

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), except for the omission of certain information described in the rule, but is subject to revision, amendment, and completion in a Final Official Statement.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 6, 2024

**NEW ISSUE**  
Not Bank Qualified

Moody's Rated "Aaa"  
(See "RATING" herein)

*In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Notes shall NOT be "qualified tax-exempt obligations". See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.*

**\$3,800,000**  
**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN**  
**General Obligation Promissory Notes, Series 2024B**

Dated: June 4, 2024

Due: April 1, 2025-2029

The \$3,800,000 General Obligation Promissory Notes, Series 2024B (the "Notes") will be dated June 4, 2024, and will be in the denomination of \$5,000 each or any multiple thereof. The Notes will mature serially on April 1 of the years 2025 through 2029. Interest on the Notes shall be payable commencing on October 1, 2024 and semi-annually thereafter on April 1 and October 1 of each year. Associated Trust Company, National Association, Green Bay, Wisconsin will serve as paying agent for the Notes.

**MATURITY SCHEDULE**

				CUSIP <sup>(1)</sup>
(April 1)	Amount	Rate	Yield	Base 94306E
2025	\$1,600,000			
2026	520,000			
2027	540,000			
2028	565,000			
2029	575,000			

The Notes are being issued pursuant to Section 67.12 (12) of the Wisconsin Statutes. The Notes will be general obligations of the Waukesha County Area Technical College District, Wisconsin (herein "WCTC" or the "District") for which its full faith and credit and taxing powers are pledged and which taxes may, under current law, be levied without limitation as to rate or amount. The proceeds from the sale of the Notes will be used for the public purpose of financing building remodeling and improvement projects (\$1,500,000) and for the public purpose of financing the acquisition of movable equipment (\$2,300,000).

The Notes shall not be subject to call and prior optional redemption. All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder. (See "REDEMPTION PROVISIONS" herein.)

The Financial Advisor to the District is:

**BAIRD**

The Notes will be issued only as fully registered Notes and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Notes. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

***The District's Notes are offered when, as and if issued subject to the approval of legality by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. Quarles & Brady LLP will also act as Disclosure Counsel for the District. The anticipated settlement date for the Notes is on or about June 4, 2024.***

**SALE DATE: MAY 14, 2024**

**SALE TIME: 9:30 A.M. CT**

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**WAUKESHA COUNTY AREA TECHNICAL  
COLLEGE DISTRICT, WISCONSIN**

**DISTRICT BOARD**

Courtney R. Bauer, Chairperson  
Joe E. Garza, Vice Chairperson  
Brian K. Baumgartner, Secretary/Treasurer  
Ryan J. Clark, Member  
Thomas A. Michalski, Member  
Stephanie A. Reisner, Member  
Jamie J. Stahulak, Member  
James C. Zaiser, Member  
Vacant, Member\*

**ADMINISTRATION**

Dr. Richard Barnhouse, President  
Dr. Angela Frazier, Vice President of Student Services  
Dr. Jane L. Kittel, CPA, Vice President of Finance and Administration  
Kristine Golz, Chief Financial Officer  
Andrew Palen, Chief External Relations and Marketing Officer  
Dr. Bradley Piazza, Vice President of Academic Affairs  
Sherry Simmons, Chief Diversity, Equity, Inclusion and Compliance Officer  
Michelle Skinder, Vice President of Human Resources

**PROFESSIONAL SERVICES**

<b>District Attorney:</b>	Quarles & Brady LLP, Milwaukee, Wisconsin
<b>Financial Advisor:</b>	Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin
<b>Bond Counsel:</b>	Quarles & Brady LLP, Milwaukee, Wisconsin
<b>Disclosure Counsel:</b>	Quarles & Brady LLP, Milwaukee, Wisconsin
<b>Paying Agent:</b>	Associated Trust Company, National Association, Green Bay, Wisconsin

*\*The District expects to fill the vacant position at the July 2024 meeting.*

## REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Notes other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the Waukesha County Area Technical College District, Wisconsin (the "District"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the District, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the Notes described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment).

Unless otherwise indicated, the District is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the District or on its behalf from The Depository Trust Company and other non-District sources that the District believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Financial Advisor"). The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed and the Underwriter will review the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor and the Underwriter do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the District or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

**IN CONNECTION WITH THE OFFERING OF THE NOTES, THE UNDERWRITER MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE NOTES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE NOTES ARE RELEASED FOR SALE AND THE NOTES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE NOTES INTO INVESTMENT ACCOUNTS.**

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## SUMMARY

<b>District:</b>	Waukesha County Area Technical College District Waukesha, Dodge, Jefferson and Racine Counties, Wisconsin.
<b>Issue:</b>	\$3,800,000 General Obligation Promissory Notes, Series 2024B (the "Notes").
<b>Dated Date:</b>	June 4, 2024.
<b>Interest Due:</b>	Commencing October 1, 2024 and semi-annually thereafter on April 1 and October 1 of each year. Interest on the Notes will be computed on a basis of a 30-day month and a 360-day year.
<b>Principal Due:</b>	April 1 of the years 2025 through 2029.
<b>Redemption Provision:</b>	The Notes shall not be subject to call and prior optional redemption. All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder. (See "REDEMPTION PROVISIONS" herein.)
<b>Security:</b>	The full faith, credit and resources of the District are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied on all the taxable property in the District, direct, annual irrevocable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
<b>Purpose:</b>	The proceeds from the sale of the Notes will be used for the public purpose of financing building remodeling and improvement projects (\$1,500,000) and for the public purpose of financing the acquisition of movable equipment (\$2,300,000).
<b>Tax Status:</b>	Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX EXEMPTION" herein.)
<b>No Bank Qualification:</b>	The Notes shall NOT be "qualified tax-exempt obligations."
<b>Credit Rating:</b>	This issue has been assigned a "Aaa" rating by Moody's Investors Service, Inc. (See "RATING" herein.)
<b>Record Date:</b>	The 15 <sup>th</sup> day of the calendar month next preceding each interest payment date.
<b>Bond Years:</b>	8,730.00 years.
<b>Average Life:</b>	2.297 years.

Information set forth on this page is qualified by the entire Official Statement. A full review of the entire Official Statement should be made by potential investors.

## INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Waukesha County Area Technical College District, Wisconsin (herein "WCTC" or the "District" and the "State," respectively) in connection with the sale of WCTC's \$3,800,000 General Obligation Promissory Notes, Series 2024B (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the resolutions adopted by WCTC (the "Resolutions") and other proceedings and determinations related thereto.

All summaries of statutes, documents and the Resolutions contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and the Resolutions, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Award Resolution (defined herein). Copies of the Resolutions may be obtained from the Financial Advisor (defined herein) upon request.

The Award Resolution will provide that WCTC will establish a separate debt service fund with respect to payment of principal and interest on the Notes. In practice, WCTC will maintain a separate account in its debt service fund for each issue. This is in accordance with the traditional interpretation by WCTC of its obligation under prior note and bond resolutions respecting the maintenance of separate funds.

## ESTIMATED SOURCES AND USES\*

### **Sources of Funds**

Par Amount of Notes	\$3,800,000
Total Sources of Funds	<u>\$3,800,000</u>

### **Uses of Funds**

Deposit to Project Construction Fund	\$3,800,000
Total Uses of Funds	<u>\$3,800,000</u>

*\*Preliminary, subject to change.*

## REDEMPTION PROVISIONS

### **Optional Redemption**

The Notes shall not be subject to call and prior optional redemption.

### **Mandatory Redemption**

All or a portion of the Notes may be issued as one or more term bonds, upon election by the successful bidder as provided in the Official Notice of Sale.

Such term bonds shall be subject to mandatory sinking fund redemption. Such term bonds shall have a stated maturity or maturities of April 1, in such years as determined by the successful bidder. The term bonds shall be subject to mandatory sinking fund redemption and final payment(s) at maturity of 100% of the principal amount thereof, plus accrued interest to the redemption date or dates and in amounts consistent with the maturity schedule on the cover of this Official Statement.

## CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING WCTC'S POWER TO INCUR INDEBTEDNESS

The Constitution and laws of the State limit the power of the District (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the District.

### **Purpose**

The District may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued.

### **General Obligation Bonds**

The principal amount of every sum borrowed by the District and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of the bonds. The Board is required to levy a direct, annual, irrepealable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the District to refinance or refund outstanding notes or bonds issued by the District may be payable no later than twenty years following the original date of such outstanding notes or bonds.

### **Promissory Notes**

In addition to being authorized to issue bonds, the District is authorized to borrow money using promissory notes for any public purpose. To evidence such indebtedness, the District must issue to the lender its promissory notes (with interest) payable within a period not exceeding 20 years following the date of said notes. Such notes constitute a general obligation of the District. Notes may be issued to refinance or refund outstanding notes. However, such notes must be payable not later than twenty years following the original date of such outstanding notes.

### **Temporary Borrowing**

The Board may, on its own motion, borrow money in such sums as may be needed to meet the immediate expenses of maintaining the schools in the District during the current fiscal year. No such loan or loans shall be made to extend beyond November 1 of the next fiscal year nor in any amount exceeding one-half of the estimated receipts for the operation and maintenance of the school for the current fiscal year in which the loan is made.

### **Debt Limit**

Wisconsin Statutes limit the aggregate amount of District indebtedness to an amount not to exceed five percent (5%) of the value of taxable property located in the District. The maximum bonded indebtedness of the District for purchasing school sites and constructing and equipping buildings may not exceed two percent (2%) of the value of the taxable property within the District. For information with respect to the District's percent of legal debt incurred, see the caption INDEBTEDNESS OF THE DISTRICT --"Debt Limit," herein.

## **THE RESOLUTIONS**

The following are summaries of certain provisions of the Resolutions adopted by WCTC pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for complete recitals of their terms.

### **Initial Resolution**

By way of a resolution adopted on April 9, 2024 (the "Initial Resolution"), WCTC authorized the issuance of general obligation promissory notes in an amount of \$3,800,000 for the public purpose of financing building remodeling and improvement projects (\$1,500,000) and for the public purpose of financing the acquisition of movable equipment (\$2,300,000).

**As required by Wisconsin Statutes, notice of the adoption of the Initial Resolution was published in the required newspaper on April 17, 2024. The issuance of the Notes for the public purpose of financing building remodeling and improvement projects and for the public purpose of financing the acquisition of movable equipment is subject to referendum if, within 30 days after publication of notice of adoption of the resolution, a sufficient petition requesting a referendum is filed by the electors of the District. The petition period expires on May 17, 2024. The award of the Notes is made subject to expiration of the petition period without the filing of a sufficient petition for a referendum.**

### **The Award Resolution**

By way of a resolution to be adopted on May 14, 2024 (the "Award Resolution"), WCTC will accept the bid of the Underwriter (defined herein) for the purchase of the Notes in accordance with bid specifications, provide the details and form of the Notes, and set out certain covenants with respect thereto. The Award Resolution pledges the full faith, credit and resources of WCTC to payments of the principal of and interest on the Notes. Pursuant to the Award Resolution, the amount of direct, annual, irrevocable taxes levied for collection in the years 2025 through 2029 which will be sufficient to meet the principal and interest payments on the Notes when due will be specified (or monies to pay such debt service will otherwise be appropriated). The Award Resolution establishes separate and distinct from all other funds of WCTC a debt service fund with respect to payment of principal and interest on the Notes.

### **WCTC**

The Board is comprised of nine members (two employee members, two employer members, one public school administrator, one elected official and three additional members from the community) appointed by an Appointment Committee consisting of the Chairperson of each of the four counties in the District. The members are appointed for staggered three-year terms and elect a Chairperson, Vice Chairperson, and Secretary/Treasurer for one-year terms.

The members of the Board and the expiration of their respective terms of office are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Expiration of Term</u>
Courtney R. Bauer, Chairperson	Special agent/deputy state fire marshal with the Wisconsin Department of Justice – Division of Criminal Investigation	June 30, 2025
Joe E. Garza, Vice Chairperson	Superintendent of New Berlin School District	June 30, 2024
Brian K. Baumgartner, Secretary/Treasurer	Business Representative, Glaziers Local 1204/941 International Union of Painters and Allied Trades	June 30, 2024
Ryan J. Clark, Member	Director of Manufacturing Operations, Bruno Independent Living Aids	June 30, 2024
Thomas A. Michalski, Member	Village of Elm Grove, Firefighter and Village Trustee; Wisconsin State Assemblyman	June 30, 2026
Stephanie A. Reisner, Member	President & CEO, GPS Education Partners	June 30, 2026
Jamie J. Stahulak, Member	Vice President at HDR Engineering, Inc.	June 30, 2026
James C. Zaiser, Member	President and CEO, Hydro-Thermal Corporation	June 30, 2025
Vacant, Member*	--	June 30, 2025

*\*The District expects to fill the vacant position at the July 2024 meeting.*

*Source: The District.*

## **Administration**

WCTC is empowered to employ a President to conduct the day-to-day operations. Dr. Richard Barnhouse became President on January 5, 2021. Prior to accepting the position as President, Dr. Barnhouse served the State College of Florida, Manatee-Sarasota as Vice President of Student Services and Enrollment Management. Dr. Barnhouse is the District's seventh president since the College was established in 1967. The other members of the President's Executive Cabinet are listed below.

<u>Name</u>	<u>Title</u>	<u>Years of Service</u>
Dr. Angela Frazier	Vice President of Student Services	4
Dr. Jane L. Kittel, CPA	Vice President of Finance and Administration	5
Kristine Golz	Chief Financial Officer	5
Andrew Palen	Chief External Relations and Marketing Officer	6
Dr. Bradley Piazza	Vice President of Academic Affairs	17
Sherry Simmons	Chief Diversity, Equity, Inclusion and Compliance Officer	8
Michelle Skinder	Vice President of Human Resources	2*

*\*Ms. Michelle Skinder started her position with WCTC on July 6, 2022. Prior to joining WCTC, Ms. Skinder had over 11 years of Higher Education experience in HR, most recently as Vice President of Human Resources for McHenry County College in Illinois.*

*Source: The District.*

## **Enrollments**

Actual and projected full-time equivalent ("FTE") enrollments are shown below for courses taught at the District only.

<u>School Year</u>	<u>Collegiate Transfer</u>	<u>Associate Degree</u>	<u>Technical Diploma</u>	<u>Vocational Adult</u>	<u>Non-Post Secondary</u>	<u>Community Service</u>	<u>Total</u>
2024-25*	25	2,597	562	115	101	0	3,400
2023-24*	12	2,552	556	75	105	0	3,300
2022-23	4	2,414	480	114	155	0	3,167
2021-22	0	2,448	444	117	127	0	3,136
2020-21	0	2,556	458	97	116	0	3,227
2019-20	0	2,572	490	90	171	14	3,337
2018-19	0	2,633	486	114	179	27	3,439
2017-18	0	2,707	482	116	186	31	3,522
2016-17	0	2,752	471	116	204	37	3,580
2015-16	0	2,877	495	141	209	38	3,760

*\*Projected.*

Projections are based on year-to-date information and the District's Research Department's trend analysis and environmental scanning and does not include dual enrollment FTE's. Nationally, college age demographics are declining creating increased competition for the same students and impacting enrollment numbers. WCTC has started several new initiatives to address enrollment decline including adding the Associate of Arts and Associate of Science transfer degrees beginning January 2023, as well as "Excelerate" offerings to high school Juniors and Seniors coordinated with K-12 school districts within the District.

*Source: The District.*

## **Employment Relations**

WCTC's FTE employees by category are listed below.

	<u>Actual 2020-21</u>	<u>Actual 2021-22</u>	<u>Actual 2022-23</u>	<u>Projected 2023-24</u>	<u>Projected 2024-25</u>
Faculty - FT/Associates/Professionals	249	264	262	264	264
Faculty – Adjunct	439	452	482	480	480
Professionals	38	42	45	45	45
Administrators/Management	64	89	100	100	100
Support Associates	156	165	145	145	145
TOTAL	946	1,012	1,034	1,034	1,034

*The amounts above do not include temps, casuals, and student employees.*

*Source: The District.*

## **Employee Relations**

<u>Organization</u>	<u>Employee Group Represented</u>	<u>Contract Expiration*</u>
Waukesha County Educational Support Professionals ("WCESP")	Office personnel, custodial, food service, laboratory assistants, instructional assistants, high school relations assistants, programmers, and technicians	6/30/2024
Waukesha County Technical Educators Association (WCTEA)	Faculty and education-related professionals	6/30/2024

*\*As further described below, under MERA only base salary increases can be negotiated for contracts with the WCESP and WCTEA Unions.*

*Source: The District.*

The District considers its relationship with the employee groups to be good.

All eligible District personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the District is prohibited from bargaining collectively with municipal employees with respect to any factor or condition of employment except total base wages. Even then, the District is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless the District were to seek approval for a higher increase through a referendum). Ultimately, the District can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the District, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement.

Due to the changes described above, the Board is free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. The Board approved an Employee Handbook, which sets forth policies, procedures and benefits for employees of the nature that were previously set forth in labor contracts. The Employee Handbook's terms are subject to change at the sole discretion of the District and are not subject to grievance or arbitration by the unions. However, individual employees are allowed to file a grievance if they are disciplined or terminated. However, under the changes to MERA, the Board, rather than an arbitrator, is the final decision-maker regarding any grievance, though the grievance must be heard by an impartial hearing officer before reaching the Board.

## **Pension Plan**

All eligible employees in the District are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

District employees are required to contribute half of the actuarially determined contributions, and the District may not pay the employees' required contribution. The total retirement plan contributions (not including any employee contributions) for the fiscal years ended June 30, 2021 ("Fiscal Year 2021"), June 30, 2022 ("Fiscal Year 2022") and June 30, 2023 ("Fiscal Year 2023") were \$2,744,650, \$2,699,960 and \$2,808,823, respectively.

Governmental Accounting Standards Board Statement No. 68 ("GASB 68") requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2022, the total pension liability of the WRS was calculated as \$123.7 billion and the fiduciary net position of the WRS was calculated as \$118.4 billion, resulting in a net pension liability of \$5.3 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2023, the District reported a liability of \$12,466,969 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2022 based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. The District's proportion was 0.23532779% of the aggregate WRS net pension liability as of December 31, 2022.

The calculation of the total pension liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of the net pension liability of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 5 in "Appendix A – Annual Comprehensive Financial Report for the Year Ended June 30, 2023" attached hereto.

### **Other Post-Employment Benefits**

The District provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) through a single-employer defined benefit plan to employees who have terminated their employment with the District and have satisfied specified eligibility standards. Membership in the plan consisted of 431 retirees receiving benefits and 67 active plan members as of June 30, 2023.

OPEB calculations are required to be updated every two years. OPEB calculations are required to be prepared in accordance with Statement No. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan was last completed in accordance with GASB 74/75 by McCreedy and Keene, Inc. in October 2022 with an actuarial valuation date of June 30, 2022 (the "Actuarial Report"). The District anticipates a new actuarial study to be completed in 2024.

The District has made certain changes to its OPEB in recent years pursuant to the changes to MERA described above. Such changes included that employees previously with lifetime OPEB (hired before 2004 or 2006 depending on employee group) that were eligible to retire by June 30, 2015 and gave notice by April 2013 of planned retirement date were able to retire and keep their lifetime benefits. Those not retiring from this group received a cash payment for years of service already worked into a 403(b) plan and will only receive 8 years of benefit upon retirement with 20 years of service. Those employees hired after 2004 or 2006, depending on employee group, and hired before July 1, 2012, previously were eligible for 96 months of OPEB. Such employees received a cash payment into a 403(b) for years of service and will receive no OPEB upon retirement. Employees hired on July 1, 2012 or later (or promoted into an OPEB-eligible position after that date) are not eligible for any OPEB and did not receive any cash payment. The latest actuarial study takes these changes into account. Effective July 1, 2017, WCTC switched to a three-tier health insurance premium structure.

For Fiscal Year 2023, the District did not make any contributions for the plan. According to the Actuarial Report, the District's OPEB plan is fully funded.

Under GASB 74/75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of June 30, 2023, the plan's total OPEB liability was \$43,292,102 and the plan fiduciary net position was

\$61,420,262, resulting in a net OPEB asset of \$18,128,160.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 6. in "Appendix A – Annual Comprehensive Financial Report for the year ended June 30, 2023" attached hereto.

## **GENERAL INFORMATION**

### **History**

The District was organized as a city institution in 1923 and became a county district in 1967. In July of 1994, the District changed its name from Waukesha County Area Vocational, Technical and Adult Education District to Waukesha County Area Technical College District in recognition of its educational offerings. The counties served are Dodge, Jefferson, Racine and Waukesha. The main campuses are located in Pewaukee and Waukesha. The District's 2023 estimated population was 429,795\*.

*\*Source: Wisconsin Technical College System.*

### **Strategic Plan**

#### **Mission**

WCTC provides accessible career and technical education to strengthen our community through life-long learning.

#### **Horizon:**

The modern comprehensive regional college that ignites people to thrive in a changing world.

#### **Aims:**

##### **Shape the Future of Higher Education**

Transforms WCTC to meet the needs of the 21<sup>st</sup> century.

##### **Thriving Academic Mission**

Deliver an unparalleled education in a rapidly changing world.

##### **Cultivate Inclusive Experiences**

Foster an environment where people reach their full potential.

##### **Vital Collaborative Alliances**

Ensure successful partnerships and community prosperity.

##### **Premier Regional Hub**

Evolve into a vibrant, multifaceted heart of the community.

##### **Sleek, Simple, Intuitive**

Streamline all college functions.

### **End Statements**

Students will obtain the critical life, occupational and technical skills needed to achieve their educational goals at an affordable cost.

Taxpayers will benefit from customer-driven educational services provided through efficient and effective use of limited resources.

Employers will be able to develop and maintain a skilled workforce through available and accessible educational



offerings.

### **Locations**

With its main campus located in Pewaukee, Wisconsin, WCTC is just 20 miles west of the City of Milwaukee and approximately 60 miles east of the State Capitol in Madison. WCTC encompasses approximately 600 square miles in the southeastern corner of the State. WCTC services approximately 99% of Waukesha County, approximately 12% of Jefferson County, approximately 3% of Dodge County and approximately 3% of Racine County and includes 7 cities, 19 towns and 21 villages.

WCTC's main campus in Pewaukee encompasses 710,308 square feet of space. In addition, WCTC maintains one other campus in the City of Waukesha which has 45,010 square feet of occupied and owned space.

WCTC also utilizes area schools, churches and hospitals in a cooperative effort to conduct classes.

### **Degree/Diploma Program Offerings**

WCTC offers a wide spectrum in post-secondary education from adult basic education to associate degree programs and many areas in between. Associate of Arts and Associate of Science transfer degrees are offered beginning in fiscal year 2023. In addition, WCTC offers many non-degree program courses and seminars to meet the needs of businesses and citizens in the WCTC taxing district.

## **DEMOGRAPHIC AND ECONOMIC INFORMATION**

### **Population**

	<u>The</u> <u>District<sup>(1)</sup></u>	<u>Waukesha</u> <u>County</u>	<u>City of</u> <u>Brookfield</u>	<u>City of</u> <u>Waukesha</u>
Estimate, 2023	429,795	411,538	41,121	71,094
Estimate, 2022	429,064	410,769	41,430	71,146
Estimate, 2021	<sup>(2)</sup>	410,666	40,276	71,856
Census, 2020	424,765	406,978	41,464	71,158
Estimate, 2019	424,020	405,991	39,951	72,043

<sup>(1)</sup> Estimated based on Wisconsin Department of Administration (DOA) Final Population Estimates for 2022.

<sup>(2)</sup> Not available.

Source: Wisconsin Department of Administration, Demographic Services Center and U.S. Census Bureau.

### **Per Return Adjusted Gross Income**

	<u>State of</u> <u>Wisconsin</u>	<u>Waukesha</u> <u>County</u>	<u>City of</u> <u>Brookfield</u>	<u>City of</u> <u>Waukesha</u>
2022	\$70,548	\$107,010	\$134,721	\$73,012
2021	66,369	101,489	132,491	68,799
2020	61,518	94,089	123,025	64,412
2019	61,003	92,569	122,610	72,674
2018	59,423	90,062	117,928	72,001

Source: Wisconsin Department of Revenue, Division of Research and Policy.

### **Unemployment Rate**

	State of Wisconsin	Waukesha County
March, 2024 <sup>(1)</sup>	3.5%	2.9%
March, 2023	3.1	2.5
Average, 2023 <sup>(1)</sup>	3.0%	2.6%
Average, 2022	2.9	2.5
Average, 2021	3.9	3.2
Average, 2020	6.4	5.7
Average, 2019	3.2	2.8

<sup>(1)</sup>Preliminary.

Source: Wisconsin Department of Workforce Development.

### **Largest Employers**

Employer	Type of Business	2024 Approximate Employment
ProHealth Care	Health Care	4,430
Froedtert	Health Care	4,322
Kohl's Department Stores	Retail/Headquarters	4,000
Quad Graphics Inc.	Printing/Headquarters	3,601
Roundy's	Distribution Center	3,387
Advocate Aurora Health	Health Care	2,800 <sup>(1)</sup>
Generac	Manufacturing	2,047
GE Healthcare	Medical Equipment/Training	2,000
Milwaukee Electric Tool/Empire Level	Manufacturing/Headquarters	2,000
School District of Waukesha	Education	1,600

<sup>(1)</sup>No survey response received in 2024. Latest response available (2021) is used.

Source: Data Axle Infogroup ([www.dataaxlegenie.com](http://www.dataaxlegenie.com)), IndustrySelect by MNI, direct employer contacts, City of Brookfield Official Statement dated June 6, 2023 and Village of Sussex Official Statement dated March 14, 2023.

### **Largest Taxpayers**

Taxpayer	Type of Business	2023 Equalized Valuation
Wimmer Brothers	Rental Properties/Construction	\$ 351,144,648
The Corners of Brookfield*	Retail/Residential	226,337,400
ProHealth Care	Health Care	187,556,232
Brookfield Square*	Retail	180,054,000
Aurora	Health Care	179,713,917
Individual	Mixed Use Real Estate	177,801,860
Fiduciary Real Estate Development	Rental Properties	162,817,200
Bielinski	Real Estate Development	146,742,188
Froedtert	Health Services	142,425,116
Target	Retail/Distribution Center	141,656,496
	TOTAL	<u>\$1,896,249,057</u>

\*Includes adjacent and nearby properties owned by multiple entities.

The above taxpayers represent 2.18% of the District's 2023 Equalized Value (TID IN) is \$86,973,761,741.

Source: Waukesha County.

## **TAX LEVIES, RATES AND COLLECTIONS**

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 20 and the 15th day of each month following a month in which an installment payment is due. On or before August 20, the County Treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. The County Board may authorize its County Treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The County may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Since, in practice, all delinquent real estate taxes are withheld from the County's share of taxes, the District receives 100 percent of the real estate taxes it levies.

2013 Wisconsin Act 145 (the "Act 145") created a revenue limit (the "Revenue Limit") beginning in Fiscal Year 2015. Act 145 also shifted a portion of funding for technical college districts in the State from property taxes levied by the districts to a State aid payment by replacing \$406 million of property tax levies with a State payment beginning in 2015 (the "State Aid"). The amount of State Aid a particular technical college district will receive will be equal to the share of the district's equalized value as compared to the aggregate equalized value of all technical college districts in the State as of January 1, 2014. State Aid payments are being made on the 3rd Friday in February each year. The District's Property Tax Relief amount is \$47,796,729 for 2023.

Under Section 38.16 of the Wisconsin Statutes the Board may levy a tax on the full equalized value of taxable property within the area served by the District for the purposes of making capital improvements, acquiring equipment, operating and maintaining schools and paying principal and interest on valid bonds and notes issued by the District. However, unless approved by referendum and except for taxes levied to pay debt service on valid bonds and notes (other than Noncapital Notes as defined below), the District's revenue ("Revenue") in the 2014-15 school year or any school year thereafter may not be increased by an amount in excess of the District's valuation factor (as described below). Revenue is defined in Section 38.16 of the Wisconsin Statutes as the sum of: (i) the District's tax levy and (ii) the State Aid payment described in the paragraph above. Except in limited circumstances as provided in Section 38.16 of the Wisconsin Statutes, if the Board exceeds its Revenue Limit, the State Technical College System Board is required to make corresponding reductions in state aid payments received by the District.

The calculation of the District's tax levy under the Revenue Limit excludes taxes levied for the purpose of paying principal and interest on valid bonds and notes issued by the District to finance any capital project or equipment with a useful life of more than one year or to refund any municipal obligations or any interest on municipal obligations. However, the calculation of the District's tax levy under the Revenue Limit does apply to notes issued by the District under Section 67.12(12) of the Wisconsin Statutes on or after July 2, 2013 for other purposes (in essence non-capital purposes) ("Noncapital Notes").

Under the Revenue Limit, the District is prohibited from increasing its Revenue (for all purposes except paying principal and interest on valid bonds and notes other than Noncapital Notes) by a percentage that exceeds its valuation factor. Valuation factor is defined as a percentage equal to the greater of (i) the percentage change in the District's January 1 equalized value due to aggregate new construction, less improvements removed, in municipalities located in the District between the previous year and the current year, as determined by the Wisconsin Department of Revenue or (ii) zero percent. If a municipality is located in two or more districts, the Wisconsin Department of Revenue shall apportion the value of the aggregate new construction, less improvements removed, in the municipality among the districts based on the percentage of the municipality's equalized value located in each district. The Revenue Limit permits an increase in Revenue (i) if the District's actual Revenue in any school year is less than its allowable Revenue, allowing the District to carry forward the difference between the allowable Revenue and the actual Revenue, up to a maximum of 0.5% of the prior year's actual Revenue, if the District's Board approves the increase by a three-fourths vote, (ii) with the approval of the electors of the District pursuant to a referendum, or (iii) in an amount equal to the amount of any refunded or rescinded property taxes paid by the

Board in the year of the levy if they result in a redetermination of the District's equalized valuation by the Wisconsin Department of Revenue. For the 2023-24 school year, the District established a mill rate of \$0.14177 for operational purposes and \$0.10869 for payment of debt.

The District cannot predict whether there will be any other legislation affecting District's property taxes and revenues in the future.

Set forth below are the taxes levied and the tax rate per \$1,000 equalized value on all taxable property within the District. The rates as set forth include amounts levied for debt service:

Collection Year	District Tax Rate	District Levy	Uncollected Taxes as of August 20 <sup>th</sup> of each Year	Percent of Levy Collected
2024	\$0.25	\$21,200,117	-In Process of Collection-	
2023	0.27	20,139,719	-0-	100.00%
2022	0.30	20,117,497	-0-	100.00
2021	0.35	21,985,615	-0-	100.00
2020	0.36	21,506,565	-0-	100.00

Source: The District.

**2023-24 Proportionate Amounts of Local Tax Revenue  
Per Municipality Based on 2023 Equalized Valuation**

Municipality	2023 Equalized Valuation (TID-OUT)	Percent of Levy	Amount of Levy
Waukesha County	\$82,155,497,984	97.056064%	\$20,575,999
Dodge County	291,064,950	0.343855	72,898
Jefferson County	1,384,007,165	1.635025	346,627
Racine County	816,895,242	0.965056	204,593
TOTAL	<u>\$84,647,465,341</u>	<u>100.000000%</u>	<u>\$21,200,117</u>

Source: Wisconsin Department of Revenue and the District.

**EQUALIZED VALUATIONS**

All equalized valuations of property in the State of Wisconsin are determined by the State of Wisconsin, Department of Revenue, Supervisor of Assessments Office. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below are equalized valuations of property located within the District for the years 2019 through 2023. The District's Equalized Valuation (TID IN) has increased by 42.80 percent since 2019 with an average annual increase of 9.32 percent.

Year	Equalized Valuation (TID-IN)	Equalized Valuation (TID-OUT)*
2023	\$86,973,761,741	\$84,647,465,341
2022	77,204,027,596	75,242,236,296
2021	68,270,794,641	66,571,913,441
2020	64,072,165,069	62,576,844,569
2019	60,906,019,616	59,714,493,716

\*Certain municipalities located within the District have created Tax Incremental Districts ("TIDs") under Wisconsin Statutes Section 66.1105. TID valuations, totaling \$2,326,296,400 in these municipalities have been excluded from WCTC's tax base for 2023.

Source: Wisconsin Department of Revenue.

## INDEBTEDNESS OF WCTC

### **Direct Indebtedness**

Set forth below is the direct general obligation indebtedness of WCTC, including principal and interest payments due on existing debt as well as debt service on the Notes. Interest on the Notes has been estimated using an average rate of 4.00 percent. The bond years total 8,730.00 and the average life is 2.297 years.

Year	Outstanding Bonds and Notes		New Issue-Notes		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	
2024	\$8,610,000	\$602,374		\$49,400	\$9,261,774
2025	5,625,000	469,675	\$1,600,000	120,000	7,814,675
2026	4,395,000	310,163	520,000	77,600	5,302,763
2027	2,715,000	180,325	540,000	56,400	3,491,725
2028	1,980,000	85,125	565,000	34,300	2,664,425
2029	865,000	21,625	575,000	11,500	1,473,125
	<u>\$24,190,000</u>	<u>\$1,669,286</u>	<u>\$3,800,000</u>	<u>\$349,200</u>	<u>\$30,008,486</u>
Less: 2024 Sinking Funds	(8,610,000)	(602,374)	0	(49,400)	(9,261,774)
<b>TOTAL</b>	<u><u>\$15,580,000</u></u>	<u><u>\$1,066,913</u></u>	<u><u>\$3,800,000</u></u>	<u><u>\$299,800</u></u>	<u><u>\$20,746,713</u></u>

### **Future Financing**

The District typically borrows each fiscal year for its capital improvement plans. The District anticipates issuing approximately \$11,500,000 for the fiscal year ending June 30, 2025.

### **Default Record**

The District has no record of default on any prior debt repayment obligations.

### **Overlapping and Underlying Indebtedness**

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the District.

Name of Entity	Amount of Debt (Less 2024 Principal Amounts)	Percent Chargeable to District	Outstanding Debt Chargeable to District
Waukesha County*	\$87,115,000	99.43%	\$86,618,445
Dodge County	20,040,000	2.92	585,168
Jefferson County	45,855,000	12.43	5,699,777
Racine County	154,085,000	3.36	5,177,256
Total Cities	498,712,665	Varies	493,627,431
Total Villages	247,117,385	100.00	247,117,385
Total Towns	23,837,980	Varies	21,741,279
Total School Districts	378,932,903	Varies	354,024,216
Total Sanitary Districts	2,200,578	100.00	2,200,578
<b>TOTAL</b>	<u><u>\$1,457,886,511</u></u>		<u><u>\$1,216,791,535</u></u>

\*Includes approximately \$20,800,000 anticipated to close in June, 2024.

NOTE: This summary may not reflect all of the District's outstanding overlapping and underlying indebtedness.

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on [EMMA.msrb.org](http://EMMA.msrb.org) and direct inquiries.

### **Statistical Summary**

The following table is a statistical summary of certain information relating to WCTC which reflects direct, overlapping and underlying bonded indebtedness net of all 2024 principal payments.

2023 Equalized Valuation as certified by Wisconsin Department of Revenue	\$86,973,761,741
Direct Bonded Indebtedness (including the Notes)	\$19,380,000
Direct, Overlapping and Underlying Bonded Indebtedness (including the Notes)	\$1,236,171,535
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	0.02%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	1.42%
Population of WCTC (2023 Estimate)*	429,795
Direct Bonded Indebtedness Per Capita	\$45.09
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$2,876.19

*\*Provided by the Wisconsin Technical College System Board.*

### **Debt Limit**

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS--Debt Limit," the total indebtedness of WCTC may not exceed five percent (5%) <sup>(1)</sup> of the equalized value of property in the District. The table below reflects direct bonded indebtedness as of the closing date of the Notes, and is a comparison of the outstanding indebtedness of the District as a percentage of the applicable debt limit.

Equalized Valuation (2023) as certified by Wisconsin Department of Revenue	\$86,973,761,741
Legal Debt Percentage Allowed	5.00%
Legal Debt Limit	\$4,348,688,087
General Obligation Indebtedness Outstanding (including the Notes)	\$19,380,000
Unused Margin of Indebtedness	\$4,329,308,087
Percent of Legal Debt Incurred	0.45%
Percentage of Legal Debt Available	99.55%

<sup>(1)</sup> *The maximum bonded indebtedness of the District for the purposes of purchasing school sites and the constructing and equipping of school buildings may not exceed two percent (2%).*

## FINANCIAL INFORMATION

The financial operations of WCTC are conducted primarily through a series of state mandated funds. All revenues except those attributable to the building funds and other funds authorized by State law are accounted for in the general fund, and any lawful expenditure of WCTC must be made from the appropriate fund and recorded therein.

As in other areas of the United States, the financing of public education in the State is subject to changing legislation, variations in public opinion, examination of financing methods through litigation and other matters. For these reasons WCTC cannot anticipate with certainty all of the factors which may influence the financing of its future activities.

### **Budgeting Process**

WCTC is required by State law to annually formulate a budget and to hold public hearings thereon prior to the determination of the amounts to be financed in whole or in part by general property taxes, tuition, fees, funds on hand or estimated revenues from other sources. Such budget must list existing indebtedness of WCTC and all anticipated revenue from all sources during the ensuing year and must also list all proposed appropriations for each functional activity and reserve account of WCTC during the ensuing year.

As part of the budgeting process, budget requests are submitted during the last half of the fiscal year by the teachers and departmental administrators of each instructional area to their respective Administrators, who thereafter review and revise such requests and submit them, with their recommendations, to the President and the President's Executive Cabinet ("PEC"). After review and adjustment by the PEC of WCTC, the proposed budget is presented to the full Board, at which time the proposed budget is reviewed with WCTC's PEC. After further review and adjustment, the proposed budget is again submitted to the full Board each year. The proposed budget is formally adopted by Board after the public hearings are held and prior to the first day of the new fiscal year to which the budget applies.

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**GENERAL FUND SUMMARY FOR YEARS ENDED JUNE 30**

	2024 BUDGET	2023 ACTUAL	2022 ACTUAL	2021 ACTUAL	2020 ACTUAL
Revenues					
Local Government –Tax Levy	\$11,091,217	\$10,033,904	\$10,651,189	\$12,660,569	\$11,836,113
Intergovernmental (State)	52,521,539	52,600,080	50,922,193	48,309,678	47,727,907
Federal	0	30,851	16,401	20,380	9,340
Tuition and fees:					
Tuition	12,115,000	11,950,542	11,983,310	12,329,217	12,143,918
Material fees	755,655	676,573	697,554	697,652	772,265
Other Student fees	756,000	941,248	991,291	1,108,344	981,953
Miscellaneous (Institutional)	3,318,300	3,676,848	2,663,552	2,328,674	3,602,985
Total Revenues	80,557,711	79,910,046	77,925,490	77,454,514	77,074,481
Expenditures					
Current:					
Instruction	47,876,535	44,320,001	42,922,080	41,145,853	41,463,499
Instruction resources	1,531,968	1,483,235	1,422,398	1,325,114	1,419,651
Student services	9,079,709	8,221,230	7,737,627	8,007,386	7,860,900
General institutional	16,191,593	13,311,230	13,984,133	13,464,846	13,440,018
Physical plant	6,027,906	5,500,446	5,545,974	5,712,702	5,887,955
Total Expenditures	80,707,711	72,836,142	71,612,212	69,655,901	70,072,023
Excess (Deficiency) of Revenues over (Under) Expenditures	(150,000)	7,073,904	6,313,278	7,798,613	7,002,458
Other Financing Sources (Uses):					
Operating transfers in	150,000	520,000	917,500	1,360,386	0
Operating transfers out <sup>(1)</sup>	0	(5,500,000)	(2,000,000)	0	(4,574,000)
Total Other Financing Sources (Uses)	150,000	(4,980,000)	(1,082,500)	1,360,386	(4,574,000)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	0	2,093,904	5,230,778	9,158,999	2,428,458
Fund Balances Beginning of Year	42,938,469	40,844,565	35,613,787	26,454,788	24,026,330
Fund Balances End of Year	\$42,938,469	\$42,938,469	\$40,844,565	\$35,613,787	\$26,454,788

**NOTE: The amounts for all years are shown on a budgetary basis of accounting.**

<sup>(1)</sup>Operating transfers out to Capital Projects Fund in support of capital project expenditures. This reduces the amount of debt needed to fund capital projects.

The amounts shown for the year ended June 30, 2020 are excerpts from the audit reports prepared by Baker Tilly US, LLP, Milwaukee, Wisconsin. The amounts shown for the year ended June 30, 2021 through June 30, 2023 are excerpts from the audit reports prepared by CliftonLarsonAllen LLP, Certified Public Accountants, Milwaukee, Wisconsin (the "Auditor"). The amounts shown for the year ending June 30, 2024 are budgeted, as most recently amended, as provided by the District. The comparative statement of revenues and expenditures should be read in conjunction with the other financial statements and notes thereto appearing in Appendix A to this Official Statement.

**Financial Statements**

A copy of the District's Annual Comprehensive Financial Report, which includes the Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2023, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.



## UNDERWRITING

The Notes have been purchased at a public sale by a group of Underwriters for whom \_\_\_\_\_ is acting as Managing Underwriter (the "Underwriter"). The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the cover page of this Official Statement plus accrued interest from June 4, 2024, if any, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allocate or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

## RATING

This issue has been assigned a "Aaa" rating by Moody's Investors Service, Inc. Such rating reflects only the views of such organization and explanations of the significance of such rating may be obtained from the rating agency furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any revision or withdrawal of such rating may affect the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading "CONTINUING DISCLOSURE" neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

## TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The District has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the District comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or

proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

### **Original Issue Discount**

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

### **Bond Premium**

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such

Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

### **NOT QUALIFIED TAX-EXEMPT OBLIGATIONS**

The Notes shall NOT be "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

### **CONTINUING DISCLOSURE**

In order to assist the Underwriter in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (the "Rule"), the District shall covenant pursuant to the Award Resolution adopted by the Board to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the District annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The undertaking provides that the annual report will be filed not later than 270 days after the end of each fiscal year. The District's fiscal year ends June 30<sup>th</sup>.** The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the District at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix B. A failure by the District to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The District is required to file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

In the previous five years, the District has not failed to comply in all material respects with any previous undertakings under the Rule.

### **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The

Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

## **LITIGATION**

There is no controversy or litigation of any nature now pending or, to the knowledge of WCTC, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of WCTC taken with respect to the issuance or sale thereof.

## **FINANCIAL ADVISOR**

Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin, has been retained as financial advisor (the "Financial Advisor" or "Baird") in connection with the issuance of the Notes. In preparing this Official Statement, the Financial Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Financial Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The Financial Advisor's duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as financial advisor on the Notes. Baird's compensation for serving as financial advisor on the Notes is conditional on the successful closing of the Notes.

## **LEGAL MATTERS**

Legal matters incident to the authorization and issuance of the Notes are subject to the unqualified approving legal opinion of Quarles & Brady LLP, Bond Counsel. Such opinion will be issued on the basis of the law existing at the time of the issuance of the Notes. A copy of such opinion will be available at the time of the delivery of the Notes.

Quarles & Brady LLP has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Notes. Although, as Disclosure Counsel to the District, Quarles & Brady LLP has assisted the District with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

Quarles & Brady LLP from time to time serves as counsel to the Financial Advisor with respect to issuers other than the District and transactions other than the issuance of the Notes.

## **MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the District to file for bankruptcy relief under Chapter 9 of the Bankruptcy

Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9. If, in the future, the District were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the District could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the District is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the District could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the District; (b) to any particular assets of the District, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the District were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

### **MISCELLANEOUS**

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement by the District Secretary/Treasurer has been duly authorized by the District.

In accordance with the Rule, the Preliminary Official Statement is deemed final except for the omission of certain information described in the Rule.

### **AUTHORIZATION**

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes. The District, acting through the District Chairperson and District Secretary/Treasurer, will provide to the Underwriter of the Notes at the time of delivery of the Notes, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Notes, together with any supplements thereto, at the time of the adoption of the Award Resolution and at the time of delivery of the Notes, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

**WAUKESHA COUNTY AREA TECHNICAL  
COLLEGE DISTRICT**

By: /s/

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District Secretary/Treasurer

## **APPENDIX A**

### **Annual Comprehensive Financial Report**

#### **WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

**For year ended June 30, 2023**

**CliftonLarsonAllen LLP  
Certified Public Accountants  
Milwaukee, Wisconsin**

A copy of the District's Annual Comprehensive Financial Report, which includes the Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2023, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.



# Annual Comprehensive **FINANCIAL REPORT**

**WCTC**

**COLLEGE  
CENTER**

**Fiscal Years Ending**  
June 30, 2023 and 2022



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COUNTY TECHNICAL  
**COLLEGE**

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# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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TECHNICAL COLLEGE DISTRICT**

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**WAUKESHA COUNTY AREA  
TECHNICAL COLLEGE DISTRICT**

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TECHNICAL COLLEGE DISTRICT**

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# Annual Comprehensive **FINANCIAL REPORT**



## Introductory Section



WAUKESHA  
COUNTY TECHNICAL  
COLLEGE

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Year Ended June 30, 2023

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**2022/23 Members of the Board**

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

**Administrators**

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

**Officials Issuing Report**

Dr. Richard Barnhouse	Dr. Jane Kittel, MBA, Ed. D, CPA
-----------------------	----------------------------------

**Report Prepared By**

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

**Technical Support Provided By**

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



December 28, 2023

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

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

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

WCTC is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and related single audit compliance supplements, *Government Auditing Standards* issued by the Comptroller General of the United States, the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and the Wisconsin Technical College's (WTCS) *Financial Accounting and Administrative Manual (FAM)* referenced in Chapter 38 of the Wisconsin state statutes. Information related to the requirements and compliance with this single audit can be found in a separate report related to WCTC's single audit.

#### **SERVICES AND ENVIRONMENT**

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

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

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

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

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

## **VISION**

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

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

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

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

## **ECONOMIC DEVELOPMENT AND COLLABORATION**

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

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

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

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

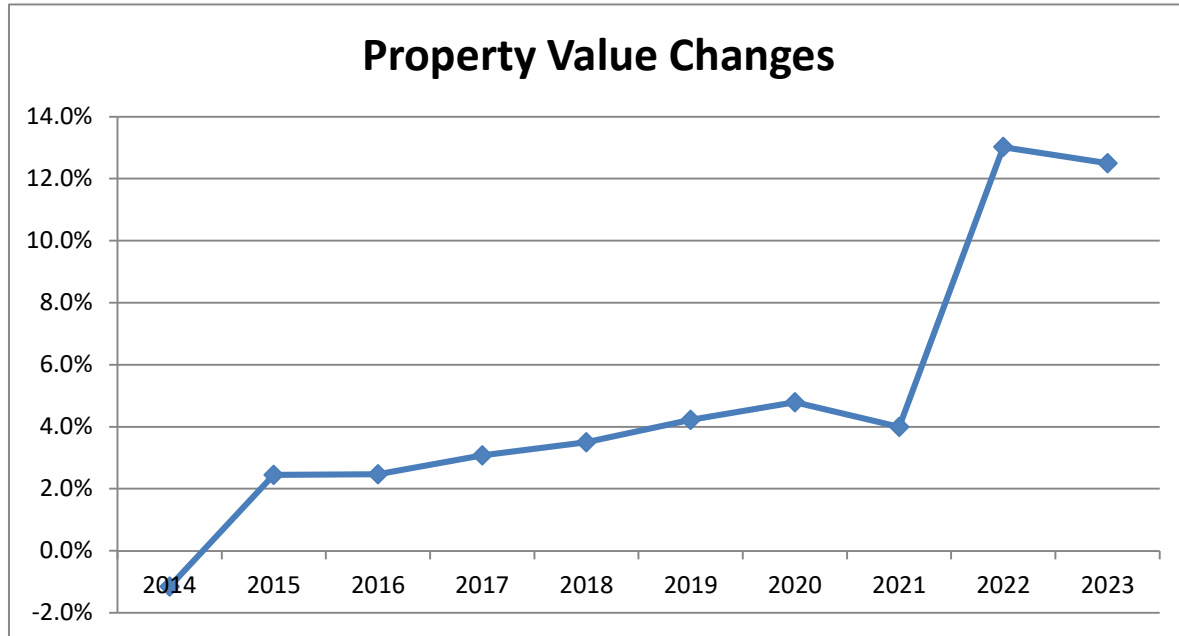


- ◆ In 1996, seven of the sixteen technical college districts formed an insurance trust for the purpose of reducing the cost of their property and liability insurance coverage while increasing their coverage. Effective July 1997, new insurance policies were entered into under this trust effort. This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

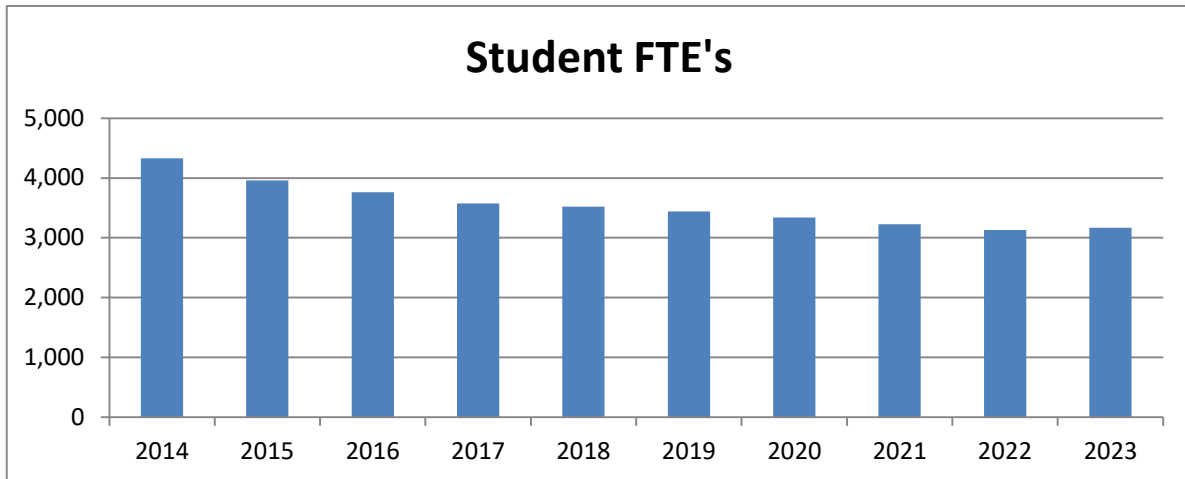
### ECONOMIC CONDITION

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

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



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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

## STRATEGIC PLANNING

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

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

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

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

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

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

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

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

## MAJOR INITIATIVES

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

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

## CRITICAL CONCERNS

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

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

Extenuating factors that affect WCTC enrollment:

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

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

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

## **MANAGEMENT SYSTEMS AND CONTROLS**

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

### ***Accounting Systems***

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

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

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

### ***Budgetary Systems***

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

**Independent Audit**

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

**ACKNOWLEDGMENT**

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

Respectfully submitted,



Dr. Richard G. Barnhouse  
President

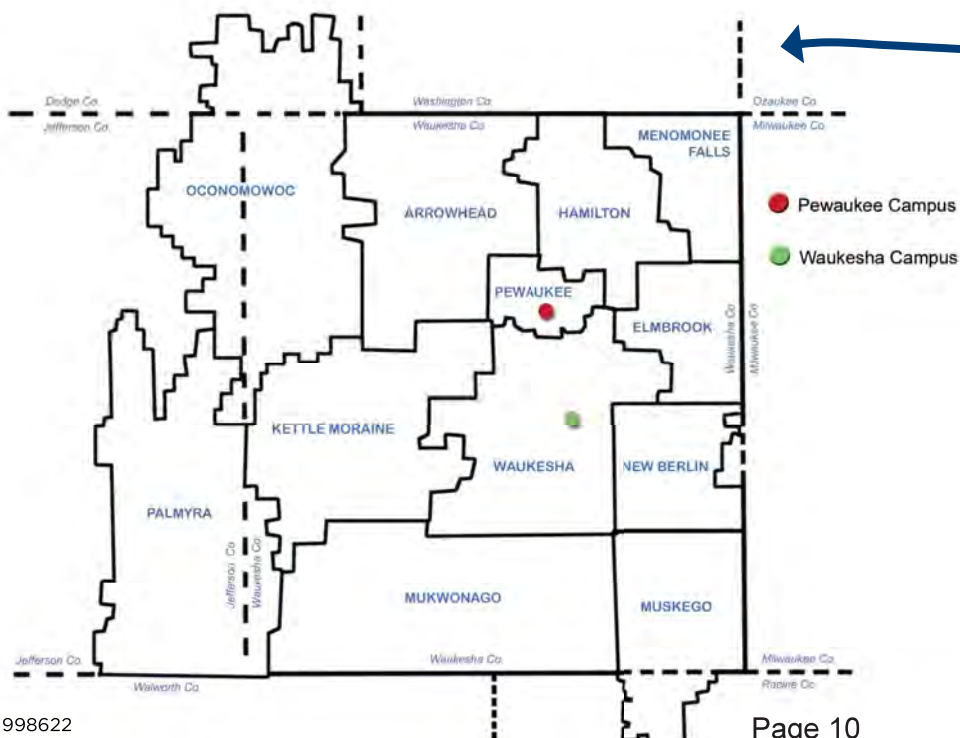


Dr. Jane L. Kittel, CPA  
Vice President of Finance & Administration

# WISCONSIN TECHNICAL COLLEGE SYSTEM

## WTCS Technical Colleges

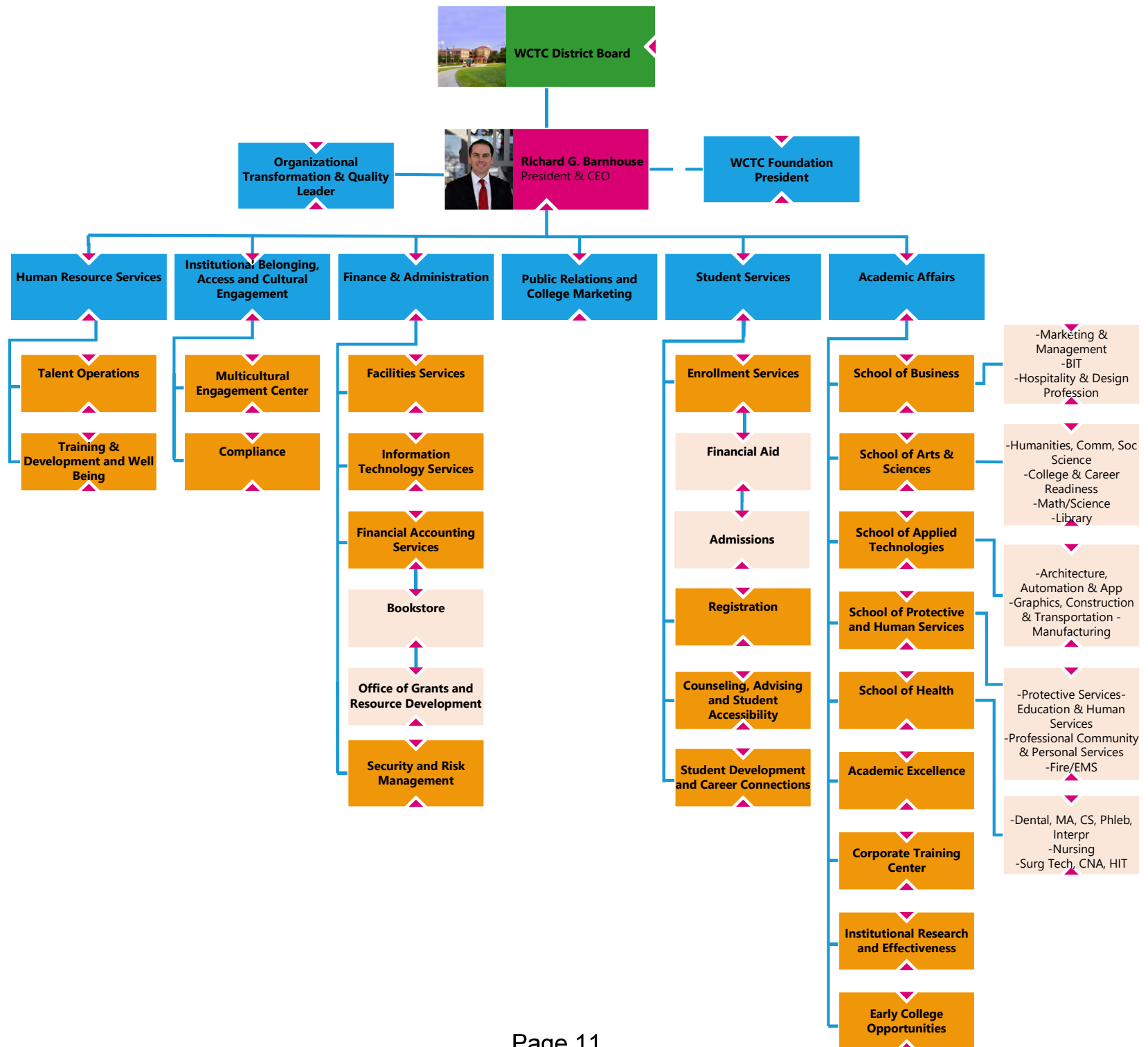
WCTC is one of sixteen technical colleges in Wisconsin. The Technical College boundaries are determined by the K-12 school districts. WCTC's district is composed of twelve K-12 school districts.



**WAUKESHA  
COUNTY TECHNICAL  
COLLEGE**

*Hands-on Higher Ed*





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

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

**Notes:**

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

# EXECUTIVE ADMINISTRATORS OF THE MANAGEMENT TEAM

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

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



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**Waukesha County Technical College  
Wisconsin**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

Executive Director/CEO



## MANAGEMENT'S RESPONSIBILITY

### Board of Trustees

Waukesha County Area Technical College District:

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

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

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

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

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

Dr. Richard Barnhouse  
WCTC President

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

Courtney R. Bauer  
WCTC Board Chairperson

Brian Baumgartner  
WCTC Board Secretary/Treasurer

# Annual Comprehensive **FINANCIAL REPORT**



## Financial Section



WAUKESHA  
COUNTY TECHNICAL  
COLLEGE

Hands-on  
Higher Ed



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audits of the Financial Statements

#### ***Opinions***

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

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

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

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

#### ***Emphasis-of-Matter***

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

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

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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



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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual budgetary basis fund financial statements, the schedule of capital assets – by sources, the schedule of indebtedness and retirements, and the schedules to reconcile budget basis financial statements to basic financial statements (the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

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

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

**Other Reporting Required by Government Auditing Standards**

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Milwaukee, Wisconsin  
December 28, 2023

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

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

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

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

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

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

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

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

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

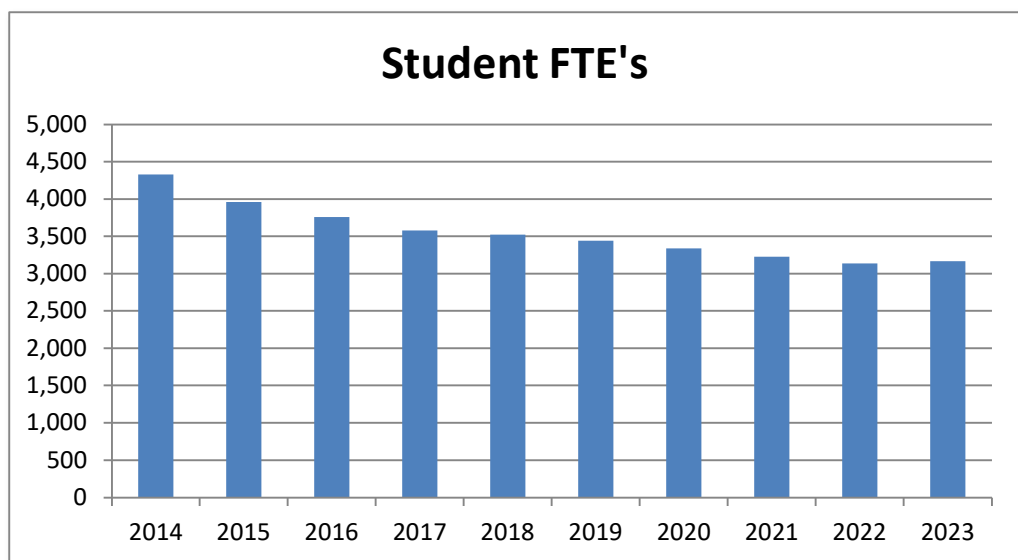
\* WCTC implemented GASB 96 and GASB 101 during fiscal year 2023 which required restatement for fiscal year 2022. Fiscal year 2021 has not been restated for this change in accounting principal

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

### **Statement of Cash Flows**

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

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

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

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

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

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

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

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

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

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

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

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

## Statement of Net Position

The Statement of Net Position includes all assets, which are items that the college owns and amounts that are owed to the college by others, and liabilities, which are amounts the college owes to others and which had been collected from others prior to providing the services. This statement is prepared under the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide service, regardless of when cash is exchanged. Below are highlights of the key components of the Statement of Net Position.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Capital Assets and Debt Administration**

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

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

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

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

### **Financial Position**

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

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

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



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

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

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

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

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

## **Economic Factors**

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

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

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

The fiscal year 2024 budget includes the following factors:

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

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

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

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

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

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

### **Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## STATEMENTS OF NET POSITION

As of June 30, 2023 and 2022

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

The accompanying notes are an integral part of these statements.

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

The accompanying notes are an integral part of these statements.

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

The accompanying notes are an integral part of these statements.



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

The accompanying notes are an integral part of these statements.

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

The accompanying notes are an integral part of these statements.

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

The accompanying notes are an integral part of these statements.

# **WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

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

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### **NOTE 1 - SUMMARY OF SIGNIFICANT OPERATING AND ACCOUNTING POLICIES**

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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#### **A. REPORTING ENTITY**

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

WCTC is affiliated with the WCTC Foundation, Inc. (Foundation), a not-for-profit corporation whose purpose is to solicit, hold, manage, invest and expend endowment funds and other gifts, grants, and bequests exclusively for the maintenance and benefit of WCTC and its students. The Foundation is managed by an independent board of directors and is not fiscally accountable to WCTC. The financial resources of the Foundation are not material to WCTC as a whole and, accordingly, financial information related to the Foundation is not included in these financial statements.

#### **B. JOINT VENTURES**

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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#### ***B. JOINT VENTURES (CONTINUED)***

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

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

WISPALS has no joint venture debt outstanding.

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

#### ***C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING***

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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***D. BUDGETS AND BUDGETARY ACCOUNTING***

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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#### ***E. ACCOUNTING ESTIMATES***

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

#### ***F. CASH AND CASH EQUIVALENTS***

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

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

#### ***G. PREPAID EXPENSES AND OTHER ASSETS***

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

#### ***H. INVENTORIES***

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

#### ***I. CAPITAL ASSETS***

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. Interest costs incurred during construction are not capitalized.

The costs of maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operations as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed. Equipment assets having a cost of \$5,000 or more per unit and building or remodeling projects of \$15,000 or more are capitalized. Depreciation on buildings and equipment is provided in amounts sufficient to relate the cost of the depreciable assets to operations on the straight-line basis, mid-year convention, over the estimated service lives, which range from three to twenty years for movable and fixed equipment and twenty to fifty years for land improvements, buildings and building improvements.

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



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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

##### ***Vacation***

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

##### ***Sick Pay***

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

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

##### ***Retirement Plans***

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

##### ***Post-Employment Benefits Other than Pensions (OPEB)***

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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#### ***K. LONG-TERM OBLIGATIONS***

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

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

#### ***L. STATE AND FEDERAL REVENUES***

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

#### ***M. PROPERTY TAX LEVY AND TAXES RECEIVABLE***

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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#### ***M. PROPERTY TAX LEVY AND TAXES RECEIVABLE (CONTINUED)***

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

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

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

#### ***N. STUDENT RECEIVABLES***

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

#### ***O. TUITION AND FEES***

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

#### ***P. UNEARNED REVENUES***

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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#### **Q. SCHOLARSHIP ALLOWANCES AND STUDENT FINANCIAL AID**

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

#### **R. LEASES**

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

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

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

#### **S. CLASSIFICATION OF REVENUE AND EXPENSE**

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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**S. CLASSIFICATION OF REVENUE AND EXPENSE (CONTINUED)**

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

**T. DEFERRED INFLOWS AND OUTFLOWS**

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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#### ***U. NET POSITION***

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

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

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

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

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

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

**WAUKESHA COUNTY AREA  
TECHNICAL COLLEGE DISTRICT**

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

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

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***V. SELF-INSURANCE***

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

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

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

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

***W. ADOPTION OF NEW ACCOUNTING STANDARDS***

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 2 - CASH AND INVESTMENTS

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

	2023	2022	Risks
Cash			
Non-interest-bearing demand deposits (overdraft)	\$ 44,195,570	\$ 1,898,897	Custodial
Repurchase agreements	16,022,819	11,307,287	Custodial, credit, interest rate and concentration of credit
Investment in WILGIP	167	161	Credit
Total Cash	<u>60,218,556</u>	<u>13,206,345</u>	
Short-term Investments			
Repurchase agreements	<u>3,046,487</u>	<u>2,875,976</u>	Custodial, credit, interest rate and concentration of credit
Long-term Investments			
Corporate Bonds	3,473,092	4,082,594	Custodial, credit, interest rate and concentration of credit
Commercial Paper	-	6,349,703	Custodial, credit, interest rate and concentration of credit
Supra National Agency	278,009	698,560	Custodial, credit, interest rate and concentration of credit
Asset-backed Security/ Collateralized Mortgage Obligations	124,119	200,437	Custodial, credit, interest rate and concentration of credit
U.S. Treasuries	<u>8,160,240</u>	<u>39,838,078</u>	Custodial and interest rate
Total Long-term Investments	<u>12,035,460</u>	<u>51,169,372</u>	
Total Cash and Investments	<u>\$ 75,300,503</u>	<u>\$ 67,251,693</u>	



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 2 - CASH AND INVESTMENTS (continued)

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2023 and 2022, the fair value of WCTC's share of the LGIP's assets was substantially equal to the amount reported in these statements.

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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### NOTE 2 - CASH AND INVESTMENTS (continued)

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### **NOTE 2 - CASH AND INVESTMENTS (continued)**

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

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### **NOTE 2 - CASH AND INVESTMENTS (continued)**

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

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

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

#### June 30, 2023

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

#### June 30, 2022

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 2 - CASH AND INVESTMENTS (continued)

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### **NOTE 2 - CASH AND INVESTMENTS (continued)**

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

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

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

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

## **NOTE 2 - CASH AND INVESTMENTS (continued)**

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

## **NOTE 2 - CASH AND INVESTMENTS (continued)**

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

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

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



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 3 - CHANGES IN CAPITAL ASSETS

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 3 - CHANGES IN CAPITAL ASSETS (continued)

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 4 - LONG-TERM OBLIGATIONS

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

	6/30/2022	Additions	Decreases	6/30/2023	one year
Notes payable	\$ 17,550,000	\$ 7,750,000	\$ 8,810,000	\$ 16,490,000	\$ 6,620,000
Add deferral of premium	<u>467,962</u>	<u>288,598</u>	<u>235,382</u>	<u>521,178</u>	<u>-</u>
Net notes payable	18,017,962	8,038,598	9,045,382	17,011,178	6,620,000
Net pension liability	-	12,466,969	-	12,466,969	-
Subscription liabilities	2,607,264	499,142	1,098,576	2,007,830	1,069,903
Compensated absences	<u>4,668,918</u>	<u>27,215</u> *	<u>-</u>	<u>4,696,133</u>	<u>4,696,133</u>
Total	<u>\$ 25,294,144</u>	<u>\$ 21,031,924</u>	<u>\$ 10,143,958</u>	<u>\$ 36,182,110</u>	<u>\$ 12,386,036</u>

	6/30/2021	Additions	Decreases	6/30/2022	Due within one year
Notes payable	\$ 18,090,000	\$ 7,750,000	\$ 8,290,000	\$ 17,550,000	\$ 6,925,000
Add deferral of premium	<u>394,670</u>	<u>264,842</u>	<u>191,550</u>	<u>467,962</u>	<u>-</u>
Net notes payable	18,484,670	8,014,842	8,481,550	18,017,962	6,925,000
Subscription liabilities	3,401,726	94,245	888,707	2,607,264	925,494
Compensated absences	<u>6,374,739</u>	<u>-</u> *	<u>1,705,821</u>	<u>4,668,918</u>	<u>4,668,918</u>
Total	<u>\$ 28,261,135</u>	<u>\$ 8,109,087</u>	<u>\$ 11,076,078</u>	<u>\$ 25,294,144</u>	<u>\$ 12,519,412</u>

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### **NOTE 4 - LONG TERM OBLIGATIONS** (continued)

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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### NOTE 4 - LONG TERM OBLIGATIONS (continued)

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 4 - LONG TERM OBLIGATIONS (continued)

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 5 - RETIREMENT PLAN

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

#### General Information about the Pension Plan

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

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 5 - RETIREMENT PLAN (continued)

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

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

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

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

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

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

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



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 5 - RETIREMENT PLAN (continued)

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

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 5 - RETIREMENT PLAN (continued)

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 5 - RETIREMENT PLAN (continued)

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

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 5 - RETIREMENT PLAN (continued)

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### ***B. WISCONSIN RETIREMENT SYSTEM (WRS) – PRIOR YEAR***

#### **General Information about the Pension Plan**

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 5 - RETIREMENT PLAN (continued)

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 5 - RETIREMENT PLAN (continued)

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

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

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

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

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

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

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

#### **Year Ended June 30**

2023	\$ (937,423)
2024	(5,369,194)
2025	(2,351,101)
2026	(2,244,341)
2027	-
Thereafter	-

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 5 - RETIREMENT PLAN (continued)

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 5 - RETIREMENT PLAN (continued)

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

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

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

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

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

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

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



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN

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### ***Plan Administration***

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

### ***Plan Description***

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

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

### ***Benefits Provided***

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

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### *Employees Covered by Benefit Terms*

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

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### *Investments*

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

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

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

### *Net OPEB Liability (Asset)*

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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### NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

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

Inflation - 2.50% per annum

Salary increases – 3.00% per annum

Investment rate of return – 3.50% per annum

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

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

Discount rate – The discount rate used to measure the Total OPEB Liability was 3.50%. Because the Plan's Fiduciary Net Position is projected to be available to make all projected OPEB payments for current active and inactive employees, the plan's long-term investment rate of return was applied to all periods.

Disability – None assumed

Turnover – 2003 SOA Small Plan Turnover

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

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

Retirement rates

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### **NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)**

Per capita claim cost (medical and dental)

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

Healthcare cost trend rate

<u>Year</u>	<u>Medical</u>		<u>Dental</u>	
	<u>2022 and 2023</u>	<u>2022 and 2023</u>	<u>2023</u>	<u>2022</u>
	<u>Under 65</u>	<u>Over 65</u>	<u>All Ages</u>	<u>All Ages</u>
0	9.0%	5.0%	4.0%	4.0%
1	8.5%	5.0%	4.0%	4.0%
2	8.0%	5.0%	4.0%	4.0%
3	7.5%	5.0%	4.0%	4.0%
4	7.0%	5.0%	4.0%	4.0%
5	6.5%	5.0%	4.0%	4.0%
6	6.0%	5.0%	4.0%	4.0%
7	5.5%	5.0%	4.0%	4.0%
8	5.5%	5.0%	4.0%	4.0%
9+	5.0%	5.0%	4.0%	4.0%

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

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### *Changes in the Total and Net OPEB Liability*

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 6 – OTHER POST EMPLOYMENT BENEFIT PLAN (continued)

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

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

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

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

Year Ended June 30, 2023		Year Ended June 30, 2022	
2024	\$ (2,620,164)	2023	\$ (3,889,652)
2025	3,971,852	2024	(246,707)
2026	1,752,726	2025	1,441,682
2027	331,318	2026	1,421,406
2028	-	2027	-
Thereafter	-	Thereafter	-
Total	<u>\$ 3,435,732</u>	Total	<u>\$ (1,273,271)</u>



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### NOTE 7 - LEASES

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

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

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

### NOTE 8 - COMMITMENTS AND CONTINGENCIES

#### **A. CLAIMS AND OTHER LEGAL PROCEEDINGS**

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

#### **B. CONSTRUCTION CONTRACTS**

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

#### **C. NET POSITION**

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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### NOTE 9 - RISK MANAGEMENT

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

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

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

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

Each member college is assessed an annual premium. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company. Since DMI is fully capitalized, member districts have not been assessed a capitalization amount for fiscal years 2015 and 2014 respectively.

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

#### **Supplemental Insurance**

In July 1997, eleven of the sixteen WTCS technical colleges formed the WTCS Insurance Trust to jointly purchase commercial insurance to provide coverage for losses from theft of, damages to, or destruction of assets. This trust grew to include fifteen WTCS technical colleges. In order to achieve additional cost savings, the technical colleges made a decision to form their own insurance company.

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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## NOTE 9 - RISK MANAGEMENT (CONTINUED)

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### Supplemental Insurance (continued)

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

### Wisconsin Technical College Employee Benefits Consortium

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

### **NOTE 10 - EXPENSE CLASSIFICATION**

Expenses on the Statements of Revenues, Expenses and Changes in Net Position are classified by function. Alternatively, the expenses could also be shown by type of expense as follows for the years ended June 30, 2023 and 2022:

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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### NOTE 11 - ACCOUNTS RECEIVABLE

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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The future subscription payments under SBITA agreements are as follows:

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

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

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

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## NOTE 13 - RESTATEMENT

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

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

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

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## NOTE 14 - SUBSEQUENT EVENT

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

## SCHEDULE OF EMPLOYER CONTRIBUTIONS Wisconsin Retirement System

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

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

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



**WAUKESHA COUNTY TECHNICAL COLLEGE**

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

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

**Notes to Schedule:**

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

# WAUKESHA COUNTY TECHNICAL COLLEGE

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

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

### Notes to Schedule

#### Valuation date:

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

#### Methods and assumptions used to determine contribution rates:

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

#### Other information:

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

## WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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#### **Employer Contributions and Funding Progress**

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

#### **Wisconsin Retirement System**

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
<b>Actuarial Assumptions</b>					
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%
<b>Salary Increases</b>					
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.
	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%).
Mortality:					

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
<b>Actuarial Assumptions</b>					
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%
<b>Salary Increases</b>					
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.
	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.
Mortality:					

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

See independent auditors' report

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## **SUPPLEMENTARY INFORMATION**

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

## **GENERAL FUND**

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



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## General Fund

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

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

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

## **SPECIAL REVENUE FUNDS**

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Operating

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

Special Revenue Fund - Non-Aidable

## COMBINING BALANCE SHEET

As of June 30, 2023

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

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

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

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

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

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

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

Special Revenue Fund - Non-Aidable

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

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

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

## **CAPITAL PROJECTS FUND**

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

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**  
Capital Projects Fund

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

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

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



## **DEBT SERVICE FUND**

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

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

## Debt Service Fund

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

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

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

## PROPRIETARY FUND TYPES

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

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

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

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

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

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

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

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

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

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

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**  
Proprietary Funds – Enterprise Funds

**COMBINING BALANCE SHEET**  
As of June 30, 2023

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

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

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

Proprietary Funds – Enterprise Funds

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

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

	Classic Room		Bookstore		Child-Parent Center		Style and Class Salon		Auto		Dental Hygiene Clinic		Student Insurance		Totals	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>OPERATING REVENUES</b>																
Federal funding	\$ -	\$ -	\$ -	\$ -	\$ 36,098	\$ 24,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,098	\$ 24,451
User charges	54,256	42,081	2,225,136	2,228,790	664,465	698,277	118,752	95,692	3,375	3,324	23,220	23,675	41,312	40,880	3,130,516	3,132,719
Total Operating Revenues	<u>54,256</u>	<u>42,081</u>	<u>2,225,136</u>	<u>2,228,790</u>	<u>\$ 700,563</u>	<u>\$ 722,728</u>	<u>118,752</u>	<u>95,692</u>	<u>3,375</u>	<u>3,324</u>	<u>23,220</u>	<u>23,675</u>	<u>41,312</u>	<u>40,880</u>	<u>3,166,614</u>	<u>3,157,170</u>
<b>OPERATING EXPENSES</b>																
Materials	36,598	22,914	1,687,934	1,736,499	44,515	40,667	58,129	46,698	2,157	1,118	17,463	15,577	-	-	1,846,796	1,863,473
Salaries	4,307	-	280,668	289,365	459,185	484,699	-	-	-	-	-	-	-	-	744,160	774,064
Benefits	329	-	89,007	91,947	167,359	155,975	-	-	-	-	-	-	-	-	256,695	247,922
Repairs and service	-	119	-	-	-	-	4,338	2,709	-	-	458	-	-	-	4,796	2,828
Rent and utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	49,653	57,031	-	-	-	-	-	-	-	-	-	-	49,653	57,031
Other	4,996	3,296	89,605	90,143	1,953	3,920	4,745	4,713	226	2,837	3,303	2,918	41,312	40,880	146,140	148,707
Total Operating Expenses	<u>46,230</u>	<u>26,329</u>	<u>2,196,867</u>	<u>2,264,985</u>	<u>673,012</u>	<u>685,261</u>	<u>67,212</u>	<u>54,120</u>	<u>2,383</u>	<u>3,955</u>	<u>21,224</u>	<u>18,495</u>	<u>41,312</u>	<u>40,880</u>	<u>3,048,240</u>	<u>3,094,025</u>
Operating Income (Loss)	8,026	15,752	28,269	(36,195)	27,551	37,467	51,540	41,572	992	(631)	1,996	5,180	-	-	118,374	63,145
<b>NONOPERATING REVENUES (EXPENSES)</b>																
Loss on disposal of assets	-	-	(1,077)	(8,628)	-	-	-	-	-	-	-	-	-	-	(1,077)	(8,628)
Income Before Capital Contributions and Transfers	<u>8,026</u>	<u>15,752</u>	<u>27,192</u>	<u>(44,823)</u>	<u>27,551</u>	<u>37,467</u>	<u>51,540</u>	<u>41,572</u>	<u>992</u>	<u>(631)</u>	<u>1,996</u>	<u>5,180</u>	<u>-</u>	<u>-</u>	<u>117,297</u>	<u>54,517</u>
<b>TRANSFER IN/(OUT)</b>	<u>-</u>	<u>-</u>	<u>457,269</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>457,269</u>	<u>300,000</u>
Change in Net Position	8,026	15,752	484,461	255,177	27,551	37,467	51,540	41,572	992	(631)	1,996	5,180	-	-	574,566	354,517
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>72,038</u>	<u>56,286</u>	<u>1,090,739</u>	<u>835,562</u>	<u>122,200</u>	<u>84,733</u>	<u>86,948</u>	<u>45,376</u>	<u>21,250</u>	<u>21,881</u>	<u>27,260</u>	<u>22,080</u>	<u>-</u>	<u>-</u>	<u>1,420,435</u>	<u>1,065,918</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 80,064</u>	<u>\$ 72,038</u>	<u>\$ 1,575,200</u>	<u>\$ 1,090,739</u>	<u>\$ 149,751</u>	<u>\$ 122,200</u>	<u>\$ 138,488</u>	<u>\$ 86,948</u>	<u>\$ 22,242</u>	<u>\$ 21,250</u>	<u>\$ 29,256</u>	<u>\$ 27,260</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,995,001</u>	<u>\$ 1,420,435</u>

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

Proprietary Funds – Enterprise Funds

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

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

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

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

Proprietary Funds – Enterprise Funds

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

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

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

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

Proprietary Funds - Internal Service Fund

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

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

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



**SCHEDULE OF CAPITAL ASSETS - BY SOURCES**

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

Note:

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

## **SCHEDULE OF INDEBTEDNESS AND RETIREMENTS**

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## SCHEDULE OF INDEBTEDNESS AND RETIREMENTS

For the Year Ended June 30, 2023

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## SCHEDULE OF INDEBTEDNESS AND RETIREMENTS

For the Year Ended June 30, 2023

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

(Concluded)

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

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

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



**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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

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

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

Federal and state appropriations for capital-related grants

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

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

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

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

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

# Annual Comprehensive **FINANCIAL REPORT**



## Statistical Section



WAUKESHA  
COUNTY TECHNICAL  
COLLEGE

Hands-on  
Higher Ed

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

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

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

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT**

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

### Notes:

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

Notes:

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

(c) Overlapping rates are those of local and county governments that apply to property owners within the WCTC district. Not all overlapping rates apply to all property owners within the WCTC district. For example, the county rate is made up of the rates for parts of Waukesha, Dodge, Jefferson, and Racine Counties. The individual county rates apply only to the property owners within each of those counties. These overlapping tax rates are an average of the rates for each municipality making up the detail in the column since each governmental unit can have a different rate.

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## PRINCIPAL TAXPAYERS CURRENT YEAR AND NINE YEARS PRIOR

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

Note:

Source: Waukesha County Department of Administration – Finance Office 2022

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



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## PROPERTY TAX LEVIED AND COLLECTIONS LAST TEN FISCAL YEARS

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

**Notes:**

(a) Under Wisconsin law, personal property taxes and certain installment real estate taxes are collected by city, village, and town treasurers or clerks, who then make settlement with other taxing units, such as the county, WCTC, and local schools. Settlements are due from the municipality by the 15th of the month following the due date based on the municipality's payment plan. Certain installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, village, and and town treasurers and other taxing units before retaining any for county purposes. In practice, any delinquent real estate taxes are withheld from the county's share. Therefore, WCTC receives 100% of its levy upon receipt of settlement from the County Treasurer, although the taxes collected as a percentage of total tax levy will vary in any given fiscal year due to timing of payments received from municipalities.

(b) WCTC will receive the balance of its tax payments by August 20, 2023.

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

### Notes:

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

(a) Source—Wisconsin Department of Revenue.

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

N/A - Information not yet available

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

### Notes:

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

(a) Source—Wisconsin Department of Revenue.

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

For the Year Ended June 30, 2023

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT For the Year Ended June 30, 2023

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## DEMOGRAPHIC AND ECONOMIC STATISTICS (1) LAST TEN FISCAL YEARS

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

### Notes:

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

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

N/A - Information not yet available

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

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

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

\*Included in adjunct faculty count

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## TEN LARGEST EMPLOYERS CURRENT YEAR AND NINE YEARS PRIOR

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

**Note:**

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

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



# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## MISCELLANEOUS OPERATING INDICATORS LAST TEN FISCAL YEARS

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## MISCELLANEOUS OPERATING INDICATORS LAST TEN FISCAL YEARS (continued)

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

- (a) Students served represents the unduplicated count of citizens enrolled in WCTC courses. Student enrollments represents the total number of students enrolled in each course offered.
- (b) A full-time equivalent is basically equal to 30 annual student credits based on a mathematical calculation, which varies somewhat by program and which is subject to state approval and audit of student data.
- (c) In 1996 the state separated transcribed credits from other aid categories. WCTC receives no FTE's for transcribed credits. Transcribed credits are college credits high school students earn while in high school. These are WCTC courses taught by the high school faculty. Beginning in 2017, these credits are now included.
- (d) Survey is conducted approximately six months after graduation, therefore, 2021 statistics are not available.
- (e) Non-post secondary courses are adult basic education classes. Community service classes are non-credit, hobby-type classes.

## WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

### CAPITAL ASSET STATISTICS LAST TEN FISCAL YEARS

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

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

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

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

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

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

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## MISSION, VISION, STRATEGIC DIRECTIVES June 30, 2023

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### Mission Statement

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

### Vision Statement

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

### Values

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

### End Statements

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

### Strategic Directives

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## DEGREE/DIPLOMA PROGRAM OFFERINGS

June 30, 2023

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

### Associate Degree of Applied Science

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

### Technical Diplomas

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

### Apprenticeships

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## DEGREE/DIPLOMA PROGRAM OFFERINGS June 30, 2023

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### Embedded Technical Diploma

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

### WCTC Technical Certificates

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

# WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT

## DEGREE/DIPLOMA PROGRAM OFFERINGS June 30, 2023

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### Dual Enrollment Programs

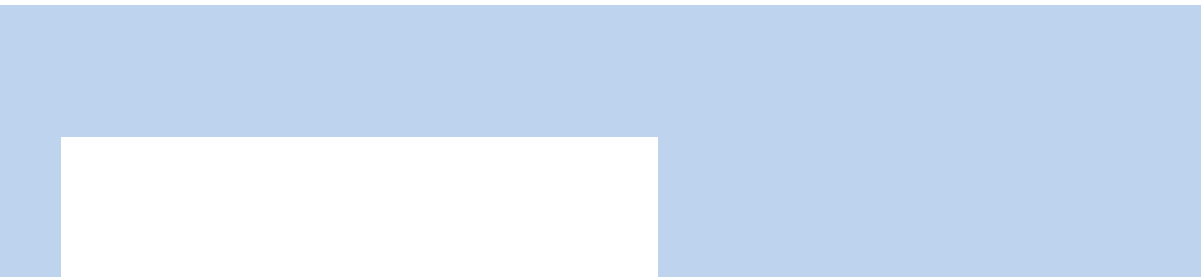
Automation Systems (Robotics)	Hospitality Specialist
Building Construction Trades	IT Systems Specialist
Early Childhood Ed Preschool	Tool and Die
Firefighter/EMT	Welding Fabrication

### Shared Programming (originating college shown after program)

Anesthesia Technology (Milwaukee Area Technical College)  
Bio-Medical Electronics (Milwaukee Area Technical College)  
Health Care Services Management (Milwaukee Area Technical College)  
Physical Therapist Assistant (Blackhawk Technical College)  
Radiography (Milwaukee Area Technical College)

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WAUKESHA  
COUNTY TECHNICAL  
COLLEGE

Hands-on  
Higher Ed

800 Main Street, Pewaukee, WI 53072

## **APPENDIX B**

### **FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Waukesha County Area Technical College District, Waukesha, Jefferson, Dodge and Racine Counties, Wisconsin (the "Issuer") in connection with the issuance of \$3,800,000 General Obligation Promissory Notes, Series 2024B, dated June 4, 2024 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on April 9, 2024 and May 14, 2024 (collectively, the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated May 14, 2024 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the District Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Waukesha County Area Technical College District, Waukesha, Jefferson, Dodge and Racine Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Vice President of Finance and Administration of the Issuer who can be contacted at the College Center Building, Room C211, 800 Main Street, Pewaukee, Wisconsin 53072, phone (262) 691-5214, fax (262) 691-5593.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

### Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year ending June 30, 2024, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements, adopted annual budget and/or current general fund budget summary and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. TAX LEVIES, RATES AND COLLECTIONS
2. EQUALIZED VALUATIONS
3. INDEBTEDNESS OF WCTC - Direct Indebtedness

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 4th day of June, 2024.

(SEAL)

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Courtney R. Bauer  
Chairperson

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Brian K. Baumgartner  
Secretary/Treasurer



## **APPENDIX C**

### **FORM OF LEGAL OPINION**

Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, WI 53202

June 4, 2024

Re: Waukesha County Area Technical College District, Wisconsin ("Issuer")  
\$3,800,000 General Obligation Promissory Notes, Series 2024B,  
dated June 4, 2024 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$1,600,000	_____ %
2026	520,000	_____
2027	540,000	_____
2028	565,000	_____
2029	575,000	_____

Interest is payable semi-annually on April 1 and October 1 of each year commencing on October 1, 2024.

The Notes are not subject to optional redemption.

[The Notes maturing in the years \_\_\_\_\_ are subject to mandatory redemption by lot as provided in the Notes, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Notes is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

## **APPENDIX D**

### **OFFICIAL NOTICE OF SALE AND BID FORM**

#### **FOR**

**\$3,800,000**

**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN  
General Obligation Promissory Notes, Series 2024B**

**DATE AND TIME:**

Tuesday, May 14, 2024  
9:30 A.M. (Central Time)

**PLACE:**

Robert W. Baird & Co.  
Public Finance Department  
777 East Wisconsin Avenue, 25<sup>th</sup> Floor  
Milwaukee, Wisconsin 53202

Attention: Ms. Lori Jackson

Phone:(414) 765-3827

Fax: (414) 298-7354

Bids will also be accepted electronically via PARITY.

OFFICIAL NOTICE OF SALE

\$3,800,000

WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN  
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2024B  
DATED JUNE 4, 2024 (the "Notes")

---

NOTICE IS HEREBY GIVEN that bids will be received by the Waukesha County Area Technical College District, Wisconsin (the "District") for the purchase of all but no part of its Notes electronically via PARITY (as described below) or at the offices of the District's financial advisor, Robert W. Baird & Co. Incorporated, Public Finance Department, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 ("Baird"), Attention: Ms. Lori Jackson, until 9:30 a.m. (Central Time) on:

May 14, 2024

at which time the bids will be publicly opened and read. Bids may be mailed or delivered to Baird at the address set forth above or submitted electronically via PARITY, as described below. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 765-3827, for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for Waukesha County Area Technical College District Notes". A meeting of the District Board will be held on said date for the purpose of taking action on such bids as may be received. Bids will only be considered by the District Board if the required good faith deposit has been received in accordance with the requirements set forth below.

Dates and Maturities: The Notes will be dated June 4, 2024 and will mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2025	\$1,600,000
2026	520,000
2027	540,000
2028	565,000
2029	575,000

Interest: Interest on the Notes will be payable semi-annually on April 1 and October 1 of each year, commencing on October 1, 2024 to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day of the calendar month next preceding each interest payment date. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

Optional Redemption: The Notes are not subject to optional redemption.

Term Bonds at Bidder's Option: Bids for the Notes may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption,

so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above.

Mandatory Redemption: Any term bonds specified shall be subject to mandatory sinking fund redemption in part prior to their scheduled maturity dates on April 1 of certain years, as more fully described in the Dates and Maturities section herein, at a price of par plus accrued interest to the date of redemption.

Security and Purpose: The Notes are general obligations of the District. The principal of and interest on the Notes will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable property located in the District. The Notes will be issued for the public purposes of financing building remodeling and improvement projects and the acquisition of movable equipment.

Registration: The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered only in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC").

DTC Book Entry Only System: UTILIZATION OF DTC IS REQUIRED. BIDS FOR THE NOTES MAY NOT PROVIDE FOR THE NOTES TO BE ISSUED ON A NON-DTC BASIS. DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the denomination of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder shall be required to deposit the Note certificates with DTC as a condition to delivery of the Notes. The District will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

Depository: In the event that the securities depository relationship with DTC for the Notes is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered certificated Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Fiscal Agent: The Notes shall be distributed to the owners in fully-registered form in the denomination of \$5,000 or any integral multiple thereof by Associated Trust Company, National Association, Green Bay, Wisconsin, the District's fiscal agent with respect to the Notes (the "Fiscal Agent"). The Notes shall be payable as to interest by check or draft of the Fiscal Agent mailed to the registered owners whose names appear on the books of the Fiscal Agent at the

close of business on the 15th day of the calendar month next preceding each interest payment date and as to principal by presentation of the Notes at the office of the Fiscal Agent. The District will pay all costs relating to the registration of the Notes.

Not Qualified Tax-Exempt Obligations: The Notes shall not be "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Bid Specifications: Bids will be received on an interest rate basis in integral multiples of One-Twentieth ( $1/20$ ) or One-Eighth ( $1/8$ ) of One Percent (1%). Any number of rates may be bid, but all Notes of the same maturity shall bear the same interest rate. No bid for less than One Hundred Percent (100%) of the principal amount of the Notes (\$3,800,000) nor more than One Hundred Four Percent (104%) of the principal amount of the Notes (\$3,952,000) plus accrued interest to the date of delivery will be considered. The Notes will be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the District.

Type of Bid: Bids must be submitted either: (1) to Baird as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, within a one hour period prior to the time of sale, but no bids will be received after the time established above for the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Baird, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The District and Baird assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the District, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The District is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Notes, and PARITY is not an agent of the District.

The District may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Notes and interest rate or rates to be borne by the Notes and any other information included in such transmission) as though the same information were submitted on the bid form and executed on behalf of the bidder by a duly authorized signatory. If the bid is accepted by the District, the terms of the bid form, this Official Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, as described in this Official Notice of Sale and in the written form of Official Bid Form. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of Official Bid Form.

Good Faith Deposit: A cashier's check in the amount of \$76,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$76,000 shall be made by the winning bidder by federal wire transfer as directed by the District to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (May 14, 2024) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes. The good faith deposit will be applied to the purchase price of the Notes. In the event the successful bidder fails to honor its accepted bid, the good faith deposit will be retained by the District. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Notes shall be made at the closing. Good faith checks of unsuccessful bidders will be returned by overnight delivery for next day receipt sent not later than the first business day following the sale.

Bond Insurance at Bidder's Option: If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder. Each bidder shall indicate if it is obtaining bond insurance and shall list the name of the bond insurer on the bidder's Official Bid Form. Any increased costs of issuance of the Notes resulting from such purchase of insurance shall be paid by the successful bidder except that, if the District has requested and received a rating on the Notes from a rating agency, the District will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Notes.

Delivery: The Notes will be delivered in printed form, one Note per maturity, registered in the name of CEDE & CO., as nominee of DTC, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, within approximately forty-five (45) days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its good faith deposit shall be returned, but no interest shall be allowed thereon.

Legality: The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin. A transcript of the proceedings relative to the issuance of the Notes (including an arbitrage certificate and a no-litigation certificate) will be furnished to the successful bidder without cost. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the District's undertaking and such Certificate is a condition of closing.



**Award Conditional:** The award of the Notes will be made subject to expiration of the petition period provided for under Section 67.12(12)(e)5, Wisconsin Statutes, without the filing of a sufficient petition for a referendum with respect to the Notes.

CUSIP Numbers: The District will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The District will permit such numbers to be assigned and printed at the expense of the successful bidder, but neither the failure to print such numbers on any Notes nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Notes.

Establishment of Issue Price: (a) The winning bidder shall assist the District in establishing the issue price of the Notes and shall execute and deliver to the District at closing an Underwriter's Certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) the District shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the underwriter. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the District agrees to use the rule selected by the underwriter on its bid form to determine the issue price for the Notes. On its bid form, each underwriter must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10%

of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule"). The form of Underwriter's Certificate will be modified to reflect compliance with the requirements of the rule selected by the underwriter.

(d) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriter has offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriter participating in the purchase of the Notes, that the underwriter will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the District when the underwriter has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The District acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the 10% test, the underwriter agrees to promptly report to the District, Bond Counsel and Baird the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Notes or until all of the Notes of a certain maturity have been sold.

(f) By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the

bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),
- (iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Notes are awarded by the District to the winning bidder.

Official Statement: Bidders may obtain a copy of the Preliminary Official Statement by request to the District's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the District within 24 hours after the award of the Notes all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven business days of the award of the Notes, the successful bidder will be provided with an electronic copy of the Official Statement in pdf format. If the successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement and any addenda to syndicate members.

Certification Regarding Official Statement: The District will deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the District and the Notes are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The District also agrees to notify the successful bidder of any material developments impacting the District or the Notes of which the District becomes aware within 60 days after the delivery of the Notes.

Undertaking to Provide Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the District will covenant to undertake (pursuant to a Resolution to be adopted by the District Board), to provide annual reports and timely notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the District, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Irregularities: The District reserves the right to reject any and all bids and to waive any and all irregularities.

Information: Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to: Robert W. Baird & Co. Incorporated; Attention: Ms. Lori Jackson, Vice President, (414) 765-3827 or the undersigned.

Dr. Jane L. Kittel, CPA  
Vice President of Finance and Administration  
Waukesha County Area Technical College District  
College Center Building, Room C211  
800 Main Street  
Pewaukee, Wisconsin 53072  
Phone: (262) 691-5214

Exhibit A  
(to Official Notice of Sale)

Waukesha County Area Technical College District, Wisconsin ("District")  
\$3,800,000  
General Obligation Promissory Notes, Series 2024B,  
dated June 4, 2024

**UNDERWRITER'S CERTIFICATE**

The undersigned, on behalf of \_\_\_\_\_ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

**[2. *Bond Insurance.***

(a) The Municipal Bond Insurance Policy (the "Bond Insurance Policy") issued by \_\_\_\_\_ (the "Bond Insurer") was essential in marketing the Notes at the rates and prices at which they were marketed and the absence of the Bond Insurance Policy would have had a material adverse effect on the interest rates at which the Notes were sold.

(b) In our opinion, the Bond Insurance Premium paid to the Bond Insurer for its Bond Insurance Policy is a reasonable arm's-length charge for the transfer of credit risk which the Bond Insurance Policy represents.

(c) In our opinion, the present value of the Bond Insurance Premium is less than the present value of the interest on the Notes reasonably expected to be saved as a result of the Bond Insurance Policy. In making this determination present values were computed by using the yield on the Notes (determined with regard to the Bond Insurance Premium) as the discount rate.]

\_\_\_\_. ***Defined Terms.***

(a) "Maturity" means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is May 14, 2024.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Quarles & Brady LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the District from time to time relating to the Notes.

[UNDERWRITER]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Dated: June 4, 2024

SCHEDULE A  
TO  
UNDERWRITER'S CERTIFICATE

EXPECTED OFFERING PRICES

(See Attached)

SCHEDULE B  
TO  
UNDERWRITER'S CERTIFICATE

COPY OF UNDERWRITER'S BID

(See Attached)



May 14, 2024

**BID FORM**  
**WAUKESHA COUNTY AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN**  
**\$3,800,000 General Obligation Promissory Notes, Series 2024B**

Courtney R. Bauer, District Chairperson  
and Members of the District Board  
Waukesha County Area Technical College District  
800 Main Street  
Pewaukee, WI 53072

Dear Ms. Bauer and Members of the District Board:

For all but no part of your issue of \$3,800,000 General Obligation Promissory Notes, Series 2024B, (the "Notes"), said bid being no less than 100% of par (\$3,800,000) nor more than 104% of par (\$3,952,000), we offer to pay a price of \$\_\_\_\_\_. The dated date and delivery date of the Notes is June 4, 2024. The Notes shall bear interest as follows:

April 1, 2025 \_\_\_\_\_ %  
April 1, 2026 \_\_\_\_\_ %  
April 1, 2027 \_\_\_\_\_ %  
April 1, 2028 \_\_\_\_\_ %  
April 1, 2029 \_\_\_\_\_ %

The Bidder elects to have the following Term Bond(s):

<u>Final Maturity Date</u>	<u>For Years</u>	<u>Amount</u>
April 1, _____	_____ to _____	\$ _____
April 1, _____	_____ to _____	\$ _____

This bid is made subject to all the terms and conditions of the Official Notice of Sale heretofore received and the Official Notice of Sale heretofore published, all terms and conditions which are made a part hereof as fully as though set forth in full in this bid.

This bid is a firm offer for the purchase of the Notes identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.

YES: \_\_\_\_ NO: \_\_\_\_.

If the competitive sale requirements are not met, we elect to use either the: \_\_\_\_ 10% test, or the \_\_\_\_ hold-the-offering price rule to determine the issue price of the Notes.

A Good Faith Deposit ("Deposit") in the form of a cashier's check in the amount of \$76,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$76,000 shall be made by the winning bidder by federal wire transfer as directed by the District to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (May 14, 2024) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes.

\_\_\_\_\_  
Managing Underwriter

Direct Contact and Phone Number: \_\_\_\_\_

By: \_\_\_\_\_

-----  
Please attach a list of account members

For your information, but not as a condition of this bid, the above interest rates result in:

Net Interest Cost \$ \_\_\_\_\_ True Interest Rate \_\_\_\_\_ %

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The foregoing offer is hereby accepted this 14<sup>th</sup> day of May 2024 by the Members of the District Board and in recognition therefore is signed by the Officers empowered and authorized to make such acceptance.

\_\_\_\_\_  
District Chairperson

\_\_\_\_\_  
District Secretary/Treasurer