

Blackhawk Technical College District

Financial Statements

Years Ended June 30, 2023 and 2022



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Blackhawk Technical College District

Financial Statements and Single Audit
Years Ended June 30, 2023 and 2022

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Independent Auditor's Report

Independent Auditor's Report

District Board
Blackhawk Technical College District
Janesville, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information (the "financial statements") of Blackhawk Technical College District (the "College"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the the business-type activities, the discretely presented component unit, and the aggregate remaining information of Blackhawk Technical College District, as of June 30, 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 ("GAAP").

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2023 the College adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. 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 Blackhawk Technical College District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that a management's discussion and analysis, the schedule of changes in net OPEB liability and related ratios, the schedule employer contributions, the schedule of investment returns, the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions - Wisconsin Retirement System, and the schedules of employer's proportionate share of the net OPEB liability and employer contributions - Local Retiree Life Insurance Fund be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Government Auditing Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the College's basic financial statements. The budgetary comparison schedules listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Blackhawk Technical College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

December 21, 2023

Eau Claire, Wisconsin

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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

Basic Financial Statements

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

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

The *statement of net position* presents information on all of the College's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the College is improving or deteriorating. This statement is prepared under the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

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

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

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

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

	amounts shown in thousands			Increase or (Decrease)			
				(2023-2022)		(2022-2021)	
	2023	Restated 2022	Restated 2021	\$	%	\$	%
ASSETS							
Cash and cash equivalents	\$44,749	\$40,278	\$22,597	\$4,471	11.1%	\$17,681	78.2%
Net capital and lease assets	72,446	67,674	54,336	4,772	7.1%	13,339	24.5%
Other assets	12,861	20,892	20,379	(8,031)	-38.4%	514	2.5%
Total assets	130,056	128,844	97,312	1,211	0.9%	31,533	32.4%
Deferred Outflows of Resources	18,914	15,856	10,761	3,057	19.3%	5,096	47.4%
LIABILITIES							
Current liabilities	\$14,079	\$13,643	\$12,129	436	3.2%	1,514	12.5%
Long-Term liabilities	67,466	65,942	40,605	1,523	2.3%	25,337	62.4%
Total liabilities	81,544	79,585	52,734	1,959	2.5%	26,851	50.9%
Deferred Inflows of Resources	12,388	18,836	16,114	(6,448)	-34.2%	2,721	16.9%
NET POSITION							
Net investment in capital assets	\$26,121	\$19,006	\$14,356	7,115	37.4%	4,650	32.4%
Restricted for:							
Debt Service	352	293	224	59	20.1%	69	30.7%
Pension	0	7,374	5,891	(7,374)	-100.0%	1,483	25.2%
OPEB	6,260	5,695	7,792	565	0.0%	(2,097)	-26.9%
Student Financial Assistance	133	126	136	8	6.0%	(11)	-7.7%
Student Organizations	727	650	617	77	11.9%	32	5.2%
Unrestricted	21,443	13,136	10,207	8,307	63.2%	2,929	28.7%
Total net position	\$55,037	\$46,280	\$39,223	\$8,757	18.9%	\$7,057	18.0%

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

Fiscal Year 2023 Compared to 2022

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

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

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

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

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

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

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

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

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

- ❖ Net investment in capital assets increased \$7.2 million due to investment in capital assets offset by depreciation. Unrestricted net position increased \$8.61 million due largely to strong operational performance wherein revenues exceeded expenditures. These increases are offset by a decrease of \$7.4 in net position restricted for Pension, which is the result of actuarial adjustments (actual versus expected experience and a change in assumptions).

Fiscal Year 2022 Compared to 2021

From 2021 to 2022, total assets increased by \$31.5 million, or 32.4%. Significant changes are as follows:

- ❖ Cash and cash equivalents increased by \$17.7 million, or 78.2% due primarily to referenda capital borrowing for construction not yet completed.
- ❖ Net capital and lease assets increased by \$13.3 million, or 24.5% due to capital asset additions net of disposals.
- ❖ Other assets remained steady from the prior year with an increase of \$513,775, or 2.5% due primarily to a \$2.1 million decrease in other post-employment benefit assets, offset by increases of \$1.5 million in other post-employment benefit assets, \$888,958 in receivables, and \$238,025 in prepaid expenses.

From 2021 to 2022, deferred outflows of resources increased \$5.1 million, or 47.49%. This change is primarily due to:

- ❖ A \$4.60 million increase in the College's proportionate share of the Wisconsin Retirement System collective deferred outflows of resources for pension and life benefits and \$625,302 increase in Other Post-Employment Benefits. These increases are attributed to positive actual versus expected experience and a change in assumptions.

From 2021 to 2022, total liabilities increased \$26.9 million, or 50.9%. Significant changes are as follows:

- ❖ Current liabilities increased \$1.5 or 12.5% primarily due to increases in accounts payable and accrued liabilities and in the current portion of long-term obligations payable over the prior year.
- ❖ Long term liabilities increased \$25.3 million, or 62.4% due primarily to the net addition of \$22.5 million in general obligation debt, \$1.6 million in lease liability payable and \$115,649 in OPEB-life insurance liability.

From 2021 to 2022, deferred inflows of resources increased \$2.7 million, or 16.9%. This is due to:

- ❖ A \$4.45 million increase in the College's proportionate share of collective deferred inflows of resources in the Wisconsin Retirement System pension plan, offset by a reduction of \$1.69 million in other post-employment benefit-health insurance deferred inflows of resources. Deferred inflows of resources will be applied to future periods and will be recognized as revenue at that time.

From 2021 to 2022, total net position increased by \$7.06 million or 18.0%. Significant changes are as follows:

- ❖ Net investment in capital assets increased \$4,712,425 due to investment in capital assets offset by depreciation and an increase in debt to acquire capital assets. Net position restricted for Pension increased \$1.48 million and decreased \$2.1 million for OPEB, which are the result of actuarial adjustments (actual versus expected experience and a change in assumptions). Unrestricted net position increased \$2.87 million due largely to strong operational performance wherein revenues exceeded expenditures.

Condensed Comparative Data and Overall Analysis

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

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

	amounts shown in thousands			Increase or (Decrease)			
	2023	Restated 2022	Restated 2021	(2023-2022)		(2022-2021)	
				\$	%	\$	%
Operating Revenues:							
Student tuition and fees	\$5,796	\$4,996	\$4,806	\$800	16.0%	\$190	4.0%
Federal grants	7,487	10,871	8,894	-3,384	-31.1%	1,977	22.2%
State grants	975	797	705	178	22.3%	92	13.0%
Miscellaneous	9,795	4,363	2,897	5,432	124.5%	1,466	50.6%
Total operating revenues	\$24,053	\$21,027	\$17,302	\$3,026	14.4%	\$3,725	21.5%

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

Fiscal Year 2023 Compared to 2022

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

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

Fiscal Year 2022 Compared to 2021

During 2022, the College generated \$21.0 million in operating revenue. From 2021 to 2022, operating revenues increased \$3.7 million, or 21.5%. Significant changes are as follows:

- ❖ Federal grant revenue increased \$1.98 million or 22.2% due primarily to the higher education emergency relief funding (HEERF) for student aid (\$4,613,973), offset by a decrease in institutional support of coronavirus mitigation and response strategies (\$2,281,300).
- ❖ Miscellaneous revenue increased \$1.5 million, or 50.6% due primarily to the proceeds received from the sale of the Center for Transportation Studies (CTS) building for \$1,184,533.
- ❖ Student tuition and fees increased \$189,755 or 4.0% due to enrollment growth and 1.5% increase in tuition rate.
- ❖ State grants increased \$92,246, or 13.0% due to an increase in Wisconsin Technical College System Board grant funding (\$171,565), offset by a decrease in the Department of Workforce Development Dual Credit Teacher Training Grant (\$68,650) and minor decreases in other state aid grants.

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

	amounts shown in thousands			Increase or (Decrease)			
	2023	Restated 2022	Restated 2021	(2023-2022)		(2022-2021)	
				\$	%	\$	%
Operating Expenses:							
Instruction	\$18,480	\$16,611	\$15,780	\$1,869	11.3%	\$831	5.3%
Instructional resources	2,359	2,146	1,743	213	9.9%	403	23.1%
Student services	5,308	6,213	4,566	-905	-14.6%	1,647	36.1%
General institutional	6,900	6,207	6,696	693	11.2%	-489	-7.3%
Physical plant	3,444	2,589	2,519	855	33.0%	70	2.8%
Student aid	2,186	1,698	2,041	488	28.7%	-343	-16.8%
Auxiliary enterprise services	60	28	73	32	114.3%	-45	-61.6%
Depreciation	7,021	6,320	5,650	701	11.1%	670	11.9%
Total operating expenses	\$45,758	\$41,812	\$39,068	\$3,946	9.4%	\$2,744	7.0%

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

Fiscal Year 2023 Compared to 2022

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

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

Fiscal Year 2022 Compared to 2021

During 2022, total operating expenses increased by \$2.74 million, or 7.0% from the prior year. Significant changes are as follows:

- ❖ Instructional expenses increased \$831,410 primarily due to; the actuarially determined increase in pension and other post-employment benefit expenses (\$7,760 and \$244,859 respectively); increases in grant funding for instructional activities (\$57,039); an increase in transcript credit service for high school delivered curriculum (\$119,657), and an increase in contracted services for relocation expenses related to the CTS sale (\$101,373). These increases are offset by a reduction due to reclassification of capital purchases and encumbrances (\$179,309).
- ❖ General institutional expenses decreased \$488,905 primarily due to decreases in a change in accounting principle for subscription-bases information technology arrangements (\$905,652), grant-funded operational expenses (\$18,855) and the actuarially determined reduction in pension (\$16,500). These decreases are offset by increases in general operational expenditures (\$283,620), other post-employment benefit expenses (\$53,963) and a net increase in capital expenditure (\$98,277).
- ❖ Physical plant expenses increased \$69,467, or 2.8% primarily due to an increase in operational expenses (\$47,309) and capital expenditures (\$31,485).
- ❖ Student services increased \$1.65 million, or 36.1% primarily due to an increase in HEERF emergency student aid disbursed (\$1.47 million).
- ❖ Student aid expenses decreased \$343,382, or 16.8% primarily due to the decline in federal student financial aid awards resulting in fewer dollars disbursed to students.
- ❖ Depreciation and amortization expenses increased \$670,001, or 11.9% primarily due to capital assets purchased.

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

	amounts shown in thousands			Increase or (Decrease)			
				(2023-2022)		(2022-2021)	
	2023	Restated 2022	Restated 2021	\$	%	\$	%
Non-Operating Revenues:							
Property taxes	\$16,321	\$16,184	\$16,079	\$137	0.8%	\$105	0.7%
State operating appropriations	14,588	13,928	13,190	660	4.7%	738	5.6%
Investment income earned	1,382	85	18	1,297	1525.9%	67	372.2%
Subtotal of Non-Operating Revenues	32,291	30,197	29,287	2,094	6.9%	910	3.1%
Non-Operating Expenses:							
Interest expense	1,740	1,597	1,134	143	9.0%	463	40.8%
Loss on disposal of capital assets	88	757	86	-669	-88.4%	671	780.2%
Subtotal of Non-Operating Expenses	1,828	2,354	1,220	-526	-22.3%	1,134	93.0%
Subtotal of Non-Operating Revenues (Expenses)	\$30,463	\$27,843	\$28,067	\$2,620	9.4%	-\$224	-0.8%

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

Fiscal Year 2023 Compared to 2022

Net non-operating revenues (expenses) increased \$2.62 million, or 9.4% from the prior year resulting from an increase in non-operating revenues combined with a decrease in non-operating expenses:

- ❖ Property tax revenues increased \$136,288, or 0.7% due to increases in net new construction (\$280,856), TIF funding in the District (\$173,905) and an increase in debt service obligations due in calendar year 2023 (\$15,000). These increases were offset by a decrease in the allocation to state aid for property tax relief (\$337,840)
- ❖ State operating appropriations increased \$660,038, or 4.7% due primarily to increases in property tax relief aid (\$337,840) and prior period adjustments (\$167,200).
- ❖ Investment income increased \$1.3 million due primarily to higher interest rates.
- ❖ Interest expense increased \$143,201, or 9.0% due to the increase in debt issued and outstanding.
- ❖ Loss on disposal of capital assets decreased \$668,457 or 88.4% due to the loss on disposal of the Center for Transportation Services in fiscal year 2022.

Fiscal Year 2022 Compared to 2021

Net non-operating revenues (expenses) decreased \$223,769 or 0.8% from the prior year resulting from an increase in non-operating revenues which was offset by an increase in non-operating expenses:

- ❖ Property tax revenues increased \$105,718, or 0.7% due to net new construction in the District and an increase in debt service obligations due in calendar year 2022 (\$422,768 and \$450,000 respectively) which are offset by a reduction of \$699,812 for property tax relief aid which is funded in state operating appropriations.
- ❖ State operating appropriations increased \$737,266, or 5.6% due primarily to the increase in property tax relief aid (\$699,812).
- ❖ Investment income increased \$67,238 or 372.2% due primarily to higher interest rates.
- ❖ Interest expense increased \$463,214, or 40.8% due to the increase in debt issued and outstanding.
- ❖ Loss on disposal of capital assets increased \$670,777 due to the disposal of capital assets no longer in service.

Capital Asset and Debt Administration

The College's investment in capital assets includes land, land improvements, buildings and improvements, leasehold improvements, intangible assets (water main), equipment, and construction in progress. This investment as of June 30, 2023 and 2022, net of accumulated depreciation, amounted to \$68.1 million and \$62.1 million, respectively. Additional information on the College's capital assets can be found in Note 5 of the financial statements.

The College finances the majority of its capital assets through the issuance of debt. In November 2020, the District voters approved a capital referenda authorizing borrowing up to \$32.0 million to construct a comprehensive public safety and transportation training center on the College's Central Campus in

Janesville. Construction has commenced on the project which is projected to be completed in 2024. The debt to fund the project will be issued in three borrowings (\$7.5 million, \$5.0 million, and \$19.5 million) amortized over twenty-years from date of issuance. The College issued the first borrowing (\$7.5 million) in 2021 and the remaining borrowings (\$5.0 million and \$19.5 million) were completed in fiscal year 2022.

In 2023, the College incurred new debt in the amount of \$5.3 million for capital assets and facility improvements and retired debt in the amount of \$7.395 million for a net decrease of \$2.095 million in debt outstanding. Referenda debt will be retired in twenty years from date of issuance while all non-referenda general obligation debt outstanding at fiscal year-end will be retired in ten years.

As of June 30, 2023, the College had total general obligation debt outstanding of \$63,775,000. The balance on June 30, 2022 was \$65,870,000. The College continues to maintain a Moody's Investors Service Aa2 rating, and continues to meet all of its debt service requirements. Wisconsin state statutes limit the amount of aggregate and bonded indebtedness that the College can incur. The amount of debt outstanding falls well below these thresholds.

Requests for Information

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

Basic Financial Statements

Blackhawk Technical College District

Statements of Net Position

June 30, 2023 and 2022

	Primary Government		Component Unit	
	2023	Restated 2022	2023	2022
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 17,140,810	\$ 13,144,467	\$ 1,495,439	\$ 906,551
Investments	35,951	35,870	3,646,782	3,305,498
Receivables:				
Property taxes	4,038,076	4,074,121	-	-
Federal and state aid	1,066,248	2,620,649	-	-
Current portion of notes receivable	-	-	166,090	-
Accounts and other, net reserve of \$165,000 at 2023 and 2022	1,162,209	799,498	27,036	1,999
Unconditional promises to give	-	-	199,684	213,727
Prepaid expenses	334,522	328,938	12,498	11,863
Total current assets	<u>23,777,816</u>	<u>21,003,543</u>	<u>5,547,529</u>	<u>4,439,638</u>
<u>Noncurrent assets</u>				
Restricted cash	27,572,116	27,097,421		
Notes receivable, net of current portion			728,277	-
Unconditional promises to give			281,536	155,877
Right of use of assets, net of amortization	4,367,839	5,526,586		
Net OPEB asset - Restricted	6,259,818	5,695,093	-	-
Net pension asset - WRS - Restricted	-	7,374,012	-	-
Total noncurrent assets	<u>38,199,773</u>	<u>45,693,112</u>	<u>1,009,813</u>	<u>155,877</u>
Capital assets	117,896,024	107,359,849	321,106	3,430,696
Less: accumulated depreciation and amortization	49,818,007	45,212,080	6,577	347,001
Total capital assets, net of depreciation	<u>68,078,017</u>	<u>62,147,769</u>	<u>314,529</u>	<u>3,083,695</u>
Total assets	<u>\$ 130,055,606</u>	<u>\$ 128,844,424</u>	<u>\$ 6,871,871</u>	<u>\$ 7,679,210</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - actuarial - WRS	\$ 16,402,667	\$ 13,309,304	\$ -	\$ -
Deferred outflows of resources - actuarial - OPEB	1,361,589	1,422,745		
Deferred outflow of resources - actuarial - LRLIF	616,275	626,967		
Deferred outflows of resources - contributions - WRS	529,586	493,813	-	-
Deferred outflow of resources - contributions - LRLIF	3,698	3,606		
Total deferred outflows of resources	<u>\$ 18,913,815</u>	<u>\$ 15,856,435</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 3,096,423	\$ 2,298,738	\$ -	\$ 4,658
Other accrued liabilities	1,635,430	1,601,465	-	-
Accrued interest payable	413,854	407,282	-	-
Unearned revenue - other	525,385	422,011	-	-
Current portion of long-term obligations	8,407,432	8,913,286	-	132,054
Total current liabilities	<u>14,078,524</u>	<u>13,642,782</u>	<u>-</u>	<u>136,712</u>
<u>Long-term obligations, less current portion</u>				
General obligation debt payable	56,430,000	58,575,000	-	2,011,980
Arbitrage rebate	195,000			
Lease liability payable	1,405,285	1,749,756		
SBITA liability payable	1,870,434	2,075,934		
Unamortized premium on general obligation debt	1,509,520	1,552,227	-	-
Net pension liability	4,680,538	-	-	-
Net OPEB liability - LRLIF	1,375,048	1,989,450	-	-
Total long-term obligations, less current portion	<u>67,465,825</u>	<u>65,942,367</u>	<u>-</u>	<u>2,011,980</u>
Total liabilities	<u>\$ 81,544,349</u>	<u>\$ 79,585,149</u>	<u>\$ -</u>	<u>\$ 2,148,692</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - actuarial WRS	\$ 9,808,280	\$ 17,378,618	-	-
Deferred inflows of resources - actuarial OPEB	1,522,304	1,112,664		
Deferred inflow of resources - actuarial LRLIF	1,057,274	344,409		
Total deferred inflows of resources	<u>\$ 12,387,858</u>	<u>\$ 18,835,691</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 26,121,365	\$ 19,005,621	\$ -	\$ -
Restricted for donors	-	-	4,574,627	3,865,694
Restricted for:				
Debt service	352,398	293,441	-	-
Pension	-	7,374,012	-	-
OPEB	6,259,818	5,695,093	-	-
Student financial assistance	133,019	125,517	-	-
Student organizations	727,140	649,829	-	-
Unrestricted	21,443,474	13,136,506	2,297,244	1,664,824
Total net position	<u>\$ 55,037,214</u>	<u>\$ 46,280,019</u>	<u>\$ 6,871,871</u>	<u>\$ 5,530,518</u>

See accompanying notes to financial statements.

Blackhawk Technical College District

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30, 2023 and 2022

	Primary Government		Component Unit	
	2023	Restated 2022	2023	2022
<u>Operating revenues</u>				
Student tuition and program fees, net of scholarship allowances of \$1,738,388 in 2023 and \$1,827,194 in 2022	\$ 5,796,051	\$ 4,995,966	\$ -	\$ -
State aids	975,364	796,791	-	-
Federal grants	7,487,322	10,870,592	-	-
Contract revenue	1,973,630	2,119,830	-	-
Auxiliary enterprise revenue	89,223	103,836	-	-
Miscellaneous - institutional revenue	7,732,018	2,139,999	1,378,112	1,323,350
Total operating revenues	24,053,608	21,027,014	1,378,112	1,323,350
<u>Operating expenses</u>				
Instruction	18,479,542	16,611,184	-	-
Instructional resources	2,359,017	2,146,280	-	-
Student services	5,308,126	6,213,472	-	-
General institutional	6,899,506	6,207,327	738,764	583,802
Physical plant	3,443,882	2,588,964	-	-
Student aid	2,186,199	1,698,096	-	-
Auxiliary services	59,990	28,296	-	-
Depreciation and amortization	7,021,919	6,319,859	-	-
Total operating expenses	45,758,181	41,813,478	738,764	583,802
Operating loss	(21,704,573)	(20,786,464)	639,348	739,548
<u>Nonoperating revenues (expenses)</u>				
Property taxes	16,320,725	16,184,437	-	-
State operating appropriations	14,587,626	13,927,588	-	-
Investment income	1,382,122	85,115	285,574	(311,641)
Gain/(loss) on disposal of property and equipment	(88,435)	(756,892)	7,196,431	-
Grant to Blackhawk Technical College			(6,780,000)	
Interest expense	(1,740,270)	(1,597,069)	-	-
Total nonoperating revenues	30,461,768	27,843,179	702,005	(311,641)
Increase (decrease) in net position	8,757,195	7,056,715	1,341,353	427,907
Net position - beginning of year, as restated	46,280,019	39,223,304	5,530,518	5,102,611
Net position - end of year	\$ 55,037,214	\$ 46,280,019	\$ 6,871,871	\$ 5,530,518

See accompanying notes to financial statements.

Blackhawk Technical College District

Statements of Cash Flows

For the Years Ended June 30, 2023 and 2022

	Primary Government	
	2023	Restated 2022
<u>Cash flows from operating activities</u>		
Tuition and fees received	\$ 5,687,159	\$ 4,867,981
Federal and state grants received	8,882,587	12,173,365
Contract revenues	3,021,763	843,496
Payments to employees	(23,666,365)	(23,092,404)
Payments for materials and services	(13,671,907)	(14,241,848)
Auxiliary enterprise revenues	89,223	103,836
Other receipts	7,669,669	2,152,015
Net cash used for operating activities	(11,987,871)	(17,193,559)
<u>Cash flows from noncapital financing activities</u>		
Local government property taxes received	16,356,770	16,232,295
State appropriations received	14,587,626	13,927,588
Net cash provided by noncapital financing activities	30,944,396	30,159,883
<u>Cash flows from capital and related financing activities</u>		
Purchases of capital assets	(10,572,838)	(15,975,611)
Proceeds from issuance of capital debt	5,300,000	29,800,000
Principal paid on right of use assets	(1,618,285)	(1,226,469)
Interest paid on right of use assets	(166,312)	(132,286)
Principal paid on capital debt	(7,395,000)	(7,495,000)
Interest paid on capital debt	(1,610,093)	(341,556)
Net cash provided by (used for) capital and related financing activities	(16,062,528)	4,629,078
<u>Cash flows from investing activities</u>		
Purchase of Investments	(81)	(870)
Investment income received	1,577,122	85,115
Net cash provided by investing activities	1,577,041	84,245
Net increase in cash and cash equivalents	4,471,038	17,679,647
<u>Cash and cash equivalents</u>		
Beginning of year	40,241,888	22,562,241
End of year	\$ 44,712,926	\$ 40,241,888
<u>Non-cash capital and related financing activities</u>		
Issuance of subscription liability	\$ 512,460	\$ -
Loss on disposal of capital assets	88,435	756,892

Blackhawk Technical College District

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2023 and 2022

	Primary Government	
	2023	2022
<u>Reconciliation of operating loss to net cash used for operating activities:</u>		
Operating loss	\$ (21,704,573)	\$ (20,786,464)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation	7,021,919	6,319,859
Changes in assets and liabilities:		
Receivables	1,191,690	(936,816)
Prepaid expenditures	(5,584)	(238,025)
Accounts payable and accrued liabilities	1,128	108,493
Other accrued liabilities	33,965	(70,089)
Post-employment benefits (asset)/liability	(1,179,127)	2,212,315
Net pension (asset)/liability	12,054,550	(1,483,458)
Deferred inflows of resources	(6,447,833)	2,721,220
Deferred outflows of resources	(3,057,380)	(5,095,859)
Deferred revenue - other	103,374	55,265
Net cash used for operating activities	<u>\$ (11,987,871)</u>	<u>\$ (17,193,559)</u>

See accompanying notes to financial statements.

Blackhawk Technical College District

Statements of Fiduciary Net Position -

Blackhawk Technical College Post-Employment Benefits Trust

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 108,263	\$ 56,957
Short-term investments	11,446	19,101
Total Current Assets	<u>119,709</u>	<u>76,058</u>
Long Term Assets		
Equity investments	<u>10,466,983</u>	<u>10,004,431</u>
Total Assets	<u>\$ 10,586,692</u>	<u>\$ 10,080,489</u>
LIABILITIES		
Current Liabilities	<u>\$ 27,414</u>	<u>\$ -</u>
Total Liabilities	<u>27,414</u>	<u>-</u>
NET POSITION		
Held in trust for post-employment benefits	<u>10,559,278</u>	<u>10,080,489</u>
Total Net Position	<u>\$ 10,559,278</u>	<u>\$ 10,080,489</u>

See accompanying notes to financial statements.

Blackhawk Technical College District

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

For the Years Ended June 30, 2023 and 2022

	2023	2022
ADDITIONS		
Contributions		
Blackhawk Technical College	\$ -	\$ -
Investment income		
Interest	10,259	491
Dividends	307,557	270,507
Capital gains - realized	(74,275)	848,935
Capital gains - unrealized	598,877	(2,681,793)
Total investment income	842,418	(1,561,860)
Total additions	842,418	(1,561,860)
DEDUCTIONS		
Retiree benefits	319,076	355,620
Investment expense	41,599	47,845
Administrative expense	2,954	3,357
Total deductions	363,629	406,822
Change in Net Position	478,789	(1,968,682)
NET POSITION HELD IN TRUST FOR POST-EMPLOYMENT BENEFITS		
Beginning of year	10,080,489	12,049,171
End of year	\$ 10,559,278	\$ 10,080,489

See accompanying notes to financial statements.

Note 1 – Summary of Significant Accounting Policies

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

The geographic area of the College is comprised of most of Rock County and the majority of Green County in south central Wisconsin. There are 52 municipalities with an estimated population of 191,421 and 13 public school districts within the College's boundaries. The district contains 1,200 square miles and operates campuses located in the cities of Beloit, Janesville and Monroe as well as learning centers in the surrounding communities.

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

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

The College is approved to offer 72 associate degree and technical diploma programs. These include 36 associate degree, 3 two-year technical diploma, 12 one-year technical diploma, 14 less-than-one-year technical diploma, and 7 apprenticeship programs. In addition, the College offers various advanced technical programs, basic skills education, and adult continuing education.

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

Note 1 – Summary of Significant Accounting Policies (continued)

The following is a summary of the more significant policies.

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

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

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

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

New Accounting Pronouncement: Management adopted new accounting guidance, GASB statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*, which requires the recognition of certain right-to-use subscription assets (intangible assets) and corresponding liabilities. A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The College adopted this guidance effective July 1, 2021, and as a result, net position as of June 30, 2022 was restated as described in Note 19.

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

The combined tax rate for the fiscal years ended June 30, 2023 and 2022, are as follows:

	2023		2022	
	Mill Rate	Levy Amount	Mill Rate	Levy Amount
Operating levy	0.37801	\$ 7,272,349	0.45307	\$ 7,321,346
Debt service levy	0.46079	8,865,000	0.54767	8,850,000
Total property tax levy		<u>\$ 16,137,349</u>		<u>\$ 16,171,346</u>

In 2013 the Wisconsin Act 145 provided a ‘dollar for dollar’ reduction in the operational property tax levy and increase in state aid funding, effective for the year ending June 30, 2015. State property tax relief aid was \$10,835,014 and \$10,497,174 for the years ended June 30, 2023 and 2022, respectively.

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources – actuarial represent the College’s proportionate share of collective deferred inflows of resources of the WRS and LRLIF and the deferred inflows of resources of the College’s OPEB plan.

Compensated Absences - College employees are granted vacation in varying amounts in accordance with the provisions of the employee handbook and College policy. Vacation earned is forfeited if not taken within the allowable time period. The expense for vacation pay is recorded on the accrual basis. The value of vested vacation pay including payroll taxes and retirement costs was approximately \$221,000 and \$215,000 as of June 30, 2023 and 2022, respectively.

GASB 87 Lease Accounting – The College is a lessee in two noncancelable lease agreements. If the contract provides the College the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. The ROU assets for the leases are amortized on a straight-line basis over the life of the related lease.

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the College's incremental borrowing rate. The College does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

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

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 8 for further information on retirement plans.

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

Note 2 - Cash, Cash Equivalents, and Investments

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

	<u>2023</u>	<u>2022</u>
Cash deposits:		
Cash on hand	\$ 1,700	\$ 1,700
Demand deposits	1,953,690	2,174,878
	<hr/>	<hr/>
Total cash deposits	1,955,390	2,176,578
Cash equivalents:		
Wisconsin Local Government Investment Pool	42,757,536	38,065,310
	<hr/>	<hr/>
Total cash and cash equivalents	44,712,926	40,241,888
Investments:		
Certificates of Deposit	35,951	35,870
	<hr/>	<hr/>
Total cash, cash equivalents, and investments	<u>\$ 44,748,877</u>	<u>\$ 40,277,758</u>

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

	<u>2023</u>	<u>2022</u>
Restricted for:		
Debt Service	\$ 2,276,247	\$ 2,253,425
Capital Projects	24,543,714	24,172,947
Student Financial Assistance	752,155	671,049
	<hr/>	<hr/>
	27,572,116	27,097,421
Unrestricted	<hr/>	<hr/>
	17,176,761	13,180,337
	<hr/>	<hr/>
Total cash, cash equivalents, and investments	<u>\$ 44,748,877</u>	<u>\$ 40,277,758</u>

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

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

	<u>2023</u>	<u>2022</u>
Cash equivalents:		
Cash on hand	\$ 100	\$ 100
Wisconsin Local Government Investment Pool	108,163	56,857
US Bank Money Market	11,446	19,101
	<hr/>	<hr/>
Total cash equivalents	119,709	76,058
Investments		
Mutual funds	10,466,983	10,004,431
	<hr/>	<hr/>
Total cash equivalents and investments	<u>\$ 10,586,692</u>	<u>\$ 10,080,489</u>

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

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

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) has compiled fair value information for all securities in the pool and has provided a book value to fair value conversion factor. As of June 30, 2023 and 2022, the conversion factors were 100%.

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

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

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that, in the event of financial institution failure, the College will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of a third party. As of June 30, 2023 and 2022, the College's carrying value of the deposits was \$1,989,641 and \$2,210,748, respectively, compared to bank balances of \$2,622,175 and \$2,677,443, respectively. No bank balances at June 30, 2023 or 2022, were uninsured and uncollateralized.

Credit Risk - Investments: Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments as listed above. The College minimizes its credit risk by requiring security of the investment as the first priority and limiting investments to financial institutions and the LGIP. The College's repurchase agreements are collateralized by U.S. Government securities which are uninsured and unregistered, held by the counterparty or its trust department, but not in the College's name. As of June 30, 2023 and 2022, the College had \$42,865,699 and \$38,122,167, respectively, invested in the LGIP, which does not carry a credit quality rating.

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

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

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

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

The College has the following recurring fair value measurements as of June 30, 2023 and 2022:

Assets at Fair Value as of June 30, 2023

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

Assets at Fair Value as of June 30, 2022

	Level 1	Level 2	Total
Certificates of deposit (CD's)	\$ -	\$ 35,870	\$ 35,870
Mutual funds	10,004,431	-	10,004,431
Total cash and investments	<u>\$ 10,004,431</u>	<u>\$ 35,870</u>	<u>\$ 10,040,301</u>

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

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

Note 4 – Accounts and Other Receivables

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

	<u>2023</u>	<u>2022</u>
Student tuition and fees, net of allowance for doubtful accounts	\$ 945,808	\$ 732,996
Contracted services	181,510	84,819
Other	34,891	(18,317)
Total accounts and other receivables	<u>\$ 1,162,209</u>	<u>\$ 799,498</u>

Note 5 – Capital Assets

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

	Beginning Balance	Additions	Adjustments	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,041,036	\$ 325,398	\$ -	\$ -	\$ 1,366,434
Construction in progress	16,108,276	9,400,447	(50,823)	16,853,983	8,603,917
Total capital assets not being depreciated or amortized	17,149,312	9,725,845	(50,823)	16,853,983	9,970,351
Capital assets being depreciated or amortized:					
Land improvements	3,634,228	3,516,036	-	-	7,150,264
Infrastructure	514,152	-	-	-	514,152
Buildings and improvements	54,414,856	13,972,664	1,064,048	-	69,451,568
Leasehold improvements	539,456	-	-	-	539,456
Equipment	28,702,871	1,048,451	(1,052,843)	833,220	27,865,259
Intangible assets	2,404,974	-	-	-	2,404,974
Total capital assets being depreciated or amortized	90,210,537	18,537,151	11,205	833,220	107,925,673
Less accumulated depreciation and amortization:					
Land improvements	1,142,493	234,975	-	-	1,377,468
Infrastructure	64,270	12,854	-	-	77,124
Buildings and improvements	24,943,158	2,572,520	79,933	-	27,595,611
Leasehold improvements	62,894	26,973	-	-	89,867
Equipment	18,745,640	2,438,604	(75,271)	744,785	20,364,188
Intangible asset	253,625	60,124	-	-	313,749
Total accumulated depreciation and amortization	45,212,080	5,346,050	4,662	744,785	49,818,007
Net capital assets	62,147,769	<u>\$ 22,916,946</u>	<u>\$ (44,280)</u>	<u>\$ 16,942,418</u>	68,078,017
Less general obligation debt	(65,870,000)				(63,775,000)
Add unspent general obligation debt	<u>22,727,852</u>				<u>21,818,348</u>
Net investment in capital assets	<u>\$ 19,005,621</u>				<u>\$ 26,121,365</u>

Note 5 – Capital Assets (continued)

Following are the changes in the College's capital assets for the year ended June 30, 2022:

	Beginning Balance	Additions	Adjustments	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,081,036	\$ -	\$ -	\$ 40,000	\$ 1,041,036
Construction in progress	4,562,266	14,947,516	22,847	3,424,353	16,108,276
Total capital assets not being depreciated or amortized	5,643,302	14,947,516	22,847	3,464,353	17,149,312
Capital assets being depreciated or amortized:					
Land improvements	2,273,113	1,746,213	-	385,098	3,634,228
Infrastructure	514,152	-	-	-	514,152
Buildings and improvements	56,001,727	934,963	(74,901)	2,446,933	54,414,856
Leasehold improvements	539,456	-	-	-	539,456
Equipment	28,733,827	1,980,495	-	2,011,451	28,702,871
Intangible asset	2,404,974	-	-	-	2,404,974
Total capital assets being depreciated or amortized	90,467,249	4,661,671	(74,901)	4,843,482	90,210,537
Less accumulated depreciation and amortization:					
Land improvements	1,290,120	119,132	-	266,759	1,142,493
Infrastructure	51,416	12,854	-	-	64,270
Buildings and improvements	24,550,603	2,355,090	-	1,962,535	24,943,158
Leasehold improvements	35,921	26,973	-	-	62,894
Equipment	17,987,418	2,668,002	(12,484)	1,897,296	18,745,640
Intangible asset	193,501	60,124	-	-	253,625
Total accumulated depreciation and amortization	44,108,979	5,242,175	(12,484)	4,126,590	45,212,080
Net capital assets	52,001,572	\$ 14,367,012	\$ (39,570)	\$ 4,181,245	62,147,769
Less general obligation debt	(43,565,000)				(65,870,000)
Add unspent general obligation debt	5,919,041				22,727,852
Net investment in capital assets	\$ 14,355,613				\$ 19,005,621

Note 6 – Lease Right of Use Assets

Following are the changes in the College's right of use of assets and accumulated amortization for the year ended June 30, 2023:

	Restated Beginning Balance	Additions	Adjustments	Deletions	Ending Balance
Right of use assets:					
Milton building	\$ 2,547,860	\$	\$	\$	\$ 2,547,860
Beloit Public Library building	139,479				139,479
Subscription based assets (SBITA)	4,282,571	512,460			4,795,031
Total right of use assets being amortized	6,969,910	512,460	-	-	7,482,370
Less accumulated amortization:					
Milton building	650,518	325,259			975,777
Beloit Public Library building	55,792	27,896			83,688
Subscription based assets (SBITA)	737,014	1,318,052			2,055,066
Total accumulated amortization	1,443,324	1,671,207	-	-	3,114,531
Net right of use assets	\$ 5,526,586	\$ (1,158,747)	\$	-	\$ 4,367,839

Following are the changes in the College's right of use of assets and accumulated amortization for the year ended June 30, 2022:

	Beginning Balance	Additions	Restated Adjustments	Deletions	Ending Balance
Right of use assets:					
Milton building	\$ 2,547,860	\$ -	\$ -	\$ -	\$ 2,547,860
Beloit Public Library building	139,479	-	-	-	139,479
Subscription based assets (SBITA)	-	4,282,571			4,282,571
Total right of use assets being amortized	2,687,339	4,282,571	-	-	6,969,910
Less accumulated amortization:					
Milton building	325,259	325,259	-	-	650,518
Beloit Public Library building	27,896	27,896	-	-	55,792
Subscription based assets (SBITA)	-	737,014			737,014
Total accumulated amortization	353,155	1,090,169	-	-	1,443,324
Net right of use assets	\$ 2,334,184	\$ 3,192,402	\$	-	\$ 5,526,586

Note 7 - Long-Term Obligations

The following is a summary of long-term obligations for the years ended June 30, 2023 and 2022:

	Restated			Balance 06/30/23	Due Within One Year
	Balance 07/01/22	Increases	Decreases		
General Obligation Debt	\$ 65,870,000	\$ 5,300,000	\$ 7,395,000	\$ 63,775,000	\$ 7,345,000
Lease liability	2,077,072		327,315	1,749,757	344,472
SBITA	3,366,904	512,460	1,290,970	2,588,394	717,960
Unamortized premium	1,552,227	239,985	282,692	1,509,520	-
	<u>\$ 72,866,203</u>	<u>\$ 6,052,445</u>	<u>\$ 9,295,977</u>	<u>\$ 69,622,671</u>	<u>\$ 8,407,432</u>

	Restated			Balance 06/30/22	Due Within One Year
	Balance 07/01/21	Increases	Decreases		
General Obligation Debt	\$ 43,565,000	\$ 29,800,000	\$ 7,495,000	\$ 65,870,000	\$ 7,295,000
Lease liability	2,387,874		310,802	2,077,072	327,315
SBITA	-	4,282,571	915,667	3,366,904	1,290,970
Unamortized premium	584,484	1,134,510	166,767	1,552,227	-
	<u>\$ 46,537,358</u>	<u>\$ 35,217,081</u>	<u>\$ 8,888,236</u>	<u>\$ 72,866,203</u>	<u>\$ 8,913,285</u>

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

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

	2023	2022
2013 \$5,240,000 general obligation promissory note payable to Raymond James & Associates, Inc., St. Petersburg, FL, interest at 2.00%-2.40%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2023. Proceeds used for building construction, remodeling, and equipment.	\$ -	\$ 300,000
2013 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.50%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2023. Proceeds used for building construction, remodeling, and equipment.	-	450,000
Subtotal	<u>\$ -</u>	<u>\$ 750,000</u>

Note 7 - Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
Subtotal - carried forward	\$ -	\$ 750,000
2013 \$1,500,000 general obligation promissory note payable to Raymond James & Associates, Inc., St. Petersburg, FL, interest at 2.00%-2.50%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2023. Proceeds used for building construction, remodeling, and equipment.	-	450,000
2013 \$1,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 2.40%-2.60%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2023. Proceeds used for building construction, remodeling, and equipment.	-	450,000
2014 \$5,000,000 general obligation promissory note payable to Hutchinson, Shockey, Erley & Co., Chicago, IL, interest at 1.50%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	700,000	1,450,000
2015 \$4,500,000 general obligation promissory note payable to Hutchinson, Shockey, Erley & Co., Chicago, IL, interest at 1.50%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	525,000	1,050,000
Subtotal	<u>\$ 1,225,000</u>	<u>\$ 4,150,000</u>

Note 7 - Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
Subtotal - carried forward	\$ 1,225,000	\$ 4,150,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	425,000	800,000
2015 \$4,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 1.00%-2.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	600,000	1,200,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2021, until maturity on April 1, 2025. Proceeds used for building construction, remodeling, and equipment.	600,000	900,000
2016 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2021, until maturity on April 1, 2025. Proceeds used for building remodeling and improvement projects.	600,000	900,000
Subtotal	<u>\$ 3,450,000</u>	<u>\$ 7,950,000</u>

Note 7 - Long-Term Obligations (continued)

	2023	2022
Subtotal - carried forward	\$ 3,450,000	\$ 7,950,000
2016 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2025. Proceeds used for building remodeling and improvement projects.	600,000	850,000
2016 \$4,300,000 general obligation promissory note payable to Raymond James & Associates, Inc., St. Petersburg, FL, interest at 2.00%-2.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2016, until maturity on April 1, 2025. Proceeds used for building construction, remodeling, and equipment.	900,000	1,350,000
2016 \$4,000,000 general obligation promissory note payable to FTN Financial Capital Markets, New York, NY, interest at 1.00%-2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2017, until maturity on April 1, 2024. Proceeds used for the water main service extension project and equipment.	200,000	600,000
2017 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2022, until maturity on April 1, 2026. Proceeds used for building remodeling and improvement projects.	1,100,000	1,300,000
Subtotal	\$ 6,250,000	\$ 12,050,000

Note 7 - Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
Subtotal - carried forward	\$ 6,250,000	\$ 12,050,000
2017 \$3,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 2.00%-2.55%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2026. Proceeds used for building improvements, remodeling, and to acquire equipment.	1,600,000	2,000,000
2017 \$3,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 2.00%-2.50%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for building improvements and remodeling, construction, and to acquire equipment.	1,900,000	2,250,000
2018 \$1,500,000 general obligation promissory note payable to BOK Financial Securities, Dallas, TX, interest at 2.50%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for building improvements and remodeling.	1,500,000	1,500,000
2018 \$2,900,000 general obligation promissory note payable to Dougherty & Company LLC, Minneapolis, MN, interest at 3.00-3.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2028. Proceeds used for building improvements and remodeling, and to acquire equipment.	<u>2,500,000</u>	<u>2,900,000</u>
Subtotal	<u>\$ 13,750,000</u>	<u>\$ 20,700,000</u>

Note 7 - Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
Subtotal - carried forward	\$ 13,750,000	\$ 20,700,000
2019 \$3,200,000 general obligation promissory note payable to Northland Securities, Inc., Minneapolis, MN, interest at 2.00%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2029. Proceeds used for building improvements and remodeling, construction, and to acquire equipment.	3,200,000	3,200,000
2020 \$1,500,000 general obligation promissory note payable to Associated Trust Company, Green Bay, WI, interest at 1.30-3.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2030. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	1,500,000	1,500,000
2020 \$3,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 1.00%-1.15%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2030. Proceeds used for building improvements and remodeling, and to acquire equipment.	2,825,000	3,170,000
2021 \$7,500,000 general obligation promissory note payable to UBS Financial Services Inc., New York, NY, interest at 2%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2041. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	<u>7,500,000</u>	<u>7,500,000</u>
Subtotal	<u>\$ 28,775,000</u>	<u>\$ 36,070,000</u>

Note 7 - Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
Subtotal - carried forward	\$ 28,775,000	\$ 36,070,000
2021 \$3,800,000 general obligation promissory note payable to Colliers Securities LLC., Minneapolis, MN, interest at 1.25%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2031. Proceeds used for building remodeling and improvement projects, and to acquire equipment.	3,800,000	3,800,000
2021 \$5,000,000 general obligation promissory note payable to Colliers Securities LLC., Minneapolis, MN, interest at 2.00%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2036. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	5,000,000	5,000,000
2021 \$1,500,000 general obligation promissory note payable to Colliers Securities LLC., Minneapolis, MN, interest at 1.00%-2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2031. Proceeds used for building remodeling and improvement projects.	1,500,000	1,500,000
2022 \$19,500,000 general obligation promissory note payable to Piper Sandler & Co., Minneapolis, MN interest at 2.00-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2036. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	<u>19,500,000</u>	<u>19,500,000</u>
Subtotal	<u>\$ 58,575,000</u>	<u>\$ 65,870,000</u>

Note 7 - Long-Term Obligations (continued)

	<u>2023</u>	<u>2022</u>
Subtotal - carried forward	\$ 58,575,000	\$ 65,870,000
2022 \$3,800,000 general obligation promissory note payable to Northland Securities, Inc., Minneapolis, MN, interest at 3.00%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2032. Proceeds used for building remodeling and improvement projects, and to acquire equipment.	3,700,000	-
2023 \$1,500,000 general obligation promissory note payable to TD Securities (USA) LLC , New York, NY interest at 4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2033. Proceeds used for building improvements and remodeling.	<u>1,500,000</u>	<u>-</u>
Total outstanding long-term obligations	<u>\$ 63,775,000</u>	<u>\$ 65,870,000</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 7,345,000	\$ 1,655,415	\$ 9,000,415
2025	7,010,000	1,463,025	8,473,025
2026	6,350,000	1,258,588	7,608,588
2027	5,675,000	1,064,700	6,739,700
2028	4,725,000	899,300	5,624,300
2029-2033	16,040,000	2,854,105	18,894,105
2034-2038	11,235,000	1,327,388	12,562,388
2039-2041	5,395,000	197,550	5,592,550
	<u>\$ 63,775,000</u>	<u>\$ 10,720,071</u>	<u>\$ 74,495,071</u>

Wisconsin Statutes 67.03(1) provides the aggregate amount of indebtedness of a district shall not exceed 5 percent of the value of the taxable property located in the district. The 5 percent limit at June 30, 2023 and 2022, was \$997,987,034 and \$861,252,442, respectively. The actual indebtedness of the College for 2023 and 2022 was \$63,775,000 and \$65,870,000, respectively. The indebtedness of the College, net of resources available for 2023 and 2022 was \$61,499,228 and \$63,617,050, respectively. In addition, the maximum bonded indebtedness of the College for purchasing and constructing buildings and equipment may not exceed 2 percent of the value of the taxable property within the District. The 2 percent limit at June 30, 2023 and 2022, was \$399,194,814 and \$344,500,977, respectively. The College had no bonded indebtedness for 2023 and 2022.

Note 8 - Retirement Plans

All eligible College employees participate in the WRS, a cost-sharing multiple-employer defined benefit Public Employee Retirement System (PERS). WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government, and other public employees. Eligibility requirements are as follows:

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

Employees who retire at or after age 65 are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service. Final average earnings is the average of the employee's three highest annual earnings periods. Creditable service includes current service and prior service for which an employee 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.

Employees may retire at age 55 and receive actuarially reduced benefits. Employees 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.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 or beginning employment on or after April 24, 1998, up to and including June 30, 2011, are immediately vested. Participants initially beginning employment on or after July 1, 2011, are not eligible for a WRS retirement annuity or lump sum retirement benefit until they have five years of creditable service.

The WRS also provides death and disability benefits for employees.

Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes. ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found online at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Note 8 - Retirement Plans (continued)

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

Year	Core Fund Adjustment %	Variable Fund Adjustment %
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 Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,013,549 in contributions from the College.

Contribution rates as of June 30, 2023 and 2022 are:

Employee Category	2023		2022	
	Employee	Employer	Employee	Employer
General (including teachers, executives and elected officials)	6.8%	6.8%	6.5%	6.5%
Protective with Social Security	6.8%	13.2%	6.5%	12.0%
Protective without Social Security	6.8%	18.1%	6.5%	16.4%

Note 8 - Retirement Plans (continued)

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

At June 30, 2023 and 2022, the College reported a liability of \$4,680,538 and an (asset) of (\$7,374,012) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31 within the College's fiscal year, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The College's proportion of the net pension liability (asset) was based on the College's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022 and 2021, the College's proportion was 0.088% and 0.091% (a decrease of 0.003% from the prior year).

For the year ended June 30, 2023 and 2022, the College recognized pension expense of \$2,404,398 and (\$624,256).

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

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,454,648	\$ 9,793,733	\$ 11,912,344	\$ 859,008
Changes in assumptions	920,387	-	1,375,738	-
Net differences between projected and actual earnings on pension plan investments	7,951,154	-	-	16,496,279
Changes in proportion and differences between employer contributions and proportionate share of contributions	76,478	14,547	21,222	23,331
Employer contributions subsequent to the measurement date	529,586	-	493,813	-
Total	\$ 16,932,253	\$ 9,808,280	\$ 13,803,117	\$ 17,378,618

Note 8 - Retirement Plans (continued)

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

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2024	\$284,634
2025	1,368,572
2026	1,408,378
2027	3,532,803

Actuarial assumptions: The total pension liability in the December 31, 2021 and 2020, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2022	2021
Actuarial Valuation Date:	December 31, 2021	December 31, 2020
Measurement Date of Net Pension Liability (Asset)	December 31, 2022	December 31, 2021
Experience Study	January 1, 2018 – December 31, 2020 published November 19, 2021	January 1, 2018 – December 31, 2020 published November 19, 2021
Actuarial Cost Method:	Entry Age	Entry Age
Asset Valuation Method:	Fair Market Value	Fair Market Value
Long-Term Expected Rate of Return:	6.8%	6.8%
Discount Rate:	6.8%	6.8%
Salary Increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%	1.7%

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

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

Note 8 - Retirement Plans (continued)

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

Asset Allocation Targets and Expected Returns

As of December 31, 2022

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

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

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

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

Note 8 - Retirement Plans (continued)

Asset Allocation Targets and Expected Returns

As of December 31, 2021

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
<u>Core Fund Asset Class</u>			
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%
<u>Variable Fund Asset Class</u>			
U.S. 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 asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate: A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 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.

Note 8 - Retirement Plans (continued)

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

	2023		2022	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	5.8%	\$15,534,555	5.8%	\$5,232,384
Current discount rate	6.8%	4,680,538	6.8%	(7,374,012)
1% increase to discount rate	7.8%	(2,786,093)	7.8%	(16,448,272)

Payables to the pension plan: The College reported a payable to the pension plan for the outstanding amount of required contributions of \$236,506 at June 30, 2023 and \$224,574 at June 30, 2022.

Note 9 – Other Post-Employment Benefits – Retiree Medical

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

	2023	2022
Inactive plan members or beneficiaries currently receiving benefit payments	28	36
Inactive plan members entitled but not yet receiving benefit payments	-	-
Active plan members	177	178
Total participants	205	214

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

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

The OPEB plan investment policies are described in Notes 1 and 2. For June 30, 2023 and 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 8.49% and (13.18%), respectively. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 9 – Other Post-Employment Benefits – Retiree Medical (continued)

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

	<u>2023</u>	<u>2022</u>
Total OPEB liability	\$ 4,299,460	\$ 4,385,396
Plan fiduciary net position	10,559,278	10,080,489
Net OPEB liability (asset)	<u>\$ (6,259,818)</u>	<u>\$ (5,695,093)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>245.60%</u>	<u>229.86%</u>

The 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 was determined by an actuarial valuation as of June 30, 2023 and 2022.

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

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

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

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

Note 9 – Other Post-Employment Benefits – Retiree Medical (continued)

Changes in the Net OPEB Liability (Asset) for the year ended June 30, 2023 and 2022 are as follows:

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

Changes in Net OPEB Liability Year Ended June 30, 2022	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2021	\$ 4,257,412	\$ 12,049,171	\$ (7,791,759)
Changes for the year:			
Service cost	259,489	-	259,489
Interest	300,295	-	300,295
Differences between expected and actual experience	(76,180)	-	(76,180)
Changes in assumptions	-		-
Contributions - Employer		-	-
Net investment income	-	(1,561,860)	1,561,860
Benefit payments, including refunds of employee contributions	(355,620)	(355,620)	-
Administrative expense	-	(51,202)	51,202
Net changes	127,984	(1,968,682)	2,096,666
Balances as of June 30, 2022	\$ 4,385,396	\$ 10,080,489	\$ (5,695,093)

Note 9 – Other Post-Employment Benefits – Retiree Medical (continued)

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

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

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

	June 30, 2022		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 4,628,536	\$ 4,385,396	\$ 3,925,024
Plan Fiduciary Net Position	10,080,489	10,080,489	10,080,489
Net OPEB Liability (Asset)	<u>\$ (5,451,953)</u>	<u>\$ (5,695,093)</u>	<u>\$ (6,155,465)</u>

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

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

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

	June 30, 2022		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 3,849,880	\$ 4,385,396	\$ 4,728,017
Plan Fiduciary Net Position	10,080,489	10,080,489	10,080,489
Net OPEB Liability (Asset)	<u>\$ (6,230,609)</u>	<u>\$ (5,695,093)</u>	<u>\$ (5,352,472)</u>

Note 9 – Other Post-Employment Benefits – Retiree Medical (continued)

For the years ended June 30, 2023 and 2022, the College recognized OPEB expense of (\$93,929) and (\$207,089), respectively. At June 30, 2023 and 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,368	\$ 1,522,304	\$ 99,269	\$ 1,112,664
Changes in assumptions	732,140		500,028	
Net difference between projected and actual earnings on OPEB plan investments	579,081		823,448	
Total	\$ 1,361,589	\$ 1,522,304	\$ 1,422,745	\$ 1,112,664

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2024	\$ (44,011)
2025	(97,942)
2026	271,380
2027	(128,125)
2028	(47,850)
Thereafter	(114,167)

Note 10 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund

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

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

Additionally, EFT issued a standalone Retiree Life Insurance Financial Report, which can also be found at the link above.

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

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

Note 10 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

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

Contribution rates as of June 30, 2023 are:

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

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

Life Insurance Employee Contribution Rates* For the years ended June 30, 2023 and 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57
*Disabled members under age 70 receive a waiver-of-premium benefit.		

During the reporting period, the LRLIF recognized \$7,241 in contributions from the College.

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

At June 30, 2023 and 2022, the College reported a liability of \$1,375,046 and \$1,989,448 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2022 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The College's proportion of the net OPEB liability was based on the College's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022 and 2021, the College's proportion was 0.360% and 0.340%, (an increase of 0.02% from the prior year).

For the year ended June 30, 2023 and 2022, the College recognized OPEB expense of \$116,533 and \$211,515.

Note 10 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

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

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 134,570	\$ -	\$ 101,202
Changes in assumptions	494,023	811,655	601,082	96,429
Net differences between projected and actual earnings on pension plan investments	25,803	-	25,885	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	96,449	111,049	-	146,778
Employer contributions subsequent to the measurement date	3,697	-	3,605	-
Total	\$ 619,972	\$ 1,057,274	\$ 630,572	\$ 344,409

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

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2024	\$(49,243)
2025	(55,035)
2026	(24,273)
2027	(83,264)
2028	(120,127)
Thereafter	(109,057)

Note 10 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

Actuarial assumptions: The total OPEB liability in the January 1, 2022 and 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2023	2022
Actuarial Valuation Date:	January 1, 2022	January 1, 2021
Measurement Date of Net OPEB Liability	December 31, 2022	December 31, 2021
Experience Study:	January 1, 2018 – December 31, 2020 Published November 19, 2021	January 1, 2018 – December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.72%	2.06%
Long-Term Expected Rate of Return:	4.25%	4.25%
Discount Rate:	3.76%	2.17%
Salary Increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table

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

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

Asset Allocation Targets and Expected Returns
As of December 31, 2022

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

Note 10 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

Asset Allocation Targets and Expected Returns

As of December 31, 2021

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation %</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credi	45.0%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5.0%	1.82%
US Mortgages	Bloomberg US MBS	50.0%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

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

Single Discount Rate: A single discount rate of 3.76% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the College’s proportionate share of the net OPEB liability to changes in the discount rate:

The following presents the College’s proportionate share of the net OPEB liability calculated using the discount rate of 3.76 percent (2.17 percent for the prior year), as well as what the College’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>2023</u>		<u>2022</u>	
	<u>Discount Rate</u>	<u>Net OPEB Liability</u>	<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease to discount rate	2.76%	\$1,874,730	1.17%	\$2,698,964
Current discount rate	3.76%	1,375,046	2.17%	1,989,448
1% increase to discount rate	4.76%	992,097	3.17%	1,455,567

Payables to the OPEB plan: There were no outstanding required contributions at June 30, 2023 and 2022.

Note 11 - Expenses Classification

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

	2023	2022
Salaries and wages	\$ 17,999,817	\$ 17,283,081
Employee benefits	7,070,729	4,093,451
Travel, memberships, and subscriptions	307,721	291,363
Supplies	3,580,299	3,112,774
Contract services	4,556,513	4,603,143
Rentals	441,928	418,427
Credit	80,656	173,206
Insurance	265,066	250,777
Utilities	842,824	769,921
Depreciation and amortization	7,021,919	6,319,859
Student aid	3,590,709	4,497,476
Total operating expenses	<u>\$ 45,758,181</u>	<u>\$ 41,813,478</u>

Note 12 - Commitments and Contingencies

The College receives regular program aids from the WTCS Board based on aidable expenditures. This amount is subject to adjustment based on a state audit of the full-time equivalent students and cost allocation reports of the College and other districts of the state. The audit for the year ended June 30, 2023, has not been completed. It is the belief of management of the College audit adjustments, if any, will not materially affect the College's financial position.

As of June 30, 2023, the College had approximately \$15,970,122 (including retainage) in project commitments related to projects-in-progress at year-end.

Note 13 – Leases

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

The total amount of the right of use asset, net of amortization on this lease is \$1,572,084 and \$1,897,342 at June 30, 2023 and 2022 respectively. Principal and interest payments were calculated monthly using a fixed rate of 3% over the life of the lease and a straight-line amortization schedule. Lease liability amounts as of June 30, 2023 and 2022 were \$1,689,242 and \$1,988,826, respectively.

Note 13 – Leases (continued)

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

The total amount of the right of use asset, net of amortization on this lease is \$55,791 and \$83,687 at June 30, 2023 and 2022 respectively. Principal and interest payments were calculated monthly using a fixed rate of 3% over the life of the lease and a straight-line amortization schedule. Lease liability amounts as of June 30, 2023 and 2022 were \$60,514 and \$88,246, respectively.

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

Year	Principal	Interest	Total
2024	\$ 344,472	\$ 47,797	\$ 392,269
2025	362,296	37,219	399,515
2026	352,962	26,444	379,406
2027	368,770	15,674	384,444
2028	321,257	4,434	325,691
	<u>\$ 1,749,757</u>	<u>\$ 131,568</u>	<u>\$ 1,881,325</u>

Note 14 – Subscription-Based Information Technology Arrangements (SBITAs)

The College entered into multiple subscription-based information technology arrangements (SBITAs) with different vendors for a variety of software during the years ended June 30, 2023 and 2022. As of June 30, 2023 and 2022, the net SBITA right-to-use intangible assets were reported in the amount of \$2,739,965 and \$3,545,557, respectively. These SBITA right-to-use intangible assets are discounted at a rate of 3%. For the years ended June 30, 2023 and 2022, the College reported a corresponding SBITA liability in the amount of \$2,588,394 and \$3,366,904, respectively. For the years ended June 30, 2023 and 2022, there was a principal reduction of \$1,290,970 and \$915,667, respectively.

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

Year	Principal	Interest	Total
2024	\$ 717,960	\$ 73,603	\$ 791,563
2025	676,950	51,957	728,907
2026	562,791	31,385	594,176
2027	596,100	14,226	610,326
2028	34,593	1,038	35,631
	<u>\$ 2,588,394</u>	<u>\$ 172,209</u>	<u>\$ 2,760,603</u>

Note 15 - Insurance

Districts Mutual Insurance: In July 2004, all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). DMI is a fully assessable mutual company authorized under Wisconsin Statute Chapter 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$500,225,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

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

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

At the start of operations, each member college was assessed a charge for a capitalization component to establish reserves for the Company. For the years ended June 30, 2023 and 2022, the College paid premiums of approximately \$243,522 and \$227,482, respectively, to DMI. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the Company. The audited DMI financial statements can be obtained through Districts Mutual Insurance Co., 212 West Pinehurst Trail, Dakota Dunes, SD 57049.

Supplemental Insurance: In July 1997, the WTCS technical colleges formed the WTCS Insurance Trust to jointly purchase commercial insurance to provide coverage for losses from theft of, damages to, or destruction of assets. The trust is organized under Wisconsin Statutes 66.0301 and is governed by a board of trustees consisting of one trustee from each member college. Member entities include all sixteen WTCS districts.

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

- *Liability:* \$5,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; \$1,000 deductible for employee benefits.
- *Crime:* \$750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; \$750,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses; \$2,500 deductible for investigation, \$15,000 deductible for employee dishonesty, forgery and fraud.

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

Note 16 – Transactions with Component Unit

The College paid Foundation expense of approximately \$65,398 and \$65,462 for the years ended June 30, 2023 and 2022, respectively. These expenses covered the costs of salaries, benefits, office space, computer usage, and office supplies. In December 2016, the College entered into a ten year lease with option terms of up to four (4) additional periods of five (5) years each. Total rental income paid to the Foundation for the years ended June 30, 2023 and 2022 was \$325,077 and \$348,202, respectively.

Note 16 – Transactions with Component Unit (continued)

In June 2023, the Foundation awarded a grant of \$6,780,000 to the College for the construction of an Innovative Manufacturing Education Center. The College also received donated equipment in the amounts of \$95,587 and \$67,385 from the Foundation for the years ended June 30, 2023 and 2022, respectively. In addition, the Foundation disbursed scholarships and awards of \$198,578 and \$137,998 on behalf of the College during the fiscal years ended June 30, 2023 and 2022, respectively.

Note 17 - Component Unit

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

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

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

Investment securities are carried at market value.

Cash and investments at June 30, 2023 and 2022 are as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Gains</u>
<u>June 30, 2023</u>			
Certificates of Deposit	\$ 807,335	\$ 807,335	\$ -
Equity	1,687,849	1,931,982	244,133
Fixed Income	909,960	907,465	(2,495)
Total Investments	<u>\$ 3,405,144</u>	<u>\$ 3,646,782</u>	<u>\$ 241,638</u>
Cash & Cash Equivalents		1,495,439	
Total Cash and Investments		<u>\$ 5,142,221</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gains</u>
<u>June 30, 2022</u>			
Certificates of Deposit	\$ 806,665	\$ 806,665	\$ -
Equity	1,477,913	1,510,758	32,845
Fixed Income	1,089,667	988,075	(101,592)
Total Investments	<u>\$ 3,374,245</u>	<u>\$ 3,305,498</u>	<u>\$ (68,747)</u>
Cash & Cash Equivalents		906,551	
Total Cash and Investments		<u>\$ 4,212,049</u>	

Note 17 - Component Unit (continued)

Investment income reported in the statement of revenues, expenses and changes in net position totaled \$285,574 and (\$311,641) respectively for the years ended June 30, 2023 and 2022 and consisted of the following:

	2023	2022
Interest and dividends	\$ 165,116	\$ 100,900
Net realized gains/(losses)	(169,610)	118,312
Net unrealized gains/(losses)	310,384	(512,313)
Investment fees	(20,316)	(18,540)
	<u>\$ 285,574</u>	<u>\$ (311,641)</u>

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

	2023	2022
Restricted for student support	\$ 416,602	\$ 287,859
Without donor restriction	100,000	107,368
Less allowance for doubtful accounts	(1,418)	(1,525)
Less discounts to net present value	(33,964)	(24,098)
	<u>\$ 481,220</u>	<u>\$ 369,604</u>

Buildings and Equipment: In December 2016, the Foundation purchased a building in Milton, Wisconsin, for \$2,042,267. In December 2019, the Foundation purchased additional interest in the building for \$954,265 and land for \$113,058. The building is leased to the College under a ten (10) year lease with option terms of up to four (4) additional periods of five (5) years each. Depreciation is computed using the straight-line method over an estimated useful life of 40 years and depreciation expense of \$56,184 and \$74,912 was recorded as of June 30, 2023 and 2022.

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

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

Future principal payments to be received on this note are as follows:

Year	Principal
2024	\$ 166,090
2025	184,757
2026	188,453
2027	192,222
2028	162,845
	<u>\$ 894,367</u>

Note 17 - Component Unit (continued)

Debt: On December 13, 2019, the Foundation entered into a loan agreement for \$2,450,000. The loan proceeds were used to purchase land and refinance an existing loan for the building purchase the building in Milton, Wisconsin. The loan is for 8 years and carries a fixed rate of 4.29%. Principal and interest are paid monthly utilizing an amortization schedule over 15 years. The outstanding loan balance was \$2,144,034 as of June 30, 2022. In May 2023, this loan was paid off through the sale proceeds of the Advanced Manufacturing Training Center property.

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

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

Net position classified at June 30 are as follows:

	<u>2023</u>	<u>2022</u>
Restricted	\$ 4,574,627	\$ 3,865,694
Unrestricted	2,297,244	1,664,824
	<u>\$ 6,871,871</u>	<u>\$ 5,530,518</u>

Related Party Transactions: The Foundation received donated services from the College for salaries, benefits, office space, and computer usage. The value of these donated services was \$65,398 and \$65,462, respectively for the years ended June 30, 2023 and 2022. The Foundation received facility rental income from the College in the amounts of \$325,077 and \$348,202, respectively for the years ended June 30, 2023 and 2022. In June 2023, the Foundation awarded a grant of \$6,780,000 to the College for the construction of an Innovative Manufacturing Education Center at the central campus. The Foundation also transferred donated equipment to the College in the amounts of \$95,587 and \$67,385, respectively for the years ended June 30, 2023 and 2022.

Note 18 - Subsequent Events

On July 17, 2023, the College issued general obligation promissory notes in the amount of \$1,500,000. The proceeds are to be used for costs related to building remodeling and improvement projects. The interest rate is 4.00% with the first principal payment due April 1, 2024.

On August 3, 2023, the College issued general obligation promissory notes in the amount of \$3,800,000. The proceeds are to be used for costs related to building remodeling and improvement projects and for the acquisition of movable equipment. The interest rate is 4.00% with the first principal payment due April 1, 2024.

Note 19 – Restatement of Net Position

As a result of implementing GASB Statement No. 96, Subscription-Based Information Technology Arrangements, beginning net position was restated as follows:

Net position at June 30, 2022, as previously reported	\$ 46,163,783
Reclassification of software expense and amortization due to Implementation of GASB Statement No. 96	<u>116,236</u>
Net position at June 30, 2022, as restated	<u>\$ 46,280,019</u>

Required Supplementary Information

Blackhawk Technical College District

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended June 30, 2023

	2023	2022	2021	2020
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Total OPEB Liability				
Service Cost	\$ 277,653	\$ 259,489	\$ 248,787	\$ 232,511
Interest	310,003	300,295	303,179	291,097
Difference between Expected and Actual Experience	(729,323)	(76,180)	(720,167)	(30,981)
Changes in Assumptions	374,807	-	552,857	-
Benefit Payments	(319,076)	(355,620)	(410,935)	(337,907)
Net Change in Total OPEB Liability	(85,936)	127,984	(26,279)	154,720
Beginning Balance	4,385,396	4,257,412	4,283,691	4,128,971
Ending Balance	<u>\$ 4,299,460</u>	<u>\$ 4,385,396</u>	<u>\$ 4,257,412</u>	<u>\$ 4,283,691</u>
Plan Fiduciary Net Position				
Contributions	\$ -	\$ -	\$ -	\$ 55,000
Net Investment Income	842,418	(1,561,860)	2,538,833	630,896
Benefit Payments	(319,076)	(355,620)	(410,935)	(337,907)
Administrative Expense	(44,553)	(51,202)	(48,400)	(44,463)
Net Change in Plan Fiduciary Net Position	478,789	(1,968,682)	2,079,498	303,526
Beginning Balance	10,080,489	12,049,171	9,969,673	9,666,147
Ending Balance	<u>\$ 10,559,278</u>	<u>\$ 10,080,489</u>	<u>\$ 12,049,171</u>	<u>\$ 9,969,673</u>
Net OPEB Liability (Asset)	<u>\$ (6,259,818)</u>	<u>\$ (5,695,093)</u>	<u>\$ (7,791,759)</u>	<u>\$ (5,685,982)</u>
Plan Fiduciary Net Position as a % of the Total OPEB Liability	245.60%	229.86%	283.02%	232.74%
Covered Employee Payroll	\$ 13,643,229	\$ 13,043,881	\$ 13,043,881	\$ 12,265,057
Net OPEB Liability (Asset) as a % of Covered Employee Payroll	-45.88%	-43.66%	-59.73%	-46.36%

The College's total OPEB liability of \$4,299,460 and \$4,385,396 was measured as of June 30, 2023 and 2022, and was determined by an actuarial valuation as of those dates.

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2023

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

See Independent Auditor's Report.

Blackhawk Technical College District

Schedule of Employer Contributions - OPEB

Last 10 Fiscal Years, As Available

Schedule of Employer Contributions Last 10 Fiscal Years, As Available

	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Actuarially Determined Contribution	\$ 298,559	\$ 279,027	\$ 254,040	\$ 237,421
Actual Employer Contributions	-	-	-	55,000
Contribution Deficiency (Excess)	\$ 298,559	\$ 279,027	\$ 254,040	\$ 182,421
Covered Employee Payroll	\$ 13,643,229	\$ 13,043,881	\$ 13,043,881	\$ 12,265,057
Contributions as a % of Covered Employee Payroll	0.00%	0.00%	0.00%	0.45%
	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Actuarially Determined Contribution	\$ 239,628	\$ 223,951	\$ 213,677	\$ 239,832
Actual Employer Contributions	55,000	-	130,000	-
Contribution Deficiency (Excess)	\$ 184,628	\$ 223,951	\$ 83,677	\$ 239,832
Covered Employee Payroll	\$ 12,265,057	\$ 12,348,508	\$ 12,348,508	\$ 11,915,830
Contributions as a % of Covered Employee Payroll	0.45%	0.00%	1.05%	0.00%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

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

Blackhawk Technical College District

Notes to Schedule (continued)

Retirement Rates:

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

Per Capita Claim Costs (Medical):

Per Capita Claim Costs (Medical)

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

Blackhawk Technical College District

Schedule of Investment Returns

Year Ended June 30, 2023

Schedule of Investment Returns
Year Ended June 30, 2023

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

2023	2022	2021	2020	2019	2018	2017
8.49%	(13.18%)	26.00%	6.62%	6.53%	8.26%	10.60%

See Independent Auditor’s Report.

Blackhawk Technical College District

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

Year Ended June 30, 2023

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

Wisconsin Retirement System

Last 10 Calendar Years*

	2022	2021	2020	2019	2018
Proportion of the net pension liability (asset)	0.088%	0.091%	0.094%	0.096%	0.098%
Proportionate share of the net pension liability (asset)	\$4,680,538	(\$7,374,012)	(\$5,890,554)	(\$3,089,571)	\$3,496,801
Covered payroll	\$15,593,063	\$15,179,598	\$15,219,033	\$15,316,986	\$14,821,564
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.72%	106.02%	105.26%	102.96%	96.45%
Net pension liability (asset) as a percentage of covered payroll	30.02%	(48.58%)	(38.71%)	(20.17%)	23.59%

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

Wisconsin Retirement System

Last 10 Calendar Years*

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

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

See Independent Auditor's Report.

Blackhawk Technical College District

Schedules of Employer Contributions

Year Ended June 30, 2023

Schedule of Employer Contributions

Wisconsin Retirement System

Last 10 Fiscal Years

	2023	2022	2021	2020	2019
Contractually required contributions-fiscal year	\$1,049,322	\$1,007,534	\$1,021,481	\$1,026,116	\$993,314
Contributions in relation to the contractually required contributions	\$1,049,322	\$1,007,534	\$1,021,481	\$1,026,116	\$993,314
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$15,783,969	\$15,207,797	\$15,133,048	\$15,432,154	\$15,197,510
Contributions as a percentage of covered payroll	6.65%	6.63%	6.75%	6.65%	6.54%

Schedule of Employer Contributions

Wisconsin Retirement System

Last 10 Fiscal Years

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

Note 1

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

Changes of assumptions:

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

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

See Independent Auditor's Report.

Blackhawk Technical College District

Note 1 (continued)

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

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

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

	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				
Amortization Method:	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)				
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 Increase					
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.

Blackhawk Technical College District

Note 1 (continued)

	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 Increase					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 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 improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	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 Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2022

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

Local Retiree Life Insurance Fund

Last 10 Calendar Years*

	2023	2022	2021	2020
Proportion of the net OPEB liability	0.360%	0.340%	0.340%	0.370%
Proportionate share of the net OPEB liability	\$1,375,046	\$1,989,448	\$1,873,799	\$1,576,290
Covered payroll	\$14,552,000	\$14,016,000	\$13,618,000	\$13,650,000
Net OPEB liability as a percentage of covered payroll	9.45%	14.19%	13.76%	11.55%
Plan fiduciary net position as a percentage of the total OPEB liability	38.81%	29.57%	31.36%	37.58%

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

Local Retiree Life Insurance Fund

Last 10 Calendar Years*

	2019	2018
Proportion of the net OPEB liability	0.388%	0.398%
Proportionate share of the net OPEB liability	\$1,001,297	\$1,198,582
Covered payroll	\$12,956,000	\$13,141,589
Net OPEB liability as a percentage of covered payroll	7.73%	9.12%
Plan fiduciary net position as a percentage of the total OPEB liability	48.69%	44.81%

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

Blackhawk Technical College District

Schedules of Employer Contributions

Year Ended June 30, 2023

Schedule of Employer Contributions

Local Retiree Life Insurance Fund

Last 10 Fiscal Years

	2023	2022	2021	2020
Contractually required contributions-fiscal year	\$7,470	\$7,215	\$6,479	\$7,069
Contributions in relation to the contractually required contributions	\$7,470	\$7,215	\$6,479	\$7,069
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Covered payroll	\$14,552,000	\$14,016,000	\$13,618,000	\$13,650,000
Contributions as a percentage of covered payroll	0.05%	0.05%	0.05%	0.05%

Schedule of Employer Contributions (continued)

Local Retiree Life Insurance Fund

Last 10 Fiscal Years

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

Note 1

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

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

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

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

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

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

See Independent Auditor's Report.

Supplementary Financial Information

Blackhawk Technical College District

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

Year Ended June 30, 2023

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 6,744,500	\$ 6,957,207	\$ 6,959,292	\$ 2,085
Intergovernmental revenue:				
State aids	14,318,600	14,610,973	14,587,626	(23,347)
Federal aids	11,000	14,000	9,911	(4,089)
Tuition and fees:				
Statutory program fees	5,612,700	6,237,988	6,230,811	(7,177)
Material fees	311,000	334,692	334,875	183
Other student fees	401,200	495,409	498,294	2,885
Miscellaneous - institutional revenue	1,972,500	2,975,249	2,956,945	(18,304)
Total revenues	29,371,500	31,625,518	31,577,754	(47,764)
<u>Expenditures</u>				
Current:				
Instruction	16,769,076	16,447,349	16,444,139	3,210
Instructional resources	1,173,703	1,046,703	1,033,418	13,285
Student services	2,419,935	2,074,785	2,071,334	3,451
General institutional	6,644,350	6,739,770	6,737,655	2,115
Physical plant	2,479,436	2,619,436	2,619,006	430
Total expenditures	29,486,500	28,928,043	28,905,552	22,491
Revenues over (under) expenditures	(115,000)	2,697,475	2,672,202	(25,273)
<u>Other financing sources</u>				
Operating transfers in	140,000	320,000	319,285	(715)
Total other financing sources	140,000	320,000	319,285	(715)
<u>Other financing uses</u>				
Operating transfers out	(25,000)	(2,030,500)	(2,028,266)	2,234
Total other financing uses	(25,000)	(2,030,500)	(2,028,266)	2,234
Revenues and other financing sources over (under) expenditures and other financing uses	-	986,975	963,221	(23,754)
<u>Fund balance</u>				
Beginning of year	11,490,098	11,490,098	11,490,098	-
End of year	\$ 11,490,098	\$ 12,477,073	\$ 12,453,319	\$ (23,754)

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2023

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 491,932	\$ 500,999	\$ 496,433	\$ (4,566)
Intergovernmental revenue:				
State aids	926,933	1,656,919	964,783	(692,136)
Federal	706,526	1,197,095	1,090,043	(107,052)
Tuition and fees:				
Statutory program fees	9,924	34,472	32,078	(2,394)
Material fees	403	1,785	1,450	(335)
Other student fees	-	2,052	1,666	(386)
Miscellaneous - institutional revenue	-	28,860	28,861	1
Total revenues	2,135,718	3,422,182	2,615,314	(806,868)
<u>Expenditures</u>				
Current:				
Instruction	1,288,264	1,769,782	1,089,422	680,360
Instructional resources	75,370	157,084	144,622	12,462
Student services	754,438	1,137,082	1,008,053	129,029
General institutional	17,646	156,776	156,030	746
Physical Plant	-	24,890	22,241	2,649
Total expenditures	2,135,718	3,245,614	2,420,368	825,246
Revenues over (under) expenditures	-	176,568	194,946	18,378
<u>Other financing uses</u>				
Operating transfers out	-	(180,000)	(179,285)	715
Total other financing uses	-	(180,000)	(179,285)	715
Revenues over (under) expenditures and other financing uses	-	(3,432)	15,661	19,093
<u>Fund balance</u>				
Beginning of year	942,084	942,084	942,084	-
End of year	\$ 942,084	\$ 938,652	\$ 957,745	\$ 19,093

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2023

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Intergovernmental revenue:				
State aids	\$ 809,100	\$ 1,077,776	\$ 1,077,661	\$ (115)
Federal	7,070,875	9,046,260	9,013,312	(32,948)
Miscellaneous - institutional revenue	155,170	175,307	169,179	(6,128)
Total revenues	8,035,145	10,299,343	10,260,152	(39,191)
<u>Expenditures</u>				
Current:				
Student services	7,913,975	10,163,536	10,118,246	45,290
General institutional	146,170	166,307	162,670	3,637
Total expenditures	8,060,145	10,329,843	10,280,916	48,927
Revenues over (under) expenditures	(25,000)	(30,500)	(20,764)	9,736
<u>Other financing sources</u>				
Operating transfers in	25,000	30,500	28,266	(2,234)
Revenues and other financing sources over (under) expenditures and other financing uses	-	-	7,502	7,502
<u>Fund balance</u>				
Beginning of year	125,517	125,517	125,517	-
End of year	\$ 125,517	\$ 125,517	\$ 133,019	\$ 7,502

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2023

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Intergovernmental revenue:				
State aids	\$ 5,200	\$ 10,581	\$ 10,581	\$ -
Federal	-	1,083,102	1,084,101	999
Miscellaneous - institutional revenue	1,300	7,691,816	7,691,816	-
Total revenues	6,500	8,785,499	8,786,498	999
<u>Expenditures</u>				
Capital outlay:				
Instruction	1,822,225	1,858,792	1,684,916	173,876
Instructional resources	195,444	807,636	807,102	534
Student services	7,500	46,889	13,500	33,389
General institutional	1,506,831	1,291,171	1,078,540	212,631
Physical plant	2,934,500	24,235,777	10,685,555	13,550,222
Total expenditures	6,466,500	28,240,265	14,269,613	13,970,652
Revenues over (under) expenditures	(6,460,000)	(19,454,766)	(5,483,115)	13,971,651
<u>Other financing sources</u>				
Proceeds of general obligation debt	5,300,000	5,300,000	5,300,000	-
Operating transfers in	-	2,000,000	2,000,000	-
Total other financing sources	5,300,000	7,300,000	7,300,000	-
<u>Other financing uses</u>				
Operating transfers out	(70,000)	(70,000)	(70,000)	-
Total other financing uses	(70,000)	(70,000)	(70,000)	-
Revenues and other financing sources over (under) expenditures and other financing uses	(1,230,000)	(12,224,766)	1,746,885	13,971,651
<u>Fund balance</u>				
Beginning of year	25,345,991	25,345,991	25,345,991	-
End of year	\$ 24,115,991	\$ 13,121,225	\$ 27,092,876	\$ 13,971,651

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2023

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 8,993,000	\$ 8,865,000	\$ 8,865,000	\$ -
Miscellaneous - institutional revenue	100	92,915	92,915	-
Total revenues	8,993,100	8,957,915	8,957,915	-
<u>Expenditures</u>				
Physical plant	9,305,700	9,191,834	9,174,804	17,030
Total expenditures	9,305,700	9,191,834	9,174,804	17,030
Revenues over (under) expenditures	(312,600)	(233,919)	(216,889)	17,030
<u>Other financing sources</u>				
Proceeds from long-term debt	-	169,711	169,711	-
Operating transfers in	70,000	70,000	70,000	-
Total other financing sources	70,000	239,711	239,711	-
Revenues and other financing sources over (under) expenditures	(242,600)	5,792	22,822	17,030
<u>Fund balance</u>				
Beginning of year	2,252,950	2,252,950	2,252,950	-
End of year	\$ 2,010,350	\$ 2,258,742	\$ 2,275,772	\$ 17,030

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2023

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Miscellaneous - institutional revenue	\$ 120,985	\$ 120,985	\$ 89,223	\$ (31,762)
<u>Expenditures</u>				
Auxiliary services	102,657	102,657	59,832	42,825
Total expenditures	102,657	102,657	59,832	42,825
Revenues over (under) expenditures	18,328	18,328	29,391	11,063
<u>Other financing uses</u>				
Operating transfers out	(140,000)	(140,000)	(140,000)	-
Total other financing uses	(140,000)	(140,000)	(140,000)	-
Revenues and other financing sources over (under) expenditures and other financing uses	(121,672)	(121,672)	(110,609)	11,063
<u>Net position</u>				
Beginning of year	489,817	489,817	489,817	-
End of year	\$ 368,145	\$ 368,145	\$ 379,208	\$ 11,063

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2023

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Miscellaneous - institutional revenue	\$ 260,000	\$ 260,000	\$ 260,000	\$ -
Total revenues	260,000	260,000	260,000	-
<u>Expenditures</u>				
Auxiliary services	260,000	260,000	241,726	18,274
Total expenditures	260,000	260,000	241,726	18,274
Revenues over (under) expenditures	-	-	18,274	18,274
<u>Net position</u>				
Beginning of year	233,002	233,002	233,002	-
End of year	\$ 233,002	\$ 233,002	\$ 251,276	\$ 18,274

See Independent Auditor's Report.

Blackhawk Technical College District

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

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

Blackhawk Technical College District

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

Year Ended June 30, 2023

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

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2023

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

Operating	\$ 975,364
Non-operating	14,587,626
	<hr/>
Total	<u>\$ 15,562,990</u>

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

Auxiliary enterprise revenues	\$ 89,223
Contract revenues	1,973,630
Miscellaneous income	7,732,018
Investment income	1,382,122
	<hr/>
Total	<u>\$ 11,176,993</u>

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

	<u>2023</u>
Budgetary basis fund equity	\$ 43,543,215
Capital assets - cost	117,896,024
Accumulated depreciation on capital assets	(49,818,007)
Right of use of assets, net of amortization	4,367,839
Net OPEB Asset	6,259,818
Net OPEB liability - LRLIF	(1,375,048)
General obligation debt	(63,775,000)
Lease liability payable	(1,749,757)
SBITA liability payable	(2,588,394)
Unamortized premium	(1,509,520)
Accrued interest on long-term debt	(413,854)
Deferred outflows of resources	18,913,815
Net pension liability - WRS	(4,680,538)
Deferred inflows of resources	(12,387,858)
Due to students and other groups	727,140
Encumbrances	1,627,339
	<hr/>
Net position per basic financial statements	<u>\$ 55,037,214</u>

See Independent Auditor's Report.

Blackhawk Technical College District

**Schedule to Reconcile the Non-GAAP Budgetary Combined Balance Sheet -
All Fund Types to the Statement of Net Position
June 30, 2022**

ASSETS AND OTHER DEBITS	General	Special Revenue Fund		Capital	Debt	Enterprise	Internal	Agency	Total	Reconciling Items	Statement of Net Position
	Fund	Operating	Non - Aidable	Projects Fund	Service Fund	Fund	Service Fund	Funds			
Assets											
Cash and cash equivalents	\$ 7,040,782	\$ 616,276	\$ 104,169	\$ 28,974,944	\$ 2,253,425	\$ 488,280	\$ 233,002	\$ 531,010	\$ 40,241,888	\$ -	\$ 40,241,888
Investments	-	-	35,870	-	-	-	-	-	35,870	-	35,870
Receivables:											
Taxes	4,074,121	-	-	-	-	-	-	-	4,074,121	-	4,074,121
Federal and state	98,552	389,778	1,896,363	235,356	-	-	-	600	2,620,649	-	2,620,649
Accounts	620,956	-	10,214	-	-	2,810	-	165,518	799,498	-	799,498
Due from other funds	1,931,405	-	-	-	-	-	-	-	1,931,405	(1,931,405)	-
Prepaid items	107,281	4,657	-	217,000	-	-	-	-	328,938	-	328,938
Post-employment benefits	-	-	-	-	-	-	-	-	-	5,695,093	5,695,093
Net pension asset	-	-	-	-	-	-	-	-	-	7,374,012	7,374,012
Deferred outflow of resources - actuarial - WRS	-	-	-	-	-	-	-	-	-	13,309,304	13,309,304
Deferred outflow of resources - actuarial - OPEB	-	-	-	-	-	-	-	-	-	1,422,745	1,422,745
Deferred outflow of resources - actuarial - LRLIF	-	-	-	-	-	-	-	-	-	626,967	626,967
Deferred outflow of resources - contributions - WRS	-	-	-	-	-	-	-	-	-	493,813	493,813
Deferred outflow of resources - contributions - LRLIF	-	-	-	-	-	-	-	-	-	3,606	3,606
Right of use assets, net of amortization	-	-	-	-	-	-	-	-	-	5,526,586	5,526,586
Capital assets	-	-	-	-	-	-	-	-	-	107,359,849	107,359,849
Less: accumulated depreciation	-	-	-	-	-	-	-	-	-	45,212,080	45,212,080
Total assets and other debts	\$ 13,873,097	\$ 1,010,711	\$ 2,046,616	\$ 29,427,300	\$ 2,253,425	\$ 491,090	\$ 233,002	\$ 697,128	\$ 50,032,369	\$ 94,668,490	\$ 144,700,859
LIABILITIES AND FUND BALANCE/NET POSITION											
Liabilities											
Accounts payable	\$ 378,421	\$ 11,311	\$ -	\$ 1,897,451	\$ 475	\$ 1,125	\$ -	\$ 9,955	\$ 2,298,738	\$ -	\$ 2,298,738
Accrued liabilities	1,543,636	57,316	-	-	-	-	-	513	1,601,465	-	1,601,465
Accrued interest	-	-	-	-	-	-	-	-	-	407,282	407,282
Due to other funds	-	-	1,921,099	-	-	-	-	10,306	1,931,405	(1,931,405)	-
Unearned revenue - student fees	395,486	-	-	-	-	-	-	-	395,486	-	422,011
Due to student organizations	-	-	-	-	-	-	-	676,354	676,354	(676,354)	-
General obligation debt payable	-	-	-	-	-	-	-	-	-	65,870,000	65,870,000
Lease liability payable	-	-	-	-	-	-	-	-	-	2,077,072	2,077,072
SBITA liability payable	-	-	-	-	-	-	-	-	-	3,366,904	3,366,904
Net OPEB liability - LRLIF	-	-	-	-	-	-	-	-	-	1,989,450	1,989,450
Deferred inflow of resources - actuarial WRS	-	-	-	-	-	-	-	-	-	17,378,618	17,378,618
Deferred inflow of resources - actuarial OPEB	-	-	-	-	-	-	-	-	-	1,112,664	1,112,664
Deferred inflow of resources - actuarial LRLIF	-	-	-	-	-	-	-	-	-	344,409	344,409
Unamortized premium on general obligation debt	-	-	-	-	-	-	-	-	-	1,552,227	1,552,227
Total liabilities	2,317,543	68,627	1,921,099	1,897,451	475	1,125	-	697,128	6,903,448	91,517,392	98,420,840
Fund balance/Net position											
Net investment in capital assets	-	-	-	-	-	-	-	-	-	19,005,621	19,005,621
Net position	-	-	-	-	-	489,817	233,002	-	722,819	12,413,687	13,136,506
Fund balances:											
Restricted for debt service	-	-	-	-	2,252,950	-	-	-	2,252,950	(1,959,509)	293,441
Restricted for capital projects	-	-	-	20,326,994	-	-	-	-	20,326,994	(20,326,994)	-
Restricted for OPEB	-	-	-	-	-	-	-	-	-	5,695,093	5,695,093
Restricted for student financial assistance	-	-	125,517	-	-	-	-	-	125,517	-	125,517
Restricted for student organizations	-	-	-	-	-	-	-	-	-	649,829	649,829
Nonspendable for prepaid items	107,281	4,657	-	217,000	-	-	-	-	328,938	(328,938)	-
Restricted for pensions	-	-	-	-	-	-	-	-	-	7,374,012	7,374,012
Assigned - Designated for operations	4,657,022	937,427	-	-	-	-	-	-	5,594,449	(5,594,449)	-
Assigned - Designated for capital projects	-	-	-	4,801,997	-	-	-	-	4,801,997	(4,801,997)	-
Assigned - Designated for State aid fluctuations	350,000	-	-	-	-	-	-	-	350,000	(350,000)	-
Assigned - Designated for subsequent years	500,000	-	-	-	-	-	-	-	500,000	(500,000)	-
Assigned - Designated for subsequent year	5,875,795	-	-	-	-	-	-	-	5,875,795	(5,875,795)	-
Budgetary basis fund balance/net position	11,490,098	942,084	125,517	25,345,991	2,252,950	489,817	233,002	-	40,879,459	5,400,560	46,280,019
Reserve for encumbrances	65,456	-	-	2,183,858	-	148	-	-	2,249,462	(2,249,462)	-
Total fund balance/net position	11,555,554	942,084	125,517	27,529,849	2,252,950	489,965	233,002	-	43,128,921	3,151,098	46,280,019
Total liabilities and fund balance/net position	\$ 13,873,097	\$ 1,010,711	\$ 2,046,616	\$ 29,427,300	\$ 2,253,425	\$ 491,090	\$ 233,002	\$ 697,128	\$ 50,032,369	\$ 94,668,490	\$ 144,700,859

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2022

	General Fund	Special Revenue Fund		Capital Projects Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	Total	Reconciling Items	Statement of
		Operating	Non - Aidable							Revenues, Expenses and Changes in Net Position
Revenues										
Local government - tax levy	\$ 6,790,672	\$ 543,765	\$ -	\$ -	\$ 8,850,000	\$ -	\$ -	\$16,184,437	\$ -	\$ 16,184,437
Intergovernmental revenue:										
State aids	13,927,588	725,319	792,432	71,472	-	-	-	15,516,811	(792,432)	14,724,379
Federal aids	8,401	1,573,320	9,457,178	3,171,375	-	-	-	14,210,274	(3,339,682)	10,870,592
Tuition and fees:										
Statutory program fees	5,613,931	21,226	-	-	-	-	-	5,635,157	(1,600,621)	4,034,536
Material fees	315,126	862	-	-	-	-	-	315,988	(89,533)	226,455
Other student fees	478,116	2,759	-	-	-	-	-	480,875	254,100	734,975
Miscellaneous - institutional revenue	2,727,939	42,299	143,567	1,295,782	1,771	103,836	227,000	4,542,194	(93,414)	4,448,780
Total revenues	29,861,773	2,909,550	10,393,177	4,538,629	8,851,771	103,836	227,000	56,885,736	(5,661,582)	51,224,154
Expenditures										
Current:										
Instruction	16,583,010	993,493	-	861,804	-	-	-	18,438,307	(1,827,123)	16,611,184
Instructional resources	1,032,958	143,303	-	2,076,072	-	-	-	3,252,333	(1,106,053)	2,146,280
Student services	2,027,097	1,231,391	10,270,418	438,345	-	-	-	13,967,251	(7,753,779)	6,213,472
General institutional	6,174,230	318,255	154,096	1,234,100	-	-	-	7,880,681	(1,673,354)	6,207,327
Physical plant	2,422,685	35,390	-	15,285,542	8,801,529	-	-	26,545,146	(23,956,182)	2,588,964
Student aid	-	-	-	-	-	-	-	-	1,698,096	1,698,096
Auxiliary	-	-	-	-	-	28,444	225,935	254,379	(226,083)	28,296
Depreciation and amortization	-	-	-	-	-	-	-	-	6,319,859	6,319,859
Loss on disposition of fixed assets	-	-	-	-	-	-	-	-	756,892	756,892
Debt service										
Interest and fiscal charges	-	-	-	-	-	-	-	-	1,597,069	1,597,069
Total expenditures	28,239,980	2,721,832	10,424,514	19,895,863	8,801,529	28,444	225,935	70,338,097	(26,170,658)	44,167,439
Excess (deficiency) of revenues over expenditures	1,621,793	187,718	(31,337)	(15,357,234)	50,242	75,392	1,065	(13,452,361)	20,509,076	7,056,715
Other financing sources (uses)										
Operating transfers in	320,047	-	20,808	1,700,000	177,000	-	-	2,217,855	(2,217,855)	-
Operating transfers out	(1,720,808)	(179,285)	-	(177,000)	-	(140,762)	-	(2,217,855)	2,217,855	-
Proceeds from long-term debt	-	-	-	29,800,000	964,972	-	-	30,764,972	(30,764,972)	-
Total other financing sources (uses)	(1,400,761)	(179,285)	20,808	31,323,000	1,141,972	(140,762)	-	30,764,972	(30,764,972)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	221,032	8,433	(10,529)	15,965,766	1,192,214	(65,370)	1,065	17,312,611	(10,255,896)	7,056,715
Fund balances/Net position:										
Beginning of year, as restated	11,269,066	933,651	136,046	9,380,225	1,060,736	555,187	231,937	23,566,848	15,656,456	39,223,304
End of year	\$ 11,490,098	\$ 942,084	\$ 125,517	\$ 25,345,991	\$ 2,252,950	\$ 489,817	\$ 233,002	\$40,879,459	\$ 5,400,560	\$ 46,280,019

See Independent Auditor's Report.

Other Report

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

District Board
Blackhawk Technical College District
Janesville, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of Blackhawk Technical College District (the “College”), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated December 21, 2023. The financial statements of the Blackhawk Technical College Foundation, Inc. (the “Foundation”), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Wipfli LLP

December 21, 2023
Eau Claire, Wisconsin

Statistical Section

Blackhawk Technical College District

Financial Trends – Net Position by Component Last Ten Fiscal Years

	2023	(Restated) 2022	(Restated) 2021	(Restated) 2020	2019	(Reclassified) 2018	2017	2016	(Restated) 2015	2014
Net investment in capital assets	\$ 26,121,365	\$ 19,068,038	\$ 14,355,613	\$ 12,269,050	\$ 11,784,309	\$ 12,042,920	\$ 11,539,741	\$ 12,194,425	\$ 13,888,849	\$ 15,754,490
Restricted for:										
Debt service	352,398	293,441	224,454	229,334	198,915	449,826	356,084	778,427	553,401	278,829
Pensions	-	7,374,012	5,890,554	3,089,571					2,921,424	
OPEB	6,259,818	5,695,093	7,791,759	5,685,982	4,510,365	4,400,561	4,274,829			
Student financial assistance	133,019	125,517	136,046	134,372	123,397	134,474	104,776	48,259	52,887	63,847
Student organizations	727,140	649,829	617,415	578,000						
Unrestricted	21,443,474	13,074,089	10,207,463	10,936,885	12,997,506	13,343,096	12,949,549	15,763,540	13,605,148	11,564,931
Total Net Position	\$ 55,037,214	\$ 46,280,019	\$ 39,223,304	\$ 32,923,194	\$ 29,614,492	\$ 30,370,877	\$ 29,224,979	\$ 28,784,651	\$ 31,021,709	\$ 27,662,097

Blackhawk Technical College District

Financial Trends – Changes in Net Position Last Ten Fiscal Years

	2023	(Restated) 2022	(Restated) 2021	(Restated) 2020	2019	2018	2017	2016	(Restated) 2015	2014
Operating Revenues										
Tuition and fees, net of scholarship allowances	\$ 5,796,051	\$ 4,995,966	\$ 4,806,211	\$ 4,675,094	\$ 4,712,362	\$ 4,621,905	\$ 4,627,487	\$ 4,779,121	\$ 3,801,758	\$ 4,000,881
State aids	975,364	796,791	704,545	1,326,439	2,345,142	2,045,642	1,798,962	1,619,248	1,525,993	1,607,691
Federal grants	7,487,322	10,870,592	8,893,861	5,913,796	4,149,742	4,733,230	5,127,300	5,811,872	6,825,882	6,822,481
Contract revenue	1,973,630	2,119,830	1,648,524	2,806,588	1,576,283	1,407,542	1,457,254	1,092,002	675,424	703,095
Auxiliary revenues	89,223	103,836	115,987	122,432	126,147	153,672	145,930	127,444	107,828	148,520
Miscellaneous - institutional revenue	7,537,018	2,139,999	1,132,601	778,073	599,576	636,342	1,146,896	737,132	650,942	1,868,606
Total program revenues	23,858,608	21,027,014	17,301,729	15,622,422	13,509,252	13,598,333	14,303,829	14,166,819	13,587,827	15,151,274
Operating Expenses										
Instruction	18,479,542	16,611,184	15,779,774	19,002,609	18,944,128	17,652,913	18,002,019	18,268,116	20,128,563	18,605,256
Instructional Resources	2,359,017	2,146,280	1,743,107	1,729,418	1,700,467	1,578,082	1,797,801	2,111,723	2,754,984	2,968,691
Student Services	5,308,126	6,213,472	4,566,197	4,279,358	3,282,279	3,518,363	3,741,244	4,011,244	3,810,176	4,053,329
General Institutional	6,899,506	6,207,327	6,696,232	5,583,415	5,523,017	5,017,942	5,454,728	4,975,086	5,626,818	4,997,754
Physical Plant	3,443,882	2,588,964	2,519,497	2,698,493	2,728,005	2,743,556	3,042,192	3,913,173	2,034,944	2,325,343
Student Aid	2,186,199	1,698,096	2,041,478	2,236,967	2,398,529	2,369,950	2,525,524	2,981,290	2,297,505	2,688,798
Auxiliary Services	59,990	28,296	72,502	92,633	82,285	69,453	111,718	64,812	103,271	143,487
Depreciation	7,021,919	6,319,859	5,649,780	5,399,704	5,219,628	5,087,354	4,941,665	4,921,570	2,286,750	1,698,292
Total operating expenses	45,758,181	41,813,478	39,068,567	41,022,597	39,878,338	38,037,613	39,616,891	41,247,014	39,043,011	37,480,950
Operating loss	(21,899,573)	(20,786,464)	(21,766,838)	(25,400,175)	(26,369,086)	(24,439,280)	(25,313,062)	(27,080,195)	(25,455,184)	(22,329,676)
Non-operating Revenues (Expenses)										
Property taxes	16,320,725	16,184,437	16,078,719	15,750,265	14,880,450	14,833,466	14,219,152	13,673,247	12,441,582	20,749,382
State operating appropriations	14,587,626	13,927,588	13,190,322	13,194,031	12,710,032	12,650,361	12,673,742	12,727,832	12,835,623	2,967,380
Investment income	1,577,122	85,115	17,877	216,652	332,588	184,395	59,580	19,563	19,563	15,382
Loss on disposal of property and equipment	(88,435)	(756,892)	(86,115)	(26,392)	(1,303,408)	(9,741)	(1,443,504)	(428,062)	(111,876)	(156,241)
Interest expense	(1,740,270)	(1,597,069)	(1,133,855)	(1,003,680)	(1,006,961)	(1,046,918)	(1,112,294)	(1,149,444)	(1,115,944)	(877,452)
Total non-operating revenues (expenses)	30,656,768	27,843,179	28,066,948	28,130,876	25,612,701	26,611,563	24,396,676	24,843,136	24,068,948	22,698,451
Change in Net Position	\$ 8,757,195	\$ 7,056,715	\$ 6,300,110	\$ 2,730,701	\$ (756,385)	\$ 2,172,283	\$ (916,386)	\$ (2,237,059)	\$ (1,386,236)	\$ 368,775

Blackhawk Technical College District

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

Calendar Year	Residential	Commercial	Manufacturing	Other	Personal Property	Incremental Districts ^(a)	Total Value ^(b)	District Value ^(c)	Tax Rate ^(d)
2013	8,170,396	2,114,126	457,484	860,779	356,915	(483,863)	11,475,837	10,779,159	1.92482
2014	8,475,434	2,214,135	469,081	871,764	375,301	(511,649)	11,894,066	11,192,318	1.11126
2015	8,636,578	2,234,500	494,021	884,501	398,203	(512,148)	12,135,655	11,400,609	1.19909
2016	8,991,446	2,355,016	500,075	869,610	398,276	(623,541)	12,490,882	11,717,073	1.21275
2017	9,610,802	2,448,071	525,607	831,594	416,659	(704,926)	13,127,807	12,329,756	1.20275
2018	10,292,414	2,574,739	569,594	846,494	303,426	(683,826)	13,902,841	13,020,910	1.14293
2019	11,133,018	2,726,169	595,186	859,051	314,335	(940,363)	14,687,396	14,026,990	1.11263
2020	11,805,161	2,934,316	638,634	883,716	325,283	(1,060,864)	15,526,246	14,821,886	1.08430
2021	13,057,266	3,316,266	646,352	935,746	353,045	(1,380,820)	16,927,855	16,159,386	1.00074
2022	15,166,557	3,962,279	690,248	1,019,026	374,202	(1,074,285)	20,138,027	19,238,668	0.83880

Source: Wisconsin Department of Revenue, Bureau of Property Tax

Notes:

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

Blackhawk Technical College District

Revenue Capacity – Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

Fiscal Year	BTC Direct Rate			Overlapping Rates ^(a)				Gross Total	State Tax Relief	Net Tax Rate
	Operational ^(b)	Debt Service	Total	County	Local ^(c)	Other School Districts	State			
2014	1.48	0.44	1.92	6.75	6.55	10.69	1.43	27.34	(1.70)	25.64
2015	0.57	0.55	1.11	6.57	6.57	10.45	1.39	26.09	(1.64)	24.45
2016	0.57	0.63	1.20	6.51	6.58	10.39	1.39	26.07	(1.83)	24.24
2017	0.57	0.64	1.21	6.46	6.62	10.32	1.59	26.20	(1.78)	24.42
2018	0.56	0.64	1.20	6.32	6.51	10.05	1.48	25.56	(1.88)	23.68
2019	0.54	0.60	1.14	6.06	6.40	9.74	1.31	24.65	(1.78)	22.87
2020	0.53	0.59	1.11	5.89	6.15	9.62	1.16	23.93	(1.68)	22.25
2021	0.52	0.57	1.08	5.73	5.93	9.48	1.25	23.47	(1.61)	21.86
2022	0.45	0.55	1.00	5.35	5.67	9.20	1.58	22.80	(1.50)	21.30
2023	0.38	0.46	0.84	4.37	5.11	7.96	0.72	19.00	(1.29)	17.71

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

Notes:

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

Blackhawk Technical College District

Revenue Capacity – Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Total Collections to Date ^(b)	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2014	20,747,840	14,701,265	70.86%	20,747,840	100.00%
2015	12,437,599	8,905,566	71.60%	12,437,599	100.00%
2016	13,670,386	9,807,438	71.74%	13,670,386	100.00%
2017	14,209,843	10,330,415	72.70%	14,209,843	100.00%
2018	14,829,670	10,903,713	73.53%	14,829,670	100.00%
2019	14,881,962	9,136,317	61.39%	14,881,962	100.00%
2020	15,606,881	15,606,881	100.00%	15,606,881	100.00%
2021	16,071,320	11,949,341	74.35%	16,071,320	100.00%
2022	16,171,346	12,097,225	74.81%	16,171,346	100.00%
2023	16,137,349	10,297,825	63.81%	16,137,349	100.00%

Notes:

- (a) Under Wisconsin law, personal property taxes and certain installment real estate taxes are collected by city, village, and town treasurers or clerks, who then settle with other taxing units, such as counties, technical colleges and local school districts. Settlements are due from the municipality by the 15th of the month following the due date based on the municipality's payment plan. Certain installment real estate taxes and delinquent taxes are collected by the county treasurers, who then settle with the city, village, and town treasurers and other taxing units before retaining any for county purposes. In practice, any delinquent real estate taxes are withheld from the county's share. Therefore, the District receives 100% of its levy upon receipt of settlement from the county treasurers, although the taxes collected as a percentage of total tax levy will vary in any given fiscal year due to timing of payments received from municipalities.
- (b) Full levy is typically collected in mid-August. For 2023, \$16,137,349 or 100% was collected by the end of August 2023.

Blackhawk Technical College District

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

Taxpayer Name	2022			2012		
	Equalized Valuation	Rank	Percentage of Total Equalized Valuation	Equalized Valuation	Rank	Percentage of Total Equalized Valuation
Amazon	\$ 162,849,864	1	0.82%	\$ -		
ABC Supply	108,527,926	2	0.54%	63,385,285	2	0.57%
TI Janesville I LLC - VIII LLC	82,313,590	3	0.41%			
Mercy Health System	76,111,937	4	0.38%	83,055,743	1	0.75%
Dollar General	60,909,473	5	0.31%			
Dean/St. Mary's/Riverview Clinic	41,847,847	6	0.21%	41,035,275	5	0.37%
Blain Supply Farm & Fleet	36,808,703	7	0.18%	36,402,191	7	0.33%
Oak Park Properties of Janesville LLC	36,623,643	8	0.18%			
Kerry Ingredients	35,988,555	9	0.18%	35,496,482	8	0.32%
Stag Janesville LLC	33,365,756	10	0.17%			
GHC Specialty Brands LLC				38,213,957	6	0.35%
Kettle Foods				41,108,906	4	
Janesville Mall				42,220,436	3	0.38%
Staples Contract & Commercial LLC				33,512,192	9	0.30%
Wal-Mart				27,514,123	10	0.25%
Total	\$ 675,347,294		3.38%	\$ 441,944,590		4.00%
Total Equalized Valuation for the District	\$ 19,959,740,679			\$ 11,048,410,836		

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

Blackhawk Technical College District

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Students Served ⁽¹⁾										
Associate Degree	3,002	2,873	2,704	2,685	2,673	2,494	2,488	2,606	3,002	3,165
Technical Diploma	834	736	715	585	791	720	695	784	748	879
Apprentices	149	145	136	139	127	108	92	81	63	49
Vocational Adult	2,427	2,583	2,027	2,188	2,523	2,773	2,458	2,461	3,041	4,208
Community Service ⁽⁴⁾	91	36	18	71	180	197	175	247	220	243
Basic Skills	736	693	847	879	875	888	859	886	1,025	1,592
Total	7,239	7,066	6,447	6,547	7,169	7,180	6,767	7,065	8,099	10,136
Full-time Equivalent Enrollment ⁽²⁾										
Associate Degree	1,260	1,153	1,123	1,171	1,134	1,052	1,078	1,195	1,355	1,415
Technical Diploma	183	180	166	143	264	293	276	270	282	317
Apprentices	24	23	21	24	23	15	15	12	10	8
Vocational Adult	37	40	34	36	40	36	39	46	41	58
Community Service	2	1	1	1	4	4	4	5	6	8
Basic Skills	74	60	72	80	96	102	106	114	134	155
Total	1,580	1,457	1,417	1,455	1,561	1,502	1,518	1,642	1,828	1,961
Total Expenditures⁽⁵⁾	\$ 31,325,920	\$ 30,961,812	\$ 29,977,662	\$ 30,872,471	\$ 29,546,435	\$ 27,972,760	\$ 28,582,125	\$ 29,187,694	\$ 29,987,881	\$ 30,507,322
Cost per full-time equivalent student	\$ 19,833	\$ 21,249	\$ 21,156	\$ 21,218	\$ 18,928	\$ 18,624	\$ 18,829	\$ 17,776	\$ 16,405	\$ 15,557
Graduate Follow-up statistics ⁽³⁾										
Number of Graduates	805	706	674	587	647	431	529	730	639	728
Number of Respondents	N/A	360	390	357	394	163	248	323	324	522
Percent in workforce employed	N/A	99%	97%	94%	97%	95%	94%	94%	95%	93%
Percent employed in related occupations	N/A	95%	87%	85%	86%	88%	83%	81%	73%	84%
Median monthly salary	N/A	4142	\$ 3,705	\$ 3,657	\$ 3,404	\$ 3,715	\$ 2,659	\$ 3,452	\$ 2,623	\$ 2,773
Percent employed in district	N/A	48%	28%	30%	40%	50%	59%	54%	53%	61%
Percent employed elsewhere in Wisconsin	N/A	25%	24%	16%	26%	27%	19%	23%	16%	25%
Average Age of students	27.4	29.1	26.9	27.0	28.0	26.9	27.0	32.3	32.9	34.0
Age range of students	11-86	14-94	15-76	15-79	9-93	12-106	11-90	10-94	15-95	12-94

Source: Institution Advancement Department and basic financial statements.

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

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

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

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

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

Blackhawk Technical College District

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

Fiscal Year	Population ^(a)	Equalized Valuation ^(b)	Outstanding Debt ^(c)	Less Amounts Available ^(d)	Net Debt Outstanding	Percent of Net Debt to Equalized Valuation	Debt per Capita
2014	186,801	10,779,158,932	30,885,000	431,106	30,453,894	0.28%	163.03
2015	186,747	11,192,317,904	45,435,000	819,388	44,615,612	0.40%	238.91
2016	186,715	11,400,609,427	50,775,000	1,071,826	49,703,174	0.44%	266.20
2017	186,442	11,717,072,877	48,875,000	640,385	48,234,615	0.41%	258.71
2018	185,739	12,329,756,115	46,810,000	725,031	46,084,969	0.37%	248.12
2019	186,516	13,020,909,894	42,575,000	458,314	42,116,686	0.32%	225.81
2020	186,838	14,026,990,474	39,990,000	1,067,042	38,922,958	0.28%	208.32
2021	186,265	14,821,866,157	43,565,000	1,060,736	42,504,264	0.29%	228.19
2022	186,265	16,159,386,341	65,870,000	2,252,950	63,617,050	0.39%	341.54
2023	191,421	19,238,667,879	63,775,000	2,275,772	61,499,228	0.32%	321.28

Notes:

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

Blackhawk Technical College District

Debt Capacity – Direct and Overlapping Debt

As of June 30, 2022

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt			
County of			
Green	\$ 32,940,000	79.5%	\$ 26,187,300
Rock	56,270,000	99.8%	56,157,460
Total All Counties	89,210,000	92.3%	82,344,760
City of			
Beloit	\$ 62,800,805	100.0%	\$ 62,800,805
Brodhead	546,567	100.0%	546,567
Edgerton	3,021,394	92.6%	2,797,811
Evansville	20,682,205	100.0%	20,682,205
Janesville	80,302,516	100.0%	80,302,516
Milton	7,753,500	100.0%	7,753,500
Monroe	28,771,936	100.0%	28,771,936
Total All Cities	203,878,923	99.9%	203,655,340
Village of			
Albany	\$ 1,062,015	100.0%	\$ 1,062,015
Browntown	-	100.0%	-
Clinton	3,726,799	100.0%	3,726,799
Footville	1,800,323	100.0%	1,800,323
Monticello	5,781,102	100.0%	5,781,102
Orfordville	3,469,591	100.0%	3,469,591
Total All Villages	15,839,830	100.0%	15,839,830

Blackhawk Technical College District

Debt Capacity – Direct and Overlapping Debt (Continued)

As of June 30, 2023

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt (continued)			
Town of			
Adams	\$ 124,295	96.2%	\$ 119,572
Albany	29,000	100.0%	29,000
Avon	-	100.0%	-
Beloit	17,861,719	100.0%	17,861,719
Bradford	150,000	100.0%	150,000
Brooklyn	364,422	43.4%	158,159
Cadiz	31,983	57.1%	18,262
Center	210,692	100.0%	210,692
Clamo	199,398	100.0%	199,398
Clinton	138,893	100.0%	138,893
Decatur	57,000	100.0%	57,000
Exeter	-	6.9%	-
Fulton	3,315,995	100.0%	3,315,995
Harmony	-	100.0%	-
Janesville	-	100.0%	-
Jefferson	123,187	100.0%	123,187
Johnstown	-	100.0%	-
Jordan	-	91.1%	-
La Prairie	-	100.0%	-
Lima	-	100.0%	-
Magnolia	-	100.0%	-
Milton	75,192	100.0%	75,192
Monroe	308,418	100.0%	308,418
Mount Pleasant	861	100.0%	861
New Glarus	3,271,103	0.5%	16,356
Newark	153,670	100.0%	153,670
Plymouth	-	100.0%	-
Porter	1,209,361	86.0%	1,040,050
Rock	-	100.0%	-
Spring Grove	307,905	100.0%	307,905
Spring Valley	-	100.0%	-
Sylvester	-	100.0%	-
Turtle	293,349	100.0%	293,349
Union	1,420,768	96.1%	1,365,358
Washington	99,482	96.8%	96,299
York	-	0.9%	-
Total All Towns	29,746,693	87.5%	26,039,335

Blackhawk Technical College District

Debt Capacity – Direct and Overlapping Debt (Continued)

As of June 30, 2023

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt (continued)			
School District of			
Albany	\$ 1,471,000	100.0%	\$ 1,471,000
Argyle	6,280,000	32.7%	2,053,560
Beloit	7,288,293	100.0%	7,288,293
Beloit Turner	17,050,707	100.0%	17,050,707
Brodhead	-	100.0%	-
Clinton	25,535,000	99.6%	25,432,860
Delavan-Darien	19,800,575	0.3%	59,402
Edgerton	34,750	72.9%	25,333
Evansville	26,807,000	99.9%	26,780,193
Fort Atkinson	19,935,000	0.2%	39,870
Janesville	31,505,000	100.0%	31,505,000
Juda	4,244,968	100.0%	4,244,968
Milton	47,275,000	98.7%	46,660,425
Monroe	87,020,000	100.0%	87,020,000
Monticello	1,281,704	100.0%	1,281,704
Parkview (Orfordville)	12,334,348	100.0%	12,334,348
Whitewater	705,000	6.1%	43,005
Total All School Districts	308,568,344	85.3%	263,290,668
Special Districts			
Consolidated Koshkonong Sanitary District	\$ 7,185,028	72.4%	\$ 5,201,960
Juda Sanitary District #1	-	100.0%	-
Plymouth Sanitary District #1	15,018	100.0%	15,018
Rock-Koshkonong Lake District	-	53.9%	-
Total All Special Districts	7,200,046	72.5%	5,216,978
Subtotal Overlapping Debt	654,443,838	91.1%	596,386,911
District Direct Debt			
General Obligation Bond	\$ -	100.0%	\$ -
General Obligation Notes	63,775,000	100.0%	63,775,000
Subtotal Direct Debt	63,775,000	100.0%	63,775,000
Total Direct and Overlapping Debt	\$ 718,218,838	91.9%	\$ 660,161,911

Blackhawk Technical College District

Debt Capacity – Direct and Overlapping Debt (Continued) As of June 30, 2023

Statistical Summary

2023 Equalized Valuation - TID In	<u>\$ 19,959,740,679</u>
Total Direct and Overlapping Debt	<u>\$ 660,161,911</u>
Direct and Overlapping Debt as a Percentage of Equalized Valuation	<u>3.3%</u>
Population of District	<u>191,421</u>
Direct and Overlapping Indebtedness - Per Capita	<u>\$ 3,449</u>

Source: Survey of each government unit with the District's boundaries, June 30, 2023

Notes:

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

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

Blackhawk Technical College District

Debt Capacity – Legal Debt Margin Information Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Equalized valuation - TID In	\$ 19,959,740,679	\$ 17,225,048,841	\$ 15,589,099,557	\$ 14,690,919,474	\$ 13,701,734,694	\$ 13,008,450,305	\$ 12,329,520,367	\$ 11,901,034,517	\$ 11,683,539,794	\$ 11,245,141,222
Debt limit - 5% of equalized valuation ^(a)	997,987,034	861,252,442	779,454,978	734,545,974	685,086,735	650,422,515	616,476,018	595,051,726	584,176,990	562,257,061
Aggregate Indebtedness										
General obligation promissory notes	63,775,000	65,870,000	43,565,000	39,990,000	42,575,000	46,810,000	48,875,000	50,775,000	45,435,000	30,885,000
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less resources available to fund principal and interest payments ^(b)	(2,275,772)	(2,252,950)	(1,060,736)	(1,067,042)	(458,314)	(725,031)	(640,385)	(1,071,826)	(819,388)	(461,790)
Total net debt applicable to limit	61,499,228	63,617,050	42,504,264	38,922,958	42,116,686	46,084,969	48,234,615	49,703,174	44,615,612	30,423,210
Legal debt margin	936,487,806	797,635,392	736,950,714	695,623,016	642,970,049	604,337,546	568,241,403	545,348,552	539,561,378	531,833,851
Total net debt applicable to the limit as a percentage of debt limit	6.16%	7.39%	5.45%	5.30%	6.15%	7.09%	7.82%	8.35%	7.64%	5.41%
Debt limit - 2% of equalized valuation ^(a)	399,194,814	344,500,977	311,781,991	293,818,389	274,034,694	260,169,006	246,590,407	238,020,690	233,670,796	224,902,824
Bonded Indebtedness										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less resources available to fund principal and interest payments ^(b)	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	399,194,814	344,500,977	311,781,991	293,818,389	274,034,694	260,169,006	246,590,407	238,020,690	233,670,796	224,902,824
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

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

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

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

Blackhawk Technical College District

Demographic and Economic Information – Demographic and Economic Statistics Last Ten Calendar Years

Calendar Year	Population ^(a)	Personal Income (000's) ^(a)	Per Capita Personal Income ^(a)	Number of Households ^(b)	Median Household Income ^(b)	Public School Enrollment ^(c)	Annual Public and Private High School Graduates ^(d)	Unemployment Rate ^(e)
2014	198,251	7,843,269	39,562	84,154	51,631	33,657	2,512	6.92%
2015	198,634	8,186,379	41,213	84,164	55,058	33,520	2,456	5.29%
2016	198,695	8,274,428	41,644	84,414	53,318	33,305	2,614	4.65%
2017	199,160	8,615,323	43,258	84,976	54,767	33,219	2,267	3.98%
2018	200,058	9,095,229	45,463	85,302	56,673	32,884	2,231	3.09%
2019	200,314	9,540,615	47,628	85,581	59,125	32,563	2,245	3.07%
2020	199,687	10,036,831	50,263	86,664	62,130	32,232	2,302	5.84%
2021	201,369	10,905,361	54,156	87,163	67,700	31,206	2,117	5.02%
2022	N/A	N/A	N/A	87,787	N/A	30,810	2,173	3.50%
2023	N/A	N/A	N/A	N/A	N/A	30,269	N/A	2.98%

Notes:

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

Blackhawk Technical College District

Demographic and Economic Information – Principal Employers Last Ten Fiscal Years

		2023		2013	
		Employees	Rank	Employees	Rank
Mercy Health Systems	Health care	2,599	1	3,869	1
School District of Janesville	Education	1,650	2	1,368	3
Seventh Avenue	Mail order food and gifts	1,500	3	1,500	2
Rock County	Government	1,361	4	1,161	4
Amazon	Distribution facility	1,350	5		
Monroe Clinic	Medical facility	1,300	6	917	6
Beloit Health Systems	Medical services	1,200	7	1,002	5
School District of Beloit	Education			881	7
Grainger Brands	Wholesale safety equipment	1,185	8	800	10
ABC Supply Company	Wholesale distribution	1,150	9		
Kerry Ingredients & Flavours	Dehydrated food products	970	10		
Walmart	Discount department stores			840	8
The Swiss Colony	Mfg/mail order food and gifts			830	9

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

Blackhawk Technical College District

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
By Pay Groups:										
Full-time instructors	74	77	77	88	88	90	91	96	98	99
Part-time instructors	22	21	21	18	21	23	25	28	31	27
Administration	84	78	81	86	85	80	75	79	82	82
Part-time support personnel	20	21	23	21	22	20	21	23	22	26
Full-time clerical and custodial	33	34	35	31	39	38	35	39	41	42
Total	233	231	237	244	255	251	247	265	274	276

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

Blackhawk Technical College District

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

Year	Operational Expenditures ⁽³⁾ (General and Special Revenue-Aidable Funds)		Student Enrollments		BTC Operational Expenditure per Student		Statewide Operational Expenditure per Student		Rank ⁽¹⁾
	Amount (in 000's)	Percent Increase	Full-time Equivalent Students	Percent Increase/ (Decrease)	Per FTE Students	Percent Increase/ (Decrease)	Per FTE Students		
2014	\$ 30,507	0.2%	1,961	-14.2%	\$ 15,557	16.8%	\$ 15,563	11	
2015	29,988	-1.7%	1,828	-6.8%	16,405	5.5%	15,951	10	
2016	29,188	-2.7%	1,642	-10.2%	17,776	8.4%	17,907	12	
2017	28,582	-2.1%	1,522	-7.3%	18,779	5.6%	19,029	12	
2018	27,973	-2.1%	1,502	-1.3%	18,624	-0.8%	18,624	10	
2019	29,546	5.6%	1,561	3.9%	18,928	1.6%	18,928	8	
2020	30,872	4.5%	1,455	-6.8%	21,218	12.1%	19,086	12	
2021	29,978	-2.9%	1,417	-2.6%	21,156	-0.3%	21,207	7	
2022	30,962	3.3%	1,457	2.8%	21,249	0.4%	22,458	7	
2023	31,326	1.2%	1,580	8.4%	19,833	-6.7%	(2)	(2)	

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

(2) Not yet available

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

Blackhawk Technical College District

Operating Information – Campus Statistics Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Square Footage										
Campuses										
Main Campus - Janesville	324,733	324,733	291,452	291,452	291,452	291,452	291,452	291,452	291,452	291,452
Advanced Manufacturing Training Center	110,939	110,939	110,939	110,939	110,939	110,939	110,939	110,939	110,939	50,000
Aviation Center	-	-	-	-	-	-	-	25,210	25,210	25,210
Beloit Campus	-	-	-	-	18,068	18,068	18,068	29,068	29,068	29,068
Beloit Public Library	3,500	3,500								
Center for Transportation Studies	-	-	30,846	30,846	30,846	30,846	30,846	30,846	30,846	30,846
Monroe Campus	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,203
Total for campuses	475,508	511,718	511,718	450,779						
Facilities										
Administration Building	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Storage Building - Central Campus	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Storage Building - Admin	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
Total for facilities	11,400									
Grand Total⁽¹⁾	486,908	523,118	523,118	462,179						

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

Source: Facilities Department