

_____, 2020

Board Members
Western Technical College District
PO Box C-0908
La Crosse, WI 54602-0908

Dear Board Members:

We have audited the financial statements of the business-type activities of the Western Technical College District ("Western") for the year ended June 30, 2020, and have issued our report thereon dated _____, 2020. We did not audit the discretely presented component unit. Professional standards require that we provide you with the following information related to our audit:

Our Responsibility Under Auditing Standards Generally Accepted in the United States, Government Auditing Standards, the Uniform Guidance, and the State of Wisconsin Single Audit Guidelines

As stated in our engagement letter dated March 23, 2020, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities. We did not audit the financial statements of Western Technical College Foundation, Inc. (the "Foundation"). Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. The statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

In planning and performing our audit, we considered Western's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*.

As part of obtaining reasonable assurance about whether Western's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions was not an objective of our audit.

Also in accordance with the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*, we examined, on a test basis, evidence about Western's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and *State of Wisconsin Single Audit Guidelines* that could have a direct and material effect on each of its major federal and state programs for the purpose of expressing an opinion on Western's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Western's compliance with those requirements.

Required Supplementary Information Accompanying Audited Financial Statements

We applied certain limited procedures to the management's discussion and analysis, the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, the schedules of employer's proportionate share of the net OPEB liability and employer contributions – Local Retiree Life Insurance Fund, and the schedule of changes in the employer's total OPEB liability and related ratios – district OPEB plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Financial Information Accompanying Audited Financial Statements

We were engaged to report on the schedules of revenues, expenditures, and changes in fund balance – budget and actual (non-GAAP budgetary basis), which accompany the financial statements but are not RSI. With respect to this supplementary financial information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary financial information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Other Information in Documents Containing Audited Financial Statements

The auditor's responsibility for other information in documents containing audited financial statements does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in a document. Our responsibility is to read the other information and consider whether such information, or the manner of its presentation, is materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. We are not aware of any documents or other information containing audited financial statements, and furthermore management has not requested us to devote attention to any documents containing audited financial statements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to your representative, Amy Schmidt, in our client assistance letter, in addition to our engagement letter dated March 23, 2020, accepted by Amy Schmidt.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Western are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during period under audit.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- In accordance with GASB Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – For State and Local Governments*, Western has to estimate the useful lives of capital assets for purposes of calculating depreciation. We reviewed the lives assigned to the capital assets in order to determine that depreciation expense on the assets is reasonable.
- The recorded value of the total OPEB liability and deferred outflows related to OPEB – district OPEB plan are subjective and contingent upon the methods and assumptions used in the actuarial study. We evaluated key factors and assumptions used to develop these amounts in determining that they are reasonable in relation to the financial statements.

- The information used for the net pension liability (asset) and deferred outflows and inflows related to pension for the Wisconsin Retirement System (WRS) and the net OPEB liability and deferred outflows and inflows related to OPEB for the Local Retiree Life Insurance Fund (LRLIF) were provided by the Wisconsin Department of Employment Trust Funds (ETF) and audited by the plan auditor. We reviewed the independent auditor's reports, evaluated the competence and independence of the plan auditor, and verified and recalculated the allocation percentage and the amounts allocated to the District for its proportional share of the WRS collective pension amounts and LRLIF collective OPEB amounts.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on Western's financial reporting.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2020, a copy of which accompanies this letter.

Management Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, management has not obtained any opinions from other independent accountants on the application of accounting principles generally accepted in the United States that would affect Western's financial statements or on the type of opinion that may be rendered on the financial statements.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Western's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

Internal Control Matters

In planning and performing our audit of the financial statements of Western Technical College District as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States, we considered Western's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western's internal control. Accordingly, we do not express an opinion on the effectiveness of Western'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 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. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Western's financial statements will not be prevented, or detected and corrected, on a timely basis.

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. 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 may exist that have not been identified.

We thank the employees and administration of Western Technical College District for the cooperation and assistance given us during our engagement. Should you require additional information on the above communications, we would welcome the opportunity to discuss it with you.

This communication is intended solely for the information and use of management, Western's Board, and others within Western and includes a description of the scope of our testing of internal control over financial reporting and the results of that testing. The communication related to considering Western's internal control over financial reporting is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Western's internal control over financial reporting. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

Wipfli LLP

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Preliminary Draft