

Certified Public Accountants
& Consultants



Southern Union State Community College
September 30, 2022
Single Audit Report

**Southern Union State Community College
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September 30, 2022**

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**Southern Union State Community College
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Contract Number	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Labor				
Passed through the Alabama Department of Commerce				
WIOA Cluster				
WIOA Adult Program	17.258		\$ 259,294	
WIOA Youth Activities	17.259	1X800022	89,264	
WIOA Youth Activities	17.259	0A907201	79,471	
WIOA Youth Activities	17.259	0A908701	25,791	
WIOA Youth Activities	17.259	1A907201	27,396	
WIOA Youth Activities	17.259	1A908701	8,340	
WIOA Youth Activities	17.259	1A908702	30,891	
Total WIOA Youth Activities			<u>261,153</u>	
WIOA Dislocated Worker Formula Grants	17.278		15,970	
Total WIOA Cluster			<u>536,417</u>	
Apprenticeship USA Grants	17.285	0G908701	11,129	
Apprenticeship USA Grants	17.285	0G908702	3,579	
Total Apprenticeship USA grants			<u>14,708</u>	
Passed through the Alabama Community College System				
H-1B Job Training Grants	17.268	HG-33165-SOUN-01	7,578	
Total U.S. Department of Labor			<u>558,703</u>	
National Science Foundaton				
Passed through Auburn University				
Research and Development Cluster				
STEM Education	47.076	17-COSAM-200634-SUSCC	37,118	
STEM Education	47.076	17-COSAM-200603-SUSCC	1,224	
STEM Education	47.076	21-COSAM-200840-SUSCC	4,312	
Total Research and Development Cluster			<u>42,654</u>	
Total National Science Foundation			<u>42,654</u>	

See accompanying notes to schedule of expenditures of federal awards.

**Southern Union State Community College
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	Contract Number	Federal Expenditures	Subrecipient Expenditures
U.S. Department of Education				
Direct Program				
Student Financial Aid Cluster				
Federal Supplemental Educational Opportunity Grant	84.007		\$ 120,274	
Federal Work Study Program	84.033		67,632	
Federal Pell Grant Program	84.063		7,429,172	
Federal Direct Student Loans	84.268		5,562,896	
Total Student Financial Aid Cluster			<u>13,179,974</u>	
Education Stabilization Fund				
Higher Education Emergency Relief Fund (HEERF)				
COVID-19 - HEERF - Student Aid Portion	84.425E		2,525,622	
COVID-19 - HEERF - Institutional Portion	84.425F		4,869,291	
COVID-19 - HEERF - Strengthening Institutions	84.425M		92,704	
Total Education Stabilization Fund			<u>7,487,617</u>	
Passed through the Alabama Community College System				
Adult Education - Basic Grants to States	84.002	V002A200001/V002A210001	3,768	
Adult Education - Basic Grants to States	84.002	V002A210001/V002A220001	289,539	
Total Adult Education - Basic Grants to States			<u>293,307</u>	
Passed through the Alabama State Department of Education				
Career and Technical Education - Basic Grants to States	84.048	V048A210001	35,486	
Total U.S. Department of Education			<u>20,996,384</u>	
Total expenditures of Federal awards			<u>\$ 21,597,741</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards.

Southern Union State Community College
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2022

Note 1 - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Southern Union State Community College under programs of the federal government for the year ended September 30, 2022. 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). Because the Schedule presents only a selected portion of the operations of Southern Union State Community College, it is not intended to and does not present the financial position, changes in net position, or cash flows of Southern Union State Community College.

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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rates

Southern Union State Community College has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Independent Auditor's 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***

Jimmy Baker, Chancellor, Alabama Community College System
Todd Shackett, President, Southern Union State Community College
Wadley, Alabama

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 Southern Union State Community College (the College), a component unit of the State of Alabama, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated June 26, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 College's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jackson Thornton & Co. PC

Montgomery, Alabama
June 26, 2023

Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Jimmy Baker, Chancellor, Alabama Community College System
Todd Shackett, President, Southern Union State Community College
Wadley, Alabama

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Southern Union State Community College's (the College), a component unit of the State of Alabama, compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the College's major federal programs for the year ended September 30, 2022. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College 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 program. Our audit does not provide a legal determination of the College'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 grants agreements applicable to its federal programs.

Auditor's Responsibility 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 College'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 College'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 College'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, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the College as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements. We issued our report thereon dated June 26, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the College. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements of the College. 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements of the College as a whole.

Jackson Thornton & Co. PC

Montgomery, Alabama
June 26, 2023

**Southern Union State Community College
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued - unmodified

Internal Control Over Financial Reporting

- Material weakness(es) identified? _____ Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes None reported

Noncompliance Material to Financial Statements Noted?

_____ Yes No

Federal Awards

Internal control over major programs

- Material weakness(es) identified? _____ Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes None reported

Type of auditor's report issued on compliance for major programs - unmodified

Any audit findings disclosed that are required to be reported in accordance with *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?

_____ Yes No

Identification of major programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425E	Higher Education Emergency Relief Fund - Student Portion
84.425F	Higher Education Emergency Relief Fund - Institutional Portion
84.425M	Higher Education Emergency Relief Fund - Strengthening Institution

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee? Yes _____ No

**Southern Union State Community College
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

No matters were reported.

**Southern Union State Community College
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2022**

Section III - Federal Awards Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to major federal programs that are required to be reported in accordance with the Uniform Guidance.

No matters were reported.