Schedule of Expenditures of Federal and State Awards	<u>2,179,264</u>
Total Federal Revenues	<u><u>\$ 7,052,637</u></u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED JUNE 30, 2023**

NOTE 6 RECONCILIATION OF FEDERAL AND STATE AWARDS TO THE FINANCIAL STATEMENTS (CONTINUED)

State revenue reported in the financial statements is reconciled to the schedule of expenditures of federal and state awards as follows:

Reconciliation

State Revenues Reported on the Schedule of Expenditures of Federal and State Awards	\$ 12,259,867
State Revenues Not Reported on the Schedule	<u>11,651</u>
Revenues per basic financial statements	<u><u>\$ 12,271,518</u></u>
State Revenue Reported in the Schedule of Expenditures of Federal and State Awards	
Operating	\$ 2,766,472
Nonoperating	<u>9,505,046</u>
Total State Revenues	<u><u>\$ 12,271,518</u></u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SCHEDULES OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I – Summary of the Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes x no

Significant deficiency(ies) identified? _____ yes x none reported

Noncompliance material to basic financial statements noted? _____ yes x no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ yes x no

Significant deficiency(ies) identified? x yes _____ none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes _____ no

Identification of Major Federal Programs

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	(COVID-19) Coronavirus State and Local Fiscal Recovery Funds
84.007	Student Financial Assistance Cluster:
84.033	Federal Supplemental Education Opportunity Grant
84.063	Federal College Work Study
84.268	Federal Pell Grant
	Federal Direct Student Loan Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section I – Summary of the Auditors' Results

State Awards

Internal control over major state programs:

Material weakness(es) identified?	_____	yes	_____ <u> x </u>	no
Significant deficiency(ies) identified?	_____	yes	_____ <u> x </u>	none reported

Type of auditors' report issued on compliance for major state programs:

Unmodified

Any audit findings disclosed that are required to be reported?

	_____	yes	_____ <u> x </u>	no
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Identification of major state programs:

<u>State Identifying Number</u>	<u>Name of State Program</u>
235.102	Wisconsin Higher Education Grant
292.105	State Aids for Vocational Technical and Adult Education
292.162	Property Tax Relief Aid

Dollar threshold used to distinguish between type A and B programs: \$250,000

Auditee qualified as low-risk auditee?	_____ <u> X </u>	yes	_____	no
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**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

Section III – Federal and State Award Findings and Questioned Costs

2023 – 001: Gramm-Leach-Bliley Act (GLBA)

Federal Agency: U.S. Department of Education

Federal Program Name: Student Financial Aid Cluster

Assistance Listing Number: 84.007, 84.033, 84.063, & 84.268

Federal Award Identification Number and Year: P007A224541-2023, P033A224541-2023, P063P222982-2023, & P268K232982-2023

Award Period: July 1, 2022 through June 30, 2023

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: The District is responsible for the design and implementation of safeguards to control the risks the institution identifies through its risk assessment (16 CFR 314.4(c)). At a minimum, the institution’s written information security program must address the implementation of the minimum safeguards identified in 16 CFR 314.4(c)(4) and (6). The minimum safeguards include eight required written information security program elements. Two of these safeguards were omitted from the District’s written information security program. The District must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: For the year ended June 30, 2023, the District did not maintain a written information security program that address the implementation of two of the minimum safeguards identified in 16 CFR 314.4(c)(1) through (8).

Questioned costs: None

Context: The District did not have a written information security program that addressed two of the minimum safeguards during the year ended June 30, 2023.

Cause: The District’s policy reviews for compliance with noted requirements were not completed prior to the year ended June 30, 2023.

Effect: The District’s policies and procedures may not comply with all applicable requirements.

Repeat Finding: The finding is not a repeat finding.

Recommendation: We recommend the District review and update as necessary written information security program(s) to include aspects required by regulations.

Views of responsible officials: There is no disagreement with the audit finding.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
SCHEDULES OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2023**

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? 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* :

Technical College System Board	No
Higher Education Board	No
Department of Transportation	
Department of Natural Resources	No
Department of Workforce Development	No
Department of Revenue	No

Was a management letter or other document conveying audit comments issued as a result of this audit? No

Name and signature of Principal



Jordan Boehm, CPA

Date of Report March 12, 2024



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