

**Blackhawk Technical College District**  
Janesville, Wisconsin

**Financial Statements and Single Audit**  
Years Ended June 30, 2018 and 2017

# Blackhawk Technical College District

## Financial Statements and Single Audit

Years Ended June 30, 2018 and 2017

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**Independent Auditor's Report**



## **Independent Auditor's Report**

District Board  
Blackhawk Technical College District  
Janesville, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and aggregate remaining fund information of Blackhawk Technical College District, (the "College") as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Blackhawk Technical College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of Blackhawk Technical College District as of June 30, 2018 and 2017, and its changes in financial position and where applicable, cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States.

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, the College adopted new accounting guidance GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* related to the cost-sharing multiple employer OPEB plan – Local Retiree Life Insurance (LRLIF) during the year-ended June 30, 2018. The College elected to early implement this guidance related to the College's single employer defined benefit OPEB plan during the year ended June 30, 2017. Our opinions are not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States require that the Management's Discussion and Analysis, the schedule of changes in net OPEB liability and related ratios, the schedule of 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, although not a part of the basic financial statements, is required by the Governmental Accounting 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, 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 audit was made for the purpose of forming opinions 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. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration 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.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the budgetary comparison schedules and the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The "Statistical Section" listed in the accompanying table of contents, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated November 29, 2018, on our consideration of Blackhawk Technical College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College'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

November 29, 2018  
Eau Claire, Wisconsin

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



## **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)			
	2018	2017	2016	(2018-2017)		(2017-2016)	
				\$	%	\$	%
<b>ASSETS</b>							
Cash and cash equivalents	\$15,989	\$12,664	\$14,661	\$3,325	26.3%	(\$1,997)	-13.6%
Net capital assets	53,686	56,017	57,784	(2,331)	-4.2%	(1,767)	-3.1%
Other assets	13,333	10,569	8,875	2,764	26.2%	1,694	19.1%
Total assets	83,008	79,250	81,320	3,758	4.7%	(2,070)	-2.5%
Deferred Outflows of Resources	5,557	6,788	9,890	(1,231)	-18.1%	(3,102)	-31.4%
<b>LIABILITIES</b>							
Current liabilities	10,344	10,187	11,788	157	1.5%	(1,601)	-13.6%
Long-Term liabilities	41,472	43,537	46,679	(2,065)	-4.7%	(3,142)	-6.7%
Total liabilities	51,816	53,724	58,467	(1,908)	-3.6%	(4,743)	-8.1%
Deferred Inflows of Resources	6,378	3,089	3,959	3,289	106.5%	(870)	100.0%
<b>NET POSITION</b>							
Net investment for capital assets	12,793	11,540	12,194	1,253	10.9%	(654)	-5.4%
Restricted for:							
Debt Service	450	356	778	94	26.4%	(422)	-54.2%
OPEB	4,401	4,275	3,051	126	2.9%	1,224	40.1%
Student Financial Assistance	134	105	48	29	27.6%	57	118.8%
Unrestricted	12,593	12,949	12,713	(356)	-2.7%	236	1.9%
Total net position	\$30,371	\$29,225	\$28,784	\$1,146	3.9%	\$441	1.5%

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

**Fiscal Year 2018 Compared to 2017**

From 2017 to 2018, total assets increased by \$3.8 million, or 4.7%. Significant changes are as follows:

- ❖ Cash and cash equivalents increased by \$3.3 million, or 26.3% due primarily to unexpended bond proceeds and increase in reserve funds designated for future capital investment (\$2.2 million) and the increase in operational fund reserves (\$882,972).
- ❖ Net capital assets decreased by \$2.3 million, or 4.2% due primarily to depreciation of capital assets in service.
- ❖ Other assets increased by \$2.8 million due primarily to a \$3.2 million increase in net pension assets offset by a decrease in receivables and prepaid expenses.

From 2017 to 2018, deferred outflows of resources decreased \$1.23 million, or 18.1%. The change is due to:

- ❖ A decrease in the College's proportionate share of the Wisconsin Retirement System collective deferred outflows of resources. These resources have been applied to the current year activity and are recorded as either an expense or deferred inflow of resources.

From 2017 to 2018, total liabilities decreased \$1.91 million, or 3.6%. Significant changes are as follows:

- ❖ Current liabilities increased \$157,062, or 1.5% primarily due to an increase in the current portion of long term debt payable increased \$220,000 over the prior year, offset by a reduction in accounts payable and accrued liabilities.

- ❖ Long term liabilities decreased \$2.07 million, or 4.7% due primarily to the \$2.3 million retirement of general obligation debt, offset by an increase in Other Post Employment Benefit (OPEB) liability resulting from implementation of GASB 75 (see Note 1 – Prior Period Adjustment).

From 2017 to 2018, deferred inflows of resources increased \$3.29 million, or 106.5%. This is due to:

- ❖ An increase in the College's proportionate share of collective deferred inflows of resources of the Wisconsin Retirement System. Deferred inflow of resources will be applied to future periods and will be recognized as revenue at that time.

From 2017 to 2018, total net position increased by \$1.15 million, or 3.9%. Significant changes are as follows:

- ❖ Net investment in capital assets increased \$1,253,179, and net position reserved for debt service, OPEB, and student financial assistance increased \$93,742, \$125,732, and \$29,698, respectively, while unrestricted net assets decreased \$356,453. Investment in capital assets net of related debt increased due to the retirement of debt offset by depreciation of capital assets. The increase in reserves for debt service, OPEB, and student financial aid are attributed to revenues and other resources exceeding expenditures and other uses. The decrease in unrestricted net assets is due to revenues in excess of expenses offset by investment in capital assets noted above and implementation of GASB 75 change in accounting principle which resulted in \$1,026,385 a prior period reduction in net position (see Note 1 – Prior Period Adjustment).

### **Fiscal Year 2017 Compared to 2016**

From 2016 to 2017, total assets decreased by \$2.07 million, or 2.5%. Significant changes are as follows:

- ❖ Cash and cash equivalents decreased by \$2.0 million, or 13.6% due primarily to capital asset purchases and payables liquidated (\$2.08 million). The planned decrease in debt service cash and cash equivalents was offset by increases in the general and special revenue funds.
- ❖ Net capital assets declined by \$1.77 million, or 3.1%. Asset additions totaled \$4.63 million, which are offset by disposals of \$1.45 million and \$4.94 million depreciation expenses. The 2017 sale of the Aviation Training Center accounts for \$1.36 million in asset disposals.
- ❖ Other assets increased by \$1.69 million or 19.1%. The Other Post-Employment Benefits (OPEB) asset increased \$1.47 million due in large part to a change in accounting principle effective in fiscal year 2017. Prepaid expense and accounts receivable account for the remaining increases.

From 2016 to 2017, deferred outflows of resources decreased \$3.1 million, or 31.4%. The change is due to:

- ❖ A decrease in the College's proportionate share of the Wisconsin Retirement System collective deferred outflows of resources. These resources have been applied to the current year activity and are recorded as either an expense or deferred inflow of resources.

From 2016 to 2017, total liabilities decreased \$4.74 million, or 8.1%. Significant changes are as follows:

- ❖ Current liabilities decreased \$1.6 million, or 13.6%. Accounts payable decreased \$1.72 million of which \$1.6 million is attributed to capital project payables outstanding last year and paid in the current fiscal year. This decrease is offset by an increase in the current portion of long term debt payable.
- ❖ Long-term liabilities decreased \$3.1 million, or 6.7%. General obligation debt and net pension liability decreased by \$2.12 million, and \$971,157, respectively.

From 2016 to 2017, deferred inflows of resources decreased \$870,000, or 22.0%. This is due to:

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

From 2016 to 2017, total net position increased by \$441,000, or 1.5%. Significant changes are as follows:

- ❖ Unrestricted net assets increased \$236,000, net position restricted for OPEB increased \$1,224,000 while net investment in capital assets and net position reserved for debt service declined \$654,684 and \$422,343, respectively. The increase in unrestricted net assets is primarily due to reduced instructional programming due to declined enrollment and an organizational restructure implemented in fiscal year 2017. The increase in restricted for OPEB is due to a restatement due to a change in accounting principle of \$1,356,700. The decline in net investment in capital assets and debt service are explained above.

### 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:

	amounts shown in thousands			Increase or (Decrease)			
				(2018-2017)		(2017-2016)	
	2018	2017	2016	\$	%	\$	%
Operating Revenues:							
Student tuition and fees	\$4,622	\$4,627	\$4,779	-\$5	-0.1%	-\$152	-3.2%
Federal grants	4,733	5,127	5,812	-394	-7.7%	-685	-11.8%
State grants	2,046	1,799	1,619	247	13.7%	180	11.1%
Contract revenue	1,408	1,457	1,092	-49	-3.4%	365	33.4%
Auxiliary enterprise revenue	154	146	127	8	5.5%	19	15.0%
Miscellaneous	636	1,147	737	-511	-44.6%	410	55.6%
Total operating revenues	\$13,599	\$14,303	\$14,166	-\$704	-4.9%	\$137	1.0%

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

### Fiscal Year 2018 Compared to 2017

Operating revenues are the charges for services offered by the College. During 2018, the College generated \$13.6 million of operating revenue. From 2017 to 2018, operating revenues decreased \$705,496, or 4.9%. Significant changes are as follows:

- ❖ Miscellaneous revenue decreased \$510,554, or 44.6% due primarily to \$386,549 in proceeds for the sale of capital assets, including the Aviation facility, in Fiscal Year 2017 and a current year reduction in commission and gift income.
- ❖ Federal grants revenue decreased \$394,070, or 7.7% due primarily to the expiration of TAACCCT funds and reduced student financial aid, \$256,738 and \$171,901 respectively, offset by an increase in other grant awards.
- ❖ State grants increased \$246,680, or 13.7% due to an increase in competitively awarded grant activity.

## **Fiscal Year 2017 Compared to 2016**

Operating revenues are the charges for services offered by the College. During 2017, the College generated \$14.3 million of operating revenue. From 2016 to 2017, operating revenues increased \$137,009, or 1.0%. Significant changes are as follows:

- ❖ Federal grants revenue decreased \$684,572, or 11.8% due primarily to reduced student financial aid and the expiration of TAACCCT funds, \$558,531 and \$112,760 respectively.
- ❖ Student tuition and fee revenue decreased \$151,634, or 3.2%. This is due to a decrease in enrollment offset by an increase in tuition and fee rates.
- ❖ Contract revenues are increased \$365,252, or 33.4% due entirely to the increase in high school student articulation of college credit.
- ❖ Miscellaneous revenue increased \$409,763, or 55.6% due primarily to the sale of capital assets in 2017

	amounts shown in thousands			Increase or (Decrease)			
	2018	2017	2016	(2018-2017)		(2017-2016)	
				\$	%	\$	%
Operating Expenses:							
Instruction	\$17,653	\$18,002	\$18,268	-\$349	-1.9%	-\$266	-1.5%
Instructional resources	1,578	1,798	2,112	-220	-12.2%	-314	-14.9%
Student services	3,518	3,741	4,011	-223	-6.0%	-270	-6.7%
General institutional	5,018	5,455	4,975	-437	-8.0%	480	9.6%
Physical plant	2,744	3,042	3,913	-298	-9.8%	-871	-22.3%
Student aid	2,370	2,526	2,981	-156	-6.2%	-455	-15.3%
Auxiliary enterprise services	70	112	65	-42	-37.5%	47	72.3%
Depreciation	5,087	4,941	4,922	146	3.0%	19	0.4%
Total operating expenses	\$38,038	\$39,617	\$41,247	-\$1,579	-4.0%	-\$1,630	-4.0%

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

## **Fiscal Year 2018 Compared to 2017**

Operating expenses are costs related to the programs offered by the College. During 2018, total operating expenses decreased by \$1.58 million, or 4.0% from the prior year. Significant changes are as follows:

- ❖ Instruction decreased \$349,106, or 1.9% due to reduced grant expenditures and capital expense for equipment purchases, offset by an increase in personnel expenses.
- ❖ Instructional resources decreased by \$219,719, or 12.2% due to a personnel restructure and a reduction in software and service contracts.
- ❖ Student services decreased \$222,881, or 6.0% primarily due to staffing vacancies caused by transitioning personnel.
- ❖ General institutional decreased \$436,786, or 8.0% due primarily to reduced equipment purchases and a reduction in operational expenses due to position vacancies and grant expiration.
- ❖ Physical plant decreased \$298,636, or 9.8% due primarily to reduced operational expenses for facility rent and utilities, as well as reduced capital expense for building and ground improvements.
- ❖ Student aid decreased \$155,574, or 6.2% due to a reduction in the amount of aid received and available for disbursement to students.
- ❖ Depreciation increased \$145,689, or 3.0% due to the increase in capital assets in service.

## **Fiscal Year 2017 Compared to 2016**

Operating expenses are costs related to the programs offered by the College. During 2017, total operating expenses decreased by \$1,349,955, or 3.3% from the prior year. Significant changes are as follows:

- ❖ Instructional expenses increased by \$266,097 due to the increase in capital equipment purchases expensed in 2017 and an increase in pension benefit expenses, offset by larger reductions in OPEB benefit expenses and operating fund expenses which are primarily personnel.
- ❖ Instructional resources decreased by \$313,922 due to a reduction in equipment purchases and reduced operational expenses.
- ❖ Student services expenses decreased \$270,000, or 6.7%, with the majority of reductions occurring within the operational fund wage and benefit classifications. This is due in part to a reorganization and in part to position vacancies.
- ❖ General institutional expenses increased \$479,642, or 9.6% due to the increase in capital equipment purchases expensed, an increase in pension benefit expenses as well as non-personnel expenditures, offset by a decrease in payroll.
- ❖ Physical plant expenses decreased \$870,981, or 22.3% due primary to a decrease in non-capital equipment purchases expensed.
- ❖ Student aid expenses decreased \$455,766, or 15.3% due to the decline in federal grant aid revenue for students as noted above.
- ❖ Depreciation expense increased by \$20,095, or 0.4% due to a net increase in depreciable assets for 2017.

	amounts shown in thousands			Increase or (Decrease)			
	2018	2017	2016	(2018-2017)		(2017-2016)	
				\$	%	\$	%
Non-Operating Revenues:							
Property taxes	\$14,833	\$14,219	\$13,673	\$614	4.3%	\$546	4.0%
State operating appropriations	12,650	12,674	12,728	-24	-0.2%	-54	-0.4%
Investment income earned	184	60	20	124	206.7%	40	200.0%
Subtotal of Non-Operating Revenues	27,667	26,953	26,421	714	2.6%	532	2.0%
Non-Operating Expenses:							
Interest expense	1,047	1,112	1,149	-65	-5.8%	-37	-3.2%
Loss on disposal of capital assets	9	1,444	428	-1,435	-99.4%	1,016	237.4%
Subtotal of Non-Operating Expenses	1,056	2,556	1,577	-1,500	-58.7%	979	62.1%
Subtotal of Non-Operating Revenues (Expenses)	\$26,611	\$24,397	\$24,844	\$2,214	9.1%	-\$447	-1.8%

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

## **Fiscal Year 2018 Compared to 2017**

Non-operating revenues and expenses are revenue and expense items not directly related to providing instruction. Net non-operating revenues (expenses) increased \$2.21 million, or 9.1%. Factors contributing to this net increase include:

- ❖ Loss on disposal of capital assets decreased \$1,433,763 due to the prior year disposal of capital assets for less than the net book value.

- ❖ Property tax revenues increased \$614,314 due to growth in net new construction in the District which increases the operational levy and an increase in debt service obligations due in 2018, \$267,723 and \$352,104 respectively, offset by refunds.
- ❖ Investment income increased \$124,815, or 206.7% due to the increase in cash position and the rise in interest rates.

### **Fiscal Year 2017 Compared to 2016**

Non-operating revenues and expenses are revenue and expense items not directly related to providing instruction. Net non-operating revenues (expenses) decreased \$446,460, or 1.8%. Factors contributing to this net decrease include:

- ❖ Loss on disposal of capital assets increased \$1,015,442 due to the disposal of capital assets for an amount less than the net book value. The Aviation Building was sold at a loss of \$975,150.
- ❖ Property tax revenues increased \$545,905 due to growth in net new construction in the District which increases the operational levy and an increase in debt service obligations due in 2017, \$212,615 and \$333,290 respectively.

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

The College's investment in capital assets includes land, land improvements, buildings and improvements, leasehold improvements, equipment, and construction in progress. This investment as of June 30, 2018 and 2017, net of accumulated depreciation, amounted to \$53.7 million and \$56.0 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 2018, the College incurred new debt in the amount of \$5,000,000 for capital assets and facility improvements and retired debt in the amount of \$7,065,000 for a net decrease of \$2.1 million in debt outstanding. The general obligation debt outstanding at fiscal year-end will be retired in ten years. As of June 30, 2018, the College had total general obligation debt outstanding of \$46,810,000. The balance on June 30, 2017 was \$48,875,000. 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 Administrative Services/Chief Financial Officer, 6004 S County Road G, PO Box 5009, Janesville, WI 53547-5009.

## **Basic Financial Statements**



# Blackhawk Technical College District

## Statements of Net Position

June 30, 2018 and 2017

	Primary Government		Component Unit	
	2018	2017	2018	2017
<b>ASSETS</b>				
<u>Current assets</u>				
Cash and cash equivalents	\$ 8,850,995	\$ 7,751,311	\$ 1,875,426	\$ 1,697,045
Investments	35,837	67,837	-	-
Receivables:				
Property taxes	3,925,957	3,879,428	-	-
Federal and state aid	1,031,265	1,213,538	-	-
Accounts and other, net reserve of \$165,000 at 2018 and 2017	502,775	513,043	751	2,196
Unconditional promises to give	-	-	20,244	94,498
Prepaid expenses	135,776	448,131	-	7,954
Total current assets	<u>14,482,605</u>	<u>13,873,288</u>	<u>1,896,421</u>	<u>1,801,693</u>
<u>Noncurrent assets</u>				
Restricted cash	7,101,773	4,844,595	-	-
Net OPEB asset - Restricted	4,672,123	4,515,251	-	-
Net pension asset - WRS - Restricted	3,065,235	-	-	-
Unconditional promises to give	-	-	9,500	18,526
Total noncurrent assets	<u>14,839,131</u>	<u>9,359,846</u>	<u>9,500</u>	<u>18,526</u>
Capital assets	83,747,704	81,144,371	2,048,844	2,048,844
Less: accumulated depreciation	30,062,036	25,127,791	83,137	32,081
Total capital assets, net of depreciation	<u>53,685,668</u>	<u>56,016,580</u>	<u>1,965,707</u>	<u>2,016,763</u>
Total assets	<u>\$ 83,007,404</u>	<u>\$ 79,249,714</u>	<u>\$ 3,871,628</u>	<u>\$ 3,836,982</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources - actuarial - WRS	\$ 4,648,502	\$ 5,968,037	\$ -	\$ -
Deferred outflows of resources - actuarial - OPEB	294,873	343,774	-	-
Deferred outflow of resources - actuarial - LRLIF	129,623	-	-	-
Deferred outflows of resources - contributions - WRS	479,946	476,320	-	-
Deferred outflow of resources - contributions - LRLIF	3,783	-	-	-
Total deferred outflows of resources	<u>\$ 5,556,727</u>	<u>\$ 6,788,131</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 506,256	\$ 747,953	\$ 30,394	\$ 6,106
Other accrued liabilities	1,900,435	1,740,124	-	-
Accrued interest payable	275,205	284,301	-	-
Unearned revenue - other	-	-	-	-
Due to students and other groups	526,807	499,263	-	-
Current portion of long-term obligations	7,135,000	6,915,000	171,836	164,868
Total current liabilities	<u>10,343,703</u>	<u>10,186,641</u>	<u>202,230</u>	<u>170,974</u>
<u>Long-term obligations, less current portion</u>				
General obligation debt payable	39,675,000	41,960,000	1,083,299	1,255,135
Unamortized premium on general obligation debt	598,347	671,377	-	-
Net pension liability	-	905,791	-	-
Net OPEB liability	1,198,584	-	-	-
Total long-term obligations, less current portion	<u>41,471,931</u>	<u>43,537,168</u>	<u>1,083,299</u>	<u>1,255,135</u>
Total liabilities	<u>\$ 51,815,634</u>	<u>\$ 53,723,809</u>	<u>\$ 1,285,529</u>	<u>\$ 1,426,109</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources - actuarial WRS	\$ 6,034,578	\$ 2,848,635	\$ -	\$ -
Deferred inflows of resources - actuarial OPEB	271,562	240,422	-	-
Deferred inflow of resources - actuarial LRLIF	71,480	-	-	-
Total deferred inflows of resources	<u>\$ 6,377,620</u>	<u>\$ 3,089,057</u>	<u>\$ -</u>	<u>\$ -</u>
<b>NET POSITION</b>				
Net investment in capital assets	\$ 12,792,920	\$ 11,539,741	\$ -	\$ -
With donor restrictions	-	-	1,785,498	1,700,338
Restricted for:				
Debt service	449,826	356,084	-	-
OPEB	4,400,561	4,274,829	-	-
Student financial assistance	134,474	104,776	-	-
Without donor restrictions	12,593,096	12,949,549	800,601	710,535
Total net position	<u>\$ 30,370,877</u>	<u>\$ 29,224,979</u>	<u>\$ 2,586,099</u>	<u>\$ 2,410,873</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, 2018 and 2017

	Primary Government		Component Unit	
	2018	2017	2018	2017
<u>Operating revenues</u>				
Student tuition and program fees, net of scholarship allowances of \$1,571,066 in 2018 and \$1,562,212 in 2017	\$ 4,621,905	\$ 4,627,487	\$ -	\$ -
State aids	2,045,642	1,798,962	-	-
Federal grants	4,733,230	5,127,300	-	-
Contract revenue	1,407,542	1,457,254	-	-
Auxiliary enterprise revenue	153,672	145,930	-	-
Miscellaneous - institutional revenue	636,342	1,146,896	480,202	318,842
Total operating revenues	13,598,333	14,303,829	480,202	318,842
<u>Operating expenses</u>				
Instruction	17,652,913	18,002,019	-	-
Instructional resources	1,578,082	1,797,801	-	-
Student services	3,518,363	3,741,244	-	-
General institutional	5,017,942	5,454,728	406,517	306,079
Physical plant	2,743,556	3,042,192	-	-
Student aid	2,369,950	2,525,524	-	-
Auxiliary services	69,453	111,718	-	-
Depreciation	5,087,354	4,941,665	-	-
Total operating expenses	38,037,613	39,616,891	406,517	306,079
Operating loss	(24,439,280)	(25,313,062)	73,685	12,763
<u>Nonoperating revenues (expenses)</u>				
Property taxes	14,833,466	14,219,152	-	-
State operating appropriations	12,650,361	12,673,742	-	-
Investment income	184,395	59,580	101,541	182,079
Loss on disposal of property and equipment	(9,741)	(1,443,504)	-	-
Interest expense	(1,046,918)	(1,112,294)	-	-
Total nonoperating revenues	26,611,563	24,396,676	101,541	182,079
Increase (decrease) in net position	2,172,283	(916,386)	175,226	194,842
Net position - beginning of year	29,224,979	30,141,365	2,410,873	2,216,031
Cumulative effect of change in accounting principle	(1,026,385)			
Net position - beginning of year, as restated	28,198,594	30,141,365	2,410,873	2,216,031
Net position - end of year	\$ 30,370,877	\$ 29,224,979	\$ 2,586,099	\$ 2,410,873

See accompanying notes to financial statements.

# Blackhawk Technical College District

## Statements of Cash Flows

For the Years Ended June 30, 2018 and 2017

	Primary Government	
	2018	2017
<u>Cash flows from operating activities</u>		
Tuition and fees received	\$ 4,595,326	\$ 4,645,722
Federal and state grants received	6,804,586	7,104,340
Contract revenues	1,499,453	1,311,706
Payments to employees	(21,374,027)	(21,643,742)
Payments for materials and services	(10,647,869)	(12,218,297)
Auxiliary enterprise revenues	153,672	145,930
Other receipts	738,631	1,018,877
Net cash used for operating activities	(18,230,228)	(19,635,464)
<u>Cash flows from noncapital financing activities</u>		
Local government property taxes received	14,786,937	14,202,672
State appropriations received	12,650,361	12,673,742
Net cash provided by noncapital financing activities	27,437,298	26,876,414
<u>Cash flows from capital and related financing activities</u>		
Purchases of capital assets	(2,872,559)	(6,220,476)
Proceeds from issuance of capital debt	5,000,000	5,000,000
Principal paid on capital debt	(7,065,000)	(6,900,000)
Interest paid on capital debt	(1,129,044)	(1,177,372)
Net cash used for capital and related financing activities	(6,066,603)	(9,297,848)
<u>Cash flows from investing activities</u>		
Sale of Investments	32,000	523,229
Investment income received	184,395	59,580
Net cash provided by investing activities	216,395	582,809
Net increase in cash and cash equivalents	3,356,862	(1,474,089)
<u>Cash and cash equivalents</u>		
Beginning of year	12,595,906	14,069,995
End of year	\$ 15,952,768	\$ 12,595,906
<u>Non-cash capital and related financing activities</u>		
Loss on disposal of capital assets	\$ 9,741	\$ 1,163,336

# Blackhawk Technical College District

## Statements of Cash Flows (Continued)

For the Years Ended June 30, 2018 and 2017

	Primary Government	
	2018	2017
<u>Reconciliation of operating loss to net cash used for operating activities:</u>		
Operating loss	\$ (24,439,280)	\$ (25,313,062)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation	5,087,354	4,941,665
Changes in assets and liabilities:		
Receivables	192,541	(77,634)
Prepaid expenditures	312,355	(135,318)
Accounts payable and accrued liabilities	(135,321)	(116,681)
Other accrued liabilities	160,311	(34,519)
Due to students and other groups	27,544	(53,360)
Post-employment benefits	15,327	(107,836)
Net pension (asset)/liability	(3,971,026)	(971,157)
Deferred inflows of resources	3,288,563	(869,922)
Deferred outflows of resources	1,231,404	3,102,360
Net cash used for operating activities	<u>\$ (18,230,228)</u>	<u>\$ (19,635,464)</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, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 5,678	\$ 18,604
Short-term investments	29,568	45,205
Total Current Assets	<u>35,246</u>	<u>63,809</u>
Long Term Assets		
Equity investments	<u>9,546,641</u>	<u>9,099,283</u>
Total Assets	<u>\$ 9,581,887</u>	<u>\$ 9,163,092</u>
<b>LIABILITIES</b>		
Current Liabilities	<u>\$ 193,214</u>	<u>\$ 73,174</u>
Total Liabilities	<u>193,214</u>	<u>73,174</u>
<b>NET POSITION</b>		
Held in trust for post-employment benefits	<u>9,388,673</u>	<u>9,089,918</u>
Total Net Position	<u>\$ 9,388,673</u>	<u>\$ 9,089,918</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, 2018 and 2017

	2018	2017
<b>ADDITIONS</b>		
Contributions		
Blackhawk Technical College	\$ -	\$ 130,000
Investment income		
Interest	778	388
Dividends	216,001	195,047
Capital gains - realized	311,916	253,815
Capital gains - unrealized	205,738	436,052
Total investment income	<u>734,433</u>	<u>885,302</u>
Total additions	<u>734,433</u>	<u>1,015,302</u>
<b>DEDUCTIONS</b>		
Retiree benefits	392,221	388,352
Investment expense	40,293	3,218
Administrative expense	3,164	37,021
Total deductions	<u>435,678</u>	<u>428,591</u>
Change in Net Position	298,755	586,711
<b>NET POSITION HELD IN TRUST FOR POST-EMPLOYMENT BENEFITS</b>		
Beginning of year	<u>9,089,918</u>	<u>8,503,207</u>
End of year	<u>\$ 9,388,673</u>	<u>\$ 9,089,918</u>

See accompanying notes to financial statements.

# Blackhawk Technical College District

## Notes to the Basic 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 185,739 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 53 associate degree and technical diploma programs. These include 24 associate degree, 6 two-year technical diploma, 11 one-year technical diploma, 5 less-than-one-year technical diploma, and 5 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.

The following is a summary of the more significant policies.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

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.

New Accounting Pronouncement: Management adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* related to the cost-sharing multiple employer OPEB plan – Local Retiree Life Insurance (LRIF) during the year ended June 30, 2018. The College elected to early implement this guidance related to the College's single employer defined benefit OPEB plan during the year ended June 30, 2017. See the end of Note 1 for the restatement of beginning net position for the year ended June 30, 2018.

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.



# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### 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.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### 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 65 years for 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

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### 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, 2018 and 2017, are as follows:

	2018		2017	
	Mill Rate	Levy Amount	Mill Rate	Levy Amount
Operating levy	0.56412	\$ 6,955,491	0.57077	\$ 6,687,768
Debt service levy	0.63863	<u>7,874,179</u>	0.64198	<u>7,522,075</u>
Total property tax levy		<u>\$ 14,829,670</u>		<u>\$ 14,209,843</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 \$9,797,362 for the years ended June 30, 2018 and 2017.

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 two 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.

#### Other Employee Benefit Amounts:

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 \$87,000 and \$108,000 as of June 30, 2018 and 2017, respectively.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

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 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.

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

	<u>2018</u>	<u>2017</u>
Inactive plan members or beneficiaries currently receiving benefit payments	67	39
Inactive plan members entitled but not yet receiving benefit payments	-	-
Active plan members	188	188
Total participants	<u>255</u>	<u>227</u>

The College provides post-retirement health care, dental and life insurance benefits to certain teachers, support staff and administrators under contractual arrangements. 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 Cost Method. The significant assumptions used in the computation include a 7.0% discount rate, a health insurance premium rate trend of 10% 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.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

#### Other Employee Benefit Amounts (continued):

The OPEB plan investment policies are described in Notes 1 and 2. For June 30, 2018 and 2017, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 8.26% and 10.60%, respectively. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

	<u>2018</u>	<u>2017</u>
Total OPEB liability	\$ 4,716,550	\$ 4,574,667
Plan fiduciary net position	<u>9,388,673</u>	<u>9,089,919</u>
Net OPEB liability (asset)	<u>\$ (4,672,123)</u>	<u>\$ (4,515,252)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>199.06%</u>	<u>198.70%</u>

The net OPEB liability (asset) was measured as of June 30, 2018 and 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and 2017.

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 RP-2014 Total Data Set Mortality adjusted to 2006 base mortality year and then projected forward using MP-2016 generational future mortality improvement scale.

Healthcare Cost Trend Rates: Pre-65 medical costs were trended at 10.0% 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.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

#### Other Employee Benefit Amounts (continued):

Changes in the Net OPEB Liability (Asset) for the year ended June 30, 2018 and 2017 are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
<b>Changes in Net OPEB Liability Year Ended June 30, 2018</b>			
Balances at July 1, 2017	\$ 4,574,667	\$ 9,089,918	\$ (4,515,251)
Changes for the year:			
Service cost	214,630	-	214,630
Interest	321,454	-	321,454
Differences between expected and actual experience	(1,979)	-	(1,979)
Net investment income	-	734,433	(734,433)
Benefit payments, including refunds of employee contributions	(392,222)	(392,222)	-
Administrative expense	-	(43,456)	43,456
Net changes	141,883	298,755	(156,872)
Balances as of June 30, 2018	\$ 4,716,550	\$ 9,388,673	\$ (4,672,123)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
<b>Changes in Net OPEB Liability Year Ended June 30, 2017</b>			
Balances at July 1, 2016	\$ 4,095,792	\$ 8,503,207	\$ (4,407,415)
Changes for the year:			
Service cost	199,624	-	199,624
Interest	274,928	-	274,928
Differences between expected and actual experience	392,675	-	392,675
Contributions - Employer	-	130,000	(130,000)
Net investment income	-	885,302	(885,302)
Benefit payments, including refunds of employee contributions	(388,352)	(388,352)	-
Administrative expense	-	(40,239)	40,239
Net changes	478,875	586,711	(107,836)
Balances as of June 30, 2017	\$ 4,574,667	\$ 9,089,918	\$ (4,515,251)

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

#### Other Employee Benefit Amounts (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, 2018</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 5,115,437	\$ 4,716,550	\$ 4,360,506
Plan Fiduciary Net Position	9,388,673	9,388,673	9,388,673
Net OPEB Liability (Asset)	<u>\$ (4,273,236)</u>	<u>\$ (4,672,123)</u>	<u>\$ (5,028,167)</u>

	<b>June 30, 2017</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 4,912,378	\$ 4,574,667	\$ 4,271,598
Plan Fiduciary Net Position	9,089,918	9,089,918	9,089,918
Net OPEB Liability (Asset)	<u>\$ (4,177,540)</u>	<u>\$ (4,515,251)</u>	<u>\$ (4,818,320)</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, 2018</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 4,288,647	\$ 4,716,550	\$ 5,209,974
Plan Fiduciary Net Position	9,388,673	9,388,673	9,388,673
Net OPEB Liability (Asset)	<u>\$ (5,100,026)</u>	<u>\$ (4,672,123)</u>	<u>\$ (4,178,699)</u>

	<b>June 30, 2017</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 4,203,759	\$ 4,574,667	\$ 5,001,131
Plan Fiduciary Net Position	9,089,918	9,089,918	9,089,918
Net OPEB Liability (Asset)	<u>\$ (4,886,159)</u>	<u>\$ (4,515,251)</u>	<u>\$ (4,088,787)</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

#### Other Employee Benefit Amounts (continued):

For the year ended June 30, 2018 and 2017, the College recognized OPEB expense of (\$76,830) and (\$81,888), respectively. At June 30, 2018 and 2017, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 294,873	\$ (1,697)	\$ 343,774	\$ -
Net difference between projected and actual earnings on OPEB plan investments	-	(269,865)	-	(240,422)
Total	\$ 294,873	\$ (271,562)	\$ 343,774	\$ (240,422)

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:	
2019	\$ (33,874)
2020	(33,874)
2021	(33,874)
2022	26,232
2023	48,619
Thereafter	50,082

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.

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.



# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

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. Net position restricted for OPEB relates to assets invested in the College's OPEB trust fund. 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.

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

Prior Period Adjustment: Net position as of July 1, 2017 has been restated as follows for the implementation of GASB Statement No. 75 as it relates to the College's cost-sharing multiple-employer OPEB plan:

Net position as previously reported at July 1, 2017	\$ 29,224,979
Change in accounting principles:	
Net OPEB liability LRLIF (measurement date as of December 31, 2016)	(1,030,186)
Deferred outflows:	
Contributions subsequent to the measurement date - LRLIF	<u>3,801</u>
Total prior period adjustment	<u>(1,026,385)</u>
Net position as restated, July 1, 2017	<u>\$ 28,198,594</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### 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>2018</u>	<u>2017</u>
Cash deposits:		
Cash on hand	\$ 900	\$ 900
Demand deposits	2,297,794	2,212,937
Total cash deposits	2,298,694	2,213,837
Cash equivalents:		
Wisconsin Local Government Investment Pool	13,654,074	10,382,069
Total cash and cash equivalents	15,952,768	12,595,906
Investments:		
Certificates of Deposit	35,000	67,000
Treasury securities	837	837
Total cash, cash equivalents, and investments	<u>\$ 15,988,605</u>	<u>\$ 12,663,743</u>

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

	<u>2018</u>	<u>2017</u>
Restricted for:		
Debt Service	\$ 1,323,378	\$ 1,311,762
Capital Projects	5,249,551	3,047,119
Student Financial Assistance	528,844	485,714
	7,101,773	4,844,595
Unrestricted	8,886,832	7,819,148
Total cash, cash equivalents, and investments	<u>\$ 15,988,605</u>	<u>\$ 12,663,743</u>

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

	<u>2018</u>	<u>2017</u>
Cash equivalents:		
Cash on hand	\$ 100	\$ 100
Wisconsin Local Government Investment Pool	29,568	45,205
US Bank Money Market	5,578	18,504
Total cash equivalents	35,246	63,809
Investments		
Mutual funds	9,546,641	9,099,283
Total cash equivalents and investments	<u>\$ 9,581,887</u>	<u>\$ 9,163,092</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

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 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, 2018 and 2017, 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, 2018 and 2017, the College's carrying value of the deposits was \$2,332,793 and \$2,279,937, respectively, compared to bank balances of \$2,823,707 and \$2,696,142, respectively. No bank balances at June 30, 2018 or 2017, 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, 2018 and 2017, the College had \$13,683,642 and \$10,427,274, respectively, invested in the LGIP, which does not carry a credit quality rating.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

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, 2018 and 2017:

#### Assets at Fair Value as of June 30, 2018

	Level 1	Level 2	Total
Treasury securities	\$ -	\$ 837	\$ 837
Certificates of deposit (CD's)	-	35,000	35,000
Mutual funds	9,546,641	-	9,546,641
Total cash and investments	\$ 9,546,641	\$ 35,837	\$ 9,582,478

#### Assets at Fair Value as of June 30, 2017

	Level 1	Level 2	Total
Treasury securities	\$ -	\$ 837	\$ 837
Certificates of deposit (CD's)	-	67,000	67,000
Mutual funds	9,099,283	-	9,099,283
Total cash and investments	\$ 9,099,283	\$ 67,837	\$ 9,167,120

### Note 4 – Accounts and Other Receivables

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

	2018	2017
Student tuition and fees, net of allowance for doubtful accounts	\$ 187,353	\$ 137,632
Contracted services	91,428	25,776
Other	223,994	349,635
Total accounts and other receivables	\$ 502,775	\$ 513,043

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 5 – Capital Assets

Following are the changes in the College's capital assets for the year ended June 30, 2018:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 462,500	\$ -	\$ -	\$ 462,500
Construction in progress	820,259	1,474,966	378,313	1,916,912
<b>Total capital assets not being depreciated</b>	<b>1,282,759</b>	<b>1,474,966</b>	<b>378,313</b>	<b>2,379,412</b>
Capital assets being depreciated:				
Land improvements	3,644,319	-	-	3,644,319
Buildings and improvements	54,050,505	415,474	-	54,465,979
Leasehold improvements	1,774,566	-	-	1,774,566
Equipment	20,392,222	1,254,056	162,850	21,483,428
<b>Total capital assets being depreciated</b>	<b>79,861,612</b>	<b>1,669,530</b>	<b>162,850</b>	<b>81,368,292</b>
Less accumulated depreciation:				
Land improvements	996,324	112,703	-	1,109,027
Buildings and improvements	14,665,329	2,465,352	-	17,130,681
Leasehold improvements	571,623	88,728	-	660,351
Equipment	8,894,515	2,420,571	153,109	11,161,977
<b>Total accumulated depreciation</b>	<b>25,127,791</b>	<b>5,087,354</b>	<b>153,109</b>	<b>30,062,036</b>
Net capital assets	56,016,580	<u>\$ (1,942,858)</u>	<u>\$ 388,054</u>	53,685,668
Less general obligation debt	(47,315,000)			(45,770,000)
Add unspent general obligation debt	<u>2,838,161</u>			<u>4,877,252</u>
Net investment in capital assets	<u>\$ 11,539,741</u>			<u>\$ 12,792,920</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 5 – Capital Assets (continued)

Following are the changes in the College's capital assets for the year ended June 30, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 462,500	\$ -	\$ -	\$ 462,500
Construction in progress	9,329,254	4,224,713	12,733,708	820,259
<b>Total capital assets not being depreciated</b>	<b>9,791,754</b>	<b>4,224,713</b>	<b>12,733,708</b>	<b>1,282,759</b>
Capital assets being depreciated:				
Land improvements	1,429,859	2,214,460	-	3,644,319
Buildings and improvements	47,033,039	8,993,817	1,976,351	54,050,505
Leasehold improvements	1,774,566	-	-	1,774,566
Equipment	19,104,060	1,926,411	638,249	20,392,222
<b>Total capital assets being depreciated</b>	<b>69,341,524</b>	<b>13,134,688</b>	<b>2,614,600</b>	<b>79,861,612</b>
Less accumulated depreciation:				
Land improvements	918,158	78,166	-	996,324
Buildings and improvements	12,860,334	2,375,189	570,194	14,665,329
Leasehold improvements	482,895	88,728	-	571,623
Equipment	7,088,075	2,399,582	593,142	8,894,515
<b>Total accumulated depreciation</b>	<b>21,349,462</b>	<b>4,941,665</b>	<b>1,163,336</b>	<b>25,127,791</b>
Net capital assets	57,783,816	<u>\$ 12,417,736</u>	<u>\$ 14,184,972</u>	56,016,580
Less general obligation debt	(48,695,000)			(47,315,000)
Add unspent general obligation debt	<u>3,105,609</u>			<u>2,838,161</u>
Net investment in capital assets	<u>\$ 12,194,425</u>			<u>\$ 11,539,741</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 6 - Long-Term Obligations

The following is a summary of long-term obligations for the years ended June 30, 2018 and 2017:

	<b>Balance 07/01/17</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 06/30/18</b>	<b>Due Within One Year</b>
General Obligation Debt	\$ 48,875,000	\$ 5,000,000	\$ 7,065,000	\$ 46,810,000	\$ 7,135,000
Unamortized premium	671,377	110,013	183,043	598,347	-
	<u>\$ 49,546,377</u>	<u>\$ 5,110,013</u>	<u>\$ 7,248,043</u>	<u>\$ 47,408,347</u>	<u>\$ 7,135,000</u>
	<b>Balance 07/01/16</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance 06/30/17</b>	<b>Due Within One Year</b>
General Obligation Debt	\$ 50,775,000	\$ 5,000,000	\$ 6,900,000	\$ 48,875,000	\$ 6,915,000
Unamortized premium	727,357	137,289	193,269	671,377	-
	<u>\$ 51,502,357</u>	<u>\$ 5,137,289</u>	<u>\$ 7,093,269</u>	<u>\$ 49,546,377</u>	<u>\$ 6,915,000</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>2018</b>	<b>2017</b>
2008 \$2,500,000 general obligation promissory note payable to Stifel Nicholas & Company, Inc., Minneapolis, MN, interest at 3.80%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2018. Proceeds used for building improvements, remodeling, and to acquire equipment.	\$ -	\$ 210,000
2009 \$2,500,000 general obligation promissory note payable to BMO Harris Bank, N.A., Milwaukee, WI, interest at 2.75%-3.75%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2019. Proceeds used for building improvements, remodeling, and to acquire equipment.	135,000	265,000
Subtotal	<u>\$ 135,000</u>	<u>\$ 475,000</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

	<u>2018</u>	<u>2017</u>
Subtotal - carried forward	\$ 135,000	\$ 475,000
2010 \$5,175,000 taxable general obligation promissory note payable to BMO Harris Bank, N.A., Milwaukee, WI, interest at 1.30%-3.55%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2020. Proceeds used for OPEB past service liability.	1,040,000	1,560,000
2011 \$3,300,000 general obligation promissory note payable to BMO Harris Bank, N.A., Milwaukee, WI, interest at 1.85%-2.80%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2021. Proceeds used for building construction, remodeling, and equipment.	775,000	1,150,000
2012 \$4,100,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, 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, 2022. Proceeds used for building construction, remodeling, and equipment.	1,100,000	1,600,000
2013 \$5,240,000 general obligation promissory note payable to Raymond James & Associates, Inc., St. Petersburg, FL, interest at 2.00%-2.40%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2023. Proceeds used for building construction, remodeling, and equipment.	3,110,000	3,760,000
Subtotal	<u>\$ 6,160,000</u>	<u>\$ 8,545,000</u>



# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

	<u>2018</u>	<u>2017</u>
Subtotal - carried forward	\$ 6,160,000	\$ 8,545,000
2013 \$6,405,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, 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, 2019. Proceeds used for purpose of refunding certain obligations of the District.	905,000	1,905,000
2013 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.50%-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, 2023. Proceeds used for building construction, remodeling, and equipment.	1,500,000	1,500,000
2013 \$1,500,000 general obligation promissory note payable to Raymond James & Associates, Inc., St. Petersburg, FL, interest at 2.00%-2.50%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2023. Proceeds used for building construction, remodeling, and equipment.	1,500,000	1,500,000
2013 \$1,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 2.40%-2.60%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2023. Proceeds used for building construction, remodeling, and equipment.	1,500,000	1,500,000
Subtotal	<u>\$ 11,565,000</u>	<u>\$ 14,950,000</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

	<u>2018</u>	<u>2017</u>
Subtotal - carried forward	\$ 11,565,000	\$ 14,950,000
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.	4,050,000	4,450,000
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.	2,825,000	3,250,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2019. Proceeds used for building construction, remodeling, and equipment.	300,000	600,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2021. Proceeds used for building construction, remodeling, and equipment.	820,000	1,050,000
Subtotal	<u>\$ 19,560,000</u>	<u>\$ 24,300,000</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

	<u>2018</u>	<u>2017</u>
Subtotal - carried forward	\$ 19,560,000	\$ 24,300,000
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.	1,500,000	1,500,000
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.	3,300,000	3,675,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2016, until maturity on April 1, 2021. Proceeds used for building construction, remodeling, and equipment.	900,000	1,100,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2016, until maturity on April 1, 2021. Proceeds used for building construction, remodeling, and equipment.	900,000	1,100,000
Subtotal	<u>\$ 26,160,000</u>	<u>\$ 31,675,000</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

	<u>2018</u>	<u>2017</u>
Subtotal - carried forward	\$ 26,160,000	\$ 31,675,000
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, 2017, until maturity on April 1, 2022. Proceeds used for building construction, remodeling, and equipment.	1,100,000	1,300,000
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.	1,500,000	1,500,000
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.	1,500,000	1,500,000
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.	1,500,000	1,500,000
Subtotal	<u>\$ 31,760,000</u>	<u>\$ 37,475,000</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

	<u>2018</u>	<u>2017</u>
Subtotal - carried forward	\$ 31,760,000	\$ 37,475,000
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.	2,900,000	3,300,000
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.	2,700,000	3,300,000
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.	1,500,000	1,500,000
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.	3,100,000	3,300,000
Subtotal	<u>\$ 41,960,000</u>	<u>\$ 48,875,000</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

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

	<b>2018</b>	<b>2017</b>
Subtotal - carried forward	\$ 41,960,000	\$ 48,875,000
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.	3,350,000	-
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	-
Total outstanding long-term obligations	<u>\$ 46,810,000</u>	<u>\$ 48,875,000</u>

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>
2019	\$ 7,135,000	\$ 1,100,814	\$ 8,235,814
2020	7,285,000	948,344	8,233,344
2021	7,425,000	789,609	8,214,609
2022	7,165,000	618,424	7,783,424
2023	6,550,000	447,419	6,997,419
2024-2027	11,250,000	554,806	11,804,806
	<u>\$ 46,810,000</u>	<u>\$ 4,459,416</u>	<u>\$ 51,269,416</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, 2018 and 2017, was \$650,422,515 and \$616,476,018, respectively. The actual indebtedness of the College for 2018 and 2017 was \$46,810,000 and \$48,875,000, respectively. The indebtedness of the College, net of resources available for 2018 and 2017 was \$46,084,969 and \$48,234,615, 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, 2018 and 2017, was \$260,169,006 and \$246,590,407, respectively. The College had no bonded indebtedness for 2018 and 2017.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 7 - Retirement Plans

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. Eligibility requirements are as follows:

- Employees initially employed by a WRS employer prior to July 1, 2011 – Expected to be employed for at least one year and expected to work at least 600 hours a year (440 hours for teachers).
- Employees initially employed by a WRS employer on or after July 1, 2011 – Expected to be employed for at least one year and expected to work at least 1,200 hours a year (880 hours for teachers).

Employees who retire at or after age 65 are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 and receive actuarially reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit.

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 or beginning employment on or after April 24, 1998, up to and including June 30, 2011, are immediately vested. Participants initially beginning employment on or after July 1, 2011, are not eligible for a WRS retirement annuity or lump sum retirement benefit until they have five years of creditable service. If an employee were to leave prior to fulfilling the five year vesting requirement, that employee would remain eligible to take a separation benefit. The separation benefit would include the employee contributions (and investment returns) only.

The WRS also provides death and disability benefits for employees.

Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found online at <http://etf.wi.gov/publications/cafr.htm>.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 7 - Retirement Plans (continued)

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:

Year	Core Fund Adjustment	Variable Fund Adjustment
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4

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. 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 \$965,816 in contributions from the College.

Contribution rates as of June 30, 2018 and 2017 are:

Employee Category	2018		2017	
	Employee	Employer	Employee	Employer
General (including teachers, executives and elected officials)	6.7%	6.7%	6.8%	6.8%
Protective with Social Security	6.7%	10.7%	6.8%	10.6%
Protective without Social Security	6.7%	14.9%	6.8%	14.9%



# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 7 - Retirement Plans (continued)

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

At June 30, 2018 and 2017, the College reported an asset of (\$3,065,235) and a liability of \$905,791 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, 2017 and 2016, the College's proportion was 0.103% and 0.110% (a decrease of 0.007% from the prior year).

For the year ended June 30, 2018 and 2017, the College recognized pension expense of \$1,496,642 and \$2,325,300.

At June 30, 2018 and 2017, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018		2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$3,894,457	(\$1,821,698)	\$345,378	(\$2,848,635)
Changes in assumptions	605,630	0	947,040	0
Net differences between projected and actual earnings on pension plan investments	0	(4,212,880)	4,508,741	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	148,415	0	166,878	0
Employer contributions subsequent to the measurement date	479,946	0	476,320	0
<b>Total</b>	<b>\$5,128,448</b>	<b>(\$6,034,578)</b>	<b>\$6,444,357</b>	<b>(\$2,848,635)</b>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### 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:

<u>Year ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2018	\$388,514
2019	24,229
2020	(1,019,637)
2021	(786,596)
2022	7,414

Actuarial assumptions: The total pension liability in the December 31, 2017 and 2016, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2018</u>	<u>2017</u>
Actuarial Valuation Date:	December 31, 2016	December 31, 2015
Measurement Date of Net Pension Liability (Asset)	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Entry Age	Entry Age
Asset Valuation Method:	Fair Market Value	Fair Market Value
Long-Term Expected Rate of Return:	7.2%	7.2%
Discount Rate:	7.2%	7.2%
Salary Increases:		
Inflation	3.2%	3.2%
Seniority/Merit	0.2% - 5.6%	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%	2.1%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% 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 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 and 2016, is based upon a roll-forward of the liability calculated from the December 31, 2016 and 2015, actuarial valuations.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### 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 arithmetic real rates of return for each major asset class are summarized in the following table:

#### Asset Allocation Targets and Expected Returns

As of December 31, 2017

<u>Core Fund Asset Class</u>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return</b>
Global equities	50.0%	8.2%	5.3%
Fixed income	24.5%	4.2%	1.4%
Inflation sensitive assets	15.5%	3.8%	1.0%
Real estate	8.0%	6.5%	3.6%
Private equity/debt	8.0%	9.4%	6.5%
Multi-asset	4.0%	6.5%	3.6%
Total core fund	110.0%	7.3%	4.4%
<u>Variable Fund Asset Class</u>			
U.S. equities	70.0%	7.5%	4.6%
International equities	30.0%	7.8%	4.9%
Total variable fund	100.0%	7.9%	5.0%

*New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.75%*

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

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 7 - Retirement Plans (continued)

#### Asset Allocation Targets and Expected Returns

As of December 31, 2016

	Asset Allocation %	Destination Target Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
<u>Core Fund Asset Class</u>				
Global equities	50.0%	45.0%	8.3%	5.4%
Fixed income	24.5%	37.0%	4.2%	1.4%
Inflation sensitive assets	15.5%	20.0%	4.3%	1.5%
Real estate	8.0%	7.0%	6.5%	3.6%
Private equity/debt	8.0%	7.0%	9.4%	6.5%
Multi-asset	4.0%	4.0%	6.6%	3.7%
Total core fund	110.0%	120.0%	7.4%	4.5%
<u>Variable Fund Asset Class</u>				
U.S. equities	70.0%	70.0%	7.6%	4.7%
International equities	30.0%	30.0%	8.5%	5.6%
Total variable fund	100.0%	100.0%	7.9%	5.0%

*New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.75%*

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

Single Discount Rate: A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### 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 7.20 percent, as well as what 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	2018		2017	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	6.2%	\$7,930,810	6.2%	\$11,916,262
Current discount rate	7.2%	(3,065,235)	7.2%	905,791
1% increase to discount rate	8.2%	(11,422,569)	8.2%	(7,572,771)

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

Payables to the pension plan: The College reported a payable to the pension plan for the outstanding amount of required contributions of \$248,858 at June 30, 2018 and \$219,268 at June 30, 2017.

### Note 8 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund

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

ETF issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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.

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.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 8 – 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, 2018 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, 2017 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2017	
Attained Age	Basic
Under 30	\$0.05
30-34	0.06
35-39	0.07
40-44	0.08
45-49	0.12
50-54	0.22
55-59	0.39
60-64	0.49
65-69	0.57

During the reporting period, the LRLIF recognized \$7,586 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, 2018, the College reported a liability of \$1,198,582 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. 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, 2017, the College's proportion was 0.398%, which was a decrease of 0.026% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the College recognized OPEB expense of \$117,857.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 8 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

At June 30, 2018, the College reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	(\$16,888)
Changes in assumptions	115,822	0
Net differences between projected and actual earnings on pension plan investments	13,801	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	(54,592)
Employer contributions subsequent to the measurement date	3,782	0
<b>Total</b>	<b>\$133,405</b>	<b>(\$71,480)</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
2019	\$10,241
2020	10,241
2021	10,241
2022	10,241
2023	6,790
Thereafter	10,389

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 8 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

Actuarial assumptions: The total OPEB liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2018</u>
Actuarial Valuation Date:	January 1, 2017
Measurement Date of Net OPEB Liability	December 31, 2017
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.44%
Long-Term Expected Rate of Return:	5.00%
Discount Rate:	3.63%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table

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, 2017

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation %</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Government Bonds	Barclays Government	1.0%	1.13%
US Credit Bonds	Barclays Credit	65.0%	2.61%
US Long Credit Bonds	Barclays Long Credit	3.0%	3.08%
US Mortgages	Barclays MBS	31.0%	2.19%
Inflation			2.30%
Long-Term Expected Rate of Return			5.00%

Single Discount Rate: A single discount rate of 3.63% was used to measure the total OPEB liability. 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.



# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 8 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

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 3.63 percent, 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 (2.63 percent) or 1-percentage-point higher (4.63 percent) than the current rate:

	<b>2018</b>	
	<b>Discount Rate</b>	<b>Net OPEB Liability</b>
1% decrease to discount rate	2.63%	\$1,694,052
Current discount rate	3.63%	1,198,582
1% increase to discount rate	4.63%	818,361

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

Payables to the OPEB plan: There were no outstanding required contributions at June 30, 2018.

### Note 9 - 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:

	<b>2018</b>	<b>2017</b>
Salaries and wages	\$ 16,276,414	\$ 16,053,168
Employee benefits	5,822,192	6,709,499
Travel, memberships, and subscriptions	257,492	220,258
Supplies	2,278,553	2,661,411
Contract services	3,587,149	3,623,558
Rentals	529,736	751,391
Credit	209,503	176,524
Insurance	205,474	310,119
Utilities	789,538	834,450
Depreciation	4,934,245	4,941,665
Student aid	3,147,317	3,334,848
Total operating expenses	<u>\$ 38,037,613</u>	<u>\$ 39,616,891</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 10 - 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, 2018, 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.

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

As of June 30, 2018, the College had no project commitments related to projects-in-progress at year-end.

### Note 11 – Operating Leases

The College's operating leases are month-to-month and year-to-year for institutional facilities and office equipment. Total expense for all operating leases for the years ended June 30, 2018 and 2017, was approximately \$526,061 and \$710,784, respectively. Total future minimum lease payments under operating leases at June 30 are estimated as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 347,895
2020	334,681
2021	341,375
2022	348,202
2023	294,988
	<u>\$ 1,667,141</u>

### Note 12 - 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.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 12 – Insurance (continued)

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, 2018 and 2017, the College paid premiums of approximately \$171,225 and \$180,175, 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 13 – Transactions with Component Unit

The College paid Foundation expense of approximately \$54,816 and \$48,493 for the years ended June 30, 2018 and 2017, 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. Total rental income paid to the Foundation for the years ended June 30, 2018 and 2017 was \$321,685 and \$160,789, respectively. The College also received donated equipment in the amount of \$17,835 and \$10,652 from the Foundation for the years ended June 30, 2018 and 2017, respectively. In addition, the Foundation disbursed scholarships and awards of \$55,221 and \$71,029 on behalf of the College during the fiscal years ended June 30, 2018 and 2017, respectively.

### Note 14 - 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.

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 14 – Component Unit (continued)

Cash and Investments: The Foundation considers all cash and investments with an original maturity of three months or less and which are not held by investment managers as part of an investment portfolio to be cash equivalents.

Investment securities are carried at market value.

Cash and investments at June 30, 2018 and 2017 are as follows:

	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gains</b>
<b>June 30, 2018</b>			
Equity	\$ 854,786	\$ 976,203	\$ 121,417
Fixed Income	666,994	658,074	(8,920)
Total Investments	<u>\$ 1,521,780</u>	<u>\$ 1,634,277</u>	<u>\$ 112,497</u>
Cash & Cash Equivalents		241,149	
Total Cash and Investments		<u>\$ 1,875,426</u>	

	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Gains</b>
<b>June 30, 2017</b>			
Equity	\$ 807,451	\$ 904,378	\$ 96,927
Fixed Income	597,923	600,852	2,929
Total Investments	<u>\$ 1,405,374</u>	<u>\$ 1,505,230</u>	<u>\$ 99,856</u>
Cash & Cash Equivalents		191,815	
Total Cash and Investments		<u>\$ 1,697,045</u>	

Investment income reported in the statement of revenues, expenses and changes in net position totaled \$111,349 and \$191,171 respectively for the years ended June 30, 2018 and 2017 and consisted of the following:

	<b>2018</b>	<b>2017</b>
Interest and dividends	\$ 78,837	\$ 57,318
Net realized gains	20,289	53,629
Net unrealized gains	12,223	80,224
	<u>\$ 111,349</u>	<u>\$ 191,171</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:

	<b>2018</b>	<b>2017</b>
Restricted for manufacturing training center	\$ 25,000	\$ 105,000
Restricted for student support	4,267	10,453
Without donor restriction	1,560	-
Less discounts to net present value	(500)	(1,474)
Less allowance for doubtful pledges	(583)	(955)
	<u>\$ 29,744</u>	<u>\$ 113,024</u>

# Blackhawk Technical College District

## Notes to the Basic Financial Statements

### Note 14 – Component Unit (continued)

Buildings and Equipment: In December 2016, the Foundation purchased a building in Milton, Wisconsin, for \$2,042,267. 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 \$76,560 and \$25,504 was recorded as of June 30, 2018 and 2017.

Debt: On December 29, 2016, the Foundation entered into a loan agreement for \$1,500,000. The loan proceeds were used to purchase the building in Milton, Wisconsin. The loan carries a fixed rate of 4.09%. Principal and interest are paid monthly utilizing an amortization schedule over 8 years. The outstanding balance was \$1,255,135 and \$1,420,003 as of June 30, 2018 and 2017.

Unrestricted, Temporarily and Permanently Restricted Net Assets: 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 assets classified at June 30 are as follows:

	<b>2018</b>
Without donor restrictions	\$ 800,601
With donor restrictions	1,785,498
	<u>\$ 2,586,099</u>

Related Party Transactions: The Foundation received donated services from the College for salaries, benefits, office space, computer usage and office supplies. The value of these donated services was \$54,816 and \$48,493, respectively for the years ended June 30, 2018 and 2017. The Foundation also transfers donated equipment to the College in the amounts of \$17,835 and \$10,652, respectively for the years ended June 30, 2018 and 2017.

### Note 15 - Subsequent Events

On September 5, 2018, the College issued general obligation promissory notes in the amount of \$2,500,000. 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 varies from 3.0% to 3.25% with the first principal payment due April 1, 2023.

Subsequent events have been evaluated through November 29, 2018, which is the date the financial statements were available to be issued.

**Required Supplementary Information**

# Blackhawk Technical College District

## Schedule of Changes in Net OPEB Liability and Related Ratios Year Ended June 30, 2018

	<u>6/30/2018</u>	<u>6/30/2017</u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 214,630	\$ 199,624
Interest	321,454	274,928
Difference between Expected and Actual Experience	(1,979)	392,675
Benefit Payments	<u>(392,222)</u>	<u>(388,352)</u>
Net Change in Total OPEB Liability	141,883	478,875
Beginning Balance	<u>4,574,667</u>	<u>4,095,792</u>
Ending Balance	<u>\$ 4,716,550</u>	<u>\$ 4,574,667</u>
 <b>Plan Fiduciary Net Position</b>		
Contributions	\$ -	\$ 130,000
Net Investment Income	734,433	885,302
Benefit Payments	(392,222)	(388,352)
Administrative Expense	<u>(43,456)</u>	<u>(40,239)</u>
Net Change in Plan Fiduciary Net Position	298,755	586,711
Beginning Balance	<u>9,089,918</u>	<u>8,503,207</u>
Ending Balance	<u>\$ 9,388,673</u>	<u>\$ 9,089,918</u>
Net OPEB Liability (Asset)	<u>\$ (4,672,123)</u>	<u>\$ (4,515,251)</u>
Plan Fiduciary Net Position as a % of the Total OPEB Liability	199.06%	198.70%
Covered Employee Payroll	\$ 12,348,508	\$ 12,348,508
Net OPEB Liability (Asset) as a % of Covered Employee Payroll	-37.84%	-36.57%

The College's total OPEB liability of \$4,716,550 and \$4,574,667 was measured as of June 30, 2018 and 2017, and was determined by an actuarial valuation as of those dates.

See Independent Auditor's Report.

# Blackhawk Technical College District

## Schedule of Employer Contributions

Last 10 Fiscal Years, As Available

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

	6/30/2018	6/30/2017	6/30/2016
Actuarially Determined Contribution	\$ 223,951	\$ 213,677	\$ 239,832
Actual Employer Contributions	-	130,000	-
Contribution Deficiency (Excess)	<u>\$ 223,951</u>	<u>\$ 83,677</u>	<u>\$ 239,832</u>
Covered Employee Payroll	\$ 12,348,508	\$ 12,348,508	\$ 11,915,830
Contributions as a % of Covered Employee Payroll	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
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 10.0% 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:	RP-2014 Total Data Set Mortality adjusted to 2006 base mortality year and then projected forward using MP-2016 generational future mortality improvement scale.

Retirement Rates:

Select Rates		Ultimate Rates (after first year of retirement eligibility)			
Age	Rate	Age	Rate	Age	Rate
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)

Age	Single	Spouse
Under 65	\$6,784	\$9,932
65+	\$4,540	\$4,497

See Independent Auditor's Report.



# Blackhawk Technical College District

## Schedule of Investment Returns Year Ended June 30, 2018

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### Schedule of Investment Returns Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	8.26%	10.60%

See Independent Auditor's Report.

# Blackhawk Technical College District

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

Year Ended June 30, 2018

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

Wisconsin Retirement System

Last 10 Fiscal Years\*

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Proportion of the net pension liability (asset)	0.103%	0.110%	0.116%	0.119%
Proportionate share of the net pension liability (asset)	(\$3,065,235)	\$905,791	\$1,876,948	(\$2,921,424)
Covered payroll	\$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)	102.93%	99.12%	98.20%	102.74%
Net pension liability (asset) as a percentage of covered payroll	(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

### Schedule of Employer Contributions

Wisconsin Retirement System

Last 10 Fiscal Years

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contributions-fiscal year	\$965,816	\$960,668	\$1,043,635	\$1,089,991
Contributions in relation to the contractually required contributions	\$965,816	\$960,668	\$1,043,635	\$1,089,991
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Covered payroll	\$14,308,525	\$14,343,307	\$15,561,083	\$15,790,401
Contributions as a percentage of covered payroll	6.75%	6.70%	6.60%	6.90%

#### Note 1

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

Changes of assumptions: There were no changes in the assumptions

See Independent Auditor's Report.

# Blackhawk Technical College District

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

Year Ended June 30, 2018

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

Local Retiree Life Insurance Fund

Last 10 Fiscal Years\*

	<b>2018</b>
Proportion of the net OPEB liability	0.398%
Proportionate share of the net OPEB liability	\$1,198,584
Covered payroll	\$13,141,589
Net OPEB liability as a percentage of covered payroll	9.12%
Plan fiduciary net position as a percentage of the total OPEB liability	44.81%

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

### Schedule of Employer Contributions

Local Retiree Life Insurance Fund

Last 10 Fiscal Years

	<b>2018</b>
Contractually required contributions-fiscal year	\$7,586
Contributions in relation to the contractually required contributions	\$7,586
Contribution deficiency (excess)	\$0
Covered payroll	\$13,175,864
Contributions as a percentage of covered payroll	0.06%

#### Note 1

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

Changes of assumptions: There were no changes in the assumptions

See Independent Auditor's Report.

**Supplementary Financial Information**

# 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, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 6,063,425	\$ 6,182,275	\$ 6,212,945	\$ 30,670
Intergovernmental revenue:				
State aids	12,866,689	12,658,678	12,650,361	(8,317)
Federal aids	13,000	13,000	10,060	(2,940)
Tuition and fees:				
Statutory program fees	5,556,748	5,428,966	5,347,353	(81,613)
Material fees	403,675	372,423	383,344	10,921
Other student fees	407,300	408,334	450,049	41,715
Miscellaneous - institutional revenue	731,478	1,936,478	1,960,771	24,293
<b>Total revenues</b>	<b>26,042,315</b>	<b>27,000,154</b>	<b>27,014,883</b>	<b>14,729</b>
<u>Expenditures</u>				
Current:				
Instruction	14,994,175	15,645,364	15,508,535	136,829
Instructional resources	1,241,864	1,218,538	1,036,072	182,466
Student services	2,016,330	1,949,245	1,808,083	141,162
General institutional	5,155,444	4,824,111	4,705,539	118,572
Physical plant	2,637,874	2,592,147	2,505,179	86,968
<b>Total expenditures</b>	<b>26,045,687</b>	<b>26,229,405</b>	<b>25,563,408</b>	<b>665,997</b>
Revenues over (under) expenditures	(3,372)	770,749	1,451,475	680,726
<u>Other financing sources</u>				
Operating transfers in	23,372	23,372	23,372	-
<b>Total other financing sources</b>	<b>23,372</b>	<b>23,372</b>	<b>23,372</b>	<b>-</b>
<u>Other financing uses</u>				
Operating transfers out	(20,000)	(800,391)	(787,634)	12,757
<b>Total other financing uses</b>	<b>(20,000)</b>	<b>(800,391)</b>	<b>(787,634)</b>	<b>12,757</b>
Revenues and other financing sources over (under) expenditures and other financing uses	-	(6,270)	687,213	693,483
<u>Fund balance</u>				
Beginning of year	10,055,117	10,055,117	10,055,117	-
End of year	\$ 10,055,117	\$ 10,048,847	\$ 10,742,330	\$ 693,483

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, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 746,342	\$ 746,342	\$ 746,342	\$ -
Intergovernmental revenue:				
State aids	1,352,268	1,559,397	1,138,063	(421,334)
Federal	867,688	892,453	679,428	(213,025)
Tuition and fees:				
Material fees	2,000	2,000	565	(1,435)
Other student fees	38,000	38,000	11,660	(26,340)
Miscellaneous - institutional revenue	-	36,625	29,053	(7,572)
<b>Total revenues</b>	<b>3,006,298</b>	<b>3,274,817</b>	<b>2,605,111</b>	<b>(669,706)</b>
<u>Expenditures</u>				
Current:				
Instruction	2,045,424	2,192,614	1,514,193	678,421
Instructional resources	75,556	75,556	57,616	17,940
Student services	885,318	896,644	837,473	59,171
General institutional	-	33,000	70	32,930
<b>Total expenditures</b>	<b>3,006,298</b>	<b>3,197,814</b>	<b>2,409,352</b>	<b>788,462</b>
Revenues over (under) expenditures	-	77,003	195,759	118,756
<u>Other financing uses</u>				
Operating transfers out	-	(41,665)	-	41,665
Revenues over expenditures and other financing uses	-	35,338	195,759	160,421
<u>Fund balance</u>				
Beginning of year	587,454	587,454	587,454	-
End of year	\$ 587,454	\$ 622,792	\$ 783,213	\$ 160,421

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, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Intergovernmental revenue:				
State aids	\$ 734,000	\$ 734,134	\$ 708,257	\$ (25,877)
Federal	8,575,000	8,575,000	7,361,180	(1,213,820)
Miscellaneous - institutional revenue	182,500	188,968	166,899	(22,069)
Total revenues	9,491,500	9,498,102	8,236,336	(1,261,766)
<u>Expenditures</u>				
Current:				
Student services	9,361,500	9,393,016	8,108,448	1,284,568
General institutional	150,000	156,468	135,824	20,644
Total expenditures	9,511,500	9,549,484	8,244,272	1,305,212
Revenues over (under) expenditures	(20,000)	(51,382)	(7,936)	43,446
<u>Other financing sources</u>				
Operating transfers in	20,000	50,257	37,634	(12,623)
Revenues and other financing sources over (under) expenditures and other financing uses	-	(1,125)	29,698	30,823
<u>Fund balance</u>				
Beginning of year	104,776	104,776	104,776	-
End of year	\$ 104,776	\$ 103,651	\$ 134,474	\$ 30,823

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, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget-Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Intergovernmental revenue:				
State aids	\$ 256,799	\$ 256,799	\$ 199,322	\$ (57,477)
Federal	-	34,784	34,784	-
Miscellaneous - institutional revenue	8,810	52,027	54,075	2,048
<b>Total revenues</b>	<b>265,609</b>	<b>343,610</b>	<b>288,181</b>	<b>(55,429)</b>
<u>Expenditures</u>				
Capital outlay:				
Instruction	1,147,771	1,174,405	1,152,960	21,445
Instructional resources	1,095,854	848,568	600,730	247,838
Student services	50,000	23,500	6,376	17,124
General institutional	230,592	749,265	647,633	101,632
Physical plant	3,297,204	2,025,939	1,218,893	807,046
<b>Total expenditures</b>	<b>5,821,421</b>	<b>4,821,677</b>	<b>3,626,592</b>	<b>1,195,085</b>
Revenues over (under) expenditures	(5,555,812)	(4,478,067)	(3,338,411)	1,139,656
<u>Other financing sources</u>				
Proceeds of general obligation debt	5,000,000	5,000,000	5,000,000	-
Operating transfers in	-	750,000	750,000	-
<b>Total other financing sources</b>	<b>5,000,000</b>	<b>5,750,000</b>	<b>5,750,000</b>	<b>-</b>
<u>Other financing uses</u>				
Operating transfers out	(64,000)	(314,002)	(314,000)	2
<b>Total other financing uses</b>	<b>(64,000)</b>	<b>(314,002)</b>	<b>(314,000)</b>	<b>2</b>
Revenues and other financing sources over (under) expenditures and other financing uses	(619,812)	957,931	2,097,589	1,139,658
<u>Fund balance</u>				
Beginning of year	2,546,165	2,546,165	2,546,165	-
End of year	\$ 1,926,353	\$ 3,504,096	\$ 4,643,754	\$ 1,139,658

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, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 8,154,144	\$ 7,874,179	\$ 7,874,179	\$ -
Miscellaneous - institutional revenue	4,000	4,000	17,481	13,481
Total revenues	8,158,144	7,878,179	7,891,660	13,481
<u>Expenditures</u>				
Physical plant	8,222,144	8,192,179	8,121,014	71,165
Total expenditures	8,222,144	8,192,179	8,121,014	71,165
Revenues over (under) expenditures	(64,000)	(314,000)	(229,354)	84,646
<u>Other financing sources</u>				
Operating transfers in	64,000	314,000	314,000	-
Total other financing sources	64,000	314,000	314,000	-
Revenues and other financing sources over (under) expenditures	-	-	84,646	84,646
<u>Fund balance</u>				
Beginning of year	640,385	640,385	640,385	-
End of year	\$ 640,385	\$ 640,385	\$ 725,031	\$ 84,646

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, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Miscellaneous - institutional revenue	\$ 162,100	\$ 162,100	\$ 153,672	\$ (8,428)
Total revenues	162,100	162,100	153,672	(8,428)
<u>Expenditures</u>				
Auxiliary services	124,800	123,300	68,714	54,586
Total expenditures	124,800	123,300	68,714	54,586
Revenues over (under) expenditures	37,300	38,800	84,958	46,158
<u>Other financing uses</u>				
Operating transfers out	(23,372)	(23,372)	(23,372)	-
Total other financing uses	(23,372)	(23,372)	(23,372)	-
Revenues and other financing sources over (under) expenditures and other financing uses	13,928	15,428	61,586	46,158
<u>Net position</u>				
Beginning of year	521,631	521,631	521,631	-
End of year	\$ 535,559	\$ 537,059	\$ 583,217	\$ 46,158

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, 2018

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Miscellaneous - institutional revenue	\$ 210,000	\$ 210,000	\$ 210,000	\$ -
Total revenues	210,000	210,000	210,000	-
<u>Expenditures</u>				
Auxiliary services	210,000	210,000	177,010	32,990
Total expenditures	210,000	210,000	177,010	32,990
Revenues over (under) expenditures	-	-	32,990	32,990
<u>Net position</u>				
Beginning of year	161,253	161,253	161,253	-
End of year	\$ 161,253	\$ 161,253	\$ 194,243	\$ 32,990

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, 2018

<u>ASSETS AND OTHER DEBITS</u>	General	Special Revenue Fund		Capital
	Fund	Operating	Non - Aidable	Projects Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 7,517,726	\$ 603,575	\$ 97,399	\$ 5,249,551
Investments	-	-	35,000	-
Receivables:				
Taxes	3,925,957	-	-	-
Federal and state	106,885	257,723	666,657	-
Accounts	326,450	-	31,721	-
Due from other funds	667,494	-	-	-
Prepaid items	127,834	7,942	-	-
Post-employment benefits	-	-	-	-
Net pension asset WRS	-	-	-	-
Deferred outflow of resources - actuarial - WRS	-	-	-	-
Deferred outflow of resources - actuarial - OPEB	-	-	-	-
Deferred outflow of resources - actuarial - LRLIF	-	-	-	-
Deferred outflow of resources - contributions - WRS	-	-	-	-
Deferred outflow of resources - contributions - LRLIF	-	-	-	-
Capital assets	-	-	-	-
Less: accumulated depreciation	-	-	-	-
<b>Total assets and other debits</b>	<b>\$ 12,672,346</b>	<b>\$ 869,240</b>	<b>\$ 830,777</b>	<b>\$ 5,249,551</b>
<u>LIABILITIES AND FUND BALANCE/NET POSITION</u>				
<u>Liabilities</u>				
Accounts payable	\$ 74,806	\$ 41,352	\$ 17,600	\$ 372,299
Accrued liabilities	1,842,437	44,675	11,209	\$ -
Accrued interest	-	-	-	-
Due to other funds	-	-	667,494	-
Due to student organizations	-	-	-	-
General obligation debt payable	-	-	-	-
Net OPEB liability - LRLIF	-	-	-	-
Deferred inflow of resources - actuarial WRS	-	-	-	-
Deferred inflow of resources - actuarial OPEB	-	-	-	-
Deferred inflow of resources - actuarial LRLIF	-	-	-	-
Unamortized premium on general obligation debt	-	-	-	-
<b>Total liabilities</b>	<b>1,917,243</b>	<b>86,027</b>	<b>696,303</b>	<b>372,299</b>
<u>Fund balance/Net position</u>				
Net investment in capital assets	-	-	-	-
Net position	-	-	-	-
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	4,643,754
Reserved for OPEB	-	-	-	-
Reserved for student financial assistance	-	-	134,474	-
Reserved for prepaid items	127,834	7,942	-	-
Unreserved - Designated for operations	6,836,000	-	-	-
Unreserved - Designated for State aid fluctuations	284,000	-	-	-
Unreserved - Designated for subsequent years	425,000	-	-	-
Unreserved - Designated for subsequent year	3,069,496	775,271	-	-
<b>Budgetary basis fund balance</b>	<b>10,742,330</b>	<b>783,213</b>	<b>134,474</b>	<b>4,643,754</b>
Reserve for encumbrances	12,773	-	-	233,498
<b>Total fund balance/net position</b>	<b>10,755,103</b>	<b>783,213</b>	<b>134,474</b>	<b>4,877,252</b>
<b>Total liabilities and fund balance/net position</b>	<b>\$ 12,672,346</b>	<b>\$ 869,240</b>	<b>\$ 830,777</b>	<b>\$ 5,249,551</b>

Debt Service Fund	Enterprise Fund	Internal Service Fund	Agency Funds	Total	Reconciling Items	Statement of Net Position
\$ 1,322,541	\$ 571,288	\$ 194,243	\$ 396,445	\$ 15,952,768	\$ -	\$ 15,952,768
837	-	-	-	35,837	-	35,837
-	-	-	-	3,925,957	-	3,925,957
-	-	-	-	1,031,265	-	1,031,265
-	12,710	-	131,894	502,775	-	502,775
-	-	-	-	667,494	(667,494)	-
-	-	-	-	135,776	-	135,776
-	-	-	-	-	4,672,123	4,672,123
-	-	-	-	-	3,065,235	3,065,235
-	-	-	-	-	4,648,502	4,648,502
-	-	-	-	-	294,873	294,873
-	-	-	-	-	129,623	129,623
-	-	-	-	-	479,946	479,946
-	-	-	-	-	3,783	3,783
-	-	-	-	-	83,747,704	83,747,704
-	-	-	-	-	30,062,036	30,062,036
<u>\$ 1,323,378</u>	<u>\$ 583,998</u>	<u>\$ 194,243</u>	<u>\$ 528,339</u>	<u>\$ 22,251,872</u>	<u>\$ 66,312,259</u>	<u>\$ 88,564,131</u>
\$ -	\$ -	\$ -	\$ 199	\$ 506,256	\$ -	\$ 506,256
-	781	-	1,333	1,900,435	-	1,900,435
-	-	-	-	-	275,205	275,205
-	-	-	-	667,494	(667,494)	-
-	-	-	526,807	526,807	-	526,807
-	-	-	-	-	46,810,000	46,810,000
-	-	-	-	-	1,198,584	1,198,584
-	-	-	-	-	6,034,578	6,034,578
-	-	-	-	-	271,562	271,562
-	-	-	-	-	71,480	71,480
598,347	-	-	-	598,347	-	598,347
<u>598,347</u>	<u>781</u>	<u>-</u>	<u>528,339</u>	<u>4,199,339</u>	<u>53,993,915</u>	<u>58,193,254</u>
-	-	-	-	-	12,792,920	12,792,920
-	583,217	194,243	-	777,460	11,815,636	12,593,096
725,031	-	-	-	725,031	(275,205)	449,826
-	-	-	-	4,643,754	(4,643,754)	-
-	-	-	-	-	4,400,561	4,400,561
-	-	-	-	134,474	-	134,474
-	-	-	-	135,776	(135,776)	-
-	-	-	-	6,836,000	(6,836,000)	-
-	-	-	-	284,000	(284,000)	-
-	-	-	-	425,000	(425,000)	-
-	-	-	-	3,844,767	(3,844,767)	-
<u>725,031</u>	<u>583,217</u>	<u>194,243</u>	<u>-</u>	<u>17,806,262</u>	<u>12,564,615</u>	<u>30,370,877</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,271</u>	<u>(246,271)</u>	<u>-</u>
<u>725,031</u>	<u>583,217</u>	<u>194,243</u>	<u>-</u>	<u>18,052,533</u>	<u>12,318,344</u>	<u>30,370,877</u>
<u>\$ 1,323,378</u>	<u>\$ 583,998</u>	<u>\$ 194,243</u>	<u>\$ 528,339</u>	<u>\$ 22,251,872</u>	<u>\$ 66,312,259</u>	<u>\$ 88,564,131</u>

See Independent Auditor's Report.

# 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, 2018

	General Fund	Special Revenue Fund		Capital Projects Fund
		Operating	Non - Aidable	
<u>Revenues</u>				
Local government - tax levy	\$ 6,212,945	\$ 746,342	\$ -	\$ -
Intergovernmental revenue:				
State aids	12,650,361	1,138,063	708,257	199,322
Federal aids	10,060	679,428	7,361,180	34,784
Tuition and fees:				
Statutory program fees	5,347,353	-	-	-
Material fees	383,344	565	-	-
Other student fees	450,049	11,660	-	-
Miscellaneous - institutional revenue	1,960,771	29,053	166,899	54,075
<b>Total revenues</b>	<b>27,014,883</b>	<b>2,605,111</b>	<b>8,236,336</b>	<b>288,181</b>
<u>Expenditures</u>				
Current:				
Instruction	15,508,535	1,514,193	-	1,152,960
Instructional resources	1,036,072	57,616	-	600,730
Student services	1,808,083	837,473	8,108,448	6,376
General institutional	4,705,539	70	135,824	647,633
Physical plant	2,505,179	-	-	1,218,893
Student aid	-	-	-	-
Auxiliary	-	-	-	-
Depreciation	-	-	-	-
Loss on disposition of fixed assets	-	-	-	-
Debt service				
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>25,563,408</b>	<b>2,409,352</b>	<b>8,244,272</b>	<b>3,626,592</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,451,475</b>	<b>195,759</b>	<b>(7,936)</b>	<b>(3,338,411)</b>
<u>Other financing sources (uses)</u>				
Operating transfers in	23,372	-	37,634	750,000
Operating transfers out	(787,634)	-	-	(314,000)
Proceeds from long-term debt	-	-	-	5,000,000
<b>Total other financing sources (uses)</b>	<b>(764,262)</b>	<b>-</b>	<b>37,634</b>	<b>5,436,000</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>687,213</b>	<b>195,759</b>	<b>29,698</b>	<b>2,097,589</b>
<u>Fund balances/Net position:</u>				
Beginning of year	10,055,117	587,454	104,776	2,546,165
Change in accounting principle				
Beginning of year, as restated	10,055,117	587,454	104,776	2,546,165
<b>End of year</b>	<b>\$ 10,742,330</b>	<b>\$ 783,213</b>	<b>\$ 134,474</b>	<b>\$ 4,643,754</b>

<u>Debt Service Fund</u>	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>	<u>Reconciling Items</u>	<u>Statement of Revenues, Expenses and Changes in Net Position</u>
\$ 7,874,179	\$ -	\$ -	\$14,833,466	\$ -	\$ 14,833,466
-	-	-	14,696,003	-	14,696,003
-	-	-	8,085,452	(3,352,222)	4,733,230
-	-	-	5,347,353	(1,355,830)	3,991,523
-	-	-	383,909	(97,406)	286,503
-	-	-	461,709	(117,830)	343,879
17,481	153,672	210,000	2,591,951	(210,000)	2,381,951
<u>7,891,660</u>	<u>153,672</u>	<u>210,000</u>	<u>46,399,843</u>	<u>(5,133,288)</u>	<u>41,266,555</u>
-	-	-	18,175,688	(522,775)	17,652,913
-	-	-	1,694,418	(116,336)	1,578,082
-	-	-	10,760,380	(7,242,017)	3,518,363
-	-	-	5,489,066	(471,124)	5,017,942
8,121,014	-	-	11,845,086	(9,101,530)	2,743,556
-	-	-	-	2,369,950	2,369,950
-	68,714	177,010	245,724	(176,271)	69,453
-	-	-	-	5,087,354	5,087,354
-	-	-	-	9,741	9,741
-	-	-	-	1,046,918	1,046,918
<u>8,121,014</u>	<u>68,714</u>	<u>177,010</u>	<u>48,210,362</u>	<u>(9,116,090)</u>	<u>39,094,272</u>
<u>(229,354)</u>	<u>84,958</u>	<u>32,990</u>	<u>(1,810,519)</u>	<u>3,982,802</u>	<u>2,172,283</u>
314,000	-	-	1,125,006	(1,125,006)	-
-	(23,372)	-	(1,125,006)	1,125,006	-
-	-	-	5,000,000	(5,000,000)	-
<u>314,000</u>	<u>(23,372)</u>	<u>-</u>	<u>5,000,000</u>	<u>(5,000,000)</u>	<u>-</u>
84,646	61,586	32,990	3,189,481	(1,017,198)	2,172,283
640,385	521,631	161,253	14,616,781	14,608,198	29,224,979
-	-	-	-	(1,026,385)	(1,026,385)
640,385	521,631	161,253	14,616,781	13,581,813	28,198,594
<u>\$ 725,031</u>	<u>\$ 583,217</u>	<u>\$ 194,243</u>	<u>\$17,806,262</u>	<u>\$ 12,564,615</u>	<u>\$ 30,370,877</u>

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, 2018

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

Operating	\$ 2,045,642
Non-operating	12,650,361
	<hr/>
Total	\$ 14,696,003
	<hr/> <hr/>

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

Auxiliary enterprise revenues	\$ 153,672
Contract revenues	1,407,542
Miscellaneous income	636,342
Investment income	184,395
	<hr/>
Total	\$ 2,381,951
	<hr/> <hr/>

(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:

	<hr/>
	2018
	<hr/>
Budgetary basis fund equity	\$ 17,806,262
Capital assets - cost	83,747,704
Accumulated depreciation on capital assets	(30,062,036)
Net OPEB Asset	4,672,123
Net pension asset - WRS	3,065,235
Net OPEB liability - LRLIF	(1,198,584)
General obligation debt	(46,810,000)
Accrued interest on long-term debt	(275,205)
Deferred outflows of resources	5,556,727
Deferred inflows of resources	(6,377,620)
Encumbrances	246,271
	<hr/>
Net position per basic financial statements	\$ 30,370,877
	<hr/> <hr/>



# 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, 2017

<u>ASSETS AND OTHER DEBITS</u>	General	Special Revenue Fund		Capital
	Fund	Operating	Non - Aidable	Projects Fund
<u>Assets</u>				
Cash and cash equivalents	\$ 6,544,173	\$ 623,110	\$ 58,230	\$ 3,047,119
Investments	-	-	67,000	-
Receivables:				
Taxes	3,879,428	-	-	-
Federal and state	123,740	225,866	863,932	-
Accounts	299,555	-	33,481	-
Due from other funds	907,136	-	-	-
Prepaid items	171,210	7,204	-	269,717
Post-employment benefits	-	-	-	-
Deferred outflow of resources - actuarial	-	-	-	-
Deferred outflow of resources - contributions	-	-	-	-
Capital assets	-	-	-	-
Less: accumulated depreciation	-	-	-	-
Total assets and other debits	<u>\$ 11,925,242</u>	<u>\$ 856,180</u>	<u>\$ 1,022,643</u>	<u>\$ 3,316,836</u>
<u>LIABILITIES AND FUND BALANCE/NET POSITION</u>				
<u>Liabilities</u>				
Accounts payable	\$ 230,798	\$ 34,123	\$ 2,027	\$ 478,675
Accrued liabilities	1,607,606	115,935	10,414	\$ -
Accrued interest	-	-	-	-
Due to other funds	-	-	905,426	-
Due to student organizations	-	-	-	-
General obligation debt payable	-	-	-	-
Net pension liability	-	-	-	-
Deferred inflow of resources - actuarial	-	-	-	-
Unamortized premium on general obligation debt	-	-	-	-
Total liabilities	<u>1,838,404</u>	<u>150,058</u>	<u>917,867</u>	<u>478,675</u>
<u>Fund balance/Net position</u>				
Net investment in capital assets	-	-	-	-
Net position	-	-	-	-
Fund balances:				
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	2,276,448
Reserved for OPEB	-	-	-	-
Reserved for student financial assistance	-	-	104,776	-
Reserved for prepaid items	171,210	7,204	-	269,717
Unreserved - Designated for operations	7,132,096	-	-	-
Unreserved - Designated for State aid fluctuations	290,000	-	-	-
Unreserved - Designated for subsequent years	435,000	-	-	-
Unreserved - Designated for subsequent year	2,026,811	580,250	-	-
Budgetary basis fund balance	10,055,117	587,454	104,776	2,546,165
Reserve for encumbrances	31,721	118,668	-	291,996
Total fund balance/net position	<u>10,086,838</u>	<u>706,122</u>	<u>104,776</u>	<u>2,838,161</u>
Total liabilities and fund balance/net position	<u>\$ 11,925,242</u>	<u>\$ 856,180</u>	<u>\$ 1,022,643</u>	<u>\$ 3,316,836</u>

Debt Service Fund	Enterprise Fund	Internal Service Fund	Agency Funds	Total	Reconciling Items	Statement of Net Position
\$ 1,310,925	\$ 490,612	\$ 161,253	\$ 360,484	\$ 12,595,906	\$ -	\$ 12,595,906
837	-	-	-	67,837	-	67,837
-	-	-	-	3,879,428	-	3,879,428
-	-	-	-	1,213,538	-	1,213,538
-	35,317	-	144,690	513,043	-	513,043
-	-	-	-	907,136	(907,136)	-
-	-	-	-	448,131	-	448,131
-	-	-	-	-	4,515,251	4,515,251
-	-	-	-	-	6,311,811	6,311,811
-	-	-	-	-	476,320	476,320
-	-	-	-	-	81,144,371	81,144,371
-	-	-	-	-	25,127,791	25,127,791
<u>\$ 1,311,762</u>	<u>\$ 525,929</u>	<u>\$ 161,253</u>	<u>\$ 505,174</u>	<u>\$ 19,625,019</u>	<u>\$ 66,412,826</u>	<u>\$ 86,037,845</u>
\$ -	\$ 985	\$ -	\$ 1,345	\$ 747,953	\$ -	\$ 747,953
-	3,313	-	2,856	1,740,124	-	1,740,124
-	-	-	-	-	284,301	284,301
-	-	-	1,710	907,136	(907,136)	-
-	-	-	499,263	499,263	-	499,263
-	-	-	-	-	48,875,000	48,875,000
-	-	-	-	-	905,791	905,791
-	-	-	-	-	3,089,057	3,089,057
671,377	-	-	-	671,377	-	671,377
<u>671,377</u>	<u>4,298</u>	<u>-</u>	<u>505,174</u>	<u>4,565,853</u>	<u>52,247,013</u>	<u>56,812,866</u>
-	-	-	-	-	11,539,741	11,539,741
-	521,631	161,253	-	682,884	12,266,665	12,949,549
640,385	-	-	-	640,385	(284,301)	356,084
-	-	-	-	2,276,448	(2,276,448)	-
-	-	-	-	-	4,274,829	4,274,829
-	-	-	-	104,776	-	104,776
-	-	-	-	448,131	(448,131)	-
-	-	-	-	7,132,096	(7,132,096)	-
-	-	-	-	290,000	(290,000)	-
-	-	-	-	435,000	(435,000)	-
-	-	-	-	2,607,061	(2,607,061)	-
<u>640,385</u>	<u>521,631</u>	<u>161,253</u>	<u>-</u>	<u>14,616,781</u>	<u>14,608,198</u>	<u>29,224,979</u>
-	-	-	-	442,385	(442,385)	-
<u>640,385</u>	<u>521,631</u>	<u>161,253</u>	<u>-</u>	<u>15,059,166</u>	<u>14,165,813</u>	<u>29,224,979</u>
<u>\$ 1,311,762</u>	<u>\$ 525,929</u>	<u>\$ 161,253</u>	<u>\$ 505,174</u>	<u>\$ 19,625,019</u>	<u>\$ 66,412,826</u>	<u>\$ 86,037,845</u>

See Independent Auditor's Report.

# 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, 2017

	General Fund	Special Revenue Fund		Capital Projects Fund
		Operating	Non - Aidable	
<u>Revenues</u>				
Local government - tax levy	\$ 6,010,528	\$ 686,549	\$ -	\$ -
Intergovernmental revenue:				
State aids	12,673,742	768,379	711,982	318,601
Federal aids	12,219	936,166	7,940,605	2,864
Tuition and fees:				
Statutory program fees	5,349,605	-	-	-
Material fees	391,421	961	-	-
Other student fees	429,238	18,474	-	-
Miscellaneous - institutional revenue	1,994,922	36,250	191,557	433,125
<b>Total revenues</b>	<b>26,861,675</b>	<b>2,446,779</b>	<b>8,844,144</b>	<b>754,590</b>
<u>Expenditures</u>				
Current:				
Instruction	15,255,608	1,635,943	-	1,245,539
Instructional resources	1,327,334	49,757	-	810,457
Student services	2,029,352	701,855	8,723,629	10,918
General institutional	4,752,408	62,003	156,697	371,322
Physical plant	2,767,868	-	-	1,891,760
Student aid	-	-	-	-
Auxiliary	-	-	-	-
Depreciation	-	-	-	-
Loss on disposition of fixed assets	-	-	-	-
Debt service				
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>26,132,570</b>	<b>2,449,558</b>	<b>8,880,326</b>	<b>4,329,996</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>729,105</b>	<b>(2,779)</b>	<b>(36,182)</b>	<b>(3,575,406)</b>
<u>Other financing sources (uses)</u>				
Operating transfers in	-	-	92,699	-
Operating transfers out	(92,699)	-	-	(60,000)
Proceeds from long-term debt	-	-	-	5,000,000
<b>Total other financing sources (uses)</b>	<b>(92,699)</b>	<b>-</b>	<b>92,699</b>	<b>4,940,000</b>
<b>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</b>	<b>636,406</b>	<b>(2,779)</b>	<b>56,517</b>	<b>1,364,594</b>
<u>Fund balances/Net position:</u>				
Beginning of year	9,418,711	590,233	48,259	1,181,571
End of year	\$ 10,055,117	\$ 587,454	\$ 104,776	\$ 2,546,165

Debt Service Fund	Enterprise Fund	Internal Service Fund	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
\$ 7,522,075	\$ -	\$ -	\$ 14,219,152	\$ -	\$ 14,219,152
-	-	-	14,472,704	-	14,472,704
-	-	-	8,891,854	(3,764,554)	5,127,300
-	-	-	5,349,605	(1,350,220)	3,999,385
-	-	-	392,382	(99,044)	293,338
-	-	-	447,712	(112,948)	334,764
7,876	145,930	210,000	3,019,660	(210,000)	2,809,660
7,529,951	145,930	210,000	46,793,069	(5,536,766)	41,256,303
-	-	-	18,137,090	(135,071)	18,002,019
-	-	-	2,187,548	(389,747)	1,797,801
-	-	-	11,465,754	(7,724,510)	3,741,244
-	-	-	5,342,430	112,298	5,454,728
8,021,392	-	-	12,681,020	(9,638,828)	3,042,192
-	-	-	-	2,525,524	2,525,524
-	109,282	282,793	392,075	(280,357)	111,718
-	-	-	-	4,941,665	4,941,665
-	-	-	-	1,443,504	1,443,504
-	-	-	-	1,112,294	1,112,294
8,021,392	109,282	282,793	50,205,917	(8,033,228)	42,172,689
(491,441)	36,648	(72,793)	(3,412,848)	2,496,462	(916,386)
60,000	-	-	152,699	(152,699)	-
-	-	-	(152,699)	152,699	-
-	-	-	5,000,000	(5,000,000)	-
60,000	-	-	5,000,000	(5,000,000)	-
(431,441)	36,648	(72,793)	1,587,152	(2,503,538)	(916,386)
1,071,826	484,983	234,046	13,029,629	17,111,736	30,141,365
\$ 640,385	\$ 521,631	\$ 161,253	\$ 14,616,781	\$ 14,608,198	\$ 29,224,979

See Independent Auditor's Report.

## **Other Reports**



## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

District Board  
Blackhawk Technical College District  
Janesville, Wisconsin

We have audited 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, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 29, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the 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.

### **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) to determine the 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 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 the attention of those charged with governance.

Our consideration of internal control over financial reporting 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 may exist that have not been identified.

## **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 determination of financial statement amounts. 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 test 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.

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

Wipfli LLP

November 29, 2018  
Eau Claire, Wisconsin



## **Independent Auditor’s Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance**

District Board  
Blackhawk Technical College District  
Janesville, Wisconsin

### **Report on Compliance for Each Major Federal and State Program**

We have audited Blackhawk Technical College District’s (the “College”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018. The College’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

### **Management’s Responsibility for Compliance**

Management is responsible for compliance with the federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on compliance for each of the College’s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the College’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. The financial statements of the Blackhawk Technical College Foundation, Inc., were not audited in accordance with *Government Auditing Standards*.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the College's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the Blackhawk Technical College District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended June 30, 2018.

### **Report on Internal Control Over Compliance**

Management of the College is responsible for establishing and maintaining effective internal control over compliance (internal control) with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control with the types requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control in accordance with the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of 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 over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency in internal control, or a combination of deficiencies, in internal control with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control, yet important enough to merit the attention of those charged with governance.

Our consideration of the 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Wipfli LLP

November 29, 2018  
Eau Claire, Wisconsin

# Blackhawk Technical College District

## Schedule of Expenditures of Federal Awards Year Ended June 30, 2018

**BLACKHAWK TECHNICAL COLLEGE DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2018**

Agency/Program/Grant Title	CFDA/Grant Number	Grant Amount	Revenue		Expenditures	Passed Through to Subrecipients
			Federal	Match		
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<b>Passed through the Wisconsin Department of Workforce Development</b>						
<b>SNAP Cluster</b>						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561					
FSET GED Fast Track Grant	n/a	18,464	2,917	2,918	5,835	\$ -
<b>U.S. DEPARTMENT OF LABOR</b>						
<b>Direct Program</b>						
Trade Adjustment Assistance Community College and Career Training Grants	17.282					
INTERFACE	087	829,850	(62)	-	(62)	-
<b>Passed through Chippewa Valley Technical College</b>						
ACT for Healthcare	098	160,426	71,079	3,131	74,210	-
Total 17.282			71,017	3,131	74,148	-
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>						
<b>Passed through the Wisconsin Technical College System Board</b>						
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	n/a	2,648	-	2,648	-
<b>U.S. DEPARTMENT OF VETERANS AFFAIRS</b>						
VA Educational Reporting Fee	64.027	n/a	742	-	742	-

# Blackhawk Technical College District

## Schedule of Expenditures of Federal Awards (Continued) Year Ended June 30, 2018

Agency/Program/Grant Title	CFDA/Grant Number	Grant Amount	Revenue		Expenditures	Passed Through to Subrecipients
			Federal	Match		
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<b>Direct Programs</b>						
Student Financial Assistance Cluster						
Federal Supplemental Educational Opportunity Grants	84.007					
SEOG 2017-18	E-P007A174485	n/a	\$ 66,447	\$ -	\$ 66,447	\$ -
Federal Work Study Program	84.033					
FWS 2017-18	E-P033A174485	n/a	67,942	22,647	90,589	-
Federal Pell Grant Program	84.063					
Pell 2017-18	E-P063P172672	n/a	3,874,569	-	3,874,569	-
Administrative Fee			6,670	-	6,670	-
Federal Direct Student Loan Program	84.268					
Direct Loan Program	E-P268K182672	n/a	3,352,222	-	3,352,222	-
Total Student Financial Assistance Cluster			<u>7,367,850</u>	<u>22,647</u>	<u>7,390,497</u>	<u>-</u>
<b>Passed through the Wisconsin Technical College System Board</b>						
Adult Education-Basic Grant to States	84.002					
Integrated English & Civics Education	05-445-146-168	\$ 33,518	30,069	-	30,069	-
Adult Basic Education	05-646-146-128	188,146	180,424	258,725	439,149	-
ABE Rock County Prisoners Project	05-825-146-118	50,149	50,149	21,768	71,917	-
Total 84.002			<u>260,642</u>	<u>280,493</u>	<u>541,135</u>	<u>-</u>
Career and Technical Education - Basic Grants to States	84.048					
Career Prep	05-073-150-218	33,087	33,087	1,378	34,465	-
Strengthening Programs	05-423-150-258	67,623	63,586	-	63,586	-
Student Support Services - Non Traditional	05-424-150-268	16,906	16,625	-	16,625	-
Student Support Services/Guidance & Counseling	05-471-150-238	253,584	209,905	213,063	422,968	-
Student Support Services/Reserve	05-116-150-278	64,575	21,650	-	21,650	-
Total 84.048			<u>344,853</u>	<u>214,441</u>	<u>559,294</u>	<u>-</u>
<b>Total U.S Department of Education</b>			<u>7,973,345</u>	<u>517,581</u>	<u>8,490,926</u>	<u>-</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>						
<b>Passed through the Wisconsin Technical College System Board</b>						
Assistance to Firefighters Grant	97.044					
Assistance to Firefighters 2017-18	05-108-153-118	34,784	34,783	5,218	40,001	-
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 8,085,452</u>	<u>\$ 528,848</u>	<u>\$ 8,614,300</u>	<u>\$ -</u>

# Blackhawk Technical College District

## Schedule of Expenditures of State Awards Year Ended June 30, 2018

State Agency/Program/Title	State Catalog/Grant Number	Grant Amount	Revenue		Expenditures	Passed Through to Subrecipients
			State	Match		
<b>Wisconsin Department of Revenue</b>						
Exempt Computer Aid	835.109	n/a	\$ 60,431	\$ -	\$ 60,431	\$ -
<b>Wisconsin Higher Education Aids Board</b>						
Wisconsin Higher Education Grants	235.102	n/a	623,801	-	623,801	-
Remission of Fees for Veterans and Dependents	235.105	n/a	36,519	-	36,519	-
Minority Retention Grant	235.107	n/a	4,660	-	4,660	-
Wisconsin Covenant Scholars Grant	235.108	n/a	6,312	-	6,312	-
Academic Excellence Scholarship	235.109	n/a	1,125	1,125	2,250	-
Handicapped Student Grant	235.112	n/a	1,800	-	1,800	-
Talent Incentive Program	235.114	n/a	22,500	-	22,500	-
HEAB Nursing Student Loan Fund	235.117	n/a	9,000	-	9,000	-
Technical Excellence Scholarship	235.119	n/a	37,634	37,321	74,955	-
Wisconsin Covenant Foundation Grant	235.131	n/a	875	-	875	-
Indian Student Assistance Grant	235.132	n/a	550	-	550	-
<b>Total Wisconsin Higher Education Aids Board</b>			<u>744,776</u>	<u>38,446</u>	<u>783,222</u>	<u>-</u>
<b>Wisconsin Department of Public Instruction</b>						
Precollege Scholarship Program	255.903					
	05-084	n/a	11,000	-	11,000	-
<b>Wisconsin Technical College System Board</b>						
General State Aid	292.105	n/a	1,781,500	-	1,781,500	-
Performance Based Aid	292.105	n/a	1,058,716	-	1,058,716	-
General State Aid Prior Year Adjustment	292.105	n/a	(94,100)	-	(94,100)	-
Total 292.105			<u>2,746,116</u>	<u>-</u>	<u>2,746,116</u>	<u>-</u>
Student Emergency Fund	292.104					
Emergency Fund	05-114-104-118	16,916	16,916	-	16,916	-

# Blackhawk Technical College District

## Schedule of Expenditures of State Awards (Continued) Year Ended June 30, 2018

State Agency/Program/Title	State Catalog/Grant Number	Grant Amount	Revenue		Expenditures	Passed Through to Subrecipients
			State	Match		
<b>Wisconsin Technical College System Board (Continued)</b>						
Grants to District Boards	292.124					
Industrial Electrician Apprentice	05-029-124-118	\$ 17,203	\$ 15,470	\$ -	\$ 15,470	\$ -
Career Pathways	05-031-124-128	249,007	194,903	64,967	259,870	-
Core Industry	05-040-124-138	132,558	102,414	-	102,414	-
Student Support	05-088-124-168	207,753	207,751	76,445	284,196	-
Professional Development	05-089-124-157	50,476	-	-	-	-
Professional Development	05-089-124-158	50,731	42,493	21,268	63,761	-
Core Industry	05-099-124-137	243,645	7,648	-	7,648	-
Core Industry	05-099-124-138	245,133	192,889	-	192,889	-
Developing Markets	05-102-124-148	162,901	152,546	-	152,546	-
Career Pathways	05-104-124-128	87,387	52,840	17,613	70,453	-
Corporate Contractors, Inc	05-119-124-178	6,144	6,143	-	6,143	-
Humane Manufacturing Co	05-120-124-178	4,829	3,060	-	3,060	-
Impact Confessions	05-121-124-178	17,330	4,819	-	4,819	-
Blackhawk Transport	05-122-124-178	14,077	10,154	-	10,154	-
Stainless Tank and Equipment	05-123-124-178	4,336	1,273	-	1,273	-
Emmi Roth USA	05-124-124-178	25,446	15,181	-	15,181	-
Van Galder Bus Company	05-125-124-178	4,949	2,794	-	2,794	-
SSI Technologies	05-127-124-178	197,067	95,808	-	95,808	-
Orchard Monroe	05-128-124-178	9,060	3,724	-	3,724	-
Blackhawk Transport Management	05-110-124-177	12,537	818	-	818	-
United Alloy	05-111-124-177	29,721	9,825	-	9,825	-
Emmi Roth Management	05-112-124-177	12,392	879	-	879	-
SSI WAT FY 17	05-113-124-177	197,323	42,330	-	42,330	-
Passed through Madison Area Technical College						
Southwest Consortium Advanced Manufacturing	04-325-124-188	10,813	10,813	-	10,813	-
Total 292.124			1,176,575	180,293	1,356,868	-
Fire Fighter Training 2%	292.137	n/a	9,932	-	9,932	-
Property Tax Relief Aid	292.162	n/a	9,797,362	-	9,797,362	-
<b>Total Wisconsin Technical College System Board</b>			<b>13,746,901</b>	<b>180,293</b>	<b>13,927,194</b>	<b>-</b>

# Blackhawk Technical College District

## Schedule of Expenditures of State Awards (Continued) Year Ended June 30, 2018

State Agency/Program/Title	State Catalog/Grant Number	Grant Amount	Revenue		Expenditures	Passed Through to Subrecipients
			State	Match		
<b>Wisconsin Department of Transportation</b>						
Motorcycle Safety	20.395 (4) (aq)					
Motorcycle Safety Program FY17	n/a	n/a	\$ (252)	\$ 252	\$ -	\$ -
Motorcycle Safety Program FY18	n/a	24,762	888	12,225	13,113	-
Total 20.395 (4) (aq)			<u>636</u>	<u>12,477</u>	<u>13,113</u>	<u>-</u>
<b>Wisconsin Department of Corrections</b>						
Passed through the Rock County Sheriff's Department	410.111					
Rock County Basic Skills 17/18	932	75,729	69,366	-	69,366	-
<b>Wisconsin Department of Workforce Development</b>						
Youth Apprenticeship	445.107					
Youth Apprenticeship Program	066	64,800	62,893	26,954	89,847	-
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u>\$ 14,696,003</u>	<u>\$ 258,170</u>	<u>\$ 14,954,173</u>	<u>\$ -</u>

See accompanying notes to the Schedules of Expenditures of Federal and State Awards.

# Blackhawk Technical College District

## Notes to the Schedules of Expenditures of Federal and State Awards Year Ended June 30, 2018

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### Note 1      **Significant Accounting Policies**

#### **Basis of Presentation**

The accompanying schedules of expenditures of federal and state awards includes the federal and state award activity of Blackhawk Technical College District under programs of the federal and state government for the year ended June 30, 2018. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Because the schedules present only a select portion of the operations of Blackhawk Technical College District, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of Blackhawk Technical College District.

### Note 2      **Summary of Significant Accounting Policies**

Expenditures reported on the schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedules represent adjustment or credits made in the normal course of business to amounts reported as expenditures in prior year. Blackhawk Technical College District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

### Note 3      **Federal Direct Student Loans (FDL)**

The FDL (Federal CFDA Number 84.268) is comprised of the following loan types:

Subsidized Stafford loans	\$ 2,091,429
Unsubsidized Stafford loans	<u>1,260,793</u>
Total FDL	<u>\$ 3,352,222</u>

# Blackhawk Technical College District

## Notes to the Schedules of Expenditures of Federal and State Awards (Continued) Year Ended June 30, 2018

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### Note 4 Pass-Through Funds to Subrecipients

During the fiscal year ended June 30, 2018, there were no funds passed through to a subrecipient.

### Note 5 Reconciliation of Revenues to the Basic Financial Statements

The following is a reconciliation of federal awards per the Schedule of Expenditures of Federal Awards to the federal revenues per the College's basic financial statements.

Revenues per Schedule of Expenditures of Federal Awards	\$ 8,085,452
Financial aid not recognized as revenue	<u>(3,352,222)</u>
Revenues per basic financial statements	<u>\$ 4,733,230</u>

The following is a reconciliation of state awards per the Schedule of Expenditures of State Awards to the state revenues per the College's basic financial statements.

Revenues per Schedule of Expenditures of State Awards	<u>\$ 14,696,003</u>
State revenue per basic financial statements	<u>\$ 14,696,003</u>

State revenues per basic financial statements:

Non-operating revenue	\$ 12,650,361
Operating revenue	<u>2,045,642</u>
Total	<u>\$ 14,696,003</u>



# Blackhawk Technical College District

## Schedule of Findings and Questioned Costs

Year Ended June 30, 2018

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### Section I - Summary of Auditor's Results

#### *Financial Statements*

Type of auditor's report issued:	Unmodified
Internal control over financial reporting in accordance with GAGAS:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	None reported
Noncompliance material to the financial statements?	No

#### *Federal Awards*

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a)?	No

Identification of major federal programs:

<b>CFDA Number</b>	<b>Name of Federal Program or Cluster</b>
84.007	Student Financial Assistance Cluster: Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loan Program
Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
Auditee qualified as a low-risk auditee?	Yes

# Blackhawk Technical College District

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2018

---

### Section I - Summary of Auditor's Results (Continued)

#### State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified  
not considered to be material  
weakness(es)? None reported

Type of auditor's report issued on  
compliance for major programs: Unmodified

Any audit findings disclosed that are  
required to be reported in accordance  
with the *State of Wisconsin Single  
Audit Guidelines*? No

Identification of major state programs:

CFDA Number	Name of State Program or Cluster
292.105	State Aid for Technical Colleges
292.162	Property Tax Relief Aid
292.124	Grants to District Boards

### Section II - Financial Statement Findings

There were no findings required to be reported in accordance with Generally Accepted Government Auditing Standards.

### Section III - Federal and State Financial Assistance Findings and Questioned Costs

None reported.

# Blackhawk Technical College District

## Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2018

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### Section IV – Prior Year Findings and Questioned Costs

None reported.

### Section V – Other Issues


Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with *State of Wisconsin Single Audit Guidelines*:

Wisconsin Department of Revenue	No
Wisconsin Higher Education Aids Board	No
Wisconsin Technical College System Board	No
Wisconsin Department of Transportation	No
Wisconsin Department of Corrections	No
Wisconsin Department of Workforce Development	No
Wisconsin Department of Public Instruction	No

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

Name and Signature of Partner

  
\_\_\_\_\_  
Dan Walker, CPA

Date of Report

\_\_\_\_\_  
November 29, 2018

## **Statistical Section**

# Blackhawk Technical College District

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net investment in capital assets	\$ 12,792,920	\$ 11,539,741	\$ 12,194,425	\$ 13,888,849	\$ 15,754,490	\$ 14,630,406	\$ 13,773,483	\$ 12,995,897	\$ 11,772,244	\$ 9,784,782
Restricted for:										
Debt service	449,826	356,084	778,427	553,401	278,829	477,794	546,942	458,951	726,981	668,855
Pensions				2,921,424						
OPEB	4,400,561	4,274,829								
Student financial assistance	134,474	104,776	48,259	52,887	63,847	98,479	112,813	139,077	154,585	170,211
Unrestricted	12,593,096	12,949,549	15,763,540	13,605,148	11,564,931	12,086,643	13,079,279	13,308,342	13,312,383	11,628,040
Total Net Position	\$ 30,370,877	\$ 29,224,979	\$ 28,784,651	\$ 31,021,709	\$ 27,662,097	\$ 27,293,322	\$ 27,512,517	\$ 26,902,267	\$ 25,966,193	\$ 22,251,888

# Blackhawk Technical College District

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Operating Revenues</b>										
Tuition and fees, net of scholarship allowances	\$ 4,621,905	\$ 4,627,487	\$ 4,779,121	\$ 3,801,758	\$ 4,000,881	\$ 4,411,123	\$ 5,221,994	\$ 6,456,293	\$ 6,845,709	\$ 6,122,175
State aids	2,045,642	1,798,962	1,619,248	1,525,993	1,607,691	1,654,800	1,750,700	1,419,869	1,439,854	1,339,492
Federal grants	4,733,230	5,127,300	5,811,872	6,825,882	6,822,481	7,764,081	8,135,545	8,469,065	7,126,315	4,263,090
Contract revenue	1,407,542	1,457,254	1,092,002	675,424	703,095	664,953	594,867	697,487	779,501	618,280
Auxiliary revenues	153,672	145,930	127,444	107,828	148,520	155,266	282,914	247,241	357,488	272,117
Miscellaneous - institutional revenue	636,342	1,146,896	737,132	650,942	1,868,606	606,285	662,183	641,816	411,035	485,953
<b>Total program revenues</b>	<b>13,598,333</b>	<b>14,303,829</b>	<b>14,166,819</b>	<b>13,587,827</b>	<b>15,151,274</b>	<b>15,256,508</b>	<b>16,648,203</b>	<b>17,931,771</b>	<b>16,959,902</b>	<b>13,101,107</b>
<b>Operating Expenses</b>										
Instruction	17,652,913	18,002,019	18,268,116	20,128,563	18,605,256	19,270,434	19,169,314	20,279,840	19,323,435	17,535,638
Instructional Resources	1,578,082	1,797,801	2,111,723	2,754,984	2,968,691	2,699,442	2,704,827	2,600,517	2,630,316	2,460,755
Student Services	3,518,363	3,741,244	4,011,244	3,810,176	4,053,329	4,048,582	4,032,577	4,184,598	3,679,753	3,165,148
General Institutional	5,017,942	5,454,728	4,975,086	5,626,818	4,997,754	5,295,520	5,412,688	5,546,868	4,939,664	4,658,205
Physical Plant	2,743,556	3,042,192	3,913,173	2,034,944	2,325,343	2,021,663	2,170,602	2,333,691	2,207,373	2,070,089
Student Aid	2,369,950	2,525,524	2,981,290	2,297,505	2,688,798	3,228,572	3,807,513	4,531,422	3,872,504	2,410,983
Auxiliary Services	69,453	111,718	64,812	103,271	143,487	161,289	247,789	324,500	338,978	297,536
Depreciation	5,087,354	4,941,665	4,921,570	2,286,750	1,698,292	1,391,807	1,229,306	1,215,457	1,207,977	1,212,153
<b>Total operating expenses</b>	<b>38,037,613</b>	<b>39,616,891</b>	<b>41,247,014</b>	<b>39,043,011</b>	<b>37,480,950</b>	<b>38,117,309</b>	<b>38,774,616</b>	<b>41,016,893</b>	<b>38,200,000</b>	<b>33,810,507</b>
<b>Operating loss</b>	<b>(24,439,280)</b>	<b>(25,313,062)</b>	<b>(27,080,195)</b>	<b>(25,455,184)</b>	<b>(22,329,676)</b>	<b>(22,860,801)</b>	<b>(22,126,413)</b>	<b>(23,085,122)</b>	<b>(21,240,098)</b>	<b>(20,709,400)</b>
<b>Non-operating Revenues (Expenses)</b>										
Property taxes	14,833,466	14,219,152	13,673,247	12,441,582	20,749,382	20,520,514	20,105,061	20,060,889	20,851,419	20,739,773
State operating appropriations	12,650,361	12,673,742	12,727,832	12,835,623	2,967,380	2,839,940	3,463,383	4,739,837	4,923,842	4,336,620
Investment income	184,395	59,580	19,563	19,563	15,382	26,150	48,891	81,072	118,643	170,780
Loss on disposal of property and equipment	(9,741)	(1,443,504)	(428,062)	(111,876)	(156,241)	(45,851)	(104,598)	(20,050)	(106,941)	(7,388)
Interest expense	(1,046,918)	(1,112,294)	(1,149,444)	(1,115,944)	(877,452)	(699,147)	(776,074)	(840,552)	(832,260)	(905,147)
<b>Total non-operating revenues (expenses)</b>	<b>26,611,563</b>	<b>24,396,676</b>	<b>24,843,136</b>	<b>24,068,948</b>	<b>22,698,451</b>	<b>22,641,606</b>	<b>22,736,663</b>	<b>24,021,196</b>	<b>24,954,703</b>	<b>24,334,638</b>
<b>Change in Net Position</b>	<b>\$ 2,172,283</b>	<b>\$ (916,386)</b>	<b>\$ (2,237,059)</b>	<b>\$ (1,386,236)</b>	<b>\$ 368,775</b>	<b>\$ (219,195)</b>	<b>\$ 610,250</b>	<b>\$ 936,074</b>	<b>\$ 3,714,605</b>	<b>\$ 3,625,238</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	Incremental Districts <sup>(a)</sup>	Total Value <sup>(b)</sup>	District Value <sup>(c)</sup>	Tax Rate <sup>(d)</sup>
2008	9,430,283	2,280,676	457,174	856,987	376,494	(531,580)	12,870,034	12,097,838	1.70489
2009	9,355,578	2,332,842	428,157	854,556	377,729	(589,753)	12,759,109	11,998,811	1.72928
2010	8,856,866	2,260,519	426,033	859,021	364,471	(520,476)	12,246,434	11,501,174	1.72928
2011	8,582,442	2,252,419	425,730	868,838	357,674	(540,399)	11,946,704	11,229,424	1.78438
2012	8,305,730	2,244,981	452,825	879,130	367,461	(494,570)	11,755,557	11,048,411	1.84839
2013	8,170,396	2,114,126	457,484	860,779	356,915	(483,863)	11,475,837	10,779,159	1.92482
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

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				
2009	1.31	0.39	1.70	5.29	5.16	8.69	1.16	22.00	(1.56)	20.44	
2010	1.34	0.39	1.73	5.62	5.35	9.21	1.29	23.20	(1.55)	21.65	
2011	1.38	0.35	1.73	5.99	5.76	10.03	1.29	24.80	(1.60)	23.20	
2012	1.41	0.37	1.78	6.27	6.02	10.19	1.41	25.67	(1.63)	24.04	
2013	1.44	0.41	1.85	6.47	6.19	10.39	1.38	26.28	(1.65)	24.63	
2014	1.48	0.44	1.92	6.75	6.55	10.69	1.43	27.34	(1.70)	25.64	
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	1.88	25.96	(1.88)	24.08	

**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
2009	20,625,490	14,098,573	68.36%	20,625,490	100.00%
2010	20,749,303	14,114,630	68.02%	20,749,303	100.00%
2011	19,888,750	13,690,044	68.83%	19,888,750	100.00%
2012	20,037,522	13,963,864	69.69%	20,037,522	100.00%
2013	20,421,757	14,258,686	69.82%	20,421,757	100.00%
2014	20,747,840	14,701,265	70.86%	20,747,840	100.00%
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%	10,903,713	73.53%

### 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 2018, \$14,829,670 or 100% was collected by the end of August 2018.

# Blackhawk Technical College District

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

Taxpayer Name	2017			2007		
	Equalized Valuation	Rank	Percentage of Total Equalized Valuation	Equalized Valuation	Rank	Percentage of Total Equalized Valuation
ABC Supply	\$ 84,788,095	1	0.72%	\$ 54,182,669	1	0.49%
Dollar General	79,182,593	2	0.68%			
Mercy Health System	67,493,693	3	0.58%			
Kerry Ingredients	43,368,646	4	0.37%			
Janesville Mall	38,726,337	5	0.33%	40,064,189	3	0.36%
Dean/St. Mary's/Riverview Clinic	37,977,744	6	0.32%	23,265,739	10	0.21%
Blain Supply Farm & Fleet	28,739,431	7	0.25%	30,585,062	5	0.28%
GHC Specialty Brands LLC	32,392,119	8	0.28%	27,162,227	7	0.25%
Woodman's	26,726,118	9	0.23%			
Frito-Lay	22,666,382	10	0.19%	24,548,976	8	0.22%
General Motors				40,868,891	2	0.37%
Staples Contract & Commercial LLC				35,597,128	4	0.32%
Seneca Foods Corporation				27,282,301	6	0.25%
Helgensen Family Partnership				23,543,071	9	0.21%
<b>Total</b>	<b>\$ 462,061,158</b>		<b>3.94%</b>	<b>\$ 327,100,253</b>		<b>2.97%</b>
<b>Total Equalized Valuation for the District</b>	<b>\$ 11,717,072,877</b>			<b>\$ 11,003,525,696</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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Students Served <sup>(1)</sup></b>										
Associate Degree	2,494	2,488	2,606	3,002	3,165	4,548	3,987	4,060	3,787	3,114
Technical Diploma	720	695	784	748	879	1,117	1,028	1,492	1,498	1,211
Apprentices	108	92	81	63	49	66	72	83	94	140
Vocational Adult	2,773	2,458	2,461	3,041	4,208	3,860	5,751	6,279	6,382	6,479
Community Service <sup>(4)</sup>	197	175	247	220	243	294	361	201	237	89
Basic Skills	888	859	886	1,025	1,592	1,609	1,556	1,880	2,107	2,288
<b>Total</b>	<b>7,180</b>	<b>6,767</b>	<b>7,065</b>	<b>8,099</b>	<b>10,136</b>	<b>11,494</b>	<b>12,755</b>	<b>13,995</b>	<b>14,105</b>	<b>13,321</b>
<b>Full-time Equivalent Enrollment <sup>(2)</sup></b>										
Associate Degree	1,052	1,078	1,195	1,355	1,415	1,645	1,909	1,953	1,972	1,537
Technical Diploma	293	276	270	282	317	395	373	537	609	456
Apprentices	15	15	12	10	8	5	11	11	13	20
Vocational Adult	36	39	46	41	58	60	81	89	85	96
Community Service	4	4	5	6	8	10	3	2	3	2
Basic Skills	102	106	114	134	155	171	188	238	234	248
<b>Total</b>	<b>1,502</b>	<b>1,518</b>	<b>1,642</b>	<b>1,828</b>	<b>1,961</b>	<b>2,286</b>	<b>2,565</b>	<b>2,830</b>	<b>2,916</b>	<b>2,359</b>
<b>Total Expenditures<sup>(5)</sup></b>	<b>\$ 27,972,760</b>	<b>\$ 28,582,125</b>	<b>\$ 29,187,694</b>	<b>\$ 29,987,881</b>	<b>\$ 30,507,322</b>	<b>\$ 30,446,100</b>	<b>\$ 30,120,133</b>	<b>\$ 31,731,560</b>	<b>\$ 30,722,911</b>	<b>\$ 27,477,805</b>
<b>Cost per full-time equivalent student</b>	<b>\$ 18,624</b>	<b>\$ 18,829</b>	<b>\$ 17,776</b>	<b>\$ 16,405</b>	<b>\$ 15,557</b>	<b>\$ 13,319</b>	<b>\$ 11,743</b>	<b>\$ 11,213</b>	<b>\$ 10,536</b>	<b>\$ 11,648</b>
<b>Graduate Follow-up statistics <sup>(3)</sup></b>										
Number of Graduates	N/A	529	730	639	728	887	923	1,082	1,053	839
Number of Respondents	N/A	248	323	324	522	614	494	679	690	504
Percent in workforce employed	N/A	94%	94%	95%	93%	94%	89%	87%	87%	82%
Percent employed in related occupations	N/A	83%	81%	73%	84%	79%	78%	73%	77%	79%
Median monthly salary	N/A	\$2,659.00	\$ 3,452	\$ 2,623	\$ 2,773	\$ 2,655	\$ 2,408	\$ 2,600	\$ 2,295	\$ 2,935
Percent employed in district	N/A	59%	54%	53%	61%	61%	62%	49%	62%	63%
Percent employed elsewhere in Wisconsin	N/A	19%	23%	16%	25%	30%	25%	29%	22%	29%
<b>Average Age of students</b>	<b>26.9</b>	<b>27.0</b>	<b>32.3</b>	<b>32.9</b>	<b>34.0</b>	<b>35.0</b>	<b>34.4</b>	<b>33.8</b>	<b>34.6</b>	<b>34.0</b>
<b>Age range of students</b>	12-106	11-90	10-94	15-95	12-94	13-93	6-92	11-91	11-95	9-93

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, 2018 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
2009	189,912	12,097,837,981	19,285,000	863,019	18,421,981	0.15%	97.00
2010	190,159	11,998,810,726	17,915,000	902,181	17,012,819	0.14%	89.47
2011	190,365	11,501,174,128	20,805,000	638,986	20,166,014	0.18%	105.93
2012	190,404	11,229,423,995	20,165,000	712,536	19,452,464	0.17%	102.16
2013	189,865	11,048,410,839	20,335,000	630,076	19,704,924	0.18%	103.78
2014	186,801	10,779,158,932	30,885,000	431,106	30,453,894	0.28%	163.03
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

**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. 2007 fiscal year would be 2006 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, 2018

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
<b>Overlapping debt</b>			
County of			
Green	\$ 27,162,882	79.5%	\$ 21,594,491
Rock	46,915,000	99.8%	46,821,170
<b>Total All Counties</b>	74,077,882	92.4%	68,415,661
City of			
Beloit	84,672,410	100.0%	84,672,410
Brodhead	3,139,510	100.0%	3,139,510
Edgerton	3,386,065	92.6%	3,135,496
Evansville	12,959,912	100.0%	12,959,912
Janesville	115,380,529	100.0%	115,380,529
Milton	16,410,554	100.0%	16,410,554
Monroe	16,829,486	100.0%	16,829,486
<b>Total All Cities</b>	252,778,466	99.9%	252,527,897
Village of			
Albany	-	100.0%	-
Browntown	432,523	100.0%	432,523
Clinton	2,124,342	100.0%	2,124,342
Footville	2,532,734	100.0%	2,532,734
Monticello	2,036,838	100.0%	2,036,838
Orfordville	1,875,999	100.0%	1,875,999
<b>Total All Villages</b>	9,002,436	100.0%	9,002,436

# Blackhawk Technical College District

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

As of June 30, 2018

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
<b>Overlapping debt (continued)</b>			
Town of			
Adams	\$ 4,983,876	96.2%	\$ 4,794,489
Albany	1,514,458	100.0%	1,514,458
Avon	-	100.0%	-
Beloit	22,502,869	100.0%	22,502,869
Bradford	-	100.0%	-
Brooklyn	172,181	43.4%	74,727
Cadiz	149,481	57.1%	85,354
Center	108,930	100.0%	108,930
Clamo	-	100.0%	-
Clinton	72,536	100.0%	72,536
Decatur	-	100.0%	-
Exeter	125,000	6.9%	8,625
Fulton	-	100.0%	-
Harmony	-	100.0%	-
Janesville	300,000	100.0%	300,000
Jefferson	90,078	100.0%	90,078
Johnstown	-	100.0%	-
Jordan	80,519	91.1%	73,353
La Prairie	-	100.0%	-
Lima	-	100.0%	-
Magnolia	-	100.0%	-
Milton	118,961	100.0%	118,961
Monroe	-	100.0%	-
Mount Pleasant	58,645	100.0%	58,645
New Glarus	1,564,125	0.5%	7,821
Newark	150,000	100.0%	150,000
Plymouth	-	100.0%	-
Porter	100,000	86.0%	86,000
Rock	-	100.0%	-
Spring Grove	-	100.0%	-
Spring Valley	-	100.0%	-
Sylvester	-	100.0%	-
Turtle	153,955	100.0%	153,955
Union	-	96.1%	-
Washington	67,446	96.8%	65,288
York	-	0.9%	-
<b>Total All Towns</b>	<b>32,313,060</b>	<b>93.7%</b>	<b>30,266,089</b>

# Blackhawk Technical College District

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

As of June 30, 2018

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
<b>Overlapping debt (continued)</b>			
School District of			
Albany	\$ 548,333	100.0%	\$ 548,333
Argyle	8,137,388	32.7%	2,660,926
Beloit	64,203,000	100.0%	64,203,000
Beloit Turner	1,173,634	100.0%	1,173,634
Brodhead	-	100.0%	-
Clinton	445,000	99.6%	443,220
Delavan-Darien	19,590,695	0.3%	58,772
Edgerton	6,847,572	72.9%	4,991,880
Evansville	7,005,000	99.9%	6,997,995
Fort Atkinson	6,085,000	0.2%	12,170
Janesville	65,778,014	100.0%	65,778,014
Juda	5,808,149	100.0%	5,808,149
Milton	120,000	98.7%	118,440
Monroe	2,520,000	100.0%	2,520,000
Monticello	1,058,988	100.0%	1,058,988
Parkview (Orfordville)	15,860,000	100.0%	15,860,000
Whitewater	25,474,326	6.1%	1,553,934
<b>Total All School Districts</b>	<b>230,655,099</b>	<b>75.3%</b>	<b>173,787,455</b>
Special Districts			
Consolidated Koshkonong Sanitary District	2,522,867	72.4%	1,826,556
Juda Sanitary District #1	-	100.0%	-
Plymouth Sanitary District #1	14,146	100.0%	14,146
Lake Leota District	-	90.2%	-
Rock-Koshkonong Lake District	-	53.9%	-
<b>Total All Special Districts</b>	<b>2,537,013</b>	<b>72.6%</b>	<b>1,840,702</b>
<b>Subtotal Overlapping Debt</b>	<b>601,363,956</b>	<b>89.1%</b>	<b>535,840,240</b>

# Blackhawk Technical College District

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

As of June 30, 2018

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
<b>District Direct Debt</b>			
General Obligation Bond	\$ -	100.0%	\$ -
General Obligation Notes	46,810,000	100.0%	46,810,000
<b>Subtotal Direct Debt</b>	<u>46,810,000</u>	<u>100.0%</u>	<u>46,810,000</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 648,173,956</u>	<u>89.9%</u>	<u>\$ 582,650,240</u>

### Statistical Summary

2018 Equalized Valuation - TID In	<u>\$ 13,008,450,305</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 582,650,240</u>
Direct and Overlapping Debt as a Percentage of Equalized Valuation	<u>4.5%</u>
Population of District	<u>185,739</u>
<b>Direct and Overlapping Indebtedness - Per Capita</b>	<u>\$ 3,137</u>

**Source:** Survey of each government unit with the District's boundaries, June 30, 2018

**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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Equalized valuation - TID In	\$ 13,008,450,305	\$ 12,329,520,367	\$ 11,901,034,517	\$ 11,683,539,794	\$ 11,245,141,222	\$ 11,525,644,826	\$ 11,752,283,785	\$ 12,004,455,318	\$ 12,571,369,516	\$ 12,629,418,371
Debt limit - 5% of equalized valuation <sup>(a)</sup>	650,422,515	616,476,018	595,051,726	584,176,990	562,257,061	576,282,241	587,614,189	600,222,766	628,568,476	631,470,919
<b>Aggregate Indebtedness</b>										
General obligation promissory notes	46,810,000	48,875,000	50,775,000	45,435,000	30,885,000	13,790,000	12,480,000	11,705,000	7,460,000	7,535,000
General obligation bonds	-	-	-	-	-	6,545,000	7,685,000	9,100,000	10,455,000	11,750,000
Less resources available to fund principal and interest payments <sup>(b)</sup>	(725,031)	(640,385)	(1,071,826)	(819,388)	(461,790)	(630,076)	(712,706)	(665,421)	(919,509)	(863,019)
Total net debt applicable to limit	46,084,969	48,234,615	49,703,174	44,615,612	30,423,210	19,704,924	19,452,294	20,139,579	16,995,491	18,421,981
Legal debt margin	604,337,546	568,241,403	545,348,552	539,561,378	531,833,851	556,577,317	568,161,895	580,083,187	611,572,985	613,048,938
Total net debt applicable to the limit as a percentage of debt limit	7.09%	7.82%	8.35%	7.64%	5.41%	3.42%	3.31%	3.36%	2.70%	2.92%
Debt limit - 2% of equalized valuation <sup>(a)</sup>	260,169,006	246,590,407	238,020,690	233,670,796	224,902,824	230,512,897	235,045,676	240,089,106	251,427,390	252,588,367
<b>Bonded Indebtedness</b>										
General obligation bonds	-	-	-	-	-	6,545,000	7,685,000	9,100,000	10,455,000	11,750,000
Less resources available to fund principal and interest payments <sup>(b)</sup>	-	-	-	-	-	(202,796)	(271,616)	(291,052)	(536,615)	(525,822)
Total net debt applicable to limit	-	-	-	-	-	6,342,204	7,413,384	8,808,948	9,918,385	11,224,178
Legal debt margin	260,169,006	246,590,407	238,020,690	233,670,796	224,902,824	224,170,693	227,632,292	231,280,158	241,509,005	241,364,189
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	2.75%	3.15%	3.67%	3.94%	4.44%

**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>
2009	197,083	6,209,184	31,505	84,594	49,662	34,405	2,633	9.43%
2010	197,160	6,439,293	32,660	84,278	47,860	34,138	2,675	11.69%
2011	196,983	6,745,628	34,245	84,368	48,835	33,560	2,426	9.63%
2012	197,327	7,216,392	36,571	84,046	48,475	33,529	2,432	8.47%
2013	197,829	7,679,635	38,820	83,942	50,395	33,641	2,373	7.86%
2014	198,251	7,843,269	39,562	84,154	51,631	33,657	2,512	6.92%
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	N/A	N/A	N/A	84,976	N/A	33,219	2,267	3.98%
2018	N/A	N/A	N/A	N/A	N/A	32,884	N/A	3.09%

**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

		2018		2008	
		Employees	Rank	Employees	Rank
Mercy Health Systems	Health care facility	2,892	1	3,700	1
Seventh Avenue	Internet & catalog shopping	1,500	2		
School District of Janesville	Education	1,401	3	1,535	3
Grainger Brands	Distributor of safety equipment & supplies	1,353	4	783	8
Monroe Clinic Hospital	Medical facility	1,200	5		
Rock County	Government	1,190	6	1,181	4
Beloit Memorial Hospital	Medical facility	1,135	7	938	6
SSI Technologies	Manufacturer of metal parts	1,000	8	750	10
Data Dimensions	Data processing, hosting and related services	940	9		
Walmart	Discount department stores	840	10		
Truck and Bus Group, Division of General Motors	Manufacturer of vehicles			2,800	2
School District of Beloit	Education			1,153	5
Lear Seating Corporation	Seating for motor vehicles			937	7
City of Janesville	Government			764	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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>By Pay Groups:</b>										
Full-time instructors	90	91	96	98	99	112	111	114	117	109
Part-time instructors	23	25	28	31	27	29	38	43	42	38
Administration	80	75	79	82	82	75	75	74	74	72
Part-time support personnel	20	21	23	22	26	29	27	30	27	30
Full-time clerical and custodial	38	35	39	41	42	42	43	42	43	41
<b>Total</b>	<b>251</b>	<b>247</b>	<b>265</b>	<b>274</b>	<b>276</b>	<b>287</b>	<b>294</b>	<b>303</b>	<b>303</b>	<b>290</b>

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

# 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	Rank <sup>(1)</sup>	
2009	\$ 27,478	7.2%	2,358	23.8%	\$ 11,653	-13.4%	\$ 13,705	3	
2010	30,723	11.8%	2,916	23.7%	10,536	-9.6%	12,785	1	
2011	31,732	3.3%	2,830	-2.9%	11,213	6.4%	13,172	1	
2012	30,120	-5.1%	2,565	-9.4%	11,743	4.7%	13,519	2	
2013	30,446	1.1%	2,286	-10.9%	13,318	13.4%	14,272	6	
2014	30,507	0.2%	1,961	-14.2%	15,557	16.8%	15,563	11	
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%	(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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Square Footage</b>										
<b>Campuses</b>										
Main Campus - Janesville	291,452	291,452	291,452	291,452	291,452	291,452	291,452	291,452	291,452	291,452
Advanced Manufacturing Training Center	110,939	110,939	110,939	110,939	50,000	-	-	-	-	-
Aviation Center	-	-	25,210	25,210	25,210	25,210	25,210	25,210	25,210	25,210
Beloit Campus	18,068	18,068	29,068	29,068	29,068	29,068	29,068	15,000	15,000	4,000
Center for Transportation Studies	30,846	30,846	30,846	30,846	30,846	30,846	30,846	30,846	30,846	30,846
Monroe Campus	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,023
<b>Total for campuses</b>	<b>475,508</b>	<b>475,508</b>	<b>511,718</b>	<b>511,718</b>	<b>450,779</b>	<b>400,779</b>	<b>400,779</b>	<b>386,711</b>	<b>386,711</b>	<b>375,531</b>
<b>Facilities</b>										
Administration Building	6,000	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	3,750
Storage Building - Admin	1,650	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>486,908</b>	<b>486,908</b>	<b>523,118</b>	<b>523,118</b>	<b>462,179</b>	<b>412,179</b>	<b>412,179</b>	<b>398,111</b>	<b>398,111</b>	<b>386,931</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