

Annual Comprehensive **FINANCIAL REPORT**

WCTC

**COLLEGE
CENTER**

Fiscal Years Ending
June 30, 2023 and 2022



WAUKESHA
COUNTY TECHNICAL
COLLEGE

Hands-on
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**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

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TECHNICAL COLLEGE DISTRICT**

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TECHNICAL COLLEGE DISTRICT**

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TECHNICAL COLLEGE DISTRICT**

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Annual Comprehensive **FINANCIAL REPORT**



Introductory Section



WAUKESHA
COUNTY TECHNICAL
COLLEGE

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**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT
Pewaukee, WI**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2023

2022/23 Members of the Board

Ms. Courtney R. Bauer	Chairperson
Mr. Joe Garza	Vice Chairperson
Mr. Brian K Baumgartner	Secretary/Treasurer
Mr. Thomas Michalski	Member
Ms. Lois Vasquez	Member
Mr. Ryan Clark	Member
Ms. Stephanie Reisner	Member
Mr. Jamie Stahulak	Member

Administrators

Dr. Richard Barnhouse	President
Dr. Bradley Piazza	Vice President of Learning
Ms. Angela Frazier Arthur	Vice President of Student Services
Ms. Michelle Skinder	Vice President of Human Resources
Dr. Jane Kittel	Vice President of Finance & Administration

Officials Issuing Report

Dr. Richard Barnhouse	Dr. Jane Kittel, MBA, Ed. D, CPA
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Report Prepared By

Dr. Jane Kittel, MBA, Ed. D, CPA	Vice President of Finance & Administration
Kristine Golz, CPA	Chief Financial Officer

Financial Accounting Services Department

Technical Support Provided By

Financial Accounting Services	Human Resources Services
Marketing/Community Outreach	Registration Department
Institutional Research and Effectiveness	



December 28, 2023

Board of Trustees and Citizens of
Waukesha County Area Technical College District:

The Annual Comprehensive Financial Report (ACFR) of the Waukesha County Area Technical College District (also known as Waukesha County Technical College or WCTC) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with WCTC. To the best of our knowledge and belief, the presented data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of WCTC. All disclosures necessary to enable the reader to gain an understanding of WCTC's financial activities have been included and additional explanation can be found in the Management Discussion and Analysis section of the document.

This report is consistent with legal reporting requirements of the State of Wisconsin and, in our opinion, was prepared in conformity with accounting principles generally accepted in the United States of America. In addition to meeting legal reporting requirements, this report is intended to present a comprehensive summary of the significant financial data of the college in a readable format to meet the varying needs of the district's citizens, taxpayers, students, employees, financial institutions, intergovernmental agencies, and the State of Wisconsin Technical College System Board.

WCTC is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, 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 related single audit compliance supplements, *Government Auditing Standards* issued by the Comptroller General of the United States, the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and the Wisconsin Technical College's (WTCS) *Financial Accounting and Administrative Manual (FAM)* referenced in Chapter 38 of the Wisconsin state statutes. Information related to the requirements and compliance with this single audit can be found in a separate report related to WCTC's single audit.

SERVICES AND ENVIRONMENT

For 100 years WCTC has been helping people acquire the knowledge and skills that will help prepare them for a rewarding future in business, industrial, health and service occupations. WCTC has well-equipped educational laboratories and highly experienced instructors. Curricula is kept continually up to date with assistance from volunteer advisors who are leaders in their fields to ensure that students learn the skills necessary to become knowledgeable and employable in today's competitive job market.

WCTC is one of 16 technical colleges in the Wisconsin Technical College System (WTCS). Vocational, technical, and adult education in Wisconsin began as the first comprehensive statewide continuation school system in the United States as the result of state legislation passed in 1911.

WCTC was organized as a city institution in 1923 and became a county area district in 1967. In July 1987, WCTC underwent a name change from Waukesha County Technical Institute to Waukesha County Technical College in recognition of the higher education nature of its educational offerings.

Located in Pewaukee, Wisconsin, WCTC's main campus is 20 miles west of the City of Milwaukee and approximately 60 miles east of the state capitol in Madison. WCTC's boundaries encompass approximately 600 square miles in the southeastern corner of the state, serving 99% of Waukesha County, 9% of Jefferson County, 2% of Dodge County, 2% of Racine County, and the local municipalities (7 cities, 19 towns, and 21 villages) located therein. On an annual basis, close to 20,000 citizens take advantage of educational opportunities offered by WCTC.

WCTC offers associate of applied science degree programs, one and two-year technical diploma programs, advanced technical certificates, apprenticeship programs, and other adult education services. A listing of these programs and certificates can be found on page 137. WCTC receives its accreditation from the Higher Learning Commission of the North Central Association of Colleges and Schools. Selected WCTC programs may also be accredited by professional organizations such as the National League of Nursing. Programs and courses are approved by the WTCS Board and endorsed by the Veterans Administration, the American Association of Community Colleges, and the Wisconsin Board of Nursing and Division of Nurses.

VISION

Because of the nature of its educational service environment, WCTC has integrated a business approach into its organizational design and educational process. This business approach strives to maximize output consistent with its educational mission while minimizing taxpayer financial support.

The WCTC Board developed a vision statement in order to position WCTC for the 21st century. The vision statement is a verbal picture of the core principles and values of an organization, its purpose, its target, and its strategies, all painted in clear, compelling language.

The mission statement, on page 136 is contained in WCTC's Strategic Plan; it describes the scope of activities which the college is legally authorized to provide.

WCTC's strategic plan that covers the period 2018 and beyond and can be found on page 136.

ECONOMIC DEVELOPMENT AND COLLABORATION

WCTC's economic development role includes providing customized courses and programs tailored to the specific needs of individual firms and organizations, providing technical assistance to area firms, providing instruction to retrain workers and upgrade skills, providing outplacement services for displaced workers, and facilitating community action groups and organizational meetings to enhance local development efforts. Some of the key efforts in recent years have been:

- ◆ WCTC has entered into educational partnerships to assist with the training of incumbent workers in our area who have publicly stated that a trained workforce and WCTC continue to be major factors in their decisions to move to or expand their operations in our community. Likewise, WCTC has entered into educational and operational partnerships for clinical sites and resources for mutual benefit with various schools, colleges, hospitals, churches, and agencies in the Waukesha County area. WCTC has been working extensively with area high schools and various colleges and universities to get articulation agreements in place whereby a high school student can earn up to two years of college credit while still in high school by attending WCTC for two years, then attending a four-year college for another two years and receive his/her bachelor's degree.

In addition to customized training with business and industry, an area of emphasis for the college has been dual enrollment programs with the high schools whereby high school students enroll at WCTC and earn college credit while still in high school. This allows a student to potentially receive their high school diploma and technical college credential in the same year.

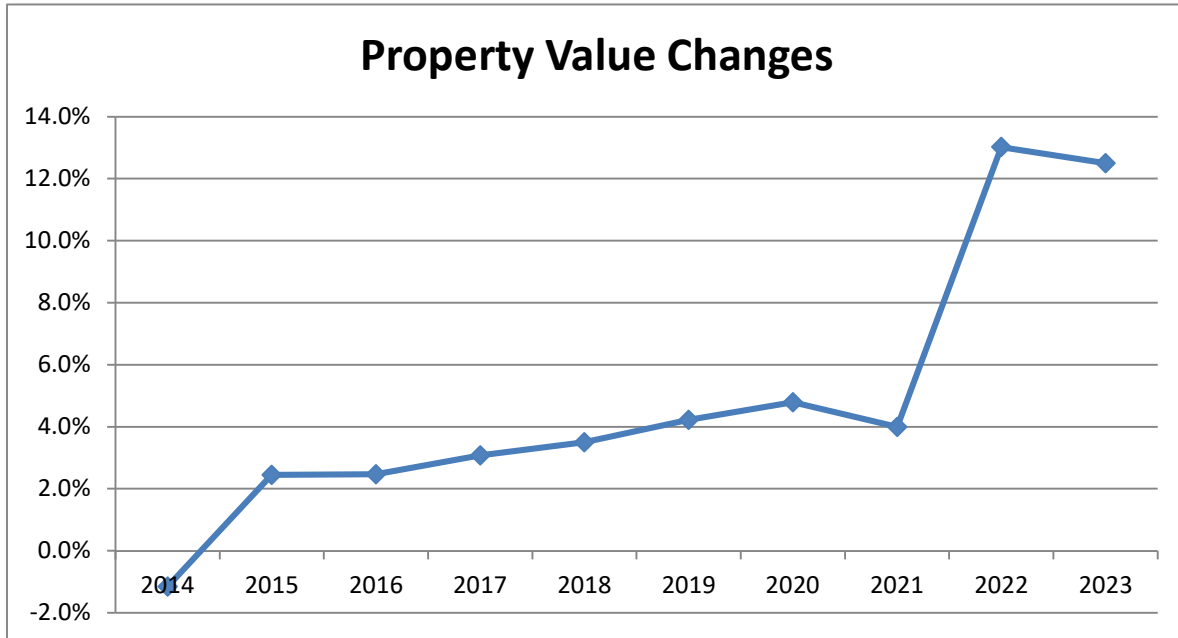
WCTC piloted the Dual Enrollment Academy with three cohorts in 2014 that offered seniors from select high schools within the district the opportunity to receive a one-year certificate in welding, CNC, or information technology from WCTC while still in high school in order to help the needs of manufacturers to find skilled workers for position openings. Because of the success of this program along with funding from the state, WCTC has been able to annually continue and expand the Academy to other program areas.

- ◆ In 1996, seven of the sixteen technical college districts formed an insurance trust for the purpose of reducing the cost of their property and liability insurance coverage while increasing their coverage. Effective July 1997, new insurance policies were entered into under this trust effort. This trust, which grew to fifteen technical college districts, became self-insured in order to reduce costs for its members. Effective July 1, 2004, all sixteen technical colleges jointly took the next step and created its own insurance company called Districts Mutual Insurance, which continues to provide the college with significant cost savings annually.
- ◆ In 1989 various technical colleges, including WCTC, formed a joint venture to implement a computerized library database that serves all of its members. The WISPALS joint venture (Wisconsin Public Access Library System) currently has eleven member districts.
- ◆ In 2015 WCTC partnered with five other technical colleges to create the Wisconsin Technical Colleges Employee Benefits Consortium in order to initially reduce health insurance costs and to eventually expand to other employee benefit areas with implementation occurring July 1, 2015. There are currently eight colleges in the Consortium.

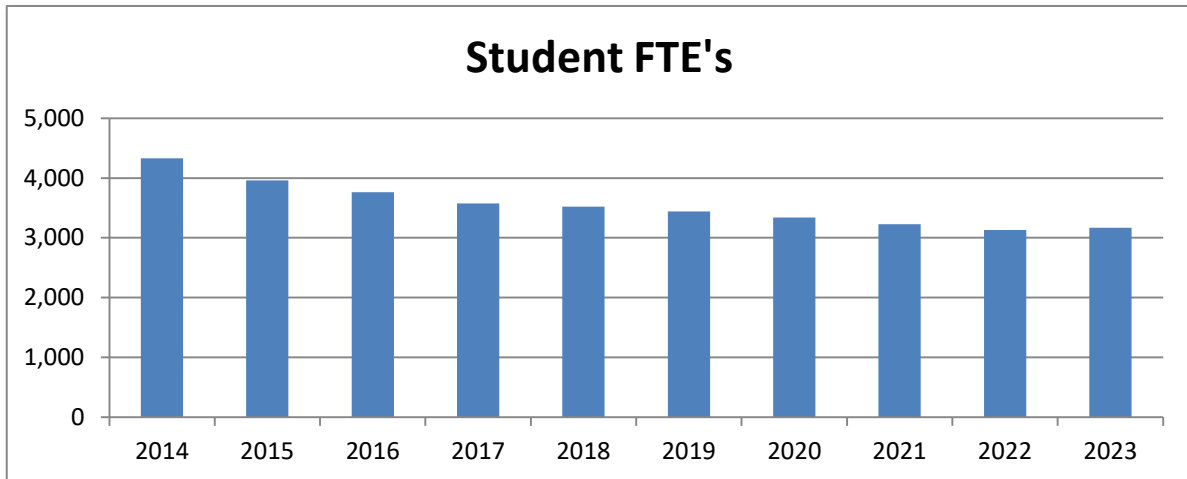
ECONOMIC CONDITION

In order to assess WCTC’s economic condition, it is necessary to look at future planning as well as what occurred in the year just ended. This includes long-term goals and policies that drive future actions. Some of the key initiatives WCTC is focused on include:

- ◆ **Local economy** – Across the nation, the economy is experiencing increasing costs due to inflation. Housing demand in Waukesha County currently exceeds the housing supply. New economic development continues to occur throughout the district. WCTC anticipated a 5.0% increase change to property values for 2023 when it created its budget. Actual was 12.50%.



- ◆ **Enrollment growth** – WCTC enrollments have stabilized and begun to increase despite changing demographics in the region. WCTC anticipates changes in demographics to continue to impact enrollment. WCTC has been actively working on improving its enrollments with new initiatives beginning in fiscal year 2023 to reach out to expanded sources for enrollments in future years.



- ◆ **Employee benefits** – For years, WCTC has taken a position that it is responsible for funding its liabilities. In the mid-1990s, it was the first technical college to fund its Wisconsin Retirement System unfunded prior service liability. Once that liability was fully funded, WCTC began setting aside funds for its unfunded post-employment benefits (i.e. health, dental, and life insurance benefits) liability. Once the Governmental Accounting Standards Board promulgated regulations that required governmental entities to recognize this liability, WCTC established an irrevocable OPEB Trust and began placing funds into the trust for this liability. Annually the college must fund the annual required contribution (ARC) amount or else establish a liability at the end of the year in its financial records for the balance. Annually WCTC had funded the ARC in whole or with additional funds in order to reduce its ARC and to fund this liability. As of June 30, 2017, WCTC had fully funded this liability so no additional payments were made since 2017.

Related to health care cost containment, in 2004 and 2006, depending on the employee group, WCTC reduced the retirement benefits for new hires from a lifetime benefit to a maximum of eight years. WCTC also required employees to pay a portion of health insurance premiums. Through a request for proposal process, WCTC switched third-party administrators and changed to a new network effective July 2010, which saved the college over \$2 million annually. WCTC implemented a successful wellness initiative that is supporting the culture at WCTC of a healthy lifestyle and reducing health care costs.

In January 2012 WCTC required employees to pay 12% of their insurance premiums. This was up from 5%, 6%, or 8% depending on the employee group. Effective July 1, 2012, all new hires and those current employees promoted from a non-benefit-eligible position to a benefit-eligible position no longer receive post-employment benefits. Effective July 1, 2012, and depending on employee group, WCTC reduced its life insurance benefit from 1.25 or 1.50 times the employee's salary to 1.0 times the employee's salary for all benefit-eligible employees. Effective July 1, 2012, WCTC also reduced its long-term disability from 90% of salary to two-thirds of salary.

Effective January 1, 2013, retirees 65 and older were moved from the college's self-insurance plan to a Medicare Advantage plan, which significantly reduced costs.

Effective April 30, 2013, WCTC changed its post-employment benefits for active employees. For those employees who were eligible to retire by June 30, 2015, they were given the opportunity to notify the college by April 30, 2013, of their retirement date equal to or before June 30, 2015, in order to retain their lifetime post-employment benefit. Those employees who were eligible for the lifetime post-employment benefit and either did not elect to retire within this retirement window or who did not have the necessary age or years of service to retire were changed to eight years of post-employment benefits and received a cash payment into a 403(b) plan for those years of service already worked that exceeded eight years. For those employees hired under the eight years of post-employment benefits, they had their post-employment benefits eliminated and received a cash payment into a 403(b) plan for those years of service already worked.

The changes made to post-employment benefits decreased WCTC's liability over \$54 million as a result of these changes.

In 2014 and 2015 WCTC, along with other technical colleges, began exploring joining with other colleges to further reduce its healthcare costs. Effective July 1, 2015, WCTC was one of six technical colleges that created the Wisconsin Technical College Employee Benefit Consortium. By joining this consortium, WCTC has experienced significant savings on Employee Benefits. Currently, eight technical colleges participate in this consortium.

Beginning with 2018 WCTC increased the employee's share of premium costs from 12% to 15% for full-time staff and to 22% for part-time staff to further help reduce costs.

In December 2017, WCTC offered a one-time retirement window for those employees who were still eligible for post-employment benefits. Employees who were fully eligible to retire; who had met the age requirement and had at least 17 years of service; or who had the years of service and were at least 57 years of age by June 30, 2018, were able to retire by June 30, 2019. A small incentive payment was provided to those who were fully eligible on their last paycheck as incentive to retire within the window. The other two groups were able to retire earlier than they could outside of the window.

- ◆ **Tax levy** –The WCTC Board conservatively sets the tax levy limits each year for the budget. As a result, WCTC's levy is the second lowest of the 16 technical colleges. The WCTC Board controls the budget by controlling the increase to the tax levy. Waukesha County Technical College holds the second highest property value among the 16 technical colleges. This gives WCTC a secure tax base.

As part of Wisconsin's 2012-2013 Biennium Budget, an operational levy freeze was placed on the technical colleges for fiscal years 2012 and 2013 that froze the operational levy amount at the 2011 levels. In the 2014 – 2015 Biennium Budget, a change was made to the levy limits that technical colleges may not increase their operational levy amount by more than the increase in net new construction and may use up to 0.5% of unused levy from the current year in the subsequent year.

In the Governor's State-of-the-State Address in January 2014, Governor Scott Walker proposed reducing the property tax portion of the technical college funding by \$406 million and replacing this funding with property tax relief aid. In essence, the operational mill rate for each technical college would decrease \$0.89 per \$1,000 of valuation for tax bills being mailed in December 2014. For WCTC, this resulted in its overall tax levy being reduced \$43.2 million and leaving \$19.2 million of levy remaining. In 2022, Governor Tony Evers extended this property tax relief even further, WCTC now receives state property tax relief funding of \$47.8 million in February of each fiscal year.

For the 2019 budget, the state removed certain personal property from the property tax levy and replaced it with state aids in lieu of personal property taxes. This further reduced WCTC's levy amount.

- ◆ **Program growth and expansion** – WCTC constantly reviews the programs and services it offers in order to meet the needs of the community. It adds new programs when the demand and the jobs warrant and it reduces or eliminates programs that no longer have jobs or demand for them. WCTC has placed an emphasis on enrollment and retention of students and added resources to help achieve this initiative. This includes reaching out to and retaining diverse students. WCTC is adding more dual enrollment and options for high school students whereby they earn high school and technical college credits simultaneously while still in high school. WCTC has implemented an 8 week academic calendar, which further helps attract and guide students on the path to successful completion. WCTC has also added transfer degrees whereby students complete Associate of Arts and Associate of Science degrees at WCTC and then transfer those to complete their bachelor's degree at a 4-year institution.

STRATEGIC PLANNING

The 21st century is characterizing technical education by limited resources, constantly changing enrollments stemming from demand for occupational retraining, an expanding workforce in service-related industries, fluctuating unemployment rates, high school populations which are decreasing, demand for occupational training in advanced technology, significant outlays for high technology equipment, staff development, and a changing population which requires different instructional delivery systems. WCTC has responded to these challenges by developing a strategic planning process that is

predicated on creative thinking, fostering educational and fiscal accountability while being flexible and nimble in meeting the needs of the community.

The strategic planning process includes the development of mission and vision statements, values, aims, and end statements by the WCTC Board. These statements set the general framework within which the college operates. The end statements are the long-term outcomes to be achieved.

The second phase of the strategic planning process includes the development of modern college plans by divisions. These plans include long-range and short-range goals and objectives that are aligned with the college's strategic horizon. These are also aligned with the WCTC vision statement.

Resource allocation, including economic, human, facilities, and equipment resources, is the third phase of the Modern College planning process. The budget is one component of the resource allocation process. Budget development responds to the goals contained in WCTC's Vision Statement and Modern College Plan and includes the activities that meet WCTC's vision. Budget meetings at both the administrative and board levels provide the scrutiny necessary to achieve fiscal accountability. In addition, a public hearing allows reaction from citizens regarding the proposed budget.

WCTC's current Strategic Plan covers the period 2018 and beyond. During fiscal year 2023, new Strategic Planning discussions began as WCTC started planning for The Modern College. This new plan will document the initiatives necessary to launch the College into the future with a focus on the next ten years of WCTC.

Other planning/evaluation mechanisms that are aligned and integrated with the Modern College Plan include:

- ◆ Annual follow-up studies, including six-month graduates, withdrawals, and employers, which allow WCTC to monitor changes in the labor market. In addition, longitudinal follow-up studies, conducted three and five years after students graduate, allow WCTC to determine the long-term benefit of occupational education.
- ◆ A Five-Year Program Evaluation Plan which assists WCTC in determining the relevance of program competencies and which identifies major evaluation efforts in educational offerings as well as in institutional services and activities.
- ◆ A Facility Master Plan that addresses programmatic and support service facility needs. Instructional program needs are a major driver of the facility master plan. These two plans are aligned at all times. The facility master plan needs to be aligned and integrated into the budget process to allow resources to be available when needed.
- ◆ A Technology Plan that addresses WCTC's technology needs in computers and distance education environments. WCTC relies more and more on technology in the classroom and from an administrative viewpoint. The need to have an up-to-date technology plan is critical. This plan is fully integrated into the budget, facility master plan, and resource allocation processes in order to have funds available when needed.
- ◆ A Multi-Year Capital Budget Plan that addresses WCTC's long-term capital equipment needs. WCTC's need for new and replacement equipment continues to grow. The fast pace of technology changes makes this need even greater. As the need for more equipment changes increases, the need to keep this plan fully integrated with the budget process becomes more critical.
- ◆ A Five-Year Adult Education and Family Literacy Plan that is prepared in conjunction with WCTC's application for adult education funds. This plan allows WCTC to seek and receive grant funds to fund its various programs and activities. The plan includes program levels of performance, intensity and duration of programs, information management, and support services in addition to other content. These anticipated revenues and related expenditures are then integrated into the budget process.

MAJOR INITIATIVES

WCTC is an organization where major initiatives flow from its vision and outcome-driven planning processes. Some of WCTC's major initiatives focused on this year include the following:

- ◆ **Building Toward the Modern College:** WCTC continues to advance towards setting precedent for what higher education can look like in our region. The College continues to move forward on several large-scale initiatives that will positively impact our students, employees, our community and the workforce.
 - The WCTC Excelerate program provides junior and senior high school students with the opportunity to complete an associate degree while enrolled in high school.
 - A new joint effort between WCTC and the University of Wisconsin – Milwaukee will allow students to earn an associate of arts or associate of science degree. Students graduating with an associate of arts or associate of sciences degree would then have a full transfer of credits to UWM as a junior.
- ◆ **Enrollment:** Enrollment, retention, and completion of students has been established as WCTC's focus for the future. The focus on increasing enrollment is critical to future success of students within the community. Initiatives focused on improving enrollment take high priority as financial and human resources are allocated and reallocated. Initiatives include the above mentioned Excelerate program, the offering of associate of arts and associate of science degrees, providing technology solutions to students to ensure successful completion of their program, plus many others. The Enrollment Team is focused on increasing enrollment and re-imagining the student recruitment and onboarding experience.
- ◆ **Flexible Calendar:** To meet the needs of today's students, this initiative involves having classes available when students want to take them, to offer classes in multiple modalities, and at different frequencies to meet student needs throughout the calendar year. Year-round calendaring for class offerings has expanded the way we utilize our existing semesters, offering accelerated/compressed mini-terms within semesters, and increasing the utilization of the summer term. In fiscal year 2020-21, WCTC implemented a new academic calendar to improve course success, increase retention, and expedite credential completion. This initiative impacts all staff and many processes and technology systems across campus. WCTC continues to evaluate course offering needs for our students to provide the options they need for timely completion.
- ◆ **Engage WCTC:** WCTC continues to administer an employee experience survey. In addition, the Engage WCTC group works to intentionally transform culture and strategy execution to support attainment of WCTC's vision, strategic directives and goals contained within the strategic plan.
- ◆ **Diversity, Equity & Inclusion:** The office of Belonging, Access and Cultural Engagement led by the Chief Diversity and Compliance Officer implemented an action plan with five focal themes for FY 22: communication, curriculum, professional development, recruitment, representation and retention, and safety. A renovation and renaming of the Multicultural Engagement Center aims to increase student and employee connection and belonging. Additional activities include a student of color panel that is held annually to gain an understanding of their experiences as well as administering and obtaining feedback from the annual WCTC Employment Experience Survey. We also review and revise the 2019-24 Affirmative Action Plan to guide work in this area.

CRITICAL CONCERNS

Although WCTC is in excellent financial condition, there are always critical concerns that need to be considered, monitored, and dealt with, including:

- ◆ **Enrollment Trends:** With changing population demographics in the state of Wisconsin and in WCTC's district, there is a stronger emphasis on providing more opportunities for high school students and upskilling our current workforce by partnering further with business and industry. The budget challenge is estimating where enrollments will be in the subsequent year using past trends and year-to-date information along with economic information to predict enrollments.

Extenuating factors that affect WCTC enrollment:

- Unemployment rates are at a historic low in the Southeastern Wisconsin region. When unemployment rates are low, there is generally an inverse correlation between that and student enrollment.
- WCTC is located in Southeastern Wisconsin and is part of the Milwaukee metropolitan area. There are a number of other colleges and universities in the area, providing competition as students have many options to meet their higher education needs.
- The availability of open positions at employers within WCTC's district is widely available with competitive wages and benefits. This has influenced current enrollment trends at WCTC. This has also provided an opportunity to work more closely with WCTC in-district employers to offer additional training and certifications through our traditional programming as well as with contracted training through WCTC's Corporate Training Center.
- High school enrollments for the K-12 school districts located within the WCTC district have been declining for several years, resulting in fewer students available to come to WCTC or any college or university. That decline is forecasted to be 12.4% by 2032.

WCTC has added initiatives to stabilize and grow student FTE's in FY 23. The change from 16-week semesters to 8-week terms in FY21 has allowed for improved FTE's as students can take more credits each semester under this model along with expanded opportunities for high school students to attend WCTC full time.

WCTC also continues to research and implement programming to meet the demands of the workforce now and in the future. The College is continuing its work in developing and expanding programming in artificial intelligence (AI), electrification, battery cell technology and automations systems/robotics.

MANAGEMENT SYSTEMS AND CONTROLS

WCTC is committed to the development of good management systems and controls. Significant efforts are made to employ qualified personnel. Likewise, systems are conscientiously developed within which WCTC employees can function effectively and which provide appropriate levels of supervision and segregation of duties.

Accounting Systems

In developing and modifying WCTC's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe WCTC's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Systems

Budgetary responsibility is decentralized to managers of various cost centers. Review of budgets and budgeted activities are performed by the administration and the WCTC Board. Starting in December and ending in May, WCTC managers prepare, present and modify budget plans for the coming year. Between March and May, the WCTC Board reviews budget plans to ensure consistency with WCTC's visioning and strategic planning process and to provide further board direction for WCTC's annual budget. A public hearing on the proposed budget is held annually in May. The board adopts the budget in June. The actual property tax levy is set in October.

Independent Audit

An annual audit of the financial statements of WCTC by an independent certified public accountant is required by WCTC Board policy and state law. This requirement has been complied with and the auditor's opinion is included in this report. WCTC does not maintain an internal audit staff; however, it purchases internal audit and operation review services on an as-needed basis.

ACKNOWLEDGMENT

The preparation of this report on a timely basis was accomplished under the direct leadership of Kristine Golz, CPA, Chief Financial Officer, with the cooperative efforts of the Financial Accounting Services Office; Clifton Larsen Allen, certified public accountants; the Office of Grants and Resource Development; Human Resource Services Department; Institutional Research and Effectiveness; College Marketing and Recruitment; the Registration Department; and other staff at the college. We express our appreciation to these dedicated staff and public accountants for their many long hours in the preparation of this report. In addition, we convey our appreciation to WCTC's Board of Trustees for their interest and support in planning and conducting the financial operations of WCTC in a responsible and progressive manner.

Respectfully submitted,



Dr. Richard G. Barnhouse
President

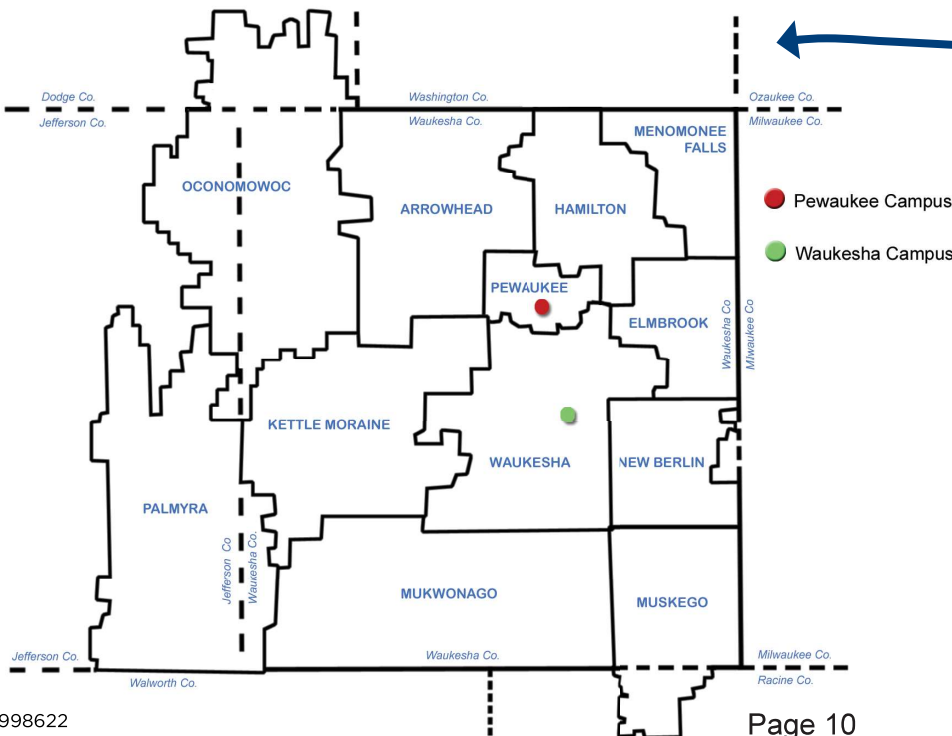


Dr. Jane L. Kittel, CPA
Vice President of Finance & Administration

WISCONSIN
TECHNICAL COLLEGE
 SYSTEM

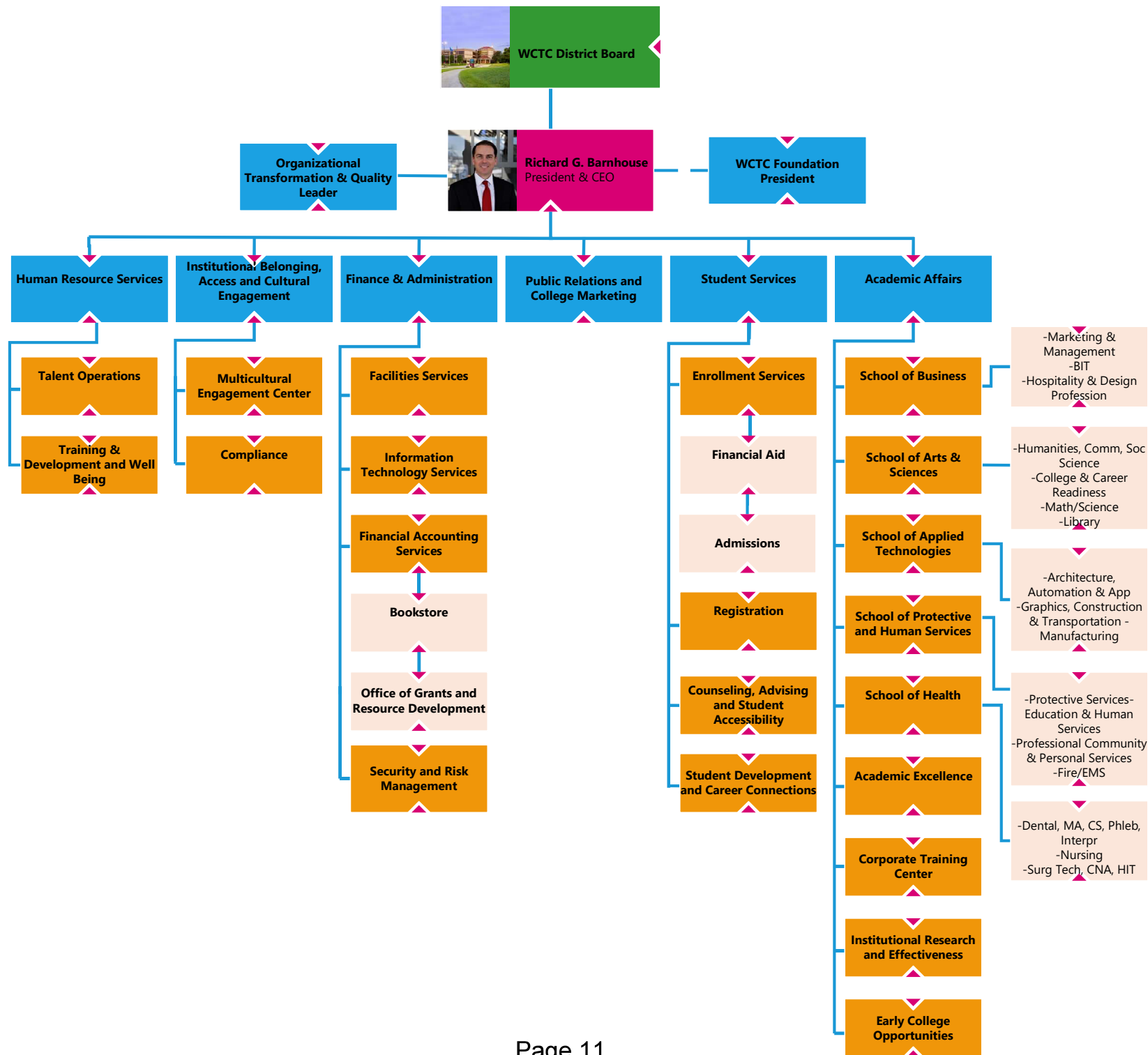
WTCS Technical Colleges

WCTC is one of sixteen technical colleges in Wisconsin. The Technical College boundaries are determined by the K-12 school districts. WCTC's district is composed of twelve K-12 school districts.



WAUKESHA
 COUNTY TECHNICAL
COLLEGE

Hands-on Higher Ed



BOARD MEMBERSHIP AND STRUCTURE (a)
For Year Ended June 30, 2023

Officers	Name (b)	Membership Type (a)	Municipality of Residence	Employer and Position
Member	Thomas A. Michalski	Elected Official	Elm Grove	Wisconsin State Assembly
Vice-Chairperson	Joe E. Garza	School District Administrator	City of New Berlin	New Berlin School District Superintendent
Member	James C. Zaiser	Employer	City of Waukesha	Hydro-Thermal President and CEO
Chairperson	Courtney R. Bauer	Employee	Town of Hartland	Wisconsin Department of Justice Special Agent/Deputy State Fire Marshall
Member	Lois C. Vasquez	Additional	Village of Menomonee Falls	Sussex IM Assistant Training Specialist
Secretary/Treasurer	Brian K. Baumgartner	Employee	Town of Lisbon	Glaziers Local 1204/941 International Union of Painters and Allied Trades Business Representative
Member	Ryan J. Clark	Employer	City of Delafield	Bruno Independent Living Aids Director of Manufacturing Operations
Member	Stephanie A. Reisner	Additional	City of Waukesha	GPS Education Partners President and CEO
Member	Jamie J. Stahulak	Additional	Village of Pewaukee	Principal Officer, Vice President HDR Engineering, Inc.

Notes:

- (a) The current WCTC Board is composed of nine (9) members, all of whom are District residents. The membership consists of two (2) employers who have power to employ or discharge, two (2) employees who do not have power to employ or discharge, three (3) additional members, one (1) public school administrator from a school system in the district and one (1) elected official. Board members are appointed by an Appointment Committee consisting of the chair of each of the four (4) counties in the District. Members of the Board serve three-year terms. Regular meetings of the Board are held on the second Tuesday of each month and, by State Statute, are open to the public. The fourth Tuesday of each month is reserved for special meetings as needed. Periodic meetings are scheduled at other times, if necessary, to conduct business on timely issues. Board members receive no compensation for their services, but are reimbursed for actual and necessary expenses in the performance of their duties.
- (b) All Board members are covered under a \$1,000,000 errors and omissions insurance policy and are covered under an excess fidelity (surety) blanket bond of \$250,000.

EXECUTIVE ADMINISTRATORS OF THE MANAGEMENT TEAM

Title	Name	Years at WCTC	Education/ Certifications	Previous Job Experience
President	Dr. Richard Barnhouse	2	B.S. M.S. Ph.D.	Vice President of Student Services and Enrollment Management at State College of Florida, Manatee-Sarasota Associate Vice Chancellor for Student Affairs and Enrollment Management at University of Wisconsin Colleges, Dean of Students at Moraine Park Technical college
Vice President of Academic Services	Dr. Bradley Piazza	16	B.S. M.S. Ph.D.	Dean School of Business, WCTC; Assistant Dean School of Business & Technology, Assistant to the Dean School of Business & Technology, UW – Parkside
Vice President of Student Services	Dr. Angela Arthur Frazier	2	B.A. M.A.	Vice President of Student Success and Engagement, Dominican University, Rosary College of Arts & Sciences various positions including Assistant Dean of Advising Services,
Vice President of Human Resource Services	Michelle Skinder	1	B.A. MBA SHRM-SCP	Vice President, Human Resources McHenry County College, Chief Human Resources Officer North Central College, Senior Director of Human Resources Elgin Community College
Vice President of Finance and Administration	Dr. Jane Kittel	5	M.B.A. Ed.D. C.P.A.	18 years at Northcentral Technical College District as Vice President of Finance and Chief Financial Officer

All employees are covered under a \$1,000,000 errors and omissions insurance policy and are covered under an excess fidelity (surety) blanket bond of \$250,000.



Government Finance Officers Association

Certificate of
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Reporting

Presented to

**Waukesha County Technical College
Wisconsin**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO



MANAGEMENT'S RESPONSIBILITY

Board of Trustees

Waukesha County Area Technical College District:

The management of WCTC is responsible for the preparation and presentation of the financial statements in this report. This report has been prepared in accordance with generally accepted accounting principles based on our best judgments and giving due consideration to materiality.

WCTC has communicated the requirements for accurate records and accounting to appropriate employees and has developed a system of internal accounting controls designed to provide reasonable assurance for the safeguarding of assets and for the reliability of financial records. This system includes selection and training of qualified personnel, organizational arrangements to provide for an appropriate division of responsibility, communication of standard accounting and internal control policies, and regular meetings on accounting matters.

Annually an independent public accounting firm, which we retain to audit our financial statements, is responsible for expressing an opinion as to whether our financial statements present fairly the financial position, results of operations, and cash flows. The audit includes a review of our internal control structure and a testing of the accounting procedures and financial records.

The WCTC Board of Trustees is composed of concerned and qualified citizens who meet regularly with the independent auditors and management. This Board reviews the audit scope, discusses financial and reporting subjects, and considers management action on these matters. There is full and free access to the Board by the independent auditors.

We believe our policies, internal controls, and review processes provide reasonable assurance that our financial information contains the integrity and objectivity necessary for properly reporting WCTC's transactions.

Dr. Richard Barnhouse
WCTC President

Dr. Jane L. Kittel, CPA
Vice President of Finance & Administration

Courtney R. Bauer
WCTC Board Chairperson

Brian Baumgartner
WCTC Board Secretary/Treasurer

Annual Comprehensive **FINANCIAL REPORT**



Financial Section



WAUKESHA
COUNTY TECHNICAL
COLLEGE

Hands-on
Higher Ed



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Waukesha County Area Technical College District
Pewaukee, Wisconsin

Report on the Audits of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary fund information of the Waukesha County Area Technical College District (the District), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary fund information of the District, as of June 30, 2023 and 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis-of-Matter

As discussed in Notes 1 and 13 to the financial statements, the Waukesha County Technical College District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)* and Government Accounting Standards Board Statement No. 101, *Compensated Absences*. The District adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of these standards to the beginning of the earliest comparative period presented. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability (asset) and contributions, the schedule of changes in net OPEB liability (asset) and related ratios, and the schedule of employer contributions and investment returns - OPEB, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the 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 GAAS, 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 audits 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual budgetary basis fund financial statements, the schedule of capital assets – by sources, the schedule of indebtedness and retirements, and the schedules to reconcile budget basis financial statements to basic financial statements (the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

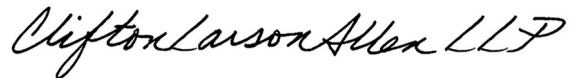
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Board of Trustees
Waukesha County Area Technical College District

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Milwaukee, Wisconsin
December 28, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

WCTC's management's discussion and analysis of its financial condition provides an overview of its financial activity, identifies changes in its financial position, and assists the reader of these financial statements in focusing on noteworthy financial issues for the years ended June 30, 2023 and 2022.

WCTC is a public institution of higher education whose mission is to provide education and training to its community. In order to accomplish this mission, it is crucial for WCTC to maintain its financial health for the long term. In order to accomplish this financial stability, it is necessary for WCTC to accumulate net position to ensure sufficient reserves are available and to implement new programs and to expand existing programs as the need arises.

Management's discussion and analysis provides summary financial information to assist the reader in understanding and interpreting the financial statements.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and the expenses incurred during the year. Activities performed by the college are classified as either operating or non-operating activities. Because WCTC receives the majority of its revenues from taxpayers and other governmental entities, such as state government, WCTC will always report an operating deficit or loss. Revenues received from taxpayers in the form of tax levies and from the state for purposes of state aid appropriations are considered non-operating revenues and will reduce the operating deficit or loss.

The utilization of capital assets is reflected in the financial statements as depreciation, which expenses the cost of the asset over its expected useful life.

The following summary shows a condensed version of the Statement of Revenues, Expenses and Changes in Net Position.

	2023	2022	Increase/(Decrease)		2021
			\$	%	
Operating Revenues					
Tuition & fees	\$ 11,148,495	\$ 11,872,336	\$ (723,841)	(6.1)	\$ 11,844,375
State & federal grants	7,333,870	11,056,390	(3,722,520)	(33.7)	7,809,072
Non-gov't grants & contracts	3,892,732	3,222,325	670,407	20.8	2,592,833
Auxiliary enterprise services	3,212,733	3,216,731	(3,998)	(0.1)	3,593,150
Operating revenues	<u>25,587,830</u>	<u>29,367,782</u>	<u>(3,779,952)</u>	<u>(12.9)</u>	<u>25,839,430</u>
Nonoperating Revenues					
State appropriations	52,600,080	50,922,193	1,677,887	3.3	48,309,678
Federal grants	633,156	3,508,029	(2,874,873)	(82.0)	2,872,464
Local property taxes	20,142,804	20,260,089	(117,285)	(0.6)	21,997,069
Investment income, net	1,631,630	(429,688)	2,061,318	(479.7)	241,546
Nonoperating revenues	<u>75,007,670</u>	<u>74,260,623</u>	<u>747,047</u>	<u>1.0</u>	<u>73,420,757</u>
Total Revenues	<u>100,595,500</u>	<u>103,628,405</u>	<u>(3,032,905)</u>	<u>(2.9)</u>	<u>99,260,187</u>
Operating Expenses					
Salaries	46,542,252	44,624,651	1,917,601	4.3	43,736,351
Benefits	14,399,527	5,312,633	9,086,894	171.0	3,323,332
Current expenses	26,764,544	30,888,586	(4,124,042)	(13.4)	28,842,026
Operating expenses	<u>87,706,323</u>	<u>80,825,870</u>	<u>6,880,453</u>	<u>8.5</u>	<u>75,901,709</u>
Nonoperating Expenses					
Loss on sale of capital assets	146,861	2,240,172	(2,093,311)	(93.4)	642,324
Interest on debt	609,043	646,998	(37,955)	(5.9)	537,176
Nonoperating expenses	<u>755,904</u>	<u>2,887,170</u>	<u>(2,131,266)</u>	<u>(73.8)</u>	<u>1,179,500</u>
Total Expenses	<u>88,462,227</u>	<u>83,713,040</u>	<u>4,749,187</u>	<u>5.7</u>	<u>77,081,209</u>
Income before Capital Contributions	<u>12,133,273</u>	<u>19,915,365</u>	<u>(7,782,092)</u>	<u>(39.1)</u>	<u>22,178,978</u>
Contribution Revenues					
Federal/state grants for capital	178,752	786,951	(608,199)	(77.3)	1,606,283
Donations	73,306	176,126	(102,820)	(58.4)	293,458
Contribution revenues	<u>252,058</u>	<u>963,077</u>	<u>(711,019)</u>	<u>(73.8)</u>	<u>1,899,741</u>
Change in net position	12,385,331	20,878,442	(8,493,111)	(40.7)	24,078,719
Net Position					
Beginning of year	190,134,197	169,255,755			148,867,596
End of year	<u>\$ 202,519,528</u>	<u>\$ 190,134,197</u>			<u>\$ 172,946,315</u>

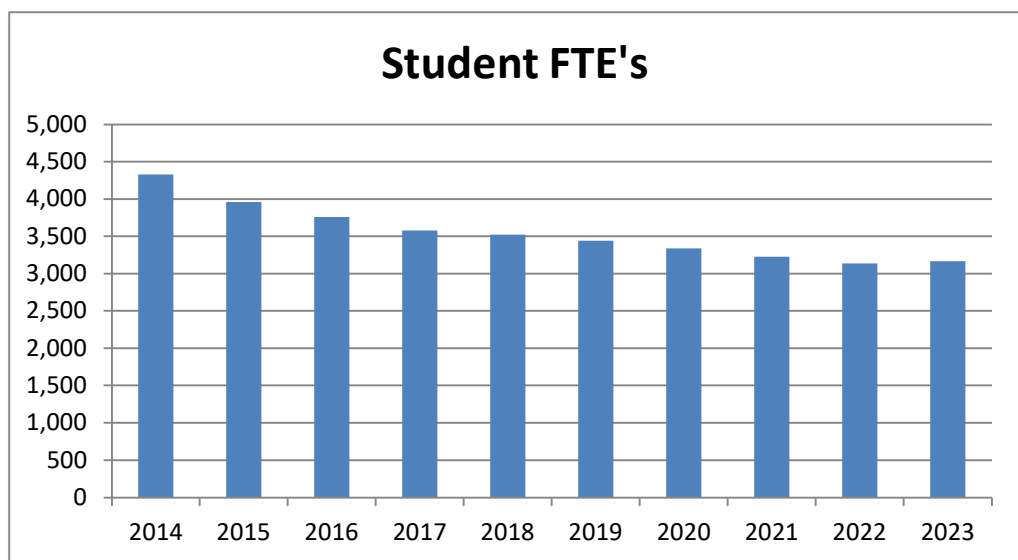
* WCTC implemented GASB 96 and GASB 101 during fiscal year 2023 which required restatement for fiscal year 2022. Fiscal year 2021 has not been restated for this change in accounting principal

Operating revenues are the charges for services offered by the college. Total operating revenues decreased \$3,779,952 or 12.9% for fiscal year 2023 compared to an increase of \$3,528,352 or 13.7% in fiscal year 2022. These changes are primarily due to the following:

- ◆ During 2023, the college generated \$11,148,495 for tuition and fees charged to students attending classes at WCTC compared to \$11,872,336 in 2022. This was a decrease of \$723,841 or 6.1% for fiscal year 2023 compared to an increase of \$27,961 or 0.2% in fiscal year 2021.

- ✓ WCTC's disbursement of financial aid to students in fiscal year 2023 increased. Financial aid disbursed to offset tuition and fees was \$2,791,748 in 2023 compared to \$2,320,914 in fiscal year 2022, which was \$470,834 or 20.3% more. Financial aid disbursements depend greatly on student eligibility and may not always move in line with overall enrollments. The change in financial aid distributed decreased tuition revenues as compared to the prior year.
- ✓ The state increased the tuition rates 1.75% in 2023 compared to an increase of 1.5% in 2022.
- ✓ WCTC experienced a 1.0% increase in student FTE's (full-time equivalents) in 2023 compared to 3.0% decrease in 2022.

In fiscal year 2014, WCTC's FTEs and enrollments were over 4,300. WCTC's historical enrollment trends have been inversely correlated with the unemployment rate. WCTC has seen enrollment declines as the economy has improved. During 2021, COVID-19 impacted enrollments across the system, however WCTC experienced less significant declines than many other institutions of higher education. Early projections for fiscal year 2024 indicate that the institution will experience an increase in FTEs. WCTC continues to evaluate opportunities and initiatives to strategically manage enrollment.



- ◆ WCTC receives funding from the federal and state governments for specific purposes, including financial aid payments to students. WCTC received \$7,333,870 from the federal and state governments in 2023 compared to \$11,056,390 in 2022. This is a decrease of \$3,772,520 or 33.7% in 2023 compared to an increase of \$3,247,318 or 41.6% in 2022.
 - ✓ State funding increased \$727,846 or 35.9% in 2023 compared to a decrease of \$78,766 or 3.7% in 2022. State funding levels can fluctuate significantly between years based on the specific grants that may be available each year as well as the amount of funding the state provides for financial aid.

- ✓ Federal funding decreased \$4,450,366 or 49.3% in 2023 compared to an increase of \$3,326,084 or 58.3% in 2022. Federal funding levels can fluctuate significantly between years based on the specific grants that may be available each year, but is also impacted by the student enrollment and federal student financial aid. Fiscal year 2022 federal revenues were impacted by the COVID Student Emergency aid that was awarded and passed through to students. WCTC completed the distribution of all remaining student emergency aid funding during 2022.
- ◆ WCTC provides customized training to business and industry, provides specific training to high school students, and receives payment for other services it provides. WCTC received \$3,892,732 in 2023 compared to \$3,222,325 in 2022. This is an increase of \$670,407 or 20.8% in 2023 compared to an increase of \$629,492 or 24.3% in 2022.
 - ✓ In 2023, WCTC served 4,540 high school students through the transcribed credit/dual enrollment programs compared to 3,848 in 2022. In 2022, the transcribed credit/dual enrollment programs generated \$2,766,911 in revenue compared to \$2,283,233 in 2022.
 - ✓ Contract training with business and industry generated \$623,510 in revenues in fiscal year 2023 compared to \$618,044 in 2022, a \$5,466 or 0.9% increase.
 - ✓ Other non-governmental grants and contract revenues result from facility rentals, vending, and other charges for services. Other revenues were \$502,311 in 2023 and \$321,047 in 2022, which was an increase of \$181,263 or 56.4%. WCTC has continued to see increases in facility rental revenue as more external and community events are held on campus.
- ◆ WCTC also operates a few small enterprise operations such as a bookstore, childcare facility, and the Classic Room, a restaurant-type activity, a salon providing hair, nail and aesthetic services, and a dental clinic. WCTC had sales of \$3,212,733 for 2023 compared to \$3,216,731 for 2022 for these activities, which is a decrease of \$3,998 or 0.1% in 2023 compared to a decrease of \$376,419 or 10.5% in 2022.
 - ✓ Bookstore sales decreased \$3,654 or 0.2% in 2023 compared to a decrease of \$545,731 or 19.7% in 2022. Changes to the industry including open educational resources, and digital resources negatively impact the sales and related revenues.
 - ✓ The Child Development Center sales decreased \$22,165 or 3.1% in 2023 compared to an increase of \$165,673 or 29.7% in 2022. Fiscal year 2022 experienced less disruption due to the pandemic and a rate increase to market was implemented. Family enrollment has remained stable.
 - ✓ Revenues generated through the Style and Class Salon increased 23,060 or 24.1% in 2023 compared to an increase of \$7,759 or 8.8% in 2022. Revenues have continued to increase due to increases in program enrollment.

Operating expenses are costs for providing education, training, and services. Total operating expenses increased \$6,880,453 or 8.5% in 2023 compared to a increase of \$4,924,161 or 6.5% in 2022. These changes are primarily due to the following:

- ◆ Employees received a 3.0% cost of living increase in 2023 compared to 1.23% in 2022, expenses relating to salaries increased \$1,917,601 or 4.3% in 2023 compared to a decrease of 888,300 or 2.0% in 2022. The increase in wages in 2023 exceeded the cost of living increase due to a one time stipend investing in employee resources.
- ◆ Employee benefits increased \$9,086,894 or 171.0% in 2023 compared to an increase of \$888,300 or 2.0% in 2022.

- ✓ In 2007, WCTC established an OPEB Trust so it could begin funding its post-employment benefits. WCTC made annual contributions to the trust to fund this liability in subsequent years. As of June 30, 2017, WCTC had fully funded this liability. WCTC implemented GASB 74/75 in 2017 and annually completes an actuarial study to determine the OPEB liability/asset. In 2023 the impact of adjustments to the OPEB liability/asset resulted in a reduction of expenditures of \$4,506,422 as compared to a reduction of \$4,958,670 in 2022. These adjustments stem from an overall positive claims experience for both years, along with investment portfolio performances.

WCTC's loss ratio for healthcare claims in 2023 was 101.0% compared 106.9% in 2022. Historically WCTC has had positive claims loss ratios which allowed for healthcare premiums to remain relatively stable. Health care premiums increased 8% in 2023 as compared to no premium increase in 2022.

- ✓ In 2023, WCTC's portion of the WRS net pension liability was \$12,466,969 compared to an asset of \$19,726,926 in 2022. WCTC recognized pension expense of \$3,557,689 in 2023 as compared to a reduction in expenses of \$4,410,595 in 2022.
- ◆ Current expenses decreased \$4,124,042 or 13.4% in 2023 compared to an increase of \$2,064,023 or 7.2% in 2022. Note 9 to the financial statements provides a detailed breakdown of this category. Below are some of the major components of this category.
 - ✓ Costs associated with supplies increased \$223,558 or 15.37% in 2023 compared to a decrease of \$16,190 or 1.1% in 2022. The increase in 2023 is driven from inflationary increases, as well as the increase in enrollment.
 - ✓ Expenses related to contracted services decreased \$241,923 or 15.4% in 2023 as compared to a decrease of \$1,150,342 or \$1,150,342. This decrease is driven by the implementation of GASB statement 96 which required recognition of subscription based assets and related liabilities which reduced the amount of expenditures for contracted services.
 - ✓ Spending on marketing and promotions increased 280,612 or 42.1% in 2023 as compared to an increase of \$62,2857 or 10.3% in 2022. During 2023 WCTC celebrated it's 100th anniversary, which included additional marketing and promotional opportunities.
 - ✓ Expenses related to repairs, service and maintenance increased \$167,482 or 21.42% in 2023 as compared to a decrease of \$156,836 or 16.7% in 2022. Expenditures in this category vary from year to year. WCTC strives to ensure that facilities and grounds are maintained to prevent unexpected repair and maintenance expenses.

- ✓ Outlay for minor equipment decreased \$284,561 or 15.2% in 2023 as compared to an increase of \$44,611 or 2.4% in 2022. Spending on minor equipment can vary from year to year depending on department needs.
- ✓ Expenses related to depreciation/amortization increased \$467,664 or 7.69% in 2023 as compared to an increase of 1,090,285 or 21.8%. Depreciation expense is driven by capital asset additions in the current and prior years. The significant increase in 2022 relates to the implementation of GASB96 which required recognition and amortization of subscription based assets.
- ✓ Student financial aid expenditures decreased \$4,794,879 or 72.49% as compared to an increase of \$3,326,379 or 101.2% in 2022. Financial aid expenditures depend on eligibility and need of the student population and can vary from year to year. In 2022 this balance was impacted by the distribution of the student emergency COVID-19 relief.

Non-operating revenues (expenses) are revenue and expense items not related directly to providing instruction. Net non-operating revenues increased \$747,047 or 1.0% in 2023 compared to \$839,866 or 1.1% in 2022. The most important components of this change were:

- ◆ State non-operating appropriations increased \$1,677,887 or 3.3% in 2023 compared to \$2,612,515 or 5.4% in 2022. The increase in 2023 and 2022 relates to an increase in state aids in lieu of property taxes which was incorporated in the state budget. The increase of \$1,490,321 in 2023 and \$3,087,097 in 2022 decreased the operational tax levy dollar for dollar.
- ◆ Federal grant non-operating revenues decreased \$2,874,873 or 82.0% as compared to an increase of \$635,565 or 22.1% % in 2022. Fiscal year 2022 federal non-operating revenues were significantly higher due to the award of COVID-19 related funding under the Higher Education Emergency Relief Fund. This award helps offset the College's outlay related to the response to the COVID-19 pandemic. The College fully expended all remaining funding during 2023.
- ◆ Property tax revenue decreased \$117,285 or 0.6% in 2023 compared to a decrease of \$1,736,980 or 7.9% in 2022. In fiscal year 2023 and 2022 the adopted Wisconsin state budget incorporated additional aid in lieu of property taxes. This increase reduced WCTC's operational levy. The decrease in operational levy was partially offset by an increase in the debt service levy.
- ◆ Investment income increased \$2,061,318 or 479.7% in 2023 compared to a decrease of \$671,234 or 277.9% in 2022. Investment performance has been impacted by rising interest rates along with the overall market environment.

WCTC's long term investment rate, excluding cash equivalents, was (0.08%) in 2023 compared to (4.74%) in 2022, the short-term investment rate was 4.8% in 2023. compared to (0.08%) in 2022. Based on limitations within Wisconsin statutes, WCTC is primarily invested in fixed income. With rising interest rates experienced in 2023 WCTC shifted the short-term investment portfolio to interest bearing cash and cash equivalent accounts to take advantage of increased return opportunities. Overall the College's investment income is in line with comparable benchmark trends.

During 2023, WCTC had a weighted average days to maturity of 840 days for its core portfolio and 0 days for its short-term portfolio compared to 905 days and 120 days respectively in 2022. As mentioned above WCTC restructured the short term investment portfolio to take advantage of the higher yields on cash and cash equivalent balances during the year.

Contribution revenues result from donations of cash or in-kind donations, usually capital equipment, and grant funds to be used exclusively for the purchase of capital assets. Contribution revenues decreased \$711,019 or 73.8% in 2023 compared to decrease of \$936,664 or 49.3% in 2022. The most important components of this change were:

- ◆ Donated funds decreased \$102,820 or 58.4% in 2023 compared to a decrease of \$117,332 or 40.0% in 2022. Donations vary from year to year depending on projects and initiatives.
- ◆ Funds from state and federal grants decreased \$608,199 or 77.3% in 2023 compared to a decrease of \$819,332 or 51.0% in 2022. During 2022 the College received additional federal funding through the Higher Education Emergency Relief Fund.

Non-operating expenses decreased \$ 2,131,266 or 73.8% in 2023 compared to an increase of \$1,707,670 or 144.8% in 2022. This was due to the following:

- ◆ The loss on disposal of capital assets decreased by \$2,093,331 or 93.4% in 2023 compared to an increase of \$1,597,848 or 248.8% in 2022. This loss depends on the capital assets sold or disposed of. A significant factor in determining the amount of fluctuation occurring between years is based on size of remodeling projects and what furniture and equipment might need to be sold as a result of the project. During fiscal year 2022 the College ceased operations within the Firing Range, and all assets were disposed of.
- ◆ Interest paid on debt decreased \$37,955 or 5.9% in 2023 compared to a decrease of 20,215 or 3.63% in 2022. While increases in the Federal Funds Rate have impacted the rates on new bond issues, overall interest expense has decreased due to the declining overall debt balances.

Statement of Cash Flows

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

The following schedule highlights the major components of the Statement of Cash Flows.

	2023	2022	Increase/(Decrease)		2021
			\$	%	
Cash used in operating activities	\$ (56,018,145)	\$ (56,940,240)	\$ 922,095	1.6	\$ (56,964,887)
Cash provided by non-capital financing activities	73,159,002	75,267,935	(2,108,933)	(2.8)	71,328,542
Cash used in capital and related financing activities	(10,843,660)	(9,137,190)	(1,706,470)	(18.7)	(10,422,913)
Cash provided by (used in) investing activities	40,885,525	(10,778,058)	51,663,583	(479.3)	3,066,219
Net increase (decrease) in cash and cash equivalents	\$ 47,182,722	\$ (1,587,553)	\$ 48,770,275	(3,072.0)	\$ 7,006,961 *

* WCTC implemented GASB 96 and GASB 101 during fiscal year 2023 which required restatement for fiscal year 2022. Fiscal year 2021 has not been restated for this change in accounting principal

The college used \$922,095 or 1.6% less cash for operating activities in 2023 compared to \$24,647 or 0.04% less in 2022 due to the following:

- ◆ The college experienced an increase in cash received from students of \$1,686,812 in 2023 compared to a decrease of \$454,484 in 2022. WCTC experienced increased enrollments for fiscal year 2023 as well as advanced registrations for fiscal year 2024, while increasing collections on student related accounts receivable.
- ◆ WCTC received \$3,802,056 less in federal and state grants in 2023 as compared to an increase of \$2,943,727 in 2022. Most of this fluctuation relates to the funding received to provide emergency aid to students.
- ◆ Cash received from business, industry, and school district contracts increased \$698,918 in 2023 as compared to an increase of \$583,417 in 2022. WCTC has expanded offerings for high school students to participate in dual enrollment and early college opportunities which has driven this increase in revenue and cash payments.
- ◆ The college experienced an increase in payments to employees of \$824,232 in 2023 compared to an increase of \$2,037,663 in 2022.
 - ✓ The college participates in the Wisconsin Retirement System. At the end of 2023, WCTC recorded a pension liability of \$12,466,969 as compared to a pension asset of \$19,726,926 in 2022. This resulted in recognition of additional employee benefits expense of \$3,557,889 in 2023 as compared to a reduction of benefits expense of \$4,410,595.
 - ✓ The college's OPEB asset decreased from the prior year due to investment performance and benefit payments. The college recorded a negative adjustment to employee benefits expense of \$4,506,422 in 2023 compared to \$4,958,670 in 2022.
 - ✓ The college participates in the Wisconsin Technical College Employee Benefits Consortium which provides health insurance for the college's employees. WCTC's proportion of the net assets of the consortium increased to \$4,592,188 in 2023 compared to \$4,109,823 in 2022. The college recorded a reduction in employee benefits expense of \$482,365 in 2023 as compared to an employee benefits expense of \$950,370 in 2022.

- ✓ Accrued payroll and related liabilities decreased \$198,036 in 2023 compared to a decrease of \$41,800 in 2022. This decrease is primarily related to retirements, and changes in employee classification.
- ✓ Accrued compensated absences increased \$3,717,775 in 2023 as compared to an increase of \$318,293 in 2022. This change is due to implementation of GASB statement 91 which was implemented in 2023 on a prospective basis.
- ◆ The college spent \$3,312,288 more in payments to vendors in 2023 compared to a decrease of in payments to vendors of \$138,899 in 2022. This increase primarily relates to the timing of payments for services along with increased costs.
- ◆ Cash from enterprise activities decreased \$147,168 in 2023 compared to a decrease \$841,647 in 2022.

In 2020 enterprise activities were significantly impacted by COVID related closures. When the college re-opened for fiscal 2021 enterprise activities rebounded some, however in 2022 activities declined due to lower enrollment, shrinking margins, and decreases in sales. During 2023 enterprise activities leveled as a result of stabilized enrollments.

Cash provided by non-capital financing activities decreased \$2,108,933 or 2.8% in 2023 compared to an increase of \$3,939,393 or 5.5% in 2022. The decrease in 2023 was due to the decrease in federal funding related to the COVID relief dollars. The increase in cash provided by these activities in 2022 is due to the timing of when tax levy payments are received, the increase in state aids, and an increase in federal funding related to the COVID relief dollars.

Cash used in capital and related financing activities increased \$1,706,470 or 18.7% in 2023 compared to a decrease of \$1,285,7239 or 12.3% in 2022.

- ◆ WCTC has a master facilities plan in which it is systematically retrofitting and updating its buildings to meet current educational needs. The cost and number of projects done in a fiscal year can vary and will affect cash flows as a result. The amount of principal and interest WCTC is repaying each year has been greater than the amount of new debt it has been borrowing, which has resulted in greater cash flow used for capital and related financing activities. Timing of when capital projects occur also affects the cash flow for when payments are made to contractors.
- ◆ Cash received from federal and state appropriations for capital assets decreased \$1,946,239 in 2023 as compared to an increase of 1,988,757 in 2022. This change is primarily due to funding received under the Higher Education Emergency Relief Act in response to the COVID-19 pandemic. Capital related expenditures under this program were primarily completed in 2022.

Cash provided by investing activities increased \$51,663,583 or 479.34% in 2023 compared to an increase in cash used in investing activities of \$13,844,277 or 451.5% in 2022. WCTC manages investments in accordance with state statutes while evaluating market performance to maximize investment income for the college. This can result in fluctuations in cash provided (used) by investments from year to year. During 2023 WCTC moved short term investments to cash and cash equivalent accounts to capture the higher rate of return due to rising interest rates.

Statement of Net Position

The Statement of Net Position includes all assets, which are items that the college owns and amounts that are owed to the college by others, and liabilities, which are amounts the college owes to others and which had been collected from others prior to providing the services. 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 service, regardless of when cash is exchanged. Below are highlights of the key components of the Statement of Net Position.

	2023	2022	Increase/(Decrease)		2021
			\$	%	
ASSETS					
Net capital assets	\$ 113,915,200	\$ 112,430,184	\$ 1,485,016	1.3	\$ 107,864,524
Other assets	113,643,796	125,215,728	(11,571,932)	(9.2)	122,191,433
Total Assets	<u>227,558,996</u>	<u>237,645,912</u>	<u>(10,086,916)</u>	<u>(4.2)</u>	<u>230,055,957</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amounts related to pensions	45,190,206	36,941,272	8,248,934	22.3	24,696,157
Deferred amounts related to post-employment benefits	5,612,023	4,532,421	1,079,602	100.0	-
Total Deferred Outflows of Resources	<u>50,802,229</u>	<u>41,473,693</u>	<u>9,328,536</u>	<u>22.5</u>	<u>24,696,157</u>
LIABILITIES					
Current liabilities	22,134,816	22,206,673	(71,857)	(0.3)	19,010,199
Long-term liabilities	23,796,074	12,774,732	11,021,342	86.3	13,926,634
Total Liabilities	<u>45,930,890</u>	<u>34,981,405</u>	<u>10,949,485</u>	<u>31.3</u>	<u>32,936,833</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred amounts related to leases	1,592,700	1,669,223	(76,523)	(4.6)	1,786,600
Deferred amounts related to post-employment benefits	2,176,291	5,805,692	(3,629,401)	(62.5)	12,286,391
Deferred amounts related to pensions	26,141,816	46,529,088	(20,387,272)	(43.8)	34,795,975
Total Deferred Outflows of Resources	<u>29,910,807</u>	<u>54,004,003</u>	<u>(24,093,196)</u>	<u>(44.6)</u>	<u>48,868,966</u>
NET POSITION					
Net investment in capital assets	96,228,426	94,135,618	2,092,808	2.2	90,807,821
Restricted for					
Debt service	1,004,345	807,363	196,982	24.4	750,438
Student financial aid	208,201	188,679	19,522	10.3	160,439
Student organizations	824,169	1,287,925	(463,756)	(36.0)	1,093,834
Post-employment benefits	18,128,160	18,330,741	(202,581)	(1.1)	24,385,191
Pension	-	19,726,926	(19,726,926)	(100.0)	15,828,333
Unrestricted	86,126,227	55,656,945	30,469,282	54.7	39,920,259
Total Net Position	<u>\$ 202,519,528</u>	<u>\$ 190,134,197</u>	<u>\$ 12,385,331</u>	<u>6.5</u>	<u>\$ 172,946,315</u> *

* WCTC implemented GASB 96 and GASB 101 during fiscal year 2023 which required restatement for fiscal year 2022. Fiscal year 2021 has not been restated for this change in accounting principal

Total assets decreased \$10,086,916 or 4.2% in 2023 compared to an increase of \$7,589,955 or 3.3% in 2022. Of these total assets, other assets decreased \$11,571,932 or 9.2% in 2023 compared to an increase of \$3,024,295 or 2.5% in 2022. Net capital assets increased \$1,485,016 or 1.3% in 2023 compared to \$4,565,660 or 4.2% in 2022.

- ◆ Overall, WCTC's cash and investments increased \$7,439,866 or 11.1% in 2023 compared to an increase of \$7,111,990 or 19.9% in 2022.

The increase in 2023 stems from a positive cash flow for the year which was driven by less use of cash in operational activities. Despite a negative total cash flow for fiscal year 2022, when adjusted for an increase in investment holdings the cash flow was significantly higher than in 2021. This increase in cash flow was driven by an increase in non-capital financing activities resulting from greater federal appropriations.

- ◆ Taxes receivable increased \$88,877 or 2.2% in 2023 compared to a decrease of \$480,086 or 10.7% in 2022. This receivable was paid in full by the end of August 2023 and 2022 respectively. WCTC's levy for fiscal year 2022 decreased from 2021 due to the state budget increasing property tax relief aids, which impacted the district's levy.
- ◆ Accounts receivable decreased \$89,599 or 1.0% in 2023 compared to a decrease of \$2,146,917 or 19.18% in 2022. The 2021 balance was higher than typical for the district and related primarily to grant receivables for lost revenue claimed under the Higher Education Emergency Relief Fund. These amounts were significantly less in 2022 than in 2021.
- ◆ WCTC recorded an OPEB asset of \$18,128,160 in 2023 compared to \$18,330,741 in 2022.

WCTC was 141.9% and 140.4% funded as of June 30, 2023, and 2022 respectively. WCTC's total OPEB liability as of June 30, 2023, was \$43,292,102 compared to \$45,400,869 June 30, 2022.

- ◆ WCTC recorded a pension liability of \$12,466,969 in 2023 compared to a pension asset of \$19,726,926 in 2022.

The college's deferred outflows of resources increased \$9,328,536 or 22.5% in 2023 compared to \$16,777,536 or 67.9% in 2022.

- ◆ Due to implementing GASB 68 pension regulation, WCTC needed to record a deferred outflow of resources in the amount of \$45,190,206 in 2023 and \$36,941,272 in 2022.
- ◆ Due to implementing GASB 75 post-employment regulation, WCTC had deferred outflow of resources of \$5,612,023 and \$4,532,421 in 2023 and 2022 respectively.

The college's current liabilities decreased \$71,857 or 0.3% in 2023 compared to a decrease of \$494,086 or 2.6% in 2022.

- ◆ Accounts payable decreased \$71,857 or 0.3% in 2023 compared to an increase of \$3,196,474 or 16.8% in 2022. This balance is impacted by the timing of payments as well as capital related construction projects and can vary from year to year.
- ◆ Wages and benefits payable decreased \$198,036 or 12.6% in 2023 compared to a decrease of \$41,800 or 2.59% in 2022. As discussed earlier the decrease relates to turnover and changes in employee classifications.

- ◆ Accrued compensated absences increased \$27,215 in 2023 as compared to an increase of \$3,543,863 in 2022. The significant increase in 2022 is due to implementation of GASB statement 101 which was implemented in 2023 and required a restatement of the 2022 balances. Fiscal year 2021 was not restated for this implementation.
- ◆ Unearned revenue increased \$1,376,199 or 24.4% as compared to a decrease of \$1,290,648 or 18.7%% in 2022. The increase in 2023 relates to higher registrations for 2024 as of June 30, 2023. The decrease in unearned revenue in 2022 related to the timing of expenditures under the Higher education Emergency relief Fund.
- ◆ During 2023 the College implemented GASB 96 which required recognition of a liability for agreements relating to subscription-based assets. The current portion of this liability was \$1,069,903 in 2023 and \$925,494 for 2022. Additional information about these liabilities and the financial statement impact of implementing this standard can be found in notes 12 and 13.
- ◆ The current portion of debt payable increased \$305,000 from 2022. The district maintains a long-term capital plan and structures debt payments to ensure needed projects are completed while balancing the impact on taxpayers.

The college's long-term liabilities increased \$11,021,342 or 86.3% in 2023 compared to a decrease of \$1,151,902 or 8.3% in 2022.

- ◆ For 2023 WCTC recorded a liability related to the Wisconsin retirement system. The district's portion of this liability was \$12,466,969 in 2023. For 2022 the College recorded a net pension asset of \$19,726,926.
- ◆ During 2023 the College implemented GASB 96 which required recognition of a liability for agreements relating to subscription-based assets. The long-term portion of this liability was \$937,927 in 2023 and \$1,681,770 in 2022. Additional information about these liabilities and the financial statement impact of implementing this standard can be found in notes 12 and 13.
- ◆ WCTC's general obligation debt liability decreased \$701,784 or 6.3% in 2023 compared to a decrease of \$1,091,708 or 9.0% in 2022. WCTC issued \$7,750,000 of general obligation promissory notes in both 2023 and 2022. WCTC has been repaying more debt per year than it has issued each year.

The college's deferred inflows of resources decreased \$24,093,196 or 44.6% in 2023 compared to an increase of \$5,135,037 or 10.5% in 2022.

- ◆ Due to implementing GASB Statement No. 68, WCTC recognized a deferred inflow of resources of \$26,141,816 in 2023 compared to \$46,529,088 in 2022 for pensions.
- ◆ Due to implementing GASB 75, WCTC recognized a deferred inflow of resources of \$2,176,291 in 2023 compared to \$5,805,692 in 2022 for post-employment benefits.

Net position increased \$12,385,331 or 6.5% in 2023 compared to \$20,878,442 or 12.1% in 2022.

- ◆ Net investment in capital assets increased \$2,092,808 or 2.2% in 2023 compared to \$3,327,797 or 3.7% in 2022. This is a result of the change in capital assets, the impact of accumulated depreciation on those assets, and the debt or liabilities still outstanding to pay for those assets as well as any proceeds remaining from debt that was previously borrowed. These assets include \$1,332,234 in 2023 and \$2,330,660 in 2022 of unexpended debt proceeds for capital assets. Purchase orders outstanding to be financed from unexpended debt proceeds amount to \$3,360,198 in 2023 compared to \$2,278,789 in 2022.
- ◆ Net position restricted for debt service increased \$196,982 or 24.4% in 2023 compared to an increase of \$56,925 or 7.6% in 2022. The increase in debt service reserves relates to premiums received on debt issuances. These assets can only be used to repay the general obligation promissory notes WCTC has issued to fund its capital expenditures.
- ◆ Net position restricted for student organizations and financial assistance decreased \$463,756 or 36.0% in 2023 compared to an increase of \$194,091 or 17.7% in 2022. Spending for student organizations can vary from year to year depending on projects and activities approved by the student organizations. During 2023 a use of reserves was authorized to assist with funding the student life and E-sports renovations.
- ◆ Due to implementing GASB Statement No. 75, WCTC's restricted for post-employment benefits was \$18,128,160 in 2023 and \$18,330,741 in 2022. The amount of restricted net assets related to post-employment benefits is impacted by claims experience as well as investment performance.
- ◆ Due to GASB Statement No. 68 WCTC recognized a net pension liability during 2023, as compared a pension asset and net position restricted for pension of \$19,726,926 in 2022.
- ◆ Unrestricted net position increased \$30,469,282 or 54.7% in 2023 compared to an increase of \$17,187,882 or 9.9% in 2022. Unrestricted net position is highly impacted by changes in the entity's OPEB asset and Pension liabilities/assets.

On a budgetary basis WCTC has designated a use for these funds. These internal designations consist of the following:

- ✓ Outstanding purchase orders – \$457,484 in 2023 compared to \$638,856 in 2022 of assets were set aside for outstanding purchase orders. WCTC has made a commitment to purchase these goods and services when they are received and invoiced. These funds have been set aside to pay for these commitments.
- ✓ Prepaid expenses and inventories – \$80,529 in 2023 and \$75,181 in 2022 of assets were set aside to cover prepaid expenses and inventories already purchased and paid for. WCTC will incur costs as it recognizes expenses related to prepayments of goods, services, and inventory it has purchased in advance of resale or use of those items.
- ✓ Designated for state aid fluctuations - \$470,000 was set aside in 2023, and \$460,000 in 2022. WCTC set aside additional funds to provide cushion should there be fluctuations in state aid in the coming year. This category is limited to 5% of the district's total state aids, net of property tax relief.

- ✓ Operations – \$18,991,970 in 2023 and \$18,497,269 in 2022 were set aside for operations. WCTC has set these funds aside to be used for operations in the event of an emergency that was not planned for in the budget and to help with cash flow needs of the college. WCTC's reserve policy identifies that the college will reserve funds to cover a minimum of 25% of operating costs.
- ✓ Designated for subsequent year – \$24,157,235 and \$22,137,615 in 2023 and 2022 respectively was set aside as a result of the college intentionally working to set aside additional reserves to be utilized to strategically implement initiatives and meet stakeholder needs in a time where the future of higher education continues to evolve.
- ✓ Enterprise and internal service fund operations – \$4,539,175 in 2023 and \$3,899,043 in 2022 of assets were set aside for enterprise and internal service fund operations. These funds are used to cover insurance claims costs that exceed expectations and to provide funds for activities run like a private business.

Capital Assets and Debt Administration

WCTC's investment in capital assets as of June 30, 2023 was \$113,915,200 compared to \$112,430,184 in 2022. This investment includes land, land improvements, buildings, building improvements, construction in process, and depreciable/amortizable capital assets net of related accumulated depreciation.

As of June 30, 2023 WCTC had \$16,490,000 compared to \$17,550,000 in 2022 of general obligation promissory notes outstanding related to capital assets. WCTC has received a Aaa bond rating from Moody's Investor Service for all notes issued since 1996. WCTC continues to meet all of its debt service requirements, including timely repayment of its debt. All debt issued for building and land improvements are repaid in five to ten years. All debt issued for equipment is paid in three to five years, which corresponds to the life of the majority of the equipment. By statute, WCTC cannot have a repayment schedule greater than twenty years. WCTC does not have any repayment schedule exceeding five years.

WCTC tracks its capital assets and looks to replace those assets when their useful lives have expired in order to keep current with technology and have well-maintained facilities.

Additional information on WCTC's capital assets and long-term debt can be found in Note 3 on page 65 and Note 4 on page 67, respectively, of this report.

Financial Position

WCTC continues to maintain a strong financial position. Its major revenue sources are property taxes, state aids, student tuition and fees, federal and state grants, and contracts with business and industry.

- ◆ Prior to 2015, property taxes remained WCTC's primary source of revenues. Property taxes accounted for 54.5% of the revenues received by WCTC in 2014.

The 2014 – 2015 the Wisconsin State Biennial Budget included levy limits on the technical college whereby the technical colleges could not increase their operational levy by more than net new construction for the year. The budget did include provisions that allowed the college to carryover and use in the next budget year up to 0.5% of unused tax levy authority from the prior year. For 2011 through 2017, WCTC did not increase its operational or debt service levy amounts.

In April 2014, the Legislature removed \$406 million from local property taxes for the technical colleges and replaced it with state funding. This change was effective for 2015. This legislative change resulted in a funding shift of \$43,219,314 from local property tax to state funding in the form of property tax relief aid. Provisions exist in the statute that allow the colleges to increase property taxes by the amount of property tax relief aid that may decrease or not increase in the future. For 2020 and 2021 this amount remained the same. For fiscal year 2022 the legislature increased this finding shift by adding another \$3,087,094 increasing the total property tax relief aid to 46,306,408. In fiscal year 2023 the legislature increased this funding shift adding another \$1,490,321 increasing the total property tax relief aid to \$47,796,729.

WCTC levied taxes of \$20,139,719 in 2023 and had a mill rate of \$0.14539 for operations. Property values increased 13.02% compared to a projected increase of 4.0% when the 2023 budget was adopted. WCTC raised its operational levy by the percent of net new construction.

WCTC projected the operational mill rate would be \$0.15494. The mill rate decreased 15.2% from 2022 because of equalized property value increases and the shift of \$1,490,321 from tax levy to Property Tax Relief Aid from the Wisconsin State Budget.

The WCTC Board is very cognizant of the balance between tax levy and the needs of the community to be educated. The Board controls the budget by controlling the property tax levy.

- ◆ WCTC projected the debt service mill rate would be \$0.13288 when it adopted its budget. In evaluating market conditions as well as the long term capital plan WCTC increased the debt levy to allow for an increase in the debt service payments for debt issued during 2023. Despite the increase in debt levy, the debt service mill rate decreased to \$0.12227 due to the increase in property valuations in 2023.
- ◆ The total mill rate decreased from \$0.30220 in 2022 to \$0.26766 in 2023.
- ◆ WCTC enrollments have stabilized and begun to increase despite changing demographics in the region. WCTC anticipates changes in demographics to continue to impact enrollment. WCTC has been actively working on improving its enrollments with new initiatives beginning in fiscal year 2023 to reach out to expanded sources for enrollments in future years. Full time equivalent enrollments were 3,167 in 2023 compared to 3,137 in 2022.
- ◆ WCTC has been very cognizant of its responsibility to fund its liabilities. As a result, in the late 1990's, WCTC used excess unrestricted net position to pay for its unfunded prior service pension liability with the Wisconsin Department of Employee Trust Funds. In addition, WCTC had been reserving a large portion of its unrestricted net position to fund post-employment benefits. In fiscal year 2007 WCTC created an irrevocable post-employment benefits trust to begin funding this liability. It placed \$21,500,000 of its assets into the trust in 2007. Between 2009 and 2017, WCTC had placed more than its required annual contribution into the trust to advance fund some of this liability. As of June 30, 2023, the actuarial study showed that WCTC had fully funded the liability and had an OPEB asset of \$18,128,160.

Economic Factors

The slowdown of the US economy and the COVID-19 pandemic had a major impact on businesses and industries in Waukesha County and throughout the state. WCTC has been able to weather this economic downturn. Some of the reasons for this were:

- ◆ Waukesha County is one of the wealthiest counties in Wisconsin. Equalized valuation within WCTC's district have been increasing. Values increased 12.5% in 2024 and 13.0% in 2023. WCTC conservatively projected an increase of 5.0% when it developed its 2024 budget. Due to the increase in property valuation, the fiscal year 2024 mill rate decrease from \$0.26766 to \$0.25406.
- ◆ WCTC consistently prioritizes the enrollment, retention, and successful completion of students as a key strategic focus. The college has intentionally invested in various initiatives aimed at enhancing enrollment, such as expanding program offerings for high school students, providing associate of arts and associate of science degrees, and collaborating with four-year institutions to facilitate a smooth transition for students pursuing bachelor's degrees. In fiscal year 2023, WCTC experienced its first uptick in enrollment since 2011. Projections for fiscal year 2024 indicate a further increase in enrollment compared to 2023.

Despite the challenges posed by external factors, such as the ongoing demographic shift impacting higher education, WCTC remains confident that its long-term financial planning will enable the College to effectively address the evolving financial needs of future operations. WCTC is well-positioned to continue to meet the needs of our community.

The fiscal year 2024 budget includes the following factors:

	2024	2023	Increase/(Decrease)	
	<u>Adopted</u>	<u>Adopted</u>	\$	%
Revenues				
Local government	\$ 20,909,719	\$ 19,927,176	\$ 982,543	4.9%
State funds	55,075,228	55,164,528	(89,300)	-0.2%
Tuition and fees	14,218,655	13,861,650	357,005	2.6%
Institutional	8,791,200	7,782,300	1,008,900	13.0%
Federal funds	<u>5,736,000</u>	<u>5,799,941</u>	<u>(63,941)</u>	<u>-1.1%</u>
Total revenue	<u>104,730,802</u>	<u>102,535,595</u>	<u>2,195,207</u>	<u>2.1%</u>
Expenditures				
Instruction	52,322,680	50,912,596	1,410,084	2.8%
Instructional resources	1,523,228	1,520,058	3,170	0.2%
Student services	17,132,909	16,767,054	365,855	2.2%
General institution	19,536,454	16,639,050	2,897,404	17.4%
Physical plant	22,747,131	22,102,287	644,844	2.9%
Auxiliary	<u>4,383,095</u>	<u>4,554,223</u>	<u>(171,128)</u>	<u>-3.8%</u>
Total expenditures	<u>117,645,497</u>	<u>112,495,268</u>	<u>5,150,229</u>	<u>4.6%</u>
Net revenue/(expenditure)	(12,914,695)	(9,959,673)	(2,955,022)	29.7%
Proceeds from debt	<u>11,500,000</u>	<u>7,750,000</u>	<u>3,750,000</u>	<u>48.4%</u>
Net revenue/(expenditure)	(1,414,695)	(2,209,673)	794,978	-36.0%
Beginning fund balance	<u>69,083,225</u>	<u>63,125,581</u>	<u>5,957,644</u>	<u>9.4%</u>
Ending fund balance	67,668,530	60,915,908	6,752,622	11.1%
Reserve for debt service	(135,000)	-	(135,000)	#DIV/0!
Reserve for capital outlay	(1,244,300)	(2,140,350)	896,050	-41.9%
Reserve for financial aid	(5,000)	(10,000)	5,000	-50.0%
Retained earnings	(30,395)	(51,523)	21,128	-41.0%
Designated for operations	<u>-</u>	<u>(7,800)</u>	<u>7,800</u>	<u>100.0%</u>
Use of reserves	\$ (1,414,695)	\$ (2,209,673)	\$ 794,978	-36.0%

The revenue budget is \$104,730,802, which is an increase of \$2,195,207 from the fiscal year 2023 adopted budget.

- ◆ Tuition and fees increased \$357,005 or 2.6%. The 2023 budget was built with a projected .0.75% increase in FTE, and a 1.9% increase in tuition rates. WCTC enrollments for fiscal year 2023 were positively impacted by strategic investments in various initiatives. Early projections for fiscal year 2024 show a continued increase in enrollments.
- ◆ Federal funds decreased \$63,941 based on expected grant funding and other federal funding trends.
- ◆ State funds are expected to decrease \$89,300. This decrease relates to changes in state grant awards.

- ◆ Institutional revenues are expected to increase \$1,008,900. This increase is due to better investment market performance and continued growth of other revenue sources including rental revenues and contracted training.

The expense budget is \$117,645,497, which is an increase of \$5,150,229 from the fiscal year 2023 adopted budget.

- ◆ Changes in budgeted expenditures were attributable to the factors below:
 - ◆ Wages were budgeted to increase 3% additionally the district budgeted for health insurance costs to increase 8%.
 - ◆ Debt service expenses were increased due to increasing interest rates as well as aligning the debt service schedule with the long-term capital plan.
 - ◆ Expenditures within the enterprise funds were reduced to align with expected revenues.
 - ◆ Decreased student activity fee revenue required a reduction in the related expenditures.
- ◆ WCTC plans to issue \$11,500,000 in general obligation promissory notes in fiscal year 2024, which an increase of \$3,750,00 from 2023. This is the first increase the College has had in over 10 years. The increase will allow the college to continue to maintain and invest in campus improvements and needed equipment and technology.
- ◆ WCTC plans to utilize \$1,244,300 of its fund balance during 2024 for additional capital expenditures.

Requests for Information

This financial report is designed to provide a general overview of WCTC's finances for all those with an interest in the college's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vice President of Finance and Administration, 800 Main Street, Pewaukee, WI 53072.

BASIC FINANCIAL STATEMENTS

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

STATEMENTS OF NET POSITION

As of June 30, 2023 and 2022

ASSETS	2023	2022
Current assets		
Cash	\$ 42,996,030	\$ 13,206,345
Restricted Cash	17,222,526	-
Short-term investments	2,437,543	2,875,976
Restricted Short-term investments	608,944	-
Accounts receivable, net	8,957,224	9,046,783
Taxes receivable	4,095,289	4,006,412
Leases receivable - current portion	32,988	32,180
Interest receivable	42,621	162,604
Inventories	489,396	540,658
Prepaid expenses and other assets	4,905,987	4,393,115
Total Current Assets	81,788,548	34,264,073
Non-current assets		
Long-term investments	-	26,836,893
Restricted long-term investments	12,035,460	24,332,479
Lease receivable	1,691,628	1,724,616
Restricted net OPEB asset	18,128,160	18,330,741
Restricted net pension asset	-	19,726,926
Capital assets, net of accumulated depreciation/amortization		
Land	641,345	641,345
Construction in progress	3,114,845	2,853,916
Depreciable/amortizable capital assets	110,159,010	108,934,923
Total Non-Current Assets	145,770,448	203,381,839
Total Assets	227,558,996	237,645,912
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts related to pensions	45,190,206	36,941,272
Deferred amounts related to OPEB	5,612,023	4,532,421
Total Deferred Outflows of Resources	50,802,229	41,473,693
LIABILITIES		
Current liabilities		
Accounts payable	1,279,956	2,387,753
Wages and benefit payables	1,375,728	1,573,764
Compensated absences	4,696,133	4,668,918
Interest payable	85,550	94,397
Unearned revenue	7,007,546	5,631,347
Subscription liability - current portion	1,069,903	925,494
General obligation debt - current portion	6,620,000	6,925,000
Total Current Liabilities	22,134,816	22,206,673
Non-current liabilities		
Net pension liability	12,466,969	-
Subscription liability	937,927	1,681,770
General obligation debt	10,391,178	11,092,962
Total Non-Current Liabilities	23,796,074	12,774,732
Total Liabilities	45,930,890	34,981,405
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts related to leases	1,592,700	1,669,223
Deferred amounts related to OPEB	2,176,291	5,805,692
Deferred amounts related to pensions	26,141,816	46,529,088
Total Deferred Inflows of Resources	29,910,807	54,004,003
NET POSITION		
Net investment in capital assets	96,228,426	94,135,618
Restricted for		
Debt service	1,004,345	807,363
Student financial aid	208,201	188,679
Student organizations	824,169	1,287,925
OPEB	18,128,160	18,330,741
Pension	-	19,726,926
Unrestricted	86,126,227	55,656,945
TOTAL NET POSITION	\$ 202,519,528	\$ 190,134,197

The accompanying notes are an integral part of these statements.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION For the Years Ended June 30, 2023 and 2022

REVENUES	<u>2023</u>	<u>2022</u>
Operating revenues		
Tuition and fees		
Program fees (net of \$2,365,641 and \$1,966,671 scholarship allowances respectively)	\$ 9,488,214	\$ 10,072,273
Material fees (net of \$138,100 and \$114,809 scholarship allowances respectively)	539,057	580,580
Other student fees (net of \$288,007 and \$239,434 scholarship allowances respectively)	1,121,224	1,219,483
State grants and contracts	2,755,055	2,027,209
Federal grants and contracts	4,578,815	9,029,181
Non-governmental grants and contracts	3,892,732	3,222,325
Auxiliary enterprise services	3,212,733	3,216,731
Total Operating Revenues	<u>25,587,830</u>	<u>29,367,782</u>
 EXPENSES		
Operating expenses		
Educational		
Instruction	46,665,557	39,312,449
Instructional resources	1,463,561	1,243,167
Student services	11,484,521	13,741,541
General institutional	12,583,044	12,063,619
Physical plant	5,764,272	5,274,846
Depreciation/Amortization	6,546,833	6,079,169
Auxiliary enterprise services	3,198,535	3,111,079
Total Operating Expenses	<u>87,706,323</u>	<u>80,825,870</u>
Operating Loss	<u>(62,118,493)</u>	<u>(51,458,088)</u>
 NONOPERATING REVENUES (EXPENSES)		
State appropriations	52,600,080	50,922,193
Federal grants	633,156	3,508,029
Local property taxes	20,142,804	20,260,089
Loss on sale of capital assets	(146,861)	(2,240,172)
Investment income (loss) (net of \$30,482 and \$30,010 investment expenses respectively)	1,631,630	(429,688)
Interest on capital asset-related debt	(609,043)	(646,998)
Total Nonoperating Revenues (Expenses)	<u>74,251,766</u>	<u>71,373,453</u>
 CAPITAL CONTRIBUTIONS		
Federal and state appropriations for capital-related grants	178,752	786,951
Donations	73,306	176,126
Total Capital Contributions	<u>252,058</u>	<u>963,077</u>
 Change in Net Position	 12,385,331	 20,878,442
NET POSITION - BEGINNING OF YEAR, PREVIOUSLY REPORTED	<u>190,134,197</u>	<u>172,946,315</u>
 Restatement	 -	 (3,690,560)
 NET POSITION - END OF YEAR	 <u>\$ 202,519,528</u>	 <u>\$ 190,134,197</u>

The accompanying notes are an integral part of these statements.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Tuition and fees received	\$ 13,019,423	\$ 11,332,611
Federal and state grants received	7,187,802	10,989,858
Business, industry and school district contract revenues received	3,835,472	3,136,554
Payments to employees including related benefits	(62,061,333)	(61,237,010)
Payments to suppliers	(21,039,637)	(24,351,925)
Auxiliary enterprise revenues received	3,040,128	3,189,672
Net Cash Flows From Operating Activities	(56,018,145)	(56,940,240)
Cash flows from non-capital financing activities		
Local property taxes received	20,053,927	20,740,175
State appropriations received	52,600,080	50,922,193
Federal appropriations received	504,995	3,605,567
Net Cash Flows From Non-Capital Financing Activities	73,159,002	75,267,935
Cash flows from capital and related financing activities		
Federal and state appropriations received for capital assets	201,153	2,147,392
Donations	73,306	176,126
Purchases of capital assets	(8,415,833)	(9,480,186)
Proceeds on sale of capital assets	(11,216)	-
Leases payments received	32,180	29,804
Subscription payments	(1,098,576)	(964,474)
Proceeds from issuance of capital debt	7,750,000	7,750,000
Net premium received (discount paid) on debt issuance	288,598	264,842
Principal paid on capital debt	(8,810,000)	(8,290,000)
Interest paid on capital debt	(853,272)	(770,694)
Net Cash Flows From Capital and Related Financing Activities	(10,843,660)	(9,137,190)
Cash flows from investing activities		
Investment income received	1,682,696	929,263
Purchase of investments	(2,931,086)	(62,864,766)
Proceeds on sale of investments	42,133,915	51,157,445
Net Cash Flows From Investing Activities	40,885,525	(10,778,058)
Net Increase (Decrease) in Cash and Cash Equivalents	47,182,722	(1,587,553)
Cash and Cash Equivalents - Beginning of Year	16,082,321	17,669,874
Cash and Cash Equivalents - End of Year	\$ 63,265,043	\$ 16,082,321

The accompanying notes are an integral part of these statements.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2023 and 2022

	2023	2022
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (62,118,493)	\$ (51,458,088)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation/Amortization	6,546,833	6,079,169
(Increase) Decrease in deferred outflows of resources from OPEB	(1,079,602)	(4,532,421)
(Increase) Decrease in deferred outflows of resources from pensions	(8,248,934)	(12,245,115)
Increase (Decrease) in deferred inflows of resources from OPEB	(3,629,401)	(6,480,699)
Increase (Decrease) in deferred inflows of resources from Pension	(20,387,272)	11,733,113
Increase (Decrease) in deferred inflows of resources from leases	(76,523)	(117,377)
Change in assets and liabilities:		
Accounts receivable	(1,493,979)	(707,869)
Inventories	51,262	(88,601)
Prepaid expenses and other assets	(512,872)	1,022,459
Net pension asset	32,193,895	(3,898,593)
Accounts payable	(360,316)	(476,366)
Wages and benefit payable	(198,036)	(41,800)
Unearned revenue	3,065,497	106,159
Compensated absences	27,215	(1,888,661)
Net OPEB asset	202,581	6,054,450
Net Cash Flows From Operating Activities	\$ (56,018,145)	\$ (56,940,240)
Reconciliation of cash and cash equivalents to Statement of Net Position:		
Cash	\$ 60,218,556	\$ 13,206,345
Short-term investments	3,046,487	2,875,976
	\$ 63,265,043	\$ 16,082,321
Noncash capital financing activities		
Vouchers payable for capital assets	\$ 625,990	\$ 1,373,471

The accompanying notes are an integral part of these statements.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUND - WCTC POST-EMPLOYMENT BENEFITS TRUST As of June 30, 2023 and 2022

ASSETS	<u>2023</u>	<u>2022</u>
Current assets		
Cash equivalents	\$ 6,544,969	\$ 7,697,659
Interest receivable	282,378	274,772
Total Current Assets	<u>6,827,347</u>	<u>7,972,431</u>
Non-current assets		
Long-term investments		
Equity Mutual Funds	6,087,735	5,314,117
Corporate bonds	17,308,046	19,641,614
Asset-backed securities	-	3,000,891
Federal Agency Notes	1,123,402	1,158,116
Federal Agency Collateral Mortgage Obligations	-	4,271,544
Federal Agency Commercial Mortgage-Backed Security	3,672,287	-
U.S. Treasuries	<u>26,411,985</u>	<u>22,377,776</u>
Total Non-Current Assets	<u>54,603,455</u>	<u>55,764,058</u>
Total Assets	<u>61,430,802</u>	<u>63,736,489</u>
LIABILITIES		
Current liabilities		
Accounts payable	<u>10,540</u>	<u>4,491</u>
Total Current Liabilities	<u>10,540</u>	<u>4,491</u>
Total Liabilities	<u>10,540</u>	<u>4,491</u>
NET POSITION		
Restricted for		
Post-employment benefits	<u>61,420,262</u>	<u>63,731,998</u>
TOTAL NET POSITION	<u>\$ 61,420,262</u>	<u>\$ 63,731,998</u>

The accompanying notes are an integral part of these statements.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUND - WCTC POST-EMPLOYMENT BENEFITS TRUST
 For the Years Ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ADDITIONS		
Investment income		
Interest	1,401,124	2,082,356
Investment expense	(63,456)	(65,693)
Unrealized gain/(loss)	<u>(804,091)</u>	<u>(6,762,715)</u>
Net investment income	<u>533,577</u>	<u>(4,746,052)</u>
Total additions	<u>533,577</u>	<u>(4,746,052)</u>
DEDUCTIONS		
Retiree benefits	2,840,313	2,676,630
Administrative expenses	<u>5,000</u>	<u>5,000</u>
Total Deductions	<u>2,845,313</u>	<u>2,681,630</u>
Change in Net Position	(2,311,736)	(7,427,682)
NET POSITION RESTRICTED FOR POST-EMPLOYMENT BENEFITS:		
BEGINNING OF YEAR	<u>63,731,998</u>	<u>71,159,680</u>
END OF YEAR	<u>\$ 61,420,262</u>	<u>\$ 63,731,998</u>

The accompanying notes are an integral part of these statements.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES

Waukesha County Area Technical College District (WCTC) was organized in 1923. Between 1923 and 1963 WCTC's programs served apprentices, adults, full-time compulsory-age students and employed part-time students attending school one day per week under a work permit. In 1967 WCTC dropped its status as a city institution and became a county-based district. In 1973, WCTC officially became known as the Waukesha County Area Vocational, Technical and Adult Education District.

In 1987 the Waukesha County Area Vocational, Technical and Adult Education District became known as Waukesha County Technical College based on action taken by its board and the Wisconsin Technical College System Board (WTCSB). WCTC's legal name was officially changed from Waukesha County Area Vocational, Technical and Adult Education District to Waukesha County Area Technical College District in 1994. The primary purpose for the name change was to communicate more clearly the higher education nature of its offerings. WCTC's mission and legislative authority have not changed. WCTC's authority includes granting associate of applied science degrees and offering basic skills training.

WCTC is committed to continuously improving its services to meet the technical and vocational training needs of its students, employers, and the community.

The WCTC Board is the governing authority of WCTC. By state statute the county board chairpersons of Waukesha, Jefferson, Dodge and Racine counties appoint WCTC board members; however, these elected officials do not maintain a continuing relationship with the WCTC board with respect to carrying out its important public functions and the counties are not financially accountable for the operations of WCTC. As WCTC's governing authority, the powers of the WCTC board include:

- Authority to borrow money and levy taxes;
- Authority to create a budget; and
- Authority over other fiscal and general management of WCTC, 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 policies and directives.

WCTC and the WTCSB maintain that colleges within the Wisconsin Technical College System should follow accounting principles generally accepted in the United State of America (GAAP) for governmental units because the system's mission, taxing authority, political nature and legislative intent make GAAP for governmental units most appropriate for WCTC and the state WTCSB system. Accordingly, the accounting policies of WCTC conform to generally accepted accounting principles as applicable to public colleges and universities as well as those prescribed by the WTCSB. WCTC follows all applicable Governmental Accounting Standards Board (GASB) pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation.

The accounting policies and practices of WCTC conform to GAAP as applicable to governments. The following is a summary of the more significant accounting policies as promulgated by GASB.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

A. REPORTING ENTITY

The reporting entity for WCTC is based on criteria set forth by the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, and includes all the accounts and operations of the college as governed by its Board. WCTC is not financially accountable for any other entity nor are there any other entities for which the nature and significance of their relationship with WCTC are such that exclusion would cause WCTC's financial statements to be misleading or incomplete. Financial accountability includes the ability to appoint a voting majority of an organization's governing board, the ability to significantly influence operations, and whether the organization is fiscally dependent on the governmental unit and there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the governmental unit. GASB Statement No. 39 requires reporting as a component unit an organization that raises and holds economic resources for the direct benefit of a governmental unit if it is deemed to be significant.

WCTC is affiliated with the WCTC Foundation, Inc. (Foundation), 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 WCTC and its students. The Foundation is managed by an independent board of directors and is not fiscally accountable to WCTC. The financial resources of the Foundation are not material to WCTC as a whole and, accordingly, financial information related to the Foundation is not included in these financial statements.

B. JOINT VENTURES

WCTC formed a library consortium, Wisconsin Project for Automated Library Systems (WISPALS) in fall 1989 through a joint venture with Gateway Technical College and Moraine Park Technical College. Since then Mid-State Technical College, Northcentral Technical College, Northeast Technical College, Fox Valley Technical College, Chippewa Valley Technical College, Lakeshore Technical College, Western Technical College, and Wisconsin Indianhead Technical College joined the Consortium. The Board of Directors, which is made up of the college presidents, and the Executive Committee, which is made up of the library directors, or designee, with each college having an equal vote, govern WISPALS. The eleven colleges share WISPALS operating costs equally. The Wisconsin Library System (WiLS) provides consortia management, ILS support, cooperative purchasing, and fiscal management for WISPALS.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

B. JOINT VENTURES (CONTINUED)

The following is a summary of financial information for WISPALS as of June 30, 2023 and 2022 (balance sheet dates):

	2023		2022	
	Total WISPALS	WCTC's Share	Total WISPALS	WCTC's Share
Total assets	\$ 42,510	\$ 3,865	\$ 81,009	\$ 7,364
Total liabilities	-	-	42,264	3,842
Total net position	42,510	3,865	38,745	3,522
Total revenues	626,479	56,953	623,723	56,702
Total expenses	622,715	56,610	623,723	56,702

WISPALS has no joint venture debt outstanding.

The WISPALS financial statements can be obtained through WiLS at 1360 Regent Street #121, Madison, WI 53715-1255.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

For financial reporting purposes, WCTC is considered a special-purpose government engaged only in business-type activities. Accordingly, WCTC's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the years for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant inter-district transactions have been eliminated.

Post-employment benefit trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of post-employment benefit plans. Fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

D. BUDGETS AND BUDGETARY ACCOUNTING

WCTC's structure used in the preparation of the basic financial statements is different than the structure used for budgetary accounting. Annual budgets are adopted for all funds in accordance with the requirements of the WTCSB. WCTC follows the procedures listed below in adopting the annual budget for all funds in accordance with legal requirements.

1. A public hearing is conducted on the proposed budget prior to WCTC Board approval.
2. Prior to July 1, the budget is legally enacted through approval by the WCTC Board.
3. The WCTC Board establishes the WCTC tax levy based on the adopted budget and not to exceed any statutory limits. Property taxes are then levied on the various taxing municipalities located primarily in Waukesha County. WCTC records as revenue its share of the local tax levied that is considered available during its fiscal year to finance its operations.
4. Budget amendments during the year are legally authorized. According to Wisconsin statutes, budget transfers (between funds and functional areas within funds) and changes in budgeted expenditures (appropriations) require approval by a vote of two-thirds of the entire membership of the WCTC Board and require publishing a Class 1 legal notice in the official newspaper designated by WCTC within 10 days. Management has the ability to modify the budget by expenditure category within a function and fund without WCTC Board approval.
5. Management exercises control over budgeted expenditures by fund and function (i.e., instruction, instructional resources, debt service, etc.) as presented in the accompanying schedules. Expenditures may not legally exceed appropriations at the functional level unless authorized by a resolution adopted by a vote of two-thirds of the WCTC Board. Unused appropriations lapse at the end of each fiscal year.
6. Formal budgetary integration is employed as a planning device for all funds. WCTC adopts an annual operating budget which is prepared on a different basis than the financial statements. The budget differs from GAAP by recognizing encumbrances, capital purchases, and debt payments as expenditures. The budget does not include depreciation for non-enterprise capital assets. Expenditures (as reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the general fund, special revenue fund, and the capital projects fund) have been revised to include encumbrances. A comparison of budget and actual is included in the accompanying supplementary information for fund types based on budget amounts as amended by the WCTC Board. All individual amendments were legally authorized.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

E. ACCOUNTING ESTIMATES

In preparing basic financial statements in conformity with GAAP, WCTC 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

F. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, WCTC considers all highly liquid investments, which include cash on hand, demand deposits, repurchase agreements and investments in a local inter-government investment pool with original maturities of three months or less when acquired, to be cash equivalents.

See Note 2 for descriptions of WCTC's investment policy and its compliance with that policy.

G. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets represent payments made by WCTC for which benefits extend beyond the fiscal year end.

H. INVENTORIES

Inventories are valued at the lower of cost or market for resale items with cost determined on the first in, first out basis while the cost of supply inventories are reported at cost. The cost of inventory items is recorded as an expense at the time of consumption.

I. 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 on the date donated. Interest costs incurred during construction are not capitalized.

The costs of maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operations as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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, mid-year convention, over the estimated service lives, which range from three to twenty years for movable and fixed equipment and twenty to fifty years for land improvements, buildings and building improvements.

Subscription-Based Information Technology Arrangements (SBITA) assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying information technology asset.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

J. ACCUMULATED UNPAID VACATION, SICK PAY, RETIREMENT PLAN AMOUNTS AND POST-EMPLOYMENT BENEFITS

Vacation

WCTC employees are granted vacation in varying amounts, based on length of service. Vacation earned is forfeited if not taken within fourteen months. Vacation pay is accrued when earned. The liability also includes salary-related payments, including social security taxes, Medicare taxes and pension plan contributions. The accrued vacation pay liability at June 30, 2023 and 2022 amounted to \$570,479 and \$393,302 respectively.

Sick Pay

As provided in the Employee Handbook, sick leave is earned at the rate of 14 sick days per year for all eligible staff except faculty who only receive 12 sick days per year. The unused portion of sick leave earned is allowed to accumulate up to 100 days except full-time instructors may accumulate up to 90 days. For retirements, resignation, or death prior to July 1, 2023 (and achieving fifteen years of service), employees receive a contribution to a tax-sheltered annuity or payout for up to 40% of their unused sick leave at a max of 60% of their current salary rate.

Costs related to employees' sick pay are accrued when the amounts are earned. At June 30, 2023 and 2022, the total unused accumulated sick leave for all employees amounted to \$9,581,176 and \$9,795,129, respectively. However, only the probable amount of such sick leave compensation as of June 30 that ultimately will be paid, after taking into consideration a reduction in the amount for resignations or retirements, has been recorded in the accompanying financial statements. The liability also includes salary-related payments. The current portion of this liability at June 30, 2023 and 2022 totaled \$4,125,654 and \$578,935, respectively, and is recorded as compensated absences in the current liabilities. Effective June 30, 2023 the college eliminated the payout of sick balances for employees who end employment after June 30, 2023.

Retirement Plans

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Post-Employment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the WCTC OPEB Trust and additions to/deductions from the WCTC OPEB Trust's fiduciary net position have been determined on the same basis as they are reported by WCTC. For this purpose, the WCTC OPEB Trust recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

K. LONG-TERM OBLIGATIONS

Premiums and discounts on general obligation notes are deferred and amortized over the life of the notes using the straight-line method. Notes payable are reported net of the applicable bond premium or discount and gains or losses.

Debt issuance costs are expensed in the year the debt is issued. Gain or loss on the defeasance of debt through an advanced refunding is reported as a deferred inflow or outflow on the Statement of Net Position.

L. STATE AND FEDERAL REVENUES

WCTC receives state aid and funding from various federal and state contracts and grants. These revenues are earned as expenses are incurred. Such expenses may be incurred during the grantor's fiscal period, which may be different than that of WCTC's fiscal period, and are subject to subsequent audit and adjustment by the appropriate governmental agencies. WCTC's management believes such adjustments, if any, would be immaterial.

M. PROPERTY TAX LEVY AND TAXES RECEIVABLE

Under Wisconsin law, personal property taxes and certain installment real estate taxes are collected by city, village, and town treasurers or clerks who then make settlement with other taxing units, such as the county, WCTC and local schools. Settlements are due from the municipality by the 15th of the month following the due date based on the municipality's payment plan. The county treasurers collect certain installment real estate taxes and delinquent taxes and then make settlement 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. The first settlement is due January 15 and the last settlement is due August 15.

WCTC's property taxes are levied on or before October 31 on the equalized valuation as of the prior January 1. Property taxes are recognized as revenue in the fiscal year they are levied.

Historically, WCTC has received the majority of its property tax levy from municipalities by June 30 of the fiscal year for which the taxes were levied. However, a portion of property tax revenues is received after year-end because taxpayers can pay the final installments of real estate taxes and delinquent taxes after June 30. The county treasurers, acting as collection agents for WCTC, are required by law to settle all tax amounts due to WCTC on or before August 20, the final tax settlement date, following WCTC's year-end. Such settlement represents 100% of WCTC's tax levy and the counties assume the responsibility for any delinquent real estate taxes.

For fiscal years 2012 and 2013, the Wisconsin State Biennium Budget contained an operational levy freeze capping the operational tax levy amount at 2011 levels. This meant WCTC could not levy more than \$53,638,255 annually for operations in these two fiscal years. For the fiscal years 2014 and beyond, the Wisconsin State Biennium Budget contained language that the operational tax levy could not be increased more than net new construction with provisions to allow up to 0.5% of unused levy authority from the current year being able to be used in the next budget year.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

M. PROPERTY TAX LEVY AND TAXES RECEIVABLE (CONTINUED)

In January 2015, the Wisconsin Legislature replaced \$406 million of operational levy for the sixteen Wisconsin technical colleges with Property Tax Relief Aids funded by the state. WCTC's portion of this amount is \$43,219,314, which reduced its operational levy to \$10,418,941 for fiscal year ended June 30, 2015. In the 2021-2023 State budget the Wisconsin legislature replaced an additional \$72 million of operational levy for the WTCS system with Property Tax Relief Aids funded by the state. This increase is phased in over two years. For fiscal year 2022 WCTC received an additional \$3,087,097 bringing the total allocation to \$46,306,408. For fiscal year 2023 WCTC received an additional \$4,577,415. Unless the Wisconsin legislature acts to increase the funding allocation, the amount to be received by each technical college will remain the same every year. In the event the Legislature would decrease this allocation, the technical colleges have the ability to increase their operational levy for the difference.

WCTC's actual operational mill rate for the fiscal year ending June 30, 2023 and 2022 were \$0.15 and \$0.17 respectively. There is no cap on the debt service mill rate, however, there are state statutes limiting the amount of building construction a college can do without referendum. WCTC's actual debt service mill rate for the fiscal years ending June 30, 2023 and 2022 were \$0.12 and \$0.13 respectively. The total mill rate for the fiscal years ending June 30, 2023 and 2022 were \$0.27 and \$0.30 respectively.

Based on a unique state-approved agreement, Milwaukee Area Technical College levies property taxes on Ambrosia Chocolate, which is located within the WCTC district boundaries. A portion of these taxes is then forwarded to WCTC as its share based on an agreement between the taxing districts. WCTC estimates this amount during its budgeting process. WCTC received \$15,572 and \$15,639 for the years ended June 30, 2023 and 2022, respectively.

N. STUDENT RECEIVABLES

Student receivables, covering tuition and fees, textbooks and student loans, are valued net of the estimated uncollectible amounts.

O. TUITION AND FEES

Tuition and fees are recorded as revenue in the period in which the related activity or instruction takes place. Tuition and fees attributable to the summer school term are prorated on the basis of student days occurring before and after June 30.

P. UNEARNED REVENUES

Unearned revenues include amounts recorded as tuition and fees prior to the end of the fiscal year, but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned. Tuition and fees attributable to the fall school term are recorded as unearned revenue for students who have registered before June 30.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

Q. SCHOLARSHIP ALLOWANCES AND STUDENT FINANCIAL AID

When students receive financial aid payments from WCTC, some of the payment goes to reduce the student's tuition and fees and some of the payments are returned to the student in the form of a cash payment. Certain aid (loans and funds provided to students awarded by third parties) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, 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. As part of GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* (GASB 35), the portion of the financial aid payment that goes to reduce tuition and fee costs is reported as a scholarship allowance, which reduces tuition and fee revenue.

R. LEASES

The District is a lessor for cellular towers and surrounding land parcels and recognizes a lease receivable and deferred revenue based on the criteria dictated in GASB Statement No. 87 – Leases. The District measures the lease receivable at the present value of payments expected to be received during the lease term. During the lease term, the lease receivable is reduced by the principal portion of lease payments received. Deferred inflows related to these leases are initially measured as the amount of the lease receivable adjusted for lease payments received at or before the lease commencement date. Lease revenue is recognized on a straight-line basis over the term of the lease.

The District uses an estimated incremental borrowing rate as the discount rate for these agreements as no explicit interest rate is provided. The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments and purchase option price that the District is reasonably certain to receive. The District accounts for lease and non-lease components separately when possible. The District monitors changes in circumstances that would require re-measurement of the lease receivable and deferred inflows of resources.

The District has elected to recognize payments received for short-term leases with a lease term of 12 months or less as revenue as earned.

S. CLASSIFICATION OF REVENUE AND EXPENSE

WCTC has classified its revenues and expenses as either operating or non-operating according to the following criteria:

Operating revenues/expenses: Operating revenues and expenses include activities that have the characteristics of exchange transactions to provide goods or services related to the college's principal ongoing operations. Operating revenues include 1) student tuition and fees, net of scholarship allowances, 2) sales and services of auxiliary enterprises, and 3) most federal, state and local grants and contracts that are essentially the same as contracts for services that finance programs of the college. Operating expenses include the cost of providing educational services, administrative expenses and depreciation of capital assets.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

S. CLASSIFICATION OF REVENUE AND EXPENSE (CONTINUED)

Non-operating revenues/expenses: Non-operating revenues and expenses include activities that have the characteristics of non-exchange transactions. Non-operating revenues are classified as defined by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. These revenues include gifts and contributions and other revenue sources such as state appropriations, the local property tax levy, investment income and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital programs. Non-operating expenses include interest on long-term obligations and losses on the disposal of capital assets.

T. DEFERRED INFLOWS AND OUTFLOWS

GASB 65, Items Previously Reported as Assets and Liabilities, requires the college to record the following activities as deferred inflows and outflows on its Statement of Net Position instead of classifying them as assets or liabilities since these activities relate to future inflows and outflows of assets.

Deferred amount on advanced refunding of debt: A gain or loss on advanced refunding of debt which results in the defeasance of debt reported by the governmental entity is to be reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Deferred amounts related to pension: Amounts attributable to changes in the total pension liability, changes in the proportionate share and/or differences between projected and actual earnings on pension plan investments are to be reported as deferred outflow of resources or deferred inflow of resources and recognized as a component of pension expense in a systematic and rational manner over a close period of time.

Deferred amounts related to OPEB: Amounts attributable to differences between expected and actual experience, changes in assumptions, and net difference between projected and actual plan investment earnings are to be reported as deferred outflow of resources or deferred inflow of resources and recognized as an expense in a systematic and rational manner over a close period of time.

Deferred amounts related to leases: Amounts attributable to future inflows on lease receivable contracts. Amounts will be recognized in a systematic and rational manner over life of contract.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

U. NET POSITION

Net position includes assets that are classified according to restrictions or availability of assets for satisfaction of college obligations.

Net investment in capital assets: This represents the value of capital assets (land, buildings, subscription right-of-use assets, and equipment), net of depreciation and amortization, reduced by the debt incurred to acquire or construct the assets and less the net of the borrowed resources not yet expended, but restricted for capital purchases.

Restricted net position: Restricted net position includes resources in which the college is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties. WCTC's restricted net position includes the following:

- ◆ Restricted net position for debt service can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose.
- ◆ Restricted net position for student financial assistance can only be used for student financial assistance activities.)
- ◆ Restricted net position for student organizations can only be used for student organization activities.
- ◆ Restricted net position for OPEB can only be used for other postemployment benefits expense.
- ◆ Restricted net position for pensions can only be used for pension expense.

Unrestricted net position: Unrestricted net position represent resources derived from student tuition and fees, state appropriations, property taxes levied for operations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the college and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, WCTC's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES (continued)

V. SELF-INSURANCE

The college is self-insured for employee dental coverage and had been for health coverage through June 30, 2015. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year-end, including claims incurred but not yet reported. Effective July 1, 2015, WCTC became a member of the Wisconsin Technical College Employee Benefit Consortium for health coverage.

On a budgetary basis, premiums are paid into the Internal Service Fund by other funds and are available to fund claim reserves or to pay claims and administrative costs of the program. Interfund premiums are based primarily on claims experience and other estimated factors. The claims liability is reported as an accounts payable and is based on the GASB Statement No. 10 requirement that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable a liability has been incurred at the financial statement date and the amount of the loss can be reasonably estimated.

Changes in the claims liability for the years ended June 30 was as follows:

	2023	2022
Unpaid claims at beginning of year	\$ 56,551	\$ 47,980
Incurred claims and claim adjustments for current year	837,037	814,210
Total incurred claims	893,588	862,190
Claims paid during the year	838,212	805,639
Total unpaid claims and claims adjustment at end of year	\$ 55,376	\$ 56,551

W. ADOPTION OF NEW ACCOUNTING STANDARDS

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The District adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the earliest comparative period presented.

GASB Statement No. 101, *Compensated Absences*. In June 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 101. This standard updated the recognition and measurement guidance for compensated absences, as well as amended the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. The District adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the earliest comparative period presented.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS

Cash, cash equivalents and investments as shown on WCTC's Statement of Net Position are subject to the following risks:

	2023	2022	Risks
Cash			
Non-interest-bearing demand deposits (overdraft)	\$ 44,195,570	\$ 1,898,897	Custodial
Repurchase agreements	16,022,819	11,307,287	Custodial, credit, interest rate and concentration of credit
Investment in WILGIP	<u>167</u>	<u>161</u>	Credit
Total Cash	<u>60,218,556</u>	<u>13,206,345</u>	
Short-term Investments			
Repurchase agreements	<u>3,046,487</u>	<u>2,875,976</u>	Custodial, credit, interest rate and concentration of credit
Long-term Investments			
Corporate Bonds	3,473,092	4,082,594	Custodial, credit, interest rate and concentration of credit
Commercial Paper	-	6,349,703	Custodial, credit, interest rate and concentration of credit
Supra National Agency Asset-backed Security/ Collateralized Mortgage Obligations	278,009	698,560	Custodial, credit, interest rate and concentration of credit
U.S. Treasuries	<u>8,160,240</u>	<u>39,838,078</u>	Custodial and interest rate
Total Long-term Investments	<u>12,035,460</u>	<u>51,169,372</u>	
Total Cash and Investments	<u>\$ 75,300,503</u>	<u>\$ 67,251,693</u>	

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

Cash equivalents and investments as shown on WCTC's Statement of Net Position for the WCTC Post-Employment Benefits Trust are subject to the following risks:

	2023	2022	Risks
Cash equivalents			
Non-interest-bearing demand deposits (overdraft)	\$ 6,544,863	\$ 7,697,557	Custodial
Investment in WI Local Government Investment Pool	106	102	Credit
Total Cash	<u>6,544,969</u>	<u>7,697,659</u>	
Long-term Investments			
Equity Mutual Funds	6,087,735	5,314,117	Custodial
Corporate Bonds	17,308,046	19,641,614	Custodial, credit, interest rate and concentration of credit
U.S. Treasuries	26,411,985	22,377,776	Custodial and interest rate
Asset-backed Security/ Collateralized Mortgage Obligations	-	3,000,891	Custodial, credit, interest rate and concentration of credit
Federal Agency Notes	1,123,402	1,158,116	Custodial, credit, interest rate and concentration of credit
Federal Agency Collateralized Mortgage Obligations	3,672,287	4,271,544	Custodial, credit, interest rate and concentration of credit
Total Long-term Investments	<u>54,603,455</u>	<u>55,764,058</u>	
Total Cash and Investments	<u>\$ 61,148,424</u>	<u>\$ 63,461,717</u>	

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. 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. At June 30, 2023 and 2022, the fair value of WCTC's share of the LGIP's assets was substantially equal to the amount reported in these statements.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

Wisconsin Statute 66.0603 authorizes WCTC to invest in the following types of instruments:

- Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association that is authorized to transact business in Wisconsin if the time deposit matures in not more than three years.
- Bonds or securities issued or guaranteed as to principal or interest by the federal government or by a commission, board, or other instrumentality of the federal government (U.S. Treasuries and U.S. Agencies).
- Bonds or securities of any Wisconsin county, city, drainage district, technical college district, village, town, or school board.
- Bonds issued by a local exposition district, local professional baseball park district, or local professional stadium district created under subchapter III or IV of chapter 229 of the Wisconsin statutes or bonds issued by the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.
- Any security maturing in seven years or less of the acquisition date with either the highest or second highest rating category of a nationally recognized rating agency.
- 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 or repurchase agreements fully collateralized by bonds or securities, subject to various conditions and investment options.
- A local government investment pool, subject to certain conditions.

WCTC has adopted an investment policy. The investment policy limits investments to the following:

- U.S. Treasury obligations with maturities not exceeding seven years from trade settlement date.
- Federal instrumentalities with maturities not exceeding seven years from trade settlement date.
- Prime commercial paper of U.S. companies with maturities not exceeding 270 days from date of purchase with highest rating category. Aggregate purchases per issuer cannot exceed 5% and total commercial paper cannot exceed 50% of the combined portfolio for corporate and bank credit instruments.
- Local government investment pools meeting Wisconsin statute 25.50 or 66.0301.
- Repurchase agreements with approved broker/dealers with a termination date of 180 days or less collateralized with U.S. Treasuries maturing within ten years at 102% of value.
- Repurchase agreements with the College's depository banks collateralized by bonds or securities issued or guaranteed as to principal and interest by the federal government with maturities not exceeding 30 years at 105% of value.
- Money market mutual funds meeting Wisconsin statute 66.0603 limited to not more than 25% per fund with the highest rating by all NRSROs who rate the fund.
- Interest-bearing certificates of deposits with maturity not exceeding five years insured by Federal Depository Insurance Corporation (FDIC) collateralized with U.S. Treasuries, instrumentalities, or agencies maturing within thirty years at 105% with no more than \$250,000 per institution.
- Corporate bonds with U.S. companies maturing within seven years with ratings of A-1/P-1, AA-/Aa3 or equivalent, or higher with no more than 5% per issuer and no more than 25% of total portfolio.
- Supra national where US is a shareholder and voting member maturing within seven years with ratings of A-1/P-1, AA-/Aa3 or equivalent, or a higher rating not to exceed 10% per issuer and 25% of the total portfolio.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

WCTC's investment policy has these additional requirements related to interest rate and concentration of credit risks:

- With the exception of the WCTC Post-Employment Benefits Trust, investments are limited to maturities not exceeding seven years, except by written approval of the Vice President - Finance. This excludes overnight repurchase agreements, which are presumed to be traded the next business day.
- With the exception of the WCTC Post-Employment Benefits Trust, the weighted average maturity of the entire portfolio should not exceed thirty-six months.
- At least \$5.0 million in funds should have maturities less than 30 days to allow for adequate cash flow needs.

The WCTC investment policy allows the WCTC Post-Employment Benefits Trust to invest in any instruments allowed under Wisconsin statute 66.0603 and 881.01. Investments in equity mutual funds, exchange traded funds, and other investments permitted by Wisconsin statute 881.01 are targeted at 10% of the total portfolio.

The cash and investments are classified as follows at June 30, 2023 and 2022:

	2023	2022
Restricted for		
Capital projects	\$ 28,751,085	\$ 23,430,719
Debt service	1,115,845	901,760
Total restricted	29,866,930	24,332,479
Unrestricted	45,433,573	42,919,214
Total Cash and Investments	\$ 75,300,503	\$ 67,251,693
Restricted for		
Post-Employment Benefits Trust	\$ 61,148,424	\$ 63,461,717

The portion of cash and investments restricted is for compliance with legal requirements and cannot be used for general purposes of the college.

Custodial Risk – Deposits: Is the risk that, in the event of a financial institution failure, WCTC's deposits may not be returned to the college. WCTC's carrying value for non-interest bearing demand deposits was \$44,195,570 at June 30, 2023 and \$1,899,897 at June 30, 2022 and the bank's carrying values were \$44,801,033 and \$2,945,298 respectively. To meet current obligations, deposits are maintained in overnight repurchase agreements and transferred to a master control bank account as checks are presented for payment. All cash and cash equivalents are FDIC insured or fully collateralized by securities held in WCTC's name with a third-party custodian. Total collateral held in WCTC's name with a third-party custodian covered the total balance of deposits as of June 30, 2023 and 2022.

For the WCTC Post-Employment Benefits Trust, the Trust's carrying value for non-interest bearing demand deposits was \$6,544,863 at June 30, 2023, and \$7,697,557 at June 30, 2022, and the bank's carrying values were \$6,496,177 and \$7,706,835 respectively.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

Custodial Risk – Investments: Is the risk that, in the event of the failure of the counterparty, WCTC will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments are held by WCTC's agent in WCTC's name and therefore are not exposed to custodial risk.

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, WCTC's investment policy limits the maturity of any security to no more than seven years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is less. Investments in the WCTC Post-Employment Benefits Trust limit maturities to state and local statutes and ordinances. In addition, the policy indicates that the investment portfolio should be structured so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The policy limits maturities not to exceed five years with the weighted average maturity of the total portfolio not exceeding twenty-four months. WCTC must maintain at least \$5 million of its portfolio in instruments maturing in 30 days or less. This does not include investments in the WCTC Post-Employment Benefits Trust.

WCTC had the following investments and maturities as of June 30:

<u>June 30, 2023</u>	Fair Value	Investment Maturities (in years)		
		Less than 1	1 - 3	4 - 7
Repurchase agreements	\$ 19,069,306	\$ 19,069,306	\$ -	\$ -
Commercial Paper	-	-	-	-
US Treasuries	8,160,240	-	5,145,740	3,014,500
Supra Nationals	278,009	-	278,009	-
Asset-based Sec/Coll	124,119	-	-	124,119
Corporate Bonds	3,473,092	809,018	2,286,139	377,935
Total investments	<u>\$ 31,104,766</u>	<u>\$ 19,878,324</u>	<u>\$ 7,709,888</u>	<u>\$ 3,516,554</u>

<u>June 30, 2022</u>	Fair Value	Investment Maturities (in years)		
		Less than 1	1 - 3	4 - 7
Repurchase agreements	\$ 14,183,263	\$ 14,183,263	\$ -	\$ -
Commercial Paper	6,349,703	6,349,703	-	-
US Treasuries	39,838,078	31,360,392	6,159,008	2,318,678
Supra Nationals	698,560	419,673	278,887	-
Asset-based Sec/Coll	200,437	-	200,437	-
Corporate Bonds	4,082,594	-	3,517,389	565,205
Total investments	<u>\$ 65,352,635</u>	<u>\$ 52,313,031</u>	<u>\$ 10,155,721</u>	<u>\$ 2,883,883</u>

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

WCTC had the following investments and maturities as of June 30 for the WCTC Post-Employment Benefits Trust:

<u>June 30, 2023</u>	<u>Investment Maturities (in years)</u>				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 3</u>	<u>4 - 7</u>	<u>8+</u>
Corporate Bonds	\$ 17,308,046	\$ 5,449,174	\$ 4,342,497	\$ 5,302,475	\$ 2,213,900
U.S. Treasury Bills	26,411,985	97,594	1,295,456	25,018,935	-
Federal Agency Notes	1,123,402				1,123,402
Federal Agency Collateralized					
Mortgage Obligations	<u>3,672,287</u>	-	-	<u>3,672,287</u>	-
Total investments	<u>\$ 48,515,720</u>	<u>\$ 5,546,768</u>	<u>\$ 5,637,953</u>	<u>\$ 33,993,697</u>	<u>\$ 3,337,302</u>

<u>June 30, 2022</u>	<u>Investment Maturities (in years)</u>				
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1 - 3</u>	<u>4 - 7</u>	<u>8+</u>
Corporate Bonds	\$ 19,641,614	\$ 4,494,378	\$ 7,778,693	\$ 4,949,777	\$ 2,418,766
U.S. Treasury Bills	22,377,776	-	295,141	22,082,635	
Asset-backed Securities	3,000,891		1,976,466	1,024,425	
Federal Agency Notes	1,158,116				1,158,116
Federal Agency Collateralized					
Mortgage Obligations	4,271,544		13,276	4,258,268	
Supra Nationals	-	-	-	-	-
Total investments	<u>\$ 50,449,941</u>	<u>\$ 4,494,378</u>	<u>\$ 10,063,576</u>	<u>\$ 32,315,105</u>	<u>\$ 3,576,882</u>

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. WCTC's investment policy minimizes credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio. The investment policy requires WCTC to maintain a minimum of 50% of its total investments in U.S. Treasuries or Federal instrumentalities.

All U.S. Instrumentalities, Federal Agency, and Treasuries, Supra Nationals, and securities underlying repurchase agreements held as of June 30, 2023 and 2022 had Standard and Poor's rating of AAA, AA+ and Moody's rating of Aaa. All Asset Backed Securities as of June 30, 2023 and 2022 had Standard and Poor's rating of AAA or Moody's ratings of Aaa. All corporate bonds and commercial paper as of June 30, 2023 and 2022 had Standard and Poor's ratings of AAA, AA+, AA-, AA, A, A+, A-, A-1, A-1+, BBB+, and Moody's ratings of Aaa, Aa3, Aa2, Aa1, A2, A1, P-1, or Baa2.

For the OPEB Trust Fund, all U.S. Instrumentalities, Federal Agency, and Treasuries, Supra Nationals and securities underlying repurchase agreements held as of June 30, 2023 and 2022 had Standard and Poor's rating of AAA, AA+ and Moody's rating of Aaa. All Asset Backed Securities as of June 30, 2023 and 2022 had Standard and Poor's rating of AAA or Moody's ratings of Aaa. All corporate bonds, as of June 30, 2023 and 2022 had Standard and Poor's ratings of AA+, AA, A+, A, A-, BBB+, or BBB and Moody's ratings of Aaa, A3, A2, A1, Baa2, or Baa1.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

Concentration of Credit Risk: Is the risk of loss attributed to the magnitude of WCTC's investment in a single issuer.

At June 30, 2023 and 2022 WCTC's cash and investment portfolio included the following concentrations over 5%:

<u>Issuer</u>	<u>Investment Type</u>	Percentage of	
		<u>Portfolio</u>	
		<u>2023</u>	<u>2022</u>
Repurchase agreements	Repurchase agreements	25%	21%
Treasury Notes	U.S. Treasury	11%	59%

At June 30, 2023 and 2022 the WCTC Post-Employment Benefits Trust cash and investment portfolio included the following concentrations over 5%:

<u>Issuer</u>	<u>Investment Type</u>	Percentage of	
		<u>Portfolio</u>	
		<u>2023</u>	<u>2022</u>
Freddie Mac	Federal Agency Collateralized Mortgage Obligation	6%	7%
Treasury Notes	U.S. Treasury	43%	35%

Fair Value Measurement: WCTC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

The valuation methods for recurring fair value measurements for WCTC follows the fair value approach using quoted market prices.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

Investment Type	June 30, 2023			
	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ -	\$ 8,160,240	\$ -	\$ 8,160,240
Corporate Bonds	-	3,473,092	-	3,473,092
Supra Nationals	-	278,009	-	278,009
Asset-backed Sec/Coll Mortgage Oblig	-	124,119	-	124,119
Repurchase agreements	-	-	19,069,306	19,069,306
Total	\$ -	\$ 12,035,460	\$ 19,069,306	\$ 31,104,766

Investment Type	June 30, 2022			
	Level 1	Level 2	Level 3	Total
U.S. Treasuries	\$ -	\$ 39,838,078	\$ -	\$ 39,838,078
Corporate Bonds	-	4,082,594	-	4,082,594
Supra Nationals	-	698,560	-	698,560
Asset-backed Sec/Coll Mortgage Oblig	-	200,437	-	200,437
Commercial Paper	-	6,349,703	-	6,349,703
Repurchase agreements	-	-	14,183,263	14,183,263
Total	\$ -	\$ 51,169,372	\$ 14,183,263	\$ 65,352,635

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 2 - CASH AND INVESTMENTS (continued)

The valuation methods for recurring fair value measurements for WCTC Post-Employment Benefits Trust follows the fair value approach using quoted market prices.

Investment Type	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Equity Mutual Funds	\$ 6,087,735	\$ -	\$ -	\$ 6,087,735
U.S. Treasuries	-	26,411,985	-	26,411,985
Federal Agency Notes	-	1,123,402	-	1,123,402
Corporate Bonds	-	17,308,046	-	17,308,046
Federal Agency Coll Mortgage Oblig	-	3,672,287	-	3,672,287
Total	\$ 6,087,735	\$ 48,515,720	\$ -	\$ 54,603,455

Investment Type	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Equity Mutual Funds	\$ 5,314,117	\$ -	\$ -	\$ 5,314,117
U.S. Treasuries	-	22,377,776	-	22,377,776
Federal Agency Notes	-	1,158,116	-	1,158,116
Corporate Bonds	-	19,641,614	-	19,641,614
Federal Agency Coll Mortgage Oblig	-	4,271,544	-	4,271,544
Asset Backed Sec/Coll Mortgage Oblig	-	3,000,891	-	3,000,891
Total	\$ 5,314,117	\$ 50,449,941	\$ -	\$ 55,764,058

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 3 - CHANGES IN CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance <u>7/1/2022</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6/30/2023</u>
Capital assets not being depreciated/amortized				
Land	\$ 641,345	\$ -	\$ -	\$ 641,345
Construction in progress	<u>2,853,916</u>	<u>3,050,415</u>	<u>2,789,486</u>	<u>3,114,845</u>
Total capital assets not being depreciated/amortized	<u>3,495,261</u>	<u>3,050,415</u>	<u>2,789,486</u>	<u>3,756,190</u>
Capital assets being depreciated/amortized				
Land improvements	14,163,402	1,509,992	-	15,673,394
Buildings	38,302,107	78,376	261,121	38,119,362
Building improvements	58,251,510	2,391,229	-	60,642,739
Movable equipment	55,564,603	3,352,495	23,132	58,893,966
Leasehold improvements	-	-	-	-
Fixed equipment	8,197,413	75,331	-	8,272,744
Subscription assets	<u>3,495,971</u>	<u>499,142</u>	<u>105,322</u>	<u>3,889,791</u>
Total capital assets being depreciated/amortized	<u>177,975,006</u>	<u>7,906,565</u>	<u>389,575</u>	<u>185,491,996</u>
Less accumulated depreciation/amortization for				
Land improvements	4,012,703	272,303	-	4,285,006
Buildings	14,508,975	864,883	128,384	15,245,474
Building improvements	12,455,899	1,274,756	-	13,730,655
Movable equipment	34,581,826	2,748,065	20,224	37,309,667
Leasehold improvements	-	-	-	-
Fixed equipment	2,533,669	284,723	-	2,818,392
Subscription assets	<u>947,011</u>	<u>1,102,103</u>	<u>105,322</u>	<u>1,943,792</u>
Total accumulated depreciation/amortization	<u>69,040,083</u>	<u>6,546,833</u>	<u>253,930</u>	<u>75,332,986</u>
Total capital assets being depreciated/amortized - net	<u>108,934,923</u>	<u>1,359,732</u>	<u>135,645</u>	<u>110,159,010</u>
Total net capital assets	112,430,184	<u>\$ 4,410,147</u>	<u>\$ 2,925,131</u>	113,915,200
Less general obligation debt, net of unspent proceeds	<u>(18,294,566)</u>			<u>(17,686,774)</u>
Net investment in capital assets	<u>\$ 94,135,618</u>			<u>\$ 96,228,426</u>
Total general obligation debt	\$ (17,550,000)			\$ (16,490,000)
Subscription liabilities	(2,607,264)			(2,007,830)
Unamortized Premiums	(467,962)			(521,178)
Unspent proceeds	<u>2,330,660</u>			<u>1,332,234</u>
General obligation debt, net	<u>\$ (18,294,566)</u>			<u>\$ (17,686,774)</u>

Subscription assets have been restated as part of the District's implementation of GASB Statement No. 96.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 3 - CHANGES IN CAPITAL ASSETS (continued)

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance <u>7/1/2021</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>6/30/2022</u>
Capital assets not being depreciated/amortized				
Land	\$ 641,345	\$ -	\$ -	\$ 641,345
Construction in progress	<u>3,140,483</u>	<u>2,853,916</u>	<u>3,140,483</u>	<u>2,853,916</u>
Total capital assets not being depreciated/amortized	<u>3,781,828</u>	<u>2,853,916</u>	<u>3,140,483</u>	<u>3,495,261</u>
Capital assets being depreciated/amortized				
Land improvements	13,449,108	714,294	-	14,163,402
Buildings	37,573,304	1,353,940	625,137	38,302,107
Building improvements	56,207,878	2,043,632	-	58,251,510
Movable equipment	52,388,929	4,856,895	1,681,221	55,564,603
Leasehold improvements	2,105,340	-	2,105,340	-
Fixed equipment	7,480,577	716,836	-	8,197,413
Subscription assets	<u>3,401,726</u>	<u>94,245</u>	<u>-</u>	<u>3,495,971</u>
Total capital assets being depreciated/amortized	<u>172,606,862</u>	<u>9,779,842</u>	<u>4,411,698</u>	<u>177,975,006</u>
Less accumulated depreciation/amortization for				
Land improvements	3,751,756	260,947	-	4,012,703
Buildings	13,923,446	850,492	264,963	14,508,975
Building improvements	11,180,112	1,275,787	-	12,455,899
Movable equipment	33,700,319	2,420,472	1,538,965	34,581,826
Leasehold improvements	348,561	19,037	367,598	-
Fixed equipment	2,228,246	305,423	-	2,533,669
Subscription assets	<u>-</u>	<u>947,011</u>	<u>-</u>	<u>947,011</u>
Total accumulated depreciation/amortization	<u>65,132,440</u>	<u>6,079,169</u>	<u>2,171,526</u>	<u>69,040,083</u>
 Total capital assets being depreciated/amortized - net	 <u>107,474,422</u>	 <u>3,700,673</u>	 <u>2,240,172</u>	 <u>108,934,923</u>
 Total net capital assets	 111,256,250	 <u>\$ 6,554,589</u>	 <u>\$ 5,380,655</u>	 112,430,184
Less general obligation debt, net of unspent proceeds	 <u>(17,046,703)</u>			 <u>(18,294,566)</u>
Net investment in capital assets	<u>\$ 94,209,547</u>			<u>\$ 94,135,618</u>
 Total general obligation debt	 \$ (18,090,000)			 \$ (17,550,000)
Subscription liabilities	(3,401,726)			(2,607,264)
Unamortized Premiums	(394,670)			(467,962)
Unspent proceeds	<u>1,437,967</u>			<u>2,330,660</u>
General obligation debt, net	<u>\$ (20,448,429)</u>			<u>\$ (18,294,566)</u>

Subscription assets have been restated as part of the District's implementation of GASB Statement No. 96.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 4 - LONG-TERM OBLIGATIONS

Long-term obligations of WCTC consist of general obligation promissory notes and compensated absences for vacation and sick pay benefits.

	6/30/2022	Additions	Decreases	6/30/2023	one year
Notes payable	\$ 17,550,000	\$ 7,750,000	\$ 8,810,000	\$ 16,490,000	\$ 6,620,000
Add deferral of premium	<u>467,962</u>	<u>288,598</u>	<u>235,382</u>	<u>521,178</u>	<u>-</u>
Net notes payable	18,017,962	8,038,598	9,045,382	17,011,178	6,620,000
Net pension liability	-	12,466,969	-	12,466,969	-
Subscription liabilities	2,607,264	499,142	1,098,576	2,007,830	1,069,903
Compensated absences	<u>4,668,918</u>	<u>27,215</u> *	<u>-</u>	<u>4,696,133</u>	<u>4,696,133</u>
 Total	 <u>\$ 25,294,144</u>	 <u>\$ 21,031,924</u>	 <u>\$ 10,143,958</u>	 <u>\$ 36,182,110</u>	 <u>\$ 12,386,036</u>
					Due within
	6/30/2021	Additions	Decreases	6/30/2022	one year
Notes payable	\$ 18,090,000	\$ 7,750,000	\$ 8,290,000	\$ 17,550,000	\$ 6,925,000
Add deferral of premium	<u>394,670</u>	<u>264,842</u>	<u>191,550</u>	<u>467,962</u>	<u>-</u>
Net notes payable	18,484,670	8,014,842	8,481,550	18,017,962	6,925,000
Subscription liabilities	3,401,726	94,245	888,707	2,607,264	925,494
Compensated absences	<u>6,374,739</u>	<u>-</u> *	<u>1,705,821</u>	<u>4,668,918</u>	<u>4,668,918</u>
 Total	 <u>\$ 28,261,135</u>	 <u>\$ 8,109,087</u>	 <u>\$ 11,076,078</u>	 <u>\$ 25,294,144</u>	 <u>\$ 12,519,412</u>

* The change in the compensated absences liability is presented as a net change.

Subscription liabilities have been restated as part of the District's implementation of GASB Statement No. 96.
Compensated absences liabilities have been restated as part of the District's implementation of GASB Statement No. 101

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 4 - LONG TERM OBLIGATIONS (continued)

Outstanding general obligation notes consisted of the following at June 30, 2023 and 2022:

		2023	2022
2018 general obligation promissory notes with interest of 2.00% - 2.50%, varying amounts due annually on April 1, final maturity in 2023	(a)	-	510,000
2018 general obligation promissory notes with interest of 2.00% - 2.25%, varying amounts due annually on April 1, final maturity in 2023	(b)	-	320,000
2018 general obligation promissory notes with interest of 2.00% - 3.00%, varying amounts due annually on April 1, final maturity in 2023	(c)	-	1,390,000
2019 general obligation promissory notes with interest of 2.25% - 2.50%, varying amounts due annually on April 1, final maturity in 2024	(d)	455,000	900,000
2019 general obligation promissory notes with interest of 2.00% - 3.0%, varying amounts due annually on April 1, final maturity in 2024	(e)	1,045,000	2,060,000
2020 general obligation promissory notes with interest of 2.00% - 3.0%, varying amounts due annually on April 1, final maturity in 2025	(f)	1,205,000	1,785,000
2020 general obligation promissory notes with interest of 1.00%, varying amounts due annually on April 1, final maturity in 2025	(g)	1,480,000	2,190,000
2021 general obligation promissory notes with interest of 0.50% - 3.0%, varying amounts due annually on April 1, final maturity in 2026	(h)	2,000,000	2,635,000
2021 general obligation promissory notes with interest of 1.125-3.0%, varying amounts due annually on April 1, final maturity in 2026	(i)	1,695,000	2,240,000
2021 general obligation promissory notes with interest of 1.25-3.0%, varying amounts due annually on April 1, final maturity in 2026	(j)	1,530,000	2,020,000
2022 general obligation promissory notes with interest of 2.0%, varying amounts due annually on April 1, final maturity in 2027	(k)	1,215,000	1,500,000
2022 general obligation promissory notes with interest of 4.0-5.0%, varying amounts due annually on April 1, final maturity in 2027	(l)	1,915,000	-
2023 general obligation promissory notes with interest of 4.0-5.0%, varying amounts due annually on April 1, final maturity in 2028	(m)	3,950,000	-
Total General Obligation Notes		\$ 16,490,000	\$ 17,550,000

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 4 - LONG TERM OBLIGATIONS (continued)

- (a) The General Obligation Promissory Notes dated March 6, 2018, were issued for \$2,400,000 to finance building improvement and site improvement projects. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to Piper Jaffray.
- (b) The General Obligation Promissory Notes dated April 3, 2018, were issued for \$1,500,000 to finance building improvement projects. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to BOK Financial Services, Inc.
- (c) The General Obligation Promissory Notes dated September 4, 2018, were issued for \$5,600,000 to finance building improvement projects and capital equipment. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to HSE & Co.
- (d) The General Obligation Promissory Notes dated March 19, 2019, were issued for \$2,150,000 to finance building improvement projects and new construction. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to HSE & Co.
- (e) The General Obligation Promissory Notes dated September 4, 2019, were issued for \$4,850,000 to finance building improvement projects, site improvements, and capital equipment. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to HSE & Co.
- (f) The General Obligation Promissory Notes dated March 3, 2020, were issued for \$2,900,000 to finance site improvement projects and capital equipment. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to BNY Mellon Capital Markets, LLC.
- (g) The General Obligation Promissory Notes dated September 1, 2020, were issued for \$4,500,000 to finance building improvement projects, site improvement projects, and capital equipment. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to UMB Bank N.A.
- (h) The General Obligation Promissory Notes dated March 2, 2021, were issued for \$3,250,000 to finance new construction, building improvement projects, and capital equipment. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to Huntington Securities, Inc.
- (i) The General Obligation Promissory Notes dated September 20, 2021, were issued for \$3,250,000 to finance building improvement projects, site improvement projects, and capital equipment. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to BNY Mellon Capital Markets, LLC.
- (j) The General Obligation Promissory Notes dated October 5, 2021, were issued for \$3,000,000 to finance building improvement projects and capital equipment. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable Huntington Securities, Inc

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 4 - LONG TERM OBLIGATIONS (continued)

- (k) The General Obligation Promissory Notes dated March 1, 2022, were issued for \$1,500,000 to finance building improvement projects. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to Northland Securities, Inc.
- (l) The General Obligation Promissory Notes dated August 30, 2022, were issued for \$3,800,000 to finance building improvement project, site improvement projects and capital equipment. Semi-annual payments are made on October 1 and April 1 of each year. The notes are payable to Fidelity Capital Markets.
- (m) The General Obligation Promissory Notes dated June 1, 2023, were issued for \$3,950,000 to finance building remodeling projects, site improvement projects and capital equipment. Semi-annual payments are made on October 1 and April 1 or each year. The notes are payable to TD Securities.

Aggregate maturities and interest on the general obligation debt is as follows:

Year	Principal	Interest	Total
2024	\$ 6,620,000	\$ 434,150	\$ 7,054,150
2025	4,485,000	283,475	4,768,475
2026	3,210,000	174,475	3,384,475
2027	1,480,000	80,700	1,560,700
2028	695,000	27,800	722,800
	\$16,490,000	\$1,000,600	\$17,490,600

All general obligation notes and bonds payable are backed by the full faith credit of WCTC. Notes and bonds payable will be retired by future property tax levies.

There are a number of limitations and restrictions contained in the various bond indentures. WCTC believes it is in compliance with all significant limitations and restrictions, including federal arbitrage regulations. The District did not have any direct placement debt as of June 30, 2023 and 2022.

Wisconsin Statutes 67.03(1) limits the total general obligation debt of WCTC to 5% of equalized valuation of taxable property within WCTC's area. As of June 30, 2023, the 5% limitation was \$3,860,201,380 and WCTC's outstanding general obligation debt of \$16,490,000, net of resources available of \$1,004,345 to pay principal, was \$15,485,655.

Wisconsin Statutes 67.03(9) limits bonded indebtedness of the district to 2% of the equalized valuation of the taxable property located in WCTC's district. As of June 30, 2023, the 2% limitation was \$1,544,080,552 and WCTC's had no outstanding bonded indebtedness against this limit.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN

A. WISCONSIN RETIREMENT SYSTEM (WRS) – CURRENT YEAR

General Information about the Pension Plan

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

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN (continued)

A. WISCONSIN RETIREMENT SYSTEM (WRS) – CURRENT YEAR (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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%

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 Executive and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee-required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, WRS recognized \$2,808,823 in contributions from WCTC.

Contribution rates for the plan year as of June 30, 2023, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN (continued)

A. WISCONSIN RETIREMENT SYSTEM (WRS) – CURRENT YEAR (CONTINUED)

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

At June 30, 2023, WCTC reported a liability of \$12,466,969 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. WCTC's proportion of the net pension liability was based on WCTC's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, WCTC's proportion was 0.23532779%, which was a decrease of 0.00941757% from its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, WCTC recognized pension expense of \$6,369,440.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,856,019	\$ 26,086,350
Changes in assumptions	2,451,522	-
Net differences between projected and actual earnings on pension plan instruments	21,178,503	-
Changes in proportion and differences between employer contribution and proportionate share of contributions	212,151	55,466
Employer contribution subsequent to the measurement date	1,492,011	-
Total	\$ 45,190,206	\$ 26,141,816

The \$1,492,011 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an reduction to the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension revenue as follows:

<u>Year Ended June 30</u>	
2024	\$ 747,118
2025	3,649,910
2026	3,752,955
2027	9,406,396

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN (continued)

A. WISCONSIN RETIREMENT SYSTEM (WRS) – CURRENT YEAR (CONTINUED)

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

Actuarial Valuation Date	December 31, 2021
Measurement Date of Net Pension Liability (Asset)	December 31, 2022
Experience Study:	Jan. 1, 2018 - Dec. 31, 2020 Published Nov. 19, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Market Value
Long-Term Expected Rate of Return	6.80%
Discount Rate	6.80%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.70%

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

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

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Public Equity	48.0%	7.6%	5.0%
Public Fixed Income	25.0%	5.3%	2.7%
Inflation Sensitive	19.0%	3.6%	1.1%
Real Estate	8.0%	5.2%	2.6%
Private Equity/Debt	15.0%	9.6%	6.9%
Total Core fund	115.0%	7.4%	4.8%

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN (continued)

A. WISCONSIN RETIREMENT SYSTEM (WRS) – CURRENT YEAR (CONTINUED)

<u>Variable Fund</u> <u>Asset Class</u>	<u>Asset</u> <u>Allocation %</u>	<u>Long-Term</u> <u>Expected</u> <u>Nominal Rate</u> <u>of Return</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>
US Equities	70.0%	7.2%	4.6%
International Equities	30.0%	8.1%	5.5%
Total Variable Fund	100.0%	7.7%	5.1%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations. The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an assets allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of WCTC’s proportionate share of the net pension liability (asset) to changes in the discount rate: The following presents WCTC’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8% as well as what WCTC’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	<u>1% decrease</u> <u>to Discount</u> <u>Rate (5.8%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.8%)</u>	<u>1% increase to</u> <u>Discount Rate</u> <u>(7.8%)</u>
WCTC proportionate share of the net pension liability (asset)	\$41,377,464	\$ 12,466,969	\$ (7,420,972)

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

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN (continued)

B. WISCONSIN RETIREMENT SYSTEM (WRS) – PRIOR YEAR

General Information about the Pension Plan

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN (continued)

B. WISCONSIN RETIREMENT SYSTEM (WRS) – PRIOR YEAR (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:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2012	-7.0%	-7.0%
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%

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 Executive and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee-required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, WRS recognized \$2,699,960 in contributions from WCTC.

Contribution rates for the plan year as of June 30, 2022, are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN (continued)

B. WISCONSIN RETIREMENT SYSTEM (WRS) – PRIOR YEAR (CONTINUED)

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

At June 30, 2022, WCTC reported an asset of \$19,726,926 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. WCTC's proportion of the net pension asset was based on WCTC's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, WCTC's proportion was 0.24474536%, which was a decrease of 0.0087863% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, WCTC recognized pension expense of (\$1,706,174).

At June 30, 2022, WCTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 31,867,851	\$ 2,298,016
Changes in assumptions	3,680,368	-
Net differences between projected and actual earnings on pension plan instruments	-	44,130,774
Changes in proportion and differences between employer contribution and proportionate share of contributions	78,810	100,298
Employer contribution subsequent to the measurement date	1,314,243	-
Total	\$ 36,941,272	\$ 46,529,088

The \$1,314,243 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension revenue as follows:

<u>Year Ended June 30</u>	
2023	\$ (937,423)
2024	(5,369,194)
2025	(2,351,101)
2026	(2,244,341)
2027	-
Thereafter	-

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN (continued)

B. WISCONSIN RETIREMENT SYSTEM (WRS) – PRIOR YEAR (CONTINUED)

Actuarial assumptions: The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Valuation Date	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2021
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Long-Term Expected Rate of Return	6.80%
Discount Rate	6.80%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.70%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return	Long-Term Expected Real Rate of Return
Global Equities	52.0%	6.8%	4.2%
Fixed Income	25.0%	4.3%	1.8%
Inflation-sensitive Assets	19.0%	2.7%	0.2%
Real Estate	7.0%	5.6%	3.0%
Private Equity/Debt	12.0%	9.7%	7.0%
Total Core fund	115.0%	6.6%	4.0%

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 5 - RETIREMENT PLAN (continued)

B. WISCONSIN RETIREMENT SYSTEM (WRS) – PRIOR YEAR (CONTINUED)

<u>Variable Fund</u> <u>Asset Class</u>	<u>Asset</u> <u>Allocation %</u>	<u>Long-Term</u> <u>Expected</u> <u>Nominal Rate of</u> <u>Return</u>	<u>Long-Term</u> <u>Expected Real</u> <u>Rate of Return</u>
US Equities	70.0%	6.3%	3.7%
International Equities	30.0%	7.2%	4.6%
Total Variable Fund	100.0%	6.8%	4.2%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations. The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an assets allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount rate. A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 taxexempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of WCTC’s proportionate share of the net pension liability (asset) to changes in the discount rate: The following presents WCTC’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8% as well as what WCTC’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.8%) or 1% higher (7.8%) than the current rate:

	<u>1% decrease to</u> <u>Discount Rate</u> <u>(5.8%)</u>	<u>Current</u> <u>Discount Rate</u> <u>(6.8%)</u>	<u>1% increase to</u> <u>Discount Rate</u> <u>(7.8%)</u>
WCTC proportionate share of the net pension liability (asset)	\$13,997,652	\$ (19,726,926)	\$ (44,002,348)

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

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN

Plan Administration

WCTC administers the WCTC Post-Employment Benefits Trust (WCTC OPEB Trust), a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and employees of the WCTC. Management of the WCTC OPEB Trust is vested in the WCTC Board of Trustees. Assets accumulated in the trust meet the criteria in paragraph 4 of Statement 75. A separate stand-alone financial report is not prepared for the WCTC OPEB Trust. The plan does not issue stand-alone financial reports.

Plan Description

The plan provides comprehensive medical and dental benefits to eligible retirees and their dependents. The plan was changed effective May 1, 2013. To be eligible, participants must have been retired as of June 30, 2015, or have met age 57 with 20 years of service as of that date. Participants retired as of that date will receive benefits for their lifetime; participants not retired by that date will receive coverage for eight years. Benefits have been eliminated or any employee not falling into one of these two groups.

For the majority of participants, the employer will pay 85% of the premium if full time status and 50% of the premium if part-time status. Participants could have retired prior to age 57 with at least 20 years of service by increasing their portion of the premium so as to be actuarially equivalent. With the exception of Classified staff, life insurance benefits are also provided at similar eligibility. Benefits are one times salary with a 25% reduction at age 70, 71, and 72.

Benefits Provided

The plan provides comprehensive medical and dental benefits to eligible retirees and their dependents. With the exception of Support Associate staff, life insurance benefits are provided at similar eligibility. Benefits are one times salary with a 25% reduction at age 70, 71, and 72.

For participants over age 65 on the College's PPO plan, the plan pays secondary to Medicare. The integration method for this purpose is carve out.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

Employees Covered by Benefit Terms

At June 30, 2023 and 2022, the following employees were covered by the benefit terms:

	2023	2022
Inactive employees or beneficiaries currently receiving benefit payment:	431	426
Inactive employees entitled to but not yet receiving benefit payments	-	-
Active employees	67	82
Total	498	508

Effective May 1, 2013, benefits were eliminated for any employee who was not under the lifetime benefit. Only those employees who were part of the lifetime plan and who did not retire by June 30, 2015, continue to have coverage with their benefit being decreased from lifetime coverage to ninety-six months of coverage. No new participants will enter the plan.

Contributions: Contribution requirements are established by management and may be amended by the college as needed. The college makes the same monthly insurance contribution on behalf of the retirees as it makes on behalf of all other active employees during the year.

	<u>College Pays</u>	<u>Retiree Pays</u>
Full time	85%	15%
Part time		
30 - 39.9 hours/week	78%	22%
20 - 29.9 hours/week that were grandfathered	50%	50%

Effective July 1, 2012, life insurance for all benefit-eligible active employees was one times annual salary at retirement rounded to the next highest thousand. At age 70 the life insurance amount is reduced by 25% and is reduced another 25% in each year at age 71 and 72. The final amount is not less than 25% of the original amount. Support professionals do not have college-funded life insurance after retirement; employees may elect to pay their own premiums to continue this coverage after retirement. Employees are eligible for this benefit upon retirement at a minimum of age 57 and 20 years of service. The college pays 100% of premiums for eligible retirees. The post-employment benefit terminates at the same time that health and dental benefits cease (lifetime or ninety-six months depending on the category the retiree is in).

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

Investments

Investment policy: WCTC is authorized to invest funds of the Plan only in investments which the College is permitted to make under Section 66.0603 (1m) of the Wisconsin state statutes. See Note 2 for further information.

Concentrations: All OPEB plan assets have been invested in bonds and notes with a bank.

Rate of return: The annual money-weighted rate of return (loss) on investments, net of investment expense, for 2023 and 2022 was 0.86% and (6.80)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability (Asset)

The WCTC OPEB Trust's net OPEB liability (asset) was measured as of June 30, 2023 and 2022, and the total OPEB Liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date.

The components of the Net OPEB Liability (Asset) as of June 30, 2023 and 2022 are:

	<u>2023</u>	<u>2022</u>
Total OPEB Liability	\$ 43,292,102	\$ 45,400,869
Plan Fiduciary Net Position	<u>61,420,262</u>	<u>63,731,610</u>
Net OPEB Liability (Asset)	\$ (18,128,160)	\$ (18,330,741)
Plan Fiduciary Net Position as a percent of total OPEB Liability	141.87%	140.38%

A negative OPEB expense of \$4,506,030 and \$4,958,670 was recognized for the fiscal year ending June 30, 2023 and 2022.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

Actuarial assumptions: The Total OPEB Liability as of June 30, 2023 and 2022, was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation - 2.50% per annum

Salary increases – 3.00% per annum

Investment rate of return – 3.50% per annum

Healthcare cost trend rates – Pre-65 medical costs were trended at 9.0% in the first year, graded down to 5.0% for years beginning July 1, 2032 and later; post-65 medical costs and dental costs were trended at a flat 4.0% in current year and 4.0% in prior year.

Mortality – For fiscal year 2023 PRI-2012 Total Dataset Employee and Retiree Amount-Weighted with MP-2021 generational mortality improvement after 2012 base mortality year. For fiscal year 2022 PRI-2012 Total Dataset Employee and Retiree Amount-Weighted with MP-2021 generational Mortality improvement after 2012 base mortality year.

Discount rate – The discount rate used to measure the Total OPEB Liability was 3.50%. 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.

Disability – None assumed

Turnover – 2003 SOA Small Plan Turnover

Coverage rate – 88% of remaining eligible employees are assumed to be covered in the plan at retirement

Spouses – Retirees: age and marital status based on actual census data; actives: 55% of retirees are assumed to cover a spouse with male spouses two years older than female spouses

Retirement rates

<u>Age</u>	<u>Rate</u>
57-58	5%
59-61	10%
62	50%
63-64	30%
65	50%
66-69	20%
70+	100%

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

Per capita claim cost (medical and dental)

	Age	Male		Female		Over age 65	
		<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Medical	55-59	\$ 14,944	\$ 14,944	\$ 14,783	\$ 14,783		
	60-64	\$ 19,168	\$ 19,168	\$ 17,320	\$ 17,320		
	Medicare Advantage Plan					\$ 3,871	\$ 3,730
	PPO Plan					\$ 7,216	\$ 7,216
Dental	All ages	\$ 682	\$ 682	\$ 682	\$ 682		

Healthcare cost trend rate

Year	Medical		Dental	
	<u>Under 65</u>	<u>Over 65</u>	<u>All Ages</u>	<u>All Ages</u>
0	9.0%	5.0%	4.0%	4.0%
1	8.5%	5.0%	4.0%	4.0%
2	8.0%	5.0%	4.0%	4.0%
3	7.5%	5.0%	4.0%	4.0%
4	7.0%	5.0%	4.0%	4.0%
5	6.5%	5.0%	4.0%	4.0%
6	6.0%	5.0%	4.0%	4.0%
7	5.5%	5.0%	4.0%	4.0%
8	5.5%	5.0%	4.0%	4.0%
9+	5.0%	5.0%	4.0%	4.0%

The actuarial assumptions used in the June 30, 2023 and 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2022, to June 30, 2023 and July 1, 2021 to June 30, 2022, respectively.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

Changes in the Total and Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balances as of June 30, 2022	<u>\$ 45,400,869</u>	<u>\$ 63,731,610</u>	<u>\$ (18,330,741)</u>
Changes for the year			
Service cost	135,437	-	135,437
Interest	1,530,781	-	1,530,781
Differences between expected and actual experience	(613,628)	-	(613,628)
Changes in assumptions	(321,044)	-	(321,044)
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income (loss)	-	533,965	(533,965)
Benefit payments	(2,840,313)	(2,840,313)	-
Administrative expense	-	(5,000)	5,000
Net changes	<u>(2,108,767)</u>	<u>(2,311,348)</u>	<u>202,581</u>
Balance at June 30, 2023	<u>\$ 43,292,102</u>	<u>\$ 61,420,262</u>	<u>\$ (18,128,160)</u>

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balances as of June 30, 2021	<u>\$ 46,774,489</u>	<u>\$ 71,159,680</u>	<u>\$ (24,385,191)</u>
Changes for the year			
Service cost	144,404	-	144,404
Interest	1,577,737	-	1,577,737
Differences between expected and actual experience	(4,590,044)	-	(4,590,044)
Changes in assumptions	4,170,913	-	4,170,913
Contributions - employer	-	-	-
Contributions - employee	-	-	-
Net investment income (loss)	-	(4,746,440)	4,746,440
Benefit payments	(2,676,630)	(2,676,630)	-
Administrative expense	-	(5,000)	5,000
Net changes	<u>(1,373,620)</u>	<u>(7,428,070)</u>	<u>6,054,450</u>
Balance at June 30, 2022	<u>\$ 45,400,869</u>	<u>\$ 63,731,610</u>	<u>\$ (18,330,741)</u>

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

Sensitivity of the net OPEB liability (asset) to changes in the discount rate: The following presents the net OPEB liability (asset) of WCTC as well as what the WCTC's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	For the year ended June 30, 2023		
	1% Decrease	Discount Rate	1% Increase
	(2.50%)	(3.50%)	(4.50%)
Total OPEB Liability	\$ 46,863,660	\$ 43,292,102	\$ 40,205,666
Plan Fidiciary Net Position	<u>61,420,262</u>	<u>61,420,262</u>	<u>61,420,262</u>
Net OPEB Liability (Asset)	<u>\$ (14,556,602)</u>	<u>\$ (18,128,160)</u>	<u>\$ (21,214,596)</u>

	For the year ended June 30, 2022		
	1% Decrease	Discount Rate	1% Increase
	(2.50%)	(3.50%)	(4.50%)
Total OPEB Liability	\$ 49,346,671	\$ 45,400,869	\$ 42,000,337
Plan Fidiciary Net Position	<u>63,731,610</u>	<u>63,731,610</u>	<u>63,731,610</u>
Net OPEB Liability (Asset)	<u>\$ (14,384,939)</u>	<u>\$ (18,330,741)</u>	<u>\$ (21,731,273)</u>

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates: The following presents the net OPEB liability (asset) of WCTC as well as what WCTC's net OPEB liability (asset) would be if it were calculated using healthcare trend rates that is one percentage point lower or one percentage point higher than the current discount rate:

	For the year ended June 30, 2023		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(8.0% Decreasing to 4.0%)	(9.0% Decreasing to 5.0%)	(10.0% Decreasing to 6.0%)
Total OPEB Liability	\$ 40,444,989	\$ 43,292,102	\$ 46,530,296
Plan Fidiciary Net Position	<u>61,420,262</u>	<u>61,420,262</u>	<u>61,420,262</u>
Net OPEB Liability (Asset)	<u>\$ (20,975,273)</u>	<u>\$ (18,128,160)</u>	<u>\$ (14,889,966)</u>

	For the year ended June 30, 2022		
	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	(8.0% Decreasing to 4.0%)	(9.0% Decreasing to 5.0%)	(10.0% Decreasing to 6.0%)
Total OPEB Liability	\$ 42,232,420	\$ 45,400,869	\$ 49,017,898
Plan Fidiciary Net Position	<u>63,731,610</u>	<u>63,731,610</u>	<u>63,731,610</u>
Net OPEB Liability (Asset)	<u>\$ (21,499,190)</u>	<u>\$ (18,330,741)</u>	<u>\$ (14,713,712)</u>

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

OPEB plan fiduciary net position: Detailed information about the OPEB Plan’s fiduciary net position is available in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position included in this financial report.

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2023 and 2022, WCTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	June 30, 2023		June 30, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -		\$ -	
Change of assumptions	1,264,353	(358,495)	2,717,633	(1,863,983)
Liability experience losses/(gains)	-	(1,817,796)	-	(3,941,709)
Net difference between projected and actual earnings on OPEB plan investments	4,347,670	-	1,814,788	-
Total	<u>\$ 5,612,023</u>	<u>\$ (2,176,291)</u>	<u>\$ 4,532,421</u>	<u>\$ (5,805,692)</u>

Year Ended June 30, 2023	
2024	\$ (2,620,164)
2025	3,971,852
2026	1,752,726
2027	331,318
2028	-
Thereafter	-
Total	<u>\$ 3,435,732</u>

Year Ended June 30, 2022	
2023	\$ (3,889,652)
2024	(246,707)
2025	1,441,682
2026	1,421,406
2027	-
Thereafter	-
Total	<u>\$ (1,273,271)</u>

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 7 - LEASES

The District, acting as lessor, leases cellular towers and surrounding land parcels under long-term, non-cancelable lease agreements. The leases expire at various dates and provide for additional renewal options in increments of five years that are expected to be exercised through the year ending June 30, 2044. During the year ended June 30, 2023, the District recognized \$76,523 and \$43,718 in lease revenue and interest revenue, respectively, pursuant to these contracts. Interest is calculated and recognized using a rate of 2.5%, the District's estimated incremental borrowing rate for the lease agreement. During the year ended June 30, 2022, the District recognized \$76,523 and \$44,501 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	32,988	42,910	75,898
2025	33,817	42,081	75,898
2026	39,643	41,232	80,875
2027	48,969	40,201	89,170
2028	52,149	38,929	91,078
2029 - 2033	322,000	173,496	495,496
2034 - 2038	468,940	125,643	594,583
2039 - 2043	611,980	55,083	667,063
2044	114,130	3,473	117,603
Total minimum lease payments	<u>\$ 1,724,616</u>	<u>\$ 563,048</u>	<u>\$ 2,287,664</u>

NOTE 8 - COMMITMENTS AND CONTINGENCIES

A. CLAIMS AND OTHER LEGAL PROCEEDINGS

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

B. CONSTRUCTION CONTRACTS

WCTC has construction commitments of approximately \$3,360,198 related to construction in progress at year end. It is anticipated that the construction will be completed during the 2024 fiscal year.

C. NET POSITION

WCTC has designated approximately \$1,415,800 of unrestricted net position to finance expenses for fiscal year 2024. The majority of these funds will be used to fund capital purchases as previously planned.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 9 - RISK MANAGEMENT

Districts Mutual Insurance Company (DMI)

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

At this time, settled claims have not approached the coverage limits as identified above. WCTC's exposure in its layer of insurance is limited to its deductible amounts, which vary by coverage from \$2,500 to \$100,000 per occurrence. DMI purchases reinsurance for its losses in excess of 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.

Each member college is assessed an annual premium. 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. Since DMI is fully capitalized, member districts have not been assessed a capitalization amount for fiscal years 2015 and 2014 respectively.

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

Supplemental Insurance

In July 1997, eleven of the sixteen 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. This trust grew to include fifteen WTCS technical colleges. In order to achieve additional cost savings, the technical colleges made a decision to form their own insurance company.

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

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

- *Foreign travel liability:* \$5,000,000 aggregate general; \$1,000,000 auto per occurrence; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; \$1,000 deductible for employee benefits liability.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 9 - RISK MANAGEMENT (CONTINUED)

Supplemental Insurance (continued)

- *Crime:* \$750,000 coverage for employee dishonesty, fraud, computer program and electronic data restoration, personal account forgery or alteration, and funds transfer fraud; \$25,000 coverage for employee dishonesty and claim expense. The policy has a \$25,000 deductible for impersonation fraud and \$15,000 deductible for all other coverages as noted.
- *Business Travel Accident:* Coverage for local Board of Trustees members, \$1,000,000 aggregate, \$100,000 for scheduled losses, assistance services, medical evacuation, and repatriation.

Wisconsin Technical College Employee Benefits Consortium

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

The claims liability of \$832,000 reported at June 30, 2023, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability for the years ended June 30 was as follows:

	2023	2022
Unpaid claims at beginning of year	\$ 1,269,000	\$ 1,037,000
Incurred claims and claim adjustments for current year	12,098,732	11,992,818
Total incurred claims	13,367,732	13,029,818
Claims paid during the year	12,535,732	11,760,818
Total unpaid claims and claims adjustment at end of year	\$ 832,000	\$ 1,269,000

There has been no significant reduction in any insurance coverages during the current fiscal year.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 10 - EXPENSE CLASSIFICATION

Expenses on the Statements 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 years ended June 30, 2023 and 2022:

	2023	2022
Salaries and wages	\$ 46,542,252	\$ 44,624,651
Benefits	14,399,527	5,312,633
Staff development	437,523	372,448
Supplies	1,677,820	1,454,262
Contracted services	7,812,569	8,054,492
Rentals - facilities and equipment	43,947	89,917
Marketing/promotions	947,508	666,896
Periodicals/publications	250,371	243,570
Student activities	223,894	250,954
Insurance	600,860	587,098
Repairs, service and maintenance	949,275	781,793
Utilities	1,370,373	1,332,313
Minor equipment	1,592,274	1,876,835
Depreciation/Amortization	6,546,833	6,079,169
Student financial aid	1,819,955	6,614,834
Resale	1,920,286	1,931,299
Other expenses	571,056	552,706
Total operating expenses	\$ 87,706,323	\$ 80,825,870

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 11 - ACCOUNTS RECEIVABLE

At the end of the fiscal year, WCTC has outstanding receivables from a number of sources. WCTC anticipates receiving these amounts within the next year. The following is a list of outstanding receivables by type for the year ended June 30, net of allowances for uncollectible amounts:

	2023	2022
Short Term Receivables		
Student tuition and fees receivable	\$ 7,875,049	\$ 6,680,480
Grant funds receivable	830,744	2,268,214
Business and industry contract receivable	620,341	563,081
Miscellaneous receivable	556,090	460,008
Allowance for uncollectible amounts	(925,000)	(925,000)
	8,957,224	9,046,783
Taxes receivable	4,095,289	4,006,412
Lease receivable	32,988	32,180
Interest receivable	42,621	162,604
Total short term receivables	13,128,122	13,247,979
Long Term Receivables		
Lease receivable	1,691,628	1,724,616
Total receivables	\$ 14,819,750	\$ 14,972,595

The student tuition and fees receivable includes \$4,478,672 and \$3,971,460 respectively for the fall 2024 and 2023 school semesters. Payment of these fees is not due until August 15.

NOTE 12 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The District has entered into subscription-based information technology arrangements (SBITAs) for various educational and security software. The SBITAs expire at various dates through 2028 and provide for renewal options. However, most are only two to three years in term due to the evolving technology applications.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$3,889,791 and \$1,943,792, respectively. As of June 30, 2022, SBITA assets and the related accumulated amortization totaled \$3,495,971 and \$947,011, respectively.

Interest has been calculated utilizing an interest rate of 3.00%, which is the District's estimated incremental borrowing rate for the agreements.

**WAUKESHA COUNTY AREA
TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS
As of and for the Years Ended June 30, 2023 and 2022

NOTE 12 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (CONTINUED)

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	1,069,903	28,968	1,098,871
2025	647,099	9,793	656,892
2026	253,916	1,436	255,352
2027	17,806	564	18,370
2028	19,106	-	19,106
Total minimum lease payments	<u>\$ 2,007,830</u>	<u>\$ 40,761</u>	<u>\$ 2,048,591</u>

There were no SBITA agreements that required variable payments based on future performance of the District, usage of underlying IT assets or number of user and are not included in the measurement of the SBITA liability. If there were, the variable payments would be recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the years ended June 30, 2023 and 2022, the District did not make variable payments as none were required by the District's SBITAs.

In addition, there were no termination penalties, no commitments under SBITAs prior to the commencement of the SBITA term and no impairment related losses on SBITA assets.

NOTE 13 - RESTATEMENT

As part of the implementation of GASB Statements No. 96 and No. 101, the District reported the following restatements to previously reported amounts:

Net position, previously reported as of July 1, 2021	\$ 172,946,315	Net position, previously reported as of June 30, 2022	\$ 193,883,061
Restatement due to GASB No. 101 implementation	<u>(3,690,560)</u>	Restatement due to GASB No. 96 implementation	(58,304)
Net position, restated as of July 1, 2021	<u>\$ 169,255,755</u>	Restatement due to GASB No. 101 implementation	<u>(3,690,560)</u>
		Net position, restated as of June 30, 2022	<u>\$ 190,134,197</u>

Please refer to Notes 3 and 4 regarding the restated balances for subscription assets, subscription liabilities, and compensated absences for the years ended June 30, 2023 and 2022.

NOTE 14 - SUBSEQUENT EVENT

On August 29, 2023, WCTC issued \$3,700,000 of General Obligation Promissory Notes, Series 2023B, to pay for fiscal year 2024 capital equipment, site improvements, and building improvements. Semi-annual payments are required on October 1 and April 1 of each year, commencing on April 1, 2024, at interest rates of 5.00%, until maturity on April 1, 2028.

REQUIRED SUPPLEMENTARY INFORMATION

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

SCHEDULES OF WCTC'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)
Wisconsin Retirement System

WCTC Fiscal Year Ending	Plan Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2015	12/31/2014	0.29720096%	\$ (7,300,069)	\$ 41,492,596	17.59%	102.74%
6/30/2016	12/31/2015	0.29383506%	4,774,763	40,629,411	11.75%	98.20%
6/30/2017	12/31/2016	0.28728638%	2,367,926	40,359,696	5.87%	99.12%
6/30/2018	12/31/2017	0.27818342%	(8,259,595)	40,048,959	20.62%	102.93%
6/30/2019	12/31/2018	0.27124783%	9,650,147	40,370,063	23.90%	96.45%
6/30/2020	12/31/2019	0.26219676%	(8,454,420)	40,328,803	20.96%	102.96%
6/30/2021	12/31/2020	0.25353166%	(15,828,333)	40,789,124	38.81%	105.26%
6/30/2022	12/31/2021	0.24474536%	(19,726,926)	41,198,199	47.88%	106.02%
6/30/2023	12/31/2022	0.23532779%	12,466,969	40,476,351	30.80%	95.72%

SCHEDULE OF EMPLOYER CONTRIBUTIONS
Wisconsin Retirement System

WCTC Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 2,904,482	\$ 2,904,482	\$ -	\$ 41,627,228	6.88%
6/30/2016	2,689,033	2,689,033	-	40,162,486	6.70%
6/30/2017	2,797,262	2,797,262	-	40,234,769	6.60%
6/30/2018	2,718,523	2,718,523	-	40,288,561	6.75%
6/30/2019	2,651,665	2,651,665	-	40,043,992	6.62%
6/30/2020	2,679,960	2,679,960	-	40,280,386	6.65%
6/30/2021	2,744,650	2,744,650	-	40,661,483	6.75%
6/30/2022	2,699,960	2,699,960	-	40,748,263	6.63%
6/30/2023	2,808,823	2,808,823	-	42,199,978	6.66%

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

See independent auditors' report and accompanying notes to required supplementary information.

WAUKESHA COUNTY TECHNICAL COLLEGE

SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
For the Fiscal Year Ended June 30, 2023

	2017	2018	2019	2020	2021	2022	2023
Total OPEB Liability							
Service cost	\$ 328,158	\$ 293,151	\$ 265,600	\$ 219,434	\$ 169,961	\$ 144,404	\$ 135,437
Interest	2,755,981	2,327,259	2,242,015	1,957,198	1,879,339	1,577,737	1,530,781
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(10,756,748)	(3,862,716)	184,890	1,133,147	(2,664,466)	(4,590,044)	(613,628)
Changes of assumptions	942,101	2,068,129	(7,403,517)	(2,367,146)	(5,222,511)	4,170,913	(321,044)
Benefit payments	(3,498,083)	(3,545,531)	(3,488,182)	(3,009,368)	(2,915,926)	(2,676,630)	(2,840,313)
Net Change in Total OPEB Liability	(10,228,591)	(2,719,708)	(8,199,194)	(2,066,735)	(8,753,603)	(1,373,620)	(2,108,767)
Total OPEB Liability - Beginning	78,742,320	68,513,729	65,794,021	57,594,827	55,528,092	46,774,489	45,400,869
Total OPEB Liability - Ending (a)	\$ 68,513,729	\$ 65,794,021	\$ 57,594,827	\$ 55,528,092	\$ 46,774,489	\$ 45,400,869	\$ 43,292,102
Plan Fiduciary Net Position							
Contributions - employer	\$ 3,651,451	\$ -	\$ -	\$ 1,017,737	\$ -	\$ -	\$ -
Net investment income	821,353	(297,518)	4,410,565	3,936,944	2,398,360	(4,746,440)	533,577
Benefit payments	(3,498,083)	(3,545,531)	(3,462,846)	(3,009,368)	(2,915,926)	(2,676,630)	(2,840,313)
Administrative expenses	(5,238)	(5,075)	(5,144)	(5,000)	(5,000)	(5,000)	(5,000)
Net Change in Plan Fiduciary Net Position	969,483	(3,848,124)	942,575	1,940,313	(522,566)	(7,428,070)	(2,311,736)
Plan Fiduciary Net Position - Beginning	71,677,999	72,647,482	68,799,358	69,741,933	71,682,246	71,159,680	63,731,998
Plan Fiduciary Net Position - Ending (b)	<u>\$ 72,647,482</u>	<u>\$ 68,799,358</u>	<u>\$ 69,741,933</u>	<u>\$ 71,682,246</u>	<u>\$ 71,159,680</u>	<u>\$ 63,731,610</u>	<u>\$ 61,420,262</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	\$ (4,133,753)	\$ (3,005,337)	\$ (12,147,106)	\$ (16,154,154)	\$ (24,385,191)	\$ (18,330,741)	\$ (18,128,160)
Plan fiduciary net position as a percentage of the total OPEB liability	106.03%	104.57%	121.09%	129.09%	152.13%	140.38%	141.87%
Covered payroll	\$ 12,747,437	\$ 10,908,274	\$ 10,895,877	\$ 8,930,356	\$ 8,222,849	\$ 7,386,830	\$ 6,192,493
Net OPEB liability (asset) as a percentage of covered payroll	-32.43%	-27.55%	-111.48%	-180.89%	-296.55%	-248.15%	-292.74%
Total OPEB liability as a percentage of covered payroll	537.47%	603.16%	528.59%	621.79%	568.84%	-248.15%	-292.74%

Notes to Schedule:

WCTC implemented GASB Statement No. 74 and 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

WAUKESHA COUNTY TECHNICAL COLLEGE

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS AND INVESTMENTS RETURNS
For the Fiscal Year Ended June 30, 2023

	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 1,421,561	\$ 905,013	\$ 483,848	\$ 434,959	\$ 350,649	\$ 250,504	\$ 210,765	\$ 193,862
Contributions in relation to the actuarially determined contribution	<u>7,847,237</u>	<u>3,651,451</u>	<u>-</u>	<u>-</u>	<u>1,017,737</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ (6,425,676)</u>	<u>\$ (2,746,438)</u>	<u>\$ 483,848</u>	<u>\$ 434,959</u>	<u>\$ (667,088)</u>	<u>\$ 250,504</u>	<u>\$ 210,765</u>	<u>\$ 193,862</u>
Covered payroll	\$13,508,381	\$12,747,437	\$10,908,274	\$10,895,877	\$ 8,930,356	\$ 8,222,849	\$ 7,386,830	\$ 6,192,493
Contributions as a percentage of covered payroll	58.09%	28.64%	0.00%	0.00%	11.40%	0.00%	0.00%	0.00%
Annual rate of return on fair value of assets, net of investment expense	1.54%	1.21%	-0.36%	6.90%	6.57%	3.42%	-6.80%	0.86%

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 Value
Inflation	2.5% per annum
Healthcare cost trend rates	Pre-65 medical costs were trended at 9.0% in the first year, graded down to 5.0% for years beginning July 1, 2029 and later; post-65 medical costs and dental costs were trended at a flat 4.0% per year.
Salary increases	3.0% per annum
Investment rate of return	3.5% per annum
Retirement age	Participants must have retired as of June 30, 2015 or have met age 57 with 20 years of service as of that date; Participants retired as of that date will receive benefits for their lifetime; Participants not retired by that date will receive coverage for eight years.
Mortality	Pri-2012 Total Dataset Employee and Retiree Amount-Weighted with MP-2021 generational mortality improvement after 2012 base mortality year

Other information:

WCTC implemented GASB Statement No. 74 and 75 in fiscal year 2017. Information prior to fiscal year 2016 is not available.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Years Ended June 30, 2023 and 2022

Employer Contributions and Funding Progress

The data presented in the Schedule of Employer Contributions and Funding Progress was taken from the report issued by the actuary.

Wisconsin Retirement System

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

The District is required to present the last ten fiscal years data; however the standards allow the District to present as many years as are available until ten fiscal years are presented.

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

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

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

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

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

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Years Ended June 30, 2023 and 2022

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

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION As of and for the Years Ended June 30, 2023 and 2022

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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

See independent auditors' report

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SUPPLEMENTARY INFORMATION

The following supplementary information is provided to document WCTC's compliance with budgetary requirements. To maintain accountability of available resources, WCTC utilizes accounts in accordance with the principles of fund accounting. This accountability is an essential requirement to maintain the public trust. The method of accounting used for budgetary compliance monitoring is substantially different from the method of preparing the basic financial statements of WCTC. At the end of this section is a reconciliation between the two methods. WCTC has also presented certain combining statements and individual schedules to provide additional information to the users of these financial statements.

GENERAL FUND

The general fund is the primary operating fund of WCTC and receives most of its revenue from local sources. It is used to account for all the financial resources except those required to be accounted for in another fund.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT
General Fund

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2023

(with comparative actual amounts for the year ended June 30, 2022)

	2023				2022 Actual (Budgetary Basis)
	Original Budget	Final Budget	Actual On a Budgetary Basis	Variance with Final Budget	
REVENUES					
Local government	\$ 9,818,276	\$ 10,030,819	\$ 10,033,904	\$ 3,085	\$ 10,651,189
Intergovernmental revenue					
State	52,547,628	52,541,536	52,600,080	58,544	50,922,193
Federal	-	-	30,851	30,851	16,401
Tuition and fees					
Statutory program fees	12,000,000	12,000,000	11,950,542	(49,458)	11,983,310
Materials fees	689,550	689,550	676,573	(12,977)	697,554
Other student fees	682,100	682,100	941,248	259,148	991,291
Institutional fees	3,081,600	3,081,600	3,676,848	595,248	2,663,552
Total Revenues	<u>78,819,154</u>	<u>79,025,605</u>	<u>79,910,046</u>	<u>884,441</u>	<u>77,925,490</u>
EXPENDITURES					
Current					
Instruction	47,712,205	49,314,657	44,320,001	4,994,656	42,922,080
Instructional resources	1,520,058	1,561,058	1,483,235	77,823	1,422,398
Student services	8,800,154	9,136,154	8,221,230	914,924	7,737,627
General institutional	14,875,350	15,084,349	13,311,230	1,773,119	13,984,133
Physical plant	5,911,387	6,139,387	5,500,446	638,941	5,545,974
Total Expenditures	<u>78,819,154</u>	<u>81,235,605</u>	<u>72,836,142</u>	<u>8,399,463</u>	<u>71,612,212</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(2,210,000)</u>	<u>7,073,904</u>	<u>9,283,904</u>	<u>6,313,278</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	-	520,000	520,000	-	917,500
Transfer out	-	(5,500,000)	(5,500,000)	-	(2,000,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,980,000)</u>	<u>(4,980,000)</u>	<u>-</u>	<u>(1,082,500)</u>
Net Change in Fund Balance	-	(7,190,000)	2,093,904	9,283,904	5,230,778
FUND BALANCE - BEGINNING OF YEAR	<u>37,809,884</u>	<u>40,844,565</u>	<u>40,844,565</u>	<u>-</u>	<u>35,613,787</u>
FUND BALANCE - END OF YEAR	<u>\$ 37,809,884</u>	<u>\$ 33,654,565</u>	<u>\$ 42,938,469</u>	<u>\$ 9,283,904</u>	<u>\$ 40,844,565</u>

SPECIAL REVENUE FUNDS

The special revenue funds are used to account for the proceeds from specific revenue sources that are legally restricted as to expenditures for specific purposes, WCTC has two special revenue funds:

Operating fund – The operating fund is used to account for the proceeds from specific revenue sources (other than non-aidable funds or major capital projects) that are legally restricted as to expenditures for specific purposes.

Non-aidable funds – The non-aidable fund is used to account for assets held by WCTC in a trustee capacity, primarily for student financial aids and other student activities.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT
Special Revenue Fund - Operating

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2023

(with comparative actual amounts for the year ended June 30, 2022)

	2023				2022 Actual (Budgetary Basis)
	Original Budget	Final Budget	Actual On a Budgetary Basis	Variance with Final Budget	
REVENUES					
Local government – tax levy	\$ 757,400	\$ 757,400	\$ 757,400	\$ -	\$ 757,400
Intergovernmental revenue					
State	981,900	1,290,000	1,290,420	420	821,119
Federal	873,800	1,963,000	2,151,243	188,243	3,159,719
Tuition and fees					
Materials fees	3,000	3,000	1,893	(1,107)	2,000
Other student fees	57,000	70,000	67,749	(2,251)	76,211
Institutional fees	-	690,000	693,191	3,191	358,277
Total Revenues	<u>2,673,100</u>	<u>4,773,400</u>	<u>4,961,896</u>	<u>188,496</u>	<u>5,174,726</u>
EXPENDITURES					
Current					
Instruction	1,539,200	2,226,100	2,226,064	36	2,035,501
Instructional resources	-	2,100	2,013	87	-
Student services	1,017,600	1,216,000	1,215,688	312	808,359
General institutional	124,100	327,000	326,736	264	566,243
Physical plant	-	-	-	-	293,838
Total Expenditures	<u>2,680,900</u>	<u>3,771,200</u>	<u>3,770,501</u>	<u>699</u>	<u>3,703,941</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,800)</u>	<u>1,002,200</u>	<u>1,191,395</u>	<u>189,195</u>	<u>1,470,785</u>
OTHER FINANCING USES					
Transfer out	<u>-</u>	<u>(1,010,000)</u>	<u>(1,007,269)</u>	<u>2,731</u>	<u>(1,439,018)</u>
Net Change in Fund Balance	(7,800)	(7,800)	184,126	191,926	31,767
FUND BALANCE - BEGINNING OF YEAR	<u>567,077</u>	<u>598,844</u>	<u>598,844</u>	<u>-</u>	<u>567,077</u>
FUND BALANCE - END OF YEAR	<u>\$ 559,277</u>	<u>\$ 591,044</u>	<u>\$ 782,970</u>	<u>\$ 191,926</u>	<u>\$ 598,844</u>

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT
Special Revenue Fund - Non-Aidable

COMBINING BALANCE SHEET
As of June 30, 2023

(with comparative totals for the year ended June 30, 2022)

	Grantor Agencies	Student Financial Aid Fund	Other Student Activities Fund	Student Clubs Fund	WECAN Fund	Totals	
						2023	2022
ASSETS							
Cash	\$ -	\$ -	\$ 500	\$ 500	\$ -	\$ 1,000	\$ 1,000
Accounts receivable	393,589	60,013	-	-	40,934	494,536	392,504
Due from other funds	-	168,347	894,422	245,953	28,846	1,337,568	1,632,106
TOTAL ASSETS	\$ 393,589	\$ 228,360	\$ 894,922	\$ 246,453	\$ 69,780	\$ 1,833,104	\$ 2,025,610
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 114	\$ 11,108	\$ -	\$ 11,222	\$ 27,271
Due to student groups and grantor agencies	-	-	-	235,345	69,780	305,125	377,681
Due to other funds	393,589	-	-	-	-	393,589	337,581
Unearned revenue	-	20,159	375,764	-	-	395,923	184,154
Total Liabilities	<u>393,589</u>	<u>20,159</u>	<u>375,878</u>	<u>246,453</u>	<u>69,780</u>	<u>1,105,859</u>	<u>926,687</u>
FUND BALANCE							
Restricted for student organizations	-	-	519,044	-	-	519,044	910,244
Restricted for student financial assistance	-	208,201	-	-	-	208,201	188,679
Total Fund Balance	<u>-</u>	<u>208,201</u>	<u>519,044</u>	<u>-</u>	<u>-</u>	<u>727,245</u>	<u>1,098,923</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 393,589	\$ 228,360	\$ 894,922	\$ 246,453	\$ 69,780	\$ 1,833,104	\$ 2,025,610

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT
Special Revenue Fund - Non-Aidable

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2023

(with comparative actual amounts for the year ended June 30, 2022)

	Grantor Agencies	Student Financial Aid Fund	Other Student Activities Fund	Student Clubs Fund	Totals	
					2023	2022
REVENUES						
Local government – tax levy	\$ -	\$ 151,500	\$ -		151,500	\$ 151,500
Intergovernmental revenue						
State	390,483	1,074,152	-		1,464,635	1,206,090
Federal	17,111	3,426,691	-		3,443,802	8,010,219
Student activities	-	-	400,234		400,234	391,415
Other	-	-	10,879	20,000	30,879	9,109
Total Revenues	<u>407,594</u>	<u>4,652,343</u>	<u>411,113</u>	<u>20,000</u>	<u>5,491,050</u>	<u>9,768,333</u>
EXPENDITURES						
Current						
Instruction						
Grants	406,961	-	-	-	406,961	377,711
Student Services						
Grants	-	4,632,821	-	-	4,632,821	8,961,858
Other	-	-	402,313	-	402,313	516,359
General Institutional						
Other	633	-	-	-	633	-
Total Expenditures	<u>407,594</u>	<u>4,632,821</u>	<u>402,313</u>	<u>-</u>	<u>5,442,728</u>	<u>9,855,928</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>19,522</u>	<u>8,800</u>	<u>20,000</u>	<u>48,322</u>	<u>(87,595)</u>
OTHER FINANCING SOURCES						
Transfer in	-	-	50,000	-	50,000	251,518
Transfer Out	-	-	(450,000)	(20,000)	(470,000)	(30,000)
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>(20,000)</u>	<u>(420,000)</u>	<u>221,518</u>
Net Change in Fund Balance	-	19,522	(391,200)	-	(371,678)	133,923
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>188,679</u>	<u>910,244</u>	<u>-</u>	<u>1,098,923</u>	<u>965,000</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 208,201</u>	<u>\$ 519,044</u>	<u>\$ -</u>	<u>\$ 727,245</u>	<u>\$ 1,098,923</u>

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Non-Aidable

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2023

(with comparative actual amounts for the year ended June 30, 2022)

	2023				2022 Actual (Budgetary Basis)
	Original Budget	Final Budget	Actual On a Budgetary Basis	Variance with Final Budget	
REVENUES					
Local government – tax levy	\$ 151,500	\$ 151,500	\$ 151,500	\$ -	\$ 151,500
Intergovernmental revenue					
State	1,457,000	1,457,000	1,464,635	7,635	1,206,090
Federal	4,906,141	4,906,141	3,443,802	(1,462,339)	8,010,219
Tuition and fees					
Other student fees	430,000	430,000	400,234	(29,766)	391,415
Institutional fees	13,000	13,000	30,879	17,879	9,109
Total Revenues	<u>6,957,641</u>	<u>6,957,641</u>	<u>5,491,050</u>	<u>(1,466,591)</u>	<u>9,768,333</u>
EXPENDITURES					
Current					
Instruction	18,341	407,041	406,961	80	377,711
Student services	6,949,300	6,559,600	5,035,134	1,524,466	9,478,217
General Institutional	-	1,000	633	367	-
Total Expenditures	<u>6,967,641</u>	<u>6,967,641</u>	<u>5,442,728</u>	<u>1,524,913</u>	<u>9,855,928</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>48,322</u>	<u>58,322</u>	<u>(87,595)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	-	50,000	50,000	-	251,518
Transfer out	-	(470,000)	(470,000)	-	(30,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(420,000)</u>	<u>(420,000)</u>	<u>-</u>	<u>221,518</u>
Net Change in Fund Balance	(10,000)	(430,000)	(371,678)	58,322	133,923
FUND BALANCE - BEGINNING OF YEAR	<u>988,932</u>	<u>1,098,923</u>	<u>1,098,923</u>	<u>-</u>	<u>965,000</u>
FUND BALANCE - END OF YEAR	<u>\$ 978,932</u>	<u>\$ 668,923</u>	<u>\$ 727,245</u>	<u>\$ 58,322</u>	<u>\$ 1,098,923</u>

CAPITAL PROJECTS FUND

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of capital assets other than those financed by enterprise operations.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT
Capital Projects Fund

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2023

(with comparative actual amounts for the year ended June 30, 2022)

	2023			Variance with Final Budget	2022 Actual (Budgetary Basis)
	Original Budget	Final Budget	Actual On a Budgetary Basis		
REVENUES					
Intergovernmental revenue					
State	\$ 178,000	\$ 178,000	\$ 171,714	\$ (6,286)	\$ 92,160
Federal	-	-	7,038	7,038	402,300
Institutional fees	105,000	105,000	713,614	608,614	(156,351)
Total Revenues	<u>283,000</u>	<u>283,000</u>	<u>892,366</u>	<u>609,366</u>	<u>338,109</u>
EXPENDITURES					
Capital outlay					
Instruction	1,642,850	1,803,350	1,798,961	4,389	1,413,456
Instructional resources	-	-	-	-	30,188
General institutional	1,639,600	1,614,600	1,151,870	462,730	1,923,993
Physical plant	6,890,900	7,340,900	6,672,251	668,649	5,408,495
Total Expenditures	<u>10,173,350</u>	<u>10,758,850</u>	<u>9,623,082</u>	<u>1,135,768</u>	<u>8,776,132</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(9,890,350)</u>	<u>(10,475,850)</u>	<u>(8,730,716)</u>	<u>1,745,134</u>	<u>(8,438,023)</u>
OTHER FINANCING SOURCES					
Transfer in	-	5,950,000	5,950,000	-	2,000,000
Long-term debt issued	7,750,000	-	7,750,000	7,750,000	7,750,000
Total Other Financing Sources	<u>7,750,000</u>	<u>5,950,000</u>	<u>13,700,000</u>	<u>7,750,000</u>	<u>9,750,000</u>
Net Change in Fund Balance	(2,140,350)	(4,525,850)	4,969,284	9,495,134	1,311,977
FUND BALANCE - BEGINNING OF YEAR	<u>18,812,634</u>	<u>19,863,611</u>	<u>19,863,611</u>	<u>-</u>	<u>18,551,634</u>
FUND BALANCE - END OF YEAR	<u>\$ 16,672,284</u>	<u>\$ 15,337,761</u>	<u>\$ 24,832,895</u>	<u>\$ 9,495,134</u>	<u>\$ 19,863,611</u>

DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT
Debt Service Fund

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2023

(with comparative actual amounts for the year ended June 30, 2022)

	2023			Variance with Final Budget	2022 Actual (Budgetary Basis)
	Original Budget	Final Budget	Actual On a Budgetary Basis		
REVENUES					
Local government – tax levy	\$ 9,200,000	\$ 9,200,000	\$ 9,200,000	\$ -	\$ 8,700,000
Institutional fees	100,000	175,000	358,040	183,040	218,156
Total Revenues	<u>9,300,000</u>	<u>9,375,000</u>	<u>9,558,040</u>	<u>183,040</u>	<u>8,918,156</u>
EXPENDITURES - Debt Service					
Physical Plant	<u>9,300,000</u>	<u>9,375,000</u>	<u>9,369,905</u>	<u>5,095</u>	<u>8,869,144</u>
Total Expenditures	<u>9,300,000</u>	<u>9,375,000</u>	<u>9,369,905</u>	<u>5,095</u>	<u>8,869,144</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>188,135</u>	<u>188,135</u>	<u>49,012</u>
FUND BALANCE - BEGINNING OF YEAR	<u>862,748</u>	<u>901,760</u>	<u>901,760</u>	<u>-</u>	<u>852,748</u>
FUND BALANCE - END OF YEAR	<u>\$ 862,748</u>	<u>\$ 901,760</u>	<u>\$ 1,089,895</u>	<u>\$ 188,135</u>	<u>\$ 901,760</u>

PROPRIETARY FUND TYPES

Proprietary funds are used to account for ongoing activities which are similar to those often found in the private sector. The measurement focus is based upon the determination of income. These funds are maintained on the accrual basis of accounting.

Enterprise funds – Enterprise funds are used to account for (1) operations that are financed and operated in a manner similar to a private business enterprise where the intent of WCTC is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and (2) the WCTC Board has decided that periodic determination of revenues earned and expenses incurred is appropriate for management control and accountability. The following enterprise funds are used by WCTC:

Classic Room Fund – This fund is used to account for the operations of WCTC's Classic Room, an on-campus restaurant run by students.

Bookstore Fund – This fund is used to account for the operations of WCTC's bookstore.

Child Development Center Fund – This fund is used to account for the operations of WCTC's child care center

Style and Class Salon and Spa Fund – This fund is used to account for the operations of WCTC's barber/cosmetology salon and the aesthetician spa.

Auto Fund – This fund is used to account for the operations of WCTC's Customer Assistance audio shop and Sky Plaza auto body shop.

Dental Hygiene Clinic Fund – This fund is used to account for the operations of WCTC's dental hygiene clinic.

Student Insurance – This fund is used to account for the insurance coverage purchased by students who are at practicum sites.

Internal service funds – Internal service funds are used to account for the financing and related financial activities of goods and services provided by one department of the college to other departments of the college or to other governmental unit on a cost-reimbursement basis. WCTC is self-insured for dental insurance coverage. As a result, it utilizes an internal service fund to track these activities.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT
Proprietary Funds – Enterprise Funds

COMBINING BALANCE SHEET
As of June 30, 2023

(with comparative totals for the year ended June 30, 2022)

ASSETS	Classic Room		Bookstore		Child-Parent Center		Style and Class Salon		Auto		Dental Hygiene Clinic		Student Insurance		Totals	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Accounts receivable	\$ -	\$ -	\$ 144,246	\$ 41,245	\$ 19,002	\$ 9,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,248	\$ 50,707
Due from other funds	87,319	75,164	965,816	595,144	162,595	128,636	99,052	67,399	9,324	8,818	29,256	27,260	18,440	34,571	1,371,802	936,992
Prepays	-	-	-	2,766	-	-	-	-	-	-	-	-	-	-	-	2,766
Inventories	1,331	6,115	371,891	440,352	-	-	39,556	35,104	12,918	12,432	-	-	-	-	425,696	494,003
Total Current Assets	<u>88,650</u>	<u>81,279</u>	<u>1,481,953</u>	<u>1,079,507</u>	<u>181,597</u>	<u>138,098</u>	<u>138,608</u>	<u>102,503</u>	<u>22,242</u>	<u>21,250</u>	<u>29,256</u>	<u>27,260</u>	<u>18,440</u>	<u>34,571</u>	<u>1,960,746</u>	<u>1,484,468</u>
Capital assets																
Building	-	-	302,439	302,439	-	-	-	-	-	-	-	-	-	-	302,439	302,439
Equipment	-	-	313,050	317,320	4,236	4,236	-	-	-	-	-	-	-	-	317,286	321,556
Less: accumulated depreciation	-	-	(192,640)	(146,180)	(4,236)	(4,236)	-	-	-	-	-	-	-	-	(196,876)	(150,416)
Capital Assets, Net	-	-	<u>422,849</u>	<u>473,579</u>	-	-	-	-	-	-	-	-	-	-	<u>422,849</u>	<u>473,579</u>
TOTAL ASSETS	\$ 88,650	\$ 81,279	\$ 1,904,802	\$ 1,553,086	\$ 181,597	\$ 138,098	\$ 138,608	\$ 102,503	\$ 22,242	\$ 21,250	\$ 29,256	\$ 27,260	\$ 18,440	\$ 34,571	\$ 2,383,595	\$ 1,958,047
LIABILITIES AND NET POSITION																
Current liabilities																
Accounts payable	-	-	77,095	223,099	3,370	123	-	15,435	-	-	-	-	-	18,524	80,465	257,181
Compensated absences	-	-	6,058	13,912	13,121	4,592	-	-	-	-	-	-	-	-	19,179	18,504
Due to student groups	8,561	9,216	-	-	-	-	-	-	-	-	-	-	-	-	8,561	9,216
Unearned revenue	25	25	246,449	225,336	15,355	11,183	120	120	-	-	-	-	18,440	16,047	280,389	252,711
Total Current Liabilities	<u>8,586</u>	<u>9,241</u>	<u>329,602</u>	<u>462,347</u>	<u>31,846</u>	<u>15,898</u>	<u>120</u>	<u>15,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,440</u>	<u>34,571</u>	<u>388,594</u>	<u>537,612</u>
NET POSITION																
Net investment in capital assets	-	-	422,849	473,579	-	-	-	-	-	-	-	-	-	-	422,849	473,579
Unrestricted	80,064	72,038	1,152,351	617,160	149,751	122,200	138,488	86,948	22,242	21,250	29,256	27,260	-	-	1,572,152	946,856
Total Net Position	<u>80,064</u>	<u>72,038</u>	<u>1,575,200</u>	<u>1,090,739</u>	<u>149,751</u>	<u>122,200</u>	<u>138,488</u>	<u>86,948</u>	<u>22,242</u>	<u>21,250</u>	<u>29,256</u>	<u>27,260</u>	<u>-</u>	<u>-</u>	<u>1,995,001</u>	<u>1,420,435</u>
TOTAL LIABILITIES AND NET POSITION	\$ 88,650	\$ 81,279	\$ 1,904,802	\$ 1,553,086	\$ 181,597	\$ 138,098	\$ 138,608	\$ 102,503	\$ 22,242	\$ 21,250	\$ 29,256	\$ 27,260	\$ 18,440	\$ 34,571	\$ 2,383,595	\$ 1,958,047

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

Proprietary Funds – Enterprise Funds

COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023

(with comparative totals for the year ended June 30, 2022)

	Classic Room		Bookstore		Child-Parent Center		Style and Class Salon		Auto		Dental Hygiene Clinic		Student Insurance		Totals	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
OPERATING REVENUES																
Federal funding	\$ -	\$ -	\$ -	\$ -	\$ 36,098	\$ 24,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,098	\$ 24,451
User charges	54,256	42,081	2,225,136	2,228,790	664,465	698,277	118,752	95,692	3,375	3,324	23,220	23,675	41,312	40,880	3,130,516	3,132,719
Total Operating Revenues	54,256	42,081	2,225,136	2,228,790	700,563	722,728	118,752	95,692	3,375	3,324	23,220	23,675	41,312	40,880	3,166,614	3,157,170
OPERATING EXPENSES																
Materials	36,598	22,914	1,687,934	1,736,499	44,515	40,667	58,129	46,698	2,157	1,118	17,463	15,577	-	-	1,846,796	1,863,473
Salaries	4,307	-	280,668	289,365	459,185	484,699	-	-	-	-	-	-	-	-	744,160	774,064
Benefits	329	-	89,007	91,947	167,359	155,975	-	-	-	-	-	-	-	-	256,695	247,922
Repairs and service	-	119	-	-	-	-	4,338	2,709	-	-	458	-	-	-	4,796	2,828
Rent and utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	49,653	57,031	-	-	-	-	-	-	-	-	-	-	49,653	57,031
Other	4,996	3,296	89,605	90,143	1,953	3,920	4,745	4,713	226	2,837	3,303	2,918	41,312	40,880	146,140	148,707
Total Operating Expenses	46,230	26,329	2,196,867	2,264,985	673,012	685,261	67,212	54,120	2,383	3,955	21,224	18,495	41,312	40,880	3,048,240	3,094,025
Operating Income (Loss)	8,026	15,752	28,269	(36,195)	27,551	37,467	51,540	41,572	992	(631)	1,996	5,180	-	-	118,374	63,145
NONOPERATING REVENUES (EXPENSES)																
Loss on disposal of assets	-	-	(1,077)	(8,628)	-	-	-	-	-	-	-	-	-	-	(1,077)	(8,628)
Income Before Capital Contributions and Transfers	8,026	15,752	27,192	(44,823)	27,551	37,467	51,540	41,572	992	(631)	1,996	5,180	-	-	117,297	54,517
TRANSFER IN/(OUT)																
Change in Net Position	-	-	457,269	300,000	-	-	-	-	-	-	-	-	-	-	457,269	300,000
NET POSITION - BEGINNING OF YEAR	72,038	56,286	1,090,739	835,562	122,200	84,733	86,948	45,376	21,250	21,881	27,260	22,080	-	-	1,420,435	1,065,918
NET POSITION - END OF YEAR	\$ 80,064	\$ 72,038	\$ 1,575,200	\$ 1,090,739	\$ 149,751	\$ 122,200	\$ 138,488	\$ 86,948	\$ 22,242	\$ 21,250	\$ 29,256	\$ 27,260	\$ -	\$ -	\$ 1,995,001	\$ 1,420,435

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

Proprietary Funds – Enterprise Funds

COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2023

(with comparative totals for the year ended June 30, 2022)

	Classic Room		Bookstore		Child-Parent Center		Style and Class Salon		Auto		Dental Hygiene Clinic		Firing Range		Student Insurance		Totals		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	
CASH FLOWS FROM OPERATING ACTIVITIES																			
Operating income (loss)	\$ 8,026	\$ 15,752	\$ 28,269	\$ (36,195)	\$ 27,551	\$ 37,467	\$ 51,540	\$ 41,572	\$ 992	\$ (631)	\$ 1,996	\$ 5,180	\$ -	\$ -	\$ -	\$ -	\$ 118,374	\$ 63,145	
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities																			
Depreciation	-	-	49,653	57,031	-	-	-	-	-	-	-	-	-	-	-	-	49,653	57,031	
Changes in assets and liabilities																			
Accounts receivable	-	-	(103,001)	25,559	(9,540)	(3,611)	-	-	-	-	-	-	-	-	-	-	(112,541)	21,948	
Prepaid expenditures	-	-	2,766	2,766	-	-	-	-	-	-	-	-	-	-	-	-	2,766	2,766	
Inventories	4,784	(1,349)	68,461	(51,075)	-	-	(4,452)	(28,477)	(486)	(1,186)	-	-	-	-	-	-	68,307	(82,087)	
Accounts payable	-	-	(146,004)	19,116	3,247	(3,025)	(15,435)	9,977	-	-	-	-	(68)	(18,524)	2,252	-	(176,716)	28,252	
Compensated absences	-	-	(7,854)	(5,927)	8,529	(718)	-	-	-	-	-	-	-	-	-	-	675	(6,645)	
Due to student groups	(655)	(5,306)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(655)	(5,306)	
Deferred revenues	-	-	21,113	27,157	4,172	(5,388)	-	-	-	-	-	-	-	2,393	748	27,678	22,517		
Total Adjustments	4,129	(6,655)	(114,866)	74,627	6,408	(12,742)	(19,887)	(18,500)	(486)	(1,186)	-	-	(68)	(16,131)	3,000	(140,833)	38,476		
Net Cash Flows From Operating Activities	12,155	9,097	(86,597)	38,432	33,959	24,725	31,653	23,072	506	(1,817)	1,996	5,180	-	(68)	(16,131)	3,000	(22,459)	101,621	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES																			
Transfer in/(out)	-	-	457,269	300,000	-	-	-	-	-	-	-	-	-	-	-	-	457,269	300,000	
Due from/(to) other funds	(12,155)	(9,097)	(370,672)	(338,432)	(33,959)	(24,725)	(31,653)	(23,072)	(506)	1,817	(1,996)	(5,180)	-	68	16,131	(3,000)	(434,810)	(401,621)	
Net Cash Flows From Non-Capital Financing Activities	(12,155)	(9,097)	86,597	(38,432)	(33,959)	(24,725)	(31,653)	(23,072)	(506)	1,817	(1,996)	(5,180)	-	68	16,131	(3,000)	22,459	(101,621)	
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES																			
Acquisition of equipment/buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Gains/(Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Cash Flows From Capital Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Cash Provided By (Used in) Noncapital and Capital Financing Activities	(12,155)	(9,097)	86,597	(38,432)	(33,959)	(24,725)	(31,653)	(23,072)	(506)	1,817	(1,996)	(5,180)	-	68	16,131	(3,000)	22,459	(101,621)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES																			
Sale of equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net Increase (Decrease) in Cash and Cash Equivalent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES																			
Inventory converted to Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

Proprietary Funds – Enterprise Funds

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2023

(with comparative actual amounts for the year ended June 30, 2022)

	2023				2022 Actual (Budgetary Basis)
	Original Budget	Final Budget	Actual On a Budgetary Basis	Variance with Final Budget	
OPERATING REVENUES					
Intergovernmental Revenue					
Federal	\$ 20,000	\$ 20,000	\$ 36,098	\$ 16,098	\$ 24,451
Institutional fees	<u>3,857,700</u>	<u>3,857,700</u>	<u>3,130,516</u>	<u>(727,184)</u>	<u>3,132,719</u>
Total Revenues	<u>3,877,700</u>	<u>3,877,700</u>	<u>3,166,614</u>	<u>(711,086)</u>	<u>3,157,170</u>
OPERATING EXPENSES					
Auxiliary services	<u>3,874,223</u>	<u>3,874,223</u>	<u>3,049,317</u>	<u>824,906</u>	<u>3,102,653</u>
Operating Income (Loss)	3,477	3,477	117,297	113,820	54,517
OPERATING TRANSFERS					
Transfer in	-	460,000	457,269	(2,731)	300,000
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	3,477	463,477	574,566	111,089	354,517
NET POSITION - BEGINNING OF YEAR	<u>1,116,557</u>	<u>1,420,435</u>	<u>1,420,435</u>	<u>-</u>	<u>1,065,918</u>
NET POSITION - END OF YEAR	<u>\$ 1,120,034</u>	<u>\$ 1,883,912</u>	<u>\$ 1,995,001</u>	<u>\$ 111,089</u>	<u>\$ 1,420,435</u>

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

Proprietary Funds - Internal Service Fund

SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION – BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
For the Year Ended June 30, 2023

(with comparative actual amounts for the year ended June 30, 2022)

	2023				2022 Actual (Budgetary Basis)
	Original Budget	Final Budget	Actual On a Budgetary Basis	Variance with Final Budget	
OPERATING REVENUES					
Institutional fees	\$ 625,000	\$ 625,000	\$ 623,804	\$ (1,196)	\$ 513,817
OPERATING EXPENSES					
Auxiliary services	680,000	680,000	598,968	81,032	614,379
Change in Net Position	(55,000)	(55,000)	24,836	79,836	(100,562)
NET POSITION - BEGINNING OF YEAR	2,967,749	2,942,187	2,942,187	-	3,042,749
NET POSITION - END OF YEAR	<u>\$ 2,912,749</u>	<u>\$ 2,887,187</u>	<u>\$ 2,967,023</u>	<u>\$ 79,836</u>	<u>\$ 2,942,187</u>

SCHEDULE OF CAPITAL ASSETS - BY SOURCES

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

SCHEDULE OF CAPITAL ASSETS – BY SOURCES As of June 30, 2023

Capital assets (a)	
Land	\$ 641,345
Land improvements	15,673,394
Buildings	38,119,362
Building improvements	60,642,739
Movable equipment	58,893,966
Fixed equipment	8,272,744
Subscription assets	3,889,791
Construction in progress	<u>3,114,845</u>
TOTAL	<u>\$ 189,248,186</u>
Investment in capital assets from	
Capital projects	
Debt proceeds	\$ 171,328,431
Subscription based information technology agreements	\$ 3,889,791
Federal grants	2,751,649
Donations	4,150,999
Investment income	4,747,457
State grants	1,971,443
Auxiliary enterprises	<u>408,416</u>
TOTAL	<u>\$ 189,248,186</u>

Note:

- (a) Because all of WCTC's capital assets are devoted to the activities related to providing vocational, technical, and adult education within WCTC, separate function and activity capital assets schedules have not been presented.

SCHEDULE OF INDEBTEDNESS AND RETIREMENTS

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

SCHEDULE OF INDEBTEDNESS AND RETIREMENTS
For the Year Ended June 30, 2023

Issue	Principal				Retirement Schedule			
	Borrowed	Previously Retired	Retired in Current Year	Outstanding June 30, 2023	Year Ended June 30	Principal	Interest	Total
General Obligation Promissory Notes (2018A)	2,400,000	1,890,000	510,000	-	2023	-	-	-
General Obligation Promissory Notes (2018B)	1,500,000	1,180,000	320,000	-	2023	-	-	-
General Obligation Promissory Notes (2018C)	5,600,000	4,210,000	1,390,000	-	2023	-	-	-
General Obligation Promissory Notes (2018C)	2,150,000	1,250,000	445,000	455,000	2024	455,000	11,375	466,375
						455,000	11,375	466,375
General Obligation Promissory Notes (2019B)	4,850,000	2,790,000	1,015,000	1,045,000	2024	1,045,000	31,350	1,076,350
						1,045,000	31,350	1,076,350
General Obligation Promissory Notes (2020A)	2,900,000	1,115,000	580,000	1,205,000	2024	595,000	30,200	625,200
					2025	610,000	18,300	628,300
						1,205,000	48,500	1,253,500
General Obligation Promissory Notes (2020B)	4,500,000	2,310,000	710,000	1,480,000	2024	730,000	14,800	744,800
					2025	750,000	7,500	757,500
						1,480,000	22,300	1,502,300

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

SCHEDULE OF INDEBTEDNESS AND RETIREMENTS
For the Year Ended June 30, 2023

Issue	Principal				Retirement Schedule			
	Borrowed	Previously Retired	Retired in Current Year	Outstanding June 30, 2023	Year Ended June 30	Principal	Interest	Total
General Obligation Promissory Notes (2021A)	3,250,000	615,000	635,000	2,000,000	2024	650,000	23,150	673,150
					2025	665,000	13,400	678,400
					2026	685,000	3,425	688,425
						<u>2,000,000</u>	<u>39,975</u>	<u>2,039,975</u>
General Obligation Promissory Notes (2021B)	3,250,000	1,010,000	545,000	1,695,000	2024	555,000	39,650	594,650
					2025	565,000	28,550	593,550
					2026	575,000	17,250	592,250
						<u>1,695,000</u>	<u>85,450</u>	<u>1,780,450</u>
General Obligation Promissory Notes (2021C)	3,000,000	980,000	490,000	1,530,000	2024	500,000	29,475	529,475
					2025	510,000	21,975	531,975
					2026	520,000	15,600	535,600
						<u>1,530,000</u>	<u>67,050</u>	<u>1,597,050</u>
General Obligation Promissory Notes (2022A)	1,500,000	-	285,000	1,215,000	2024	295,000	24,300	319,300
					2025	300,000	18,400	318,400
					2026	305,000	12,400	317,400
					2027	315,000	6,300	321,300
						<u>1,215,000</u>	<u>61,400</u>	<u>1,276,400</u>

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

SCHEDULE OF INDEBTEDNESS AND RETIREMENTS
For the Year Ended June 30, 2023

Issue	Principal				Retirement Schedule			
	Borrowed	Previously Retired	Retired in Current Year	Outstanding June 30, 2023	Year Ended June 30	Principal	Interest	Total
General Obligation Promissory Notes (2022B)	3,800,000	-	1,885,000	1,915,000	2024	460,000	76,600	536,600
					2025	470,000	58,200	528,200
					2026	485,000	39,400	524,400
					2027	500,000	20,000	520,000
						<u>1,915,000</u>	<u>194,200</u>	<u>2,109,200</u>
General Obligation Promissory Notes (2023A)	3,950,000	-	-	3,950,000	2024	1,335,000	153,250	1,488,250
					2025	615,000	117,150	732,150
					2026	640,000	86,400	726,400
					2027	665,000	54,400	719,400
					2028	695,000	27,800	722,800
	<u>3,950,000</u>	<u>439,000</u>	<u>4,389,000</u>					
TOTAL	\$ 42,650,000	\$ 17,350,000	\$ 8,810,000	\$ 16,490,000		\$ 16,490,000	\$ 1,000,600	\$ 17,490,600

(Concluded)

**SCHEDULES TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS
FINANCIAL STATEMENTS TO BASIC FINANCIAL STATEMENTS**

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BALANCE SHEET TO STATEMENT OF NET POSITION
As of June 30, 2023

	Governmental Funds					Proprietary Funds		Total	Reconciling Items	Statement of Net Position
	General	Special Revenue Fund Operating	Non-Aidable	Capital Projects	Debt Service	Enterprise Funds	Internal Service			
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES										
ASSETS										
Cash and investments	\$ 42,659,362	\$ -	\$ 1,000	\$ 28,751,085	\$ 1,115,845	\$ -	\$ 2,773,211	\$ 75,300,503	\$ -	\$ 75,300,503
Receivables										
Taxes	4,095,289	-	-	-	-	-	-	4,095,289	-	4,095,289
Accounts	7,862,285	359,758	494,536	77,397	-	163,248	-	8,957,224	-	8,957,224
Leases	-	-	-	-	-	-	-	-	1,724,616	1,724,616
Accrued interest	42,621	-	-	-	-	-	-	42,621	-	42,621
Due from other funds	44,871	573,362	1,337,568	-	-	1,371,802	-	3,327,603	(3,327,603)	-
Inventories	63,700	-	-	-	-	425,696	-	489,396	-	489,396
Prepaid items and other assets	16,829	-	-	44,970	-	-	252,000	313,799	4,592,188	4,905,987
Net other post-employment benefits assets	-	-	-	-	-	-	-	-	18,128,160	18,128,160
Net pension asset	-	-	-	-	-	-	-	-	-	-
Capital assets	-	-	-	-	-	619,725	-	619,725	188,628,461	189,248,186
Accumulated depreciation/amortization	-	-	-	-	-	(196,876)	-	(196,876)	(75,136,110)	(75,332,986)
Total Assets	54,784,957	933,120	1,833,104	28,873,452	1,115,845	2,383,595	3,025,211	92,949,284	134,609,712	227,558,996
DEFERRED OUTFLOWS OF RESOURCES										
Deferred amount related to OPEB	-	-	-	-	-	-	-	-	5,612,023	5,612,023
Deferred amount related to pensions	-	-	-	-	-	-	-	-	45,190,206	45,190,206
Total Deferred Outflows of Resources	-	-	-	-	-	-	-	-	50,802,229	50,802,229
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 54,784,957	\$ 933,120	\$ 1,833,104	\$ 28,873,452	\$ 1,115,845	\$ 2,383,595	\$ 3,025,211	\$ 92,949,284	\$ 185,411,941	\$ 278,361,225
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION										
LIABILITIES										
Accounts payable	\$ 456,385	\$ 13,195	\$ 11,222	\$ 625,990	\$ 25,950	\$ 80,465	\$ 58,188	\$ 1,271,395	\$ 8,561	\$ 1,279,956
Due to student groups and grantor agencies	-	-	305,125	-	-	8,561	-	313,686	(313,686)	-
Accrued liabilities										
Wages	505,668	5,485	-	-	-	-	-	511,153	864,575	1,375,728
Payroll taxes, retirement and insurance	863,782	793	-	-	-	-	-	864,575	(864,575)	-
Compensated absences	544,446	6,854	-	-	-	19,179	-	570,479	4,125,654	4,696,133
Interest	-	-	-	-	-	-	-	-	85,550	85,550
Due to other funds	2,889,143	-	393,589	44,871	-	-	-	3,327,603	(3,327,603)	-
Unearned revenues	6,151,285	123,823	395,923	9,499	-	280,389	-	6,960,919	46,627	7,007,546
Net pension liability	-	-	-	-	-	-	-	-	12,466,969	12,466,969
Subscription liability	-	-	-	-	-	-	-	-	2,007,830	2,007,830
General obligation debt	-	-	-	-	-	-	-	-	17,011,178	17,011,178
Total Liabilities	11,410,709	150,150	1,105,859	680,360	25,950	388,594	58,188	13,819,810	32,111,080	45,930,890
DEFERRED INFLOWS OF RESOURCES										
Deferred amount related to leases	-	-	-	-	-	-	-	-	1,592,700	1,592,700
Deferred amount related to OPEB	-	-	-	-	-	-	-	-	2,176,291	2,176,291
Deferred amount related to pensions	-	-	-	-	-	-	-	-	26,141,816	26,141,816
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	29,910,807	29,910,807
NET POSITION										
Net investment in capital assets	-	-	-	-	-	422,849	-	422,849	95,805,577	96,228,426
Net position	-	-	-	-	-	1,572,152	2,967,023	4,539,175	(4,539,175)	-
Fund balances										
Restricted for capital projects	-	-	-	24,532,926	-	-	-	24,532,926	(24,532,926)	-
Restricted for debt service	-	-	-	-	1,089,895	-	-	1,089,895	(85,550)	1,004,345
Restricted for encumbrances	457,484	-	-	3,660,166	-	-	-	4,117,650	(4,117,650)	-
Restricted for prepaid expenditures and inventories	80,529	-	-	-	-	-	-	80,529	(80,529)	-
Restricted for student organizations	-	-	519,044	-	-	-	-	519,044	305,125	824,169
Restricted for student financial assistance	-	-	208,201	-	-	-	-	208,201	-	208,201
Restricted for sick pay benefits	-	-	-	-	-	-	-	-	-	-
Restricted for OPEB	-	-	-	-	-	-	-	-	18,128,160	18,128,160
Restricted for Pension	-	-	-	-	-	-	-	-	-	-
Unrestricted										
Designated for state aid fluctuations	470,000	-	-	-	-	-	-	470,000	(470,000)	-
Designated for operations	18,209,000	782,970	-	-	-	-	-	18,991,970	67,134,257	86,126,227
Designated for subsequent year budgeted expenditures	24,157,235	-	-	-	-	-	-	24,157,235	(24,157,235)	-
Total Fund Balances / Net Position	43,374,248	782,970	727,245	28,193,092	1,089,895	1,995,001	2,967,023	79,129,474	123,390,054	202,519,528
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 54,784,957	\$ 933,120	\$ 1,833,104	\$ 28,873,452	\$ 1,115,845	\$ 2,383,595	\$ 3,025,211	\$ 92,949,284	\$ 185,411,941	\$ 278,361,225

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL STATEMENTS TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023

	Governmental Funds					Proprietary Funds			Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
	General	Special Revenue		Capital Project	Debt Service	Enterprise	Internal Service	Total		
		Operating	Non-Aidable							
REVENUES										
Local government – tax levy	\$ 10,033,904	\$ 757,400	\$ 151,500	\$ -	\$ 9,200,000	\$ -	\$ -	\$ 20,142,804.00	\$ -	\$ 20,142,804
Intergovernmental revenue										
State	52,600,080	1,290,420	1,464,635	171,714	-	-	-	55,526,849	-	55,526,849 (a)
Federal	30,851	2,151,243	3,443,802	7,038	-	36,098	-	5,669,032	(450,023)	5,219,009 (a)
Tuition and fees										
Statutory program fees	11,950,542	-	-	-	-	-	-	11,950,542	(2,462,328)	9,488,214
Materials fees	676,573	1,893	-	-	-	-	-	678,466	(139,409)	539,057
Other student fees	941,248	67,749	400,234	-	-	-	-	1,409,231	(288,007)	1,121,224
Institutional fees										
Investment income	540,512	-	-	608,607	358,040	-	75,018	1,582,177	49,453	1,631,630
Other	3,136,336	693,191	30,879	105,007	-	3,130,516	548,786	7,644,715	(465,944)	7,178,771 (b)
Total Revenues	<u>79,910,046</u>	<u>4,961,896</u>	<u>5,491,050</u>	<u>892,366</u>	<u>9,558,040</u>	<u>3,166,614</u>	<u>623,804</u>	<u>104,603,816</u>	<u>(3,756,258)</u>	<u>100,847,558</u>
EXPENDITURES										
Current										
Instruction	44,320,001	2,226,064	406,961	-	-	-	-	46,953,026	(287,469)	46,665,557
Instructional resources	1,483,235	2,013	-	-	-	-	-	1,485,248	(21,687)	1,463,561
Student services	8,221,230	1,215,688	5,035,134	-	-	-	-	14,472,052	(2,987,531)	11,484,521
General institutional	13,311,230	326,736	633	-	-	-	-	13,638,599	(1,055,555)	12,583,044
Physical plant	5,500,446	-	-	-	-	-	-	5,500,446	263,826	5,764,272
Auxiliary services	-	-	-	-	-	3,049,317	598,968	3,648,285	(449,750)	3,198,535
Capital outlay	-	-	-	9,623,082	-	-	-	9,623,082	(9,623,082)	-
Depreciation/Amortization	-	-	-	-	-	-	-	-	6,546,833	6,546,833
Debt service										
Principal	-	-	-	-	8,810,000	-	-	8,810,000	(8,810,000)	-
Interest and other expenditures	-	-	-	-	559,905	-	-	559,905	49,138	609,043
Total Expenditures	<u>72,836,142</u>	<u>3,770,501</u>	<u>5,442,728</u>	<u>9,623,082</u>	<u>9,369,905</u>	<u>3,049,317</u>	<u>598,968</u>	<u>104,690,643</u>	<u>(16,375,277)</u>	<u>88,315,366</u>
Excess (Deficiency) of Revenues Over Expenditures	7,073,904	1,191,395	48,322	(8,730,716)	188,135	117,297	24,836	(86,827)	12,619,019	12,532,192
OTHER FINANCING SOURCES (USES)										
Transfer in	520,000	-	50,000	5,950,000	-	-	-	6,520,000	(6,520,000)	-
Transfer out	(5,500,000)	(1,007,269)	(470,000)	-	-	457,269	-	(6,520,000)	6,520,000	-
Gain/(loss) on sale/disposal of capital assets	-	-	-	-	-	-	-	-	(146,861)	(146,861)
Long-term debt issued	-	-	-	7,750,000	-	-	-	7,750,000	(7,750,000)	-
Net Change in Fund Balances/Net Position	2,093,904	184,126	(371,678)	4,969,284	188,135	574,566	24,836	7,663,173	4,722,158	12,385,331
FUND BALANCES / NET POSITION - BEGINNING OF YEAR	<u>40,844,565</u>	<u>598,844</u>	<u>1,098,923</u>	<u>19,863,611</u>	<u>901,760</u>	<u>1,420,435</u>	<u>2,942,187</u>	<u>67,670,325</u>	<u>126,212,736</u>	<u>193,883,061</u>
FUND BALANCES / NET POSITION - END OF YEAR, BUDGETARY BASIS PREVIOUSLY REPORTED	42,938,469	782,970	727,245	24,832,895	1,089,895	1,995,001	2,967,023	75,333,498	130,934,894	206,268,392 (c)
Restatement	-	-	-	-	-	-	-	-	(3,748,864)	(3,748,864)
Adjustment for Encumbrances	435,779	-	-	3,360,197	-	-	-	3,795,976	(3,795,976)	-
FUND BALANCES / NET POSITION - END OF YEAR	<u>\$ 43,374,248</u>	<u>\$ 782,970</u>	<u>\$ 727,245</u>	<u>\$ 28,193,092</u>	<u>\$ 1,089,895</u>	<u>\$ 1,995,001</u>	<u>\$ 2,967,023</u>	<u>\$ 79,129,474</u>	<u>\$ 123,390,054</u>	<u>\$ 202,519,528</u>

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL STATEMENTS
TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Year ended June 30, 2023

(a) State grant revenue is presented on the basic financial statement as follows:

Operating	\$ 2,755,055
Non-operating	
State appropriations	52,600,080
State appropriations for capital-related grants	<u>171,714</u>
	<u>\$ 55,526,849</u>

Federal grant revenue is presented on the basic financial statement as follows:

Operating	\$ 4,578,815
Non-operating	
Federal appropriations	633,156
Federal appropriations for capital-related grants	<u>7,038</u>
	<u>\$ 5,219,009</u>

Federal and state appropriations for capital-related grants

State	\$ 171,714
Federal	<u>7,038</u>
	<u>\$ 178,752</u>

(b) Institutional revenue is reported on the basic financial statement as follows:

Non-governmental grants and contracts	\$ 3,892,732
Auxiliary enterprises	3,212,733
Donations	<u>73,306</u>
	<u>\$ 7,178,771</u>

(c) Reconciliation of budgetary basis fund balance and net position as presented in the basic financial statements:

Budgetary basis fund balance	<u>\$ 75,333,498</u>
Capital assets capitalized - at cost	188,628,461
Accumulated depreciation/amortization on capital assets	(75,136,110)
Leases receivable	1,724,616
General obligation notes payable	(16,490,000)
Subscription liabilities	(2,007,830)
Long-term portion of post-employment sick pay	(4,125,654)
Accrued interest on notes payable	(85,550)
Summer school tuition earned	(98,096)
Student club activities	305,125
Unamortized premiums/discounts on notes payable	(521,178)
Unearned grant revenues	51,469
Net pension asset/(liability)	(12,466,969)
Net OPEB asset/(liability)	18,128,160
Encumbrances outstanding at year end	3,795,976
Deferred inflow amount related to leases	(1,592,700)
Deferred outflow amount related to OPEB	5,612,023
Deferred inflow amount related to OPEB	(2,176,291)
Deferred outflow amount related to pensions	45,190,206
Deferred inflow amount related to pensions	<u>(26,141,816)</u>
	<u>127,186,030</u>
Net position per basic financial statements	<u>\$ 202,519,528</u>

Annual Comprehensive **FINANCIAL REPORT**



Statistical Section



WAUKESHA
COUNTY TECHNICAL
COLLEGE

Hands-on
Higher Ed

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NET POSITION										
Net investment in capital assets	\$ 53,978,546	\$ 61,187,788	\$ 69,602,057	\$ 63,960,738	\$ 70,040,469	\$ 78,694,824	\$ 86,737,752	\$ 90,807,821	\$ 94,135,618	\$ 96,228,426
Restricted	2,001,698	8,566,079	860,158	5,132,793	12,353,548	13,383,140	26,231,698	42,218,235	40,341,634	20,164,875
Unrestricted	43,949,053	51,892,056	58,160,249	41,415,538	38,746,292	39,576,388	35,898,146	39,920,259	55,656,945	86,126,227
Total Net Position	<u>\$ 99,929,297</u>	<u>\$ 121,645,923</u>	<u>\$ 128,622,464</u>	<u>\$ 110,509,069</u>	<u>\$ 121,140,309</u>	<u>\$ 131,654,352</u>	<u>\$ 148,867,596</u>	<u>\$ 172,946,315</u>	<u>\$ 190,134,197</u>	<u>\$ 202,519,528</u>

(1) The college implemented GASB 84 beginning with fiscal year ended June 30, 2021, and restated fiscal year ended June 30, 2020, as a result.

(2) The college implemented GASB 96 and GASB 101 beginning with fiscal year ended June 30, 2023, and restated fiscal year ended June 30, 2022, as a result.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES										
Instruction	\$ 49,201,934	\$ 50,195,777	\$ 48,081,416	\$ 38,238,661	\$ 43,425,242	\$ 45,874,721	\$ 41,500,767	\$ 36,342,715	\$ 39,312,449	\$ 46,665,557
Instructional resources	1,699,061	1,659,701	1,703,708	1,371,155	1,329,693	1,410,168	1,332,296	1,140,105	1,243,167	1,463,561
Student services	9,536,951	9,776,184	10,739,298	8,197,319	10,782,303	11,064,330	10,600,499	11,645,792	13,818,699	11,484,521
General institution	12,524,497	12,481,104	12,516,036	12,644,958	11,475,436	12,750,217	12,604,893	12,204,366	12,950,935	12,583,044
Physical plant	6,630,222	5,831,087	6,992,758	5,995,049	6,179,035	6,880,022	5,623,009	6,027,500	5,274,846	5,764,272
Depreciation	4,116,912	4,400,665	4,740,411	4,589,482	4,283,926	4,588,122	4,883,681	4,988,884	5,132,158	6,546,833
Auxiliary services	3,881,375	3,891,160	7,256,962	5,289,079	5,437,849	4,501,684	3,894,177	3,552,347	3,111,079	3,198,535
Total operating expenses	<u>\$ 87,590,952</u>	<u>\$ 88,235,678</u>	<u>\$ 92,030,589</u>	<u>\$ 76,325,703</u>	<u>\$ 82,913,484</u>	<u>\$ 87,069,264</u>	<u>\$ 80,439,322</u>	<u>\$ 75,901,709</u>	<u>\$ 80,843,333</u>	<u>\$ 87,706,323</u>
PROGRAM REVENUES										
Tuition and fees, net of scholarship allowances	\$ 10,330,755	\$ 10,166,588	\$ 10,417,539	\$ 10,930,680	\$ 10,684,144	\$ 11,089,732	\$ 11,017,540	\$ 11,844,375	\$ 11,872,336	\$ 11,148,495
State grants and contracts	2,270,321	2,756,833	2,992,602	1,963,405	2,037,676	2,267,454	2,496,242	2,105,975	2,027,209	2,755,055
Federal grants and contracts	8,453,146	7,895,636	7,229,786	6,369,333	6,071,875	5,128,262	5,227,386	5,703,097	9,029,181	4,578,815
Non-governmental grants and contracts	4,994,741	4,796,152	3,761,110	3,739,542	3,330,256	3,450,243	3,153,017	2,592,833	3,222,325	3,892,732
Auxiliary enterprise services	4,927,076	5,075,652	4,694,177	4,348,493	3,790,750	4,262,279	3,925,486	3,593,150	3,216,731	3,212,733
Total program revenues	<u>\$ 30,976,039</u>	<u>\$ 30,690,861</u>	<u>\$ 29,095,214</u>	<u>\$ 27,351,453</u>	<u>\$ 25,914,701</u>	<u>\$ 26,197,970</u>	<u>\$ 25,819,671</u>	<u>\$ 25,839,430</u>	<u>\$ 29,367,782</u>	<u>\$ 25,587,830</u>
Total primary government net expense	<u>\$ (56,614,913)</u>	<u>\$ (57,544,817)</u>	<u>\$ (62,935,375)</u>	<u>\$ (48,974,250)</u>	<u>\$ (56,998,783)</u>	<u>\$ (60,871,294)</u>	<u>\$ (54,619,651)</u>	<u>\$ (50,062,279)</u>	<u>\$ (51,475,551)</u>	<u>\$ (62,118,493)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
State appropriations	\$ 3,985,735	\$ 47,024,502	\$ 47,256,079	\$ 47,543,718	\$ 47,552,558	\$ 47,588,988	\$ 47,727,907	\$ 48,309,678	\$ 50,922,193	\$ 52,600,080
Federal grants	-	-	-	-	-	-	176,237	2,872,464	3,508,029	633,156
Local property taxes	62,476,228	19,204,089	19,217,240	19,216,669	19,986,148	20,568,275	21,743,807	21,997,069	20,260,089	20,142,804
Gain (loss) on sale of fixed assets	(504,349)	(226,782)	(340,235)	(134,038)	(720,936)	(806,651)	(455,227)	(642,324)	(2,240,172)	(146,861)
Investment income (net of expense)	611,813	383,051	482,919	322,512	492,293	1,647,084	1,549,848	241,546	(429,688)	1,631,630
Interest on capital asset-related debt	(608,381)	(545,588)	(495,557)	(454,567)	(466,781)	(518,992)	(557,391)	(537,176)	(571,231)	(609,043)
Total non-operating revenues/(expenses)	<u>\$ 65,961,046</u>	<u>\$ 65,839,272</u>	<u>\$ 66,120,446</u>	<u>\$ 66,494,294</u>	<u>\$ 66,843,282</u>	<u>\$ 68,478,704</u>	<u>\$ 70,185,181</u>	<u>\$ 72,241,257</u>	<u>\$ 71,449,220</u>	<u>\$ 74,251,766</u>
CAPITAL CONTRIBUTIONS										
Capital federal and state appropriations	\$ 317,025	\$ 185,067	\$ 282,646	\$ 78,190	\$ 76,447	\$ 78,171	\$ 176,524	\$ 1,606,283	\$ 786,951	\$ 178,752
Donations	804,232	147,482	3,508,824	338,649	710,294	2,828,462	1,162,640	293,458	176,126	73,306
Total capital contributions	<u>\$ 1,121,257</u>	<u>\$ 332,549</u>	<u>\$ 3,791,470</u>	<u>\$ 416,839</u>	<u>\$ 786,741</u>	<u>\$ 2,906,633</u>	<u>\$ 1,339,164</u>	<u>\$ 1,899,741</u>	<u>\$ 963,077</u>	<u>\$ 252,058</u>
Change in net position	\$ 10,467,390	\$ 8,627,004	\$ 6,976,541	\$ 17,936,883	\$ 10,631,240	\$ 10,514,043	\$ 16,904,694	\$ 24,078,719	\$ 20,936,746	\$ 12,385,331
Cumulative effect of change in accounting principal (1) & (2)	-	-	-	-	-	-	2,951	-	(58,304)	-
CHANGE IN NET POSITION	<u>\$ 10,467,390</u>	<u>\$ 8,627,004</u>	<u>\$ 6,976,541</u>	<u>\$ 17,936,883</u>	<u>\$ 10,631,240</u>	<u>\$ 10,514,043</u>	<u>\$ 16,907,645</u>	<u>\$ 24,078,719</u>	<u>\$ 20,878,442</u>	<u>\$ 12,385,331</u>

(1) The college implemented GASB 84 beginning with fiscal year ended June 30, 2021, and restated fiscal year ended June 30, 2020, as a result.

(2) The college implemented GASB 96 and GASB 101 beginning with fiscal year ended June 30, 2023, and restated fiscal year ended June 30, 2022, as a result.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

EQUALIZED VALUE OF TAXABLE PROPERTY (a)
LAST TEN FISCAL YEARS

Fiscal Year	Real Estate				Personal Property	Less Tax Incremental Districts (TID)	Total Waukesha County Value (c)	Total WCTC Equalized Value (c)	WCTC Tax Rate (b)
	Residential	Commercial	Manufacturing	Other					
2013	35,263,595,200	9,202,897,200	1,367,263,400	277,704,900	1,105,906,000	(829,903,500)	46,387,463,200 97.76%	47,450,463,938	1.32
2014	36,654,772,100	9,509,067,100	1,395,079,800	276,546,800	1,159,551,100	(711,598,700)	48,283,418,200 97.79%	49,372,912,220	0.39
2015	37,729,840,200	9,641,547,400	1,433,207,900	279,629,100	1,103,399,900	(746,934,000)	49,440,690,500 97.72%	50,592,374,084	0.38
2016	39,052,315,400	10,020,704,300	1,460,140,700	277,359,100	1,127,035,500	(947,934,500)	50,989,620,500 97.77%	52,151,418,030	0.37
2017	40,728,754,200	10,483,713,300	1,493,717,800	282,697,100	1,169,249,200	(1,175,146,400)	52,982,985,200 97.75%	54,199,833,643	0.37
2018	42,779,364,000	11,140,258,800	1,513,521,700	294,986,700	808,506,600	(1,323,678,400)	55,212,959,400 97.74%	56,491,051,260	0.36
2019	45,119,300,700	11,689,761,900	1,553,375,100	306,662,500	871,812,400	(1,181,992,100)	58,358,920,500 97.73%	59,714,493,716	0.36
2020	47,857,267,000	11,935,477,300	1,627,679,700	312,921,200	886,812,700	(1,487,547,000)	61,132,610,900 97.69%	62,576,844,569	0.35
2021	51,003,149,900	12,799,348,000	1,667,998,900	322,222,600	893,618,300	(1,688,567,300)	64,997,770,400 97.64%	66,571,913,441	0.30
2022	58,082,798,900	14,311,879,000	1,719,153,700	367,648,400	925,013,900	(1,953,562,400)	73,452,931,500 97.62%	75,242,236,296	0.27

Notes:

- (a) Due to varying assessment ratios to full market value used in municipalities, all underlying tax districts, such as the technical colleges, are required to use equalized value for levying property taxes. Equalized value, defined by state statute, as the legal market value determined by the Wisconsin Department of Revenue Bureau of Property Tax. These amounts are reduced by Tax Increment District value increments for apportioning the college's levy. Information from Wisconsin Department of Revenue Statement of Changes in Equalized Values by Class and Item and from Town, Village, and City Taxes reports
- (b) Property tax rates are shown per \$1,000 of equalized value.
- (c) This schedule contains detailed information about Waukesha County property values only since Waukesha County makes up approximately 98% of the total value of property within WCTC's boundaries. The total value within WCTC's boundaries is also shown.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

DIRECT AND OVERLAPPING PROPERTY TAX RATES (a)
 LAST TEN FISCAL YEARS
 (Rate per \$1,000 of Equalized Value)

Year Ended June 30	WCTC			Overlapping Rates (c)				Gross Total	State Tax Relief	Net tax Rate
	Operational	Debt Service	Total	Other School Districts	Local (b)	County	State			
2014	1.13	0.19	1.32	10.19	5.31	2.38	0.20	19.40	(1.81)	17.59
2015	0.21	0.18	0.39	10.00	5.22	2.35	0.20	18.16	(1.74)	16.42
2016	0.21	0.17	0.38	10.18	5.05	2.37	0.20	18.18	(1.96)	16.22
2017	0.20	0.17	0.37	9.63	5.21	2.25	0.20	17.66	(1.82)	15.84
2018	0.21	0.16	0.37	9.29	5.04	2.17	0.20	17.07	(1.91)	15.16
2019	0.21	0.15	0.36	8.92	4.92	2.11	0.20	16.54	(1.82)	14.72
2020	0.21	0.15	0.36	8.74	4.78	2.04	0.20	16.12	(1.73)	14.39
2021	0.22	0.13	0.35	8.49	4.74	1.97	0.20	15.75	(1.64)	14.11
2022	0.17	0.13	0.30	7.81	4.63	1.91	0.20	14.85	(1.53)	13.32
2023	0.15	0.12	0.27	6.82	4.29	1.71	0.20	13.29	(1.22)	12.07

Notes:

(b) Cities, towns, villages and other special taxing districts (e.g., sewer districts).

(c) Overlapping rates are those of local and county governments that apply to property owners within the WCTC district. Not all overlapping rates apply to all property owners within the WCTC district. For example, the county rate is made up of the rates for parts of Waukesha, Dodge, Jefferson, and Racine 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 the column since each governmental unit can have a different rate.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS PRIOR

Taxpayer	2022			2013		
	Equalized Valuation	2022 Rank	Percentage of Total Equalized Valuation	Equalized Valuation	2013 Rank	Percentage of Total Equalized Valuation
Wimmer Brothers	\$ 305,943,623	1	0.42%	\$ 93,056,600	10	0.20%
The Corners of Brookfield	224,281,900	2	0.31%	-		
Pro Health Care	200,506,489	3	0.27%	101,187,690	6	0.22%
Individual (Thomson)	197,520,986	4	0.27%	123,219,200	3	0.27%
Brookfield Square	171,484,400	5	0.23%	205,248,700	1	0.44%
Aurora	158,165,666	6	0.22%	134,952,700	2	0.29%
Irgens	150,679,912	7	0.21%	-		
Fiduciary Real Estate Development	141,479,700	8	0.19%	-		
Target Corporation	119,964,919	9	0.16%	100,393,900	7	0.22%
Kohls	113,455,914	10	0.15%	104,432,350	4	0.23%
Wal-Mart	-			103,164,800	5	0.22%
Bielinski Bros.	-			98,614,400	8	0.21%
Pabst Farms	-			93,310,700	9	0.20%
TOTAL	\$ 1,783,483,509		2.43%	\$ 1,157,581,040		2.50%
TOTAL WAUKESHA COUNTY EQUALIZED VALUATION	\$ 73,452,931,500			\$ 46,387,463,200		

Note:

Source: Waukesha County Department of Administration – Finance Office 2022

For purposes of this schedule, WCTC utilizes data from Waukesha County only since there is less than 4% each of Dodge, Jefferson, and Racine Counties located in the WCTC district.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

PROPERTY TAX LEVIED AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year Year Ended June 30	Total Tax Levy	As of June 30 of Fiscal Year		Cumulative as of June 30, 2023	
		Amount Collected	Percent Collected	Amount Collected (a)	Percent Collected
2013	62,431,049	49,012,872	79%	62,431,049	100%
2014	62,431,049	49,593,585	79%	62,431,049	100%
2015	19,211,735	15,280,598	80%	19,211,735	100%
2016	19,211,735	15,154,573	79%	19,211,735	100%
2017	19,211,735	15,228,336	79%	19,211,735	100%
2018	19,975,201	15,896,724	80%	19,975,201	100%
2019	20,451,561	16,087,368	79%	20,451,561	100%
2020	21,506,565	17,002,881	79%	21,506,565	100%
2021	21,985,615	17,499,303	80%	21,985,615	100%
2022	20,117,497	16,111,085	80%	20,117,497	100%
2023 (b)	20,139,719	16,044,429	80%	16,044,429	80%

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 make settlement with other taxing units, such as the county, WCTC, and local schools. 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 treasurer who then makes settlement with the city, village, and 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, WCTC receives 100% of its levy upon receipt of settlement from the County Treasurer, 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) WCTC will receive the balance of its tax payments by August 20, 2023.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

RATIO OF NET DEBT TO EQUALIZED VALUATION AND DEBT PER CAPITA LAST TEN FISCAL YEARS

Year Ended June 30	Population (a)	Personal Income (000's)	Equalized Valuation (b)	Outstanding Debt	Less Amounts Available	Net Debt Outstanding	Percent of Net Debt to Personal Income	Percent of Net Debt to Equalized Valuation	Debt Per Capita
2013	405,794	23,351,870	48,001,095,149	23,756,715	1,263,382	22,493,333	0.10%	0.05%	55.43
2014	407,150	24,313,922	47,450,463,938	23,464,104	1,498,006	21,966,098	0.09%	0.05%	53.95
2015	408,359	25,546,252	49,372,912,220	22,094,178	764,377	21,329,801	0.08%	0.04%	52.23
2016	410,919	26,105,360	50,592,374,084	21,118,167	559,030	20,559,137	0.08%	0.04%	50.03
2017	412,747	27,687,459	52,151,418,030	20,466,236	611,973	19,854,263	0.07%	0.04%	48.10
2018	416,057	29,282,988	54,199,833,643	19,818,076	629,336	19,188,740	0.07%	0.04%	46.12
2019	420,620	29,859,495	56,491,051,260	19,311,015	764,820	18,546,195	0.06%	0.03%	44.09
2020	421,445	30,852,093	59,714,493,716	18,947,908	1,116,298	17,831,610	0.06%	0.03%	42.31
2021	426,063	33,531,140	62,576,844,569	18,484,670	852,748	17,631,922	0.05%	0.03%	41.38
2022	426,201	N/A	66,571,913,441	18,017,962	807,363	17,210,599	N/A	0.03%	40.38
2023	N/A	N/A	73,452,931,500	17,011,178	1,089,933	15,921,245	N/A	0.02%	N/A

Notes:

Details regarding the college's outstanding debt can be found in the notes to the financial statements.

(a) Source—Wisconsin Department of Revenue.

(b) Value as reduced by tax incremental financing districts. Equalized valuations are shown on a calendar year basis for the prior year (i.e. 2019 fiscal year would be 2018 calendar year information).

N/A - Information not yet available

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Dollars in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Equalized value of real and personal property	\$ 47,450,464	\$ 49,372,912	\$ 50,592,374	\$ 52,151,418	\$ 54,199,834	\$ 56,491,051	\$ 59,714,494	\$ 62,576,845	\$ 66,571,913	\$ 73,452,932
Debt limit, 5% of equalized valuation (Wisconsin statutory limitation)	\$ 2,372,523	\$ 2,468,646	\$ 2,529,619	\$ 2,607,571	\$ 2,709,992	\$ 2,824,553	\$ 2,985,725	\$ 3,128,842	\$ 3,328,596	\$ 3,672,647
Gross indebtedness applicable to debt limit										
General obligation promissory notes	23,195	21,885	20,940	20,320	19,680	19,110	18,580	18,090	17,550	16,490
Less debt service funds available	(1,498)	(764)	(559)	(612)	(629)	(765)	(1,116)	(853)	(807)	(1,090)
Total amount of debt applicable to debt margin	21,697	21,121	20,381	19,708	19,051	18,345	17,464	17,237	16,743	15,400
Legal debt margin (Debt capacity)	\$ 2,350,826	\$ 2,447,525	\$ 2,509,238	\$ 2,587,863	\$ 2,690,941	\$ 2,806,208	\$ 2,968,261	\$ 3,111,605	\$ 3,311,853	\$ 3,657,247
Percent of debt capacity used	0.91%	0.86%	0.81%	0.76%	0.70%	0.65%	0.58%	0.55%	0.50%	0.42%
Debt limit, 2% of equalized valuation (Wisconsin statutory limitation)	\$ 949,009	\$ 987,458	\$ 1,011,847	\$ 1,043,028	\$ 1,083,997	\$ 1,129,821	\$ 1,194,290	\$ 1,251,537	\$ 1,331,438	\$ 1,469,059
Legal debt margin (Debt capacity)	\$ 949,009	\$ 987,458	\$ 1,011,847	\$ 1,043,028	\$ 1,083,997	\$ 1,129,821	\$ 1,194,290	\$ 1,251,537	\$ 1,331,438	\$ 1,469,059
Percent of debt capacity used	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

Details regarding the college's outstanding debt can be found in the notes to the financial statements.

(a) Source—Wisconsin Department of Revenue.

(b) Value as reduced by tax incremental financing districts.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

For the Year Ended June 30, 2023

JURISDICTION	Net Debt Outstanding	Percentage Applicable to WCTC	Amount Applicable to WCTC
DIRECT DEBT			
WCTC	\$ 17,631,922	100 %	\$ 17,631,922
TOTAL DIRECT DEBT			\$ 17,631,922
OVERLAPPING DEBT			
County of			
Dodge	26,405,000	3	792,150
Jefferson	48,750,000	13	6,337,500
Racine	157,678,317	4	6,307,133
Waukesha	76,906,770	99	76,137,702
Total All Counties			\$ 89,574,485
City of			
Brookfield	91,108,000	100	91,108,000
Delafield	12,914,293	100	12,914,293
Muskego	30,548,580	100	30,548,580
New Berlin	73,937,431	94	69,501,185
Oconomowoc	41,820,000	100	41,820,000
Pewaukee	43,276,338	100	43,276,338
Waukesha	531,983,995	100	531,983,995
Total All Cities			\$ 821,152,391
Town of			
Ashippun	72,581	72	52,258
Brookfield	2,115,000	100	2,115,000
Cold Spring	672,114	1	6,721
Concord	136,874	31	42,431
Delafield	3,339,306	100	3,339,306
Eagle	-	100	-
Genesee	2,345,000	100	2,345,000
Ixonia	3,636,729	83	3,018,485
Lebanon	130,557	3	3,917
Lisbon	8,070,195	100	8,070,195
Merton	2,044,136	100	2,044,136
Mukwonago	2,737,291	100	2,737,291
Norway	676,536	58	392,391
Oconomowoc	6,477,068	100	6,477,068
Ottawa	-	100	-
Palmyra	132,816	100	132,816
Sullivan	292,344	45	131,555
Total All Towns			\$ 30,908,570

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

For the Year Ended June 30, 2023

JURISDICTION	Net Debt Outstanding	Percentage Applicable to WCTC	Amount Applicable to WCTC
Village of			
Big Bend	\$ 3,613,613	100 %	\$ 3,613,613
Butler	7,835,366	100	7,835,366
Chenequa	139,487	100	139,487
Dousman	7,357,930	100	7,357,930
Eagle	372,500	100	372,500
Elm Grove	4,721,204	100	4,721,204
Hartland	18,055,628	100	18,055,628
Lac La Belle - Jefferson County	2,620	100	2,620
Lac La Belle - Waukesha County	870,853	100	870,853
Lannon	1,290,321	100	1,290,321
Menomonee Falls	81,163,077	100	81,163,077
Merton	4,300,000	100	4,300,000
Mukwonago	32,830,000	100	32,830,000
Nashotah	139,197	100	139,197
North Prairie	136,278	100	136,278
Oconomowoc Lake	193,918	100	193,918
Palmyra	5,418,627	100	5,418,627
Pewaukee	20,870,095	100	20,870,095
Summit	8,219,067	100	8,219,067
Sussex	26,632,549	100	26,632,549
Vernon	2,560,000	100	2,560,000
Wales	4,426,666	100	4,426,666
Waukesha	-	100	-
Total All Villages			\$ 231,148,994
School district of			
Arrowhead	223,220	100	223,220
Elmbrook	26,410,000	100	26,410,000
Hamilton	41,705,000	100	41,705,000
Kettle Moraine	17,286,624	100	17,286,624
Menomonee Falls	32,710,000	100	32,710,000
Mukwonago	21,976,187	100	21,976,187
Muskego – Norway	70,592,185	100	70,592,185
New Berlin	24,570,000	100	24,570,000
Oconomowoc	65,260,000	100	65,260,000
Palmyra-Eagle	8,240,000	100	8,240,000
Pewaukee	39,325,000	100	39,325,000
Waukesha	16,468,564	100	16,468,564
Total All School Districts			\$ 364,766,780
TOTAL OVERLAPPING DEBT			\$ 1,537,551,219
TOTAL DIRECT AND OVERLAPPING DEBT			\$ 1,555,183,141

WCTC's boundaries comprise the boundaries of twelve K-12 school districts and the towns, villages, cities, and county property that are contained within those school districts. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses located within the college's boundaries. This process recognizes that, when considering the college's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

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

Source: Survey of each governmental unit within WCTC's boundaries June 2022.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS (1) LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (000's) (b)	Per Capita Personal Income (b)	Number of Households (c)	Median Household Income (c)	School Enrollment (1)(2)	Public High School Graduates (d)	Unemployment Rate (e)
2013	405,794	23,449,067	59,532	155,263	75,368	75,797	5,107	5.5%
2014	407,150	24,458,789	61,909	154,970	76,053	75,123	5,053	4.4%
2015	408,359	25,767,221	65,095	157,143	77,761	74,771	4,936	3.8%
2016	410,919	26,772,899	67,231	156,503	81,878	74,233	N/A (3)	3.4%
2017	412,747	27,687,459	69,111	159,513	82,248	73,979	4,901	2.9%
2018	416,057	29,282,988	72,650	158,368	86,968	73,824	5,008	2.7%
2019	420,620	29,859,495	73,873	160,635	90,458	73,618	5,009	2.9%
2020	421,445	30,852,093	75,958	N/A*	N/A*	73,068	4,806	5.6%
2021	426,063	33,531,140	82,032	167,089	94,171	71,355	4,941	3.1%
2022	426,201	N/A	N/A	170,114	98,849	70,769	5,018	2.5%
2023	N/A	N/A	N/A	N/A	N/A	72,170	N/A	N/A

Notes:

- (a) Wisconsin Department of Revenue, Demographics Service Center - Entire district, not just Waukesha County.
- (b) Source—US Department of Commerce, Bureau of Economic Analysis (for Waukesha County only).
- (c) Source— US Census Bureau, American Community Survey
- (d) Source— Wisconsin Department of Public Instruction and Wisconsin Technical College Systems Transition Report
- (e) Source—Wisconsin WORKnet

- (1) Represents only Waukesha County, except for population, school enrollments, and high school graduations.
- (2) Data based on academic year which includes five months of the previous calendar year.
- (3) Data not available from Wisconsin Department of Education

N/A - Information not yet available

N/A* - Information not available due to COVID disruptions

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

BUDGETED POSITIONS BY EMPLOYEE GROUP - HEADCOUNT BASIS LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Employee Groups:										
Faculty										
Full-time faculty	187	174	195	187	187	185	191	191	187	194
Faculty associates	29	25	22	24	27	27	24	19	24	13
Adjunct faculty	588	596	561	569	522	496	468	439	452	482
Faculty support professionals	24	32	33	30	26	37	39	39	53	55
Professionals	11	13	18	18	21	24	40	38	42	45
Administrators/Management	76	91	84	80	76	71	78	64	89	100
Support Associates	216	204	193	194	175	163	162	156	165	145
Total	1,131	1,135	1,106	1,102	1,034	1,003	1,002	946	1,012	1,034

*Included in adjunct faculty count

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

Numbers include only filled positions at the time of the report. Vacant positions not included.

Each position counted as one regardless of full-time or part-time status.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

TEN LARGEST EMPLOYERS
CURRENT YEAR AND NINE YEARS PRIOR

Employer	Type of Business	2022			2013		
		Approximate Employees	Percent of Total	Rank	Approximate Employees	Percent of Total	Rank
ProHealth Care	Health Services	4,996	16%	1	4,794	17%	2
Froedtert	Health services	4,265	14%	2	-	-	-
Kohl's Department Stores	Retail/Headquarters	4,000	13%	3	5,054	18%	1
Quad Graphics	Printing/Headquarters	3,601	11%	4	3,664	13%	4
Roundy's (Kroger)	Retail/Distribution Cntr	3,400	11%	5	2,728	10%	5
Advocate Aurora Health Care	Health Services	2,800	9%	6	-	-	-
GE Healthcare	Medical Equipment/Training	2,397	8%	7	3,700	14%	3
Milwaukee Electric Tool/Empire Level	Manufacturing/Headquarters	2,282	7%	8	-	-	-
Generac	Manufacturing	2,190	7%	9	-	-	-
Target corporation	Retail/Distribution Cntr	1,565	5%	10	1,441	5%	8
Waukesha School District	Education	-	-	-	1,784	7%	6
Wal-Mart Corporation	Retail	-	-	-	1,543	6%	7
Waukesha County	Government	-	-	-	1,364	5%	9
Community Memorial Hospital	Plumbing Contractors	-	-	-	1,333	5%	10
TOTAL		<u>31,496</u>	<u>100.00%</u>		<u>27,405</u>	<u>100.00%</u>	

Note:

Source: Waukesha County Department of Administration – Finance Office February 2023 and February 2013 employer inquiry updates, Wisconsin Department of Workforce Development, Labor Market Information Bureau

For purposes of this schedule, WCTC utilizes data from Waukesha County only since there is less than 4% each of Dodge, Jefferson, and Racine Counties located in the WCTC district.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

MISCELLANEOUS OPERATING INDICATORS
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Students served (a)										
Associate degree	7,816	6,994	6,450	6,321	6,056	6,153	6,018	5,783	9,056	9,501
Technical diploma	1,513	1,520	1,351	1,201	1,171	1,147	1,073	1,108	1,056	1,070
Apprentices	279	346	371	419	482	566	656	632	653	695
Vocational adult	10,067	10,044	8,058	6,904	6,579	6,445	5,236	4,995	5,787	6,034
Non-post secondary (e)	1,529	1,278	1,179	1,260	1,067	930	829	514	683	799
Community service (e)	1,551	1,004	1,761	1,938	1,536	1,306	690	80	194	-
Subtotal	22,755	21,186	19,170	18,043	16,891	16,547	14,502	13,112	17,429	18,099
Transcripted credit (c)	4,723	4,933	3,536	3,258	3,207	3,598	3,333	2,719	3,337	3,864
Total students	27,478	26,119	22,706	21,301	20,098	20,145	17,835	15,831	20,766	21,963
Student enrollments (a)										
Associate degree	34,698	31,509	30,299	29,178	28,629	28,169	27,813	28,220	32,659	33,032
Technical diploma	5,611	5,375	5,287	5,052	4,990	4,626	4,676	4,596	4,275	4,831
Apprentices	871	1,360	1,325	1,496	1,784	2,395	2,668	2,264	2,444	2,865
Vocational adult	17,003	16,619	13,683	11,286	11,086	10,828	8,881	9,264	11,050	10,824
Non-post secondary (e)	8,547	7,489	6,582	6,567	6,065	6,209	5,722	4,113	4,716	5,440
Community service (e)	3,923	2,434	3,475	3,900	3,117	2,778	1,359	97	261	43
Subtotal	70,653	64,786	60,651	57,479	55,671	55,005	51,119	48,554	55,405	57,035
Transcripted credit (c)	4,856	5,077	3,661	3,394	3,322	4,101	3,838	3,213	3,848	4,540
Total enrollments	75,509	69,863	64,312	60,873	58,993	59,106	54,957	51,767	59,253	61,575
Full-time equivalent enrollments (b)										
Associate degree	3,319	3,038	2,877	2,752	2,707	2,633	2,572	2,556	2,448	2,414
Technical diploma	432	408	423	389	390	377	364	347	325	346
Apprentices	58	68	72	82	92	109	126	111	119	134
Vocational adult	213	182	141	116	116	114	90	97	117	114
Non-post secondary (e)	274	239	209	204	186	179	171	116	127	155
Community service (e)	34	25	38	37	31	27	14	-	1	4
Total full-time equivalent enrollments	4,330	3,960	3,760	3,580	3,522	3,439	3,337	3,227	3,137	3,167

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

MISCELLANEOUS OPERATING INDICATORS
LAST TEN FISCAL YEARS
(continued)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Graduate follow-up statistics (d)										
Number of associate degrees and diplomas awarded	1,814	1,894	1,918	2136	2,039	1,800	1,858	1,996	1,987	N/A
Number of respondents	1,044	1,142	895	982	939	1,029	858	883	839	N/A
Percent employed in related occupation	79%	79%	83%	80%	81%	84%	81%	79%	86%	N/A
Median annual salary	\$ 37,440	\$ 36,372	\$ 38,508	\$ 42,088	\$ 42,000	\$ 47,803	\$ 50,000	\$ 50,000	\$ 51,960	N/A
Percent residing in district	67%	69%	66%	65%	68%	63%	65%	63%	64%	N/A
Percent employed in district	56%	51%	53%	58%	55%	56%	50%	52%	47%	N/A
Percent employed in Metro Milwaukee	88%	88%	87%	87%	89%	86%	88%	87%	82%	N/A
Cost per full-time equivalent student	\$ 16,715	\$ 18,469	\$ 17,015	\$ 18,079	\$ 17,927	\$ 18,362	\$ 19,712	\$ 18,961	\$ 20,230	N/A
Average age of postsecondary students	26.3	25.7	24.8	25.2	25.4	25.0	24.6	24.7	24.0	N/A
Age range of postsecondary students	13 - 76	13 - 78	14 - 84	14 - 84	14 - 77	13 - 80	11 - 82	12 - 76	12 - 78	N/A

- (a) Students served represents the unduplicated count of citizens enrolled in WCTC courses. Student enrollments represents the total number of students enrolled in each course offered.
- (b) 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.
- (c) In 1996 the state separated transcripted credits from other aid categories. WCTC receives no FTE's for transcripted credits. Transcripted credits are college credits high school students earn while in high school. These are WCTC courses taught by the high school faculty. Beginning in 2017, these credits are now included.
- (d) Survey is conducted approximately six months after graduation, therefore, 2021 statistics are not available.
- (e) Non-post secondary courses are adult basic education classes. Community service classes are non-credit, hobby-type classes.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
Square footage											
Pewaukee	687,606	687,606	710,308	710,308	710,308	710,308	738,447	761,657	778,521	778,521	(d)
Waukesha	44,850	44,850	45,010	45,010	45,010	45,010	45,010	45,010	45,010	45,010	
Sky Plaza	17,280	17,280	17,280	17,280	17,280	-	-	-	-	-	(a)
Workforce Development Center	30,685	30,685	30,685	30,685	30,685	30,685	30,685	-	-	-	(c)
Morris Street	20,529	20,529	20,529	20,529	20,529	20,529	20,529	-	-	-	
Indoor Firing Range	19,800	19,800	19,800	19,800	19,800	19,800	19,800	19,800	-	-	(b)

WCTC also uses area schools, churches and hospitals to conduct classes.

In 2008 WCTC remeasured all of its property. Amounts shown are gross square feet.

(a) This lease was terminated in 2018/19 due to discontinuance of the Auto Body program at this site.

(b) Effective April 1, 2013, WCTC leased space for an Indoor Firing Range and Training Center, this lease was terminated in December 2021

(c) Effective fiscal 2021 the lease for the workforce building was terminated and the building donated to WCTC. The building is incorporated into the Pewaukee campus location

(d) Construction of V Building added, demolition of Steele House 2022

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

MISSION, VISION, STRATEGIC DIRECTIVES

June 30, 2023

Mission Statement

Waukesha County Technical College provides accessible career and technical education to strengthen our community through lifelong learning.

Vision Statement

Waukesha County Technical College is the distinct choice for innovative and transformative education.

Values

- **Commitment**
We are dedicated to creating a learning environment that fosters dependability, effectiveness, responsiveness, stewardship and accountability.
- **Integrity**
We work together promoting a climate characterized by honesty, truthfulness, fairness and trust.
- **Relationships**
We encourage collaboration through teamwork and respect diversity among our College community.
- **Communication**
We share information and ideas in an open, honest and timely manner throughout the college.
- **Learning**
We provide opportunities for learning technical and critical life skills for members of our College community.
- **Excellence**
We continually improve as we explore innovative, high quality and flexible learning options.

End Statements

- **Students** will be given every opportunity to obtain critical life skills and the occupational and technical skills needed to achieve their educational goals at an affordable cost.
- **Taxpayers** will benefit from customer-driven educational services provided through efficient and effective use of limited resources.
- **Employers** will be able to develop and maintain a skilled workforce through available and accessible educational offerings.

Strategic Directives

- **Strategic Directive 1**
Facilitate learning so students are competently prepared for the workforce.
- **Strategic Directive 2**
Provide transformative educational offerings to meet stakeholder needs.
- **Strategic Directive 3**
Create an exemplary, engaged workforce where employees are valued.
- **Strategic Directive 4**
Execute strategic initiatives to attain the College's vision.
- **Strategic Directive 5**
Build financial strength through effective resource stewardship.

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

DEGREE/DIPLOMA PROGRAM OFFERINGS June 30, 2023

Our offerings cover a wide spectrum in post-secondary education from adult basic education to associate degree programs and many areas in between. We offer the following programs:

Associate Degree of Applied Science

Accounting	Hospitality Management
Administrative Professional	Human Resources
Architectural Drafting/Construction Technology	Human Services Associate
Automation Systems Technology	Information Technology – Computer Support Specialist
Automotive Technology	Information Technology – Database Specialist
Automotive Technology – GM ASEP	Information Technology – Network Security Specialist
Baking and Pastry Management	Information Technology – Network Specialist
Business Management	Information Technology – Web and Software Developer
Construction Management Technology	Interior Design
Criminal Justice Studies	Leadership Development
Culinary Management	Manufacturing Engineering Technology
Dental Hygienist	Marketing
Diesel Equipment Technology	Mechanical Design Technology
Early Childhood Education	Mechanical Engineering Technology
Electrical Engineering Technology	Metal Fabrication/Welding Advanced
Electronic Systems Technology	Nursing
Fire Medic	Paramedic Technician
Fire Protection Technician	Quality Management
Foundations of Teacher Education	Real Estate
Front End Developer (formerly Web and Digital Media Design)	Supply Chain Management
Global Business	Surgical Technology
Graphic Design	Technical Studies – Journeyworker
Health Information Technology	

Technical Diplomas

Advanced EMT	Dental Assistant
Autism Technician	Electricity
Baking and Pastry Production	Emergency Medical Technician
Building Trades – Carpentry	Industrial Maintenance Technician
Central Service Technician	Language Interpreter for Health Services
Cosmetology	Medical Assistant
Criminal Justice – Law Enforcement Academy (not available to general public)	Nursing Assistant
Customer Service Specialist	Phlebotomy Technician
	Refrigeration, Air Conditioning, and Heating
	Truck Driving

Apprenticeships

ABC Electrician	Machinist
Concrete Finishing - ABC	Maintenance Mechanic/Millwright
Electricity and Instrumentation	Maintenance Technician
Industrial Electrician	Mechatronics Technician
Industrial Manufacturing Technician	Plumbing – ABC
Injection Mold Setup (Plastic)	Tool and Die
IT – Service Desk	Welding

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

DEGREE/DIPLOMA PROGRAM OFFERINGS June 30, 2023

Embedded Technical Diploma

Accounting Assistant	IT Software Development Specialist
Aesthetician	Import/Export Specialist
Automotive Maintenance and Light Repair	Lean/Six Sigma
Auto Maintenance Technician	Machine Tool Operation
Baking and Pastry Production	Medical Coding Specialist
CNC Set-up Technician	Metal Fabrication/Welding
Desktop Support Technician	Network Enterprise Administrator
Diesel Maintenance Technician	Organizational Leadership
Diesel Equipment Mechanic	Paramedic Technician
Early Childhood Ed Preschool	Property Management Associate
Hospitality Specialist	Supply Chain Management
Human Resources Professional	Welding Technician
IT Mobile Programmer	

WCTC Technical Certificates

Accounting in Healthcare	Infant Toddler Credential
Automation Industrial PLC	Instructional Strategies
Automation Control and Interface	Integration
Baking/Pastry	Introduction to Health Career
Business Systems Analyst	IT Network Support Specialist
CAE2Y Cyber Security	IT Security Administrator
Change Management	IT Service Desk Technician
Child Care Administrator Credential	IT Support Technician
Cisco – CCNA	IT Azure and AWS Public Cloud
CNC Operator	Java Programming
Caregiver	Lean Enterprise
Change Management	Management of Supply Chain Effectiveness
Communication	Maintenance Technician Level 1
Communication – Verbal Emphasis	Maintenance Technician Level 2
Communication – Writing Emphasis	Maintenance Technician Level 3
Compensation and Benefits Specialist	Marketing Leadership and Innovation
Computerized Accounting Specialist	Marketing Management
Database Developer	Marketing Media
Database Server Administrator	Mechatronics for Electron Technician
Developmental Disabilities	Mortgage Lending
Digital Photography	Nail Technician
Digital Production/DTP	Property Assessment
Enterprise Support Technician	Property Management
Entrepreneurship	Refrigeration Service
Excellence in Leadership	Six Sigma Black Belt
Global Business Communication	Six Sigma Green Belt
Global Marketing	Social Media Marketing
Global Supply Chain Management	Storage and Visualization Administrator
Global Trade Finance	Talent Acquisition Specialist
GMAW/Fabricator	Tax for the Accountant
Inclusion	Web Design
Industrial Laser Operator	Youth Care Counselor

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

DEGREE/DIPLOMA PROGRAM OFFERINGS

June 30, 2023

Dual Enrollment Programs

Automation Systems (Robotics)

Building Construction Trades

Early Childhood Ed Preschool

Firefighter/EMT

Hospitality Specialist

IT Systems Specialist

Tool and Die

Welding Fabrication

Shared Programming (originating college shown after program)

Anesthesia Technology (Milwaukee Area Technical College)

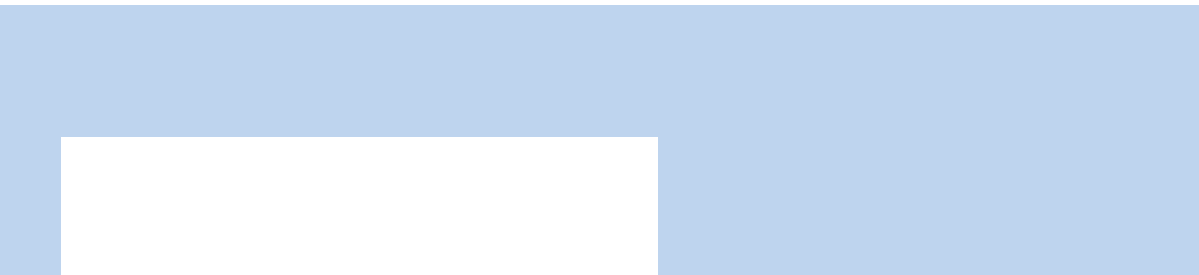
Bio-Medical Electronics (Milwaukee Area Technical College)

Health Care Services Management (Milwaukee Area Technical College)

Physical Therapist Assistant (Blackhawk Technical College)

Radiography (Milwaukee Area Technical College)

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WAUKESHA
COUNTY TECHNICAL
COLLEGE

} Hands-on
Higher Ed

WCTC prohibits discrimination or harassment based on any status protected by applicable state or federal law.

10392/23

800 Main Street, Pewaukee, WI 53072