

# Blackhawk Technical College District

Financial Statements

Years Ended June 30, 2024 and 2023

Preliminary Draft

# Blackhawk Technical College District

Financial Statements and Single Audit  
 Years Ended June 30, 2024 and 2023

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**Independent Auditor's Report**

Preliminary Draft

## **Independent Auditor's Report**

District Board  
Blackhawk Technical College District  
Janesville, Wisconsin

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

#### ***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the the business-type activities, the discretely presented component unit, and the aggregate remaining information of Blackhawk 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").

#### ***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. The financial statements of the Blackhawk Technical College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*. 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 Blackhawk 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America , 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 Blackhawk 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 Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance 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 Blackhawk 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 Blackhawk 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.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, the schedule of changes in net OPEB liability and related ratios, the schedule employer contributions, the schedule of investment returns, the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, and the schedules of employer's proportionate share of the net OPEB liability and employer contributions - Local Retiree Life Insurance Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Auditing Standards Board 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 an opinion on the financial statements that collectively comprise the College's basic financial statements. The budgetary comparison schedules listed in the table of contents as supplementary information, 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.

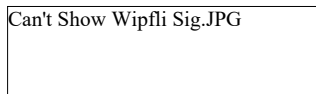
### ***Other Information***

Management is responsible for the other information which comprises the Statistical Section listed in the accompanying table of contents. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024, on our consideration of the College'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 Blackhawk 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 College's internal control over financial reporting and compliance.



Wipfli LLP

December 11, 2024

Eau Claire, Wisconsin

Preliminary Draft



**Management's Discussion and Analysis**

Preliminary Draft

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**

The purpose of Management's Discussion and Analysis (MD&A) is to provide users of the basic financial statements with a narrative introduction, overview, and analysis of those statements. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

### **Basic Financial Statements**

This discussion and analysis is intended to serve as an introduction to Blackhawk Technical College District's (the "College") basic financial statements. The statements are comprised of two components: government-wide financial statements and notes to financial statements.

**Government-wide financial statements** – the government-wide financial statements are designed to provide readers with a broad overview of the College's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the College's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the College is improving or deteriorating. 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, regardless of when cash is exchanged.

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 non-operating. As the College receives the majority of its revenues from the taxpayers and other government entities, the College will report an operating deficit or loss. Revenues received from taxpayers (tax levies) and from the state (state appropriations) are considered non-operating revenue, and reduce the operating deficit or loss. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

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

**The notes to financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to financial statements are located after the government-wide financial statements in this report.

The following summary shows a condensed version of the Statement of Net Position

	amounts shown in thousands			Increase or (Decrease)			
				(2024-2023)		(2023-2022)	
	2024	2023	Restated 2022	\$	%	\$	%
<b>ASSETS</b>							
Cash and cash equivalents	\$27,112	\$44,749	\$40,278	(\$17,637)	-39.4%	\$4,471	11.1%
Net capital and lease assets	86,965	72,446	67,674	14,519	20.0%	4,772	7.1%
Other assets	13,653	12,861	20,892	793	6.2%	(8,031)	-38.4%
Total assets	127,731	130,056	128,844	(2,325)	-1.8%	1,211	0.9%
Deferred Outflows of Resources	11,929	18,914	15,856	(6,985)	-36.9%	3,057	19.3%
<b>LIABILITIES</b>							
Current liabilities	\$15,610	\$14,079	\$13,643	1,532	10.9%	436	3.2%
Long-Term liabilities	61,803	67,466	65,942	(5,663)	-8.4%	1,523	2.3%
Total liabilities	77,413	81,544	79,585	(4,132)	-5.1%	1,959	2.5%
Deferred Inflows of Resources	8,930	12,388	18,836	(3,457)	-27.9%	(6,448)	-34.2%
<b>NET POSITION</b>							
Net investment in capital assets	\$26,284	\$26,159	\$19,068	125	0.5%	7,091	37.2%
Restricted for:							
Debt Service	423	352	293	70	19.9%	59	20.1%
Pension	0	0	7,374	0	#DIV/0!	(7,374)	-100.0%
OPEB	7,024	5,915	5,695	1,108	0.0%	220	3.9%
Student Financial Assistance	133	133	126	0	0.2%	8	6.0%
Student Organizations	866	727	650	139	19.1%	77	11.9%
Unrestricted	18,586	21,750	13,074	(3,164)	-14.5%	8,676	66.4%
Total net position	\$53,316	\$55,037	\$46,280	(\$1,721)	-3.1%	\$8,757	18.9%

Numbers may not foot perfectly due to rounding to the nearest thousand

**Fiscal Year 2024 Compared to 2023**

From 2023 to 2024, total assets decreased by \$2.3 million, or 1.8%. Significant changes are as follows:

- ❖ Cash and cash equivalents decreased by \$17.6 million, or 39.4% due primarily to the completion of capital construction projects.
- ❖ Net capital and lease assets increased by \$14.5 million, or 20.0% due to capital asset additions net of disposals.
- ❖ Other assets increased by \$792,530, or 6.2% due primarily to an increase of \$763,801 in other post-employment health benefit assets.

From 2023 to 2024, deferred outflows of resources decreased \$7.0 million, or 36.9%. This change is primarily due to:

- ❖ A \$6.25 million decrease in the College's proportionate share of the Wisconsin Retirement System collective deferred outflows of resources for pension and life benefits. This decrease is attributed to actual versus expected experience, investment performance, and a change in assumptions.

From 2023 to 2024, total liabilities decreased \$4.1 million, or 5.1%. Significant changes are as follows:

- ❖ Current liabilities increased \$1.5 million, or 10.9% primarily due to increases in accounts payable and accrued liabilities and in the current portion of long-term obligations over the prior year.
- ❖ Long term liabilities decreased \$5.7 million, or 8.4% due primarily to decreases of \$3.4 million in the Wisconsin Retirement System pension plan liability, \$1.4 million in general obligation debt, and \$1.4 million in lease liability payable due to termination of the lease at the Advanced Manufacturing Technology Center.

From 2023 to 2024, deferred inflows of resources decreased \$3.5 million, or 27.9%. This is due to:

- ❖ A \$3.03 million decrease in the College's proportionate share of collective deferred inflows of resources in the Wisconsin Retirement System pension plan. Deferred inflows of resources will be applied to future periods and will be recognized as revenue at that time.

From 2023 to 2024, total net position decreased by \$1.7 million or 3.1%. Significant changes are as follows:

- ❖ Net investment in capital assets increased \$0.1 million due to \$13.8 million in investments in capital assets, offset by \$5.1 million in depreciation and the disposal of \$8.6 million in assets from the closing of the Advanced Manufacturing and Training Center in Milton, WI.
- ❖ Net position restricted for other post-employment health benefits increased \$1.1 million, which is the result of actuarial adjustments (actual versus expected experience, investment performance, and a change in assumptions).
- ❖ Net position unrestricted decreased \$3.2 million due to a \$6.8 million investment in capital assets offset by net revenues over expenses.

### **Fiscal Year 2023 Compared to 2022**

From 2022 to 2023, total assets increased by \$1.2 million, or 0.9%. Significant changes are as follows:

- ❖ Cash and cash equivalents increased by \$4.5 million, or 11.1% due primarily to capital borrowing for construction not yet completed.
- ❖ Net capital and lease assets increased by \$4.8 million, or 7.1% due to capital asset additions net of disposals.
- ❖ Other assets decreased by \$8.0 million, or 38.4% due primarily to a \$7.4 million decrease in the Wisconsin Retirement System net pension asset in the prior year which was reclassified to a liability in the current year. A decrease of \$1.23 million in receivables, offset by an increase of \$564,725 in other post-employment health benefit assets also contributed to the overall decrease.

From 2022 to 2023, deferred outflows of resources increased \$3.1 million, or 19.3%. This change is primarily due to:

- ❖ A \$3.08 million increase in the College's proportionate share of the Wisconsin Retirement System collective deferred outflows of resources for pension and life benefits. This increase is attributed to positive actual versus expected experience and a change in assumptions.

From 2022 to 2023, total liabilities increased \$1.96 million, or 2.5%. Significant changes are as follows:

- ❖ Current liabilities increased \$435,742, or 3.2% primarily due to increases in accounts payable and accrued liabilities and in unearned revenue over the prior year.
- ❖ Long term liabilities increased \$1.5 million, or 2.3% due primarily to an increase of \$4.68 million in the Wisconsin Retirement System pension plan liability, offset by decreases of \$2.1 million in general obligation debt, \$344,471 in lease liability payable and \$614,402 in OPEB-life insurance liability.

From 2022 to 2023, deferred inflows of resources decreased \$6.4 million, or 34.2%. This is due to:

- ❖ A \$7.6 million decrease in the College's proportionate share of collective deferred inflows of resources in the Wisconsin Retirement System pension plan, offset by an increase of \$1.1 million in other post-employment benefit-health insurance deferred inflows of resources. Deferred inflows of resources will be applied to future periods and will be recognized as revenue at that time.

From 2022 to 2023, total net position increased by \$8.76 million or 18.9%. Significant changes are as follows:

- ❖ Net investment in capital assets increased \$7.1 million due to investment in capital assets offset by depreciation. Unrestricted net position increased \$8.68 million due largely to strong operational performance wherein revenues exceeded expenditures. These increases are offset by a decrease of \$7.4 in net position restricted for Pension, which is the result of actuarial adjustments (actual versus expected experience and a change in assumptions).

### Condensed Comparative Data and Overall Analysis

The following is a summary of the various components of the Statement of Revenues, Expenses and Changes in Net Position.

Operating revenues are the charges for services offered by the College:

	amounts shown in thousands			Increase or (Decrease)			
				(2024-2023)		(2023-2022)	
	2024	2023	Restated 2022	\$	%	\$	%
Operating Revenues:							
Student tuition and fees	\$6,173	\$5,796	\$4,996	\$377	6.5%	\$800	16.0%
Federal grants	5,421	7,487	10,871	-2,066	-27.6%	-3,384	-31.1%
State grants	936	975	797	-39	-4.0%	178	22.3%
Miscellaneous	3,071	9,795	4,363	-6,724	-68.6%	5,432	124.5%
Total operating revenues	\$15,601	\$24,053	\$21,027	-\$8,452	-35.1%	\$3,026	14.4%

Numbers may not foot perfectly due to rounding to the nearest thousand

### **Fiscal Year 2024 Compared to 2023**

During 2024, the College generated \$15.6 million in operating revenue. From 2023 to 2024, operating revenues decreased \$8.5 million, or 35.1%. Significant changes are as follows:

- ❖ Institutional revenue decreased by \$6.7 million, or 68.6% mainly due to receiving a gift of \$6.8 million from the Blackhawk Technical College Foundation for construction of the new manufacturing building in the prior year.
- ❖ Federal grant revenue decreased \$2.1 million or 27.61% due primarily to the decrease in the higher education emergency relief funding (HEERF) for student aid from the prior year (\$2,820,630), offset by an increase in financial aid provided to students (\$754,640).
- ❖ Student tuition and fees increased \$377,164 or 6.5% due to enrollment growth and a 1.92% increase in tuition rate.
- ❖ State grants decreased \$39,759, or 4.0% primarily due to a decrease in Wisconsin Technical College System Board grant funding (\$29,178).

### **Fiscal Year 2023 Compared to 2022**

During 2023, the College generated \$24.1 million in operating revenue. From 2022 to 2023, operating revenues increased \$3.0 million, or 14.4%. Significant changes are as follows:

- ❖ Institutional revenue increased by \$5.4 million, or 124.5% mainly due to a gift of \$6.8 million from the Blackhawk Technical College Foundation for construction of the new manufacturing building, offset by a decrease of \$1.2 million due to the prior year sale of the Center for Transportation Studies building in December 2021.
- ❖ Federal grant revenue decreased \$3.38 million or 31.1% due primarily to the decrease in the higher education emergency relief funding (HEERF) for student aid from the prior year (\$4,349,142), offset by an increase in institutional support of coronavirus mitigation and response strategies (\$592,860).
- ❖ Student tuition and fees increased \$800,085 or 16.0% due to enrollment growth and a 1.74% increase in tuition rate.
- ❖ State grants increased \$178,573, or 22.3% primarily due to an increase in Wisconsin Technical College System Board grant funding (\$169,194).

Operating expenses are costs related to the programs offered by the College:

	amounts shown in thousands			Increase or (Decrease)			
				(2024-2023)		(2023-2022)	
	2024	2023	Restated 2022	\$	%	\$	%
Operating Expenses:							
Instruction	\$17,969	\$18,480	\$16,611	-\$511	-2.8%	\$1,869	11.3%
Instructional resources	1,167	2,359	2,146	-1,192	-50.5%	213	9.9%
Student services	3,778	5,308	6,213	-1,530	-28.8%	-905	-14.6%
General institutional	6,506	6,900	6,207	-394	-5.7%	693	11.2%
Physical plant	2,272	3,444	2,589	-1,172	-34.0%	855	33.0%
Student aid	2,834	2,186	1,698	648	29.6%	488	28.7%
Auxiliary enterprise services	96	60	28	36	60.0%	32	114.3%
Depreciation	6,644	7,021	6,320	-377	-5.4%	701	11.1%
Total operating expenses	\$41,266	\$45,758	\$41,812	-\$4,492	-9.8%	\$3,946	9.4%

Numbers may not foot perfectly due to rounding to the nearest thousand

### **Fiscal Year 2024 Compared to 2023**

During 2024, total operating expenses decreased by \$4.5 million, or 9.8% from the prior year. Significant changes are as follows:

- ❖ Instructional expenses decreased \$510,182 or 2.8%, primarily due to decreases in the actuarially determined in pension and other post-employment benefit expenses (\$986,392 and \$103,549 respectively), capital purchases and projects (\$617,717), and transcribed credit service for high school delivered curriculum (\$477,392). These decreases are offset by increases in general operational expenses (\$1,149,769) and reclassification of capital purchases and encumbrances (\$564,314).
- ❖ Instruction resources expenditures decreased \$1.2 million or 50.5%, primarily due to decreases in reclassification of capital purchases and encumbrances (\$532,629), and capital expenditures (\$496,162)
- ❖ Physical plant expenses decreased \$1.2 million or 34.0%, mainly due to a net decrease of reclassification of capital purchases and encumbrances (\$2,756,668) and an increase in operational expenses (\$1,591,755).
- ❖ Student services decreased \$1.5 million or 28.8%, primarily due to a decrease in HEERF emergency student aid disbursed (\$1.3 million).
- ❖ Student aid expenses increased \$647,645, or 29.6% primarily due to the increase in student financial aid awards resulting in increased dollars disbursed to students.
- ❖ Depreciation expense decreased \$378,036, or 5.4% primarily due to the disposal of capital assets relating to the move from the Advanced Manufacturing Technology Center to the Innovative Manufacturing Education Center.

## **Fiscal Year 2023 Compared to 2022**

During 2023, total operating expenses increased by \$3.95 million, or 9.4% from the prior year. Significant changes are as follows:

- ❖ Instructional expenses increased \$1,868,358 primarily due to the actuarially determined increase in pension and other post-employment benefit expenses (\$1,881,725 and \$80,738 respectively), capital purchases and projects (\$823,112), and general operational expenditures (\$122,744). These increases are offset by decreases in reclassification of capital purchases and encumbrances (\$806,211), and transcribed credit service for high school delivered curriculum (\$261,565),
- ❖ General institutional expenses increased \$692,179 primarily due to increases in general operational expenditures (\$563,425), the actuarially determined increase in pension (\$588,840) and a net increase in capital expenditure (\$192,148). These increases are offset by decreases in the reclassification of subscription-based information technology arrangements (\$493,780), and grant-funded operational expenses (\$162,225).
- ❖ Physical plant expenses increased \$854,918, or 33.0% mainly due to a net increase of reclassification of capital purchases and encumbrances (\$610,018) and an increase in operational expenses (\$251,863).
- ❖ Student services decreased \$905,346, or 14.6% primarily due to a decrease in HEERF emergency student aid disbursed (\$1.2 million).
- ❖ Student aid expenses increased \$488,103, or 28.7% primarily due to the increase in student financial aid awards resulting in increased dollars disbursed to students.
- ❖ Depreciation expenses increased \$702,060, or 11.1% primarily due to capital assets purchased.

Non-operating revenues and expenses are revenue and expense items not directly related to providing instruction:

	amounts shown in thousands			Increase or (Decrease)			
				(2024-2023)		(2023-2022)	
	2024	2023	Restated 2022	\$	%	\$	%
<b>Non-Operating Revenues:</b>							
Property taxes	\$17,096	\$16,321	\$16,184	\$775	4.7%	\$137	0.8%
State operating appropriations	14,667	14,588	13,928	79	0.5%	660	4.7%
Investment income earned	1,838	1,382	85	456	33.0%	1,297	1525.9%
<b>Subtotal of Non-Operating Revenues</b>	<b>33,601</b>	<b>32,291</b>	<b>30,197</b>	<b>1,310</b>	<b>4.1%</b>	<b>2,094</b>	<b>6.9%</b>
<b>Non-Operating Expenses:</b>							
Interest expense	1,775	1,740	1,597	35	2.0%	143	9.0%
Loss on disposal of capital assets	7,882	88	757	7,794	8856.8%	-669	-88.4%
<b>Subtotal of Non-Operating Expenses</b>	<b>9,657</b>	<b>1,828</b>	<b>2,354</b>	<b>7,829</b>	<b>428.3%</b>	<b>-526</b>	<b>-22.3%</b>
<b>Subtotal of Non-Operating Revenues (Expenses)</b>	<b>\$23,944</b>	<b>\$30,463</b>	<b>\$27,843</b>	<b>-\$6,519</b>	<b>-21.4%</b>	<b>\$2,620</b>	<b>9.4%</b>

Numbers may not foot perfectly due to rounding to the nearest thousand



### **Fiscal Year 2024 Compared to 2023**

Net non-operating revenues (expenses) decreased \$6.5 million, or 21.4% from the prior year resulting from a higher increase in non-operating expenses than non-operating revenues:

- ❖ Property tax revenues increased \$775,003, or 4.7% due to increases in net new construction (\$372,386), and in debt service obligations due in calendar year 2024 (\$560,000). These increases were offset by a decrease in TIF funding in the District (\$157,383).
- ❖ State operating appropriations increased \$79,667, or 0.5% due primarily to an increase in general state aid (\$134,700), offset by a decrease in prior period adjustments (\$76,524).
- ❖ Investment income increased \$456,262 due primarily to higher interest rates.
- ❖ Loss on disposal of capital assets increased \$7,793,926 due to the disposal of capital assets no longer in service, mainly related to the move from the Advanced Manufacturing Technology Center to the Innovative Manufacturing Education Center.

### **Fiscal Year 2023 Compared to 2022**

Net non-operating revenues (expenses) increased \$2.62 million, or 9.4% from the prior year resulting from an increase in non-operating revenues which was offset by an decrease in non-operating expenses:

- ❖ Property tax revenues increased \$136,288, or 0.7% due to increases in net new construction (\$280,856), TIF funding in the District (\$173,905) and an increase in debt service obligations due in calendar year 2023 (\$15,000). These increases were offset by a decrease in the allocation to state aid for property tax relief (\$337,840)
- ❖ State operating appropriations increased \$660,038, or 4.7% due primarily to increases in property tax relief aid (\$337,840) and prior period adjustments (\$167,200).
- ❖ Investment income increased \$1.3 million due primarily to higher interest rates.
- ❖ Interest expense increased \$143,201, or 9.0% due to the increase in debt issued and outstanding.
- ❖ Loss on disposal of capital assets decreased \$668,457 or 88.4% due to the disposal of capital assets no longer in service.

### **Capital Asset and Debt Administration**

The College's investment in capital assets includes land, land improvements, buildings and improvements, leasehold improvements, intangible assets (water main), equipment, and construction in progress. This investment as of June 30, 2024 and 2023, net of accumulated depreciation, amounted to \$83.9 million and \$68.1 million, respectively. Additional information on the College's capital assets can be found in Note 5 of the financial statements.

The College finances the majority of its capital assets through the issuance of debt. In November 2020, the District voters approved a capital referenda authorizing borrowing up to \$32.0 million to construct a comprehensive public safety and transportation training center on the College's Central Campus in Janesville. Construction was completed in 2024. The debt to fund the project was issued in three borrowings (\$7.5 million, \$5.0 million, and \$19.5 million) amortized over twenty-years from date of issuance. The College issued the first borrowing (\$7.5 million) in 2021 and the remaining borrowings (\$5.0 million and \$19.5 million) were completed in fiscal year 2022.

In 2024, the College incurred new debt in the amount of \$6.8 million for capital assets and facility improvements and retired debt in the amount of \$7.875 million for a net decrease of \$1.075 million in debt outstanding. Referenda debt will be retired in twenty years from date of issuance while all non-referenda general obligation debt outstanding at fiscal year-end will be retired in ten years.

As of June 30, 2024, the College had total general obligation debt outstanding of \$62,700,000. The balance on June 30, 2023 was \$63,775,000. The College continues to maintain a Moody's Investors Service Aa2 rating, and continues to meet all of its debt service requirements. Wisconsin state statutes limit the amount of aggregate and bonded indebtedness that the College can incur. The amount of debt outstanding falls well below these thresholds.

### **Requests for Information**

This financial report is designed to provide a general overview of the College's financial picture for those interested parties. Questions concerning any information contained in this report or for any additional information should be addressed to the Vice President for Finance and College Operations/Chief Financial Officer, 6004 S County Road G, PO Box 5009, Janesville, WI 53547-5009.

**Basic Financial Statements**

Preliminary Draft

# Blackhawk Technical College District

## Statements of Net Position

June 30, 2024 and 2023

	Primary Government		Component Unit	
	2024	2023	2024	2023
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and cash equivalents	\$ 16,452,495	\$ 17,140,810	\$ 1,999,925	\$ 1,156,569
Investments	35,951	35,951	4,639,881	3,985,652
Receivables:				
Property taxes	4,407,644	4,038,076	-	-
Federal and state aid	869,403	1,066,248	-	-
Current portion of notes receivable	-	-	728,277	166,090
Accounts and other, net reserve of \$165,000 at 2022 and 2021	972,446	1,162,209	6,793	27,036
Unconditional promises to give	-	-	195,817	199,684
Prepaid expenses	380,291	334,522	12,623	12,498
Total current assets	<u>23,118,230</u>	<u>23,777,816</u>	<u>7,583,316</u>	<u>5,547,529</u>
<u>Noncurrent assets</u>				
Restricted cash	10,623,853	27,572,116	-	728,277
Notes receivable, net of current portion	-	-	176,662	281,536
Unconditional promises to give	-	-	-	-
Right of use of assets, net of amortization	3,086,460	4,367,839	-	-
Net OPEB asset - Restricted	7,023,619	6,259,818	-	-
Total noncurrent assets	<u>20,733,932</u>	<u>38,199,773</u>	<u>176,662</u>	<u>1,009,813</u>
Capital assets	132,466,559	117,896,024	321,106	321,106
Less: accumulated depreciation and amortization	48,588,119	49,818,007	6,577	6,577
Total capital assets, net of depreciation	<u>83,878,440</u>	<u>68,078,017</u>	<u>314,529</u>	<u>314,529</u>
Total assets	<u>\$ 127,730,602</u>	<u>\$ 130,055,606</u>	<u>\$ 8,074,507</u>	<u>\$ 6,871,871</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - actuarial - WRS	\$ 10,159,685	\$ 16,402,667	\$ -	\$ -
Deferred outflows of resources - actuarial - OPEB	590,912	1,361,589	-	-
Deferred outflow of resources - actuarial - LRLIF	610,296	616,275	-	-
Deferred outflows of resources - contributions - WRS	564,119	529,586	-	-
Deferred outflow of resources - contributions - LRLIF	3,823	3,698	-	-
Total deferred outflows of resources	<u>\$ 11,928,835</u>	<u>\$ 18,913,815</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 4,212,620	\$ 3,096,423	\$ 789	\$ -
Other accrued liabilities	1,830,662	1,635,430	-	-
Accrued interest payable	430,706	413,854	-	-
Unearned revenue - other	454,120	525,385	-	-
Current portion of long-term obligations	8,682,009	8,407,432	-	-
Total current liabilities	<u>15,610,117</u>	<u>14,078,524</u>	<u>789</u>	<u>-</u>
<u>Long-term obligations, less current portion</u>				
General obligation debt payable	55,025,000	56,430,000	-	-
Arbitrage rebate	400,000	195,000	-	-
Lease liability payable	2,494	1,405,285	-	-
SBITA liability payable	2,048,979	1,870,434	-	-
Unamortized premium on general obligation debt	1,432,986	1,509,520	-	-
Net pension liability	1,268,717	4,680,538	-	-
Net OPEB liability - LRLIF	1,624,530	1,375,048	-	-
Total long-term obligations, less current portion	<u>61,802,706</u>	<u>67,465,825</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 77,412,823</u>	<u>\$ 81,544,349</u>	<u>\$ 789</u>	<u>\$ -</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - actuarial WRS	\$ 6,781,213	\$ 9,808,280	-	-
Deferred inflows of resources - actuarial OPEB	1,257,162	1,522,304	-	-
Deferred inflow of resources - actuarial LRLIF	892,112	1,057,274	-	-
Total deferred inflows of resources	<u>\$ 8,930,487</u>	<u>\$ 12,387,858</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 26,284,237	\$ 26,121,365	-	-
Restricted for donors	-	-	5,498,824	4,574,627
Restricted for:				
Debt service	422,506	352,398	-	-
OPEB	7,023,619	6,259,818	-	-
Student financial assistance	133,286	133,019	-	-
Student organizations	865,980	727,140	-	-
Unrestricted	18,586,499	21,443,474	2,574,894	2,297,244
Total net position	<u>\$ 53,316,127</u>	<u>\$ 55,037,214</u>	<u>\$ 8,073,718</u>	<u>\$ 6,871,871</u>

See accompanying notes to financial statements.

# Blackhawk Technical College District

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

For the Years Ended June 30, 2024 and 2023

	Primary Government		Component Unit	
	2024	2023	2024	2023
<u>Operating revenues</u>				
Student tuition and program fees, net of scholarship allowances of \$1,738,388 in 2023 and \$1,827,194 in 2022	\$ 6,173,215	\$ 5,796,051	\$ -	\$ -
State aids	935,605	975,364	-	-
Federal grants	5,421,332	7,487,322	-	-
Contract revenue	1,434,620	1,973,630	-	-
Auxiliary enterprise revenue	233,929	89,223	-	-
Miscellaneous - institutional revenue	1,402,527	7,732,018	1,312,623	1,378,112
<b>Total operating revenues</b>	<b>15,601,228</b>	<b>24,053,608</b>	<b>1,312,623</b>	<b>1,378,112</b>
<u>Operating expenses</u>				
Instruction	17,969,360	18,479,542	-	-
Instructional resources	1,166,915	2,359,017	-	-
Student services	3,778,145	5,308,126	-	-
General institutional	6,506,132	6,899,506	532,526	738,764
Physical plant	2,271,864	3,443,882	-	-
Student aid	2,833,844	2,186,199	-	-
Auxiliary services	95,802	59,990	-	-
Depreciation	6,643,883	7,021,919	-	-
<b>Total operating expenses</b>	<b>41,265,945</b>	<b>45,758,181</b>	<b>532,526</b>	<b>738,764</b>
<b>Operating loss</b>	<b>(25,664,717)</b>	<b>(21,704,573)</b>	<b>780,097</b>	<b>639,348</b>
<u>Nonoperating revenues (expenses)</u>				
Property taxes	17,095,728	16,320,725	-	-
State operating appropriations	14,667,293	14,587,626	-	-
Investment income	1,838,384	1,382,122	421,750	285,574
Gain/(loss) on disposal of property and equipment	(7,882,361)	(88,435)	-	7,196,431
Grant to Blackhawk Technical College	-	-	-	(6,780,000)
Interest expense	(1,775,414)	(1,740,270)	-	-
<b>Total nonoperating revenues</b>	<b>23,943,630</b>	<b>30,461,768</b>	<b>421,750</b>	<b>702,005</b>
<b>Increase (decrease) in net position</b>	<b>(1,721,087)</b>	<b>8,757,195</b>	<b>1,201,847</b>	<b>1,341,353</b>
Net position - beginning of year, as restated	55,037,214	46,280,019	6,871,871	5,530,518
Net position - end of year	\$ 53,316,127	\$ 55,037,214	\$ 8,073,718	\$ 6,871,871

See accompanying notes to financial statements.

# Blackhawk Technical College District

## Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	Primary Government	
	2024	2023
<u>Cash flows from operating activities</u>		
Tuition and fees received	\$ 6,227,498	\$ 5,687,159
Federal and state grants received	6,235,391	8,882,587
Contract revenues	1,828,211	3,021,763
Payments to employees	(24,656,179)	(23,666,365)
Payments for materials and services	(8,699,677)	(13,671,907)
Auxiliary enterprise revenues	233,929	89,223
Other receipts	1,392,896	7,669,669
Net cash used for operating activities	(17,437,931)	(11,987,871)
<u>Cash flows from noncapital financing activities</u>		
Local government property taxes received	16,726,160	16,356,770
State appropriations received	14,667,293	14,587,626
Net cash provided by noncapital financing activities	31,393,453	30,944,396
<u>Cash flows from capital and related financing activities</u>		
Purchases of capital assets	(29,348,317)	(10,572,838)
Proceeds from issuance of capital debt	6,800,000	5,300,000
Principal paid on right of use assets	(1,377,071)	(1,618,285)
Interest paid on right of use assets	(165,532)	(166,312)
Principal paid on capital debt	(7,875,000)	(7,395,000)
Interest paid on capital debt	(1,669,564)	(1,610,093)
Net cash provided by (used for) capital and related financing activities	(33,635,484)	(16,062,528)
<u>Cash flows from investing activities</u>		
Purchase of Investments	-	(81)
Investment income received	2,043,384	1,577,122
Net cash provided by investing activities	2,043,384	1,577,041
Net increase in cash and cash equivalents	(17,636,578)	4,471,038
<u>Cash and cash equivalents</u>		
Beginning of year	44,712,926	40,241,888
End of year	\$ 27,076,348	\$ 44,712,926
<u>Non-cash capital and related financing activities</u>		
Issuance of subscription liability	\$ 340,586	\$ 512,460
Loss on disposal of capital assets	8,008,882	88,435

# Blackhawk Technical College District

## Statements of Cash Flows (Continued)

For the Years Ended June 30, 2024 and 2023

	Primary Government	
	2024	2023
<u>Reconciliation of operating loss to net cash used for operating activities:</u>		
Operating loss	\$ (25,664,717)	\$ (21,704,573)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation	6,643,883	7,021,919
Changes in assets and liabilities:		
Receivables	386,608	1,191,690
Prepaid expenditures	(45,769)	(5,584)
Accounts payable and accrued liabilities	1,516,633	1,128
Other accrued liabilities	195,232	33,965
Post-employment benefits (asset)/liability	(514,319)	(1,179,127)
Net pension (asset)/liability	(3,411,821)	12,054,550
Deferred inflows of resources	(3,457,371)	(6,447,833)
Deferred outflows of resources	6,984,980	(3,057,380)
Deferred revenue - other	(71,265)	103,374
Net cash used for operating activities	<u>\$ (17,437,926)</u>	<u>\$ (11,987,871)</u>

See accompanying notes to financial statements.

# Blackhawk Technical College District

## Statements of Fiduciary Net Position -

### Blackhawk Technical College Post-Employment Benefits Trust

June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 115,253	\$ 108,263
Short-term investments	<u>53,412</u>	<u>11,446</u>
Total Current Assets	<u>168,665</u>	<u>119,709</u>
Long Term Assets		
Equity investments	<u>11,355,437</u>	<u>10,466,983</u>
Total Assets	<u>\$ 11,524,102</u>	<u>\$ 10,586,692</u>
<b>LIABILITIES</b>		
Current Liabilities	<u>\$ -</u>	<u>\$ 27,414</u>
Total Liabilities	<u>-</u>	<u>27,414</u>
<b>NET POSITION</b>		
Held in trust for post-employment benefits	<u>10,559,278</u>	<u>10,559,278</u>
Total Net Position	<u>\$ 11,524,102</u>	<u>\$ 10,559,278</u>

See accompanying notes to financial statements.



# Blackhawk Technical College District

## Statements of Changes in Fiduciary Net Position - Blackhawk Technical College Post-Employment Benefits Trust

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>ADDITIONS</b>		
Contributions		
Blackhawk Technical College	\$ -	\$ -
Investment income		
Interest	14,754	10,259
Dividends	306,263	307,557
Capital gains - realized	266,093	(74,275)
Capital gains - unrealized	731,461	598,877
	<u>1,318,571</u>	<u>842,418</u>
Total investment income		
	1,318,571	842,418
Total additions	<u>1,318,571</u>	<u>842,418</u>
<b>DEDUCTIONS</b>		
Retiree benefits	307,135	319,076
Investment expense	43,777	41,599
Administrative expense	2,835	2,954
	<u>353,747</u>	<u>363,629</u>
Total deductions		
	353,747	363,629
Change in Net Position	964,824	478,789
<b>NET POSITION HELD IN TRUST FOR POST-EMPLOYMENT BENEFITS</b>		
Beginning of year	<u>10,559,278</u>	<u>10,080,489</u>
End of year	<u>\$ 11,524,102</u>	<u>\$ 10,559,278</u>

See accompanying notes to financial statements.

## Note 1 – Summary of Significant Accounting Policies

Introduction: Blackhawk Technical College District (the College) is organized under state legislation enacted in 1911 establishing vocational, technical, and adult education. The goals of the College are to train people for employment in a system flexible enough to permit adjustment to meet the needs of the community, with programs offered on a part-time, full-time, day and evening basis.

The geographic area of the College is comprised of most of Rock County and the majority of Green County in south central Wisconsin. There are 52 municipalities with an estimated population of 191,079 and 13 public school districts within the College's boundaries. The district contains 1,200 square miles and operates campuses located in the cities of Beloit, Janesville and Monroe as well as learning centers in the surrounding communities.

The governing body of the College is the District Board, which consists of nine members. The members are appointed to staggered three-year terms by the County Board chairpersons for Rock and Green counties, who meet once a year to appoint members to the three open seats. The District Board membership includes two employers, two employees, three additional members, one school district administrator and one elected official who holds a state or local office. The District Board powers are established under the provisions of Chapter 38 of the Wisconsin Statutes and include:

- Authority to borrow money and levy taxes;
- Budgetary authority; and
- Authority over other fiscal and general management of the College 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 being provided, and to approve the hiring or retention of key management personnel who implement Board policy and directives.

The College is approved to offer 68 associate degree and technical diploma programs. These include 33 associate degree, 3 two-year technical diploma, 10 one-year technical diploma, 14 less-than-one-year technical diploma, and 8 apprenticeship programs. In addition, the College offers various advanced technical programs, basic skills education, and adult continuing education.

The accounting policies of the College conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to public colleges and universities as well as those prescribed by the Wisconsin Technical College System (WTCS). The College reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements.

## Note 1 – Summary of Significant Accounting Policies (continued)

The following is a summary of the more significant policies.

Reporting Entity: In November, 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement amends Statement No. 14, *The Financial Reporting Entity* and Statement No. 39, *Determining Whether Certain Organizations are Component Units* to provide additional guidance to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the College. The primary government is financially accountable if it appoints a voting majority of the organization's governing body, or if the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Blackhawk Technical College Foundation, Inc. (Foundation) is a not-for-profit corporation whose purpose is to solicit, hold, manage, invest and expend endowment funds and other gifts, grants, and bequests exclusively for the maintenance and benefit of the College. The Foundation is managed by a Director and an independent board of directors and is not fiscally accountable to the College.

The Foundation's resources are significant to the College as a whole and to exclude would cause the College's financial statements to be incomplete. The Foundation has been reported as a discretely presented component unit in the College's financial statements.

The Foundation's financial statements can be obtained through the Blackhawk Technical College Foundation Inc., 6004 S. County Road G, Janesville, WI 53547-5009.

Basis of Accounting and Financial Statement Presentation: For financial statement reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the basic financial statements of the College have been prepared on the accrual basis of accounting, whereby all revenues are recorded when earned, and all expenses are recorded when incurred. This basis of accounting also requires the College to record depreciation expense related to capital assets to spread the cost of these assets to the estimated period benefiting from them.

Operating revenues and expenses generally result from providing educational services or producing and delivering goods in connection with the College's ongoing operations. Amounts reported as operating revenues include (1) student tuition and fees, (2) charges to customers for goods or services provided, (3) state and federal operating grants, and (4) contracts with business and industry or school districts. Operating expenses include all instructional and administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

## Note 1 – Summary of Significant Accounting Policies (continued)

Budgets and Budgetary Accounting: The College's internal records are maintained on a fund basis as required by the WTCS. The College follows the procedures listed below in adopting the annual budgets for all governmental fund types that are legally required.

1. Property taxes are levied by the various taxing municipalities. The College records as revenue its share of the local tax in the year levied.
2. Public hearings are conducted on the proposed budget prior to District Board approval.
3. Prior to July 1, the budget is legally enacted through approval by the District Board.
4. 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 District's Board and require publishing a Class 1 public notice in the College's official newspaper within ten days according to Wisconsin Statutes.
5. Management exercises control over budgeted expenditures by fund and function as presented in the accompanying basic financial statements. Expenditures may not exceed funds available or appropriated unless authorized by a resolution adopted by a vote of two-thirds of the District Board. Unused appropriations lapse at the end of each fiscal year.
6. Formal budgetary integration is employed as a planning device for all funds. The College adopts an annual operating budget that is prepared on a different basis from the basic financial statements, which are prepared in accordance with GAAP. The budget differs from GAAP by recognizing encumbrances as expenditures. Also, the budget does not incorporate changes related to GASB statements Nos. 33, 34, and 35.

Use of Estimates: In preparing basic financial statements in conformity with GAAP, the College is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash includes amounts in petty cash, demand deposits, and other short-term interest-bearing deposits.

For purposes of the statement of cash flows, cash on hand, demand deposits with financial institutions, investments in the Local Government Investment Pool (LGIP), and other short-term investments with maturity dates of less than ninety days from when purchased are considered cash equivalents.

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.

## Note 1 – Summary of Significant Accounting Policies (continued)

Receivables and Credit Policies: Receivables are uncollateralized obligations which generally are due upon receipt. Accounts receivable are stated at the invoice amount. Account balances with invoices over thirty days old are considered delinquent. Payments of accounts receivable are applied to the specific invoices identified on the customers' remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of accounts receivable. All accounts or portions thereof deemed to be uncollectible are written off to the allowance for doubtful accounts.

Prepaid Expenses: Prepaid balances are for payments made by the College for which benefits extend beyond June 30.

Inventories: The College does not maintain a significant amount of inventory and does not record inventory in its financial records.

Capital Assets: Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value at the time of donation.

The costs of maintenance and repairs are charged to operations as incurred. Equipment assets having a cost of \$5,000 or more per unit and building or remodeling projects of \$15,000 or more are capitalized. Depreciation on buildings and equipment is provided in amounts sufficient to relate the cost of the depreciable assets to operations on the straight-line basis over the estimated service lives, which range from 3 to 15 years for equipment, 20 years for site improvements, 20 years for remodeling, 40 years for buildings and infrastructures.

Property Taxes and Taxes Receivable: The District Board, under Section 38.16 of the Wisconsin Statutes, may levy a tax not to exceed the prior year's levy by the College's valuation factor, which is equal to the percentage change in the College's equalized value from the prior year due to net new construction for the purposes of operating and maintaining schools. The mill rate limitation is not applicable to taxes levied for the purposes of paying principal and interest on general obligation debt issued by the College that is used for capital improvements and equipment acquisitions.

The College communicates its property tax levy to city, village and town treasurers or clerks in October of the fiscal year for which the taxes are levied. The following dates are pertinent to the College's tax calendar:

Levy date	October 31, or within 10 days of receipt of equalized valuation, whichever is later
Tax bills are mailed	Month of December
Lien date	January 1
Payments:	
Taxes paid in one installment	January 31
Taxes paid in two installments	
First installment due	January 31
Second installment due	July 31
Delinquent taxes purchased by Counties	October 1

## Note 1 – Summary of Significant Accounting Policies (continued)

The College's property tax is apportioned each fall, based on the equalized value as established by the Wisconsin Department of Revenue, to the municipalities located within the District. The College records its share of the property tax in the year it is levied.

The combined tax rate for the fiscal years ended June 30, 2024 and 2023, are as follows:

	2024		2023	
	Mill Rate	Levy Amount	Mill Rate	Levy Amount
Operating levy	0.35005	\$ 7,632,820	0.37801	\$ 7,272,349
Debt service levy	0.43224	9,425,000	0.46079	8,865,000
Total property tax levy		<u>\$ 17,057,820</u>		<u>\$ 16,137,349</u>

In 2013 the Wisconsin Act 145 provided a 'dollar for dollar' reduction in the operational property tax levy and increase in state aid funding, effective for the year ending June 30, 2015. State property tax relief aid was \$10,835,014 and \$10,835,014 for the years ended June 30, 2024 and 2023, respectively.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. At this time, the College has only three items that qualify for reporting in this category. The deferred outflows of resources – actuarial represent the College's proportionate share of collective deferred outflows of resources of the Wisconsin Retirement System (WRS) and the Local Retiree Life Insurance Fund (LRLIF) and the deferred outflows of the College's OPEB plan. The deferred outflows of resources – contributions represent the College's contributions to pension and OPEB plans subsequent to the measurement date of the collective net pension and OPEB liability (asset).

In addition to liabilities, the Statement of Net Position 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources – actuarial represent the College's proportionate share of collective deferred inflows of resources of the WRS and LRLIF and the deferred inflows of resources of the College's OPEB plan.

Compensated Absences - College employees are granted vacation in varying amounts in accordance with the provisions of the employee handbook and College policy. Vacation earned is forfeited if not taken within the allowable time period. The expense for vacation pay is recorded on the accrual basis. The value of vested vacation pay including payroll taxes and retirement costs was approximately \$289,000 and \$221,000 as of June 30, 2024 and 2023, respectively.

GASB 87 Lease Accounting – The College is a lessee in two noncancelable lease agreements. If the contract provides the College the right to substantially all the economic benefits and the right to direct the 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 used is the implicit rate in the lease contract, if it is readily determinable, or the College's incremental borrowing rate. The College'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.

## Note 1 – Summary of Significant Accounting Policies (continued)

Subscription Based Information Technology Arrangements – The College is a party to multiple noncancelable subscription based information technology arrangements (SBITAs). If the contract provides the College 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 College's incremental borrowing rate. The College 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.

Retirement Plan - The College has a retirement plan covering substantially all of its employees, which is funded through contributions to the Wisconsin Retirement System (WRS).

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 WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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. See Note 7 for further information on retirement plans.

Cost-Sharing OPEB Plan – The College 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, OPEB expense, and 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 refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Health, Dental and Life Insurance – The College administers a single-employer defined benefit plan that provides OPEB benefits to eligible retirees as established by College policy. The College Board manages the OPEB plan and has appointed the Directors of Finance and Human Resources of the College as trustees.

Tuition and Fees: Tuition and fees are recorded, net of scholarships, as revenue in the period in which the related activity or instruction takes place. Tuition and fees attributable to summer school programs are prorated on the basis of student class days occurring before and after the fiscal year-end.

## **Note 1 – Summary of Significant Accounting Policies (continued)**

State and Federal Revenues: The College receives funding from various federal and state contracts and grants. Some of these revenues are earned over fiscal periods different from the College and are subject to the Uniform Guidance and State Single Audit Guidelines.

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

Scholarship Allowances and Student Aid: Financial aid to students is reported in the basic financial statements under the alternative method, as prescribed by the National Association of College and University Business Officers (NACUBO). Certain aid (loans, funds provided to students as awarded by third parties and Federal Direct Lending) 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 basic financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a total College basis by allocating the cash payments to students, excluding payments for services, on the ratio of all aid to the aid not considered to be third-party aid.

Net Position: Net position is classified according to restrictions or availability of assets for satisfaction of College obligations. Net investment in capital assets, represents the net value of capital assets (property, plant and equipment) less the debt incurred to acquire or construct the assets and the borrowed resources not yet expended, but restricted for capital purchases. Restricted net position for debt service can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose. Restricted net position for student financial assistance can only be used for student financial assistance activities. All remaining net position is unrestricted for legal purposes, but may be designated for specific purposes.



**Note 2 - Cash, Cash Equivalents, and Investments**

Cash, cash equivalents, and investments are classified in the College's Statements of Net Position and Statements of Cash flows as follows:

	<u>2024</u>	<u>2023</u>
Cash deposits:		
Cash on hand	\$ 1,700	\$ 1,700
Demand deposits	2,787,922	1,953,690
Total cash deposits	2,789,622	1,955,390
Cash equivalents:		
Wisconsin Local Government Investment Pool	24,286,727	42,757,536
Total cash and cash equivalents	27,076,349	44,712,926
Investments:		
Certificates of Deposit	35,951	35,951
Total cash, cash equivalents, and investments	<u>\$ 27,112,300</u>	<u>\$ 44,748,877</u>

Cash, cash equivalents, and investments are classified as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Restricted for:		
Debt Service	\$ 2,286,673	\$ 2,276,247
Capital Projects	7,454,374	24,543,714
Student Financial Assistance	882,806	752,155
	10,623,853	27,572,116
Unrestricted	16,488,446	17,176,761
Total cash, cash equivalents, and investments	<u>\$ 27,112,299</u>	<u>\$ 44,748,877</u>

(1)

## Note 2 - Cash, Cash Equivalents, and Investments (continued)

Cash equivalents and investments are shown on the College's Statements of Fiduciary Net Position for the Blackhawk Technical College Post-Employment Benefits Trust as follows:

	<u>2024</u>	<u>2023</u>
Cash equivalents:		
Cash on hand	\$ 100	\$ 100
Wisconsin Local Government Investment Pool	115,153	108,163
US Bank Money Market	53,412	11,446
	<hr/>	<hr/>
Total cash equivalents	168,665	119,709
Investments		
Mutual funds	11,355,437	10,466,983
	<hr/>	<hr/>
Total cash equivalents and investments	<u>\$ 11,524,102</u>	<u>\$ 10,586,692</u>

The College is authorized by Wisconsin Statute 66.0603 to invest in the following instruments:

- Obligations of the U.S. Treasury and U.S. Agencies.
- Obligations of any Wisconsin county, city, drainage district, technical college district, village, town, or school district.
- Time deposits in any bank, trust company, or savings and loan association that is authorized to transact business in this state, if the time deposits mature in not more than three years.
- The state's local government pooled investment fund.
- Any security maturing in seven years or less with either the highest or second rating category of a nationally recognized rating agency.
- Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.
- Securities of open-end management investment companies or investment trusts, if the portfolio is limited to obligations of the U.S. Treasury and U.S. Agencies.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospitals and Clinics Authority.

The College maintains a policy over the OPEB Trust Fund with the following investment objectives:

- To invest assets of the Trust in a manner consistent with its fiduciary responsibility to (a) all transactions undertaken must be for the sole interest of Trust beneficiaries and defray reasonable expenses in a prudent manner, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
- To provide for funding and anticipated withdrawals on a continuing basis for payment of OPEB benefits and related expenses.
- To conserve and enhance the value of Trust assets in real terms through asset appreciation and income generation, while maintaining a moderate investment risk profile.
- To minimize principal fluctuations over a 20 year investment horizon.
- To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the Trust's actuarial discount rate.

## Note 2 - Cash, Cash Equivalents, and Investments (continued)

The Wisconsin Local Government Investment Pool (LGIP) has compiled fair value information for all securities in the pool and has provided a book value to fair value conversion factor. As of June 30, 2024 and 2023, the conversion factors were 100%.

The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board (SWIB). The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice.

Investments in the LGIP are covered by a surety bond issued by Financial Security Assurance, Inc. The bond insures against loss arising from principal defaults on substantially all types of securities acquired by the pool except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by any Federal Deposit Insurance Corporation (FDIC) and State of Wisconsin Guarantee Fund insurance. The College is exposed to market risk through its participation in the LGIP.

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that, in the event of financial institution failure, the College will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of a third party. As of June 30, 2024 and 2023, the College's carrying value of the deposits was \$2,823,873 and \$1,989,641, respectively, compared to bank balances of \$3,349,127 and \$2,622,175, respectively. No bank balances at June 30, 2024 or 2023, were uninsured and uncollateralized.

Credit Risk - Investments: Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments as listed above. The College minimizes its credit risk by requiring security of the investment as the first priority and limiting investments to financial institutions and the LGIP. The College's repurchase agreements are collateralized by U.S. Government securities which are uninsured and unregistered, held by the counterparty or its trust department, but not in the College's name. As of June 30, 2024 and 2023, the College had \$24,401,880 and \$42,865,699, respectively, invested in the LGIP, which does not carry a credit quality rating.

The US Bank Money Market held by the Blackhawk Technical College Post-Employment Trust is rated AAAM by Standard & Poors and the mutual funds do not carry a credit quality rating.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of an organization's investment in a single issuer. Any investment which represents 5 percent or more of total investments is required to be disclosed. Exempt from this disclosure are investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds, external investments pools, and other pooled investments. The College places no limit on the amount the College may invest in any one issuer.

Interest Rate Risk: Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. The College does not have a formal investment policy which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

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

#### Assets at Fair Value as of June 30, 2024

	Level 1	Level 2	Total
Certificates of deposit (CD's)	\$ -	\$ 35,951	\$ 35,951
Mutual funds	11,355,437	-	11,355,437
Total cash and investments	<u>\$ 11,355,437</u>	<u>\$ 35,951</u>	<u>\$ 11,391,388</u>

#### Assets at Fair Value as of June 30, 2023

	Level 1	Level 2	Total
Certificates of deposit (CD's)	\$ -	\$ 35,951	\$ 35,951
Mutual funds	10,466,983	-	10,466,983
Total cash and investments	<u>\$ 10,466,983</u>	<u>\$ 35,951</u>	<u>\$ 10,502,934</u>

The College's assets at fair value are measured as follows:

- Mutual funds are valued using unadjusted quoted active market prices as of the date of the financial statements (Level 1 inputs).
- Certificates of deposit are valued using a matrix pricing model (Level 2 inputs).

### Note 4 – Accounts and Other Receivables

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

	<u>2024</u>	<u>2023</u>
Student tuition and fees, net of allowance for doubtful accounts	\$ 789,631	\$ 945,808
Contracted services	105,357	181,510
Other	77,458	34,891
Total accounts and other receivables	<u>\$ 972,446</u>	<u>\$ 1,162,209</u>

## Note 5 – Capital Assets

Following are the changes in the College's capital assets for the year ended June 30, 2024:

	Beginning Balance	Additions	Adjustments	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,366,434	\$ -	\$ -	\$ -	\$ 1,366,434
Construction in progress	8,603,917	27,889,203	(4,528)	559,137	35,929,455
Total capital assets not being depreciated or amortized	9,970,351	27,889,203	(4,528)	559,137	37,295,889
Capital assets being depreciated or amortized:					
Land improvements	7,150,264	-	-	-	7,150,264
Infrastructure	514,152	-	-	-	514,152
Buildings and improvements	69,451,568	730,672	74,901	13,494,748	56,762,393
Leasehold improvements	539,456	-	-	-	539,456
Equipment	27,865,259	891,673	(74,901)	882,600	27,799,431
Intangible assets	2,404,974	-	-	-	2,404,974
Total capital assets being depreciated or amortized	107,925,673	1,622,345	-	14,377,348	95,170,670
Less accumulated depreciation and amortization:					
Land improvements	1,377,468	317,477	-	-	1,694,945
Infrastructure	77,124	12,854	-	-	89,978
Buildings and improvements	27,595,611	2,501,956	-	5,645,132	24,452,435
Leasehold improvements	89,867	26,973	-	-	116,840
Equipment	20,364,188	2,219,195	-	723,335	21,860,048
Intangible asset	313,749	60,124	-	-	373,873
Total accumulated depreciation and amortization	49,818,007	5,138,579	-	6,368,467	48,588,119
Net capital assets	68,078,017	\$ 24,372,969	\$ (4,528)	\$ 8,568,018	83,878,440
Right of use assets:					
Milton building	2,547,860	-	-	2,547,860	-
Beloit Public Library building	139,479	-	-	-	139,479
Subscription based assets (SBITA)	4,795,031	1,470,748	-	1,130,162	5,135,617
Total right of use assets being amortized	7,482,370	1,470,748	-	3,678,022	5,275,096
Less accumulated amortization:					
Milton building	975,777	325,259	-	1,301,036	-
Beloit Public Library building	83,688	27,896	-	-	111,584
Subscription based assets (SBITA)	2,055,066	1,084,800	-	1,062,814	2,077,052
Total accumulated amortization	3,114,531	1,437,955	-	2,363,850	2,188,636
Net right of use assets being amortized	4,367,839	32,793	-	1,314,172	3,086,460
Net capital assets	82,416,207	24,405,762	(4,528)	9,882,190	124,260,789
Less general obligation debt	(63,775,000)				(62,700,000)
Less lease liabilities	(1,749,757)				(31,939)
Less subscription liabilities	(2,588,394)				(3,026,543)
Unamortized premium	(1,509,520)				(1,432,986)
Add unspent general obligation debt	21,818,348				5,105,797
Net investment in capital assets	<u>\$ 34,611,884</u>				<u>\$ 62,175,118</u>

## Note 5 – Capital Assets (continued)

Following are the changes in the College's capital assets for the year ended June 30, 2023:

	Beginning Balance	Additions	Adjustments	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,041,036	\$ 325,398	\$ -	\$ -	\$ 1,366,434
Construction in progress	16,108,276	9,400,447	(50,823)	16,853,983	8,603,917
Total capital assets not being depreciated or amortized	17,149,312	9,725,845	(50,823)	16,853,983	9,970,351
Capital assets being depreciated or amortized:					
Land improvements	3,634,228	3,516,036	-	-	7,150,264
Infrastructure	514,152	-	-	-	514,152
Buildings and improvements	54,414,856	13,972,664	1,064,048	-	69,451,568
Leasehold improvements	539,456	-	-	-	539,456
Equipment	28,702,871	1,048,451	(1,052,843)	833,220	27,865,259
Intangible asset	2,404,974	-	-	-	2,404,974
Total capital assets being depreciated or amortized	90,210,537	18,537,151	11,205	833,220	107,925,673
Less accumulated depreciation and amortization:					
Land improvements	1,142,493	234,975	-	-	1,377,468
Infrastructure	64,270	12,854	-	-	77,124
Buildings and improvements	24,943,158	2,572,520	79,933	-	27,595,611
Leasehold improvements	62,894	26,973	-	-	89,867
Equipment	18,745,640	2,413,637	(50,304)	744,785	20,364,188
Intangible asset	253,625	60,124	-	-	313,749
Total accumulated depreciation and amortization	45,212,080	5,321,083	29,629	744,785	49,818,007
Net capital assets being depreciated or amortized	62,147,769	\$ 22,941,913	\$ (69,247)	\$ 16,942,418	68,078,017
Right of use assets:					
Milton building	2,547,860	-	-	-	2,547,860
Beloit Public Library building	139,479	-	-	-	139,479
Subscription based assets (SBITA)	4,282,571	512,460	-	-	4,795,031
Total right of use assets being amortized	6,969,910	512,460	-	-	7,482,370
Less accumulated amortization:					
Milton building	650,518	325,259	-	-	975,777
Beloit Public Library building	55,792	27,896	-	-	83,688
Subscription based assets (SBITA)	737,014	1,318,052	-	-	2,055,066
Total accumulated amortization	1,443,324	1,671,207	-	-	3,114,531
Net right of use assets being amortized	5,526,586	(1,158,747)	-	-	4,367,839
Net capital assets	84,823,667	31,509,011	(120,070)	33,796,401	82,416,207
Less general obligation debt	(65,870,000)	-	-	-	(63,775,000)
Less lease liabilities	(1,749,757)	-	-	-	(1,749,757)
Less subscription liabilities	(2,588,394)	-	-	-	(2,588,394)
Unamortized premium	(1,509,520)	-	-	-	(1,509,520)
Add unspent general obligation debt	22,727,852	-	-	-	21,818,348
Net investment in capital assets	<u>\$ 35,833,848</u>	-	-	-	<u>\$ 34,611,884</u>

## Note 6 - Long-Term Obligations

The following is a summary of long-term obligations for the years ended June 30, 2024 and 2023:

	<b>Balance 07/01/23</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 06/30/24</b>	<b>Due Within One Year</b>
General Obligation Debt	\$ 63,775,000	\$ 6,800,000	\$ 7,875,000	\$ 62,700,000	\$ 7,675,000
Lease liability	1,749,757		1,717,818	31,939	29,445
SBITA	2,588,394	1470748	1,032,599	3,026,543	676,950
Unamortized premium	1,509,520	232,948	309,482	1,432,986	-
	<u>\$ 69,622,671</u>	<u>\$ 8,503,696</u>	<u>\$ 10,934,899</u>	<u>\$ 67,191,468</u>	<u>\$ 8,381,395</u>

	<b>Balance 07/01/22</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 06/30/23</b>	<b>Due Within One Year</b>
General Obligation Debt	\$ 65,870,000	\$ 5,300,000	\$ 7,395,000	\$ 63,775,000	\$ 7,345,000
Lease liability	2,077,072		327,315	1,749,757	344,472
SBITA	3,366,904	512,460	1,290,970	2,588,394	717,960
Unamortized premium	1,552,226	239,985	282,691	1,509,520	-
	<u>\$ 72,866,202</u>	<u>\$ 6,052,445</u>	<u>\$ 9,295,976</u>	<u>\$ 69,622,671</u>	<u>\$ 8,407,432</u>

The College pledges full faith, credit, and resources of the College to pay all outstanding general obligation promissory notes. The College levies taxes annually to pay the amount of principal and interest due for the debt.

The obligations of the College at June 30 are as follows:

	<b>2024</b>	<b>2023</b>
2014 \$5,000,000 general obligation promissory note payable to Hutchinson, Shockey, Erley & Co., Chicago, IL, interest at 1.50%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	\$ -	\$ 700,000
2015 \$4,500,000 general obligation promissory note payable to Hutchinson, Shockey, Erley & Co., Chicago, IL, interest at 1.50%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	-	525,000
Subtotal	<u>\$ -</u>	<u>\$ 1,225,000</u>

**Note 6 - Long-Term Obligations (continued)**

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ -	\$ 1,225,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	-	425,000
2015 \$4,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 1.00%-2.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	-	600,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2021, until maturity on April 1, 2025. Proceeds used for building construction, remodeling, and equipment.	300,000	600,000
2016 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2021, until maturity on April 1, 2025. Proceeds used for building remodeling and improvement projects.	300,000	600,000
2016 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2025. Proceeds used for building remodeling and improvement projects.	<u>300,000</u>	<u>600,000</u>
Subtotal	<u>\$ 900,000</u>	<u>\$ 4,050,000</u>



**Note 6 - Long-Term Obligations (continued)**

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ 900,000	\$ 4,050,000
2016 \$4,300,000 general obligation promissory note payable to Raymond James & Associates, Inc., St. Petersburg, FL, interest at 2.00%-2.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2016, until maturity on April 1, 2025. Proceeds used for building construction, remodeling, and equipment.	450,000	900,000
2016 \$4,000,000 general obligation promissory note payable to FTN Financial Capital Markets, New York, NY, interest at 1.00%-2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2017, until maturity on April 1, 2024. Proceeds used for the water main service extension project and equipment.	-	200,000
2017 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2022, until maturity on April 1, 2026. Proceeds used for building remodeling and improvement projects.	800,000	1,100,000
2017 \$3,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 2.00%-2.55%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2026. Proceeds used for building improvements, remodeling, and to acquire equipment.	1,100,000	1,600,000
2017 \$3,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 2.00%-2.50%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for building improvements and remodeling, construction, and to acquire equipment.	1,500,000	1,900,000
Subtotal	<u>\$ 4,750,000</u>	<u>\$ 9,750,000</u>

**Note 6 - Long-Term Obligations (continued)**

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ 4,750,000	\$ 9,750,000
2018 \$1,500,000 general obligation promissory note payable to BOK Financial Securities, Dallas, TX, interest at 2.50%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for building improvements and remodeling.	1,500,000	1,500,000
2018 \$2,900,000 general obligation promissory note payable to Dougherty & Company LLC, Minneapolis, MN, interest at 3.00-3.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2028. Proceeds used for building improvements and remodeling, and to acquire equipment.	2,000,000	2,500,000
2019 \$3,200,000 general obligation promissory note payable to Northland Securities, Inc., Minneapolis, MN, interest at 2.00%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2029. Proceeds used for building improvements and remodeling, construction, and to acquire equipment.	2,700,000	3,200,000
2020 \$1,500,000 general obligation promissory note payable to Associated Trust Company, Green Bay, WI, interest at 1.30-3.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2030. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	1,500,000	1,500,000
2020 \$3,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 1.00%-1.15%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2030. Proceeds used for building improvements and remodeling, and to acquire equipment.	2,470,000	2,825,000
Subtotal	<u>\$ 14,920,000</u>	<u>\$ 21,275,000</u>

**Note 6 - Long-Term Obligations (continued)**

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ 14,920,000	\$ 21,275,000
2021 \$7,500,000 general obligation promissory note payable to UBS Financial Services Inc., New York, NY, interest at 2%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2041. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	7,500,000	7,500,000
2021 \$3,800,000 general obligation promissory note payable to Colliers Securities LLC., Minneapolis, MN, interest at 1.25%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2031. Proceeds used for building remodeling and improvement projects, and to acquire equipment.	3,375,000	3,800,000
2021 \$5,000,000 general obligation promissory note payable to Colliers Securities LLC., Minneapolis, MN, interest at 2.00%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2036. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	5,000,000	5,000,000
2021 \$1,500,000 general obligation promissory note payable to Colliers Securities LLC., Minneapolis, MN, interest at 1.00%-2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2031. Proceeds used for building remodeling and improvement projects.	1,300,000	1,500,000
2022 \$19,500,000 general obligation promissory note payable to Piper Sandler & Co., Minneapolis, MN interest at 2.00-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2036. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	<u>19,500,000</u>	<u>19,500,000</u>
Subtotal	<u>\$ 51,595,000</u>	<u>\$ 58,575,000</u>

**Note 6 - Long-Term Obligations (continued)**

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ 51,595,000	\$ 58,575,000
2022 \$3,800,000 general obligation promissory note payable to Northland Securities, Inc., Minneapolis, MN, interest at 3.00%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2032. Proceeds used for building remodeling and improvement projects, and to acquire equipment.	3,425,000	3,700,000
2023 \$1,500,000 general obligation promissory note payable to TD Securities (USA) LLC, New York, NY interest at 4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2033. Proceeds used for building improvements and remodeling.	1,410,000	1,500,000
2023 \$1,500,000 general obligation promissory note payable to BOK Financial Securities, Dallas, TX, interest at 4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2033. Proceeds used for building remodeling and improvement projects.	1,350,000	-
2023 \$3,800,000 general obligation promissory note payable to BOK Financial Securities, Dallas, TX, interest at 4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2033. Proceeds used for building improvements and remodeling, and to acquire equipment.	3,420,000	-
2024 \$1,500,000 general obligation promissory note payable to BOK Financial Securities, Dallas, TX, interest at 4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2033. Proceeds used for building remodeling and improvement projects.	<u>1,500,000</u>	-
Total outstanding long-term obligations	<u>\$ 62,700,000</u>	<u>\$ 63,775,000</u>

## Note 6 - Long-Term Obligations (continued)

Principal and interest are payable from irrevocable ad valorem taxes levied on all taxable property in the District. The annual requirements to amortize all outstanding general obligation debt, including interest, at June 30 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 7,675,000	\$ 1,722,825	\$ 9,397,825
2026	7,025,000	1,482,788	8,507,788
2027	6,355,000	1,261,900	7,616,900
2028	5,410,000	1,069,300	6,479,300
2029	4,945,000	898,785	5,843,785
2030-2034	16,715,000	2,752,558	19,467,558
2035-2039	11,500,000	1,075,325	12,575,325
2040-2041	3,075,000	83,575	3,158,575
	<u>\$ 62,700,000</u>	<u>\$ 10,347,056</u>	<u>\$ 73,047,056</u>

Wisconsin Statutes 67.03(1) provides the aggregate amount of indebtedness of a district shall not exceed 5 percent of the value of the taxable property located in the district. The 5 percent limit at June 30, 2024 and 2023, was \$1,130,301,898 and \$997,987,034, respectively. The actual indebtedness of the College for 2024 and 2023 was \$62,700,000 and \$63,775,000, respectively. The indebtedness of the College, net of resources available for 2024 and 2023 was \$60,413,802 and \$61,499,228, respectively. In addition, the maximum bonded indebtedness of the College for purchasing and constructing buildings and equipment may not exceed 2 percent of the value of the taxable property within the District. The 2 percent limit at June 30, 2024 and 2023, was \$452,120,759 and \$399,194,814, respectively. The College had no bonded indebtedness for 2024 and 2023.

## Note 7 - Retirement Plans

Plan Description: All eligible College employees participate in the WRS, a cost-sharing multiple-employer defined benefit Public Employee Retirement System (PERS). 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, 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 at <https://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.

## Note 7 - Retirement Plans (continued)

Benefits Provided: Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to 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.

Post-Retirement 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:

<b>Year</b>	<b>Core Fund Adjustment %</b>	<b>Variable Fund Adjustment %</b>
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	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

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 \$1,089,342 in contributions from the College.

## Note 7 - Retirement Plans (continued)

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

Employee Category	2024		2023	
	Employee	Employer	Employee	Employer
General (including teachers, executives and elected officials)	6.9%	6.9%	6.8%	6.8%
Protective with Social Security	6.9%	14.3%	6.5%	13.2%
Protective without Social Security	6.9%	19.1%	6.8%	18.1%

### Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024 and 2023, the College reported liabilities of \$1,268,717 and \$4,680,538 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31 within the College's fiscal year, and the total pension liability used to calculate the net pension liability (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. The College's proportion of the net pension liability (asset) was based on the College's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023 and 2022, the College's proportion was 0.085% and 0.088% (a decrease of 0.003% from the prior year).

For the year ended June 30, 2024 and 2023, the College recognized pension expense of \$893,436 and \$2,404,398.

At June 30, 2024 and 2023, the College 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	\$5,115,454	\$6,775,451	\$7,454,648	\$9,793,733
Changes in assumptions	552,997	0	920,387	0
Net differences between projected and actual earnings on pension plan investments	4,421,273	0	7,951,154	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,961	5,762	76,478	14,547
Employer contributions subsequent to the measurement date	564,119	0	529,586	0
<b>Total</b>	<b>\$10,723,804</b>	<b>\$6,781,213</b>	<b>\$16,932,253</b>	<b>\$9,808,280</b>

## Note 7 - Retirement Plans (continued)

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

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2025	\$699,679
2026	738,294
2027	2,789,763
2028	(849,264)

Actuarial assumptions: The total pension liability in the December 31, 2023 and 2022, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2023	2022
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 Normal	Entry Age
Asset Valuation Method:	Fair 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
Post-retirement Adjustments*	1.7%	1.7%

\* No post-retirement 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 post-retirement discount rate.

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 pension liability for December 31, 2023 and 2022, is based upon a roll-forward of the liability calculated from the December 31, 2022 and 2021, actuarial valuations.



## Note 7 - Retirement Plans (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 geometric 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

	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return</b>
<u>Core Fund Asset Class</u>			
Global equities	40.0%	7.3%	4.5%
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%
Total core fund	100.0%	7.4%	4.6%
<u>Variable Fund Asset Class</u>			
U.S. equities	70.0%	6.8%	4.0%
International equities	30.0%	7.6%	4.8%
Total variable fund	100.0%	7.3%	4.5%

*New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.7%*

*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. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.*

## Note 7 - Retirement Plans (continued)

### Asset Allocation Targets and Expected Returns

As of December 31, 2022

	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return</b>
<u>Core Fund Asset Class</u>			
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%
Total core fund	115.0%	7.4%	4.8%
<u>Variable Fund Asset Class</u>			
U.S. equities	70.0%	7.2%	4.6%
International equities	30.0%	8.1%	5.5%
Total variable fund	100.0%	7.7%	5.1%

*New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.5%*

*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 of up to 20%.*

**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 single 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.

## Note 7 - Retirement Plans (continued)

Sensitivity of the College's proportionate share of the net pension liability (asset) to changes in the discount rate: The following presents the College's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80 percent (6.80 percent for the prior year), as well as what the College'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 (5.80 percent) or 1-percentage-point higher (7.80 percent) than the current rate:

	2024		2023	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	5.8%	\$12,262,763	5.8%	\$15,534,555
Current discount rate	6.8%	1,268,717	6.8%	4,680,538
1% increase to discount rate	7.8%	(6,424,282)	7.8%	(2,786,093)

Payables to the pension plan: The College reported a payable to the pension plan for the outstanding amount of required contributions of \$255,355 at June 30, 2024 and \$236,506 at June 30, 2023.

## Note 8 – Other Post-Employment Benefits – Retiree Medical

As of the June 30 actuarial valuation, members of the plan consisted of the following:

	2024	2023
Inactive plan members or beneficiaries currently receiving benefit payments	28	28
Inactive plan members entitled but not yet receiving benefit payments	-	-
Active plan members	177	177
Total participants	205	205

The College provides post-retirement health care, dental and life insurance benefits to certain teachers, support staff and administrators under contractual arrangements hired prior to June 30, 2023. The plan is closed to new entrants. Retirees must be 55 years old and have completed 12, 15, or 18 years of service to receive three, four or five years of paid health insurance, respectively. Health care benefits are coordinated with Medicare after age 65. Dental coverage is available only to College Presidents. The cost method used in estimating the Actuarially Determined Contribution was the Projected Unit Credit (ADC), Entry Age Normal (NOL) Cost Method. The significant assumptions used in the computation include a 7.0% discount rate, a health insurance premium rate trend of 9% in year 1 and declining to 5% in year 11 and remaining at that level thereafter for those under age 65, and a health insurance premium rate of 5.0% for those over age 65.

The College established a trust (Blackhawk Technical College Post-Employment Benefits Trust) for the purpose of funding the Other Post-Employment Benefits (OPEB) liability on November 21, 2007. The plan's financial statements are prepared on the accrual basis of accounting. The College Board determines the amount contributed to the trust. Benefits are paid at the time premiums are due to the insurance carrier. Investments are reported at fair value. The plan does not issue a standalone report.

The OPEB plan investment policies are described in Notes 1 and 2. For June 30, 2024 and 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 12.69% and 8.49%, respectively. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 8 – Other Post-Employment Benefits – Retiree Medical (continued)**

The components of the net OPEB liability (asset) of the College at June 30, is as follows:

	<u>2024</u>	<u>2023</u>
Total OPEB liability	\$ 4,500,483	\$ 4,299,460
Plan fiduciary net position	<u>11,524,102</u>	<u>10,559,278</u>
Net OPEB liability (asset)	<u>\$ (7,023,619)</u>	<u>\$ (6,259,818)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>256.06%</u>	<u>245.60%</u>

The net OPEB liability (asset) was measured as of June 30, 2024 and 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024 and 2023.

The long term expected rate of return on OPEB plan investments was 7.0%. The rate was determined based on a review of the current portfolio and the long-term expectation that amounts will be invested in a higher interest rate environment.

Mortality rates were based on the Pub-2010 Teachers Data Set Mortality and then projected forward using MP-2021 generational future mortality improvement scale. Separate tables for each participant type.

Healthcare Cost Trend Rates: Pre-65 medical costs were trended at 9.0% in the first year, graded down to 5.0% over 11 years; post-65 medical costs were trended at a flat 5.0% per year.

The Discount Rate used to measure the Total OPEB Liability was 7.00%. Because the Plan's Fiduciary Net Position is projected to be available to make all projected OPEB payments for current active and inactive employees, the plan's long-term investment rate of return was applied to all periods.

**Note 8 – Other Post-Employment Benefits – Retiree Medical (continued)**

Changes in the Net OPEB Liability (Asset) for the year ended June 30, 2024 and 2023 are as follows:

Changes in Net OPEB Liability Year Ended June 30, 2024	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2023	\$ 4,299,460	\$ 10,559,278	\$ (6,259,818)
Changes for the year:			
Service cost	284,753	-	284,753
Interest	306,715	-	306,715
Differences between expected and actual experience	(83,310)	-	(83,310)
Changes in assumptions	-	-	-
Contributions - Employer	-	-	-
Net investment income	-	1,318,572	(1,318,572)
Benefit payments, including refunds of employee contributions	(307,135)	(307,135)	-
Administrative expense	-	(46,613)	46,613
Net changes	201,023	964,824	(763,801)
Balances as of June 30, 2024	\$ 4,500,483	\$ 11,524,102	\$ (7,023,619)

Changes in Net OPEB Liability Year Ended June 30, 2023	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2022	\$ 4,385,396	\$ 10,080,489	\$ (5,695,093)
Changes for the year:			
Service cost	277,653	-	277,653
Interest	310,003	-	310,003
Differences between expected and actual experience	(729,323)	-	(729,323)
Changes in assumptions	374,807	-	374,807
Contributions - Employer	-	-	-
Net investment income	-	842,418	(842,418)
Benefit payments, including refunds of employee contributions	(319,076)	(319,076)	-
Administrative expense	-	(44,553)	44,553
Net changes	(85,936)	478,789	(564,725)
Balances as of June 30, 2023	\$ 4,299,460	\$ 10,559,278	\$ (6,259,818)

**Note 8 – Other Post-Employment Benefits – Retiree Medical (continued)**

The following presents the net OPEB liability (asset), calculated using a discount rate of 7.0 percent, as well as what the net OPEB liability(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage point higher (8.0 percent) than the current discount rate:

**Sensitivity of the Net OPEB Liability (Asset) to the Changes in the Discount Rate**

	<b>June 30, 2024</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 4,769,926	\$ 4,500,483	\$ 4,029,171
Plan Fiduciary Net Position	11,524,102	11,524,102	11,524,102
Net OPEB Liability (Asset)	<u>\$ (6,754,176)</u>	<u>\$ (7,023,619)</u>	<u>\$ (7,494,931)</u>

	<b>June 30, 2023</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 4,633,490	\$ 4,299,460	\$ 4,000,132
Plan Fiduciary Net Position	10,559,278	10,559,278	10,559,278
Net OPEB Liability (Asset)	<u>\$ (5,925,788)</u>	<u>\$ (6,259,818)</u>	<u>\$ (6,559,146)</u>

The following presents the net OPEB liability (asset), as well as what the net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

**Sensitivity of the Net OPEB Liability (Asset) to the Changes in the Healthcare Cost Trend Rates**

	<b>June 30, 2024</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 3,945,440	\$ 4,500,483	\$ 4,878,673
Plan Fiduciary Net Position	11,524,102	11,524,102	11,524,102
Net OPEB Liability (Asset)	<u>\$ (7,578,662)</u>	<u>\$ (7,023,619)</u>	<u>\$ (6,645,429)</u>

	<b>June 30, 2023</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 3,920,225	\$ 4,299,460	\$ 4,738,060
Plan Fiduciary Net Position	10,559,278	10,559,278	10,559,278
Net OPEB Liability (Asset)	<u>\$ (6,639,053)</u>	<u>\$ (6,259,818)</u>	<u>\$ (5,821,218)</u>

### Note 8 – Other Post-Employment Benefits – Retiree Medical (continued)

For the years ended June 30, 2024 and 2023, the College recognized OPEB expense of (\$307,167) and (\$93,929), respectively. At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows 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	\$ 1,467	\$ 1,276,517	\$ 50,368	\$ 1,522,304
Changes in assumptions	589,445		732,140	
Net difference between projected and actual earnings on OPEB plan investments	19,355		579,081	
Total	<u>\$ 610,267</u>	<u>\$ 1,276,517</u>	<u>\$ 1,361,589</u>	<u>\$ 1,522,304</u>

The 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:	
2025	\$ (226,268)
2026	143,052
2027	(256,449)
2028	(176,176)
2029	(49,474)
Thereafter	(100,935)

### Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund

Plan Description: The Local Retiree Life Insurance Fund (LRLIF) is a 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 post-employment 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 at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, EFT issued 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 post-retirement benefit.

**Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)**

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:

Coverage Type	Employer Contribution
25% Post Retirement Coverage	20% of employee contribution

Employee 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 listed below:

Life Insurance Employee Contribution Rates*		
For the years 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 \$7,195 in contributions from the College.

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

At June 30, 2024 and 2023, the College reported a liability of \$1,624,530 and \$1,375,046 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The College's proportion of the net OPEB liability was based on the College's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023 and 2022, the College's proportion was 0.353% and 0.360%, (a decrease of 0.007% from the prior year).

For the years ended June 30, 2024 and 2023, the College recognized OPEB expense of \$97,571 and \$116,533.



**Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)**

At June 30, 2024 and 2023, the College 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	\$0	\$143,776	\$0	\$134,570
Changes in assumptions	508,166	639,705	494,023	811,655
Net differences between projected and actual earnings on pension plan investments	21,946	0	25,803	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	80,184	108,631	96,449	111,049
Employer contributions subsequent to the measurement date	3,822	0	3,697	0
<b>Total</b>	<b>\$614,118</b>	<b>\$892,112</b>	<b>\$619,972</b>	<b>\$1,057,274</b>

Deferred outflows related to OPEB resulting from the LRLIF Employer'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	\$(36,313)
2026	(6,045)
2027	(63,599)
2028	(99,366)
2029	(90,308)
Thereafter	13,815

**Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)**

Actuarial assumptions: The total OPEB liability in the January 1, 2023 and 2022, actuarial valuation was 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	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	3.0%	3.0%
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 Buyer GO 20-Bond Municipal 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 carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). 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.

**Asset Allocation Targets and Expected Returns**

As of December 31, 2023

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation %</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Intern Credit	40.0%	2.32%
US Mortgages	Bloomberg US MBS	60.0%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

**Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)**

**Asset Allocation Targets and Expected Returns**

As of December 31, 2022

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation %</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Intern Credit	50.0%	2.45%
US Mortgages	Bloomberg US MBS	50.0%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Single Discount Rate: A 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 employees. 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 prior to age 65.

Sensitivity of the College's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 3.32 percent (3.76 percent for the prior year), as well as what the College'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:

	2023		2023	
	<u>Discount Rate</u>	<u>Net OPEB Liability</u>	<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease to discount rate	2.32%	\$2,182,779	2.76%	\$1,874,730
Current discount rate	3.32%	1,624,530	3.76%	1,375,046
1% increase to discount rate	4.32%	1,198,401	4.76%	992,097

Payables to the OPEB plan: There were no outstanding required contributions at June 30, 2024 and 2023.

## Note 10 - Expenses Classification

Expenses on the Statement of Revenues, Expenses and Changes in Net Position are classified by function. Alternatively, the expenses could also be shown by type of expense, as follows for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Salaries and wages	\$ 18,832,307	\$ 17,999,817
Employee benefits	5,620,571	7,070,729
Travel, memberships, and subscriptions	331,960	307,721
Supplies	(217,840)	3,580,299
Contract services	4,009,166	4,556,513
Rentals	1,961,452	441,928
Credit	44,710	80,656
Insurance	279,383	265,066
Utilities	867,044	842,824
Depreciation and amortization	6,643,883	7,021,919
Student aid	2,893,309	3,590,709
	<u>\$ 41,265,945</u>	<u>\$ 45,758,181</u>
Total operating expenses		

## Note 11 - Commitments and Contingencies

The College receives regular program aids from the WTCS Board based on aidable expenditures. This amount is subject to adjustment based on a state audit of the full-time equivalent students and cost allocation reports of the College and other districts of the state. The audit for the year ended June 30, 2024, has not been completed. It is the belief of management of the College audit adjustments, if any, will not materially affect the College's financial position.

As of June 30, 2024, the College had approximately \$3,561,096 (including retainage) in project commitments related to projects-in-progress at year-end.

## Note 12 – Leases

The College entered into a lease with McGuire-Lasse, LLP on May 22, 2013 for buildings located at 15 Plumb Street and 40 Plumb Street, Milton, Wisconsin 53563. The term of the lease was for ten years with the option to extend for four additional periods of five years each upon the same terms and conditions. The original term expired on May 22, 2023 and the College exercised its option to renew for five years. On December 29, 2016, the lease was assigned to the Blackhawk Technical College Foundation, Inc. with the same terms and conditions.

In May 2023, the building was sold and the lease was assigned to Kandu Industries Inc. with the same terms and conditions. On June 30, 2024, the lease the College exercised the right to terminate the lease at a cost of \$1,456,554 (the remaining lease payments through April, 2028).

The total amount of the right of use asset, net of amortization on this lease is \$0 and \$1,572,084 at June 30, 2024 and 2023 respectively. Principal and interest payments were calculated monthly using a fixed rate of 3% over the life of the lease and a straight-line amortization schedule. Lease liability amounts as of June 30, 2024 and 2023 were \$0 and \$1,689,242, respectively.

**Note 12 – Leases (continued)**

The College entered into a lease with the City of Beloit on March 2, 2020 with occupancy beginning on August 1, 2020, for 3,500 sq. ft. of space within the Beloit Public Library located at 605 Eclipse Blvd, Beloit, Wisconsin 53511. The term of the lease was for five years with the option to extend for three additional period of five years each upon the same terms and conditions. The original term will expire on July 31, 2025.

The total amount of the right of use asset, net of amortization on this lease is \$27,895 and \$55,791 at June 30, 2024 and 2023 respectively. Principal and interest payments were calculated monthly using a fixed rate of 3% over the life of the lease and a straight-line amortization schedule. Lease liability amounts as of June 30, 2024 and 2023 were \$31,939 and \$60,514, respectively.

Total future minimum lease payments under operating leases at June 30 are estimated as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 29,445	\$ 555	\$ 30,000
2026	2,494	6	2,500
	<u>\$ 31,939</u>	<u>\$ 561</u>	<u>\$ 32,500</u>

**Note 13 – Subscription-Based Information Technology Arrangements (SBITAs)**

The College entered into multiple subscription-based information technology arrangements (SBITAs) with different vendors for a variety of software during the years ended June 30, 2024 and 2023. As of June 30, 2024 and 2023, the net SBITA right-to-use intangible assets were reported in the amount of \$3,058,565 and \$2,739,965, respectively. These SBITA right-to-use intangible assets are discounted at a rate of 3%. For the years ended June 30, 2024 and 2023, the College reported a corresponding SBITA liability in the amount of \$3,026,543 and \$2,588,394, respectively. For the year ended June 30, 2024 there was an overall principal increase of \$438,149 as compared to a reduction of \$778,510 as of June 30, 2023.

Total future minimum SBITA payments as of June 30, are estimated as follows:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2025	\$ 977,564	\$ 86,640	\$ 1,064,204
2026	878,416	57,050	935,466
2027	899,210	30,422	929,632
2028	271,353	8,141	279,494
	<u>\$ 3,026,543</u>	<u>\$ 182,253</u>	<u>\$ 3,208,796</u>

## Note 14 - Insurance

Districts Mutual Insurance: In July 2004, all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). DMI is a fully assessable mutual company authorized under Wisconsin Statute Chapter 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 \$500,225,000 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 College'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.

At the start of operations, each member college was assessed a charge for a capitalization component to establish reserves for the Company. For the years ended June 30, 2024 and 2023, the College paid premiums of approximately \$256,422 and \$243,522, respectively, to DMI. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in 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: In July 1997, the WTCS technical colleges formed the WTCS Insurance Trust to jointly purchase 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 sixteen WTCS districts.

The WTCS Insurance Trust has purchased the following levels of coverage from DMI for its participating members:

- *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.
- *Crime:* \$750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; \$750,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses; \$2,500 deductible for investigation, \$15,000 deductible for employee dishonesty, forgery and fraud.

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

## Note 15 – Transactions with Component Unit

The College paid Foundation expense of approximately \$67,281 and \$65,398 for the years ended June 30, 2024 and 2023, respectively. These expenses covered the costs of salaries, benefits, office space, computer usage, and office supplies. In December 2016, the College entered into a ten year lease with option terms of up to four (4) additional periods of five (5) years each. This lease ended when the Foundation sold the building in May 2023. Total rental income paid to the Foundation for the year ended June 30, 2023 was \$325,077.

## Note 15 – Transactions with Component Unit (continued)

In June 2023, the Foundation awarded a grant of \$6,780,000 to the College for the construction of an Innovative Manufacturing Education Center. The College also received donated equipment in the amounts of \$75,096 and \$95,587 from the Foundation for the years ended June 30, 2024 and 2023, respectively. In addition, the Foundation disbursed scholarships and awards of \$219,477 and \$198,578 on behalf of the College during the fiscal years ended June 30, 2024 and 2023, respectively.

## Note 16 - Component Unit

This report contains the Blackhawk Technical College Foundation, Inc., which is included as a component unit. Financial information is presented as a discrete column in the statement of net position, the statement of revenues, expenses and changes in net position and the statement of cash flows.

In addition to the basic financial statements, the following disclosures are considered necessary for a fair presentation.

Cash and Investments: The Foundation considers all cash and investments with an original maturity of three months or less to be cash equivalents.

Investment securities are carried at market value.

Cash and investments at June 30, 2024 and 2023 are as follows:

	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gains</b>
<b>June 30, 2024</b>			
Cash equivalents	\$ 367,577	\$ 367,577	\$ -
Certificates of Deposit	653,000	653,000	-
Equity	1,917,369	2,395,164	477,795
Fixed Income	1,221,895	1,224,140	2,245
Total Investments	<u>\$ 4,159,841</u>	<u>\$ 4,639,881</u>	<u>\$ 480,040</u>
Cash & Cash Equivalents		1,999,925	
Total Cash and Investments		<u>\$ 6,639,806</u>	
<b>June 30, 2023</b>			
Cash equivalents	\$ 338,870	\$ 338,870	\$ -
Certificates of Deposit	807,335	807,335	-
Equity	1,687,849	1,931,982	244,133
Fixed Income	909,960	907,465	(2,495)
Total Investments	<u>\$ 3,744,014</u>	<u>\$ 3,985,652</u>	<u>\$ 241,638</u>
Cash & Cash Equivalents		1,156,569	
Total Cash and Investments		<u>\$ 5,142,221</u>	

## Note 16 - Component Unit (continued)

Investment income reported in the statement of revenues, expenses and changes in net position totaled \$421,750 and \$285,574 respectively for the years ended June 30, 2024 and 2023 and consisted of the following:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 185,482	\$ 165,116
Net realized gains/(losses)	20,120	(169,610)
Net unrealized gains/(losses)	238,400	310,384
Investment fees	(22,252)	(20,316)
	<u>\$ 421,750</u>	<u>\$ 285,574</u>

Contributions: Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. As of June 30, the Foundation recorded the following unconditional promises:

	<u>2024</u>	<u>2023</u>
Restricted for student support	\$ 284,188	\$ 416,602
Without donor restriction	108,276	100,000
Less allowance for doubtful accounts	(1,647)	(1,418)
Less discounts to net present value	(18,338)	(33,964)
	<u>\$ 372,479</u>	<u>\$ 481,220</u>

Buildings and Equipment: In December 2016, the Foundation purchased a building in Milton, Wisconsin, for \$2,042,267. In December 2019, the Foundation purchased additional interest in the building for \$954,265 and land for \$113,058. The building is leased to the College under a ten (10) year lease with option terms of up to four (4) additional periods of five (5) years each. Depreciation is computed using the straight-line method over an estimated useful life of 40 years and depreciation expense of \$56,184 was recorded as of June 30, 2023.

In May 2023, The Foundation sold its Advanced Manufacturing Training Center property in Milton, Wisconsin, for \$9,909,412, resulting in a gain of \$7,196,431.

Note Receivable: In May 2023, the Foundation sold its Advanced Manufacturing Training Center property for \$9,909,412 of which \$728,277 and \$894,367 were included as notes receivable as of June 30, 2024 and 2023, respectively. The note receivable bears annual interest at zero percent, with monthly principal only payments starting May 2023 and continuing until the maturity date of April 2028. This note is secured by a second mortgage of the properties commonly known as 15 Plumb Street, 35 Plumb Street, and 40 Plumb Street, Milton, Wisconsin.

In June 2024, the Foundation consented to accept the full outstanding payment in the following year, thereby classifying the entire note receivable balance of \$728,277 as a current note receivable.

Net Position: Temporarily restricted net assets included assets set aside in accordance with donor restrictions as to time or use. Temporarily restricted net assets are available for future payment of scholarships, grants, and educational programming opportunities for students and staff.

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity, the income of which is expendable to support scholarship programs of the Foundation.

Net position classified at June 30 are as follows:

	<u>2024</u>	<u>2023</u>
Restricted	\$ 5,498,824	\$ 4,574,627
Unrestricted	2,574,894	2,297,244
	<u>\$ 8,073,718</u>	<u>\$ 6,871,871</u>



#### **Note 16 - Component Unit (continued)**

Related Party Transactions: The Foundation received donated services from the College for salaries, benefits, office space, and computer usage. The value of these donated services was \$67,281 and \$65,398, respectively for the years ended June 30, 2024 and 2023. The Foundation received facility rental income from the College in the amount of \$325,077 for the year ended June 30, 2023. The lease ended when the Foundation sold the building in May 2023. In June 2023, the Foundation awarded a grant of \$6,780,000 to the College for the construction of an Innovative Manufacturing Education Center at the central campus. The Foundation also transferred donated equipment to the College in the amounts of \$75,096 and \$95,587, respectively for the years ended June 30, 2024 and 2023.

#### **Note 17 - Subsequent Events**

On August 1, 2024, the College issued general obligation promissory notes in the amount of \$3,800,000. The proceeds are to be used for costs related to building remodeling and improvement projects, and for the acquisition of movable equipment. The interest rate is 4.00-5.00% with the first principal payment due April 1, 2026.

On September 11, 2024, the College issued general obligation promissory notes in the amount of \$1,500,000. The proceeds are to be used for costs related to building remodeling and improvement projects. The interest rate is 4.00-5.00% with the first principal payment due April 1, 2026.

On October 9, 2024, the College issued general obligation promissory notes in the amount of \$1,500,000. The proceeds are to be used for costs related to building remodeling and improvement projects. The interest rate is 4.00% with the first principal payment due April 1, 2025.

The College entered into a 5-year agreement for Subscription-Based Information Technology Arrangement (SBITA) in the amount of \$525,047, beginning on July 1, 2024, through June 30, 2029.

In July and August 2024, the College signed contracts in the amount of \$4,406,449 for project commitments.

**Required Supplementary Information**

Preliminary Draft

# Blackhawk Technical College District

## Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended June 30, 2024

	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021
<b>Total OPEB Liability</b>				
Service Cost	\$ 284,753	\$ 277,653	\$ 259,489	\$ 248,787
Interest	306,715	310,003	300,295	303,179
Difference between Expected and Actual Experience	(83,310)	(729,323)	(76,180)	(720,167)
Changes in Assumptions	-	374,807	-	552,857
Benefit Payments	(307,135)	(319,076)	(355,620)	(410,935)
Net Change in Total OPEB Liability	201,023	(85,936)	127,984	(26,279)
Beginning Balance	4,299,460	4,385,396	4,257,412	4,283,691
Ending Balance	\$ 4,500,483	\$ 4,299,460	\$ 4,385,396	\$ 4,257,412
<b>Plan Fiduciary Net Position</b>				
Contributions	\$ -	\$ -	\$ -	\$ -
Net Investment Income	1,318,572	842,418	(1,561,860)	2,538,833
Benefit Payments	(307,135)	(319,076)	(355,620)	(410,935)
Administrative Expense	(46,613)	(44,553)	(51,202)	(48,400)
Net Change in Plan Fiduciary Net Position	964,824	478,789	(1,968,682)	2,079,498
Beginning Balance	10,559,278	10,080,489	12,049,171	9,969,673
Ending Balance	\$ 11,524,102	\$ 10,559,278	\$ 10,080,489	\$ 12,049,171
Net OPEB Liability (Asset)	\$ (7,023,619)	\$ (6,259,818)	\$ (5,695,093)	\$ (7,791,759)
Plan Fiduciary Net Position as a % of the Total OPEB Liability	256.06%	245.60%	229.86%	283.02%
Covered Employee Payroll	\$ 13,643,229	\$ 13,643,229	\$ 13,043,881	\$ 13,043,881
Net OPEB Liability (Asset) as a % of Covered Employee Payroll	-51.48%	-45.88%	-43.66%	-59.73%

The College's total OPEB liability of \$4,500,483 and \$4,299,460 was measured as of June 30, 2024 and 2023, and was determined by an actuarial valuation as of those dates.

See Independent Auditor's Report.

# Blackhawk Technical College District

## Schedule of Changes in Net OPEB Liability and Related Ratios (continued)

Year Ended June 30, 2024

	2020	2019	2018	2017
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Total OPEB Liability</b>				
Service Cost	\$ 232,511	\$ 214,630	\$ 214,630	\$ 199,624
Interest	291,097	331,386	321,454	274,928
Difference between Expected and Actual Experience	(30,981)	(992,208)	(1,979)	392,675
Changes in Assumptions	-	195,401	-	-
Benefit Payments	(337,907)	(336,788)	(392,222)	(388,352)
Net Change in Total OPEB Liability	154,720	(587,579)	141,883	478,875
Beginning Balance	4,128,971	4,716,550	4,574,667	4,095,792
Ending Balance	\$ 4,283,691	\$ 4,128,971	\$ 4,716,550	\$ 4,574,667
<b>Plan Fiduciary Net Position</b>				
Contributions	\$ 55,000	\$ 55,000	-	\$ 130,000
Net Investment Income	630,896	603,489	734,433	885,302
Benefit Payments	(337,907)	(336,788)	(392,222)	(388,352)
Administrative Expense	(44,463)	(44,227)	(43,456)	(40,239)
Net Change in Plan Fiduciary Net Position	303,526	277,474	298,755	586,711
Beginning Balance	9,666,147	9,388,673	9,089,918	8,503,207
Ending Balance	\$ 9,969,673	\$ 9,666,147	\$ 9,388,673	\$ 9,089,918
Net OPEB Liability (Asset)	\$ (5,685,982)	\$ (5,537,176)	\$ (4,672,123)	\$ (4,515,251)
Plan Fiduciary Net Position as a % of the Total OPEB Liability	232.74%	234.11%	199.06%	198.70%
Covered Employee Payroll	\$ 12,265,057	\$ 12,265,057	\$ 12,348,508	\$ 12,348,508
Net OPEB Liability (Asset) as a % of Covered Employee Payroll	-46.36%	-45.15%	-37.84%	-36.57%

See Independent Auditor's Report.

# Blackhawk Technical College District

## Schedule of Employer Contributions - OPEB

Last 10 Fiscal Years, As Available

### Schedule of Employer Contributions Last 10 Fiscal Years, As Available

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Actuarially Determined Contribution	\$ 314,113	\$ 298,559	\$ 279,027	\$ 254,040	\$ 237,421
Actual Employer Contributions	-	-	-	-	55,000
Contribution Deficiency (Excess)	\$ 314,113	\$ 298,559	\$ 279,027	\$ 254,040	\$ 182,421
Covered Employee Payroll	\$ 13,643,229	\$ 13,643,229	\$ 13,043,881	\$ 13,043,881	\$ 12,265,057
Contributions as a % of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.45%

	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Actuarially Determined Contribution	\$ 239,628	\$ 223,951	\$ 213,677	\$ 239,832
Actual Employer Contributions	55,000	-	130,000	-
Contribution Deficiency (Excess)	\$ 184,628	\$ 223,951	\$ 83,677	\$ 239,832
Covered Employee Payroll	\$ 12,265,057	\$ 12,348,508	\$ 12,348,508	\$ 11,915,830
Contributions as a % of Covered Employee Payroll	0.45%	0.00%	1.05%	0.00%

### Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of June 30 in the year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method:	Projected Unit Credit, Entry Age Normal
Amortization Method:	Level Dollar, Open
Amortization Period:	30 years
Asset Valuation Method:	Fair Market Value
Healthcare Cost Trend Rates:	Pre-65 medical costs were trended at 9.0% in the first year, graded down to 5.0% over 11 years; post-65 medical costs were trended at a flat 5.0% per year.
Investment Rate of Return:	7.0% per annum
Participation Rate:	100% of eligible employees are assumed to be covered in the plan at retirement.
Mortality:	Pub-2010 Teachers Data Set Mortality and then projected forward using MP-2021 generational future mortality improvement scale.

# Blackhawk Technical College District

## Notes to Schedule (continued)

Retirement Rates:

<u>Select Rates</u>		<u>Ultimate Rates (after first year of retirement eligibility)</u>			
<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
55-64	30%	55	30%	62	20%
65+	100%	56-59	2%	63-64	10%
		60-61	3%	65+	100%

Per Capita Claim Costs (Medical):

### **Per Capita Claim Costs (Medical)**

<u>Age</u>	<u>Male</u>	<u>Female</u>
55-59	\$9,757	\$9,670
60-64	\$13,056	\$11,050
65+	\$4,693	\$4,693

See Independent Auditor's Report.

# Blackhawk Technical College District

## Schedule of Investment Returns

Year Ended June 30, 2024

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### Schedule of Investment Returns Year Ended June 30, 2024

Annual Rate of Return on Fair Market Value of Assets (net of investment expenses)

<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
12.69%	8.49%	(13.18%)	26.00%	6.62%
<b>2019</b>	<b>2018</b>	<b>2017</b>		
6.53%	8.26%	10.60%		

See Independent Auditor's Report.

# Blackhawk Technical College District

## Schedules of Employer's Proportionate Share of the Net Pension Liability

Year Ended June 30, 2024

### Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset)

Wisconsin Retirement System  
Last 10 Calendar Years\*

	2023	2022	2021	2020	2019
Proportion of the net pension liability (asset)	0.085%	0.088%	0.091%	0.094%	0.096%
Proportionate share of the net pension liability (asset)	\$1,268,717	\$4,680,538	(\$7,374,012)	(\$5,890,554)	(\$3,089,571)
Covered payroll	\$16,019,737	\$15,593,063	\$15,179,598	\$15,219,033	\$15,316,986
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.85%	95.72%	106.02%	105.26%	102.96%
Net pension liability (asset) as a percentage of covered payroll	7.92%	30.02%	(48.58%)	(38.71%)	(20.17%)

### Schedule of Employer's Proportionate Share of the Net Pension Liability (Asset) – (continued)

Wisconsin Retirement System  
Last 10 Calendar Years\*

	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.098%	0.103%	0.110%	0.116%	0.119%
Proportionate share of the net pension liability (asset)	\$3,496,801	(\$3,065,235)	\$905,791	\$1,876,948	(\$2,921,424)
Covered payroll	\$14,821,564	\$14,149,856	\$14,955,390	\$15,814,940	\$16,059,648
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.45%	102.93%	99.12%	98.20%	102.74%
Net pension liability (asset) as a percentage of covered payroll	23.59%	(21.66%)	6.06%	11.87%	(18.19%)

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year



# Blackhawk Technical College District

## Schedules of Employer Contributions

Year Ended June 30, 2024

### Schedule of Employer Contributions

Wisconsin Retirement System  
Last 10 Fiscal Years

	2024	2023	2022	2021	2020
Contractually required contributions-fiscal year	\$1,089,342	\$1,049,322	\$1,007,534	\$1,021,481	\$1,026,116
Contributions in relation to the contractually required contributions	\$1,089,342	\$1,049,322	\$1,007,534	\$1,021,481	\$1,026,116
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$16,019,737	\$15,783,969	\$15,207,797	\$15,133,048	\$15,432,154
Contributions as a percentage of covered payroll	6.80%	6.65%	6.63%	6.75%	6.65%

### Schedule of Employer Contributions

Wisconsin Retirement System  
Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Contractually required contributions-fiscal year	\$993,314	\$965,816	\$960,668	\$1,043,635	\$1,089,991
Contributions in relation to the contractually required contributions	\$993,314	\$965,816	\$960,668	\$1,043,635	\$1,089,991
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$15,197,510	\$14,308,525	\$14,343,307	\$15,561,083	\$15,790,401
Contributions as a percentage of covered payroll	6.54%	6.75%	6.70%	6.71%	6.90%

#### Note 1

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.

See Independent Auditor's Report.

# Blackhawk Technical College District

## Note 1 (continued)

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.

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

	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2020	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 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:	5.4%	5.4%	5.4%	5.4%	5.5%
Weighted based on assumed rate for :					
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increase					
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%
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.

# Blackhawk Technical College District

## Note 1 (continued)

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
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 Increase					
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%
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 improvement scale (multiplied by 50%).	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%).	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.

See Independent Auditor's Report.

# Blackhawk Technical College District

## Schedules of Employer's Proportionate Share of the Net OPEB Liability

Year Ended June 30, 2024

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### Schedule of Employer's Proportionate Share of the Net OPEB Liability

Local Retiree Life Insurance Fund

Last 10 Calendar Years\*

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Proportion of the net OPEB liability	35.311%	36.000%	0.340%	0.340%
Proportionate share of the net OPEB liability	\$1,624,530	\$1,375,046	\$1,989,448	\$1,873,799
Covered payroll	\$14,336,000	\$14,552,000	\$14,016,000	\$13,618,000
Net OPEB liability as a percentage of covered payroll	11.33%	9.45%	14.19%	13.76%
Plan fiduciary net position as a percentage of the total OPEB liability	33.90%	38.81%	29.57%	31.36%

### Schedule of Employer's Proportionate Share of the Net OPEB Liability (continued)

Local Retiree Life Insurance Fund

Last 10 Calendar Years\*

	<b>2020</b>	<b>2019</b>	<b>2018</b>
Proportion of the net OPEB liability	0.370%	0.388%	0.398%
Proportionate share of the net OPEB liability	\$1,576,290	\$1,001,297	\$1,198,582
Covered payroll	\$13,650,000	\$12,956,000	\$13,141,589
Net OPEB liability as a percentage of covered payroll	11.55%	7.73%	9.12%
Plan fiduciary net position as a percentage of the total OPEB liability	37.58%	48.69%	44.81%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year

# Blackhawk Technical College District

## Schedules of Employer Contributions

Year Ended June 30, 2024

### Schedule of Employer Contributions

Local Retiree Life Insurance Fund  
Last 10 Fiscal Years\*

	2024	2023	2022	2021
Contractually required contributions-fiscal year	\$7,396	\$7,470	\$7,215	\$6,479
Contributions in relation to the contractually required contributions	\$7,396	\$7,470	\$7,215	\$6,479
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Covered payroll	\$14,336,000	\$14,552,000	\$14,016,000	\$13,618,000
Contributions as a percentage of covered payroll	0.05%	0.05%	0.05%	0.05%

### Schedule of Employer Contributions (continued)

Local Retiree Life Insurance Fund  
Last 10 Fiscal Years

	2020	2019	2018
Contractually required contributions-fiscal year	\$7,069	\$7,483	\$7,586
Contributions in relation to the contractually required contributions	\$7,069	\$7,483	\$7,586
Contribution deficiency (excess)	\$0	\$0	\$0
Covered payroll	\$13,650,000	\$12,956,000	\$13,175,864
Contributions as a percentage of covered payroll	0.05%	0.06%	0.06%

\*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The tables will be built prospectively as the information becomes available.

#### Note 1

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

See Independent Auditor's Report.

**Supplementary Financial Information**

Preliminary Draft

# Blackhawk 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

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 7,005,000	\$ 7,230,194	\$ 7,230,194	\$ -
Intergovernmental revenue:				
State aids	14,422,120	14,681,220	14,667,293	(13,927)
Federal aids	7,000	12,540	12,540	-
Tuition and fees:				
Statutory program fees	6,243,050	6,476,261	6,468,874	(7,387)
Material fees	343,000	359,592	351,176	(8,416)
Other student fees	480,750	537,732	525,854	(11,878)
Miscellaneous - institutional revenue	2,286,558	2,926,174	2,906,481	(19,693)
<b>Total revenues</b>	<b>30,787,478</b>	<b>32,223,713</b>	<b>32,162,412</b>	<b>(61,301)</b>
<u>Expenditures</u>				
Current:				
Instruction	17,017,069	17,118,287	17,116,517	1,770
Instructional resources	1,282,048	1,007,048	1,003,462	3,586
Student services	2,704,912	2,309,208	2,308,432	776
General institutional	7,100,842	6,566,218	6,563,545	2,673
Physical plant	2,679,914	4,274,174	4,273,647	527
<b>Total expenditures</b>	<b>30,784,785</b>	<b>31,274,935</b>	<b>31,265,603</b>	<b>9,332</b>
Revenues over (under) expenditures	2,693	948,778	896,809	(51,969)
<u>Other financing sources</u>				
Operating transfers in	100,000	137,357	137,357	-
<b>Total other financing sources</b>	<b>100,000</b>	<b>137,357</b>	<b>137,357</b>	<b>-</b>
<u>Other financing uses</u>				
Operating transfers out	(21,000)	(513,606)	(63,605)	450,001
<b>Total other financing uses</b>	<b>(21,000)</b>	<b>(513,606)</b>	<b>(63,605)</b>	<b>450,001</b>
Revenues and other financing sources over (under) expenditures and other financing uses	81,693	572,529	970,561	398,032
<u>Fund balance</u>				
Beginning of year	12,453,319	12,453,319	12,453,319	-
End of year	\$ 12,535,012	\$ 13,025,848	\$ 13,423,880	\$ 398,032

See Independent Auditor's Report.

# Blackhawk Technical College District

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

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 465,583	\$ 440,534	\$ 440,534	\$ -
Intergovernmental revenue:				
State aids	509,529	1,387,650	935,605	(452,045)
Federal	693,056	1,060,536	778,888	(281,648)
Tuition and fees:				
Statutory program fees	-	40,261	34,972	(5,289)
Material fees	-	1,922	1,662	(260)
Other student fees	-	2,052	1,666	(386)
Miscellaneous - institutional revenue	-	131,844	80,691	(51,153)
<b>Total revenues</b>	<b>1,668,168</b>	<b>3,064,799</b>	<b>2,274,018</b>	<b>(790,781)</b>
<u>Expenditures</u>				
Current:				
Instruction	818,720	1,815,433	1,036,150	779,283
Instructional resources	75,010	73,998	71,868	2,130
Student services	761,117	1,101,563	1,045,315	56,248
General institutional	13,321	100,018	61,542	38,476
Physical Plant	-	-	-	-
<b>Total expenditures</b>	<b>1,668,168</b>	<b>3,091,012</b>	<b>2,214,875</b>	<b>876,137</b>
Revenues over (under) expenditures	-	(26,213)	59,143	85,356
Revenues over (under) expenditures and other financing uses	-	(26,213)	59,143	85,356
<u>Fund balance</u>				
Beginning of year	957,745	957,745	957,745	-
End of year	\$ 957,745	\$ 931,532	\$ 1,016,888	\$ 85,356

See Independent Auditor's Report.



# Blackhawk Technical College District

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

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Intergovernmental revenue:				
State aids	\$ 806,800	\$ 1,088,258	\$ 1,087,388	\$ (870)
Federal	6,938,551	8,000,497	7,995,841	(4,656)
Miscellaneous - institutional revenue	-	180,651	178,422	(2,229)
<b>Total revenues</b>	<b>7,745,351</b>	<b>9,269,406</b>	<b>9,261,651</b>	<b>(7,755)</b>
<u>Expenditures</u>				
Current:				
Student services	7,766,351	9,122,770	9,118,244	4,526
General institutional	-	183,382	179,886	3,496
<b>Total expenditures</b>	<b>7,766,351</b>	<b>9,306,152</b>	<b>9,298,130</b>	<b>8,022</b>
Revenues over (under) expenditures	(21,000)	(36,746)	(36,479)	267
<u>Other financing sources</u>				
Operating transfers in	21,000	36,746	36,746	-
Revenues and other financing sources over (under) expenditures and other financing uses	-	-	267	267
<u>Fund balance</u>				
Beginning of year	133,019	133,019	133,019	-
End of year	\$ 133,019	\$ 133,019	\$ 133,286	\$ 267

See Independent Auditor's Report.

# Blackhawk 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

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental revenue:				
State aids	\$ -	\$ -	\$ -	\$ -
Federal	-	74,719	74,718	(1)
Miscellaneous - institutional revenue	-	1,192,577	1,192,576	(1)
<b>Total revenues</b>	<b>-</b>	<b>1,267,296</b>	<b>1,267,294</b>	<b>(2)</b>
<b>Expenditures</b>				
Capital outlay:				
Instruction	739,244	1,166,940	1,067,149	99,791
Instructional resources	356,920	431,920	310,940	120,980
Student services	-	50,744	50,561	183
General institutional	1,793,622	1,889,030	1,324,951	564,079
Physical plant	6,424,777	28,397,459	25,043,099	3,354,360
<b>Total expenditures</b>	<b>9,314,563</b>	<b>31,936,093</b>	<b>27,796,700</b>	<b>4,139,393</b>
Revenues over (under) expenditures	(9,314,563)	(30,668,797)	(26,529,406)	4,139,391
<b>Other financing sources</b>				
Proceeds of general obligation debt	6,800,000	6,800,000	6,800,000	-
Operating transfers in	-	450,000	-	(450,000)
<b>Total other financing sources</b>	<b>6,800,000</b>	<b>7,250,000</b>	<b>6,800,000</b>	<b>-</b>
<b>Other financing uses</b>				
Operating transfers out	(105,000)	-	-	-
<b>Total other financing uses</b>	<b>(105,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenues and other financing sources over (under) expenditures and other financing uses	(2,619,563)	(23,418,797)	(19,729,406)	4,139,391
<b>Fund balance</b>				
Beginning of year	27,092,876	27,092,876	27,092,876	-
End of year	\$ 24,473,313	\$ 3,674,079	\$ 7,363,470	\$ 4,139,391

See Independent Auditor's Report.

# Blackhawk 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

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 9,652,460	\$ 9,425,000	\$ 9,425,000	\$ -
Miscellaneous - institutional revenue	-	130,975	129,990	(985)
Total revenues	9,652,460	9,555,975	9,554,990	(985)
<u>Expenditures</u>				
Physical plant	10,033,553	9,928,553	9,777,512	151,041
Total expenditures	10,033,553	9,928,553	9,777,512	151,041
Revenues over (under) expenditures	(381,093)	(372,578)	(222,522)	150,056
<u>Other financing sources</u>				
Proceeds from long-term debt	-	232,949	232,948	(1)
Operating transfers in	105,000	-	-	-
Total other financing sources	105,000	232,949	232,948	(1)
Revenues and other financing sources over (under) expenditures	(276,093)	(139,629)	10,426	150,055
<u>Fund balance</u>				
Beginning of year	2,275,772	2,275,772	2,275,772	-
End of year	\$ 1,999,679	\$ 2,136,143	\$ 2,286,198	\$ 150,055

See Independent Auditor's Report.

# Blackhawk Technical College District

## Enterprise Fund - Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Tuition and fees:				
Other student fees	\$ -	\$ -	\$ -	\$ -
Miscellaneous - institutional revenue	202,053	233,930	233,929	(1)
<b>Total revenues</b>	<b>202,053</b>	<b>233,930</b>	<b>233,929</b>	<b>(1)</b>
<u>Expenditures</u>				
Instruction		12,000	10,359	1,641
Student services		29,380	29,380	-
Auxiliary services	142,865	142,865	95,804	47,061
<b>Total expenditures</b>	<b>142,865</b>	<b>184,245</b>	<b>135,543</b>	<b>48,702</b>
Revenues over (under) expenditures	59,188	49,685	98,386	48,701
<u>Other financing uses</u>				
Operating transfers out	(100,000)	(140,088)	(140,088)	-
<b>Total other financing uses</b>	<b>(100,000)</b>	<b>(140,088)</b>	<b>(140,088)</b>	<b>-</b>
Revenues and other financing sources over (under) expenditures and other financing uses	(40,812)	(90,403)	(41,702)	48,701
<u>Net position</u>				
Beginning of year	379,208	379,208	379,208	-
End of year	\$ 338,396	\$ 288,805	\$ 337,506	\$ 48,701

See Independent Auditor's Report.

# Blackhawk Technical College District

## Internal Service Funds - Schedule of Revenues, Expenditures, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Miscellaneous - institutional revenue	\$ 280,000	\$ 280,000	\$ 256,945	\$ (23,055)
Total revenues	280,000	280,000	256,945	(23,055)
<u>Expenditures</u>				
Auxiliary services	280,000	280,000	256,945	23,055
Total expenditures	280,000	280,000	256,945	23,055
Revenues over (under) expenditures	-	-	-	-
<u>Net position</u>				
Beginning of year	251,276	251,276	251,276	-
End of year	\$ 251,276	\$ 251,276	\$ 251,276	\$ -

See Independent Auditor's Report.

**Blackhawk Technical College District**

**Schedule to Reconcile the Non-GAAP Budgetary Combined Balance Sheet -  
All Fund Types to the Statement of Net Position  
June 30, 2024**

ASSETS AND OTHER DEBITS	General	Special Revenue Fund		Capital	Debt	Enterprise	Internal	Agency	Total	Reconciling Items	Statement of Net Position
	Fund	Operating	Non - Aidable	Projects Fund	Service Fund	Fund	Service Fund	Funds			
<b>Assets</b>											
Cash and cash equivalents	\$ 11,957,142	\$ 913,990	\$ 107,564	\$ 10,487,977	\$ 2,286,673	\$ 332,435	\$ 251,276	\$ 739,291	\$ 27,076,348	\$ -	\$ 27,076,348
Investments	-	-	35,951	-	-	-	-	-	35,951	-	35,951
Receivables:											
Taxes	4,407,644	-	-	-	-	-	-	-	4,407,644	-	4,407,644
Federal and state	112,139	206,092	551,172	-	-	-	-	-	869,403	-	869,403
Accounts	729,915	-	8,606	11,000	-	36,630	-	186,295	972,446	-	972,446
Due from other funds	602,343	-	-	-	-	-	-	-	602,343	(602,343)	-
Prepaid items	40,147	1,507	2,647	334,000	-	1,913	-	77	380,291	-	380,291
Post-employment benefits	-	-	-	-	-	-	-	-	-	7,023,619	7,023,619
Deferred outflow of resources - actuarial - WRS	-	-	-	-	-	-	-	-	-	10,159,685	10,159,685
Deferred outflow of resources - actuarial - OPEB	-	-	-	-	-	-	-	-	-	590,912	590,912
Deferred outflow of resources - actuarial - LRLIF	-	-	-	-	-	-	-	-	-	610,296	610,296
Deferred outflow of resources - contributions - WRS	-	-	-	-	-	-	-	-	-	564,119	564,119
Deferred outflow of resources - contributions - LRLIF	-	-	-	-	-	-	-	-	-	3,823	3,823
Right of use lease assets, net of amortization	-	-	-	-	-	-	-	-	-	27,895	27,895
Right of use SBITA assets, net of amortization	-	-	-	-	-	-	-	-	-	3,058,565	3,058,565
Capital assets	-	-	-	-	-	-	-	-	-	132,466,559	132,466,559
Less: accumulated depreciation	-	-	-	-	-	-	-	-	-	48,588,119	48,588,119
<b>Total assets and other debits</b>	<b>\$ 17,849,330</b>	<b>\$ 1,121,589</b>	<b>\$ 705,940</b>	<b>\$ 10,832,977</b>	<b>\$ 2,286,673</b>	<b>\$ 370,978</b>	<b>\$ 251,276</b>	<b>\$ 925,663</b>	<b>\$ 34,344,426</b>	<b>\$ 105,315,011</b>	<b>\$ 139,659,437</b>
<b>LIABILITIES AND FUND BALANCE/NET POSITION</b>											
<b>Liabilities</b>											
Accounts payable	\$ 1,882,459	\$ 27,182	\$ 1,752	\$ 2,293,577	\$ 475	\$ 6,928	\$ -	\$ 247	\$ 4,212,620	\$ -	\$ 4,212,620
Accrued liabilities	1,753,143	77,519	-	-	-	-	-	-	1,830,662	-	1,830,662
Accrued interest	-	-	-	-	-	-	-	-	-	430,706	430,706
Due to other funds	-	-	570,902	-	-	683	-	30,758	602,343	(602,343)	-
Unearned revenue - student fees	425,442	-	-	-	-	-	-	-	425,442	28,678	454,120
Due to student organizations	-	-	-	-	-	-	-	894,658	894,658	(894,658)	-
General obligation debt payable	-	-	-	-	-	-	-	-	-	62,700,000	62,700,000
Arbitrage rebate	-	-	-	400,000	-	-	-	-	400,000	-	400,000
Lease liability payable	-	-	-	-	-	-	-	-	-	31,939	31,939
SBITA liability payable	-	-	-	-	-	-	-	-	-	3,026,543	3,026,543
Net pension liability	-	-	-	-	-	-	-	-	-	1,268,717	1,268,717
Net OPEB liability - LRLIF	-	-	-	-	-	-	-	-	-	1,624,530	1,624,530
Deferred inflow of resources - actuarial WRS	-	-	-	-	-	-	-	-	-	6,781,213	6,781,213
Deferred inflow of resources - actuarial OPEB	-	-	-	-	-	-	-	-	-	1,257,162	1,257,162
Deferred inflow of resources - actuarial LRLIF	-	-	-	-	-	-	-	-	-	892,112	892,112
Unamortized premium on general obligation debt	-	-	-	-	-	-	-	-	-	1,432,986	1,432,986
<b>Total liabilities</b>	<b>4,061,044</b>	<b>104,701</b>	<b>572,654</b>	<b>2,693,577</b>	<b>475</b>	<b>7,611</b>	<b>-</b>	<b>925,663</b>	<b>8,365,725</b>	<b>77,977,585</b>	<b>86,343,310</b>
<b>Fund balance/Net position</b>											
Net investment in capital assets	-	-	-	-	-	-	-	-	-	26,284,237	26,284,237
Net position	-	-	-	-	-	337,506	251,276	-	588,782	17,997,717	18,586,499
Fund balances:											
Restricted for debt service	-	-	-	-	2,286,198	-	-	-	2,286,198	(1,863,692)	422,506
Restricted for capital projects	-	-	-	4,060,150	-	-	-	-	4,060,150	(4,060,150)	-
Retricted for OPEB	-	-	-	-	-	-	-	-	-	7,023,619	7,023,619
Restricted for student financial assistance	-	-	133,286	-	-	-	-	-	133,286	-	133,286
Restricted for student organizations	-	-	-	-	-	-	-	-	-	865,980	865,980
Nonspendable for prepaid items	40,147	1,507	-	269,717	-	-	-	-	311,371	(311,371)	-
Assigned - Designated for operations	7,425,000	345,572	-	-	-	-	-	-	7,770,572	(7,770,572)	-
Assigned - Designated for capital projects	-	-	-	3,033,603	-	-	-	-	3,033,603	(3,033,603)	-
Assigned - Designated for State aid fluctuations	330,000	-	-	-	-	-	-	-	330,000	(330,000)	-
Assigned - Designated for subsequent years	495,000	669,809	-	-	-	-	-	-	1,164,809	(1,164,809)	-
Assigned - Designated for subsequent year	5,133,733	-	-	-	-	-	-	-	5,133,733	(5,133,733)	-
<b>Budgetary basis fund balance/net position</b>	<b>13,423,880</b>	<b>1,016,888</b>	<b>133,286</b>	<b>7,363,470</b>	<b>2,286,198</b>	<b>337,506</b>	<b>251,276</b>	<b>-</b>	<b>24,812,504</b>	<b>28,503,623</b>	<b>53,316,127</b>
Reserve for encumbrances	364,406	-	-	775,930	-	25,861	-	-	1,166,197	(1,166,197)	-
<b>Total fund balance/net position</b>	<b>13,788,286</b>	<b>1,016,888</b>	<b>133,286</b>	<b>8,139,400</b>	<b>2,286,198</b>	<b>363,367</b>	<b>251,276</b>	<b>-</b>	<b>25,978,701</b>	<b>27,337,426</b>	<b>53,316,127</b>
<b>Total liabilities and fund balance/net position</b>	<b>\$ 17,849,330</b>	<b>\$ 1,121,589</b>	<b>\$ 705,940</b>	<b>\$ 10,832,977</b>	<b>\$ 2,286,673</b>	<b>\$ 370,978</b>	<b>\$ 251,276</b>	<b>\$ 925,663</b>	<b>\$ 34,344,426</b>	<b>\$ 105,315,011</b>	<b>\$ 139,659,437</b>

## Blackhawk Technical College District

### Schedule to Reconcile the Non-GAAP Budgetary Basis Financial Statements to the Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2024

	General Fund	Special Revenue Fund		Capital Projects Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
		Operating	Non - Aidable							
<b>Revenues</b>										
Local government - tax levy	\$ 7,230,194	\$ 440,534	\$ -	\$ -	\$ 9,425,000	\$ -	\$ -	\$ 17,095,728	\$ -	\$ 17,095,728
Intergovernmental revenue:										
State aids	14,667,293	935,605	1,087,388	-	-	-	-	16,690,286	(1,087,388)	15,602,898
Federal aids	12,540	778,888	7,995,841	74,718	-	-	-	8,861,987	(3,440,655)	5,421,332
Tuition and fees:										
Statutory program fees	6,468,874	34,972	-	-	-	-	-	6,503,846	(1,464,871)	5,038,975
Material fees	351,176	1,662	-	-	-	-	-	352,838	(79,497)	273,341
Other student fees	525,854	1,666	-	-	-	-	-	527,520	333,379	860,899
Miscellaneous - institutional revenue	2,906,481	80,691	178,422	1,192,576	129,990	233,929	256,945	4,979,034	(69,574)	4,909,460
<b>Total revenues</b>	<b>32,162,412</b>	<b>2,274,018</b>	<b>9,261,651</b>	<b>1,267,294</b>	<b>9,554,990</b>	<b>233,929</b>	<b>256,945</b>	<b>55,011,239</b>	<b>(5,808,606)</b>	<b>49,202,633</b>
<b>Expenditures</b>										
Current:										
Instruction	17,116,517	1,036,150	-	1,067,149	-	10,359	-	19,230,175	(1,260,815)	17,969,360
Instructional resources	1,003,462	71,868	-	310,940	-	-	-	1,386,270	(219,355)	1,166,915
Student services	2,308,432	1,045,315	9,118,244	50,561	-	29,380	-	12,551,932	(8,773,787)	3,778,145
General institutional	6,563,545	61,542	179,886	1,324,951	-	-	-	8,129,924	(1,623,792)	6,506,132
Physical plant	4,273,647	-	-	25,043,099	9,777,512	-	-	39,094,258	(36,822,394)	2,271,864
Student aid	-	-	-	-	-	-	-	-	2,833,844	2,833,844
Auxiliary	-	-	-	-	-	95,804	256,945	352,749	(256,947)	95,802
Depreciation	-	-	-	-	-	-	-	-	6,643,883	6,643,883
Loss on disposition of fixed assets	-	-	-	-	-	-	-	-	7,882,361	7,882,361
Debt service										
Interest and fiscal charges	-	-	-	-	-	-	-	-	1,775,414	1,775,414
<b>Total expenditures</b>	<b>31,265,603</b>	<b>2,214,875</b>	<b>9,298,130</b>	<b>27,796,700</b>	<b>9,777,512</b>	<b>135,543</b>	<b>256,945</b>	<b>80,745,308</b>	<b>(29,821,588)</b>	<b>50,923,720</b>
Excess (deficiency) of revenues over expenditures	896,809	59,143	(36,479)	(26,529,406)	(222,522)	98,386	-	(25,734,069)	24,012,982	(1,721,087)
<b>Other financing sources (uses)</b>										
Operating transfers in	137,357	-	36,746	-	-	-	-	174,103	(174,103)	-
Operating transfers out	(63,605)	-	-	-	-	(140,088)	-	(203,693)	203,693	-
Proceeds from long-term debt	-	-	-	6,800,000	232,948	-	-	7,032,948	(7,032,948)	-
<b>Total other financing sources (uses)</b>	<b>73,752</b>	<b>-</b>	<b>36,746</b>	<b>6,800,000</b>	<b>232,948</b>	<b>(140,088)</b>	<b>-</b>	<b>7,003,358</b>	<b>(7,003,358)</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	970,561	59,143	267	(19,729,406)	10,426	(41,702)	-	(18,730,711)	17,009,624	(1,721,087)
<b>Fund balances/Net position:</b>										
Beginning of year	12,453,319	957,745	133,019	27,092,876	2,275,772	379,208	251,276	43,543,215	11,493,999	55,037,214
End of year	\$ 13,423,880	\$ 1,016,888	\$ 133,286	\$ 7,363,470	\$ 2,286,198	\$ 337,506	\$ 251,276	\$ 24,812,504	\$ 28,503,623	\$ 53,316,127

See Independent Auditor's Report.

# Blackhawk Technical College District

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

Year Ended June 30, 2023

(1) State grant revenue is presented on the Statement of Revenues, Expenses and Changes in Net Position as follows:

Operating	\$ 935,605
Non-operating	<u>14,667,293</u>
Total	<u>\$ 15,602,898</u>

(2) Other institutional revenue is reported in four separate lines on the Statement of Revenues, Expenses and Changes in Net Position as follows:

Auxiliary enterprise revenues	\$ 233,929
Contract revenues	1,434,620
Miscellaneous income	1,402,527
Investment income	<u>1,838,384</u>
Total	<u>\$ 4,909,460</u>

(3) Reconciliation of budgetary basis fund balance and net position as presented on the Statement of Revenue, Expenses, and Changes in Net Position as follows:

	<u>2024</u>
Budgetary basis fund equity	\$ 24,812,504
Capital assets - cost	132,466,559
Accumulated depreciation on capital assets	(48,588,119)
Right of use of assets, net of amortization	3,086,460
Net OPEB Asset	7,023,619
Net pension asset - WRS	-
Net OPEB liability - LRLIF	(1,624,530)
General obligation debt	(62,700,000)
Lease liability payable	(31,939)
SBITA liability payable	(3,026,543)
Unamortized premium	(1,432,986)
Accrued interest on long-term debt	(430,706)
Net OPEB Obligation Payable	
Net pension asset	
Deferred outflows of resources	11,928,835
Net pension liability - WRS	(1,268,717)
Deferred inflows of resources	(8,930,487)
Due to students and other groups	865,980
Encumbrances	<u>1,166,197</u>
Net position per basic financial statements	<u>\$ 53,316,127</u>



**Blackhawk Technical College District**

**Schedule to Reconcile the Non-GAAP Budgetary Combined Balance Sheet -  
All Fund Types to the Statement of Net Position  
June 30, 2023**

ASSETS AND OTHER DEBITS	General	Special Revenue Fund		Capital	Debt	Enterprise	Internal	Agency	Total	Reconciling	Statement of
	Fund	Operating	Non - Aidable	Projects Fund	Service Fund	Fund	Service Fund	Funds			
<b>Assets</b>											
Cash and cash equivalents	\$ 8,843,357	\$ 872,333	\$ 108,897	\$ 31,370,607	\$ 2,276,247	\$ 382,902	\$ 251,276	\$ 607,307	\$ 44,712,926	\$ -	\$ 44,712,926
Investments	-	-	35,951	-	-	-	-	-	35,951	-	35,951
Receivables:											
Taxes	4,038,076	-	-	-	-	-	-	-	4,038,076	-	4,038,076
Federal and state	98,330	207,826	760,092	-	-	-	-	-	1,066,248	-	1,066,248
Accounts	972,953	-	8,095	-	-	3,000	-	178,161	1,162,209	-	1,162,209
Due from other funds	806,188	-	-	-	-	-	-	-	806,188	(806,188)	-
Prepaid items	139,371	1,507	-	193,644	-	-	-	-	334,522	-	334,522
Post-employment benefits	-	-	-	-	-	-	-	-	-	6,259,818	6,259,818
Deferred outflow of resources - actuarial - WRS	-	-	-	-	-	-	-	-	-	16,402,667	16,402,667
Deferred outflow of resources - actuarial - OPEB	-	-	-	-	-	-	-	-	-	1,361,589	1,361,589
Deferred outflow of resources - actuarial - LRLIF	-	-	-	-	-	-	-	-	-	616,275	616,275
Deferred outflow of resources - contributions - WRS	-	-	-	-	-	-	-	-	-	529,586	529,586
Deferred outflow of resources - contributions - LRLIF	-	-	-	-	-	-	-	-	-	3,698	3,698
Right of use lease assets, net of amortization	-	-	-	-	-	-	-	-	-	1,627,874	1,627,874
Right of use SBITA assets, net of amortization	-	-	-	-	-	-	-	-	-	2,739,965	2,739,965
Capital assets	-	-	-	-	-	-	-	-	-	117,896,024	117,896,024
Less: accumulated depreciation	-	-	-	-	-	-	-	-	-	49,818,007	49,818,007
<b>Total assets and other debits</b>	<b>\$ 14,898,275</b>	<b>\$ 1,081,666</b>	<b>\$ 913,035</b>	<b>\$ 31,564,251</b>	<b>\$ 2,276,247</b>	<b>\$ 385,902</b>	<b>\$ 251,276</b>	<b>\$ 785,468</b>	<b>\$ 52,156,120</b>	<b>\$ 96,813,301</b>	<b>\$ 148,969,421</b>
<b>LIABILITIES AND FUND BALANCE/NET POSITION</b>											
<b>Liabilities</b>											
Accounts payable	\$ 382,295	\$ 12,702	\$ -	\$ 2,694,010	\$ 475	\$ 6,694	\$ -	\$ 247	\$ 3,096,423	\$ -	\$ 3,096,423
Accrued liabilities	1,570,465	64,965	-	-	-	-	-	-	1,635,430	-	1,635,430
Accrued interest	-	-	-	-	-	-	-	-	-	413,854	413,854
Due to other funds	-	-	780,016	-	-	-	-	26,172	806,188	(806,188)	-
Unearned revenue - student fees	463,476	-	-	30,000	-	-	-	-	493,476	31,909	525,385
Due to student organizations	-	-	-	-	-	-	-	759,049	759,049	(759,049)	-
General obligation debt payable	-	-	-	-	-	-	-	-	-	63,775,000	63,775,000
Arbitrage rebate	-	-	-	195,000	-	-	-	-	195,000	-	195,000
Lease liability payable	-	-	-	-	-	-	-	-	-	1,749,757	1,749,757
SBITA liability payable	-	-	-	-	-	-	-	-	-	2,588,394	2,588,394
Net pension liability	-	-	-	-	-	-	-	-	-	4,680,538	4,680,538
Net OPEB liability - LRLIF	-	-	-	-	-	-	-	-	-	1,375,048	1,375,048
Deferred inflow of resources - actuarial WRS	-	-	-	-	-	-	-	-	-	9,808,280	9,808,280
Deferred inflow of resources - actuarial OPEB	-	-	-	-	-	-	-	-	-	1,522,304	1,522,304
Deferred inflow of resources - actuarial LRLIF	-	-	-	-	-	-	-	-	-	1,057,274	1,057,274
Unamortized premium on general obligation debt	-	-	-	-	-	-	-	-	-	1,509,520	1,509,520
<b>Total liabilities</b>	<b>2,416,236</b>	<b>77,667</b>	<b>780,016</b>	<b>2,919,010</b>	<b>475</b>	<b>6,694</b>	<b>-</b>	<b>785,468</b>	<b>6,985,566</b>	<b>86,946,641</b>	<b>93,932,207</b>
<b>Fund balance/Net position</b>											
Net investment in capital assets	-	-	-	-	-	-	-	-	-	26,121,365	26,121,365
Net position	-	-	-	-	-	379,208	251,276	-	630,484	20,812,990	21,443,474
Fund balances:											
Restricted for debt service	-	-	-	-	2,275,772	-	-	-	2,275,772	(1,923,374)	352,398
Restricted for capital projects	-	-	-	20,072,339	-	-	-	-	20,072,339	(20,072,339)	-
Restricted for OPEB	-	-	-	-	-	-	-	-	-	6,259,818	6,259,818
Restricted for student financial assistance	-	-	133,019	-	-	-	-	-	133,019	-	133,019
Restricted for student organizations	-	-	-	-	-	-	-	-	-	727,140	727,140
Nonspendable for prepaid items	139,371	1,507	-	193,644	-	-	-	-	334,522	(334,522)	-
Assigned - Designated for operations	7,395,000	286,429	-	-	-	-	-	-	7,681,429	(7,681,429)	-
Assigned - Designated for capital projects	-	-	-	6,826,893	-	-	-	-	6,826,893	(6,826,893)	-
Assigned - Designated for State aid fluctuations	203,000	-	-	-	-	-	-	-	203,000	(203,000)	-
Assigned - Designated for subsequent years	305,000	669,809	-	-	-	-	-	-	974,809	(974,809)	-
Assigned - Designated for subsequent year	4,410,948	-	-	-	-	-	-	-	4,410,948	(4,410,948)	-
<b>Budgetary basis fund balance/net position</b>	<b>12,453,319</b>	<b>957,745</b>	<b>133,019</b>	<b>27,092,876</b>	<b>2,275,772</b>	<b>379,208</b>	<b>251,276</b>	<b>-</b>	<b>43,543,215</b>	<b>11,493,999</b>	<b>55,037,214</b>
Reserve for encumbrances	28,720	46,254	-	1,552,365	-	-	-	-	1,627,339	(1,627,339)	-
<b>Total fund balance/net position</b>	<b>12,482,039</b>	<b>1,003,999</b>	<b>133,019</b>	<b>28,645,241</b>	<b>2,275,772</b>	<b>379,208</b>	<b>251,276</b>	<b>-</b>	<b>45,170,554</b>	<b>9,866,660</b>	<b>55,037,214</b>
<b>Total liabilities and fund balance/net position</b>	<b>\$ 14,898,275</b>	<b>\$ 1,081,666</b>	<b>\$ 913,035</b>	<b>\$ 31,564,251</b>	<b>\$ 2,276,247</b>	<b>\$ 385,902</b>	<b>\$ 251,276</b>	<b>\$ 785,468</b>	<b>\$ 52,156,120</b>	<b>\$ 96,813,301</b>	<b>\$ 148,969,421</b>

## Blackhawk Technical College District

### Schedule to Reconcile the Non-GAAP Budgetary Basis Financial Statements to the Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2023

	General Fund	Special Revenue Fund		Capital Projects Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
		Operating	Non - Aidable							
<b>Revenues</b>										
Local government - tax levy	\$ 6,959,292	\$ 496,433	\$ -	\$ -	\$ 8,865,000	\$ -	\$ -	\$ 16,320,725	\$ -	\$ 16,320,725
Intergovernmental revenue:										
State aids	14,587,626	964,783	1,077,661	10,581	-	-	-	16,640,651	(1,077,661)	15,562,990
Federal aids	9,911	1,090,043	9,013,312	1,084,101	-	-	-	11,197,367	(3,710,045)	7,487,322
Tuition and fees:										
Statutory program fees	6,230,811	32,078	-	-	-	-	-	6,262,889	(1,533,605)	4,729,284
Material fees	334,875	1,450	-	-	-	-	-	336,325	(82,400)	253,925
Other student fees	498,294	1,666	-	-	-	-	-	499,960	312,882	812,842
Miscellaneous - institutional revenue	2,956,945	28,861	169,179	7,691,816	92,915	89,223	260,000	11,288,939	(111,946)	11,176,993
<b>Total revenues</b>	<b>31,577,754</b>	<b>2,615,314</b>	<b>10,260,152</b>	<b>8,786,498</b>	<b>8,957,915</b>	<b>89,223</b>	<b>260,000</b>	<b>62,546,856</b>	<b>(6,202,775)</b>	<b>56,344,081</b>
<b>Expenditures</b>										
Current:										
Instruction	16,444,139	1,089,422	-	1,684,916	-	-	-	19,218,477	(738,935)	18,479,542
Instructional resources	1,033,418	144,622	-	807,102	-	-	-	1,985,142	373,875	2,359,017
Student services	2,071,334	1,008,053	10,118,246	13,500	-	-	-	13,211,133	(7,903,007)	5,308,126
General institutional	6,737,655	156,030	162,670	1,078,540	-	-	-	8,134,895	(1,235,389)	6,899,506
Physical plant	2,619,006	22,241	-	10,685,555	9,174,804	-	-	22,501,606	(19,057,724)	3,443,882
Student aid	-	-	-	-	-	-	-	-	2,186,199	2,186,199
Auxiliary	-	-	-	-	-	59,832	241,726	301,558	(241,568)	59,990
Depreciation and amortization	-	-	-	-	-	-	-	-	7,021,919	7,021,919
Loss on disposition of fixed assets	-	-	-	-	-	-	-	-	88,435	88,435
Debt service										
Interest and fiscal charges	-	-	-	-	-	-	-	-	1,740,270	1,740,270
<b>Total expenditures</b>	<b>28,905,552</b>	<b>2,420,368</b>	<b>10,280,916</b>	<b>14,269,613</b>	<b>9,174,804</b>	<b>59,832</b>	<b>241,726</b>	<b>65,352,811</b>	<b>(17,765,925)</b>	<b>47,586,886</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,672,202</b>	<b>194,946</b>	<b>(20,764)</b>	<b>(5,483,115)</b>	<b>(216,889)</b>	<b>29,391</b>	<b>18,274</b>	<b>(2,805,955)</b>	<b>11,563,150</b>	<b>8,757,195</b>
<b>Other financing sources (uses)</b>										
Operating transfers in	319,285	-	28,266	2,000,000	70,000	-	-	2,417,551	(2,417,551)	-
Operating transfers out	(2,028,266)	(179,285)	-	(70,000)	-	(140,000)	-	(2,417,551)	2,417,551	-
Proceeds from long-term debt	-	-	-	5,300,000	169,711	-	-	5,469,711	(5,469,711)	-
<b>Total other financing sources (uses)</b>	<b>(1,708,981)</b>	<b>(179,285)</b>	<b>28,266</b>	<b>7,230,000</b>	<b>239,711</b>	<b>(140,000)</b>	<b>-</b>	<b>5,469,711</b>	<b>(5,469,711)</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>963,221</b>	<b>15,661</b>	<b>7,502</b>	<b>1,746,885</b>	<b>22,822</b>	<b>(110,609)</b>	<b>18,274</b>	<b>2,663,756</b>	<b>6,093,439</b>	<b>8,757,195</b>
<b>Fund balances/Net position:</b>										
Beginning of year, as restated	11,490,098	942,084	125,517	25,345,991	2,252,950	489,817	233,002	40,879,459	5,400,560	46,280,019
End of year	\$ 12,453,319	\$ 957,745	\$ 133,019	\$ 27,092,876	\$ 2,275,772	\$ 379,208	\$ 251,276	\$ 43,543,215	\$ 11,493,999	\$ 55,037,214

See Independent Auditor's Report.

**Other Report**

Preliminary Draft

## **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  
Blackhawk Technical College District  
Janesville, Wisconsin

We have audited, in accordance with the 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, the discretely presented component unit, and the aggregate remaining fund information of Blackhawk Technical College District (the “College”), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated December 11, 2024. The financial statements of the Blackhawk Technical College Foundation, Inc. (the “Foundation”), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

### **Report on Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements, on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP

December 11, 2024  
Eau Claire, Wisconsin

**Statistical Section**

Preliminary Draft

# Blackhawk Technical College District

## Financial Trends – Net Position by Component Last Ten Fiscal Years

	2024	2023	(Restated) 2022	(Restated) 2021	(Restated) 2020	2019	(Reclassified) 2018	2017	2016	(Restated) 2015
Net investment in capital assets	\$ 26,284,237	\$ 26,158,815	\$ 19,068,038	\$ 14,355,613	\$ 12,269,050	\$ 11,784,309	\$ 12,042,920	\$ 11,539,741	\$ 12,194,425	\$ 13,888,849
Restricted for:										
Debt service	422,506	352,398	293,441	224,454	229,334	198,915	449,826	356,084	778,427	553,401
Pensions	-	-	7,374,012	5,890,554	3,089,571					2,921,424
OPEB	7,023,619	5,915,346	5,695,093	7,791,759	5,685,982	4,510,365	4,400,561	4,274,829		
Student financial assistance	133,286	133,019	125,517	136,046	134,372	123,397	134,474	104,776	48,259	52,887
Student organizations	865,980	727,140	649,829	617,415	578,000					
Unrestricted	18,586,499	21,750,496	13,074,089	10,207,463	10,936,885	12,997,506	13,343,096	12,949,549	15,763,540	13,605,148
Total Net Position	\$ 53,316,127	\$ 55,037,214	\$ 46,280,019	\$ 39,223,304	\$ 32,923,194	\$ 29,614,492	\$ 30,370,877	\$ 29,224,979	\$ 28,784,651	\$ 31,021,709

Preliminary Draft

# Blackhawk Technical College District

## Financial Trends – Changes in Net Position Last Ten Fiscal Years

	2024	2023	(Restated) 2022	(Restated) 2021	(Restated) 2020	2019	2018	2017	2016	(Restated) 2015
<b>Operating Revenues</b>										
Tuition and fees, net of scholarship allowances	\$ 6,173,215	\$ 5,796,051	\$ 4,995,966	\$ 4,806,211	\$ 4,675,094	\$ 4,712,362	\$ 4,621,905	\$ 4,627,487	\$ 4,779,121	\$ 3,801,758
State aids	935,605	975,364	796,791	704,545	1,326,439	2,345,142	2,045,642	1,798,962	1,619,248	1,525,993
Federal grants	5,421,332	7,487,322	10,870,592	8,893,861	5,913,796	4,149,742	4,733,230	5,127,300	5,811,872	6,825,882
Contract revenue	1,434,620	1,973,630	2,119,830	1,648,524	2,806,588	1,576,283	1,407,542	1,457,254	1,092,002	675,424
Auxiliary revenues	233,929	89,223	103,836	115,987	122,432	126,147	153,672	145,930	127,444	107,828
Miscellaneous - institutional revenue	1,402,527	7,537,018	2,139,999	1,132,601	778,073	599,576	636,342	1,146,896	737,132	650,942
<b>Total program revenues</b>	<b>15,601,228</b>	<b>23,858,608</b>	<b>21,027,014</b>	<b>17,301,729</b>	<b>15,622,422</b>	<b>13,509,252</b>	<b>13,598,333</b>	<b>14,303,829</b>	<b>14,166,819</b>	<b>13,587,827</b>
<b>Operating Expenses</b>										
Instruction	17,969,360	18,479,542	16,611,184	15,779,774	19,002,609	18,944,128	17,652,913	18,002,019	18,268,116	20,128,563
Instructional Resources	1,166,915	2,359,017	2,146,280	1,743,107	1,729,418	1,700,467	1,578,082	1,797,801	2,111,723	2,754,984
Student Services	3,778,145	5,308,126	6,213,472	4,566,197	4,279,358	3,282,279	3,518,363	3,741,244	4,011,244	3,810,176
General Institutional	6,506,132	6,899,506	6,207,327	6,696,232	5,583,415	5,523,017	5,017,942	5,454,728	4,975,086	5,626,818
Physical Plant	2,271,864	3,443,882	2,588,964	2,519,497	2,698,493	2,728,005	2,743,556	3,042,192	3,913,173	2,034,944
Student Aid	2,833,844	2,186,199	1,698,096	2,041,478	2,236,967	2,398,529	2,369,950	2,525,524	2,981,290	2,297,505
Auxiliary Services	95,802	59,990	28,296	72,502	92,633	82,285	69,453	111,718	64,812	103,271
Depreciation	6,643,883	7,021,919	6,319,859	5,649,780	5,399,704	5,219,628	5,087,354	4,941,665	4,921,570	2,286,750
<b>Total operating expenses</b>	<b>41,265,945</b>	<b>45,758,181</b>	<b>41,813,478</b>	<b>39,068,567</b>	<b>41,022,597</b>	<b>39,878,338</b>	<b>38,037,613</b>	<b>39,616,891</b>	<b>41,247,014</b>	<b>39,043,011</b>
<b>Operating loss</b>	<b>(25,664,717)</b>	<b>(21,899,573)</b>	<b>(20,786,464)</b>	<b>(21,766,838)</b>	<b>(25,400,175)</b>	<b>(26,369,086)</b>	<b>(24,439,280)</b>	<b>(25,313,062)</b>	<b>(27,080,195)</b>	<b>(25,455,184)</b>
<b>Non-operating Revenues (Expenses)</b>										
Property taxes	17,095,728	16,320,725	16,184,437	16,078,719	15,750,265	14,880,450	14,833,466	14,219,152	13,673,247	12,441,582
State operating appropriations	14,667,293	14,587,626	13,927,588	13,190,322	13,194,031	12,710,032	12,650,361	12,673,742	12,727,832	12,835,623
Investment income	1,838,384	1,577,122	85,115	17,877	216,652	332,588	184,395	59,580	19,563	19,563
Loss on disposal of property and equipment	(7,882,361)	(88,435)	(756,892)	(86,115)	(26,392)	(1,303,408)	(9,741)	(1,443,504)	(428,062)	(111,876)
Interest expense	(1,775,414)	(1,740,270)	(1,597,069)	(1,133,855)	(1,003,680)	(1,006,961)	(1,046,918)	(1,112,294)	(1,149,444)	(1,115,944)
<b>Total non-operating revenues (expenses)</b>	<b>23,943,630</b>	<b>30,656,768</b>	<b>27,843,179</b>	<b>28,066,948</b>	<b>28,130,876</b>	<b>25,612,701</b>	<b>26,611,563</b>	<b>24,396,676</b>	<b>24,843,136</b>	<b>24,068,948</b>
<b>Change in Net Position</b>	<b>\$ (1,721,087)</b>	<b>\$ 8,757,195</b>	<b>\$ 7,056,715</b>	<b>\$ 6,300,110</b>	<b>\$ 2,730,701</b>	<b>\$ (756,385)</b>	<b>\$ 2,172,283</b>	<b>\$ (916,386)</b>	<b>\$ (2,237,059)</b>	<b>\$ (1,386,236)</b>



# Blackhawk Technical College District

## Revenue Capacity – Equalized Value of Taxable Property (in Thousands) Last Ten Fiscal Years

Calendar Year	Residential	Commercial	Manufacturing	Other	Personal Property	Tax Increment Districts <sup>(a)</sup>	Total Value <sup>(b)</sup>	Total District Value <sup>(c)</sup>	Tax Rate <sup>(d)</sup>
2014	8,475,434	2,214,135	469,081	871,764	375,301	(511,649)	11,894,066	11,192,318	1.11126
2015	8,636,578	2,234,500	494,021	884,501	398,203	(512,148)	12,135,655	11,400,609	1.19909
2016	8,991,446	2,355,016	500,075	869,610	398,276	(623,541)	12,490,882	11,717,073	1.21275
2017	9,610,802	2,448,071	525,607	831,594	416,659	(704,926)	13,127,807	12,329,756	1.20275
2018	10,292,414	2,574,739	569,594	846,494	303,426	(683,826)	13,902,841	13,020,910	1.14293
2019	11,133,018	2,726,169	595,186	859,051	314,335	(940,363) ✓	14,687,396	14,026,990	1.11263
2020	11,805,161	2,934,316	638,634	883,716	325,283	(1,060,864) ✓	15,526,246	14,821,886	1.08430
2021	13,057,266	3,316,266	646,352	935,746	353,045	(1,380,820) ✓	16,927,855	16,159,386	1.00074
2022	15,166,557	3,962,279	690,248	1,019,026	374,202	(1,074,285) ✓	20,138,027	19,238,668	0.83880
2023	17,125,256	4,545,183	772,715	1,209,222	370,699	(1,213,331) ✓	22,809,744	21,804,772	0.78229

Source: Wisconsin Department of Revenue, Bureau of Property Tax

**Notes:**

- (a) The TID's (Tax Incremental District) amount does not include the value of exempt computers.
- (b) Equalized value information for Rock and Green Counties.
- (c) Small portions of Rock and Green Counties are not in BTC's district.
- (d) Tax rates are per \$1,000 of BTC's equalized value.

# Blackhawk Technical College District

## Revenue Capacity – Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Fiscal Year	BTC Direct Rate			Overlapping Rates <sup>(a)</sup>				Gross Total	State Tax Relief	Net Tax Rate
	Operational <sup>(b)</sup>	Debt Service	Total	County	Local <sup>(c)</sup>	Other School Districts	State			
2015	0.57	0.55	1.11	6.57	6.57	10.45	1.39	26.09	(1.64)	24.45
2016	0.57	0.63	1.20	6.51	6.58	10.39	1.39	26.07	(1.83)	24.24
2017	0.57	0.64	1.21	6.46	6.62	10.32	1.59	26.20	(1.78)	24.42
2018	0.56	0.64	1.20	6.32	6.51	10.05	1.48	25.56	(1.88)	23.68
2019	0.54	0.60	1.14	6.06	6.40	9.74	1.31	24.65	(1.78)	22.87
2020	0.53	0.59	1.11	5.89	6.15	9.62	1.16	23.93	(1.68)	22.25
2021	0.52	0.57	1.08	5.73	5.93	9.48	1.25	23.47	(1.61)	21.86
2022	0.45	0.55	1.00	5.35	5.67	9.20	1.58	22.80	(1.50)	21.30
2023	0.38	0.46	0.84	4.37	5.11	7.96	0.72	19.00	(1.29)	17.71
2024	0.35	0.43	0.78	4.08	4.66	7.21	0.66	17.39	(1.49)	15.90

Source: Wisconsin Department of Revenue, Division of State and Local Finance, Bureau of Local Government Services

**Notes:**

- (a) Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all property owners within the District. For example, the county rate is made up of the rates for most of Rock and Green Counties. The individual county rates apply only to the property owners within each of those counties. These overlapping tax rates are an average of the rates for each municipality making up the detail in this column since each government can have a different rate.
- (b) The operational property tax levies for all funds except the Debt Service Fund. This rate may not exceed \$1.50 per s.38.16 of Wisconsin State Statutes. 2013 WI Statute 145 provided a 'dollar for dollar' reduction in the operational property tax levy and increase in state aid funding, effective in FY 2014-15.
- (c) Cities, towns, villages and other special taxing districts (e.g. water districts, utility districts).

# Blackhawk Technical College District

## Revenue Capacity – Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Total Collections to Date <sup>(b)</sup>	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2015	12,437,599	8,905,566	71.60%	12,437,599	100.00%
2016	13,670,386	9,807,438	71.74%	13,670,386	100.00%
2017	14,209,843	10,330,415	72.70%	14,209,843	100.00%
2018	14,829,670	10,903,713	73.53%	14,829,670	100.00%
2019	14,881,962	9,136,317	61.39%	14,881,962	100.00%
2020	15,606,881	15,606,881	100.00%	15,606,881	100.00%
2021	16,071,320	11,949,341	74.35%	16,071,320	100.00%
2022	16,171,346	12,097,225	74.81%	16,171,346	100.00%
2023	16,137,349	10,297,825	63.81%	16,137,349	100.00%
2024	17,057,820	12,650,176	74.16%	17,057,820	100.00%

**Notes:**

- (a) Under Wisconsin law, personal property taxes and certain installment real estate taxes are collected by city, village, and town treasurers or clerks, who then settle with other taxing units, such as counties, technical colleges and local school districts. Settlements are due from the municipality by the 15th of the month following the due date based on the municipality's payment plan. Certain installment real estate taxes and delinquent taxes are collected by the county treasurers, who then settle with the city, village, and town treasurers and other taxing units before retaining any for county purposes. In practice, any delinquent real estate taxes are withheld from the county's share. Therefore, the District receives 100% of its levy upon receipt of settlement from the county treasurers, although the taxes collected as a percentage of total tax levy will vary in any given fiscal year due to timing of payments received from municipalities.
- (b) Full levy is typically collected in mid-August. For 2024, \$17,057,820 or 100% was collected by the end of August 2024.

# Blackhawk Technical College District

## Revenue Capacity – Principal Property Taxpayers Current Year and Ten Years Ago

Taxpayer Name	2023			2013		
	Equalized Valuation	Rank	Percentage of Total Equalized Valuation	Equalized Valuation	Rank	Percentage of Total Equalized Valuation
Amazon	\$ 198,882,500	1	0.88%	\$ -		
ABC Supply/Hendricks Holdings	172,761,791	2	0.76%	59,696,982	1	0.55%
TI Janesville I LLC - VIII LLC	128,218,148	3	0.57%			
Mercy Health System	78,405,257	4	0.35%	59,348,668	2	0.55%
Dollar General	70,919,100	5	0.31%			
Dean/St. Mary's/Riverview Clinic	59,730,579	6	0.26%	35,259,492	5	0.33%
Woodman's Food Market	49,970,200	7	0.22%			
Hawks Ridge Apartments LLC	48,006,000	8	0.21%			
Wal-Mart	45,952,367	9	0.20%	21,239,136	10	0.20%
Kerry Ingredients	42,749,500	10	0.19%	36,531,084	3	0.34%
Blain Supply Farm & Fleet			0.00%	32,383,962	7	0.30%
Kerry Ingredients			0.00%	36,531,084	3	0.34%
Kettle Foods				35,496,482	4	
Janesville Mall				33,672,291	6	0.31%
Staples Contract & Commercial LLC				30,264,329	8	0.28%
GHC Specialty Brands LLC				26,045,818	9	0.24%
<b>Total</b>	<b>\$ 895,595,442</b>		<b>3.96%</b>	<b>\$ 406,469,328</b>		<b>3.77%</b>
<b>Total Equalized Valuation for the District</b>	<b>\$ 22,606,037,953</b>			<b>\$ 10,779,158,932</b>		

**Source:** Employer contacts, Rock and Green Counties and municipality official statements. Provided by R.W. Baird & Co., Inc.

# Blackhawk Technical College District

## Revenue Capacity – Enrollment Statistics – Historical Comparisons Current Year and Ten Years Ago

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Students Served<sup>(1)</sup></b>										
Associate Degree	3,106	3,002	2,873	2,704	2,685	2,673	2,494	2,488	2,606	3,002
Technical Diploma	839	834	736	715	585	791	720	695	784	748
Apprentices	168	149	145	136	139	127	108	92	81	63
Vocational Adult	2,156	2,427	2,583	2,027	2,188	2,523	2,773	2,458	2,461	3,041
Community Service <sup>(4)</sup>	101	91	36	18	71	180	197	175	247	220
Basic Skills	839	736	693	847	879	875	888	859	886	1,025
<b>Total</b>	<b>7,209</b>	<b>7,239</b>	<b>7,066</b>	<b>6,447</b>	<b>6,547</b>	<b>7,169</b>	<b>7,180</b>	<b>6,767</b>	<b>7,065</b>	<b>8,099</b>
<b>Full-time Equivalent Enrollment<sup>(2)</sup></b>										
Associate Degree	1,331	1,260	1,153	1,123	1,171	1,134	1,052	1,078	1,195	1,355
Technical Diploma	179	183	180	166	143	264	293	276	270	282
Apprentices	28	24	23	21	24	23	15	15	12	10
Vocational Adult	38	37	40	34	36	40	36	39	46	41
Community Service	2	2	1	1	1	4	4	4	5	6
Basic Skills	77	74	60	72	80	96	102	106	114	134
<b>Total</b>	<b>1,655</b>	<b>1,580</b>	<b>1,457</b>	<b>1,417</b>	<b>1,455</b>	<b>1,561</b>	<b>1,502</b>	<b>1,518</b>	<b>1,642</b>	<b>1,828</b>
<b>Total Expenditures<sup>(5)</sup></b>	<b>\$ 34,436,430</b>	<b>\$ 31,325,920</b>	<b>\$ 30,961,812</b>	<b>\$ 29,977,662</b>	<b>\$ 30,872,471</b>	<b>\$ 29,546,435</b>	<b>\$ 27,972,760</b>	<b>\$ 28,582,125</b>	<b>\$ 29,187,694</b>	<b>\$ 29,987,881</b>
<b>Cost per full-time equivalent student</b>	<b>\$ 20,802</b>	<b>\$ 19,833</b>	<b>\$ 21,249</b>	<b>\$ 21,156</b>	<b>\$ 21,218</b>	<b>\$ 18,928</b>	<b>\$ 18,624</b>	<b>\$ 18,829</b>	<b>\$ 17,776</b>	<b>\$ 16,405</b>
<b>Graduate Follow-up statistics<sup>(3)</sup></b>										
Number of Graduates	769	805	706	674	587	647	431	529	730	639
Number of Respondents	N/A	452	360	390	357	394	163	248	323	324
Percent in workforce employed	N/A	97%	99%	97%	94%	97%	95%	94%	94%	95%
Percent employed in related occupations	N/A	84%	95%	87%	85%	86%	88%	83%	81%	73%
Median monthly salary	N/A	\$ 4,238	\$ 4,142	\$ 3,705	\$ 3,657	\$ 3,404	\$ 3,715	\$ 2,659	\$ 3,452	\$ 2,623
Percent employed in district	N/A	53%	48%	28%	30%	40%	50%	59%	54%	53%
Percent employed elsewhere in Wisconsin	N/A	23%	25%	24%	16%	26%	27%	19%	23%	16%
<b>Average Age of students</b>	<b>26.7</b>	<b>27.4</b>	<b>29.1</b>	<b>26.9</b>	<b>27.0</b>	<b>28.0</b>	<b>26.9</b>	<b>27.0</b>	<b>32.3</b>	<b>32.9</b>
<b>Age range of students</b>	15-67	11-86	14-94	15-76	15-79	9-93	12-106	11-90	10-94	15-95

Source: Institution Advancement Department and basic financial statements.

(1) Students served represents the unduplicated count of citizens enrolled in BTC courses.

(2) A full-time equivalent is basically equal to 30 annual student credits based on a mathematical calculation, which varies somewhat by program and which is subject to state approval and audit of student data.

(3) Survey is conducted approximately six months after graduation, therefore, 2021 statistics are not available.

(4) Community Service classes are non-credit hobby-type classes

(5) For purposes of this calculation, expenditures are based upon the budgetary expenditures from the districts' General and Special Revenue-Aidable funds as reported to the Wisconsin Technical College System.

# Blackhawk Technical College District

## Debt Capacity – Ratio of Net Debt to Equalized Valuation and Debt Per Capita Current Year and Ten Years Ago

Fiscal Year	Population <sup>(a)</sup>	Equalized Valuation <sup>(b)</sup>	Outstanding Debt <sup>(c)</sup>	Less Amounts Available <sup>(d)</sup>	Net Debt Outstanding	Percent of Net Debt to Equalized Valuation	Debt per Capita
2015	186,747	11,192,317,904	45,435,000	819,388	44,615,612	0.40%	238.91
2016	186,715	11,400,609,427	50,775,000	1,071,826	49,703,174	0.44%	266.20
2017	186,442	11,717,072,877	48,875,000	640,385	48,234,615	0.41%	258.71
2018	185,739	12,329,756,115	46,810,000	725,031	46,084,969	0.37%	248.12
2019	186,516	13,020,909,894	42,575,000	458,314	42,116,686	0.32%	225.81
2020	186,838	14,026,990,474	39,990,000	1,067,042	38,922,958	0.28%	208.32
2021	186,265	14,821,866,157	43,565,000	1,060,736	42,504,264	0.29%	228.19
2022	186,265	16,159,386,341	65,870,000	2,252,950	63,617,050	0.39%	341.54
2023	191,421	19,238,667,879	63,775,000	2,275,772	61,499,228	0.32%	321.28
2024	191,079	21,804,771,653	62,700,000	2,286,198	60,413,802	0.28%	316.17

**Notes:**

- (a) Source - Wisconsin Technical College System
- (b) TID (Tax Incremental District) Out, excluding value of exempt computer equipment. Equalized valuations are shown on a calendar year basis for the prior year (i.e. 2021 fiscal year would be 2020 calendar year information).
- (c) Details regarding the District's outstanding debt can be found in the notes to the financial statements.
- (d) Equals the amount of funds available in the Debt Service Fund restricted for the payment of debt obligations.

# Blackhawk Technical College District

## Debt Capacity – Direct and Overlapping Debt

As of June 30, 2024

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
<b>Overlapping debt</b>			
County of			
Green	\$ 30,285,000	79.5%	\$ 24,076,575
Rock	109,325,000	99.8%	109,106,350
<b>Total All Counties</b>	<b>139,610,000</b>	<b>95.4%</b>	<b>133,182,925</b>
City of			
Beloit	\$ 83,431,025	100.0%	83,431,025
Brodhead	1,592,000	100.0%	1,592,000
Edgerton	2,337,000	92.6%	2,164,062
Evansville	56,461,593	100.0%	56,461,593
Janesville	80,017,447	100.0%	80,017,447
Milton	6,470,100	100.0%	6,470,100
Monroe	37,305,849	100.0%	37,305,849
<b>Total All Cities</b>	<b>267,615,014</b>	<b>99.9%</b>	<b>267,442,076</b>
Village of			
Albany	\$ 1,306,267	100.0%	1,306,267
Browntown	-	100.0%	-
Clinton	3,434,962	100.0%	3,434,962
Footville	1,581,288	100.0%	1,581,288
Monticello	2,404,771	100.0%	2,404,771
Orfordville	3,088,854	100.0%	3,088,854
<b>Total All Villages</b>	<b>11,816,142</b>	<b>100.0%</b>	<b>11,816,142</b>

# Blackhawk Technical College District

## Debt Capacity – Direct and Overlapping Debt (Continued)

As of June 30, 2024

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
<b>Overlapping debt (continued)</b>			
Town of			
Adams	\$ -	96.2%	\$ -
Albany	-	100.0%	-
Avon	-	100.0%	-
Beloit	20,028,806	100.0%	20,028,806
Bradford	116,122	100.0%	116,122
Brooklyn	322,996	43.4%	140,180
Cadiz	284,252	57.1%	162,308
Center	114,841	100.0%	114,841
Clarno	194,293	100.0%	194,293
Clinton	105,248	100.0%	105,248
Decatur	-	100.0%	-
Exeter	-	6.9%	-
Fulton	2,386,875	100.0%	2,386,875
Harmony	-	100.0%	-
Janesville	-	100.0%	-
Jefferson	78,032	100.0%	78,032
Johnstown	-	100.0%	-
Jordan	-	91.1%	-
La Prairie	-	100.0%	-
Lima	-	100.0%	-
Magnolia	-	100.0%	-
Milton	-	100.0%	-
Monroe	194,293	100.0%	194,293
Mount Pleasant	50,000	100.0%	50,000
New Glarus	2,912,615	0.5%	14,563
Newark	-	100.0%	-
Plymouth	-	100.0%	-
Porter	1,400,000	86.0%	1,204,000
Rock	-	100.0%	-
Spring Grove	274,132	100.0%	274,132
Spring Valley	-	100.0%	-
Sylvester	-	100.0%	-
Turtle	263,985	100.0%	263,985
Union	1,420,768	96.1%	1,365,358
Washington	346,186	96.8%	335,108
York	-	0.9%	-
<b>Total All Towns</b>	<b>30,493,444</b>	<b>88.6%</b>	<b>27,028,144</b>



# Blackhawk Technical College District

## Debt Capacity – Direct and Overlapping Debt (Continued)

As of June 30, 2024

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
<b>Overlapping debt (continued)</b>			
School District of			
Albany	\$ 1,119,000	100.0%	\$ 1,119,000
Argyle	5,781,453	32.7%	1,890,535
Beloit	6,466,355	100.0%	6,466,355
Beloit Turner	13,864,384	100.0%	13,864,384
Brodhead	-	100.0%	-
Clinton	22,961,000	99.6%	22,869,156
Delavan-Darien	18,870,000	0.3%	56,610
Edgerton	34,750	72.9%	25,333
Evansville	25,914,775	99.9%	25,888,860
Fort Atkinson	11,615,000	0.2%	23,230
Janesville	12,045,995	100.0%	12,045,995
Juda	3,777,013	100.0%	3,777,013
Milton	45,005,000	98.7%	44,419,935
Monroe	85,065,000	100.0%	85,065,000
Monticello	992,232	100.0%	992,232
Parkview (Orfordville)	9,189,000	100.0%	9,189,000
Whitewater	13,000,000	6.1%	793,000
<b>Total All School Districts</b>	<b>275,700,957</b>	<b>82.9%</b>	<b>228,485,638</b>
Special Districts			
Consolidated Koshkonong Sanitary District	\$ 6,651,443	72.4%	4,815,645
Juda Sanitary District #1	-	100.0%	-
Plymouth Sanitary District #1	11,607	100.0%	11,607
Rock-Koshkonong Lake District	-	53.9%	-
<b>Total All Special Districts</b>	<b>6,663,050</b>	<b>72.4%</b>	<b>4,827,252</b>
<b>Subtotal Overlapping Debt</b>	<b>731,898,606</b>	<b>91.9%</b>	<b>672,782,177</b>
<b>District Direct Debt</b>			
General Obligation Bond	\$ -	100.0%	\$ -
General Obligation Notes	62,700,000	100.0%	62,700,000
<b>Subtotal Direct Debt</b>	<b>62,700,000</b>	<b>100.0%</b>	<b>62,700,000</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 794,598,606</b>	<b>92.6%</b>	<b>\$ 735,482,177</b>

# Blackhawk Technical College District

## Debt Capacity – Direct and Overlapping Debt (Continued) As of June 30, 2024

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### Statistical Summary

2024 Equalized Valuation - TID In	<u>\$ 22,606,037,953</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 735,482,177</u>
Direct and Overlapping Debt as a Percentage of Equalized Valuation	<u>3.3%</u>
Population of District	<u>191,079</u>
<b>Direct and Overlapping Indebtedness - Per Capita</b>	<u>\$ 3,849</u>

**Source:** Survey of each government unit with the District's boundaries, June 30, 2024

**Notes:**

Overlapping debt are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognized, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable to the District is the equalized property value of the overlapping government located within the District's boundaries as a percentage of total equalized value of all property for the overlapping government.

# Blackhawk Technical College District

## Debt Capacity – Legal Debt Margin Information Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Equalized valuation - TID In	\$ 22,606,037,953	\$ 19,959,740,679	\$ 17,225,048,841	\$ 15,589,099,557	\$ 14,690,919,474	\$ 13,701,734,694	\$ 13,008,450,305	\$ 12,329,520,367	\$ 11,901,034,517	\$ 11,683,539,794
Debt limit - 5% of equalized valuation <sup>(a)</sup>	1,130,301,898	997,987,034	861,252,442	779,454,978	734,545,974	685,086,735	650,422,515	616,476,018	595,051,726	584,176,990
<b>Aggregate Indebtedness</b>										
General obligation promissory notes	62,700,000	63,775,000	65,870,000	43,565,000	39,990,000	42,575,000	46,810,000	48,875,000	50,775,000	45,435,000
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less resources available to fund principal and interest payments <sup>(b)</sup>	(2,286,198)	(2,275,772)	(2,252,950)	(1,060,736)	(1,067,042)	(458,314)	(725,031)	(640,385)	(1,071,826)	(819,388)
Total net debt applicable to limit	60,413,802	61,499,228	63,617,050	42,504,264	38,922,958	42,116,686	46,084,969	48,234,615	49,703,174	44,615,612
Legal debt margin	1,069,888,096	936,487,806	797,635,392	736,950,714	695,623,016	642,970,049	604,337,546	568,241,403	545,348,552	539,561,378
Total net debt applicable to the limit as a percentage of debt limit	5.34%	6.16%	7.39%	5.45%	5.30%	6.15%	7.09%	7.82%	8.35%	7.64%
Debt limit - 2% of equalized valuation <sup>(a)</sup>	452,120,759	399,194,814	344,500,977	311,781,991	293,818,389	274,034,694	260,169,006	246,590,407	238,020,690	233,670,796
<b>Bonded Indebtedness</b>										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less resources available to fund principal and interest payments <sup>(b)</sup>	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	452,120,759	399,194,814	344,500,977	311,781,991	293,818,389	274,034,694	260,169,006	246,590,407	238,020,690	233,670,796
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes:**

Detail regarding the District's debt can be found in the Notes to Financial Statements.

(a) Wisconsin State Statutes chapter 67.03 provides: 1) the aggregate amount of indebtedness of any municipality shall not exceed 5% of the value of the taxable property located in the municipality as equalized for state purposes and 2) for any technical college district, the bonded indebtedness for the purpose of purchasing school sites and the construction and equipping of school buildings may not exceed 2% of the value of its taxable property as equalized for state purposes.

(b) Equals the ending fund balance in the Debt Service Fund - Schedule of Revenues, Expenditures, and changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis).

# Blackhawk Technical College District

## Demographic and Economic Information – Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population <sup>(a)</sup>	Personal Income (000's) <sup>(a)</sup>	Per Capita Personal Income <sup>(a)</sup>	Number of Households <sup>(b)</sup>	Median Household Income <sup>(b)</sup>	Public School Enrollment <sup>(c)</sup>	Annual Public and Private High School Graduates <sup>(d)</sup>	Unemployment Rate <sup>(e)</sup>
2015	198,634	8,186,379	41,213	84,164	55,058	33,520	2,456	5.29%
2016	198,695	8,274,428	41,644	84,414	53,318	33,305	2,614	4.65%
2017	199,160	8,615,323	43,258	84,976	54,767	33,219	2,267	3.98%
2018	200,058	9,095,229	45,463	85,302	56,673	32,884	2,231	3.09%
2019	200,314	9,540,615	47,628	85,581	59,125	32,563	2,245	3.07%
2020	199,687	10,036,831	50,263	86,664	62,130	32,232	2,302	5.84%
2021	201,369	10,905,361	54,156	87,163	67,700	31,206	2,117	5.02%
2022	200,876	10,877,007	54,148	87,787	67,703	30,810	2,197	3.50%
2023	N/A	N/A	N/A	88,349	N/A	30,793	2,128	2.98%
2024	N/A	N/A	N/A	N/A	N/A	30,805	N/A	3.14%

**Notes:**

- (a) Source - US Department of Commerce, Bureau of Economic Analysis, for all of Green and Rock counties
  - (b) Source - US Census Bureau, American Community Survey, for all of Green and Rock counties
  - (c) Source - Wisconsin Department of Public Instruction, for all of Green and Rock counties
  - (d) Source - Wisconsin Technical College System School to Work reports for public graduates and Wisconsin Department of Public Instruction for private graduates
  - (e) Source - Bureau of Labor Statistics
- N/A Not available

# Blackhawk Technical College District

## Demographic and Economic Information – Principal Employers Last Ten Fiscal Years

		2024		2014	
		Employees	Rank	Employees	Rank
Mercy Health Systems	Health care	2,962	1	3,869	1
SSM Health	Medical facility	1,890	2		
Beloit Health Systems	Medical services	1,508	3	1,517	2
The Swiss Colony	Mfg/mail order food and gifts	1,500	4	895	7
School District of Janesville	Education	1,475	5	1,280	4
Hendricks Holdings	Various companies/real estate development	1,420	6		
Rock County	Government	1,371	7	1,161	5
Amazon	Distribution facility	1,250	8		
Grainger Brands	Wholesale safety equipment	1,193	9	800	10
Prent Corporation	Thermoform plastic packaging and parts	887	10		
Seventh Avenue	Mail order food and gifts			1,500	3
Monroe Clinic	Medical facility			917	6
School District of Beloit	Education			881	8
Walmart	Discount department stores			840	9

Source: Green and Rock counties and official statements of municipalities within Rock and Green counties. Provided by R.W. Baird & Co., Inc.

# Blackhawk Technical College District

## Operating Information – Full-Time Equivalent College Employees by Employee Group Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>By Pay Groups:</b>										
Full-time instructors	78	74	77	77	88	88	90	91	96	98
Part-time instructors	27	22	21	21	18	21	23	25	28	31
Administration	62	84	78	81	86	85	80	75	79	82
Part-time support personnel	21	20	21	23	21	22	20	21	23	22
Full-time clerical and custodial	54	33	34	35	31	39	38	35	39	41
<b>Total</b>	<b>242</b>	<b>233</b>	<b>231</b>	<b>237</b>	<b>244</b>	<b>255</b>	<b>251</b>	<b>247</b>	<b>265</b>	<b>274</b>

Source: Human Resources Department - employee FTE count as of June 30 of each year.

Preliminary Draft

# Blackhawk Technical College District

## Operating Information – Operational Expenditures per FTE Student Last Ten Fiscal Years

Year	Operational Expenditures <sup>(3)</sup> (General and Special Revenue-Aidable Funds)		Student Enrollments		BTC Operational Expenditure per Student		Statewide Operational Expenditure per Student		Rank <sup>(1)</sup>
	Amount (in 000's)	Percent Increase	Full-time Equivalent Students	Percent Increase/ (Decrease)	Per FTE Students	Percent Increase/ (Decrease)	Per FTE Students		
2015	\$ 29,988	-1.7%	1,828	-6.8%	\$ 16,405	5.5%	\$ 15,951	10	
2016	29,188	-2.7%	1,642	-10.2%	17,776	8.4%	17,907	12	
2017	28,582	-2.1%	1,522	-7.3%	18,779	5.6%	19,029	12	
2018	27,973	-2.1%	1,502	-1.3%	18,624	-0.8%	18,624	10	
2019	29,546	5.6%	1,561	3.9%	18,928	1.6%	18,928	8	
2020	30,872	4.5%	1,455	-6.8%	21,218	12.1%	19,086	12	
2021	29,978	-2.9%	1,417	-2.6%	21,156	-0.3%	21,207	7	
2022	30,962	3.3%	1,457	2.8%	21,249	0.4%	22,458	7	
2023	31,326	1.2%	1,580	8.4%	19,833	-6.7%	22,662	5	
2024	34,436	9.9%	1,655	4.8%	20,802	4.9%	(2)	(2)	

**Notes:** (1) Rank among 16 WTCS districts. (1 is the lowest 16 is the highest)

(2) Not yet available

(3) For purposes of this calculation, operational expenditures is based upon the budgetary expenditures from the districts' General and Special Revenue-Aidable funds as reported to the Wisconsin Technical College System.

# Blackhawk Technical College District

## Operating Information – Campus Statistics

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Square Footage</b>										
<b>Campuses</b>										
Main Campus - Janesville		324,733	324,733	291,452	291,452	291,452	291,452	291,452	291,452	291,452
Central Building	291,452									
Public Safety Transportation Complex	107,695									
Innovative Manufacturing Education Center	36,975									
Advanced Manufacturing Training Center	-	110,939	110,939	110,939	110,939	110,939	110,939	110,939	110,939	110,939
Aviation Center	-	-	-	-	-	-	-	-	25,210	25,210
Beloit Campus	-	-	-	-	-	18,068	18,068	18,068	29,068	29,068
Beloit Public Library	3,500	3,500	3,500							
Center for Transportation Studies	-	-	-	30,846	30,846	30,846	30,846	30,846	30,846	30,846
Monroe Campus	28,135	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,203
<b>Total for campuses</b>	<b>467,757</b>	<b>463,375</b>	<b>463,375</b>	<b>457,440</b>	<b>457,440</b>	<b>475,508</b>	<b>475,508</b>	<b>475,508</b>	<b>511,718</b>	<b>511,718</b>
<b>Facilities</b>										
Administration Building	-	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Storage Building - Central Campus	-	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Storage Building - Admin	-	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
<b>Total for facilities</b>	<b>11,400</b>	<b>11,400</b>	<b>11,400</b>	<b>11,400</b>	<b>11,400</b>	<b>11,400</b>	<b>11,400</b>	<b>11,400</b>	<b>11,400</b>	<b>11,400</b>
<b>Grand Total<sup>(1)</sup></b>	<b>479,157</b>	<b>474,775</b>	<b>474,775</b>	<b>468,840</b>	<b>468,840</b>	<b>486,908</b>	<b>486,908</b>	<b>486,908</b>	<b>523,118</b>	<b>523,118</b>

(1) The regional centers are not included in this schedule. The regional centers are not a significant part of the college operations.

Source: Facilities Department