

# Western Technical College District

Financial Statements  
With Supplementary Information

Years Ended June 30, 2024 and 2023



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# Western Technical College District

## Financial Statements and Supplementary Financial Information

Years Ended June 30, 2024 and 2023

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## **Independent Auditor's Report**

District Board  
Western Technical College District  
LaCrosse, Wisconsin

### ***Report on the Audit of the Financial Statements***

#### ***Opinion***

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Western Technical College District (the "District"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Western Technical College District as of June 30, 2024 and 2023, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

We did not audit the financial statements of Western Technical College Foundation, Inc. (the "Foundation"), which represent 100% of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2024 and 2023, and the respective changes in financial position for the years then ended. 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.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Western Technical College District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Western Technical College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Technical College District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Western Technical College District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Technical College District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

GAAP requires that the management's discussion and analysis, the schedule of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, the schedule of employer's proportionate share of the net OPEB liability (asset) and employer contributions - Local Retiree Life Insurance Fund (LRLIF), and the schedule of changes in the employer's total OPEB liability and related ratios - District OPEB plan as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules listed in the table of contents as supplementary information, as required by the Wisconsin Technical College Systems Board, are presented for purposes of additional analysis 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 audits 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Western Technical College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Wipfli LLP  
December 19, 2024  
Eau Claire, Wisconsin

## **Management's Discussion and Analysis**

# Management's Discussion and Analysis

Years Ended June 30, 2024 and 2023

Western Technical College District's (the "District") Management's Discussion and Analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial positions, and assists the reader of the financial statements in focusing on noteworthy financial issues for the year ended June 30, 2024.

While maintaining its financial health is crucial to the long-term viability of Western Technical College District, the primary mission of a public institution of higher education is to provide education and training. Therefore, net position is accumulated only as required to ensure that there are sufficient reserve funds for future operations and implementation of new programs. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

This annual report consists of a series of basic financial statements, prepared in accordance with accounting principles generally accepted in the United States, as stated in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*.

## Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. In general, a public college such as the District will report an overall operating deficit or loss, since the financial reporting model classifies state appropriations and property taxes as nonoperating revenues. The utilization of capital assets is reflected in the financial statements as depreciation and amortization, which amortizes the cost of an asset over its expected useful life.

The following is a condensed version of the Statement of Revenues, Expenses, and Changes in Net Position :

	2024	2023	Net Position Increase (Decrease) 2024-2023	2022	Net Position Increase (Decrease) 2023-2022
Operating revenues	\$ 30,153,189	\$ 29,136,598	\$1,016,591	\$ 30,384,133	\$ (1,247,535)
Operating expenses	(80,932,994)	(82,787,641)	1,854,647	(77,996,315)	(4,791,326)
Net nonoperating revenues	53,134,022	55,932,347	(2,798,325)	54,218,099	1,714,248
Change in net position	\$ 2,354,217	\$ 2,281,304	\$ 72,913	\$ 6,605,917	\$ (4,324,613)

Some of the most noteworthy results of operations are reflected below:

- Operating revenues are the charges for services offered by Western Technical College District. During 2024, Western Technical College District generated more than \$30 million of operating revenue, which is an increase of approximately \$1.0 million or 3.5% compared to 2023. Significant items and revenue sources are as follows:
  - Total revenue from program, material, and other student fees was approximately \$9.0 million. This is an increase of approximately \$98,000 or 1.1% from the prior year.
  - Over \$11.8 million in operating revenue from state and federal grants were received by the District during the year. This is an increase of approximately \$1.8 million or 18.4% from the prior year.
  - Contract revenue was approximately \$5.6 million for the year and represents revenue from instructional and technical assistance contracts with business and industry as well as local school districts. This is an increase of approximately \$88,000 or 1.6% from the prior year.
  - Auxiliary services revenue includes revenues generated by the campus shop, student residence hall, cafeteria, leased facilities, and other similar activities of the District. Revenue of approximately \$2.7 million was generated by these activities this year. This is a decrease of approximately \$995,000 or 27.3% from the prior year. This was attributable to the shift of book sales from on campus to an online vendor.



**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**

- During 2023, the District generated more than \$29 million of operating revenue, which is an decrease of approximately \$1.2 million or 4.1% compared to 2022. Significant items and revenue sources are as follows:
  - Total revenue from program, material, and other student fees was approximately \$8.9 million. This is a decrease of approximately \$0.5 million or 5.2% from 2022.
  - Over \$9.9 million in operating revenue from state and federal grants were received by the District during 2023. This is an increase of approximately \$38,000 or 0.4% from 2022.
  - Contract revenue was approximately \$5.5 million for 2023 and represents revenue from instructional and technical assistance contracts with business and industry as well as local school districts. This is an increase of approximately \$719,000 or 15.0% from 2022.
  - Auxiliary services revenue includes revenues generated by the bookstore, the student residence hall, cafeteria, leased facilities, and other similar activities of the District. Revenue of approximately \$3.6 million was generated by these activities in 2023. This is an increase of approximately \$164,000 or 4.7% from 2022.
  - The table below depicts Western Technical College District's operating revenue by source:

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Program material and other student fees	\$ 8,955,150	\$ 8,857,162	\$ 9,347,208
State and Federal grants	11,831,162	9,991,615	9,953,414
Contracts	5,581,255	5,492,885	4,774,362
Auxiliary	2,653,749	3,648,150	3,484,081
Other	1,131,873	1,146,786	2,825,068

**Statement of Revenues, Expenses, and Changes in Net Position (Continued)**

- Operating expenses are costs related to offering the programs of the District. During 2024, operating expenses totaled approximately \$80.9 million. This is a decrease of about \$1.9 million or 2.2% from the prior year and is primarily a result of the change in the OPEB and pension liabilities. The majority of the District's expenses, about 58.1%, are for personnel-related costs. Other major types of expenses include supplies – 1.7%, contracted services – 10.2%, and depreciation and amortization – 16.3%. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 13.7% of total operating expenses.
- During 2023, operating expenses totaled approximately \$82.8 million. This is an increase of about \$4.8 million or 6.1% from 2022 and is primarily a result of change in the OPEB and pension liabilities. The majority of the District’s expenses, about 58.4%, are for personnel-related costs. Other major types of expenses include supplies – 1.6%, contracted services – 9.5%, and depreciation and amortization – 15.5%. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 15.0% of total operating expenses.
- The table below depicts Western Technical College District's operating expenses by function:

	2024	2023	2022
Instruction	\$ 36,003,789	\$ 36,720,159	\$ 32,910,102
Instructional resources	1,196,883	1,275,511	1,217,394
Student services	8,183,079	10,308,503	10,611,639
General institutional	10,741,509	10,103,439	10,475,605
Physical plant	5,277,026	4,316,031	3,712,046
Auxiliary services	2,347,957	3,615,497	3,159,443
Depreciation and amortization	13,204,324	12,866,126	12,417,280
Student aid	3,978,427	3,582,375	3,492,806

- Nonoperating revenue and expenses are items not directly related to providing instruction. Net nonoperating revenue for the year ended June 30, 2024, was \$53.1 million. The most significant components of net nonoperating revenues include the following:
  - Property taxes levied by the District for the year were approximately \$30.4 million. This is an increase of approximately \$390,000 from the prior year.
  - State operating appropriations accounted for approximately \$23.8 million in revenue in 2024. This is a decrease of approximately \$590,000 or 2.4% percent from the prior year.
  - Interest expense of approximately \$2.8 million was recorded by the District this year. This is comparable to the prior year.
- Net nonoperating revenue for the year ended June 30, 2023, was \$55.9 million. The most significant components of net nonoperating revenues include the following:
  - Property taxes levied by the District for 2023 were approximately \$30.1 million. This is a decrease of approximately \$132,000 from 2022.

## Statement of Revenues, Expenses, and Changes in Net Position (Continued)

- State operating appropriations accounted for approximately \$24.4 million in revenue in 2023. This is an increase of approximately \$396,000 or 1.7% from 2022.
- The District received federal COVID-19 funding of approximately \$3.4 million in 2023 which was a decrease of approximately \$3.0 million or 46.7% from 2022.
- Interest expense of approximately \$2.8 million was recorded by the District in 2023. This is a decrease of approximately \$445,000 or 13.6% from 2022.
- Net position at June 30, 2024, was \$94,613,146 as a result of the above activity. This is an increase of \$2.4 million from the prior year.

## Statement of Cash Flows

The statement of cash flows presents information related to cash inflows and outflows, summarized by operating, noncapital and capital financing, and investing activities. This statement is important in evaluating the District's ability to meet financial obligations as they mature.

The following schedule shows the major components of the Statement of Cash Flows :

	2024	2023	Net Position Increase (Decrease) 2024-2023	2022	Net Position Increase (Decrease) 2023-2022
Net cash used in operating Activities	\$ (37,599,436)	\$ (37,920,064)	\$ 320,628	\$ (39,353,767)	\$ 1,433,703
Net cash provided by noncapital financing activities	54,097,402	58,903,703	(4,806,301)	62,789,386	(3,885,683)
Net cash used in capital and related financing activities	(13,173,237)	(26,059,626)	12,886,389	(14,746,163)	(11,313,463)
Net cash provided by (used in) investing activities	1,270,829	7,185,733	(5,914,904)	(4,731,173)	11,916,906
Net increase in cash and cash Equivalents	\$ 4,595,558	\$ 2,109,746	\$ 2,485,812	\$ 3,958,283	\$ (1,848,537)

Specific items of interest related to the Statement of Cash Flows for 2024 include the following:

- The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits, which generally increase on a yearly basis. Almost \$46.7 million was paid in 2024 which is an increase of approximately \$970,000 or 2.1% from the prior year.
- Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately \$20.7 million represents the costs of doing business. This is a decrease of \$265,000 from the prior year.

## Statement of Cash Flows (Continued)

- The largest cash inflows from operating activities included approximately \$8.9 million in tuition and fees, an increase of 6.0% from the prior year, and almost \$11.5 million in state and federal grants, an increase of 13.9% from the prior year.
- All property taxes received, approximately \$30.3 million this year, are categorized as cash flows from noncapital financing activities. This is a increase of approximately \$450,000 or 1.5% from the prior year. The other major item in this category is state appropriations, which accounted for \$23.8 million of positive cash flow. This is an decrease of 2.4% from the prior year.
- The cash used in capital and related financing activities is primarily made up of two categories of cash flows: purchases of capital assets and capital-related debt activity (debt proceeds and principal and interest payments).
- Investment income is interest received on the District's investments, investments sold represent investments that have matured and been reinvested or used for debt retirement, and investments purchased represent cash transferred to sinking funds for the retirement of debt.

Specific items of interest related to the Statement of Cash Flows for 2023 include the following:

- The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits. Over \$45.7 million was paid in 2023, which is a decrease of \$1.5 million or 3.1% from 2022.
- Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately \$21.0 million represents the costs of doing business. This is a decrease of \$0.7 million from 2022.
- The largest cash inflows from operating activities included approximately \$8.4 million in tuition and fees, a decrease of 14.1% from 2022, and over \$10.0 million in state and federal grants, a decrease of 2.7% from 2022.
- All property taxes received, approximately \$29.9 million in 2023, are categorized as cash flows from noncapital financing activities. This is a decrease of approximately \$803,000 or 2.6% from 2022. Also in this category is state appropriations, which accounted for \$24.4 million of positive cash flow. This is an increase of 1.7% from 2022.

## Statement of Net Position

The statement of net position includes all assets (items that the District owns and amounts owed to the District by others) and liabilities (amounts owed to others by the District and what has been collected from others for which a service has not yet been performed). This statement is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service to the District – regardless of when cash is exchanged.

Below are highlights of the components of the Statement of Net Position:

	2024	2023	Net Position Increase (Decrease) 2024-2023	2022	Net Position Increase (Decrease) 2023-2022
Net capital assets	\$ 148,414,417	\$ 154,486,998	\$ (6,072,581)	\$ 157,218,606	\$ (2,731,608)
Other assets	57,904,199	52,669,307	5,234,892	72,765,832	(20,096,525)
<b>TOTAL ASSETS</b>	<b>\$ 206,318,616</b>	<b>\$ 207,156,305</b>	<b>\$ (837,689)</b>	<b>\$ 229,984,438</b>	<b>\$ (22,828,133)</b>
DEFERRED OUTFLOWS OF RESOURCES	\$ 24,492,487	\$ 36,834,909	\$ (12,342,422)	\$ 30,699,168	\$ 6,135,741
Other liabilities	\$ 4,199,411	\$ 4,310,442	\$ (111,031)	\$ 6,252,378	\$ (1,941,936)
Long-term liabilities	114,360,911	123,171,019	(8,810,108)	128,308,803	(5,137,784)
<b>TOTAL LIABILITIES</b>	<b>\$ 118,560,322</b>	<b>\$ 127,481,461</b>	<b>\$ (8,921,139)</b>	<b>\$ 134,561,181</b>	<b>\$ (7,079,720)</b>
DEFERRED INFLOWS OF RESOURCES	\$ 17,637,635	\$ 24,250,824	\$ (6,613,189)	\$ 36,144,800	\$ (11,893,976)
Net investment in capital Assets	\$ 54,757,959	\$ 56,808,173	\$ (2,050,214)	\$ 52,619,624	\$ 4,188,549
Restricted for debt service	6,256,884	1,816,206	4,440,678	3,075,569	(1,259,363)
Restricted for HRA Contributions	-	-	-	206,238	(206,238)
Restricted for pension Benefits	-	-	-	14,621,896	(14,621,896)
Restricted for student Organizations	628,038	604,800	23,238	588,700	16,100
Unrestricted	32,970,265	33,029,750	(59,485)	18,865,598	14,164,152
<b>TOTAL NET POSITION</b>	<b>\$ 94,613,146</b>	<b>\$ 92,258,929</b>	<b>\$ 2,354,217</b>	<b>\$ 89,977,625</b>	<b>\$ 2,281,304</b>

## Statement of Net Position (Continued)

A more detailed analysis would reveal the following facts for 2024:

- As shown above, the largest component of the District's assets is capital assets. Total cost of capital assets net of accumulated depreciation and amortization at June 30, 2024 and 2023, was approximately \$148.4 million and \$154.5 million, respectively.
- The other assets category is primarily made up of various receivable and cash balances, including property taxes receivable of approximately \$8.5 million. This is an increase of 1.9% from the prior year.
- Other liabilities include accounts payable, various types of accruals, and accrued interest. At year-end, the other liabilities were \$4.2 million. This is a decrease of \$111,000 or 2.6% from the prior year.
- Long-term liabilities of \$114.4 million include long-term debt (\$101.4 million), subscription liability (\$3.7 million) total OPEB liability – District OPEB plan (\$161,000), net pension liability – Wisconsin Retirement System (WRS) (\$2.6 million), and net OPEB liability – Local Retiree Life Insurance Fund (LRLIF) (\$6.5 million). This is a decrease of approximately \$8.8 million or 7.2% from the prior year.

A more detailed analysis would reveal the following facts for 2023:

- Total cost of capital assets net of accumulated depreciation and amortization at June 30, 2023 and 2022, was approximately \$154.5 million and \$157.2 million, respectively.
- The other assets category is primarily made up of various receivable balances and cash balances, including other receivables of approximately \$8.3 million which increased about 2.7% from 2022.
- Other liabilities include accounts payable, various types of accruals, and accrued interest. For 2023, the other liabilities were \$4.3 million. This is a decrease of \$1.9 million or 31.1% from 2022.
- Long-term liabilities of \$123.2 million include long-term debt (\$104.0 million), subscription liability (\$3.9 million) total OPEB liability – District OPEB plan (\$184,000), net pension liability- Wisconsin Retirement System (WRS) (\$9.5 million) and net OPEB liability – Local Retiree Life Insurance Fund (LRLIF) (\$5.5 million). This is a decrease of approximately \$5.1 million or 4.0% from 2022.

## **Capital Assets and Debt Administration**

The District's investment in capital assets (including lease and SBITA right of use assets) as of June 30, 2024, amounts to \$148,414,417 (net of accumulated depreciation and amortization). This includes land and land improvements, buildings and improvements, movable equipment, lease and SBITA right of use assets, and construction in progress. Information on the District's capital assets can be found in Note 6 in the accompanying financial statements.

At the end of the 2024 fiscal year, the District had total general obligation debt outstanding of \$86,110,000 and \$11,295,000 in revenue bonds. The District has continued to meet all of its debt service requirements. All general obligation debt for equipment is repaid in five years, while debt related to building and remodeling is repaid in 10 to 20 years. The debt, excluding revenue bonds, is secured by the full faith and credit of the unlimited taxing powers of the District. The current debt adequately replaces and expands the equipment and facility needs of the District. Additional information on the District's long-term debt can be found in Note 7 in the accompanying financial statements.

## **Financial Position**

For the year ended June 30, 2024, the District's financial position improved with an increase in net position of \$2,354,217. The fund balance in the General Fund as of June 30, 2024, represented approximately 42.4% of General Fund expenditures. This has grown from a low of 2.5% as of June 30, 2003. Western Technical College District's fund balance policy directs the College to maintain a reserve for operations in the General Fund equal to 16-25% (60- 90 days cash flow) of the adopted General Fund and Special Revenue – Operating Fund expenditure budgets for the next year. As of June 30, 2024, the ratio was maintained within policy at 24.8%. Additionally, General Fund and Special Revenue - Aidable fund balances designated for operations as of June 30, 2024 represented 27.0% of the respective actual fund expenditures for fiscal year 2024.

For the year ended June 30, 2023, the District's financial position improved from 2022 with an increase in net position of \$2,281,304. The fund balance in the General Fund as of June 30, 2023, represented approximately 44% of General Fund expenditures. As of June 30, 2023, the ratio of General Fund reserve for operations to expenditure budget for the following year was maintained within policy at 24.8%. Additionally, General Fund and Special Revenue - Aidable fund balances designated for operations as of June 30, 2023 represented 26.8% of the respective actual fund expenditures for fiscal year 2023.

Western Technical College District has diversified sources of revenue consisting of property taxes, state aid, student fees, federal and state grants, and other sources of revenue. With this diversity of revenues along with a strong commitment to operating efficiently, Western Technical College District will continue to have the resources available to adequately finance enrollment in the future.

## Economic Factors

Western Technical College District continues to achieve financial stability and is confident that its financial and economic position will remain stable. The following economic factors contribute to this outlook:

- For 2024, the District experienced a valuation factor of 1.1% for net new construction.
- With the beginning of the Summer 2025 term, the district launched 7 week sessions with the anticipation that future enrollments will grow and retention rates increase.
- On the expenditure side, the District has a proven history of implementing cost reduction strategies, when needed, to reallocate funds to the highest priority areas.

Although the District has a strong financial position, some financial realities still remain that have the potential to negatively impact the District:

- Challenges associated with maintaining a competitive salary and benefit structure.
- The high cost of many high demand academic programs.
- The need to provide affordable education while keeping tuition rates low.

To address these pressure points and help the District maintain and/or improve its financial position, the District has consistently taken the following steps:

1. Maintained budget actions that require the District to reduce expenditures within expected revenues to enable the designated for operations fund balance to remain at or above the fund balance policy goal of 16-25% of General Fund and Special Revenue – Aidable Fund expenditures.
2. Continued to right-size and reallocate within the District to ensure the budget expenditures are within expected revenues and other restrictions on current operations.
3. Gave careful scrutiny to new grant-funded initiatives to prevent starting activities that cannot be maintained when grant funding ends.
4. Focused district programs and services to high priority activities that are as cost-effective as possible.

The fund financial statements of the District can be found on pages 88 through 98.



## **Summary**

While the economic outlook for the District includes some considerable funding challenges, Western Technical College District will continue to follow these steps to ensure that it provides the essential experience to students, as well as maintain a high level of financial stability.

## **Contacting Western's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate Western Technical College District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Vice President, Finance/Operations, Western Technical College District, 400 Seventh Street N., P.O. Box C-0908, La Crosse, Wisconsin 54602-0908.

# **Basic Financial Statements**

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# Western Technical College District

## Statements of Net Position

June 30, 2024 and 2023

<i>Assets and Deferred Outflows of Resources</i>	Primary Government		Component Unit	
	2024	2023	2024	2023
<b>Current assets:</b>				
Cash and investments	\$ 19,051,422	\$ 18,936,570	\$ 830,121	\$ 709,116
Receivables:				
Local taxes	8,502,761	8,342,309	-	-
Due from Western Technical College	-	-	8,776	-
Accounts and other receivables, net of allowance for uncollectible accounts	7,733,004	7,385,096	-	-
Pledge receivables, net of discounts and allowances	-	-	126,832	132,270
Lease receivable, current	14,540	14,223	-	-
Note receivable, current	140,000	135,000	-	-
Inventories	128,601	108,813	-	-
Prepaid expenses	347,575	529,557	-	-
Total current assets	35,917,903	35,451,568	965,729	841,386
<b>Noncurrent assets:</b>				
Restricted cash and cash equivalents	7,428,347	2,947,641	-	-
Restricted investments	13,362,208	12,909,553	-	-
Investments	-	-	8,817,236	7,739,862
Cash value of life insurance	-	-	7,381	7,047
Lease receivable, noncurrent	-	14,541	-	-
Note receivable, noncurrent	1,095,000	1,235,000	-	-
Other noncurrent assets	100,741	111,004	-	-
Lease right of use assets, net	22,319	40,489	-	-
SBITA right of use assets, net	6,373,925	5,244,986	-	-
Capital assets, not being depreciated	7,571,927	8,200,579	-	-
Capital assets, being depreciated	298,524,050	292,984,406	-	-
Accumulated depreciation	(164,077,804)	(151,983,462)	-	-
Total noncurrent assets	170,400,713	171,704,737	8,824,617	7,746,909
Total assets	206,318,616	207,156,305	9,790,346	8,588,295
<b>Deferred outflows of resources:</b>				
Related to pensions - WRS	21,918,447	34,203,583	-	-
Related to OPEB - District OPEB plan	136,242	147,407	-	-
Related to OPEB - LRLIF	2,437,798	2,483,919	-	-
Total deferred outflows of resources	24,492,487	36,834,909	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 230,811,103	\$ 243,991,214	\$ 9,790,346	\$ 8,588,295

# Western Technical College District

## Statements of Net Position (Continued)

June 30, 2024 and 2023

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	Primary Government		Component Unit	
	2024	2023	2024	2023
Liabilities:				
Current liabilities:				
Accounts payable	\$ 1,225,790	\$ 1,351,838	\$ 2,391	\$ 3,250
Accrued liabilities:				
Payroll, payroll taxes, and insurance	612,774	599,620	-	-
Accrued Interest	946,555	960,803	300	401
Compensated absences	332,685	319,392	-	-
Unearned revenue	1,081,607	1,078,789	-	-
Due to Western	-	-	-	32,751
Current portion of long-term obligations	12,993,342	12,262,889	125,000	125,000
Total current liabilities	17,192,753	16,573,331	127,691	161,402
Noncurrent liabilities:				
Compensated absences	1,041	1,041	-	-
Lease liability	4,200	22,324	-	-
SBITA liability	3,136,275	3,301,602	-	-
Net pension liability - WRS	2,607,901	9,476,332	-	-
Long-term debt	88,995,582	92,433,577	-	-
Net OPEB liability - LRLIF	6,461,996	5,489,240	-	-
Total OPEB liability - District OPEB plan	160,574	184,014	-	-
Total noncurrent liabilities	101,367,569	110,908,130	-	-
Total liabilities	118,560,322	127,481,461	127,691	161,402
Deferred inflows of resources:				
Related to OPEB - LRLIF	3,350,555	3,918,125	-	-
Related to pensions - WRS	13,945,444	19,844,979	-	-
Related to OPEB - District OPEB plan	5,890	8,265	-	-
Related to leases	14,071	28,142	-	-
Deferred amount on refunding	321,675	451,313	-	-
Total deferred inflows of resources	17,637,635	24,250,824	-	-
Net position:				
Net investment in capital assets	54,757,959	56,808,173	-	-
Restricted - nonexpendable	-	-	5,729,280	5,390,546
Restricted for:				
Debt service	6,256,884	1,816,206	-	-
Student organizations	628,038	604,800	-	-
Scholarships and other activities	-	-	3,831,707	2,925,359
Unrestricted	32,970,265	33,029,750	101,668	110,988
Total net position	94,613,146	92,258,929	9,662,655	8,426,893
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	\$ 230,811,103	\$ 243,991,214	\$ 9,790,346	\$ 8,588,295

See accompanying notes to financial statements.

# Western Technical College District

## Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2024 and 2023

	Primary Government		Component Unit	
	2024	2023	2024	2023
<b>Operating Revenues:</b>				
Student program fees - Net of scholarship allowance of \$3,989,092 and \$4,004,267, respectively	\$ 7,229,170	\$ 7,207,552	\$ -	\$ -
Student material fees - Net of scholarship allowance of \$159,155 and \$143,587, respectively	289,386	260,282	-	-
Other student fees - Net of scholarship allowance of \$342,878 and \$317,970, respectively	1,436,594	1,389,328	-	-
Federal grants	8,852,206	7,531,520	-	-
State grants	2,978,956	2,460,095	-	-
Business and industry contract revenue	5,581,255	5,492,885	-	-
Auxiliary service revenue	2,653,749	3,648,150	-	-
Contributions and other support	-	-	1,767,841	1,324,543
Miscellaneous	1,131,873	1,146,786	-	-
<b>Total operating revenues</b>	<b>30,153,189</b>	<b>29,136,598</b>	<b>1,767,841</b>	<b>1,324,543</b>
<b>Operating Expenses:</b>				
Instruction	36,003,789	36,720,159	-	-
Instructional resources	1,196,883	1,275,511	-	-
Student services	8,183,079	10,308,503	-	-
General institutional	10,741,509	10,103,439	1,418,077	1,402,283
Physical plant	5,277,026	4,316,031	-	-
Auxiliary services	2,347,957	3,615,497	-	-
Depreciation and amortization	13,204,324	12,866,126	-	-
Student aid	3,978,427	3,582,375	-	-
<b>Total operating expenses</b>	<b>80,932,994</b>	<b>82,787,641</b>	<b>1,418,077</b>	<b>1,402,283</b>
<b>Operating loss</b>	<b>(50,779,805)</b>	<b>(53,651,043)</b>	<b>349,764</b>	<b>(77,740)</b>
<b>Nonoperating revenues (expenses):</b>				
Property taxes	30,475,451	30,082,218	-	-
State operating appropriations	23,782,403	24,375,864	-	-
Federal COVID-19 funding	-	3,418,049	-	-
Investment income earned	1,723,484	1,105,529	885,999	677,519
Interest expense	(2,821,056)	(2,819,482)	-	-
Loss on disposal of capital assets	(26,260)	(229,831)	-	-
<b>Net nonoperating revenues (expenses)</b>	<b>53,134,022</b>	<b>55,932,347</b>	<b>885,999</b>	<b>677,519</b>
<b>Change in net position</b>	<b>2,354,217</b>	<b>2,281,304</b>	<b>1,235,763</b>	<b>599,779</b>
<b>Net position- Beginning of year</b>	<b>92,258,929</b>	<b>89,977,625</b>	<b>8,426,892</b>	<b>7,827,114</b>
<b>Net position - End of year</b>	<b>\$ 94,613,146</b>	<b>\$ 92,258,929</b>	<b>\$ 9,662,655</b>	<b>\$ 8,426,893</b>

See accompanying notes to financial statements.

# Western Technical College District

## Statements of Cash Flows

June 30, 2024 and 2023

	2024	2023
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 8,868,621	\$ 8,366,586
Federal and state grants received	11,469,863	10,074,155
Business, industry, and school district contract revenues received	5,533,864	5,438,608
Payments to employees	(46,682,931)	(45,713,720)
Payments for materials and services	(20,719,322)	(20,983,892)
Auxiliary enterprise revenues received	2,650,270	3,631,944
Other receipts	1,280,199	1,266,255
Net cash used in operating activities	(37,599,436)	(37,920,064)
Cash flows from noncapital financing activities:		
Local property taxes	30,314,999	29,865,951
State appropriations	23,782,403	24,375,864
Federal COVID-19 funding	-	4,661,888
Net cash provided by noncapital financing activities	54,097,402	58,903,703
Cash flows from capital and related financing activities:		
Purchases of capital assets	(6,779,828)	(11,516,837)
Proceeds from issuance of capital debt	9,410,000	6,505,000
Principal paid on leases	(18,192)	(18,409)
Interest paid on leases	(359)	(1,443)
Principal paid on SBITA's	(757,281)	(587,120)
Interest paid on SBITA's	(54,829)	(50,238)
Principal paid on capital debt	(11,834,000)	(16,916,000)
Interest and fiscal charges paid on capital debt	(3,138,748)	(3,474,579)
Net cash used in capital and related financing activities	(13,173,237)	(26,059,626)
Cash flows from investing activities:		
Purchase of investments	(9,410,000)	(6,505,000)
Sale of investments	8,957,345	12,585,204
Investment income received	1,723,484	1,105,529
Net cash provided by (used in) investing activities	1,270,829	7,185,733
Net increase in cash and cash equivalents	4,595,558	2,109,746
Cash and cash equivalents - Beginning of year	21,884,211	19,774,465
Cash and cash equivalents - End of year	\$ 26,479,769	\$ 21,884,211
Reconciliation of cash and cash equivalents to statement of net position		
Cash and cash equivalents	\$ 19,051,422	\$ 18,936,570
Restricted cash and cash equivalents	7,428,347	2,947,641
Totals	\$ 26,479,769	\$ 21,884,211

# Western Technical College District

## Statements of Cash Flows (Continued)

June 30, 2024 and 2023

	2024	2023
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (50,779,805)	\$ (53,651,043)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	13,204,324	12,866,126
Changes in assets and liabilities:		
(Increase) decrease in assets/deferred outflows of resources:		
Accounts and other receivables	(198,684)	(312,282)
Inventories	(19,788)	511,532
Prepaid expenses	181,982	253,967
Other noncurrent assets	10,263	9,312
Net pension asset - WRS	-	14,621,896
Deferred outflows related to pension/OPEB	12,342,422	(6,135,741)
(Increase) decrease in liabilities/deferred inflows of resources:		
Accounts payable	33,252	57,555
Accrued liabilities	13,154	(678,406)
Compensated absences	13,293	(6,054)
Unearned revenue	(11,254)	(90,099)
Net Pension liability - WRS	(6,868,431)	9,476,332
Total OPEB liability - District OPEB plan	(23,440)	(253,742)
Net OPEB liability - LRLIF	972,756	(2,880,742)
Deferred inflows related to pension/OPEB	(6,469,480)	(11,708,675)
<b>Net cash used in operating activities</b>	<b>\$ (37,599,436)</b>	<b>\$ (37,920,064)</b>
Noncash capital and related financing activities:		
Purchases of capital assets in accounts payable	\$ 420,293	\$ 579,592
Issuance of subscription and lease liabilities	537,473	36,253

See accompanying notes to financial statements.

# Western Technical College District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Introduction

The financial statements of the Western Technical College District ("District") have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to public colleges and universities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below.

#### Reporting Entity

The Western Technical College District (commonly known as the Western Technical College, Western, or the District) was organized in 1912 under state legislation. The District is fully accredited by the Higher Learning Commission of the North Central Association Commission on Accreditation and School Improvement. The geographic area of the District is comprised of all or part of 11 counties.

The District, governed by a nine-member board appointed by board chairpersons of counties within the service area, operates a public technical college offering one- and two-year degrees, technical certificates, and a comprehensive adult education program. As the District's governing authority, the Board's powers include:

- Authority to borrow money and levy taxes.
- Budgeting authority.
- Authority over other fiscal and general management of the District, which includes, but is not limited to, the authority to execute contracts, to exercise control over facilities and properties, to determine the outcome or disposition of matters affecting the recipients of the services provided, and to approve the hiring or retention of the President who implements Board policy and directives.

The accompanying financial statements present the activities of the Western Technical College District. Accounting principles generally accepted in the United States require that these financial statements include the primary government and its component units. Component units are separate organizations that would be included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the financial statements.

The Western Technical College Foundation, Inc. (the "Foundation") is a not-for-profit corporation whose purpose is to support, promote, and facilitate the activities of the District. The District provides office space, printing, employee compensation, and other operating costs at no charge to the Foundation. Since the Foundation's resources are almost entirely for the benefit of the District and its students, the Foundation has a history of supporting the District with its economic resources, and the financial resources of the Foundation are significant to the District as a whole, the Foundation is presented as a discretely presented component unit of the District.

Separately issued financial statements of the Foundation may be obtained from the Foundation's administration office.



# Western Technical College District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Measurement Focus and Basis of Accounting and Financial Statement Presentation**

District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Operating revenues and expenses generally include all fiscal transactions directly related to instructional and auxiliary enterprise activities plus administration, operation, and maintenance of capital assets and depreciation on capital assets. Included in nonoperating revenues are property taxes, state appropriations, investment income, and revenues for capital construction projects. Interest on debt and other long-term liabilities is a nonoperating expense.

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less and shares in the local government investment pool.

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, high-grade commercial paper that mature in less than seven years, and the local government pooled investment fund administered by the state investment board.

All investments are stated at fair value, except for the investment in the Wisconsin Investment Series Cooperative (WISC), and the repurchase agreement which are reported on a cost-based measure. Investment income includes changes in fair value of investments, interest, and realized gains and losses.

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

# Western Technical College District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Receivables**

Accounts receivable and student tuition and fees receivable are stated at amounts due from students net of an allowance for doubtful accounts. Amounts outstanding longer than the agreed-upon payment terms are considered past due. The District determines its allowance for doubtful accounts by considering a number of factors including length of time amounts are past due, the District's previous loss history, and the student's ability to pay his or her obligation. The District writes off receivables when they become uncollectible. Payments of accounts receivable are applied to specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoice.

#### **Inventories and Prepaid Expense**

Inventories of books and supplies are valued at the lower of cost, using the first-in, first-out (FIFO) method or market. Instructional and administrative inventories are accounted for as expenses when purchased. Prepaid expenses represent payments made by the District for which benefits extend beyond June 30.

#### **Capital Assets**

Capital assets are recorded at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. The District maintains a threshold level of a unit cost of \$5,000 or more for equipment and \$15,000 or more for building or remodeling projects for capitalizing assets.

Capital assets are depreciated using the straight-line method mid-year convention over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed by the District, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 4 to 12 years for equipment, 10 to 20 years for site improvements, and 50 years for buildings.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may have indicative or impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the even or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statement of revenues, expenses, and changes in net position. There were no impairment losses recorded in the years ended June 30, 2024 and 2023.

# Western Technical College District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Subscription Based Information Technology Arrangements**

The District is a party to multiple noncancelable subscription based information technology arrangements (SBITAs). If the contract provides the District the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the District's incremental borrowing rate.

For all underlying classes of assets, the District does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

#### **Lease Accounting**

The District is a lessor in a noncancelable lease agreement. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow is recorded at the initiation of the lease at the same value as the lease receivable and is amortized on a straight-line basis over the term of the lease.

The District is a lessee in two noncancelable lease agreements. If the contract provides the District the right to substantially all of the economic benefits and the right to direct use of the identified asset, it is considered to be a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. The ROU assets for the leases are amortized on a straight-line basis over the life of the related lease.

The discount rate used is the implicit rate in the lease contract, if it is readily determinable, or the District's incremental borrowing rate. The District's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment.

# Western Technical College District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At this time, the District reports deferred outflows of resources related to the District's District OPEB plan, Local Retiree Life Insurance Fund (LRLIF), and the Wisconsin Retirement System (WRS). The deferred outflows of resources related to the OPEB plan represents the District's contributions to the plan subsequent to the measurement date of the total OPEB liability. The deferred outflows of resources related to LRLIF and WRS represent its proportionate share of collective deferred outflows of resources of the plans and the District's contributions to the plans subsequent to the measurement date of the collective net pension and OPEB liabilities (assets).

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has four types of items that qualify for reporting in this category. They are the deferred amount on refunding, deferred inflows of resources related to leases, deferred inflows of resources related to the District OPEB plan, and deferred inflows of resources related to the LRLIF and the WRS. The deferred amount on refunding represents the difference between the carrying value of refunded debt and its reacquisition price. The deferred inflows of resources related to leases are related to the lease receivable and will be recognized as an inflow of resources in a systematic and rational manner over the term of the lease. The deferred inflows of resources related to the District OPEB plan represent differences between expected and actual experience and changes of assumptions or other input from the actuarial study. The deferred inflows of resources related to the LRLIF and WRS represent the District's proportionate share of collective deferred inflows of resources of the plans.

#### **Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts**

Vacation - District employees are granted vacation in varying amounts, based on length of service and staff classifications that can accumulate to a maximum of 120 hours. Liabilities for vacation are salary-related payments, including social security taxes, are recorded when incurred. The maximum payout of unused, earned vacation when an employee leaves the college is 40 hours.

Sick Leave - The District's traditional policy allows employees to earn up to 10 days of sick pay for each year employed up to a maximum of 30 days. Except as indicated below in post employment benefits, accumulated sick leave does not vest and no liability has been accrued.

# Western Technical College District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies** (Continued)

#### **Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts** (Continued)

Postemployment Benefits - Employees electing to retire after age 55 with 10 or more years of service may have had three options to choose from. One option (option a) applies unused sick leave to group health insurance premiums until exhausted. The other options (options b, c, and d) provide health care benefits until eligible for Medicare benefits or until covered under a new employer's medical program, whichever happens first. For option a, an estimate of the present value of future benefits is recognized as a long-term liability in the statements of net position. For options b, c, and d an amount is actuarially determined and recorded. The plan is closed to new entrants and only includes those employees who had a minimum of 10 years of service and were at least 55 years of age as of June 30, 2013.

The District participates in a life insurance OPEB plan that covers WRS-eligible employees. The fiduciary net position of the LRLIF has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and OPEB expense. Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunding employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **District Pension Plan**

District employees participate in the Wisconsin Retirement System (WRS). The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense. Information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### **Restricted Assets**

Restricted assets are cash, cash equivalents, and investments whose use is limited by legal requirements such as a bond indenture or asset in an irrevocable trust.

# Western Technical College District

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Net Position

Net position is classified according to restrictions or availability of assets for the District's obligations. Net investment in capital assets consist of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balance of any long-term liabilities used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first.

#### Property Tax Levy

Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with the District and taxing entities' treasurers for those taxes collected on their behalf. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the taxing entities before retaining any for county purposes.

The aggregate District tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full by two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, the District may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to the District for any remaining balance.

Under Section 38.16 of the Wisconsin Statutes, the District's Board may levy a tax not to exceed the prior year's levy by the District's valuation factor, which is equal to the percentage change in the District's equalized value from the prior year due to net new construction for purposes of making capital improvements, acquiring equipment, operating, and marinating schools. The limitation is not applicable to taxes levied for the purpose of paying principal and interest on general obligation notes payable issued by the District. For the years ended June 30, 2024 and 2023, the District levied at the following mill rates:

	2024	2023
Operating purposes	0.412024	0.441847
Debt service requirements	0.609452	0.677411
Total	1.021476	1.119258

# Western Technical College District

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **State and Federal Revenues**

State general and categorical aids are recognized as revenue in the entitlement year. Federal and state aids for reimbursable programs are recognized as revenue in the year related program expenditures are incurred or eligibility requirements are met. Aids received prior to meeting revenue recognition criteria are recorded as unearned revenue.

#### **Tuition and Fees**

Student tuition and fees are recorded, net of scholarships, as revenue in the period in which the related activity or instruction take place. Tuition and fees for the summer semester are prorated on the basis of student class days occurring before and after June 30.

#### **Scholarship Allowances and Student Financial Aid**

Certain student financial aid (loans, funds provided to students as awarded by third parties, and federal direct loans) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances. Scholarship allowances represent the amount of aid applied directly to the student's account. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash.

#### **Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

# Western Technical College District

## Notes to Financial Statements

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### Note 2: Cash and Investments

#### Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has the following deposit policy for custodial credit risk. The Vice President of Finance and Operations, or his/her designee, is authorized to make investments with the designated public depositories, the State of Wisconsin Local Government Pooled Investment Fund, or obligations of the United States Government or its agencies, as per applicable provisions of Wisconsin law plus the investment fundamentals of safety, liquidity, and yield. An amount not to exceed \$1,250,000 of the District's funds may be invested in each designated public depository without collateralization. Appropriate operating procedures and agreements for the collateralization of public deposits beyond insured amounts shall be developed as necessary by the Vice President of Finance and Operations. Funds to be invested will be placed in institutions that provide insurance and/or collateralization to the full amount of the investment, including principal and interest. The exception shall be those funds placed directly with the Local Government Pooled Investment Fund or obligations of the United States Government or its agencies. Collateralization requires pledging of obligations of the United States Government or its agencies.

As of June 30, 2024 and 2023, none of the District's bank balance was exposed to custodial credit risk.

#### Investments

Interest Rate Risk: Interest rate risk is the risk that the changes in market interest rates will adversely affect the fair value of the investment. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years.

Credit Risk: State Statute limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the Wisconsin Investment Series Cooperative. The District's investment policy does not further limit its investment choices.



# Western Technical College District

## Notes to Financial Statements

### Note 2: Cash and Investments (Continued)

Concentration of Credit Risk: For an investment, concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District does not have an investment policy for concentration of credit risk. At June 30, 2024 and 2023, 88% and 88% of Western's total investments are in short-term money market instruments with the Wisconsin Investment Series Cooperative.

The District's cash and investment balances at June 30, 2024 and 2023 , were as follows:

	Maturity	2024	2023
WISC Investment Series	< 1 Year	\$ 11,782,428	\$ 11,358,330
Money market funds	N/A	1,579,781	1,551,223
Total investments		13,362,209	12,909,553
Cash deposits with financial institutions carrying amount		26,470,348	21,873,466
Petty cash		9,420	10,745
Cash and investments reported on statement of net position		\$ 39,841,977	\$ 34,793,764

The District is a participant in a Wisconsin Investment Series Cooperative (WISC) fund, which is authorized under Wisconsin Statute 66.0301 and is governed by a commission in accordance with the terms of an intergovernmental cooperation agreement. The WISC is not registered with the SEC as an investment company. The WISC reports to participants on the amortized cost basis. WISC shares are bought and redeemed at \$1 based on the amortized cost of the investments in the pool. Participants in WISC have the right to withdraw their funds in total on one day's notice. The investments in WISC are not subject to the fair value hierarchy disclosures.

# Western Technical College District

## Notes to Financial Statements

### Note 2: Cash and Investments (Continued)

Cash and investments are classified as follows:

	<b>2024</b>	<b>2023</b>
<b>Cash restricted for:</b>		
Debt service	\$ 7,218,839	\$ 2,947,641
Capital projects	209,508	-
<b>Investments restricted for:</b>		
Debt service	1,579,781	1,551,223
Capital projects	11,782,427	11,358,330
<hr/>		
Total restricted	20,790,555	15,857,194
Unrestricted	19,051,422	18,936,570
<hr/>		
Total cash and investments	\$ 39,841,977	\$ 34,793,764

### Note 3: Fair Value Measurements (Assets and Liabilities Measured at Fair Value)

Western categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2024 and 2023:

<i>Assets at Fair Value as of June 30, 2024</i>				
		<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market fund	\$	-	\$ 1,579,781	\$ 1,579,781
<hr/>				
<i>Assets at Fair Value as of June 30, 2023</i>				
		<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market fund	\$	-	\$ 1,551,223	\$ 1,551,223

# Western Technical College District

## Notes to Financial Statements

### Note 4: Accounts and Other Receivables

Accounts and other receivables consisted of the following on June 30:

Due From:	2024	2023
Student tuition and fees:		
Student tuition and fees	\$ 2,042,378	\$ 1,901,980
Allowance for uncollectible accounts	(350,000)	(300,000)
Student tuition and fees, net	1,692,378	1,601,980
Intergovernmental	1,073,046	712,473
Contracted services	741,584	672,400
Receivable from WTCEBC	4,225,054	4,365,492
Related party	942	32,751
<b>Totals</b>	<b>\$ 7,733,004</b>	<b>\$ 7,385,096</b>

### Note 5: Lease Receivable

On July 1, 2021, the District entered into a lease with the state of Wisconsin (lessee) for office space at the Viroqua location. Under the lease, the lessee will pay the District \$1,193 per month in 2024 and \$1,173 per month in 2023. The lease term runs through June 30, 2025, which includes extensions at the option of the lessee. For the year ended June 30, 2024, the District recognized lease revenue of \$14,223 and \$97 of interest revenue under the lease. For the year ended June 30, 2023, the District recognized lease revenue of \$13,913 and \$161 of interest revenue under the lease.

# Western Technical College District

## Notes to Financial Statements

### Note 6: Capital Assets

The following is a summary of changes in capital assets for the year ended June 30:

	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 6,636,294	\$ 20,400	\$ -	\$ 6,656,694
Construction in progress	1,564,285	915,233	1,564,285	915,233
Total capital assets not being depreciated	8,200,579	935,633	1,564,285	7,571,927
Capital assets being depreciated:				
Site improvements	14,777,794	986,574	-	15,764,368
Leasehold improvements	674,723	-	-	674,723
Buildings and improvements	221,744,510	1,003,489	-	222,747,999
Equipment	55,787,379	3,733,344	183,763	59,336,960
Total capital assets being depreciated	292,984,406	5,723,407	183,763	298,524,050
Less accumulated depreciation for:				
Site improvements	10,631,012	1,002,763	-	11,633,775
Leasehold improvements	421,702	33,736	-	455,438
Buildings and improvements	96,863,732	7,914,009	-	104,777,741
Equipment	44,067,016	3,301,339	157,505	47,210,850
Total accumulated depreciation	151,983,462	12,251,847	157,505	164,077,804
Net capital assets being depreciated	141,000,944	(6,528,440)	26,258	134,446,246
Right-to-use assets				
Lease assets - Buildings and improvements	53,199	-	-	53,199
Lease assets - Equipment	24,881	-	-	24,881
Subscription-based IT arrangements	6,318,442	2,063,247	224,533	8,157,156
Total right-to-use assets	6,396,522	2,063,247	224,533	8,235,236
Accumulated amortization				
Lease assets - Buildings and improvements	26,816	13,191	-	40,007
Lease assets - Equipment	10,775	4,979	-	15,754
Subscription-based IT arrangements	1,073,456	934,308	224,533	1,783,231
Total accumulated amortization	1,111,047	952,478	224,533	1,838,992
Total right-to-use assets, being amortized, net	5,285,475	1,110,769	-	6,396,244
<b>Net capital assets</b>	<b>\$ 154,486,998</b>	<b>\$ (4,482,038)</b>	<b>\$ 1,590,543</b>	<b>148,414,417</b>

# Western Technical College District

## Notes to Financial Statements

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### Note 6: Capital Assets (Continued)

Total net capital assets (brought forward)	\$ 148,414,417
Less outstanding debt related to capital assets	(97,405,000)
Less lease liabilities	(22,325)
Less subscription liabilities	(3,712,491)
Unamortized premium	(4,133,051)
Unamortized discount	143,468
Deferred amount on refunding	(321,675)
Plus unexpended debt proceeds	11,794,616
<hr/>	<hr/>
Net investment in capital assets	<u>\$ 54,757,959</u>

# Western Technical College District

## Notes to Financial Statements

### Note 6: Capital Assets (Continued)

	2023			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 6,636,294	\$ -	\$ -	\$ 6,636,294
Construction in progress	3,448,730	1,564,286	3,448,731	1,564,285
Total capital assets not being depreciated	10,085,024	1,564,286	3,448,731	8,200,579
Capital assets being depreciated:				
Site improvements	14,328,558	449,236	-	14,777,794
Leasehold improvements	674,723	-	-	674,723
Buildings and improvements	215,589,490	6,376,461	221,441	221,744,510
Equipment	51,901,213	4,054,808	168,642	55,787,379
Total capital assets being depreciated	282,493,984	10,880,505	390,083	292,984,406
Less accumulated depreciation for:				
Site improvements	9,653,318	977,694	-	10,631,012
Leasehold improvements	387,966	33,736	-	421,702
Buildings and improvements	89,028,092	7,842,283	6,643	96,863,732
Equipment	40,988,891	3,231,733	153,608	44,067,016
Total accumulated depreciation	140,058,267	12,085,446	160,251	151,983,462
Net capital assets being depreciated	142,435,717	(1,204,941)	229,832	141,000,944
Right-to-use assets:				
Lease assets - Buildings and improvements	40,375	12,824	-	53,199
Lease assets - Equipment	24,881	-	-	24,881
Subscription-based IT arrangements	5,094,275	1,355,466	131,299	6,318,442
Total right-to-use assets	5,159,531	1,368,290	131,299	6,396,522
Accumulated amortization:				
Lease assets - Buildings and improvements	13,458	13,358	-	26,816
Lease assets - Equipment	5,796	4,979	-	10,775
Subscription-based IT arrangements	442,412	762,343	131,299	1,073,456
Total accumulated amortization	461,666	780,680	131,299	1,111,047
Total right-to-use assets, being amortized, net	4,697,865	587,610	-	5,285,475
<b>Net capital assets</b>	<b>\$ 157,218,606</b>	<b>\$ 946,955</b>	<b>\$ 3,678,563</b>	<b>154,486,998</b>

# Western Technical College District

## Notes to Financial Statements

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### Note 6: Capital Assets (Continued)

Total net capital assets (brought forward)	\$ 154,486,998
Less outstanding debt related to capital assets	(99,829,000)
Less lease liabilities	(40,516)
Less subscription liabilities	(3,932,299)
Unamortized premium	(4,372,673)
Unamortized discount	154,096
Deferred amount on refunding	(451,313)
Plus unexpended debt proceeds	<u>10,792,880</u>
<u>Net investment in capital assets</u>	<u>\$ 56,808,173</u>

# Western Technical College District

## Notes to Financial Statements

### Note 7: Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2024:

	June 30, 2023	Additions	Reductions	June 30, 2024	Amounts Due Within One Year
General obligation debt	\$ 88,079,000	\$ 9,410,000	\$ 11,379,000	\$ 86,110,000	\$ 11,909,000
Revenue bonds	11,750,000	-	455,000	11,295,000	490,000
Plus Unamortized premium	4,372,673	577,934	817,556	4,133,051	-
Less Unamortized discount	(154,096)	-	(10,628)	(143,468)	-
Lease liability	40,516	-	18,191	22,325	18,125
Subscription liability	3,932,299	537,473	757,281	3,712,491	576,217
Compensated absences	1,041	-	-	1,041	-
<b>Totals</b>	<b>\$ 108,021,433</b>	<b>\$ 10,525,407</b>	<b>\$ 13,416,400</b>	<b>\$ 105,130,440</b>	<b>\$ 12,993,342</b>

The following is a summary of changes in long-term obligations for the year ended June 30, 2023:

	June 30, 2022	Additions	Reductions	June 30, 2023	Amounts Due Within One Year
General obligation debt	\$ 98,070,000	\$ 6,505,000	\$ 16,496,000	\$ 88,079,000	\$ 11,159,000
Revenue bonds	12,170,000	-	420,000	11,750,000	455,000
Plus Unamortized premium	4,882,657	437,340	947,324	4,372,673	-
Less Unamortized discount	(164,724)	-	(10,628)	(154,096)	-
Lease liability	46,101	12,824	18,409	40,516	18,192
Subscription liability	4,495,990	23,429	587,120	3,932,299	630,697
Compensated absences	1,041	-	-	1,041	-
<b>Totals</b>	<b>\$ 119,501,065</b>	<b>\$ 6,978,593</b>	<b>\$ 18,458,225</b>	<b>\$ 108,021,433</b>	<b>\$ 12,262,889</b>

### Subscription Liabilities

The District has entered into several noncancelable subscription based information technology arrangements (SBITAs) for various types institutional software. The agreements mature in varying amounts through the year ended June 30, 2031. The related subscription liabilities have been discounted using the District's estimated incremental borrowing rates and range from 0.31%-3.05%.



# Western Technical College District

## Notes to Financial Statements

### Note 7: Long-Term Obligations (Continued)

#### Long Term Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District while the bonds are secured by certain revenues as outlined in the bond document. Long-term debt at June 30, 2024 and 2023, is comprised of the following individual issues:

	2024	2023
Wisconsin Housing & Economic Authority Multifamily Housing Bonds in the amount of \$14,575,000 were issued on December 1, 2013, to Robert W. Baird & Co. to finance the purchase of a residence hall for student housing. Interest rate at 0.40 - 4.70 percent. Mature April 1, 2038.	\$ 11,295,000	\$ 11,750,000
Promissory notes in the amount of \$4,130,000 were issued March 1, 2016, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the acquisition of moveable equipment. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2025.	170,000	335,000
Promissory notes in the amount of \$1,500,000 were issued May 3, 2016, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 2.00 -3.00 percent. Mature April 1, 2026.	325,000	480,000
Promissory notes in the amount of \$3,100,000 were issued December 7, 2016, to Robert W. Baird & Co. to finance the acquisition of moveable equipment and the purchase of sites and buildings. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2026.	225,000	330,000
Refunding bonds in the amount of \$21,025,000 were issued February 2, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 4.00 percent. Mature April 1, 2033.	16,010,000	16,090,000
Promissory notes in the amount of \$3,020,000 were issued March 9, 2017, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the acquisition of moveable equipment. Interest rate at 2.00 - 4.00 percent. Mature April 1, 2026.	645,000	950,000
Promissory notes in the amount of \$3,000,000 were issued May 2, 2017, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the construction of buildings and building additions on the Sparta campus. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2027	780,000	1,020,000

# Western Technical College District

## Notes to Financial Statements

### Note 7: Long-Term Obligations (Continued)

	2024	2023
Promissory notes in the amount of \$2,605,000 were issued July 10, 2017, to Robert W. Baird & Co. to finance building remodeling and improvement projects and refunding of debt. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2027.	\$ 510,000	\$ 670,000
Refunding bonds in the amount of \$16,975,000 were issued July 10, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 4.00 - 5.00 percent. Mature April 1, 2027.	12,840,000	16,975,000
Refunding bonds in the amount of \$20,265,000 were issued December 28, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 2.00 - 4.00 percent. Mature April 1, 2033.	13,555,000	13,555,000
Promissory notes in the amount of \$3,535,000 were issued March 13, 2018, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the acquisition of moveable equipment. Interest rate at 3.00 percent. Mature April 1, 2027.	680,000	895,000
Promissory notes in the amount of \$1,660,000 were issued June 21, 2018, to Robert W. Baird & Co. to finance building remodeling and improvement projects, the acquisition of moveable equipment and the acquisition of sites on the La Crosse campus. Interest rate at 3.00 - 4.00 percent. Mature April 1, 2028.	510,000	630,000
Promissory notes in the amount of \$1,770,000 were issued March 4, 2019, to Robert W. Baird & Co. to finance building remodeling and improvement projects and property acquisition. Interest rate at 3.00 - 4.00 percent. Mature April 1, 2028.	665,000	815,000
Promissory notes in the amount of \$1,500,000 were issued May 28, 2019, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 3.00 - 4.00 percent. Mature April 1, 2029.	590,000	695,000
Promissory notes in the amount of \$1,500,000 were issued October 2, 2019, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 3.00 percent. Mature April 1, 2029.	590,000	695,000

# Western Technical College District

## Notes to Financial Statements

### Note 7: Long-Term Obligations (Continued)

	2024	2023
Promissory notes in the amount of \$4,225,000 were issued November 20, 2019, to Robert W. Baird & Co. with \$1,500,000 to finance building remodeling and improvement projects and \$2,725,000 to finance the acquisition of moveable equipment. Interest rate at 3.00 percent. Mature April 1, 2029.	\$ 1,310,000	\$ 1,550,000
Promissory notes in the amount of \$4,345,000 were issued January 30, 2020, to Robert W. Baird & Co. with \$1,500,000 to finance building remodeling and improvement projects and \$2,845,000 for the refunding of debt. Interest rate at 3.00 percent. Mature April 1, 2029.	590,000	700,000
Promissory notes in the amount of \$1,500,000 were issued April 9, 2020, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 3.00 percent. Mature April 1, 2030.	695,000	800,000
Promissory notes in the amount of \$4,710,000 were issued June 4, 2020 with \$1,500,000 to finance building remodeling and improvement projects and \$3,210,000 to finance the acquisition of movable equipment. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2030.	1,955,000	2,390,000
Promissory notes in the amount of \$1,500,000 were issued October 13, 2020 to finance building remodeling and improvement projects. Interest rate at 1.00 - 3.00 percent. Mature April 1, 2030.	825,000	955,000
Promissory notes in the amount of \$6,900,000 were issued February 25, 2021 with \$1,025,000 to finance building remodeling and improvement projects, \$2,695,000 to finance the acquisition of movable equipment, and \$3,180,000 for the refunding of debt. Interest at 1.00 - 2.00 percent. Mature April 1, 2030.	2,120,000	3,600,000
Promissory notes in the amount of \$2,995,000 were issued April 5, 2021 with \$1,500,000 to finance the construction of buildings and building additions on the Sparta campus and \$1,495,000 to finance building remodeling and improvement projects. Interest rate at 2.00 percent. Mature April 1, 2031.	2,615,000	2,745,000
Promissory notes in the amount of \$1,500,000 were issued May 27, 2021 to finance building remodeling and improvement projects. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2031	1,105,000	1,245,000

# Western Technical College District

## Notes to Financial Statements

### Note 7: Long-Term Obligations (Continued)

	2024	2023
Promissory notes in the amount of \$5,970,000 were issued February 10, 2022 with \$645,000 to finance building remodeling and improvement projects, \$270,000 to finance property acquisition, \$3,410,000 to finance the acquisition of movable equipment and \$1,645,000 for the refunding of debt. Interest rate at 2.00 - 4.00 percent. Mature April 1, 2031	\$ 3,580,000	\$ 4,790,000
Promissory notes in the amount of \$1,500,000 were issued April 4, 2022 to finance building remodeling and improvement projects at the La Crosse Medical Health Science Consortium facility. Interest rate at 2.55 - 4.00 percent. Mature April 1, 2032	1,235,000	1,370,000
Promissory notes in the amount of \$2,500,000 were issued April 25, 2055 with \$1,500,000 to finance building remodeling and improvement projects and \$1,000,000 to finance the construction of buildings on the La Crosse campus. Interest rate at 4.00 percent. Mature April 1, 2031	2,500,000	2,500,000
Promissory notes in the amount of \$3,000,000 were issued May 26, 2022 with \$1,500,000 to finance building remodeling and improvement projects and \$1,500,000 to finance the acquisition of moveable equipment. Interest rate at 4.00 percent. Mature April 1, 2032	2,215,000	2,635,000
Promissory notes in the amount of \$2,330,000 were issued June 23, 2022 with \$1,330,000 to finance building remodeling and improvement projects, \$800,000 to finance the acquisition of movable equipment, and \$200,000 to finance the construction of buildings on the La Crosse campus. Interest rate at 3.05 - 4.84 percent. Mature April 1, 2032	1,955,000	2,159,000
Promissory notes in the amount of \$6,505,000 were issued February 27, 2023 with \$1,340,000 to finance building remodeling and improvement projects and \$5,165,000 to finance the acquisition of moveable equipment. Interest rate at 3.00 - 5.00 percent. Mature April 1, 2031	6,125,000	6,505,000
Promissory notes in the amount of \$1,365,000 were issued August 17, 2023 to finance the acquisition of movable equipment and building remodeling and improvement projects. Interest rate at 4.00 percent. Mature April 1, 2032	1,365,000	-
Promissory notes in the amount of \$7,825,000 were issued February 22, 2024 to finance the purchase of movable equipment, new construction, and building remodeling and improvement projects. Interest rate at 4.00 - 5.00 percent. Mature April 1, 2033	7,825,000	-
<b>Total long-term debt</b>	<b>\$ 97,405,000</b>	<b>\$ 99,829,000</b>

# Western Technical College District

## Notes to Financial Statements

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### Note 7: Long-Term Obligations (Continued)

Western has the power to incur indebtedness for certain purposes specified by Section 67.03(1)(a), Wisconsin Statutes in an aggregate amount, not exceeding 5% of the equalized value of the taxable property within Western, as last determined by the Wisconsin Department of Revenue. The legal debt limit and the margin of indebtedness as of June 30, 2024, are calculated as follows:

Legal debt limit (5% of \$31,450,531,922)	\$ 1,572,526,596
Deduct - Long-term debt applicable to debt margin	(86,110,000)
Restricted net position available for debt services	6,256,884
Margin of indebtedness	\$ 1,492,673,480

Wisconsin Statutes 67.03(9) provides that the amount of bonded indebtedness for the purpose of purchasing school sites and the construction and equipping of school buildings may not exceed 2% of the equalized valuation of the taxable property, including tax incremental districts, of Western. This limit was \$629,010,638 at June 30, 2024. Western has bonded indebtedness of \$53,700,000 and \$58,370,000 as of June 30, 2024 and 2023, respectively.

On April 3, 2023, Western used existing resources of \$3,598,164 to purchase U.S. Government, State, and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments for a portion of the general obligation refunding bonds dated December 28, 2017 and February 2, 2017. The trust will pay the interest when due totaling \$214,800 and \$3,580,000 in principal when the bonds are called on April 1, 2025. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2024 and 2023, \$3,580,000 of bonds are considered defeased.

Prior to July 1, 2022, Western used existing resources to purchase U.S. Government, State, and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments. The trust will pay the principal and interest due when the bonds are called on April 1, 2025. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2024 and 2023, \$4,825,000 of bonds are considered defeased.

# Western Technical College District

## Notes to Financial Statements

### Note 7: Long-Term Obligations (Continued)

#### Maturities of Long-Term Debt

Aggregate cash flow requirements for the retirement of long-term principal and interest on debt as of June 30, 2024, follows:

<i>Year Ended June 30:</i>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2025	\$ 12,399,000	\$ 3,668,531	\$ 16,067,531
2026	13,024,000	3,129,587	16,153,587
2027	12,603,000	2,638,645	15,241,645
2028	11,921,000	2,162,554	14,083,554
2029	10,373,000	1,724,383	12,097,383
2030-2034	32,680,000	3,957,048	36,637,048
2035-2038	4,405,000	535,095	4,940,095
<b>Totals</b>	<b>\$ 97,405,000</b>	<b>\$ 17,815,843</b>	<b>\$ 115,220,843</b>

Principal and interest maturities on the subscription liabilities at June 30, 2024, are as follows:

<i>Year Ended June 30:</i>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2025	\$ 576,217	\$ 59,186	\$ 635,403
2026	588,612	49,556	638,168
2027	529,001	38,059	567,060
2028	467,161	29,024	496,185
2029	488,820	22,250	511,070
2030-2031	1,062,680	22,912	1,085,592
<b>Totals</b>	<b>\$ 3,712,491</b>	<b>\$ 220,987</b>	<b>\$ 3,933,478</b>

Principal and interest maturities on the lease liabilities at June 30, 2024, are as follows:

<i>Year Ended June 30:</i>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2025	\$ 18,125	\$ 426	\$ 18,551
2026	4,200	10	4,210
<b>Totals</b>	<b>\$ 22,325</b>	<b>\$ 436</b>	<b>\$ 22,761</b>

# Western Technical College District

## Notes to Financial Statements

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### Note 8: Leases

Western has entered into agreements to lease equipment and building space. These leases meet the requirements to be presented in accordance with GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement, which was for printing equipment, commenced in May 2021 and requires 60 monthly payments of \$421. There are no variable components of the lease. The lease liability was measured at a discount rate of 0.61%, which is based on Western's estimated incremental borrowing rate. The lease liability was \$9,211 at June 30, 2024 and \$14,192 at June 30, 2023. Additionally, Western has recorded a right of use asset, net of amortization, of \$9,128 at June 30, 2024 and \$14,106 at June 30, 2023.

The second agreement, which was for gym space, commenced in July 2021 and originally required 3 annual payments of \$13,458. There are no variable components of the lease. The lease liability was originally measured at a discount rate of 0.31%, which is based on Western's estimated incremental borrowing rate. The lease was extended by an additional year during the year ended June 30, 2023. As a result, the lease was remeasured at a discount rate of 2.95%. The lease liability was \$13,114 at June 30, 2024 and \$26,324 at June 30, 2023. Additionally, Western has recorded a right of use asset, net of amortization, of \$13,191 at June 30, 2024 and \$26,382 at June 30, 2023.

### Note 9: Employee Retirement Plans - Wisconsin Retirement System

#### Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found online at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

#### Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

# Western Technical College District

## Notes to Financial Statements

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### Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to receive a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

#### Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment	Variable Fund Adjustment
2014	4.7 %	25.0 %
2015	2.9 %	2.0 %
2016	0.5 %	(5.0)%
2017	2.0 %	4.0 %
2018	2.4 %	17.0 %
2019	- %	(10.0)%
2020	1.7 %	21.0 %
2021	5.1 %	13.0 %
2022	7.4 %	15.0 %
2023	1.6 %	(21.0)%



# Western Technical College District

## Notes to Financial Statements

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### Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. Starting on January 1, 2016, the executive and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$2,282,649 in contributions from the employer.

Contribution rates as of June 30, 2024 and 2023, are as follows:

Employee Category	2024		2023	
	Employee	Employer	Employee	Employer
General (including teachers, executives, and elected officials)	6.90 %	6.90 %	6.80 %	6.80 %
Protective with Social Security	6.90 %	14.30 %	6.80 %	13.20 %
Protective without Social Security	6.90 %	19.10 %	6.80 %	18.10 %

#### Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024 and 2023, the District reported a liability of \$2,607,901 and \$9,476,332 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31 within District's fiscal year, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. District's proportion share of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, and 2022, the District's proportion was 0.17540297% and 0.17887623% (a decrease of 0.00347326% from the prior year).

For the year ended June 30, 2024 and 2023, the District recognized pension expense of \$1,799,819 and \$4,821,991.

# Western Technical College District

## Notes to Financial Statements

### Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2024 and 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 10,515,034	\$ 13,927,227	\$ 15,092,862	\$ 19,828,631
Net differences between projected and actual earnings on pension plan investments	9,088,114	-	16,098,100	-
Change in assumptions	1,136,709	-	1,863,439	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,879	18,217	54,119	16,348
Employer contributions subsequent to the measurement date	1,140,711	-	1,095,063	-
<b>Totals</b>	<b>\$ 21,918,447</b>	<b>\$ 13,945,444</b>	<b>\$ 34,203,583</b>	<b>\$ 19,844,979</b>

Deferred outflows related to pensions resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2025	\$ 1,401,976
2026	1,475,691
2027	5,706,646
2028	(1,752,021)

# Western Technical College District

## Notes to Financial Statements

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### Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Actuarial Assumptions

The total pension liability in the actuarial valuations used for the years ended June 30, 2024 and 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2024</u>	<u>2023</u>
Actuarial valuation date	December 31, 2022	December 31, 2021
Measurement date of net pension liability (asset)	December 31, 2023	December 31, 2022
Experience Study	January 1, 2018- December 31, 2020 Published November 19, 2021	January 1, 2018- December 31, 2020 Published November 19, 2021
Actuarial cost method	Entry age	Entry age
Asset valuation method	Fair market value	Fair market value
Long-term expected rate of return	6.8%	6.8%
Discount rate	6.8%	6.8%
Salary Increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table
Postretirement adjustments*	1.7%	1.7%

*\*No Postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the Postretirement discount rate.*

Actuarial assumptions for the 2022 valuation are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 and 2022, is based upon a rollforward of the liability calculated from the December 31, 2022 and 2019, actuarial valuations.

# Western Technical College District

## Notes to Financial Statements

### Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Long-Term Expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

#### Asset Allocation Targets and Expected Returns

As of December 31, 2023

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund asset class:			
Public equities	40.0%	7.3%	4.5%
Public fixed income	27.0%	5.8%	3.0%
Inflation sensitive assets	19.0%	4.4%	1.7%
Real estate	8.0%	5.8%	3.0%
Private equity/debt	18.0%	9.6%	6.7%
Leverage	(12.0)%	3.7%	1.0%
<b>Total core fund</b>	<b>100.0%</b>	<b>7.4%</b>	<b>4.6%</b>
Variable fund:			
U.S. equities	70.0%	6.8%	4.0%
International equities	30.0%	7.6%	4.8%
<b>Total variable fund</b>	<b>100.0%</b>	<b>7.3%</b>	<b>4.5%</b>

*New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.70%*

*Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.*

*The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range up to 20%.*

# Western Technical College District

## Notes to Financial Statements

### Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Asset Allocation Targets and Expected Returns

As of December 31, 2022

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund asset class:			
Global equities	48.0%	7.6%	5.0%
Fixed income	25.0%	5.3%	2.7%
Inflation sensitive assets	19.0%	3.6%	1.1%
Real estate	8.0%	5.2%	2.6%
Private equity/debt	15.0%	9.6%	6.9%
<b>Total core fund</b>	<b>115.0%</b>	<b>7.4%</b>	<b>4.8%</b>
Variable fund:			
U.S. equities	70.0%	7.2%	4.6%
International equities	30.0%	8.1%	5.5%
<b>Total variable fund</b>	<b>100.0%</b>	<b>7.7%</b>	<b>5.1%</b>

*New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.50%*

*Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations.*

*The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range up to 20%.*

# Western Technical College District

## Notes to Financial Statements

### Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Single Discount Rate: A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability (asset) calculated using the current discount rate, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2024		2023	
	Decrease Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	5.8 %	\$ 25,206,631	5.8 %	\$ 31,451,639
Current discount rate	6.8 %	2,607,901	6.8 %	9,476,332
1% increase to discount rate	7.8 %	(13,205,385)	7.8 %	(5,640,793)

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

#### Payables to the Pension Plan

At June 30, 2024 and 2023, the District reported a payable of \$383,545 and \$372,807 for the outstanding amount of contributions to the pension plan required for the years then ended.

The District also sponsors a defined contribution retirement plan under Code Section 403(b) that allows all employees to make pretax voluntary contributions. This plan does not provide for employer contributions.

# Western Technical College District

## Notes to Financial Statements

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### Note 10: Postemployment Benefits Other Than Pension Benefits

Western Technical College District administers a single-employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees and their spouses through Western’s group medical insurance plan, which covers both active and retired members. Benefit provisions are established through board policy. The eligibility requirements are based on the retirees position, years of service, and age at retirement. If eligible, the retiree may receive medical insurance benefits until eligible for Medicare. There are no assets accumulated in a trust that meet the criteria of GASB No. 75, paragraph 4, and there is not a standalone report for the plan. There are 345 active plan members and 6 inactive plan members currently receiving benefits. The plan is closed to new entrants.

The contribution requirements of plan members are based on the employee handbook in effect on the date of retirement. Western Technical College District’s contribution is established annually based on an amount to pay current premiums, less the retiree portion. For fiscal year 2024, Western Technical College District contributed \$43,040 to the plan for current premiums, while plan members receiving benefits contributed \$97,844 (approximately 69% of total premiums). For fiscal year 2023, Western Technical College District contributed \$115,357 to the plan for current premiums, while plan members receiving benefits contributed \$106,904 (approximately 48% of total premiums).

At June 30, 2024 and 2023, District reported a total OPEB liability of \$160,574 and \$184,014. The total pension liability was measured as of June 30, 2023 and 2022, and was determined by an actuarial valuation as of June 30, 2022. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2024	2023
Inflation	2.50%	2.50%
Salary increases:		
Inflation	3.00%	3.00%
Merit	0.1 %-3.0%	0.1%-3.0%
Healthcare cost	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter	6.5% decreasing by 0.1% per year down to 5.0% and level thereafter
Discount rate	4.13%	4.00%
Mortality	Wisconsin 2020 Morality Table	Wisconsin 2018 Mortality Table
Actuarial assumptions	Based on an experience study conducted in 2021 using WRS experience from 2018-2020	Based on an experience study conducted in 2018 using WRS experience from 2015-2017

The 4.13% discount rate used to measure the total OPEB liability were determined by the actuary based on the S&P Municipal Bond 20 Year High grade Index as of the week of as of June 30, 2023. The 4.00% discount rate used to measure the total OPEB liability was determined by the actuary at Bond Buyer Go for a 20-year AA municipal bond as of June 30, 2022.

# Western Technical College District

## Notes to Financial Statements

### Note 10: Postemployment Benefits Other Than Pension Benefits (Continued)

Changes in the total OPEB liability for the year ended June 30, 2024 and 2023, are as follows:

	<b>2024</b>	<b>2023</b>
Balance at beginning of year	\$ 184,014	\$ 437,756
Changes for the year:		
Service cost	3,989	4,676
Interest	5,133	6,836
Differences between expected and actual experience	17,551	13,024
Changes of assumptions or other inputs	65,244	(5,696)
Benefit payments	(115,357)	(272,582)
<b>Net changes</b>	<b>(23,440)</b>	<b>(253,742)</b>
Balance at end of year	\$ 160,574	\$ 184,014

The following presents the total OPEB liability of District, as well as what District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<b>2024</b>		<b>2023</b>	
	<b>Discount Rate</b>	<b>Net Pension Liability (Asset)</b>	<b>Discount Rate</b>	<b>Net Pension Liability (Asset)</b>
1% decrease to discount rate	3.13 %	\$ 166,327	3.00 %	\$ 187,189
Current discount rate	4.13 %	160,574	4.00 %	184,014
1% increase to discount rate	5.13 %	154,912	5.00 %	180,900

The following represents District's total OPEB liability calculated using the healthcare cost trend rate of 7.0% decreasing to 4.5% for 2024 and 6.5% decreasing to 5.0% for 2023, as well as what District's total OPEB liability would be if it were calculated using the healthcare cost trend that is 1 percentage point lower (6.0% decreasing to 3.5% for 2024 and 5.5% decreasing to 4.0% for 2023) or 1 percentage point higher (8.0% decreasing to 5.5% for 2024 and 7.5% decreasing to 6.0% for 2023) than the current rate:

<b>Healthcare Cost Trend Rates</b>	<b>2024</b>	<b>2023</b>
1% decrease	\$ 151,164	\$ 178,797
Current	160,574	184,014
1% increase	171,231	189,765



# Western Technical College District

## Notes to Financial Statements

### Note 10: Postemployment Benefits Other Than Pension Benefits (Continued)

For the years ended June 30, 2024 and 2023, Western recognized OPEB expense of \$28,390 and \$18,952. At June 30, 2024 and 2023, Western reported deferred outflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 22,858	\$ 2,472	\$ 10,419	\$ 3,708
Changes of assumptions or other input	70,344	3,418	21,631	4,557
Western's contributions subsequent to the measurement date	43,040	-	115,357	-
<b>Totals</b>	<b>\$ 136,242</b>	<b>\$ 5,890</b>	<b>\$ 147,407</b>	<b>\$ 8,265</b>

The amount reported as deferred outflows of resources related to OPEB resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2025	\$ 19,268
2026	19,269
2027	13,292
2028	11,828
2029	11,828
Thereafter	11,827

# Western Technical College District

## Notes to Financial Statements

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### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund

#### Plan Description

The Local Retiree Life Insurance Fund (LRLIF) is a cost-sharing multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible employees.

#### OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found online at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issues a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

#### Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

#### Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of June 30, 2024 and 2023, are as follows:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% postretirement coverage	40% of employee contribution

# Western Technical College District

## Notes to Financial Statements

### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2023 and 2022, are as follows:

**Life Insurance Member Contribution Rates**  
For the Year Ended December 31, 2023 and 2022

Attained Age	Basic	Supplemental
Under 30	\$ 0.05	\$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

\*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$28,348 in contributions from the employer.

### OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024 and 2023, the District reported a liability of \$6,461,996 and \$5,489,240 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31 within District's fiscal year, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023 and 2022, District's proportion was 1.404582% and 1.440811% (a decrease of (0.036229)% from the prior year).

For the year ended June 30, 2024 and 2023, the District recognized pension expense of \$479,655 and \$560,188.

# Western Technical College District

## Notes to Financial Statements

### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

At June 30, 2024 and 2023, District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 571,905	\$ 103,001	\$ 537,213
Net differences between projected and actual earnings on pension plan investments	87,298	-	-	-
Change in assumptions	2,021,367	2,544,595	1,972,164	3,240,157
Changes in proportion and differences between employer contributions and proportionate share of contributions	315,087	234,055	394,144	140,755
Employer contributions subsequent to the measurement date	14,046	-	14,610	-
<b>Total</b>	<b>\$ 2,437,798</b>	<b>\$ 3,350,555</b>	<b>\$ 2,483,919</b>	<b>\$ 3,918,125</b>

The amount reported as deferred outflows related to OPEB resulting from District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2025	\$ (62,735)
2026	59,555
2027	(177,830)
2028	(389,713)
2029	(407,795)
Thereafter	51,715

# Western Technical College District

## Notes to Financial Statements

### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

#### Actuarial Assumptions

The total OPEB liability in the actuarial valuation used for the years ended June 30, 2024 and 2023 determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Actuarial valuation date	January 1, 2023	January 1, 2022
Measurement date of net OPEB liability (asset)	December 31, 2023	December 31, 2022
Experience study	January 1, 2018-December 31, 2020 Published November 19, 2021	January 1, 2018-December 31, 2020 Published November 19, 2021
Actuarial cost method	Entry age normal	Entry age normal
20 year tax-exempt municipal bond yield	3.26%	3.72%
Long-term expected rate of return	4.25%	4.25%
Discount rate	3.32%	3.76%
Salary increases:		
Inflation	3.00%	3.00%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table

\* Based on the Bond Buyers GO Index

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets: The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carrier's general fund, specifically 10- year A-Bonds (as a proxy, and not tied to any specific investment). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

# Western Technical College District

## Notes to Financial Statements

### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

#### Actuarial Assumptions (Continued)

#### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40.00 %	2.32 %
U.S. Mortgages	Bloomberg U.S. MBS	60.00 %	2.52 %
Inflation			2.30 %
Long-term expected rate of return			4.25 %

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

#### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2022

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	50 %	2.45 %
U.S. Mortgages	Bloomberg U.S. MBS	50 %	2.83 %
Inflation			2.30 %
Long-term expected rate of return			4.25 %

# Western Technical College District

## Notes to Financial Statements

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### Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

#### Actuarial Assumptions (Continued)

Single Discount Rate: single discount rate of 3.32% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2024		2023	
	Discount Rate	Net OPEB Liability	Discount Rate	Net OPEB Liability
1% decrease to discount rate	2.32 %	\$ 8,682,592	2.76 %	\$ 7,483,999
Current discount rate	3.32 %	6,461,996	3.76 %	5,489,240
1% increase to discount rate	4.32 %	4,766,962	4.76 %	3,960,491

#### OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.html>.

# Western Technical College District

## Notes to Financial Statements

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### Note 12: Risk Management

#### Self-Insured Programs

The District has a self-funded dental plan for its employees. The plan administrator, Delta Dental of Wisconsin, is responsible for the approval, processing, and payment of claims, after which they bill the District for reimbursement. The District is also responsible for a monthly administrative fee. The plan reports on a fiscal year ending June 30.

#### Claims Liabilities

The District establishes claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The estimate is based on historical experience.

#### Unpaid Claims Liabilities

The following represents the change in approximate aggregate liabilities for District:

	<b>Dental</b>
Liability balance - June 30, 2021	\$ 16,245
Claims and changes in estimates	419,851
Claim payments	(415,795)
Liability balance - June 30, 2022	20,301
Claims and changes in estimates	418,116
Claim payments	(416,623)
Liability balance - June 30, 2023	21,794
Claims and changes in estimates	392,078
Claim payments	(390,976)
Liability balance - June 30, 2024	\$ 22,896



# Western Technical College District

## Notes to Financial Statements

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### **Note 12: Risk Management** (Continued)

#### **Public Entity Risk Pool**

As of July 1, 2015, the District joined together with other technical colleges in the state to form the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). WTCEBC is a public entity risk pool that the District participates in to provide health insurance coverage to its employees. The main purpose of WTCEBC is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. The District pays WTCEBC a monthly premium based on the number of participants and the type of coverage that has been elected. Individual claims below \$100,000 are self-funded by the District. Any individual claim exceeding \$100,000 but less than \$250,000 is shared in a pooled layer among all of the colleges participating in the consortium. Individual claims exceeding \$250,000 and aggregate claims exceeding \$1,000,000 are subject to reinsurance. Each college maintains an individual reserve with WTCEBC. In the event a college were to leave the consortium, their reserve would be used to pay their remaining claims, and the balance would be refunded to the college.

WTCEBC operations are governed by a board of directors. The board of directors is comprised of one representative from each of the member colleges. The WTCEBC uses a third party to administer its operations, including all of the accounting functions.

For the year ended June 30, 2024 and 2023, the District paid a total premium of \$6,098,809 and \$6,156,015, respectively.

Audited financial statements for WTCEBC can be obtained by contacting the District.

#### **Districts Mutual Insurance Company (DMI)**

In July 2004, all 16 WTCS technical colleges created Districts Mutual Insurance Company (DMI). DMI is a fully assessable mutual company authorized under Wisconsin Statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$500,000,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

At this time, settled claims have not approached the coverage limits as identified above. The District's exposure in its layer of insurance is limited to \$5,000 to \$100,000 per occurrence depending on the type of coverage, and DMI purchases reinsurance for losses in excess of its retained layer of coverage.

DMI operations are governed by a five-member board of directors. Member colleges do not exercise any control over the activities of DMI beyond election of the board of directors at the annual meeting. The board has the authority to adopt its own budget, set policy matters, and control the financial affairs of the company.

# Western Technical College District

## Notes to Financial Statements

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### Note 12: Risk Management (Continued)

Each member college was assessed an annual premium that included a capitalization component to establish reserves for the company. Since DMI is fully capitalized, member districts have not been assessed a capitalization amount for fiscal years 2024 and 2023. For the years ended June 30, 2024 and 2023, the District paid a premium of \$523,250 and \$484,504, respectively. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses are paid through the premiums collected for the insurance policies issued by the company.

The audited DMI financial statements can be obtained through Districts Mutual Insurance Co., 212 West Pinehurst Trail, Dakota Dunes, SD 57049.

### Supplemental Insurance

The District is part of the WTCS Insurance Trust that jointly purchases commercial insurance to provide coverage for losses from theft of, damages to, or destruction of assets. The trust is organized under Wisconsin Statutes 66.0301 and is governed by a board of trustees consisting of one trustee from each member college. Member entities include all 16 Wisconsin Technical College System districts.

The WTCS Insurance Trust has purchased the following levels of coverage from commercial carriers for the District:

Crime – \$750,000 coverage for theft, employee dishonesty, forgery, computer fraud, and funds transfer fraud; \$25,000 coverage for investigation expenses; \$2,500 deductible for investigation; and \$15,000 deductible for employee dishonesty, forgery, and fraud.

Business Travel Accident – Coverage for local Board of Trustees members, \$100,000 for scheduled losses, assistance services, medical evacuation, and repatriation.

Foreign Liability - \$5,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; \$1,000 deductible for employee benefits.

The Trust financial statements can be obtained through Lakeshore Technical College District, 1290 North Avenue, Cleveland, WI 53015.

### Other Insured Risk

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District, and there has been no significant reduction in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years

# Western Technical College District

## Notes to Financial Statements

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### **Note 13: Contingent Liability**

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of administration and appropriate legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

### **Note 14: Transactions With Component Unit**

The District paid Foundation expenses of approximately \$544,814 and \$428,193 for the fiscal years ended June 30, 2024 and 2023, respectively. The District has a receivable from the Foundation of \$942 and \$32,751 at June 30, 2024 and 2023, respectively. The District also has \$31,549 and \$0 due to the Foundation at June 30, 2024 and 2023, respectively. The District received payments of \$120,259 and \$112,422 for administration and professional development expenses during the fiscal years ended June 30, 2024 and 2023, respectively. In addition, the Foundation disbursed scholarships and awards of \$578,752 and \$587,209 on behalf of the District during the fiscal years ended June 30, 2024 and 2023, respectively.

### **Note 15: Joint Venture**

The La Crosse Medical Health Science Center (Consortium) is a collaboratively owned and operated medical health science, education, and research center. The Consortium is a Wisconsin nonstock corporation tax-exempt under IRC 501(c)3. The Consortium board is made up of representatives of each of the five participating organizations.

To date, the District has borrowed \$3,650,000 for the Consortium, as authorized in the 1996 referendum. The bonds were paid off in October 2008. In addition, the District's dormitory and land, valued at \$1,110,000, was contributed to the Consortium. Along with the other participating entities, the District pays its share of the salaries, operations and maintenance costs based on their share of square foot usage. The District's share of these costs was \$298,890 and \$290,586 for June 30, 2024 and 2023, respectively.

In addition, as of June 30, 2024 and 2023, the District had a note receivable from the Consortium for \$1,235,000 and \$1,370,000, which relates to amounts that the District has borrowed for capital expenses of the Consortium. The note will be repaid in varying amounts with the final maturity on April 1, 2032.

Separately issued Consortium financial statements are available at the District Business Office, 400 7th Street North, La Crosse, Wisconsin 54601.

# Western Technical College District

## Notes to Financial Statements

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### Note 16: Expense Classification

Expenses on the statements of revenue, expenses, and changes in net position are classified by function. Alternatively, the expenses could also be shown by type of expenses as follows for the years June 30, 2024 and 2023:

	2024	2023
Salaries and wages	\$ 35,822,802	\$ 34,319,869
Fringe benefits	11,195,158	14,057,421
Staff development	839,291	705,140
Supplies	1,383,194	1,341,123
Duplication/copy	143,759	139,041
Contracted services	8,238,870	7,837,117
Rentals - Facilities and equipment	7,100	9,943
Credit expenses	424,495	368,499
Insurance	490,577	495,556
Utilities	998,714	1,071,574
Depreciation and amortization	13,204,324	12,866,126
Student clubs	475,211	503,809
Student aid	4,171,907	5,628,058
Resale	537,705	1,660,378
Minor equipment	2,007,028	618,044
Other expenses	992,859	1,165,943
<b>Total operating expenses</b>	<b>\$ 80,932,994</b>	<b>\$ 82,787,641</b>

# Western Technical College District

## Notes to Financial Statements

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### Note 17: Outstanding Contractual Commitments

During the year, the District entered into various contracts with construction contractors related to capital projects. The following contracted amounts remain unspent as of June 30, 2024:

<i>Construction Contractors</i>	<b>Amount Remaining</b>
W.L. Hall Company	\$ 198,838
Ron Hammes Refrigeration Company	100,450
Winona Heating & Ventilating	265,035
HSR Associates, Inc.	102,000
Brown's Medical Imaging, LLC	220,000
TESCO Specialty Vehicles, LLC	459,800
GE Precision Healthcare LLC	309,250
<b>Total</b>	<b>\$ 1,655,373</b>

### Note 18: Pledged Revenue

The District has pledged residence hall rent revenues and supplemental district revenues ("pledged revenues") to repay a \$14,575,000 multifamily housing bond issue. Proceeds from the bonds provided financing for Western's residence hall construction project. The bonds are payable solely from the pledged revenue and are payable through April 1, 2038. The total principal and interest remaining to be paid on the bonds is \$15,741,103. Principal and interest paid during the year ended June 30, 2024, was \$970,508 and pledged revenues were \$9,621,361. Principal and interest paid during the year ended June 30, 2023 was \$949,368 and pledged revenues were \$10,228,306.

# Western Technical College District

## Notes to Financial Statements

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### Note 19: Component Unit

This report contains the Western Technical College Foundation, Inc. (the “Foundation”), which is included as a discretely presented component unit. In addition to the basic financial statements, the following disclosures are considered necessary for a fair presentation.

#### A- Pledges Receivable

Unconditional pledges receivable at June 30, consist of:

	2024	2023
Receivable in less than one year	\$ 126,832	\$ 132,270
Less:		
Discount to net present value at 4.5%	-	-
Totals	\$ 126,832	\$ 132,270

#### B - Investments

Investments managed by investment firms consisted of the following at June 30:

	2024	2023
Fair Value	\$ 8,817,236	\$ 7,739,862
Cost	\$ 7,991,869	\$ 6,746,327

The investments consisted of the following at June 30:

	2024	2023
Cash equivalents	\$ 574,654	\$ 105,439
Bonds and notes	2,639,964	2,513,876
Common stocks and mutual funds	5,602,618	5,120,547
Totals	\$ 8,817,236	\$ 7,739,862

# Western Technical College District

## Notes to Financial Statements

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### Note 19: Component Unit (Continued)

Investment income included the following:

	<b>2024</b>	<b>2023</b>
Interest and dividends	\$ 209,198	\$ 196,796
Investment management fees	(44,068)	(40,800)
Net realized gains	866,762	148,767
Net unrealized gains (losses)	(145,893)	372,756
	<b>\$ 885,999</b>	<b>\$ 677,519</b>
Totals	<b>\$ 885,999</b>	<b>\$ 677,519</b>

### C - Long-Term Debt

Long-term debt consisted of the following at June 30:

	<b>2024</b>	<b>2023</b>
Due to Coulee Bank, related to its commitment for construction of Veteran and Military Student Center on Western campus, due December 2024	\$ 125,000	\$ 125,000
Subtotal	125,000	125,000
Less current maturities	(125,000)	(125,000)
	<b>\$ -</b>	<b>\$ -</b>
Totals	<b>\$ -</b>	<b>\$ -</b>

The following is a schedule by years of future debt service payments required together with their present value as of June 30, 2024:

2025	\$ 125,000
Totals	\$ 125,000

# Western Technical College District

## Notes to Financial Statements

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### **Note 19: Component Unit** (Continued)

#### **D - Net Position**

Unrestricted net position at June 30 consists of board-designated and undesignated funds.

Net position restricted for scholarships and other activities at June 30 consists of promises to give restricted due to time and for purpose, endowment earnings unexpended and restricted for purpose, and various funds restricted for purpose.

Restricted-nonexpendable net position at June 30 consists of endowment funds and promises to give to endowment funds.

#### **E - Endowment Funds**

The Board of Directors of the Foundation has interpreted the State of Wisconsin enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowments, (b) the original value of subsequent gifts to the permanent endowments, and (c) accumulations to the permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.



# Western Technical College District

## Notes to Financial Statements

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### Note 19: Component Unit (Continued)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investment, (6) other resources of the Foundation, and (7) the Foundation’s investment policies.

Following is a description of the Foundation’s endowment funds:

#### Donor-Restricted Endowments

The Foundation’s endowment consists of numerous individual funds established for a variety of purposes, primarily for student scholarship and staff development. A minimum of \$10,000 is required to establish an endowment. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to support the established purposes while seeking to maintain the purchasing power of these endowment assets over the long-term.

The current long-term return objective is to return 5%, which is to be provided through a total return strategy in which investment returns are achieved through a combination of capital appreciation and current income. The current spending policy is to distribute an amount at least equal to 5% of the fund’s beginning market value.

Changes in donor-restricted endowment funds for the years ended June 30 are as follows:

	<b>2024</b>	<b>2023</b>
Balance at beginning of year	\$ 7,317,382	\$ 6,786,392
Contributions	159,506	169,316
Investment income, net	816,061	634,266
Reclassifications	77,700	56,306
Fees - Foundation	(114,615)	(107,909)
Awards distributed	25,066	(220,989)
	<b>\$ 8,281,100</b>	<b>\$ 7,317,382</b>
Totals	<b>\$ 8,281,100</b>	<b>\$ 7,317,382</b>

# Western Technical College District

## Notes to Financial Statements

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### Note 19: Component Unit (Continued)

#### F - Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the statements of activities at June 30 are as follows:

	2024	2023
Equipment	\$ 2,484	\$ 107,204
Food	1,120	-
Services	424,555	315,771
Totals	\$ 428,159	\$ 422,975

#### G - Fair Value Measurements on a Recurring Basis

Fair value of assets measured on a recurring basis at June 30 are as follows:

	Fair Value	Quoted Market Prices in Active Markets for Identical Assets (Level 1)
<b>2024</b>		
Investments	\$ 8,817,236	\$ 8,817,236
<b>2023</b>		
Investments	\$ 7,739,862	\$ 7,739,862

## **Required Supplementary Information**

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# Western Technical College District

## Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System

Last 10 Years

### Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS)

Last 10 Calendar Years

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.17540297 %	\$ 2,607,901	\$ 32,899,091	7.93 %	98.85 %
2022	0.17887623 %	9,476,332	31,798,753	29.80 %	95.72 %
2021	0.18140897 %	(14,621,896)	31,473,718	(46.46)%	106.02 %
2020	0.18148715 %	(11,330,494)	29,844,502	(37.97)%	105.26 %
2019	0.18553236 %	(5,982,410)	29,112,257	(20.55)%	102.96 %
2018	0.19040130 %	6,773,881	28,095,739	24.11 %	96.45 %
2017	0.19556431 %	(5,806,536)	28,187,778	(20.60)%	102.93 %
2016	0.19713787 %	1,624,887	28,557,093	5.69 %	99.12 %
2015	0.19707112 %	3,202,367	28,121,121	11.39 %	98.20 %
2014	0.19717624 %	(4,843,188)	27,347,818	(17.71)%	102.74 %

### Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2024	\$ 2,282,649	\$ 2,282,649	\$ -	\$ 33,325,245	6.85 %
2023	2,137,097	2,137,097	-	32,135,158	6.65 %
2022	2,109,695	2,109,695	-	31,838,493	6.63 %
2021	2,049,313	2,049,313	-	30,374,474	6.75 %
2020	1,971,138	1,971,138	-	29,639,642	6.65 %
2019	1,892,807	1,892,807	-	28,571,455	6.62 %
2018	1,872,529	1,872,529	-	27,740,817	6.75 %
2017	1,915,785	1,915,785	-	28,593,896	6.70 %
2016	1,895,802	1,895,802	-	28,298,774	6.70 %
2015	1,939,886	1,939,886	-	28,114,985	6.90 %

# Western Technical College District

## Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

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### Notes to the Schedules:

*Changes of benefit terms:* There were no changes of benefit terms for any participating employer in WRS.

*Changes of assumptions:*

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

See Independent Auditor's Report.

# Western Technical College District

## Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

### Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2023	2022	2021	2020	2019
Valuation Date:	December 31,2021	December 31,2020	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closedfrom date of participation inWRS	30 Year closedfrom date of participation inWRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.5%
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.9%	1.9%	1.9%	2.1%

# Western Technical College District

## Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

**Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (continued):**

	2023	2022	2021	2020	2019
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

# Western Technical College District

## Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

### Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (Continued)

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%



# Western Technical College District

## Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

### Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions (Continued)

	2018	2017	2016	2015	2014
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality

\*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

# Western Technical College District

## Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund (LRLIF)

Last 10 Years\*

### Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset) Local Retiree Life Insurance Fund (LRLIF)

Measurement Date December 31,	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	1.40458200 %	\$ 6,461,996	\$ 27,367,000	23.61 %	33.90 %
2022	1.44081100 %	5,489,240	27,636,000	19.86 %	38.81 %
2021	1.41615200 %	8,369,982	27,092,890	30.89 %	29.57 %
2020	1.33234300 %	7,328,849	26,957,232	27.19 %	31.36 %
2019	1.29920200 %	5,532,255	26,214,989	21.10 %	37.58 %
2018	1.34206100 %	3,462,970	24,896,910	13.91 %	48.69 %
2017	1.42340700 %	4,282,434	25,217,250	16.98 %	44.81 %

### Schedule of the Employer Contributions Local Retiree Life Insurance Fund (LRLIF)

Last 10 Fiscal Years\*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2024	\$ 28,348	\$ 28,348	\$ -	\$ 29,359,718	0.10 %
2023	29,349	29,349	-	29,113,894	0.10 %
2022	28,869	28,869	-	27,439,584	0.11 %
2021	27,495	27,495	-	27,309,829	0.10 %
2020	26,015	26,015	-	26,745,495	0.10 %
2019	25,514	25,514	-	25,370,159	0.10 %
2018	26,463	26,463	-	24,789,359	0.11 %

# Western Technical College District

## Schedules of the Employer's Proportionate Share of the Net OPEB Liability and Employer Contributions - Local Retiree Life Insurance Fund (Continued)

Last 10 Fiscal Years\*

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**Notes to the Schedules:**

*Changes of benefit terms:* There were no recent changes in benefit terms.

*Changes of assumptions:* In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

\*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

# Western Technical College District

## Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios - District OPEB Plan

Last 10 Fiscal Years\*

	2024	2023	2022	2021	2020	2019	2018
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability:							
Service cost	\$ 3,989	\$ 4,676	\$ 1,820	\$ 1,488	\$ 11,188	\$ 11,608	\$ 11,608
Interest	5,133	6,836	12,763	30,989	53,069	64,949	85,009
Differences between expected and actual experience	17,551	13,024	(6,180)	-	(214,518)	-	-
Changes of assumptions or other input	65,244	(5,696)	36,051	12,196	28,215	(9,269)	-
Benefit payments	(115,357)	(272,582)	(346,099)	(379,847)	(425,898)	(589,281)	(750,272)
Net change in total OPEB liability	(23,440)	(253,742)	(301,645)	(335,174)	(547,944)	(521,993)	(653,655)
Total OPEB liability - Beginning	184,014	437,756	739,401	1,074,575	1,622,519	2,144,512	2,798,167
Total OPEB liability - Ending	\$ 160,574	\$ 184,014	\$ 437,756	\$ 739,401	\$ 1,074,575	\$ 1,622,519	\$ 2,144,512
Covered-employee payroll	\$ 32,037,586	\$ 30,788,221	\$ 30,788,221	\$ 677,786	\$ 677,786	\$ 2,165,627	\$ 2,165,627
District's total OPEB liability as a percentage of covered-employee payroll	0.50 %	0.60 %	1.42 %	109.09 %	158.54 %	74.92 %	99.02 %

### Notes to Schedule

*Funding:* There are no assets accumulated in a trust that meets the criteria of GASB No. 75, paragraph 4, to pay related benefits.

*Changes of benefit terms:* In 2018, the benefit terms were changed so that all eligible current and future retirees would receive the same contribution towards medical coverage as active employees, rather than contribution being frozen in the first year of retirement.

*Changes of assumptions:* The Discount rate was changed to 4.13% in 2024, 4.0% in 2023, 2.25% in 2021 and 2022, 3.50% in 2020, 3.75% in 2019, 3.75% in 2018 to be reflective of the 20-year AA municipal bond rates.

\*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

## **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***

District Board  
Western Technical College District  
La Crosse, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States 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 Western Technical College District (the "District") as of and for the year ended June 30, 2024, 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 19, 2024. Our report includes a reference to other auditors who audited the financial statements of Western Technical College Foundation, Inc. (the "Foundation"), as described in our report on the District's financial statements. The financial statements of 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 compliance and other matters associated with the Foundation or that are reported separately by those auditors who audited the financial statements of 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 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 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 a material weakness. 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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 19, 2024  
Eau Claire, Wisconsin

## **Supplementary Financial Information**

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**Western Technical College District**  
**General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**(Non-GAAP Budgetary Basis)**

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Local Government	\$ 12,117,962	\$ 12,117,962	\$ 12,032,428	\$ -	\$ 12,032,428	\$ (85,534)
Intergovernmental:						
State	25,008,000	25,008,000	24,935,636	-	24,935,636	(72,364)
Federal	1,171,377	1,171,377	1,611,858	-	1,611,858	440,481
Tuition and Fees						
Statutory program fees	11,625,000	11,625,000	11,242,328	-	11,242,328	(382,672)
Material fees	415,300	415,300	448,541	-	448,541	33,241
Other student fees	881,275	881,275	942,864	-	942,864	61,589
Institutional	700,200	700,200	1,279,826	-	1,279,826	579,626
<b>Total revenues</b>	<b>51,919,114</b>	<b>51,919,114</b>	<b>52,493,481</b>	<b>-</b>	<b>52,493,481</b>	<b>574,367</b>
<b>Expenditures</b>						
Instruction	32,087,868	32,087,868	30,514,305	(79,093)	30,435,212	1,652,656
Instructional resources	1,286,416	1,286,416	1,098,438	-	1,098,438	187,978
Student services	6,756,058	6,756,058	6,631,706	1,678	6,633,384	122,674
General institutional	9,782,214	9,782,214	9,417,593	4,619	9,422,212	360,002
Physical plant	4,557,728	4,557,728	4,284,947	59,102	4,344,049	213,679
<b>Total Expenditures</b>	<b>54,470,284</b>	<b>54,470,284</b>	<b>51,946,989</b>	<b>(13,694)</b>	<b>51,933,295</b>	<b>2,536,989</b>
<b>Revenues over (under) expenditures</b>	<b>(2,551,170)</b>	<b>(2,551,170)</b>	<b>546,492</b>	<b>13,694</b>	<b>560,186</b>	<b>3,111,356</b>



# Western Technical College District

## General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) (continued)

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis)	Variance Favorable (Unfavorable)
Other financing sources (uses):						
Operating transfer in	\$ -	\$ -	162,875	\$ -	162,875	162,875
Operating transfer (out)	(372,000)	(372,000)	(737,339)	-	(737,339)	(365,339)
<b>Total other financial sources (uses)</b>	<b>(372,000)</b>	<b>(372,000)</b>	<b>(574,464)</b>	<b>-</b>	<b>(574,464)</b>	<b>(202,464)</b>
Revenues and other financing sources (uses) over (under)						
expenditures	(2,923,170)	(2,923,170)	(27,972)	13,694	(14,278)	2,908,892
Fund balance - Beginning of year	22,013,400	22,013,400	22,108,817	(95,417)	22,013,400	-
<b>Fund balance - End of year</b>	<b>\$ 19,090,230</b>	<b>\$ 19,090,230</b>	<b>\$ 22,080,845</b>	<b>\$ (81,723)</b>	<b>\$ 21,999,122</b>	<b>\$ 2,908,892</b>
Analysis of fund balance:						
Reserve for encumbrances	\$ -	\$ -	95,417	\$ (13,694)	\$ 81,723	\$ 81,723
Reserve for prepaid expenses	-	-	319,004	-	319,004	319,004
Reserve for postemployment benefits	79,000	79,000	79,000	-	79,000	-
Designated for subsequent year	5,523,000	5,523,000	5,533,000	-	5,533,000	10,000
Designated for subsequent years	-	-	1,193,500	-	1,193,500	1,193,500
Designated for state aid fluctuations	795,500	795,500	795,500	-	795,500	-
Designated for operations	12,692,730	12,692,730	14,065,424	(68,029)	13,997,395	1,304,665
<b>Fund balance - End of year</b>	<b>\$ 19,090,230</b>	<b>\$ 19,090,230</b>	<b>\$ 22,080,845</b>	<b>\$ (81,723)</b>	<b>\$ 21,999,122</b>	<b>\$ 2,908,892</b>

See Independent Auditor's Report.  
See accompanying notes to Budgetary Comparison Schedules.

# Western Technical College District

## Special Revenue - Aidable Funds - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Intergovernmental:						
State	\$ 412,982	\$ 412,982	\$ 252,521	\$ -	\$ 252,521	\$ (160,461)
Tuition and fees:						
Other student fees	15,000	15,000	23,457	-	23,457	8,457
Institutional	4,974,500	5,232,500	5,381,421	-	5,381,421	148,921
<b>Total revenues</b>	<b>5,402,482</b>	<b>5,660,482</b>	<b>5,657,399</b>	<b>-</b>	<b>5,657,399</b>	<b>(3,083)</b>
<b>Expenditures</b>						
Instruction	5,125,777	5,383,777	5,383,330	(264)	5,383,066	711
General institutional	276,705	276,705	274,333	-	274,333	2,372
<b>Total expenditures</b>	<b>5,402,482</b>	<b>5,660,482</b>	<b>5,657,663</b>	<b>(264)</b>	<b>5,657,399</b>	<b>3,083</b>
Revenues over (under) expenditures	-	-	(264)	264	-	-
<b>Other financing sources:</b>						
Operating transfer in	-	-	219,381	-	219,381	219,381
Revenues and other financing sources over (under) expenditures	-	-	219,117	264	219,381	219,381
Fund balance - Beginning of year	1,350,618	1,350,618	1,350,882	(264)	1,350,618	-
Fund balance - End of year	\$ 1,350,618	\$ 1,350,618	\$ 1,569,999	\$ -	\$ 1,569,999	\$ 219,381
<b>Analysis of fund balance:</b>						
Designated for operations	\$ 1,350,618	\$ 1,350,618	\$ 1,569,999	\$ -	\$ 1,569,999	\$ 219,381

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

# Western Technical College District

## Special Revenue - Non-Aidable Funds - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Local government	\$ 189,837	\$ 189,837	\$ 246,972	\$ -	\$ 246,972	\$ 57,135
Intergovernmental:						
State	1,759,375	1,759,375	1,476,067	-	1,476,067	(283,308)
Federal	16,433,387	16,433,387	15,064,821	-	15,064,821	(1,368,566)
Tuition and fees:						
Other student fees	908,602	908,602	813,151	-	813,151	(95,451)
Institutional	806,143	806,143	691,781	-	691,781	(114,362)
<b>Total revenues</b>	<b>20,097,344</b>	<b>20,097,344</b>	<b>18,292,792</b>	<b>-</b>	<b>18,292,792</b>	<b>(1,804,552)</b>
<b>Expenditures</b>						
Instruction	18,400	18,400	7,930	-	7,930	10,470
Student services	20,135,681	20,135,681	18,138,015	-	18,138,015	1,997,666
General institutional	31,500	31,500	9,403	-	9,403	22,097
<b>Total expenditures</b>	<b>20,185,581</b>	<b>20,185,581</b>	<b>18,155,348</b>	<b>-</b>	<b>18,155,348</b>	<b>2,030,233</b>
Revenues over (under) expenditures	(88,237)	(88,237)	137,444	-	137,444	225,681
<b>Other financing sources (uses):</b>						
Operating transfer in	22,000	22,000	32,000	-	32,000	10,000
Operating transfer (out)	(40,000)	(40,000)	(55,000)	-	(55,000)	(15,000)
<b>Total other financing sources (uses)</b>	<b>(18,000)</b>	<b>(18,000)</b>	<b>(23,000)</b>	<b>-</b>	<b>(23,000)</b>	<b>(5,000)</b>
Revenues and other financing sources (uses) over (under) expenditures	(106,237)	(106,237)	114,444	-	114,444	220,681
Fund balance - Beginning of year	631,941	631,941	631,941	-	631,941	-
<b>Fund balance - End of year</b>	<b>\$ 525,704</b>	<b>\$ 525,704</b>	<b>\$ 746,385</b>	<b>\$ -</b>	<b>\$ 746,385</b>	<b>\$ 220,681</b>
<b>Analysis of fund balance:</b>						
Reserve for student and other organizations	\$ 525,704	\$ 525,704	\$ 746,385	\$ -	\$ 746,385	220,681

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

**Western Technical College District**  
**Capital Projects Fund- Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Intergovernmental:						
State	\$ 314,000	\$ 314,000	\$ 97,135	\$ -	\$ 97,135	\$ (216,865)
Federal	550,000	550,000	31,885	-	31,885	(518,115)
Institutional	422,000	422,000	871,475	-	871,475	449,475
<b>Total revenues</b>	<b>1,286,000</b>	<b>1,286,000</b>	<b>1,000,495</b>	<b>-</b>	<b>1,000,495</b>	<b>(285,505)</b>
<b>Expenditures</b>						
Instruction	3,529,000	3,529,000	2,463,266	113,808	2,577,074	951,926
Instructional resources	235,000	235,000	202,883	(2,738)	200,145	34,855
Student services	54,000	54,000	18,076	-	18,076	35,924
General institutional	2,394,000	3,034,500	3,343,438	(309,177)	3,034,261	239
Physical plant	6,788,000	6,147,500	3,940,446	485,640	4,426,086	1,721,414
<b>Total expenditures</b>	<b>13,000,000</b>	<b>13,000,000</b>	<b>9,968,109</b>	<b>287,533</b>	<b>10,255,642</b>	<b>2,744,358</b>
<b>Revenues over (under) expenditures</b>	<b>(11,714,000)</b>	<b>(11,714,000)</b>	<b>(8,967,614)</b>	<b>(287,533)</b>	<b>(9,255,147)</b>	<b>2,458,853</b>
<b>Other financing sources:</b>						
Operating transfer in	40,000	40,000	55,000	-	55,000	15,000
Issuance of SBITA and lease liabilities	-	-	537,473	-	537,473	537,473
Issuance of long-term debt	9,820,000	9,820,000	9,405,000	-	9,405,000	(415,000)
<b>Total other financing sources</b>	<b>9,860,000</b>	<b>9,860,000</b>	<b>9,997,473</b>	<b>-</b>	<b>9,997,473</b>	<b>137,473</b>

**Western Technical College District**  
**Capital Projects Fund- Schedule of Revenues, Expenditures, and Changes in Fund Balance -**  
**Budget and Actual (Non-GAAP Budgetary Basis)(continued)**

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues and other financing sources over (under) expenditures	\$ (1,854,000)	\$ (1,854,000)	\$ 1,029,859	\$ (287,533)	\$ 742,326	\$ 2,596,326
Fund balance - Beginning of year	8,329,315	8,329,315	10,158,296	(1,828,981)	8,329,315	-
<b>Fund balance - End of year</b>	<b>\$ 6,475,315</b>	<b>\$ 6,475,315</b>	<b>\$ 11,188,155</b>	<b>\$ (2,116,514)</b>	<b>\$ 9,071,641</b>	<b>\$ 2,596,326</b>
Analysis of fund balance:						
Reserve for encumbrances	\$ -	\$ -	\$ 1,828,981	\$ 287,533	\$ 2,116,514	\$ 2,116,514
Reserve for capital projects	6,475,315	6,475,315	9,359,174	(2,404,047)	6,955,127	479,812
<b>Fund balance - End of year</b>	<b>\$ 6,475,315</b>	<b>\$ 6,475,315</b>	<b>\$ 11,188,155</b>	<b>\$ (2,116,514)</b>	<b>\$ 9,071,641</b>	<b>\$ 2,596,326</b>

See Independent Auditor's Report.  
See accompanying notes to Budgetary Comparison Schedules.

# Western Technical College District

## Debt Service Fund- Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
<b>Revenues</b>						
Local government	\$ 18,191,000	\$ 18,191,000	\$ 18,196,051	\$ -	\$ 18,196,051	\$ 5,051
Institutional	500,000	500,000	258,987	402,671	661,658	161,658
<b>Total revenues</b>	<b>18,691,000</b>	<b>18,691,000</b>	<b>18,455,038</b>	<b>402,671</b>	<b>18,857,709</b>	<b>166,709</b>
<b>Expenditures</b>						
Physical plant	14,630,000	14,630,000	14,611,539	(175,263)	14,436,276	193,724
<b>Total expenditures</b>	<b>14,630,000</b>	<b>14,630,000</b>	<b>14,611,539</b>	<b>(175,263)</b>	<b>14,436,276</b>	<b>193,724</b>
Revenues over expenditures	4,061,000	4,061,000	3,843,499	577,934	4,421,433	360,433
<b>Other financing sources (uses):</b>						
Premium on notes issued	-	-	577,934	(577,934)	-	-
Issuance of long-term debt	-	-	5,000	-	5,000	5,000
Refinancing debt payment	(4,000,000)	(4,000,000)	-	-	-	4,000,000
<b>Total other financing sources (uses)</b>	<b>(4,000,000)</b>	<b>(4,000,000)</b>	<b>582,934</b>	<b>(577,934)</b>	<b>5,000</b>	<b>4,005,000</b>
Revenues and other financing sources over (under) expenditures and other financing uses	61,000	61,000	4,426,433	-	4,426,433	4,365,433
Fund balance - Beginning of year	2,777,006	2,777,006	2,777,006	-	2,777,006	-
<b>Fund balance - End of year</b>	<b>\$ 2,838,006</b>	<b>\$ 2,838,006</b>	<b>\$ 7,203,439</b>	<b>\$ -</b>	<b>\$ 7,203,439</b>	<b>\$ 4,365,433</b>
<b>Analysis of fund balance:</b>						
Reserve for debt service	\$ 2,838,006	\$ 2,838,006	\$ 7,203,439	\$ -	\$ 7,203,439	\$ 4,365,433

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

**Western Technical College District**  
**Enterprise Fund- Schedule of Revenues, Expenses, and Changes in Net Position -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Operating revenues						
Institutional	\$ 2,833,364	\$ 2,846,364	\$ 2,960,114	\$ -	\$ 2,960,114	\$ 113,750
<b>Total operating revenues</b>	<b>2,833,364</b>	<b>2,846,364</b>	<b>2,960,114</b>	<b>-</b>	<b>2,960,114</b>	<b>113,750</b>
Operating expenses						
Auxiliary services	3,245,271	3,258,271	3,258,187	-	3,258,187	84
<b>Total operating expenses</b>	<b>3,245,271</b>	<b>3,258,271</b>	<b>3,258,187</b>	<b>-</b>	<b>3,258,187</b>	<b>84</b>
Loss before transfers	(411,907)	(411,907)	(298,073)	-	(298,073)	113,834
Transfers						
Transfer in	478,285	478,285	485,958	-	485,958	7,673
Operating transfer out	(128,285)	(128,285)	(135,958)	-	(135,958)	(7,673)
<b>Total other financing uses</b>	<b>350,000</b>	<b>350,000</b>	<b>350,000</b>	<b>-</b>	<b>350,000</b>	<b>-</b>
Change in net position	(61,907)	(61,907)	51,927	-	51,927	113,834
Net position - Beginning of year	5,125,435	5,125,435	5,125,435	-	5,125,435	-
<b>Net position - End of year</b>	<b>\$ 5,063,528</b>	<b>\$ 5,063,528</b>	<b>\$ 5,177,362</b>	<b>\$ -</b>	<b>\$ 5,177,362</b>	<b>\$ 113,834</b>
Analysis of net position:						
Unrestricted	\$ 5,063,528	\$ 5,050,528	\$ 5,177,362	\$ -	\$ 5,177,362	\$ 126,834

See Independent Auditor's Report.  
See accompanying notes to Budgetary Comparison Schedules.

**Western Technical College District**  
**Internal Service Funds Schedule of Revenues, Expenses, and Changes in Net Position -**  
**Budget and Actual (Non-GAAP Budgetary Basis)**

Year Ended June 30, 2024

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Operating revenues						
Institutional	\$ 595,000	\$ 595,000	\$ 586,565	\$ -	\$ 586,565	\$ (8,435)
<b>Total operating revenues</b>	<b>595,000</b>	<b>595,000</b>	<b>586,565</b>	<b>-</b>	<b>586,565</b>	<b>(8,435)</b>
Operating expenses						
Auxiliary services	595,000	595,000	526,041	-	526,041	68,959
<b>Total operating expenses</b>	<b>595,000</b>	<b>595,000</b>	<b>526,041</b>	<b>-</b>	<b>526,041</b>	<b>68,959</b>
<b>Income before transfers</b>	<b>-</b>	<b>-</b>	<b>60,524</b>	<b>-</b>	<b>60,524</b>	<b>60,524</b>
Transfers						
Transfer out	-	-	(26,917)	-	(26,917)	(26,917)
<b>Change in net position</b>	<b>-</b>	<b>-</b>	<b>33,607</b>	<b>-</b>	<b>33,607</b>	<b>33,607</b>
Net position - Beginning of year	430,206	430,206	436,061	-	436,061	5,855
<b>Net position - End of year</b>	<b>\$ 430,206</b>	<b>\$ 430,206</b>	<b>\$ 469,668</b>	<b>\$ -</b>	<b>\$ 469,668</b>	<b>\$ 39,462</b>
Analysis of net position:						
Unrestricted	\$ 430,206	\$ 430,206	\$ 469,668	\$ -	\$ 469,668	\$ 39,462

See Independent Auditor's Report.  
See accompanying notes to Budgetary Comparison Schedules.



# Western Technical College District

## Schedule to Reconcile Budget Basis Financial Schedules to Basic Financial Statements - Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Schedules to the Statements of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2024

	General Fund	Special Revenue Aidable Funds	Special Revenue Non-Aidable Funds	Capital Projects	Debt Service	Enterprise Funds	Internal Service Funds	Totals	Reconciling Items	Statement of Revenues, Expenses, and Changes in Net Position
<b>Revenues</b>										
Local government	\$ 12,032,428	\$ -	\$ 246,972	\$ -	\$ 18,196,051	\$ -	\$ -	\$ 30,475,451	\$ -	\$ 30,475,451
<b>Intergovernmental:</b>										
State	24,935,636	252,521	1,476,067	97,135	-	-	-	26,761,359	-	26,761,359
Federal	1,611,858	-	15,064,821	31,885	-	-	-	16,708,564	(7,856,358)	8,852,206
<b>Tuition and Fees</b>										
Statutory program fees	11,242,328	-	-	-	-	-	-	11,242,328	(4,013,158)	7,229,170
Material fees	448,541	-	-	-	-	-	-	448,541	(159,155)	289,386
Other student fees	942,864	23,457	813,151	-	-	-	-	1,779,472	(342,878)	1,436,594
Institutional	1,279,826	5,381,421	691,781	871,475	661,658	2,960,114	586,565	12,432,840	(3,996,228)	8,436,612
Auxiliary services revenue	-	-	-	-	-	-	-	-	2,653,749	2,653,749
<b>Total revenues</b>	<b>52,493,481</b>	<b>5,657,399</b>	<b>18,292,792</b>	<b>1,000,495</b>	<b>18,857,709</b>	<b>2,960,114</b>	<b>586,565</b>	<b>99,848,555</b>	<b>(13,714,028)</b>	<b>86,134,527</b>
<b>Expenditures/Expenses</b>										
Instruction	30,435,212	5,383,066	7,930	2,577,074	-	-	-	38,403,282	(2,399,492)	36,003,790
Instructional resources	1,098,438	-	-	200,145	-	-	-	1,298,583	(101,701)	1,196,882
Student services	6,633,384	-	18,138,015	18,076	-	-	-	24,789,475	(16,606,396)	8,183,079
General institutional	9,422,212	274,333	9,403	3,034,261	-	-	-	12,740,209	(1,998,700)	10,741,509
Physical plant	4,344,049	-	-	4,426,086	14,436,276	-	-	23,206,411	(17,929,385)	5,277,026
Auxiliary services	-	-	-	-	-	3,258,187	526,041	3,784,228	(1,436,271)	2,347,957
Depreciation and amortization	-	-	-	-	-	-	-	-	13,204,324	13,204,324
Student aid	-	-	-	-	-	-	-	-	3,978,427	3,978,427
Interest expense	-	-	-	-	-	-	-	-	2,821,056	2,821,056
<b>Total expenditures/expenses</b>	<b>51,933,295</b>	<b>5,657,399</b>	<b>18,155,348</b>	<b>10,255,642</b>	<b>14,436,276</b>	<b>3,258,187</b>	<b>526,041</b>	<b>104,222,188</b>	<b>(20,468,138)</b>	<b>83,754,050</b>

# Western Technical College District

## Schedule to Reconcile Budget Basis Financial Schedules to Basic Financial Statements - Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Schedules to the Statements of Revenue, Expenses, and Changes in Net Position

Year Ended June 30, 2024

	General Fund	Special Revenue Aidable Funds	Special Revenue Non-Aidable Funds	Capital Projects	Debt Service	Enterprise Funds	Internal Service Funds	Totals	Reconciling Items	Statement of Revenue, Expenses, and Changes in Net Position
Revenues over (under) expenditures/expenses	\$ 560,186	\$ -	\$ 137,444	\$ (9,255,147)	\$ 4,421,433	\$ (298,073)	\$ 60,524	\$ (4,373,633)	\$ 6,754,110	\$ 2,380,477
Other financing sources (uses):										
Operating transfer in	162,875	219,381	32,000	55,000	-	485,958	-	955,214	(955,214)	-
Operating transfer (out)	(737,339)	-	(55,000)	-	-	(135,958)	(26,917)	(955,214)	955,214	-
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	(26,260)	(26,260)
Issuance of SBITA liability	-	-	-	537,473	-	-	-	537,473	(537,473)	-
Issuance of long-term debt	-	-	-	9,405,000	5,000	-	-	9,410,000	(9,410,000)	-
<b>Total other financing sources (uses)</b>	<b>(574,464)</b>	<b>219,381</b>	<b>(23,000)</b>	<b>9,997,473</b>	<b>5,000</b>	<b>350,000</b>	<b>(26,917)</b>	<b>\$ 9,947,473</b>	<b>\$ (9,973,733)</b>	<b>(26,260)</b>
Revenues and other financing sources over (under) expenditures/expenses and other financing uses	(14,278)	219,381	114,444	742,326	4,426,433	51,927	33,607	\$ 5,573,840	\$ (3,219,623)	2,354,217
Fund balance/net position - Beginning of year	22,013,401	1,350,618	631,941	8,329,315	2,777,006	5,125,435	436,061	\$ 40,663,777	\$ 51,595,152	92,258,929
<b>Fund balance/net position - End of year</b>	<b>\$ 21,999,123</b>	<b>\$ 1,569,999</b>	<b>\$ 746,385</b>	<b>\$ 9,071,641</b>	<b>\$ 7,203,439</b>	<b>\$ 5,177,362</b>	<b>\$ 469,668</b>	<b>\$ 46,237,617</b>	<b>\$ 48,375,529</b>	<b>\$ 94,613,146</b>

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

# Western Technical College District

## Notes to Budgetary Comparison Schedules

Year Ended June 30, 2024

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### **Note 1: Explanation of Differences Between Revenues, Expenditures/Expenses, and Other Financing Sources (Uses) for Budgetary Funds on Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis**

The District uses a fund structure for budgetary accounting as compared to the entity-wide presentation of the basic financial statements. Annual budgets are adopted for all funds in accordance with the requirements of the Wisconsin Technical College System Board. The District follows the procedures listed below in adopting its annual budget.

- Property taxes are levied by the various taxing municipalities located in 11 West Central Wisconsin counties. The District records as revenue its share of the local tax when levied, since the District's share becomes available during its fiscal year to finance its operations.
- Public hearings are conducted on the proposed budget.
- Prior to July 1, the budget is legally enacted through approval by the Board.
- Budget amendments during the year are legally authorized. Budget transfers (between funds and functional areas within funds) and changes in budgeted revenues and expenditures (appropriations) require approval by a vote of two-thirds of the entire membership of the Board and require publishing a Class I public notice in the District's official newspaper within 10 days according to Wisconsin Statutes.
- Management exercises control over budgeted expenditures by fund and function (i.e., instruction, instructional resources), as presented in the required supplementary information. Expenditures may not exceed funds available or appropriated, unless authorized by a resolution adopted by a vote of two-thirds of the Board. Unused appropriations lapse at the end of each fiscal year.
- Formal budgetary integration is employed as a planning device for all funds. The annual operating budget is prepared primarily on the same basis as fund financial statements prior to the adoption of GASB Statement No. 34, except encumbrances are also included in the adopted budget. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process.

# Western Technical College District

## Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2024

### Note 2: Explanation of Differences Between Revenues, Expenditures/Expenses, and Other Financing Sources (Uses) for Budgetary Funds on Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis

#### Revenues

Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules:

General Fund	\$ 52,493,481
Special Revenue Aidable Funds	5,657,399
Special Revenue Non-Aidable Funds	18,292,792
Capital Projects Fund	1,000,495
Debt Service Fund	18,857,709
Enterprise Fund	2,960,114
Internal Service Funds	586,565

99,848,555

#### Adjustments

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(536,589)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(4,491,124)
Summer tuition is recognized on the cash basis rather than the accrual basis	(24,066)
Adjustment for notes receivable recognized as revenue for GAAP reporting	(135,000)
Student loans expended are eliminated for GAAP reporting	(8,124,577)
Premium on notes issued is recorded as a revenue for budgetary purposes only	(577,934)
Debt issuance costs are shown net for budgetary reporting	175,262

**Reconciled revenues** **\$ 86,134,527**

Revenues per the Statement of Revenues and Expenses on a GAAP basis

Operating revenues	\$ 30,153,189
Property taxes	30,475,451
State nonoperating appropriations	23,782,403
Investment income	1,723,484

**Total** **\$ 86,134,527**

# Western Technical College District

## Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2024

### Note 2: Explanation of Differences Between Revenues, Expenditures/Expenses, and Other Financing Sources (Uses) for Budgetary Funds on Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis (Continued)

#### Expense

Actual amounts (budgetary basis) "expenditures/expenses" from the budgetary comparison schedules:

General Fund	\$ 51,933,295
Special Revenue Aidable Funds	5,657,399
Special Revenue Non-Aidable Funds	18,155,348
Capital Projects Fund	10,255,642
Debt Service Fund	14,436,276
Enterprise Funds	3,258,187
Internal Service Funds	526,041

104,222,188

#### Adjustments

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(536,589)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(4,491,124)
The following expenditures are recognized on the cash basis rather than the accrual basis:	
Amortization of deferred premiums	(947,195)
Bond issue costs	175,262
Claims payable to employee benefits consortium	140,438
Interest expense	(8,976)
Other post employment and pension benefits	(46,172)
The acquisition of capital assets is reported as an expenditure for budgetary purposes	(4,998,754)
SBITA and lease right of use assets are a budgetary expenditure	(2,063,247)
Student loans expended are eliminated for GAAP reporting	(8,124,577)
Repayment of principal on long-term debt is a budgetary expenditure	(11,360,000)
Payment of principal on lease and subscription liabilities is a budgetary expenditure	(775,472)
Encumbrances are recorded for budgetary purposes	(273,576)
Loss on disposal of capital assets recorded for GAAP purposes	26,260
Depreciation and amortization recorded for GAAP purposes	12,841,844

Reconciled expenses	\$ 83,780,310
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# Western Technical College District

## Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2024

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### **Note 2: Explanation of Differences Between Revenues, Expenditures/Expenses, and Other Financing Sources (Uses) for Budgetary Funds on Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis (Continued)**

Expenses per the Statement of Revenues and Expenses on a GAAP Basis	
Operating expenses	\$ 80,932,994
Interest expense	2,821,056
Loss on disposal of capital assets	26,260
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Total	<u>\$ 83,780,310</u>

Other financing sources and uses such as operating transfers in (out) and issuance of long-term liabilities are not recognized as revenues or expenses for GAAP reporting