

Milwaukee Area Technical College District

Report on Federal and State Awards

June 30, 2022

Milwaukee Area Technical College District

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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 Board of Directors of
Milwaukee Area Technical College

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 business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Milwaukee Area Technical College District, (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 6, 2022. Our report includes a reference to other auditors who audited the financial statements of Milwaukee Area Technical College Foundation, a discretely presented component unit, as described in our report on the District's financial statements. The financial statements of Milwaukee Area Technical 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 compliance and other matters associated with Milwaukee Area Technical Foundation or that are reported on separately by those auditors who audited the financial statements of Milwaukee Area Technical College Foundation, a discretely presented component unit.

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 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 2022-001, that we consider to be a material weakness.

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*.

The District's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and 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 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.

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

Milwaukee, Wisconsin
December 6, 2022

**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 Board of Directors of
Milwaukee Area Technical College

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited the Milwaukee Area Technical College District's (the District) 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 District's major federal and major state programs for the year ended June 30, 2022. The District'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 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 major state programs for the year ended June 30, 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 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 major 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 *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 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 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 *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 instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and the *Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-003, and 2022-004. Our opinion on each major federal and major 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 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 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 deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-002, 2022-003, and 2022-004, to be significant deficiencies.

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 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.

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 business-type activities, the discretely presented component unit and the aggregate remaining fund information of the District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 6, 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. Our report makes reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the District's 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.



Milwaukee, Wisconsin
December 6, 2022

Milwaukee Area Technical College District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor Pass-Through Grantor Program Title/Program Title	Assistance Listing Number	Project Identification	Internal Project Identification	Grant Period	Award Amount	Federal Revenues	Match	Total Expenditures	Expenditures to Subrecipients
Major Federal Award Programs									
U.S. Department of Education									
Student Financial Assistance Cluster Programs -									
Federal Supplemental Educational Opportunity									
Grant Program (FSEOG)	84.007	N/A	60400	7/1/21 to 6/30/22	\$ 1,058,000	\$ 1,496,712	\$ -	\$ 1,675,551	\$ -
Federal Work Study (FWS)	84.033	N/A	61000	7/1/21 to 6/30/22	821,000	335,666	-	629,896	-
Federal Pell Grant Program	84.063	N/A	60600	7/1/21 to 6/30/22	21,000,000	19,472,852	-	20,731,739	-
Federal Pell Grant Program - Admin	84.063	N/A	60547	7/1/21 to 6/30/22	91,000	108,038	-	108,038	-
Federal Direct Student Loans	84.268	N/A	NONE	7/1/21 to 6/30/22	<u>23,606,300</u>	<u>23,606,300</u>	-	<u>23,606,300</u>	-
Total Student Financial Assistance Cluster Programs					<u>46,576,300</u>	<u>45,019,568</u>	-	<u>46,751,524</u>	-
Education Stabilization Fund									
COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Aid Portion	84.425E	P425E200912	61100	4/22/20 to 5/12/23	9,266,070	8,677,493	-	10,252,758	-
COVID-19: CARES Act Higher Education Emergency Relief Funds, Institutional Portion	84.425F	P425F202097	19710	5/7/20 to 5/12/23	<u>21,859,488</u>	<u>22,525,740</u>	-	<u>22,525,740</u>	-
Total Education Stabilization Fund					<u>31,125,558</u>	<u>31,203,233</u>	-	<u>32,778,498</u>	-
<i>Passed Through Wisconsin Technical College System Board</i>									
Adult Education - Basic Grants to States									
AEFL Comprehensive Program	84.002	09-401-146-122	14010	7/1/21 to 6/30/22	645,075	655,561	457,570	1,113,131	106,500
AEFL Bilingual Program	84.002	09-401-146-122	14011	7/1/21 to 6/30/22	180,131	169,645	-	169,645	-
Re-Entry Grant	84.002	09-402-146-112	14020	7/1/21 to 6/30/22	<u>75,000</u>	<u>36,129</u>	<u>12,043</u>	<u>48,172</u>	-
Total 84.002					<u>900,206</u>	<u>861,335</u>	<u>469,613</u>	<u>1,330,948</u>	<u>106,500</u>
Total U.S. Department of Education					<u>78,602,064</u>	<u>77,084,136</u>	<u>469,613</u>	<u>80,860,970</u>	<u>106,500</u>
Total Major Federal Award Programs					<u>78,602,064</u>	<u>77,084,136</u>	<u>469,613</u>	<u>80,860,970</u>	<u>106,500</u>

See notes to schedules of expenditures of federal and state awards

Milwaukee Area Technical College District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor Pass-Through Grantor Program Title/Program Title	Assistance Listing Number	Project Identification	Internal Project Identification	Grant Period	Award Amount	Federal Revenues	Match	Total Expenditures	Expenditures to Subrecipients
Nonmajor Federal Award Programs									
U. S. Department of Agriculture									
<i>Passed Through University of Wisconsin-Milwaukee</i>									
Higher Education - Institution Challenge Grants Program - Fueling a Diverse Workforce	10.217	213405484	13840	9/1/20 to 4/30/22	\$ 7,972	\$ 7,894	\$ -	\$ 7,894	\$ -
<i>Passed thru Wisconsin Department of Public Instruction</i>									
Child and Adult Care Food Program - Child Care Centers Food Rebate	10.558	N/A	N/A	7/1/21 to 6/30/22	24,652	43,264	-	43,264	-
Total US. Department of Agriculture					<u>32,624</u>	<u>51,158</u>	-	<u>51,158</u>	-
U. S. Department of Labor									
<i>Passed Through Wisconsin Technical College System Board</i>									
<i>Apprenticeship USA Grants -</i>									
SAE Operational Enhancements	17.285	09-525-155-252	15250	7/1/21 to 6/30/23	2,986	2,986	-	2,986	-
Pre-Apprenticeship Curriculum Development	17.285	09-543-155-242	15430	11/15/21 to 3/31/22	12,500	6,330	-	6,330	-
Arborist Apprenticeship Direct Instruction	17.285	09-194-155-272	11940	8/15/21 to 6/30/22	17,000	17,000	-	17,000	-
Total 17.285					<u>32,486</u>	<u>26,316</u>	-	<u>26,316</u>	-
Total US. Department of Labor					<u>32,486</u>	<u>26,316</u>	-	<u>26,316</u>	-
National Science Foundation									
Research and Development Cluster									
<i>Passed Through Peralta Community College District</i>									
Education and Human Resources - BEST Center	47.076	DUE-1204930	10320	7/1/21 to 6/30/22	37,700	23,870	-	23,870	-
Education and Human Resources - GUSTO	47.076	DUE-1902518	11650	6/1/19-5/31/22	57,076	57,076	-	57,076	-
Total Research and Development Cluster					<u>94,776</u>	<u>80,946</u>	-	<u>80,946</u>	-
Total National Science Foundation					<u>94,776</u>	<u>80,946</u>	-	<u>80,946</u>	-

See notes to schedules of expenditures of federal and state awards

Milwaukee Area Technical College District

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor Pass-Through Grantor Program Title/Program Title	Assistance Listing Number	Project Identification	Internal Project Identification	Grant Period	Award Amount	Federal Revenues	Match	Total Expenditures	Expenditures to Subrecipients
Nonmajor Federal Award Programs (continued)									
U.S. Department of Education									
<i>Passed Through Wisconsin Technical College System Board</i>									
Career and Technical Education - Basic Grants to States -									
Capacity Building for Equity & Inclusion	84.048	09-166-150-221	11661	7/1/20 to 9/30/21	\$ 36,214	\$ 36,211	\$ -	\$ 36,211	\$ -
Capacity Building for Equity & Inclusion	84.048	09-166-150-222	11660	7/1/21 to 6/30/22	110,828	108,811	-	108,811	-
Achieving Student Success (Umbrella project)	84.048	09-418-150-232	14180	7/1/21 to 6/30/22	51,526	45,546	-	45,546	-
Achieving Student Success (Special Needs)	84.048	09-418-150-232	14181	7/1/21 to 6/30/22	622,001	605,541	269,942	875,483	-
Achieving Student Success (Multicultural)	84.048	09-418-150-232	14182	7/1/21 to 6/30/22	150,689	146,781	656,149	802,930	-
Achieving Student Success (JobShop)	84.048	09-418-150-232	14183	7/1/21 to 6/30/22	102,937	42,326	46,364	88,690	-
Achieving Student Success (Bilingual)	84.048	09-418-150-232	14184	7/1/21 to 6/30/22	185,710	67,788	-	67,788	-
Achieving Student Success (Academic Support)	84.048	09-418-150-232	14187	7/1/21 to 6/30/22	540,807	745,689	237,541	983,230	-
Tech Prep	84.048	09-427-150-212	14270	7/1/21 to 6/30/22	69,335	69,335	-	69,335	-
Strengthening CTE Programs - Tech	84.048	09-690-150-252	16902	7/1/21 to 6/30/22	77,768	39,578	-	39,578	-
Strengthening CTE Programs - Business	84.048	09-690-150-252	16905	7/1/21 to 6/30/22	338,337	357,387	-	357,387	-
MATC NTO Project	84.048	09-882-150-261	18221	7/1/21 to 9/30/21	33,104	31,955	-	31,955	-
MATC NTO Project	84.048	09-882-150-262	18820	7/1/21 to 6/30/22	<u>104,026</u>	<u>102,811</u>	<u>-</u>	<u>102,811</u>	<u>-</u>
Total 84.048					<u>2,423,282</u>	<u>2,399,759</u>	<u>1,209,996</u>	<u>3,609,755</u>	<u>-</u>
CCAMPIS	84.335A	P335A180202	11290	10/1/18 to 9/30/22	<u>295,738</u>	<u>295,738</u>	<u>-</u>	<u>295,738</u>	<u>-</u>
Total U.S. Department of Education					<u>2,719,020</u>	<u>2,695,497</u>	<u>1,209,996</u>	<u>3,905,493</u>	<u>-</u>
Department of Health and Human Services									
Substance Abuse and Mental Health Services Projects of Regional and National Significance -									
GLS Campus Suicide Prevention	93.243	1H79SM080450-01	11370	11/30/18-11/29/21	<u>86,523</u>	<u>86,523</u>	<u>57,181</u>	<u>143,704</u>	<u>-</u>
<i>Passed Through Wisconsin Department of Health Services</i>									
Immunization Cooperative Agreements -									
COVID-19: Vaccine Outreach	93.268	43500-0000034876	13950	4/1/21 to 10/31/21	<u>38,365</u>	<u>20,575</u>	<u>-</u>	<u>20,575</u>	<u>-</u>
Total U.S. Department of Health and Human Services					<u>124,888</u>	<u>107,098</u>	<u>57,181</u>	<u>164,279</u>	<u>-</u>
Department of Homeland Security									
<i>Passed Through Wisconsin Technical College System Board</i>									
COVID-19: Assistance to Firefighters	97.044	09-099-153-112	10990	10/15/21 to 11/30/22	<u>26,955</u>	<u>26,955</u>	<u>4,043</u>	<u>30,998</u>	<u>-</u>
<i>Passed Through Wisconsin Department of Emergency Management</i>									
COVID-19: Disaster Grants - Public Assistance (Presidentially Declared Disasters)									
Declared Disasters)	97.036	FEMA-4520-DR-WI	19800	1/20/20 to 6/30/20	<u>108,906</u>	<u>108,906</u>	<u>-</u>	<u>108,906</u>	<u>-</u>
Total U.S. Department of Homeland Security					<u>135,861</u>	<u>135,861</u>	<u>4,043</u>	<u>139,904</u>	<u>-</u>
Total Nonmajor Federal Award Programs					<u>3,139,655</u>	<u>3,096,876</u>	<u>1,271,220</u>	<u>4,368,096</u>	<u>-</u>
Total Federal Award Programs					<u>\$ 81,741,719</u>	<u>\$ 80,181,012</u>	<u>\$ 1,740,833</u>	<u>\$ 85,229,066</u>	<u>\$ 106,500</u>

See notes to schedules of expenditures of federal and state awards

Milwaukee Area Technical College District

Schedule of Expenditures of State Awards
Year Ended June 30, 2022

State Grantor Pass-Through Grantor Program Title/Program Title	State ID Number	Project Identification	Internal Project Identification	Grant Period	Award Amount	State Revenue	Match	Total Expenditures	Expenditures to Subrecipients
Major State Award Programs									
Wisconsin Technical College Systems Board									
State Aid for Technical Colleges									
State Aid-Outcomes Based Funding	292.105	N/A	N/A	7/1/21 to 6/30/22	\$ 3,552,738	\$ 3,514,013	\$ -	\$ 3,514,013	\$ -
State Aids for Technical Colleges	292.105	N/A	N/A	7/1/21 to 6/30/22	<u>12,249,700</u>	<u>12,131,830</u>	-	<u>12,131,830</u>	-
Total 292.105					<u>15,802,438</u>	<u>15,645,843</u>	-	<u>15,645,843</u>	-
Wisconsin Higher Educational Aids Board									
Minority Undergraduate Retention Grant	235.107	N/A	60004	7/1/21 to 6/30/22	<u>145,000</u>	<u>97,500</u>	-	<u>97,500</u>	-
Wisconsin Department of Revenue									
Property Tax Relief Aid	292.162	N/A	N/A	7/1/21 to 6/30/22	<u>64,731,219</u>	<u>64,731,219</u>	-	<u>64,731,219</u>	-
Total Major State Award Programs					<u>80,678,657</u>	<u>80,474,562</u>	-	<u>80,474,562</u>	-
Nonmajor State Award Programs									
Wisconsin Higher Educational Aids Board									
Wisconsin Covenant Scholars	235.108	N/A	60010	7/1/21 to 6/30/22	5,000	-	-	-	-
Wisconsin Covenant Foundation	235.131	N/A	60011	7/1/21 to 6/30/22	5,000	-	-	-	-
Higher Education Grant	235.102	N/A	60001	7/1/21 to 6/30/22	4,050,000	4,285,793	-	4,394,477	-
GI Bill Remission Funding	235.105	N/A	N/A	7/1/21 to 6/30/22	68,200	50,641	-	50,641	-
Talent Incentive Program	235.114	N/A	60002	7/1/21 to 6/30/22	120,000	139,610	-	141,948	-
HSNL Nursing Grants	235.117	N/A	60008	7/1/21 to 6/30/22	8,000	5,000	-	5,000	-
Indian Student Assistance Grants	235.132	N/A	60003	7/1/21 to 6/30/22	<u>2,000</u>	<u>3,850</u>	-	<u>3,850</u>	-
Total Wisconsin Higher Educational Aids Board					<u>4,258,200</u>	<u>4,484,894</u>	-	<u>4,595,916</u>	-

See notes to schedules of expenditures of federal and state awards

Milwaukee Area Technical College District

Schedule of Expenditures of State Awards
Year Ended June 30, 2022

State Grantor Pass-Through Grantor Program Title/Program Title	State ID Number	Project Identification	Internal Project Identification	Grant Period	Award Amount	State Revenue	Match	Total Expenditures	Expenditures to Subrecipients
Nonmajor State Award Programs (continued)									
Wisconsin Technical College Systems Board									
Student Emergency Fund	292.104	09-111-104-112	11110	7/1/21 to 6/30/22	\$ 55,354	\$ 55,354	\$ -	\$ 55,354	\$ -
Workforce Advancement Training									
Professional Development	292.124	09-055-124-152	10550	7/1/21 to 6/30/22	101,232	101,232	50,540	151,772	-
Ability to Benefit	292.124	09-388-124-191	13880	3/3/21 to 11/30/21	3,000	3,000	-	3,000	-
BEAT-IT	292.124	09-498-124-182	14980	7/1/21 to 6/30/22	150,000	145,191	-	145,191	-
MATC Machinist / Tool & Die Apprenticeship Project	292.124	09-192-124-112	11920	8/15/21 to 6/30/22	7,200	7,200	-	7,200	-
MATC College Now IET	292.124	09-542-124-202	15420	1/1/22 to 6/30/22	98,494	98,494	-	98,494	-
Knowledge is Key - WAT	292.124	09-193-124-171	11930	7/1/20 to 8/31/21	10,400	10,400	-	10,400	-
Bartolotta Restaurants	292.124	09-189-124-172	11890	7/1/21 to 11/30/22	1,250	1,250	-	1,250	-
Children's Hospital & Froedtert Hospital	292.124	09-396-124-172	13960	7/1/21 to 8/31/22	34,075	34,075	-	34,075	-
COA Youth and Family Centers	292.124	09-478-124-172	14780	7/1/21 to 8/31/22	54,203	54,203	-	54,203	-
Menomonee Valley Partners	292.124	09-489-124-172	14890	7/1/21 to 8/31/22	13,692	13,692	-	13,692	-
Steele Solutions	292.124	09-490-124-172	14900	7/1/21 to 8/31/22	21,987	21,987	-	21,987	-
QET-Core Industry	292.124	09-201-124-131	12010	7/1/20 to 6/30/22	74,554	74,554	-	74,554	-
Automotive-Core Industry	292.124	09-202-124-131	12020	7/1/20 to 6/30/22	231,175	231,175	-	231,175	-
HSM-Career Pathway	292.124	09-203-124-121	12030	7/1/20 to 9/30/21	40,842	32,604	-	32,604	-
ECE-Career Pathway	292.124	09-204-124-121	12040	7/1/20 to 9/30/21	42,728	24,739	-	24,739	-
Total 292.124					884,832	853,796	50,540	904,336	-
Total Wisconsin Technical College Systems Board					940,186	909,150	50,540	959,690	-
Wisconsin Department of Natural Resources									
State Aid - Computers	370.503	N/A	N/A	7/1/21 to 6/30/22	-	799	-	799	-
Wisconsin Department of Workforce Development									
Expanded Fast Forward									
Dual Enrollment	445.109	EFF181DE10006	11340	7/1/20 to 8/30/21	208,086	21,604	-	21,604	-
Wisconsin Department of Revenue									
State Aid-Personal Property Tax	835.103	N/A	N/A	7/1/21 to 6/30/22	474,442	474,442	-	474,442	-
State Aid in Lieu of Computer Taxes	835.109	N/A	N/A	7/1/21 to 6/30/22	1,334,064	1,330,786	-	1,330,786	-
Total Wisconsin Department of Revenue					1,808,506	1,805,228	-	1,805,228	-
Total Nonmajor State Award Programs					7,214,978	7,221,675	50,540	7,383,237	-
Total State Award Programs					\$ 87,893,635	\$ 87,696,237	\$ 50,540	\$ 87,857,799	\$ -

See notes to schedules of expenditures of federal and state awards

Milwaukee Area Technical College District

Notes to Schedules of Expenditures of Federal and State Awards

June 30, 2022

1. Basis of Presentation

The Milwaukee Area Technical College District Board (the District) oversees the operation of the Milwaukee Area Technical College (MATC) under the provisions of Chapter 38 of the Wisconsin Statutes. The District includes Milwaukee County, most of Ozaukee County and portions of Waukesha and Washington Counties and the local municipalities located therein. The accompanying schedules of expenditures of federal and state awards (the Schedules) include the federal and state grant activity of the District under programs of the federal and state government for the year ended June 30, 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 these Schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

Programs Subject to Single Audit

Federal awards received by the District (either directly from the federal government or passed through the State of Wisconsin), awards received from the State of Wisconsin and awards to the District passed through other governmental entities have been included in the Schedules of Expenditures of Federal and State Awards.

The following amounts are noncash award programs included on the Schedules of Expenditures of Federal and State awards. No monies were received or expended by the District. However, the program is included in the scope of the Single Audit within the Student Financial Assistance cluster:

<u>Direct Loan Program</u>	<u>Loans Disbursed</u>
Subsidized	\$ 10,237,743
Unsubsidized	<u>13,368,557</u>
Total Direct Loan Program	<u>\$ 23,606,300</u>

Oversight Agency

Although the Department of Education has been designated as the District's federal oversight agency for the single audit, certain responsibilities related to the single audit have been delegated by the Department of Education to the Wisconsin Technical College System Board.

Contingencies

All federal and state awards are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements by the grantor agencies for costs disallowed under the terms of the awards. It is the opinion of District management that all costs charged against federal and state awards are allowable under the regulations of those programs.

Milwaukee Area Technical College District

Notes to Schedules of Expenditures of Federal and State Awards

June 30, 2022

2. Summary of Significant Accounting Policies

Revenue Recognition

Consistent with the District's 2022 basic financial statements, revenues and expenditures included in the Schedules are presented on the accrual basis of accounting. Under this basis, revenues are recognized in the accounting period in which they are earned and expenditures are recognized in the accounting period in which the liability is incurred.

Cost Allocation

The district has a plan for allocation of indirect costs related to federal and state awards. The amounts allocated to awards during a fiscal year are based on the total costs of central services, the portion to be allocated to the departments and the portion that the District can reasonably expect to recover through reimbursement by federal and/or state programs.

Sub-Grantee

Certain program funds are passed through the District to sub-grantee organizations. The Schedules do not contain separate schedules disclosing how the sub-grantees outside of the District's control utilized the funds. The District requires sub-grantees to submit a separate audit report disclosing the use of program funds.

3. Indirect Cost Rate

The District has not elected to use the 10% de minimus indirect cost rate.

4. Reconciliation of Federal and State Awards to the Basic Financial Statements

Reconciliation of Federal Revenue

Federal revenue per basic financial statements	\$ 58,741,368
Medicare	-
Other	(2,166,656)
Noncash awards, Direct Loan Program	<u>23,606,300</u>
Total federal revenue per schedule (direct and pass-through)	<u>\$ 80,181,012</u>

Reconciliation of State Revenue

State revenue per basic financial statements:	
State grants	\$ 5,462,507
State operating appropriation	<u>82,270,325</u>
Total state revenue per basic financial statements	87,732,832
Other	<u>(36,595)</u>
Total state revenue per schedule (direct and pass-through)	<u>\$ 87,696,237</u>

Milwaukee Area Technical College District

Notes to Schedules of Expenditures of Federal and State Awards
June 30, 2022

5. District Matching Funds

The Schedule of Expenditures of Federal Awards includes only federal awards received for the various programs. The District is required to provide matching funds for certain federal programs. The total amount of matching funds is disclosed on the accompanying Schedule of Expenditures of Federal Awards.

6. Administrative Cost Allowance

The Student Financial Assistance allowable expenditures for the fiscal year 2022 include amounts claimed for administrative costs of \$108,038.

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> X </u> yes	<u> </u> no
Significant deficiency(ies) identified?	<u> </u> yes	<u> X </u> none reported

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> 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: 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*? X yes 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: \$1,154,326 \$250,000

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity Grant Program (FSEOG)
84.033	Federal Work Study Program (FWS)
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
	Education Stabilization Fund:
84.425E	COVID-19: CARES Act Higher Education Emergency Relief Funds, Student Aid Portion
84.425F	COVID-19: CARES Act Higher Education Emergency Relief Funds, Institutional Portion
84.002	Adult Education – Basic Grants to State

Identification of major state programs:

<u>State Number</u>	<u>Name of State Program</u>
235.107	Minority Undergraduate Retention Grant
292.105	State Aid for Technical Colleges
292.162	Property Tax Relief Aid

Section II - Financial Statement Findings

Finding No. 2022-001 - Internal Control over Financial Reporting

Criteria: Auditing Standards require the communication to the Board of significant deficiencies and material weaknesses in the year end financial reporting process.

Condition/Context: During the annual financial audit, a material error in the District's OPEB actuary study was identified that resulted in the need to recalculate the 3rd party determined liability. Accordingly, the District needed to adjust its records and financial statements for the recalculated OPEB liability.

Cause: Due to turnover, the District did not have the resources to employ an individual to perform the necessary procedures/controls to evaluate information provided by the actuary.

Effect: Information provided to management and the governing body throughout the year may not be presented in accordance with generally accepted accounting principles

Recommendation: Management should determine if the benefits achieved by resolving this internal control deficiency warrants the additional cost that would be required to remedy the current condition.

District Response: Due to recent turnover of the District's Benefit Manager, the sole person responsible for providing census data to the Actuary in the Human Resources Department, the District did not have an outlined process on how to gather this information. After conducting a bit of research, the information was gathered and submitted to the Actuary on August 8th. On September 7th, the District was informed that the information submitted was not correct as it included individuals who were not eligible for OPEB benefits, 205 part time employees. On October 11th, the District provided corrected census data to the Actuary that only included eligible, full time employees. Unfortunately, this corrected census data was not used by the Actuary in the report that was submitted to the Finance Department to prepare the financials. The Auditor, through testing, identified 205 part time employees who were not eligible but included in the report. After additional communication with the Actuary, Auditor and Benefits Manager, the actuarial report was corrected and sent to the Finance Department to adjust the financial statements.

To ensure data accuracy and integrity, the District now has the process documented from start to finish and is currently in the process of the development of a formal standard operating procedure (SOP). The SOP will include the establishment of internal controls to ensure that the information is correct before finalization. There will be specific details on requirements for the census, as well as a timeframe for a review of the data. The SOP will be finalized by December 31, 2022.

Milwaukee Area Technical College District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section III - Federal Award Findings and Questioned Costs

Finding No. 2022-002 – Report Filed After Due Date

Repeat Finding: No

ALN and Program: 84.007; 84.033; 84.063; 84.268 – Student Financial Assistance Cluster

Award Amount: \$46,751,524

Award Number: N/A

Award Year: 7/1/2021-6/30/2022

Criteria: By October 1 the institution should submit its ED Form 646-1, Fiscal Operations Report, and Application to Participate (FISAP) that includes the Fiscal Operations Report for the preceding award year and the Application to Participate for the upcoming award year (FWS, FSEOG 34 CFR 673.3; Fiscal Operations Report and Application to Participate Instructions).

Condition / Context: The FISAP for award year 2021-2022 was filed on October 12, 2022. Our sample was statistically valid.

Cause: As MATC approached the deadline for FISAP submission, responsible MATC personnel were not aware of the outstanding reporting items and the immediate need to employ an alternative plan to ensure the timely submission of the FISAP.

Questioned Costs: Unknown

Effect: This electronic report is submitted annually to receive funds for the campus-based programs. The institution uses the Fiscal Operations Report portion to report its expenditures in the previous award year and the Application to Participate portion to apply for the following year. Delays in filing of this report could result in delays with subsequent year funding.

Recommendation: MATC should implement a reporting calendar, including deadlines for draft, review and approval of the FISAP to ensure timely filing.

District Response: MATC agrees with the finding and has developed, documented and implemented a process and calendar to ensure timely completion of the annual FISAP.

Milwaukee Area Technical College District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Finding No. 2022-003 – R2T4 Return Calculation Errors

Repeat Finding: No

ALN and Program: 84.007; 84.033; 84.063; 84.268 – Student Financial Assistance Cluster

Award Amount: \$46,751,524

Award Number: N/A

Award Year: 7/1/2021-6/30/2022

Criteria: For returns of Title IV Funding when a student does not complete the enrollment period for which funds were disbursed, the amount of earned Title IV grant or loan assistance is calculated by determining the percentage of Title IV grant or loan assistance that has been earned by the student and applying that percentage to the total amount of Title IV grant or loan assistance that was or could have been disbursed to the student for the payment period or period of enrollment as of the student's withdrawal date. Standard term-based institutions must always use the payment period as the basis for the determination. The unearned amount of Title IV assistance to be returned is calculated by subtracting the amount of Title IV assistance earned by the student from the amount of Title IV aid that was disbursed to the student as of the date of the institution's determination that the student withdrew (34 CFR 668.22(e)).

Condition / Context: The auditor selected 21 unenrolled students who had Title IV returns for testing. For each student selected, the return amount was incorrectly calculated because the payment period was not used as the basis for the determination. Our sample was statistically valid.

Cause: Unauthorized break periods and start dates were used to determine the base period for calculation. MATC's review process was not effective to detect and correct this error. Staff responsible for calculating R2T4 returns were not properly trained in the requirements.

Questioned Costs: \$5,097

Effect: MATC has determined that a total of 425 returns were incorrectly calculated, with an estimated net error of \$5,097.

Recommendation: We recommend MATC re-evaluate its review process for Title IV returns, and provide additional training for management and staff to ensure the calculations and compliance requirements are understood and that control processes are operating effectively to ensure proper returns.

District Response: MATC agrees with the finding and has developed, documented and implemented a process and correct the student record errors, provide updated training and update R2T4 procedures to ensure proper calculation going forward.

Milwaukee Area Technical College District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Finding No. 2022-004 – Reporting Discrepancies - Enrollment

Repeat Finding: 2021-001

ALN and Program: 84.007; 84.033; 84.063; 84.268 – Student Financial Assistance Cluster

Award Amount: \$46,751,524

Award Number: N/A

Award Year: 7/1/2021-6/30/2022

Criteria: Institutions are required to report enrollment information under the Pell grant and the Direct and FFEL loan programs via the NSLDS (OMB No. 1845-0035). Institutions must review, update and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP).

Condition / Context: We selected a sample of 25 Pell and Direct Loan students from the institution's records that had a reduction or increase in attendance levels, graduated, withdrew, dropped out or enrolled but never attended during the audit period. We compared the data in the students' NSLDS Enrollment Detail to the students' academic files and other institutional records and verified that the institution is accurately reporting the significant Campus-Level and Program-Level enrollment data elements that ED considers high risk. Of the 25 sampled, 10 had discrepancies between the status documented in MATC's institutional records and the status reported on the NSLDS. Our sample was not statistically valid.

Cause: In April 2021, the National Student Clearinghouse made a change to its reporting process, which resulted in errors in MATC's data uploads. MATC has begun the process of testing and correcting its process, but this was not completed as of June 30, 2022. MATC believes this update error has caused the continued discrepancies between MATC and the NSLDS.

Questioned Costs: Unknown

Effect: The administration of the Title IV programs depends heavily on the accuracy and timeliness of the enrollment information reported by institutions. Incorrect reporting of enrollment status could result in incorrect distribution of Title IV funds to institutions or individuals.

Recommendation: We recommend MATC continues its review process for enrollment statuses, and provide additional training for management and staff to ensure the correct statuses are reported and that control processes are operating effectively to ensure proper returns.

District Response: The Office of the Registrar has developed and implemented an action plan to ensure correct reporting through the National Clearinghouse and NSLDS. The process includes additional staff training, review and update of the submissions process and schedule and enlisting support from specific contacts at the Clearinghouse. These steps were completed by September 2022. Additional steps, including review of the reporting setup the SIS system with the IT department, discussing and resolving existing issues with the Clearinghouse, performing checks of individual current and prior year students to identify and correct additional gaps, incorporating a regular review of a sample of students for proper reporting and hiring additional staff for reporting enrollment – all to be completed by December 2022. Beginning in 2023, staff will also create and submit an additional report to the Clearinghouse for each submission of graduates.

Milwaukee Area Technical College District

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section IV - State Award Findings and Questioned Costs

There were no findings to report.

Section V - 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 non-compliance, non-material non-compliance, 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*:

Wisconsin Technical College Systems Board	_____	yes	<u> X </u>	no
Wisconsin Higher Educational Aids Board	_____	yes	<u> X </u>	no
Wisconsin Department of Natural Resources	_____	yes	<u> X </u>	no
Wisconsin Department of Revenue	_____	yes	<u> X </u>	no
Wisconsin Department of Workforce Development	_____	yes	<u> X </u>	no

Was a Management Letter or other document conveying audit comments issued as a result of this audit?

_____ yes X no

Name and signature of partner



Paul Frantz, CPA, Partner

Date of report

December 6, 2022

Milwaukee Area Technical College District

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022

Finding No. 2021-001: Reporting Discrepancies - Enrollment

ALN and Program: 84.007; 84.033; 84.063; 84.268 – Student Financial Assistance Cluster

Award Amount: \$57,763,446

Award Number: N/A

Award Year: 07/01/2020-06/30/2021

Condition/Context: We selected a sample of 25 Pell and Direct Loan students from the institution's records that had a reduction or increase in attendance levels, graduated, withdrew, dropped out or enrolled but never attended during the audit period. We compared the data in the students' NSLDS Enrollment Detail to the students' academic files and other institutional records and verified that the institution is accurately reporting the significant Campus-Level and Program-Level enrollment data elements that ED considers high risk. Of the 25 sampled, 14 had discrepancies between the status documented in MATC's institutional records and the status reported on the NSLDS. Our sample was not statistically valid.

Status: Corrective action was taken; however, the finding continued and was reported as Finding No. 2022-003.