

FINAL OFFICIAL STATEMENT DATED JANUARY 14, 2026

NEW ISSUE

Not Bank Qualified

Moody's Rated "Aa1"  
(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.*

**\$5,700,000**

**CHIPPEWA VALLEY TECHNICAL COLLEGE DISTRICT, WISCONSIN  
General Obligation Promissory Notes, Series 2026A**

Dated: February 12, 2026

Due: As shown below

The \$5,700,000 General Obligation Promissory Notes, Series 2026A (the "Notes") will be dated February 12, 2026, will be fully registered and issued in the denomination of \$5,000 each or any multiple thereof, and will mature serially on October 1, 2026 and on April 1 of the years 2029 through 2033. Interest on the Notes shall be payable commencing on October 1, 2026 and semi-annually thereafter on April 1 and October 1 of each year.

**MATURITY SCHEDULE**

| <u>(Maturity Schedule)</u> | <u>Amount</u> | <u>Rate</u> | <u>Yield</u> | CUSIP <sup>(1)</sup><br>Base<br>170018 |
|----------------------------|---------------|-------------|--------------|--|
| October 1, 2026            | \$1,000,000   | 4.00%       | 2.58%        | XJ9                                    |
| April 1, 2027              | --            | --          | --           | --                                     |
| April 1, 2028              | --            | --          | --           | --                                     |
| April 1, 2029              | 785,000       | 4.00        | 2.31         | XK6                                    |
| April 1, 2030              | 465,000       | 4.00        | 2.35         | XL4                                    |
| April 1, 2031              | 1,100,000     | 4.00        | 2.38         | XM2                                    |
| April 1, 2032              | 1,150,000     | 4.00        | 2.44         | XN0                                    |
| April 1, 2033              | 1,200,000     | 3.00        | 2.65         | XP5                                    |

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Chippewa Valley Technical College District, Wisconsin (the "District", "CVTC" or the "College") for which its full faith and credit and taxing powers are pledged 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 purposes of paying the cost of building remodeling and improvement projects (\$1,500,000) and the acquisition of movable equipment (\$4,200,000).

The Notes are not subject to call and prior redemption. (See "REDEMPTION PROVISIONS" herein.)

The Financial Advisor to the District is:



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, Bond Counsel, Milwaukee, Wisconsin. Quarles & Brady LLP will also act as Disclosure Counsel for the District. The anticipated settlement date for the Notes is on or about February 12, 2026.*

**Loop Capital Markets, LLC**

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## **CHIPPEWA VALLEY TECHNICAL COLLEGE DISTRICT, WISCONSIN**

### **DISTRICT BOARD**

Ramona J. Mathews, Chairperson  
Justin Zoromski, Vice Chairperson  
Brady Weiss, Secretary  
Lori Whelan, Treasurer  
Timothy J. Benedict, Member  
Bryan Bessa, Member  
Erin Greenawald, Member  
Matt Guse, Member  
Mike Mills, Member

### **ADMINISTRATION**

Dr. Sunem Beaton-Garcia, President  
Dr. Lynette L. Livingston, EdD, Provost & Vice President of Academic and Student Affairs  
Caleb J. Cornelius, Vice President of Administration and Chief Strategy Officer  
Tam K. Burgau, Vice President of Talent & Culture  
Joni A. Geroux, Vice President of Strategic Communications & Community Engagement and Chief of Staff

### **DISTRICT ATTORNEY**

Michael Best & Friedrich LLP  
Attorneys at Law

### **PROFESSIONAL SERVICES**

|                              |  |
|------------------------------|--|
| <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 Contact:</b> | Chippewa Valley Technical College District, Wisconsin <sup>(1)</sup> |

<sup>(1)</sup>*Caleb J. Cornelius, Vice President of Administration and Chief Strategy Officer is the contact for any paying agent matters.*

## 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 Chippewa Valley 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.

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 and the Underwriter have reviewed 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.

**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>              | Chippewa Valley Technical College District, Wisconsin (the "District").  |
| <b>Issue:</b>                 | \$5,700,000 General Obligation Promissory Notes, Series 2026A (the "Notes").   |
| <b>Dated Date:</b>            | February 12, 2026.   |
| <b>Interest Due:</b>          | Commencing October 1, 2026 and semi-annually thereafter on April 1 and October 1 of each year. Interest on the Notes will be computed on the basis of a 30-day month and a 360-day year.   |
| <b>Principal Due:</b>         | October 1, 2026 and on April 1 of the years 2029 through 2033.   |
| <b>Redemption Provision:</b>  | The Notes shall not be subject to call and prior redemption. (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 irrepealable 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 purposes of paying the cost of building remodeling and improvement projects (\$1,500,000) and the acquisition of movable equipment (\$4,200,000).  |
| <b>Credit Rating:</b>         | This issue has been assigned a "Aa1" rating by Moody's Investors Service, Inc. (See "RATING" herein.)  |
| <b>No Bank-Qualification:</b> | The Notes shall <u>NOT</u> be "qualified tax-exempt obligations."  |
| <b>Tax Status:</b>            | Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX EXEMPTION" herein.)   |
| <b>Bond Years:</b>            | 26,290.83 years.   |
| <b>Average Life:</b>          | 4.612 years.   |
| <b>Record Date:</b>           | The 15th day of the calendar month next preceding each interest payment date.  |

*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 Chippewa Valley Technical College District, Wisconsin (the "District", "CVTC" or the "College" and the "State", respectively) in connection with the sale of the District's \$5,700,000 General Obligation Promissory Notes, Series 2026A (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the resolutions (the "Resolutions") adopted by the District Board (the "Board") and other proceedings and determinations related thereto.

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

All summaries of statutes, documents and 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 Resolutions, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Parameters Resolution. Copies of the Resolutions may be obtained from the Financial Advisor (defined herein) upon request.

## REDEMPTION PROVISIONS

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

## ESTIMATED SOURCES AND USES

### **Sources of Funds**

|                     |                       |
|---------------------|-----------------------|
| Par Amount of Notes | \$5,700,000.00        |
| Reoffering Premium  | 293,212.80            |
| Total Sources       | <u>\$5,993,212.80</u> |

### **Uses of Funds**

|  |                       |
|--|-----------------------|
| Deposit to Project Construction Fund         | \$5,700,000.00        |
| Bid Premium for Deposit to Debt Service Fund | 269,711.55            |
| Underwriter's Discount                       | 23,501.25             |
| Total Uses                                   | <u>\$5,993,212.80</u> |

## CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'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, irrevocable 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 twenty 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 promissory notes. However, such notes must be payable within 10 years and 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 the Board pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for a complete recital of their terms.

### **The Authorizing Resolution**

By way of a resolution adopted on December 4, 2025 (the "Authorizing Resolution"), the Board authorized the issuance of general obligation promissory notes in an amount not to exceed \$5,700,000 for the public purpose of paying the cost of building remodeling and improvement projects (\$1,500,000) and the acquisition of movable equipment (\$4,200,000).

As required by Wisconsin Statute, notice of the adoption of the Authorizing Resolution was published in the required newspaper on December 10, 2025. The Authorizing Resolution is subject to referendum if, within 30 days after publication of notice of adoption of the Authorizing Resolution a sufficient petition requesting a referendum is filed by the electors of the District with regard to the issuance of the Notes to finance building remodeling and improvement projects and the acquisition of movable equipment. The petition period expired on January 9, 2026.

### **The Parameters Resolution**

By way of the parameters resolution also adopted on December 4, 2025 (the "Parameters Resolution"), the Board delegated authority to the Vice President of Administration and Chief Strategy Officer (the "Authorized Officer") to accept the proposal of the Underwriter (the "Proposal") for the purchase of the Notes, provided the Proposal met the parameters set forth in the Parameters Resolution, by executing an Approving Certificate (the "Approving Certificate"). The Board pledged the full faith, credit and resources of the District to the payment of the principal of and interest on the Notes pursuant to the Parameters Resolution. Pursuant to the Parameters Resolution, a direct annual irrevocable tax has been levied for collection in the years 2026 through 2033 in the amounts which will be sufficient to meet the principal and interest payments on the Notes when due (or monies to pay such debt service will otherwise be appropriated). The Parameters Resolution establishes a separate debt service fund with respect to payment of principal and interest on the Notes, which is separate and distinct from all other funds of the District.

### **Approving Certificate**

On January 14, 2026, the Authorized Officer executed the Approving Certificate, approving the Preliminary Official Statement, accepting the Proposal of the Underwriter, setting forth the details of the Notes, and specifying the amount of the direct annual irrevocable tax levied to pay the principal of and interest on the Notes.

## THE DISTRICT

### **The Board**

The Board is comprised of nine members (two employee members, two employer members, three additional members, one elected official and one school district administrator). The Board is appointed by the County Board Chairpersons of the eleven counties which comprise the District in whole or in part. These members are appointed for staggered three-year terms and elect a Chairperson, Vice Chairperson, Secretary and Treasurer for one-year terms.

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

| Name                              | Employer and Position                                     | Expiration of Term |
|-----------------------------------|---|--------------------|
| Ramona J. Mathews, Chairperson    | Project Manager, Metastar, Inc.                           | June 30, 2026      |
| Justin Zoromski, Vice Chairperson | Founder, Integrated Wealth Partners                       | June 30, 2027      |
| Brady Weiss, Secretary            | Mayor, City of Mondovi                                    | June 30, 2026      |
| Lori Whelan, Treasurer            | Superintendent, Osseo-Fairchild School District           | June 30, 2027      |
| Timothy J. Benedict, Member       | Retired, Benedict Sales & Service, Inc.                   | June 30, 2028      |
| Bryan Bessa, Member               | Training and Development Coordinator at Eau Claire County | June 30, 2028      |
| Erin Greenawald, Member           | President and CEO, Greenawald Group LLC                   | June 30, 2026      |
| Matt Guse, Member                 | President, M.R.S. Machining                               | June 30, 2028      |
| Mike Mills, Member                | Assistant Professor, University of Wisconsin-Stout        | June 30, 2027      |

Source: *The District*

### **Administration**

The Board is also empowered to employ a President to conduct the day-to-day operations of the District. Dr. Sunem Beaton-Garcia joined the District as President in July 2021. Dr. Beaton-Garcia previously served as North Campus President and Provost for Academic Services at Broward College in Fort Lauderdale, Florida. The Executive Council, which consists of the President, four Vice Presidents and includes the following people in addition to Dr. Beaton-Garcia:

| Name                           | Title  | Years of Service |
|--------------------------------|--|------------------|
| Dr. Lynette L. Livingston, EdD | Provost & Vice President of Academic and Student Affairs                             | 4 <sup>(1)</sup> |
| Caleb J. Cornelius             | Vice President of Administration and Chief Strategy Officer                          | 3 <sup>(2)</sup> |
| Tam K. Burgau                  | Vice President of Talent & Culture   | 4 <sup>(3)</sup> |
| Joni A. Geroux                 | Vice President of Strategic Communications & Community Engagement and Chief of Staff | 4 <sup>(3)</sup> |

<sup>(1)</sup>Dr. Lynette L. Livingston has served the District for ten years in a variety of academic leadership roles.

<sup>(2)</sup>Mr. Caleb Cornelius joined CVTC in September of 2022 after serving as CFO at Broward College, Florida.

<sup>(3)</sup>Ms. Burgau and Ms. Geroux have served the District between 6-31 years in a variety of leadership and instructional roles.

Source: *The District*



## **Enrollments**

| <u>School Year</u> | <u>FTE Total</u> |
|--------------------|------------------|
| 2026-27*           | 4,763            |
| 2025-26*           | 4,763            |
| 2024-25            | 4,837            |
| 2023-24            | 4,698            |
| 2022-23            | 4,683            |
| 2021-22            | 4,448            |
| 2020-21            | 4,325            |
| 2019-20            | 4,500            |
| 2018-19            | 4,432            |
| 2017-18            | 4,287            |

\* Projected.

Strategic planning information and current 2024-25 data are used to estimate 2025-26 and 2026-27 enrollment.

## **Employment Relations**

| <u>Classification</u> | <u>Full-time<br/>Employees</u> | <u>Part-time<br/>Employees</u> |
|-----------------------|--------------------------------|--------------------------------|
| Teachers              | 236                            | 261                            |
| Support Staff         | 128                            | 29                             |
| Administration        | <u>142</u>                     | <u>1</u>                       |
| TOTAL                 | <u>506</u>                     | <u>291</u>                     |

The employment figures above are based on internal payroll data as of December, 2025.

The District currently has no organized labor groups. The District considers its relationship with its employees to be respectful, collaborative and positive.

Source: The District

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<sup>(1)</sup>.

<sup>(1)</sup>On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission*, Case No. 2023CV3152, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision has been appealed to the Wisconsin Court of Appeals. On January 23, 2025, the court granted a motion to stay the decision pending outcome of the appeal. No guarantee can be made regarding the outcome of the matter.

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. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, 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. Accordingly, 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. 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. During the fiscal years ended June 30, 2023, June 30, 2024 and June 30, 2025 ("Fiscal Year 2025") the District's portion of contributions to WRS (not including any employee contributions) totaled \$2,665,324, \$2,854,057 and \$2,864,510, 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, 2024, the total pension liability of the WRS was calculated as \$136.18 billion and the fiduciary net position of the WRS was calculated as \$134.54 billion, resulting in a net pension liability of \$1.64 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, as of Fiscal Year 2025, the District reported a liability of \$3,308,359 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2024 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 0.20134062% of the aggregate WRS net pension liability as of December 31, 2024.

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 8 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2025" 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 of the plan consisted of 65 retirees receiving benefits and 428 active eligible plan members as of June 30, 2024, the date of the latest actuarial valuation. The District formerly contributed 100% of the premium for eligible retirees in the year of retirement with the retiree paying for all subsequent increases in the premium. Post-retirement health benefits are not available to employees hired after June 30, 2012. As of January 1, 2023, in lieu of the District paying the premiums for retirees, the District makes contributions of an equivalent amount into a HRA for the retirees to use toward their own health insurance.

OPEB calculations are required to be updated every two years and prepared in accordance with Statement No. 74 and 75 of the Governmental Accounting Standards Board ("GASB 74/75"). An actuarial study for the plan prepared in accordance with GASB 74/75 was last completed by Foster & Foster Consulting Actuaries Inc. (the "Actuary") in August 2025 with an actuarial valuation date of June 30, 2024.

For Fiscal Year 2025, benefit payments for the plan totaled \$951,466. The District's current funding practice is to fully fund the yearly amount of benefit premiums on a "pay-as-you-go-basis."

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.

For Fiscal Year 2025 (measured as of June 30, 2024), the plan's total OPEB liability was \$7,188,584 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$7,188,584.

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 10 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

The District also participates in the Local Retiree Life Insurance Fund ("LRLIF"), which is a cost-sharing multiple-employer defined benefit plan established by Chapter 40. The ETF and the Group Insurance Board have statutory authority for program administration and oversight, including establishing contribution requirements for employers.

For Fiscal Year 2025, the District's portion of contributions to the LRLIF totaled \$31,862. For Fiscal Year 2025, the District reported a liability of \$5,757,990 for its proportionate share of the net OPEB liability of the LRLIF. The net OPEB liability was measured as of December 31, 2024 based on the District's share of contributions to the LRLIF relative to the contributions of all participating employers. The District's proportion was 1.471782% of the aggregate LRLIF net OPEB liability as of December 31, 2024.

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. Such changes may have a significant impact on the calculation of the net OPEB liability of the LRLIF, which may also cause ETF to change the contribution requirements for employers and employees. For more detailed information regarding the LRLIF and such actuarial assumptions, see Note 11 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

### **Supplemental Pension Benefits**

The District administers a single-employer defined benefit plan for eligible management, professional employees and staff hired prior to 2012 (for faculty) and 2009 (for other employees), that provides employees a one-time contribution into a TSA account. Membership of the plan consisted of 20 retirees receiving benefits and 68 active eligible plan members as of June 30, 2024, the date of the latest actuarial valuation. No such benefits will be available to any employees that retire after June 30, 2026.

Pension benefit calculations are required to be updated every two years and prepared in accordance with Statement No. 73 of the Governmental Accounting Standards Board. An actuarial study for the plan was most recently completed by the Actuary in August 2025 with an actuarial valuation date of June 30, 2024.

For Fiscal Year 2025, benefit payments for the plan totaled \$233,737. The District's current funding practice is to fully fund the cost of benefits paid to retirees in a particular year on a "pay-as-you-go" basis.

For Fiscal Year 2025 (measured as of June 30, 2024), the total pension liability was calculated as \$772,592 and the plan fiduciary net position was calculated as \$0, resulting in a net pension liability of \$772,592.

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. For more information regarding such actuarial assumptions, see Note 9 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2025" attached hereto.

## **GENERAL INFORMATION**

### **Location**

The District is located in portions of eleven counties encompassing an area of 5,500 square miles. The counties served are Buffalo, Chippewa, Clark, Dunn, Eau Claire, Jackson, Pepin, Pierce, St. Croix, Taylor and Trempealeau. The main campuses are located in Eau Claire, Chippewa Falls, Menomonie, Neillsville and River Falls. According to the Wisconsin Technical College System, the District's 2024 estimated population is 329,803.

### **Mission Statement**

CVTC perceives its mission to be within that which is delineated in Section 38.001 of the Wisconsin Statutes. More specifically, the mission of the College is:

Principally to:

- provide occupational education, training, retraining, and upgrading programs requiring competencies below the baccalaureate level, including the training of apprentices, which enable residents to obtain the knowledge and skills necessary for employment at a technical, paraprofessional, skilled, or semi-skilled occupation. Such programs include general education courses to facilitate overall student development and achievement in occupational skills training. The Board and faculty should maintain courses at standards acceptable to national, regional, and professional accrediting agencies and associations.
- provide customized training and technical assistance to business and industry in order to foster economic development and the expansion of employment opportunities.

Additionally, to:

- contract with secondary schools to provide educational opportunities for high school age students in order to enhance their potential for benefiting from post-secondary education and for obtaining employment. In this regard the College should coordinate and cooperate with secondary schools to facilitate the transition of secondary school students into post-secondary vocational education through curriculum articulation and collaboration.
- provide additional services needed to facilitate the entry or reentry of adult workers into post-secondary vocational education.
- provide community services and a vocational or self-enrichment activities.
- provide education in basic skills to enable students to effectively function at a literate level in society.
- provide education and services which address barriers created by stereotyping and discriminating and assist minorities, women, and the handicapped or disadvantaged to participate in the work force and the full range of vocational, technical, and adult education programs and activities.

## **Vocational and Associate Degree Programs**

The students at the District are enrolled in over 115 programs (including associate degrees, advanced technical certificates, technical diplomas, and pathway certificates), 38 local certificates, and 17 apprenticeships. The District offers high quality education for new technologies and helps students to learn skills they need to obtain jobs. Courses and programs are offered at five campuses in Eau Claire, Menomonie, Chippewa Falls, Neillsville and River Falls, dual credit offerings across multiple area high schools, and continuing and workforce education at employer sites throughout the region. Student outcomes still hold strong with 95% of graduates from the 2023-24 academic year employed within 6-12 months following graduation.

### **Associate Degree Programs**

|  |  |
|--|--|
| Accounting                                   | IT-Network Specialist                  |
| Administrative Professional                  | IT-Software Developer                  |
| Aesthetics Advanced Practice                 | Landscape, Plant and Turf Management   |
| Agronomy Management                          | Legal Studies/Paralegal                |
| Air Conditioning, Heating & Refrigeration    | Library & Information Services         |
| Animal Science Management                    | Manufacturing Engineering Technologist |
| Architectural Structural Design              | Marketing                              |
| Associate of Arts – University Transfer      | Massage Therapy Advanced Practice      |
| Automation Engineering Technology            | Mechanical Design                      |
| Business Management                          | Mechatronics Specialist                |
| Criminal Justice                             | Medical Laboratory Technician          |
| Culinary Management                          | Nursing                                |
| Dental Hygienist                             | Paramedic Technician                   |
| Diagnostic Medical Sonography                | Physical Therapist Assistant           |
| Digital Marketing                            | Professional Communications            |
| Early Childhood Education                    | Radiography                            |
| Fire Medic                                   | Residential Construction Management    |
| Foundations of Teacher Education             | Respiratory Therapy                    |
| Funeral Service                              | Substance Use Disorder Counseling      |
| Graphic Design                               | Supply Chain Management                |
| Health Information Management and Technology | Surgical Technology                    |
| Human Resources                              | Technical Studies - Journey Worker     |
| Individualized Technical Studies             | University Transfer Liberal Arts       |
| IT-Data Analyst                              |  |

### **Technical Diploma Programs**

|  |  |
|--|--|
| Accounting Assistant                             | Electrical Maintenance                     |
| Air Cond, Heating & Refrigeration Technician     | Electrical Power Distribution              |
| Autism Technician                                | Electromechanical Maintenance Technician   |
| Auto Collision Repair and Refinishing Technician | Emergency Medical Technician               |
| Automotive Maintenance Technician                | Entrepreneurship                           |
| Automotive Technician                            | Farm Business & Production Management      |
| Baking & Pastry Specialist                       | Gas Utility Construction & Service         |
| Bookkeeper                                       | IT – Desktop Support Technician            |
| Business Generalist                              | IT – Software Development Specialist       |
| Child Care Services                              | Lab Assistant                              |
| Clinical Assistant                               | Landscape, Plant & Turf Technician         |
| Cosmetology                                      | Legal Studies/Paralegal Post-Baccalaureate |
| CNC Mill Operator                                | Machine Tool Operator                      |
| Criminal Justice Law Enforcement Academy         | Manufacturing Quality                      |
| Culinary Management                              | Mechanical Maintenance                     |
| Dental Assistant                                 | Mechatronics Technician                    |
| Design & Drafting Technology                     | Medical Assistant                          |
| Diesel Technician                                | Medical Coder                              |

**Technical Diploma Programs** (cont.)

Motorcycle, Marine & Outdoor Power Prod Tech  
 Nail Technician  
 Nursing Assistant (CNA)  
 Office Assistant  
 Office Receptionist  
 Paramedic  
 Practical Nursing (LPN)

Renewable Energy  
 Residential Construction  
 Sales and Marketing Specialist  
 Sterile Processing Technician  
 Truck Driving  
 Welding  
 Welding Fabrication

**Advanced Technical Certificate Programs:**

IT – Cybersecurity Analyst  
 Expanded Function Dental Auxiliary

Source: The District

**DEMOGRAPHIC AND ECONOMIC INFORMATION****Population**

|                | The<br>District <sup>(1)</sup> | Eau Claire<br>County | City of<br>Eau Claire | Chippewa<br>County | City of<br>Chippewa Falls | Pierce<br>County |
|----------------|--------------------------------|----------------------|-----------------------|--------------------|---------------------------|------------------|
| Estimate, 2025 | (2)                            | 112,246              | 74,039                | 68,414             | 15,292                    | 42,918           |
| Estimate, 2024 | 329,803                        | 110,871              | 73,011                | 67,801             | 14,985                    | 42,605           |
| Estimate, 2023 | 324,971                        | 108,807              | 71,304                | 67,104             | 14,629                    | 42,342           |
| Estimate, 2022 | 324,353                        | 108,019              | 70,587                | 67,082             | 14,724                    | 42,408           |
| Census, 2020   | 318,018                        | 105,710              | 69,421                | 66,297             | 14,731                    | 42,212           |

<sup>(1)</sup> District population estimates are based on Wisconsin Department of Administration Final Population Estimates for 2022.

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

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

**Adjusted Gross Income Per Tax Return**

|      | State of<br>Wisconsin | Eau Claire<br>County | City of<br>Eau Claire | Chippewa<br>County | City of<br>Chippewa Falls | Pierce<br>County |
|------|-----------------------|----------------------|-----------------------|--------------------|---------------------------|------------------|
| 2024 | \$76,638              | \$78,918             | \$71,472              | \$69,371           | \$65,286                  | \$84,855         |
| 2023 | 73,001                | 74,487               | 67,871                | 65,959             | 60,341                    | 79,750           |
| 2022 | 70,548                | 71,534               | 64,470                | 64,899             | 59,553                    | 76,933           |
| 2021 | 66,369                | 68,781               | 61,710                | 59,555             | 52,381                    | 71,548           |
| 2020 | 61,518                | 62,558               | 56,617                | 55,325             | 50,095                    | 66,043           |

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

### **Unemployment Rate**

|                                | State of<br>Wisconsin | Eau Claire<br>County | Chippewa<br>County | Pierce<br>County |
|--------------------------------|-----------------------|----------------------|--------------------|------------------|
| September, 2025 <sup>(1)</sup> | 2.7%                  | 2.5%                 | 2.5%               | 2.7%             |
| September, 2024                | 2.5                   | 2.4                  | 2.4                | 2.7              |
| Average, 2024 <sup>(1)</sup>   | 3.0%                  | 2.7%                 | 3.2%               | 3.5%             |
| Average, 2023                  | 2.8                   | 2.5                  | 3.3                | 3.3              |
| Average, 2022                  | 2.8                   | 2.5                  | 3.2                | 3.2              |
| Average, 2021                  | 3.8                   | 3.3                  | 3.9                | 3.6              |
| Average, 2020                  | 6.4                   | 5.8                  | 6.3                | 7.4              |

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

Source: Wisconsin Department of Workforce Development.

### **Largest Employers in the District**

| Name  | Type of Business                                       | Number of<br>Employees |
|---|--|------------------------|
| Menards Inc.                                | Retail, corporate headquarters and distribution center | 11,550 <sup>(1)</sup>  |
| Mayo Clinic Health System                   | Hospital and clinics                                   | 5,500                  |
| Eau Claire Area School District             | Education  | 1,600                  |
| University of Wisconsin - Stout             | Education  | 1,287                  |
| University of Wisconsin - Eau Claire        | Education  | 1,275                  |
| Wal-Mart                                    | Retail and distribution center                         | 1,222 <sup>(2)</sup>   |
| TTM Technologies                            | Circuit board manufacturer                             | 1,200                  |
| Marshfield Clinic - Eau Claire              | Health care  | 1,092                  |
| Chippewa Falls Area Unified School District | Education  | 891                    |
| United Health Care                          | Health Insurance                                       | 800                    |

<sup>(1)</sup>Includes corporate headquarters, the distribution center and two retail stores which are located in the City of Eau Claire.

<sup>(2)</sup>This figure includes a distribution center and store in Menomonie with 824 employees and a store in Eau Claire with 98 employees and Chippewa Falls with 300 employees.

Sources: Data Axle Genie ([www.salesgenie.com](http://www.salesgenie.com)), City of Eau Claire final official statement dated October 28, 2025, Dunn County final official statement dated September 23, 2025 and City of Chippewa Falls final official statement dated October 21, 2025.

### **Largest Taxpayers in the District**

| <u>Taxpayer</u>                       | <u>Type of Business</u>     | 2025<br>Equalized<br>Valuation |
|---------------------------------------|-----------------------------|--------------------------------|
| Menard Inc. <sup>(1)</sup>            | Retail/Manufacturing        | \$309,657,186                  |
| Mayo Clinic Health System Northwest   |                             |                                |
| Wisconsin Region Inc. <sup>(1)</sup>  | Medical                     | 96,422,758                     |
| Marshfield Clinic Inc. <sup>(1)</sup> | Medical                     | 76,061,604                     |
| Oakwood Hills Mall LP <sup>(1)</sup>  | Retail                      | 70,819,346                     |
| Wal-Mart <sup>(2)</sup>               | Retail/Distribution Center  | 66,541,500                     |
| Keystone Corp. <sup>(1)</sup>         | Retail/office space leasing | 65,946,629                     |
| Mills Fleet Farm <sup>(3)</sup>       | Distribution center         | 63,919,100                     |
| MPT of Altoona LLC <sup>(1)</sup>     | Medical                     | 52,826,328                     |
| Station 995 LLC <sup>(1)</sup>        | Residential rental          | 47,222,577                     |
| Rykey Properties <sup>(1)</sup>       | Residential rental          | 40,061,450                     |
|                                       | TOTAL                       | <u>\$889,478,478</u>           |

The above taxpayers represent 1.87% of the District's 2025 Equalized Value (TID IN) \$47,521,516,561).

<sup>(1)</sup> Eau Claire County.

<sup>(2)</sup> City of Menomonie.

<sup>(3)</sup> City of Chippewa Falls.

Sources: Eau Claire County final official statement dated October 21, 2025, Chippewa County Tax & Assessment Information Portal and Dunn County Tax & Assessment Information Portal.

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

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. The personal property tax has been repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax has been replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023. 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 made on the 3rd Friday in February each year.



Under Section 38.16 of the Wisconsin Statutes, as amended by Act 145, 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 2025-26 fiscal year, the District established a mill rate of \$0.35869 for operational purposes and \$0.28007 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:

| <u>Levy Year</u> | <u>Collection Year</u> | <u>District<br/>Tax Rate</u> | <u>District Levy</u> | <u>Uncollected Taxes<br/>as of August 20<sup>th</sup><br/>of Each Year</u> | <u>Percent of<br/>Levy<br/>Collected</u> |
|------------------|------------------------|------------------------------|----------------------|--|--|
| 2025             | 2026                   | \$0.64                       | \$29,307,087         | -In process of collection-   |  |
| 2024             | 2025                   | 0.66                         | 27,914,925           | -0-  | 100.00%                                  |
| 2023             | 2024                   | 0.66                         | 25,822,828           | -0-  | 100.00                                   |
| 2022             | 2023                   | 0.71                         | 24,136,245           | -0-  | 100.00                                   |
| 2021             | 2022                   | 0.81                         | 24,242,787           | -0-  | 100.00                                   |

Source: The District

**2025-26 Proportionate Amounts of Local Tax Revenue  
Per Municipality Based on 2025 Equalized Valuation**

| Entity             | 2025 Equalized<br>Valuation<br>(TID-OUT) | Percent<br>of Levy | Amount<br>of Levy   |
|--------------------|--|--------------------|---------------------|
| Buffalo County     | \$1,113,130,145                          | 2.426125%          | \$711,027           |
| Chippewa County    | 10,526,745,400                           | 22.943593          | 6,724,099           |
| Clark County       | 2,515,894,942                            | 5.483525           | 1,607,061           |
| Dunn County        | 5,703,310,600                            | 12.430664          | 3,643,066           |
| Eau Claire County  | 14,942,151,600                           | 32.567201          | 9,544,498           |
| Jackson County     | 448,635,612                              | 0.977825           | 286,572             |
| Pepin County       | 1,145,344,200                            | 2.496338           | 731,604             |
| Pierce County      | 6,078,580,800                            | 13.248585          | 3,882,774           |
| St. Croix County   | 2,117,043,444                            | 4.614207           | 1,352,290           |
| Taylor County      | 502,573,742                              | 1.095386           | 321,026             |
| Trempealeau County | 787,570,776                              | 1.716552           | 503,071             |
| <b>TOTAL</b>       | <b>\$45,880,981,261</b>                  | <b>100.000000%</b> | <b>\$29,307,087</b> |

Source: Wisconsin Department of Revenue.

**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 is a historical summary of equalized valuations of property located within the District. The District's valuation (TID IN) has increased an average of 11.10 percent annually, with an overall increase of 52.37 percent since 2021.

| Year | Equalized Valuation<br>(TID-IN) | Equalized Valuation<br>(TID-OUT)* |
|------|---------------------------------|-----------------------------------|
| 2025 | \$47,521,516,561                | \$45,880,981,261                  |
| 2024 | 43,884,602,928                  | 42,117,427,428                    |
| 2023 | 40,666,420,914                  | 38,953,883,414                    |
| 2022 | 35,324,988,263                  | 33,898,253,863                    |
| 2021 | 31,188,459,239                  | 29,898,045,939                    |

\*Some municipalities located within the District have Tax Incremental Districts ("TIDs") under Wisconsin Statutes 66.1105. TID valuations totaling \$1,640,535,300 for these municipalities have been excluded from the District's tax base for 2025.

Source: Wisconsin Department of Revenue.

## INDEBTEDNESS OF THE DISTRICT

### **Direct Indebtedness**

Set forth below is the direct general obligation indebtedness of the District, including principal and interest payments due on existing debt as well as debt service on the Notes. The interest on the Notes has been calculated using an average rate of 3.67 percent. Bond years are 26,290.83 years and average life is 4.612 years.

| Year                   | Outstanding<br>Bonds and Notes |                    | New Issue-Notes    |                  | Total Debt<br>Service<br>Requirements |
|------------------------|--------------------------------|--------------------|--------------------|------------------|---------------------------------------|
|                        | Principal                      | Interest           | Principal          | Interest         |                                       |
| 2026                   | \$9,870,000                    | \$2,373,066        | \$1,000,000        | \$137,400        | \$13,380,466                          |
| 2027                   | 10,420,000                     | 2,043,744          | --                 | 176,000          | 12,639,744                            |
| 2028                   | 10,725,000                     | 1,691,609          | --                 | 176,000          | 12,592,609                            |
| 2029                   | 9,440,000                      | 1,343,300          | 785,000            | 160,300          | 11,728,600                            |
| 2030                   | 9,795,000                      | 981,150            | 465,000            | 135,300          | 11,376,450                            |
| 2031                   | 8,555,000                      | 657,350            | 1,100,000          | 104,000          | 10,416,350                            |
| 2032                   | 5,695,000                      | 446,984            | 1,150,000          | 59,000           | 7,350,984                             |
| 2033                   | 2,900,000                      | 346,788            | 1,200,000          | 18,000           | 4,464,788                             |
| 2034                   | 2,625,000                      | 306,147            | --                 | --               | 2,931,147                             |
| 2035                   | 2,680,000                      | 268,000            | --                 | --               | 2,948,000                             |
| 2036                   | 2,735,000                      | 227,388            | --                 | --               | 2,962,388                             |
| 2037                   | 2,800,000                      | 185,875            | --                 | --               | 2,985,875                             |
| 2038                   | 2,860,000                      | 141,638            | --                 | --               | 3,001,638                             |
| 2039                   | 2,925,000                      | 89,150             | --                 | --               | 3,014,150                             |
| 2040                   | 2,995,000                      | 29,950             | --                 | --               | 3,024,950                             |
|                        | 87,020,000                     | 11,132,138         | 5,700,000          | 966,000          | 104,818,138                           |
| Less: 2026<br>Payments | (9,870,000)                    | (2,373,066)        | (1,000,000)        | (137,400)        | (13,380,466)                          |
| TOTAL                  | <u>\$77,150,000</u>            | <u>\$8,759,072</u> | <u>\$4,700,000</u> | <u>\$828,600</u> | <u>\$91,437,672</u>                   |

### **Future Financing**

The District historically borrows annually pursuant to its capital improvement plans. The District currently anticipates issuing an additional approximately \$6,000,000 general obligation debt for the fiscal year ending June 30, 2026 and approximately \$8,700,000 general obligation debt for the fiscal year ending June 30, 2027.

### **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.

| Entity                   | Amount of Debt<br>(Less 2026<br>Principal Payments) | Percent<br>Chargeable<br>to District | Outstanding Debt<br>Chargeable to<br>District |
|--------------------------|---|--------------------------------------|---|
| Buffalo County           | \$4,135,000   | 56.08%                               | \$2,318,908                                   |
| Chippewa County          | 6,630,000   | 100.00                               | 6,630,000                                     |
| Clark County             | 6,610,463   | 63.79                                | 4,216,814                                     |
| Dunn County              | 20,525,000  | 100.00                               | 20,525,000                                    |
| Eau Claire County        | 53,120,000  | 100.00                               | 53,120,000                                    |
| Jackson County*          | 2,740,000   | 16.51                                | 452,374                                       |
| Pepin County             | 8,866,763   | 100.00                               | 8,866,763                                     |
| Pierce County            | 37,085,000  | 100.00                               | 37,085,000                                    |
| St. Croix County         | 107,490,000   | 12.01                                | 12,909,549                                    |
| Taylor County*           | 8,800,000   | 20.34                                | 1,789,920                                     |
| Trempealeau County       | 64,520,000  | 20.63                                | 13,310,476                                    |
| Total Towns              | 20,775,467  | varies                               | 19,186,551                                    |
| Total Villages           | 22,791,446  | varies                               | 23,000,950                                    |
| Total Cities             | 306,410,060   | varies                               | 306,409,153                                   |
| Total School Districts** | 536,478,958   | varies                               | 499,569,076                                   |
| Total Sanitary Districts | 1,677,317   | varies                               | 1,677,317                                     |
| Total                    | <u>\$1,208,361,091</u>                              |                                      | <u>\$1,010,772,998</u>                        |

\*Figures do not include contingent general obligation debt totaling \$12,000,000 for Jackson County and \$19,000,000 for Taylor County.

\*\*Durand-Arkansaw School District anticipates the issuance of \$1,300,000 General Obligation Promissory Notes in January 2026. This amount is included in the figure shown above.

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on [EMMA.msrb.org](https://emma.msrb.org), the Wisconsin Department of Public Instruction, the Wisconsin Department of Revenue 2024 Municipal Debt Margins report and direct inquiries.

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

### **Statistical Summary**

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2026 principal payments.

|   |                  |
|---|------------------|
| Equalized Valuation (2025) as certified by the Wisconsin Department of Revenue                | \$47,521,516,561 |
| Direct Bonded Indebtedness (including the Notes)  | \$81,850,000     |
| Direct, Overlapping and Underlying Bonded Indebtedness (including the Notes)                  | \$1,092,622,998  |
| Direct Bonded Indebtedness as a Percentage of Equalized Valuation                             | 0.17%            |
| Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation | 2.30%            |
| Population of District (2024 Estimate)*   | 329,803          |
| Direct Bonded Indebtedness Per Capita   | \$248.18         |
| Direct, Overlapping and Underlying Bonded Indebtedness Per Capita                             | \$3,312.96       |

\* Source: Wisconsin Technical College System.

### **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 the District may not exceed five percent (5%)<sup>(1)</sup> of the equalized value of property in the District. Set forth in the table below is a comparison of the outstanding indebtedness of the District, as of the closing date of the Notes and as a percentage of the applicable debt limit.

|  |                  |
|--|------------------|
| Equalized Valuation (2025) as certified by the Wisconsin Department of Revenue | \$47,521,516,561 |
| Legal Debt Percentage Allowed  | 5.00%            |
| Legal Debt Limit   | \$2,376,075,828  |
| General Obligation Debt Outstanding (including the Notes)                      | \$92,720,000     |
| Unused Margin of Indebtedness  | \$2,283,355,828  |
| Percent of Legal Debt Incurred   | 3.90%            |
| Percent of Legal Debt Available  | 96.10%           |

<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 the District 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 the District 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 the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities.

### **Budgeting Process**

The District 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 the District 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 the District during the ensuing year.

The budget evolves from a master planning process that starts with the District's vision and evolves through the stages of strategic planning and operational planning while constantly being balanced against the fiscal plan for District. This process provides for substantial involvement of all of the public having an interest in the District. The District strategic planning process is implemented to better focus the District on the needs of the District and to validate its vision and mission on an ongoing basis. The District's operational plan is then prepared following the vision and strategic focus. The final plan consists of a prioritized listing of items as determined by the President's cabinet with input from the faculty and staff. The budget evolves from the prioritized listing and reflects the cost estimates to maintain the District's current offerings plus any approved growth items which are within the Board's fiscal planning parameters. The Board reviews the budget and formally adopts it after the public hearings are held.

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

|   | <b>Budget<br/>2025-26<sup>(1)</sup></b> | <b>Actual on a<br/>Budgetary<br/>Basis<br/>2024-25</b> | <b>Actual on a<br/>Budgetary<br/>Basis<br/>2023-24</b> | <b>Actual on a<br/>Budgetary<br/>Basis<br/>2022-23</b> | <b>Actual on a<br/>Budgetary<br/>Basis<br/>2021-22</b> |
|---|---|--|--|--|--|
| Revenues  |   |  |  |  |  |
| Local Sources   | \$15,316,602                            | \$15,049,608   | \$14,460,003   | \$13,521,249   | \$13,412,951   |
| Intergovernmental   | 29,707,052                              | 28,950,491   | 29,577,362   | 27,196,328   | 27,792,487   |
| Tuition and Fees  | 18,225,640                              | 17,872,490   | 16,991,408   | 16,400,526   | 15,474,872   |
| Institutional   | 4,360,002                               | 4,547,459  | 3,845,576  | 2,438,943  | 2,097,226  |
| Federal   | 5,000                                   | 24,469   | 23,435   | 22,005   | 24,941   |
| Total revenues  | <u>67,614,296</u>                       | <u>66,444,517</u>                                      | <u>64,897,784</u>                                      | <u>59,579,051</u>                                      | <u>58,802,477</u>                                      |
| Expenditures  |   |  |  |  |  |
| Instruction   | 40,909,196                              | 40,428,687   | 40,711,227   | 38,427,833   | 35,134,696   |
| Instructional Resources   | 842,049                                 | 860,293  | 713,440  | 786,793  | 667,779  |
| Student Services  | 5,229,848                               | 5,600,473  | 5,086,323  | 4,540,733  | 3,900,057  |
| General Institutional   | 14,133,311                              | 14,907,151   | 15,155,041   | 13,508,856   | 12,976,026   |
| Physical Plant  | 6,499,892                               | 5,899,515  | 5,997,169  | 6,147,619  | 4,156,603  |
| Total Expenditures  | <u>67,614,296</u>                       | <u>67,696,119</u>                                      | <u>67,663,200</u>                                      | <u>63,411,834</u>                                      | <u>56,835,161</u>                                      |
| Excess of revenues over (under) expenditures                        | <u>0</u>                                | <u>(1,251,602)</u>                                     | <u>(2,765,416)</u>                                     | <u>(3,832,783)</u>                                     | <u>1,967,316</u>                                       |
| Other financing sources (uses)                                      |   |  |  |  |  |
| Operating transfers in  | 0                                       | 250,000  | 0  | 0  | 1,861,816  |
| Operating transfers (out)   | <u>0</u>                                | <u>0</u>   | <u>0</u>   | <u>0</u>   | <u>(633,747)</u>                                       |
| Net other financing sources (uses)                                  | <u>0</u>                                | <u>250,000</u>   | <u>0</u>   | <u>0</u>   | <u>1,228,069</u>                                       |
| Revenues and other sources over (under) expenditures and other uses | <u>0</u>                                | <u>(1,001,602)</u>                                     | <u>(2,765,416)</u>                                     | <u>(3,832,783)</u>                                     | <u>3,195,385</u>                                       |
| Fund balances - beginning of year                                   | <u>13,033,581</u>                       | <u>14,035,183</u>                                      | <u>16,800,599</u>                                      | <u>20,633,382</u>                                      | <u>17,437,997</u>                                      |
| Fund balances - end of year   | <u><u>\$13,033,581</u></u>              | <u><u>\$13,033,581</u></u>                             | <u><u>\$14,035,183</u></u>                             | <u><u>\$16,800,599</u></u>                             | <u><u>\$20,633,382</u></u>                             |

**NOTE: The amounts for all years are shown on a non-GAAP budgetary basis of accounting. For more information on the budgetary basis of accounting used by the District, see the Notes to the audited financial statements included as part of Appendix A of this Official Statement.**

*<sup>(1)</sup>In Fiscal Year 2026, CVTC has achieved a balanced budget. This was realized by having a continued focus on increasing revenues alongside expanded services, while maintaining a disciplined approach to managing expenses in the face of inflationary pressures. By prioritizing expenditures and aligning cost increases with additional revenue streams, CVTC successfully reduced its deficit spending of approximately \$1.25 million in Fiscal Year 2025—much lower than previous years. This accomplishment reflects the college's enduring commitment to financial sustainability, responsible stewardship, and the continued delivery of high-quality services to its students and community.*

The amounts shown for the fiscal years ended June 30, 2022 through June 30, 2025 are excerpts from the audit reports which have been examined by Wipfli LLP, Eau Claire, Wisconsin (the "Auditor"). The amounts shown for the fiscal year ending June 30, 2026 are shown on a budgetary basis, and such amounts have been 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 at Appendix A to this Official Statement.

## **Financial Statements**

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2025, 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 (defined herein), 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 Loop Capital Markets, LLC, New York, New York 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 of this Official Statement plus accrued interest from February 12, 2026, 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.

The reoffering yields shown on the cover of this Official Statement have been provided by the Underwriter, and not by the District.

## **RATING**

This issue has been assigned a "Aa1" 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 downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on 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.

## **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.

## **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.

### **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 Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934 (the "Rule"), the District shall covenant pursuant to the Parameters 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 securities 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 the District, 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 the District taken with respect to the issuance or sale thereof.

## **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 ("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 has been duly authorized by the District.

## **AUTHORIZATION**

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes. The District, acting through its Secretary, 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 execution of the Approving Certificate and at the time of delivery of the Notes, was true and correct in all material respect 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.

## **CHIPPEWA VALLEY TECHNICAL COLLEGE DISTRICT**

By /s/

Brady Weiss

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District Secretary

## **APPENDIX A**

### **BASIC FINANCIAL STATEMENTS AND RELATED NOTES**

#### **CHIPPEWA VALLEY TECHNICAL COLLEGE DISTRICT**

**For year ended June 30, 2025**

**Wipfli LLP  
Eau Claire, Wisconsin**

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2025, 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.

# Chippewa Valley Technical College District

Financial Statements  
and Supplemental Information

Years Ended June 30, 2025 and 2024



# Chippewa Valley Technical College District

## Financial Statements and Supplementary Financial Information

Years Ended June 30, 2025 and 2024

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# Chippewa Valley Technical College District

## Financial Statements and Supplementary Financial Information

Years Ended June 30, 2025 and 2024

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## Independent Auditor's Report

District Board  
Chippewa Valley Technical College District  
Eau Claire, Wisconsin

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

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Chippewa Valley Technical College District (the "District"), as of and for the years ended June 30, 2025 and 2024, 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 discretely presented component unit of the Chippewa Valley Technical College District as of June 30, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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

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

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

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

We draw attention to Note 1 of the financial statements, in 2025, the College adopted new accounting guidance, GASB Statement No. 101, Compensated Absences. Our opinion is 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 GAAP, 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 Chippewa Valley Technical College District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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

GAAP requires that the management's discussion and analysis, the schedules of employer's proportionate share of the net pension liability and employer contributions – Wisconsin Retirement System, the schedule of changes in the employer's total pension liability and related ratios – District pension plan, the schedules of the employer's proportionate share of the net OPEB liability and employer contributions – Local Retiree Life Insurance Fund (LRLIF), and the schedule of changes in the employer's total OPEB liability and related ratios – District OPEB plan 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 (GASB), 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules listed in the table of contents as supplementary financial information, as required by the Wisconsin Technical College Systems Board, 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, 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 the District's internal control over financial reporting and compliance.

The logo for Wipfli LLP, featuring the company name in a stylized, handwritten-style script.

Wipfli LLP

December 30, 2025  
Eau Claire, Wisconsin

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

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

# Chippewa Valley Technical College District

Management's Discussion and Analysis  
Years Ended June 30, 2025 and 2024

## Introduction

Chippewa Valley Technical College District (CVTC, the "College" or the "District") Management's Discussion and Analysis of its financial condition provides an overview of financial activity, identifies changes in financial positions, and assists the reader of these basic financial statements to focus on noteworthy financial issues for the years ended June 30, 2025 and 2024.

CVTC is a public institution of higher education whose mission is to deliver innovative and applied education that supports the workforce needs of the region, improves the lives of students, and adds value to the communities it serves. To accomplish this mission, it is crucial for CVTC to maintain its financial health for the long term. It is necessary to accumulate a sufficient net position to ensure reserves are available to implement new programs and to expand existing programs as the need arises.

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

## Statement of Net Position

The Statement of Net Position presents the financial position of the District at the end of the fiscal year and includes all assets (items that the District owns and amounts owed to the District by others), liabilities (what the District owes to others and what has been collected from others before we have provided the services) and deferred inflows and outflows as applicable. This statement is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service to the District regardless of when cash is exchanged.

Total assets and deferred outflows decreased by \$4.5 million in 2025, or 2.4%, compared to a decrease of \$10.2 million, or 5.2%, in 2024. Cash increased by approximately \$2.3 million in 2025 and decreased by approximately \$4.4 million in 2024, attributable to the strategic spend down to align fund balance with Board policy in 2024 and stabilizing in 2025.

The net decrease of \$4.5 million is driven by reduction of \$1.7 million in Net Capital Assets, due to depreciation, and decrease of Deferred Outflows of \$7.3 million, due to changes to retirement and offset by increases in Cash of \$2.3 million and Other Assets of \$2.3 million. Total liabilities and deferred inflows decreased by \$3.0 million or 2.2% from 2024.

Net Position for 2025 decreased \$1.5 million or 2.9% from 2024 to \$49,207,314.

## Statement of Net Position

|  | 2025           | 2024           | 2023           | Increase<br>(Decrease)<br>2025-2024 |         | Increase<br>(Decrease)<br>2024-2023 |         |  |
|--|----------------|----------------|----------------|-------------------------------------|---------|-------------------------------------|---------|--|
|  |                |                |                |                                     |         |                                     |         |  |
| <b>Assets and deferred outflows:</b>     |                |                |                |                                     |         |                                     |         |  |
| Cash and restricted cash and equivalents | \$ 22,935,399  | \$ 20,617,125  | \$ 24,976,448  | \$ 2,318,274                        | 11.2%   | \$ (4,359,323)                      | (17.5%) |  |
| Net capital assets                       | 119,219,016    | 120,962,355    | 112,245,352    | (1,743,339)                         | (1.4%)  | 8,717,003                           | 7.8%    |  |
| Other assets                             | 16,990,076     | 14,717,143     | 15,665,342     | 2,272,933                           | 15.4%   | (948,199)                           | (6.1%)  |  |
| Deferred outflows of resources           | 22,372,679     | 29,692,154     | 43,331,596     | (7,319,475)                         | (24.7%) | (13,639,442)                        | (31.5%) |  |
|  |                |                |                |                                     |         |                                     |         |  |
| Total assets and deferred outflows       | \$ 181,517,170 | \$ 185,988,778 | \$ 196,218,738 | \$ (4,471,607)                      | (2.4%)  | \$ (10,229,961)                     | (5.2%)  |  |
|  |                |                |                |                                     |         |                                     |         |  |
| <b>Liabilities and deferred inflows:</b> |                |                |                |                                     |         |                                     |         |  |
| Other liabilities                        | \$ 7,388,863   | \$ 7,753,607   | \$ 9,596,045   | \$ (364,744)                        | (4.7%)  | \$ (1,842,438)                      | (19.2%) |  |
| Long-term liabilities                    | 107,552,603    | 106,438,291    | 105,771,499    | 1,114,312                           | 1.0%    | 666,792                             | 0.6%    |  |
| Deferred inflows of resources            | 17,368,390     | 21,129,811     | 28,490,103     | (3,761,421)                         | (17.8%) | (7,360,292)                         | (25.8%) |  |
|  |                |                |                |                                     |         |                                     |         |  |
| Total liabilities and deferred inflows   | \$ 132,309,856 | \$ 135,321,709 | \$ 143,857,647 | \$ (3,011,853)                      | (2.2%)  | \$ (8,535,938)                      | (5.9%)  |  |
|  |                |                |                |                                     |         |                                     |         |  |
| <b>Net position:</b>                     |                |                |                |                                     |         |                                     |         |  |
| Net investment in capital assets         | \$ 41,359,075  | \$ 41,973,713  | \$ 41,398,569  | \$ (614,638)                        | (1.5%)  | \$ 575,144                          | 1.4%    |  |
| Restricted for debt service              | 1,579,115      | 1,517,178      | 1,741,455      | 61,937                              | 4.1%    | (224,277)                           | (12.9%) |  |
| Restricted for student organizations     | 191,053        | 172,193        | 157,010        | 18,860                              | 11.0%   | 15,183                              | 9.7%    |  |
| Unrestricted                             | 6,078,071      | 7,003,985      | 9,064,057      | (925,914)                           | (13.2%) | (2,060,072)                         | (22.7%) |  |
|  |                |                |                |                                     |         |                                     |         |  |
| Total net position                       | \$ 49,207,314  | \$ 50,667,069  | \$ 52,361,091  | \$ (1,459,755)                      | (2.9%)  | \$ (1,694,022)                      | (3.2%)  |  |

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

The Statement of Revenues, Expenses, and Changes in Net Position presents the results of operating and non-operating activities for the fiscal year. The District receives the majority of its revenues from the taxpayers and other governmental entities. Thus, the District will always report an operating deficit or loss. The utilization of capital assets is reflected in the basic financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Total operating revenues are the charges for services offered by the college. During 2025, the District generated \$41.4 million of operating revenue, a 7.7% increase from 2024. This increase relates to a renewed focus on revenue generating activities to increase revenue from available sources.

Operating expenses are costs related to offering the programs of the District. During 2025, total operating expenses were \$99.7 million, an increase of \$2.9 million or 3.0% from 2024 due to normal annual cost increases. Expenses are categorized by functional groupings, with approximately 50% of the total related to direct instruction and instructional resources. Refer to Note 11 in the financial statements for a detailed breakdown of the operating expenses.

## Statement of Revenues, Expenses, and Changes in Net Position (Continued)

Non-operating revenue and expenses are items not related directly to providing instruction. Total non-operating revenues and expenses increased by \$220,485 or 0.4% to \$56,935,680 for the year. The increase of property tax for 2025 offset the decrease of the other sources. Which were primarily other nonoperating revenues decreasing due to one-time revenue realized in 2024 related to sales of IP addresses and state appropriation fluctuations.

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

For the Years Ended June 30

|   | 2025                  | 2024                  | 2023                   | Net Position<br>Increase<br>(Decrease)<br>2025-2024 |                | Net Position<br>Increase<br>(Decrease)<br>2024-2023 |                |
|---|-----------------------|-----------------------|------------------------|---|----------------|---|----------------|
| <b>Operating revenues:</b>                  |                       |                       |                        |   |                |   |                |
| Tuition and fees                            | \$ 13,857,360         | \$ 14,066,112         | \$ 13,594,332          | \$ (208,752)  | (1.5%)         | \$ 471,780  | 3.5%           |
| State and federal grants                    | 20,194,539            | 17,304,399            | 14,694,957             | 2,890,140   | 16.7%          | 2,609,442   | 17.8%          |
| Contract revenue                            | 2,695,784             | 2,104,989             | 1,536,383              | 590,795   | 28.1%          | 568,606   | 37.0%          |
| Auxiliary revenue                           | 3,620,962             | 3,653,539             | 3,371,188              | (32,577)  | (0.9%)         | 282,351   | 8.4%           |
| Other operating revenues                    | 983,154               | 1,267,463             | 663,047                | (284,309)   | (22.4%)        | 604,416   | 91.2%          |
| <b>Total operating revenues</b>             | <b>\$ 41,351,799</b>  | <b>\$ 38,396,502</b>  | <b>\$ 33,859,907</b>   | <b>\$ 2,955,297</b>                                 | <b>7.7%</b>    | <b>\$ 4,536,595</b>                                 | <b>13.4%</b>   |
| <b>Operating expenses:</b>                  |                       |                       |                        |   |                |   |                |
| Instruction                                 | \$ 49,286,999         | \$ 48,549,372         | \$ 47,385,028          | \$ 737,627  | 1.5%           | \$ 1,164,344  | 2.5%           |
| Instructional resources                     | 844,361               | 778,911               | 1,271,588              | 65,450  | 8.4%           | (492,677)   | (38.7%)        |
| Student services                            | 8,171,568             | 7,857,466             | 7,728,401              | 314,102   | 4.0%           | 129,065   | 1.7%           |
| General institutional                       | 14,258,195            | 15,323,652            | 15,196,363             | (1,065,457)   | (7.0%)         | 127,289   | 0.8%           |
| Physical plant                              | 5,891,591             | 6,187,895             | 8,836,720              | (296,304)   | (4.8%)         | (2,648,825)   | (30.0%)        |
| Auxiliary services                          | 3,601,433             | 3,529,039             | 3,626,133              | 72,394  | 2.1%           | (97,094)  | (2.7%)         |
| Depreciation                                | 12,948,258            | 11,059,442            | 10,349,261             | 1,888,816   | 17.1%          | 710,181   | 6.9%           |
| Student aid                                 | 4,744,829             | 3,519,942             | 3,411,428              | 1,224,887   | 34.8%          | 108,514   | 3.2%           |
| <b>Total operating expenses</b>             | <b>\$ 99,747,234</b>  | <b>\$ 96,805,719</b>  | <b>\$ 97,804,922</b>   | <b>\$ 2,941,515</b>                                 | <b>3.0%</b>    | <b>\$ (999,203)</b>                                 | <b>(1.0%)</b>  |
| <b>Nonoperating revenue (expenses):</b>     |                       |                       |                        |   |                |   |                |
| Property taxes                              | \$ 27,934,608         | \$ 25,860,003         | \$ 24,171,249          | \$ 2,074,605  | 8.0%           | \$ 1,688,754  | 7.0%           |
| State operating appropriations              | 28,950,491            | 29,577,362            | 27,196,328             | (626,871)   | (2.1%)         | 2,381,034   | 8.8%           |
| COVID-19 federal funding                    | -                     | 243,839               | 2,796,349              | (243,839)   | (100.0%)       | (2,552,510)   | (91.3%)        |
| Other nonoperating revenues                 | 1,359,912             | 2,023,633             | 404,491                | (663,721)   | (32.8%)        | 1,619,142   | 400.3%         |
| Investment income earned                    | 1,380,886             | 1,490,309             | 1,137,315              | (109,423)   | (7.3%)         | 352,994   | 31.0%          |
| Interest expense                            | (2,690,217)           | (2,479,951)           | (1,906,559)            | (210,266)   | 8.5%           | (573,392)   | 30.1%          |
| <b>Total nonoperating revenue (expense)</b> | <b>\$ 56,935,680</b>  | <b>\$ 56,715,195</b>  | <b>\$ 53,799,173</b>   | <b>\$ 220,485</b>                                   | <b>0.4%</b>    | <b>\$ 2,916,022</b>                                 | <b>5.4%</b>    |
| <b>Net increase (decrease) in position</b>  | <b>\$ (1,459,755)</b> | <b>\$ (1,694,022)</b> | <b>\$ (10,145,842)</b> | <b>\$ 234,267</b>                                   | <b>(13.8%)</b> | <b>\$ 8,451,820</b>                                 | <b>(83.3%)</b> |
| <b>Net position:</b>                        |                       |                       |                        |   |                |   |                |
| Beginning of year                           | 50,667,069            | 52,361,091            | 62,506,933             | (1,694,022)   |                |   |                |
| End of year                                 | \$ 49,207,314         | \$ 50,667,069         | \$ 52,361,091          | \$ (1,459,755)                                      |                |   |                |

## 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 District's ability to meet financial obligations as they mature.

The following schedule shows the major components of the Statement of Cash Flows:

| <b>Statement of Cash Flows</b><br><b>For the Years Ended June 30</b> |                 |                 |                 |              |                                     |                                     |         |
|--|-----------------|-----------------|-----------------|--------------|-------------------------------------|-------------------------------------|---------|
|  | 2025            | 2024            | 2023            |              | Increase<br>(Decrease)<br>2025-2024 | Increase<br>(Decrease)<br>2024-2023 |         |
| Cash provided by (used in):  |                 |                 |                 |              |                                     |                                     |         |
| Operating activities   | \$ (44,836,226) | \$ (49,233,987) | \$ (56,678,156) | \$ 4,397,761 | (8.9%)                              | \$ 7,444,169                        | (13.1%) |
| Noncapital financing activities                                      | 56,083,277      | 55,751,973      | 53,971,436      | 331,304      | 0.6%                                | 1,780,537                           | 3.3%    |
| Capital and related financing activities                             | (9,881,614)     | (12,040,056)    | (8,881,033)     | 2,158,442    | (17.9%)                             | (3,159,023)                         | 35.6%   |
| Investing activities   | 952,836         | 1,162,748       | 910,615         | (209,912)    | (18.1%)                             | 252,133                             | 27.7%   |
| Net increase (decrease) in cash and cash equivalents                 | \$ 2,318,273    | \$ (4,359,322)  | \$ (10,677,138) | \$ 6,677,595 |                                     | \$ 6,317,816                        |         |

Cash used in operating activities decreased by \$4.4 million or 8.9% compared to 2024. The largest component is payments to employees for salaries. \$63,359,253 was paid in 2025 compared with \$62,760,106 in 2024, an increase of \$599,147 or 1.0%. Cash from federal and state grants increased \$1,967,812 or 10.9% from 2024 to 2025 and payments to suppliers decreased \$2,584,535 or 10.2% compared to 2024 as cost control continues to be a focus.

Noncapital financing sources increased by \$331,304, or 0.6%, in 2025 compared to 2024. All property taxes and state aid received, which was \$56,083,277 for 2025, are categorized as cash flows from noncapital financing activities.

The cash provided by (used in) capital and related financing activities is primarily for purchases of capital assets and capital-related debt activity (debt proceeds and principal and interest payments). Cash and cash equivalents increased by \$2,318,273 due to stabilization of spending following years of spend down of excess cash per board fund balance policy and slowing of capital project spend.

## Capital Asset and Debt Activities

The District's net capital assets decreased by \$1,743,339 to \$119,219,016 as of June 30, 2025, with the current year amount spent on capital improvements being less than depreciation expense. Additional information on the District's capital assets can be found in Note 3.



## **Capital Asset and Debt Activities (Continued)**

For 2025, the District had total long-term obligations outstanding of \$90,525,077 compared to \$88,070,214 as of June 30, 2024. Outstanding general obligation note issues maintain a Moody's Investors Service Aa1 rating, and the District has continued to meet all of its debt service requirements. General obligation promissory notes are repaid in as few as one year and as long as ten years, depending upon the underlying assets and other debt management criteria. The current debt adequately replaces and expands the equipment and facility needs of the District. Additional information on the District's long-term obligations can be found in Note 5.

In April 2020, the District voters approved a \$48.8 million capital referendum to upgrade the College's programs and facilities. It funded the construction of a new Transportation Education Center, expansion and remodeling of the Emergency Services Center, addition to the Manufacturing Education Center, and further enhancements to current facilities to serve the District's growing student enrollment. The debt to fund the campus improvement projects is proposed for a twenty-year amortization from the date of issuance.

## **Financial Position**

CVTC's net position decreased during the year ended June 30, 2025, by \$1,459,755 as compared to a decrease of \$1,694,022 for the year ending June 30, 2024. CVTC continues to maintain a strong financial position with adequate operating reserves within board policy guidelines.

The fund balance in the General Fund as of June 30, 2025, represented 19.25 percent of General Fund expenditures. CVTC's fund balance policy directs the District to maintain a reserve for operations in the General Fund equal to 16.6 - 25 percent of the adopted General Fund expenditure budget for the next year.

The District has diversified sources of revenues consisting of property taxes, state aid, student fees, federal and state grants, and other sources to meet the expenses of the District. The District uses property tax levy to repay its debt and manages capital assets on replacement or refresh cycle when the assets' useful lives have expired, allowing the District the use of current technology and well-maintained facilities.

The District maintains an Aa1 rating from Moody's Investors Service for its general obligation debt. This rating confirms the healthy financial condition of the District. As quoted from Moody's Investors Service last report:

*"The Aa1 rating reflects the district's large tax base, modest debt and pension liabilities, recent growth in enrollment, and healthy financial position despite projected draws."*

## **Economic Factors**

The slowdown of the US economy had a major impact on businesses and industries in the District's eleven counties. Eau Claire County, the largest county in the District, has healthcare, manufacturing and retail industries but also have less hard hit industries such as education and technology. Unemployment in the District's largest county, has returned down from a pandemic high rate from 12.7% in April 2020 to 2.9% as of June 2025. (Federal Reserve Bank of St. Louis).

For the 2025 tax levy year, the College's Board of Trustees certified a property tax levy that will reduce property taxes on \$100,000 of equalized property value to \$63.88 or a 3.6% decrease from 2024. The District experienced an increase in equalized values of 8.94% for a total of \$45.9 billion amongst the eleven counties. This is the eleventh year of equalized value increases as a result of the economic resiliency in the District's size and diverse tax base.

The District's overall financial position is strong, and the District is committed to remaining financially stable in the future. The District is confident about its future for the following reasons:

- For 2025 tax levy year, property valuations affect the District's primary source of revenues and continue to remain strong.
- Consistently low mill rates allowing the District to address educational needs of the District residents.
- Operating revenue continues to grow year over year because of strategic investments in capital and programming.
- Strength in college technology, student engagement and facility improvements from continued investment using grants, donations which has allowed the District to improve learning outcomes, engagement initiatives, and student success support.

The District is confident that its long-term financial planning will allow it to effectively meet the financial needs of its future operations. The current financial position is positive and positioned to maintain this positive status into the future.

## **Request for Information**

This financial report is designed to provide a general overview of Chippewa Valley Technical College's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Caleb Cornelius, Vice President of Administration and Chief Strategy Officer, Chippewa Valley Technical College, 620 W. Clairemont Avenue, Eau Claire, WI 54701.

# Basic Financial Statements

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# Chippewa Valley Technical College District

## Statements of Net Position

June 30, 2025 and 2024

| <i>Assets and Deferred<br/>Outflows of Resources</i>       | Primary Government    |                       | Component Unit      |                     |
|--|-----------------------|-----------------------|---------------------|---------------------|
|  | 2025                  | 2024                  | 2025                | 2024                |
| Assets:  |                       |                       |                     |                     |
| Current assets:  |                       |                       |                     |                     |
| Cash and cash equivalents                                  | \$ 8,175,811          | \$ 9,907,402          | \$ 153,809          | \$ 407,757          |
| Accounts receivable, net                                   | 1,453,345             | 1,615,886             | -                   | -                   |
| Property taxes receivable                                  | 8,750,559             | 7,948,738             | -                   | -                   |
| Federal and state aid receivable                           | 2,938,738             | 2,789,380             | -                   | -                   |
| Program and material fees receivable, net                  | 1,286,551             | 1,262,137             | -                   | -                   |
| Fee arrangements receivable                                | 376,429               | 227,580               | -                   | -                   |
| Unconditional promises to give, net                        | -                     | -                     | 106,319             | 114,309             |
| Lease Receivable   | 255,800               | -                     | -                   | -                   |
| Inventories  | 17,831                | 22,085                | -                   | -                   |
| Prepaid items  | 37,396                | 851,337               | -                   | -                   |
| Total current assets                                       | 23,292,460            | 24,624,545            | 260,128             | 522,066             |
| Noncurrent assets:   |                       |                       |                     |                     |
| Restricted cash and cash equivalents                       | 14,759,588            | 10,709,724            | -                   | -                   |
| Investments  | -                     | -                     | 7,046,409           | 6,092,893           |
| Unconditional promises to give, net                        | -                     | -                     | 33,919              | 168,094             |
| Lease receivable   | 1,873,427             | -                     | -                   | -                   |
| Right of use asset, net of amortization                    | 17,706                | 24,788                | -                   | -                   |
| Subscription asset, net of amortization                    | 405,051               | 411,037               | -                   | -                   |
| Capital assets, not being depreciated                      | 12,673,553            | 14,960,457            | -                   | -                   |
| Capital assets, being depreciated                          | 216,139,439           | 206,147,493           | -                   | -                   |
| Less Accumulated depreciation                              | (110,016,733)         | (100,581,420)         | -                   | -                   |
| Total noncurrent assets                                    | 135,852,031           | 131,672,079           | 7,080,328           | 6,260,987           |
| Total assets   | 159,144,491           | 156,296,624           | 7,340,456           | 6,783,053           |
| Deferred outflows of resources:                            |                       |                       |                     |                     |
| Related to pensions - WRS                                  | 17,750,584            | 25,399,683            | -                   | -                   |
| Deferred Outflows - District Pension Plan                  | 448,802               | 581,368               | -                   | -                   |
| Deferred Outflows - District OPEB Plan                     | 2,363,171             | 1,342,278             | -                   | -                   |
| Related to OPEB - LRLIF                                    | 1,810,122             | 2,368,825             | -                   | -                   |
| Total deferred outflows of resources                       | 22,372,679            | 29,692,154            | -                   | -                   |
| <b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF<br/>RESOURCES</b> | <b>\$ 181,517,170</b> | <b>\$ 185,988,778</b> | <b>\$ 7,340,456</b> | <b>\$ 6,783,053</b> |

# Chippewa Valley Technical College District

## Statements of Net Position (Continued)

June 30, 2025 and 2024

| <i>Liabilities, Deferred Inflows of Resources,<br/>and Net Position</i>       | Primary Government    |                       | Component Unit      |                     |
|---|-----------------------|-----------------------|---------------------|---------------------|
|   | 2025                  | 2024                  | 2025                | 2024                |
| Liabilities:  |                       |                       |                     |                     |
| Current liabilities:  |                       |                       |                     |                     |
| Accounts payable  | \$ 2,004,941          | \$ 2,649,133          | \$ 11,576           | \$ 29,871           |
| Accrued payroll   | 2,746,193             | 2,956,475             | -                   | -                   |
| Accrued compensated absences  | 532,095               | 254,579               | -                   | -                   |
| Accrued interest  | 657,185               | 574,306               | -                   | -                   |
| Unearned program and material fees  | 1,448,449             | 1,319,114             | -                   | -                   |
| Current portion of long-term obligations                                      | 10,017,218            | 9,451,551             | -                   | -                   |
| Total current liabilities   | 17,406,081            | 17,205,158            | 11,576              | 29,871              |
| Noncurrent liabilities:   |                       |                       |                     |                     |
| General obligation promissory notes   | 80,496,484            | 78,460,070            | -                   | -                   |
| Lease liability   | 11,376                | 18,589                | -                   | -                   |
| Subscription liability  | -                     | 140,004               | -                   | -                   |
| Net OPEB liability - LRLIF  | 5,757,990             | 6,618,386             | -                   | -                   |
| Net pension liability - WRS   | 3,308,359             | 3,002,686             | -                   | -                   |
| Total OPEB liability - District OPEB plan                                     | 7,188,584             | 6,810,789             | -                   | -                   |
| Total pension liability - District pension plan                               | 772,592               | 1,936,216             | -                   | -                   |
| Total noncurrent liabilities  | 97,535,385            | 96,986,740            | -                   | -                   |
| Total liabilities   | 114,941,466           | 114,191,898           | 11,576              | 29,871              |
| Deferred inflows of resources:  |                       |                       |                     |                     |
| Related to leases   | 2,105,825             | -                     | -                   | -                   |
| Related to pension - WRS  | 9,697,304             | 16,067,567            | -                   | -                   |
| Related to pensions - District Pension Plan                                   | 505,083               | 609,386               | -                   | -                   |
| Related to OPEB - District OPEB plan  | 1,052,906             | 1,004,660             | -                   | -                   |
| Related to OPEB - LRLIF   | 4,007,272             | 3,448,198             | -                   | -                   |
| Total deferred inflows of resources   | 17,368,390            | 21,129,811            | -                   | -                   |
| Net position:   |                       |                       |                     |                     |
| Net investment in capital assets  | 41,359,075            | 41,973,715            | -                   | -                   |
| Restricted - Nonexpendable  | -                     | -                     | 2,786,139           | 2,307,519           |
| Restricted for:   |                       |                       |                     |                     |
| Debt service  | 1,579,115             | 1,517,178             | -                   | -                   |
| Student organizations   | 191,053               | 172,193               | -                   | -                   |
| Scholarships and other activities   | -                     | -                     | 3,046,316           | 2,766,067           |
| Unrestricted  | 6,078,071             | 7,003,983             | 1,496,425           | 1,679,596           |
| Total net position  | 49,207,314            | 50,667,069            | 7,328,880           | 6,753,182           |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND NET POSITION</b> | <b>\$ 181,517,170</b> | <b>\$ 185,988,778</b> | <b>\$ 7,340,456</b> | <b>\$ 6,783,053</b> |

See accompanying notes to the basic financial statements.

# Chippewa Valley Technical College District

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

Years Ended June 30, 2025 and 2024

|  | Primary Government |               | Component Unit |              |
|--|--------------------|---------------|----------------|--------------|
|  | 2025               | 2024          | 2025           | 2024         |
| Operating Revenues:  |                    |               |                |              |
| Tuition and fees:  |                    |               |                |              |
| Program fees, net of scholarship allowances of \$4,116,449 and \$3,345,133   | \$ 11,680,318      | \$ 11,597,012 | \$ -           | \$ -         |
| Material fees, net of scholarship allowances of \$210,969 and \$182,586      | 598,291            | 633,652       | -              | -            |
| Other student fees, net of scholarship allowances of \$329,726 and \$276,163 | 1,578,751          | 1,835,448     | -              | -            |
| Federal grants   | 14,767,186         | 14,159,559    | -              | -            |
| State grants   | 5,427,353          | 3,210,770     | -              | -            |
| Business and industry contract revenue                                       | 2,695,784          | 2,104,989     | -              | -            |
| Auxiliary  | 3,620,962          | 3,653,540     | -              | -            |
| Other operating revenues   | 983,154            | 1,201,532     | 2,252,727      | 1,534,644    |
| Total operating revenues   | 41,351,799         | 38,396,502    | 2,252,727      | 1,534,644    |
| Operating Expenses:  |                    |               |                |              |
| Instruction  | 49,286,999         | 48,549,372    | -              | -            |
| Instructional resources  | 844,361            | 778,911       | -              | -            |
| Student services   | 8,171,568          | 7,857,466     | -              | -            |
| General institutional  | 14,258,195         | 15,323,652    | 2,460,279      | 1,731,717    |
| Physical plant   | 5,891,591          | 6,187,895     | -              | -            |
| Auxiliary services   | 3,601,433          | 3,529,039     | -              | -            |
| Depreciation and amortization  | 12,948,258         | 11,059,442    | -              | -            |
| Student aid  | 4,744,829          | 3,519,942     | -              | -            |
| Total operating expenses   | 99,747,234         | 96,805,719    | 2,460,279      | 1,731,717    |
| Operating loss   | (58,395,435)       | (58,409,217)  | (207,552)      | (197,073)    |
| Nonoperating revenues (expenses):  |                    |               |                |              |
| Property taxes   | 27,934,608         | 25,860,003    | -              | -            |
| State nonoperating appropriations  | 28,950,491         | 29,577,362    | -              | -            |
| COVID-19 federal funding   | -                  | 243,839       | -              | -            |
| Other non-operating revenues   | 1,359,912          | 2,023,633     | -              | -            |
| Investment income earned   | 1,380,886          | 1,490,309     | 783,250        | 687,677      |
| Interest expense   | (2,690,217)        | (2,479,951)   | -              | -            |
| Total nonoperating revenues (expenses)                                       | 56,935,680         | 56,715,195    | 783,250        | 687,677      |
| Increase (decrease) in net position  | (1,459,755)        | (1,694,022)   | 575,698        | 490,604      |
| Net position- Beginning of year  | 50,667,069         | 52,361,091    | 6,753,182      | 6,262,578    |
| Net position - End of year   | \$ 49,207,314      | \$ 50,667,069 | \$ 7,328,880   | \$ 6,753,182 |

See accompanying notes to the basic financial statements.

# Chippewa Valley Technical College District

## Statements of Cash Flows

Years Ended June 30, 2025 and 2024

|   | 2025          | 2024          |
|---|---------------|---------------|
| Increase (decrease) in cash and cash equivalents:         |               |               |
| Cash flows from operating activities:                     |               |               |
| Tuition and fees received                                 | \$ 13,813,431 | \$ 13,935,608 |
| Federal and state grants received                         | 20,045,178    | 18,077,366    |
| Business, industry, and school district contract revenues | 2,858,325     | 1,942,457     |
| Payments to employees                                     | (63,359,253)  | (62,760,106)  |
| Payments to suppliers                                     | (22,774,625)  | (25,359,160)  |
| Auxiliary enterprise revenues received                    | 3,620,964     | 3,653,539     |
| Other receipts  | 959,754       | 1,276,309     |
| Net cash used in operating activities                     | (44,836,226)  | (49,233,987)  |
| Cash flows from noncapital financing activities:          |               |               |
| Local property taxes                                      | 27,132,786    | 25,021,162    |
| COVID-19 federal funding                                  | -             | 1,153,449     |
| State appropriations received                             | 28,950,491    | 29,577,362    |
| Net cash provided by noncapital financing activities      | 56,083,277    | 55,751,973    |
| Cash flows from capital and related financing activities: |               |               |
| Purchases of capital assets                               | (11,517,101)  | (19,490,873)  |
| Other non-operating revenues                              | 1,359,912     | 2,023,634     |
| Principal paid on leases and subscription                 | (141,551)     | (145,431)     |
| Interest paid on leases and subscription                  | (11,854)      | (17,586)      |
| Proceeds from issuance of capital debt                    | 12,834,464    | 17,027,152    |
| Principal paid on capital debt                            | (9,810,000)   | (9,115,000)   |
| Interest paid on capital debt                             | (2,595,484)   | (2,181,538)   |
| Debt issuance costs                                       | -             | (140,414)     |
| Net cash used in capital and related financing activities | (9,881,614)   | (12,040,056)  |
| Cash flows from investing activities:                     |               |               |
| Investment income received                                | 952,836       | 1,162,748     |
| Net increase (decrease) in cash and cash equivalents      | 2,318,273     | (4,359,322)   |
| Cash and cash equivalents - Beginning of year             | 20,617,126    | 24,976,448    |
| Cash and cash equivalents - End of year                   | \$ 22,935,399 | \$ 20,617,126 |

# Chippewa Valley Technical College District

## Statements of Cash Flows (Continued)

Years Ended June 30, 2025 and 2024

|  | 2025            | 2024            |
|--|-----------------|-----------------|
| Reconciliation of cash and cash equivalents to statements of net position:     |                 |                 |
| Cash and cash equivalents  | \$ 8,175,811    | \$ 9,907,402    |
| Restricted cash and cash equivalents   | 14,759,588      | 10,709,724      |
| Totals   | \$ 22,935,399   | \$ 20,617,126   |
| Reconciliation of operating loss to net cash used in operating activities:     |                 |                 |
| Operating loss   | \$ (58,395,435) | \$ (58,409,217) |
| Adjustments to reconcile operating loss to net cash from operating activities: |                 |                 |
| Depreciation and amortization  | 12,948,258      | 11,059,442      |
| Changes in assets, deferred outflows, liabilities, and deferred inflows:       |                 |                 |
| Accounts receivable  | 162,541         | (162,532)       |
| Lease receivable   | (2,129,227)     | 100,469         |
| Federal and state grant receivable   | (149,358)       | 772,968         |
| Program and material fees receivable   | (24,414)        | (247,805)       |
| Fee arrangements receivable  | (148,849)       | (36,518)        |
| Inventories  | 4,254           | 25,391          |
| Prepaid items  | 813,941         | (68,289)        |
| Accounts payable   | (332,008)       | (1,377,903)     |
| Accrued payroll  | (210,282)       | (201,486)       |
| Unearned program and material fees   | 129,335         | 153,819         |
| Accrued compensated absences   | 277,516         | (349,107)       |
| Net OPEB liability - LRLIF   | (860,396)       | 1,299,864       |
| Total OPEB liability - District OPEB plan                                      | 377,795         | (423,494)       |
| Total pension liability - District pension plan                                | (1,163,624)     | (110,377)       |
| Net pension liability - WRS  | 305,673         | (7,538,362)     |
| Deferred outflows related to pension and OPEB benefits                         | 7,319,475       | 13,639,442      |
| Deferred inflows related to pension and OPEB benefits                          | (5,867,246)     | (7,268,669)     |
| Deferred inflows related to leases   | 2,105,825       | (91,623)        |
| Net cash used in operating activities  | \$ (44,836,226) | \$ (49,233,987) |
| Noncash capital and related financing activities:                              |                 |                 |
| Capital assets in accounts payable   | \$ 1,185,786    | \$ 1,497,969    |

See accompanying notes to the basic financial statements.



# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Reporting Entity

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

The geographic area of the District is comprised of all or part of 11 counties in west central Wisconsin. There are 205 municipalities with an estimated population of over 305,000 and 34 public school districts within the District's boundaries. The District contains 5,500 square miles and operates campuses in five cities: Chippewa Falls, Eau Claire, Menomonie, Neillsville, and River Falls. The Eau Claire educational complex includes the Clairemont Campus Business Education Center and Health Education Center; the West Campus Emergency Service Education Center, Energy Education Center, Fire Safety Center, and Transportation Education Center; and the Gateway Campus, Applied Technology Center, and Manufacturing Education Center. In addition, educational offerings are also provided at approximately 33 locations throughout the District.

The governing body of the District is the District Board, which consists of nine members. The members are appointed to staggered three-year terms by 11 county board chairpersons (one from each county served by the District), who meet once a year to appoint members to the three open seats. The District Board membership includes two employers, two employees, three additional members, one school district administrator, and one elected official who hold a state or local office. The District Board powers are established under the provisions of Chapter 38 of the Wisconsin Statutes and include:

- Authority to borrow money and levy taxes.
- Budgeting authority.
- Authority over other fiscal and general management of the District, 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 provided, and to approve the hiring or retention of key management personnel who implements Board policy and directives.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Reporting Entity (Continued)**

The District offers 115 one- or two-year degree programs, 38 technical training certificates, and 17 apprenticeships. In addition, various program courses are offered online and at different locations throughout the District. Professional customized training and technical assistance is provided to the District's businesses.

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

The accompanying financial statements present the activities of the Chippewa Valley Technical College District. Accounting principles generally accepted in the United States require that these financial statements include the primary government and its component units. Component units are separate organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the financial statements.

Chippewa Valley Technical College District Foundation, Inc. (the "Foundation") is a not-for-profit corporation whose purpose is to solicit, hold, manage, invest, and expend endowment funds and other gifts, grants, and bequests exclusively for the maintenance and benefit of the District and its students. Since the Foundation's resources are almost entirely for the benefit of the District and its students, the Foundation has a history of supporting the District with its economic resources, and the financial resources of the Foundation are significant to the District as a whole, the Foundation is presented as a discretely presented component unit of the District.

Separately issued financial statements of the Foundation may be obtained from the Foundation administration office.

#### **Measurement Focus and Basis of Accounting**

The District financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, assets, and liabilities resulting from exchange and exchange-type transactions are recognized when the exchange takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Operating revenues and expenses generally include all fiscal transactions directly related to instructional and auxiliary activities plus administration, operations, and maintenance of capital assets and depreciation of capital assets. Included in non-operating revenues are property taxes, state appropriations, investment income, and revenues for capital construction projects. Interest on debt is a non-operating expense.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### New Accounting Pronouncement

Management has adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*, which guides how state and local governments should recognize, measure and disclose compensated absences. The College implemented this guidance as of July 1, 2023. The implementation of this guidance did not affect beginning net position.

#### Budgets and Budgetary Accounting

The District follows the procedures listed below in adopting the annual budgets for all governmental fund types that are legally required and are reflected in the financial statements.

- a. Public hearings are conducted on the proposed budget prior to District Board approval.
- b. Prior to July 1, the budget is legally enacted through approval by the District Board.
- c. The District Board establishes the District's tax levy based on the adopted budget. Property taxes are then levied on the various taxing municipalities. The District records as revenue its share of the local tax in the year levied that is considered available during its fiscal year to finance its operations.
- d. 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 District's Board and require publishing a Class 1 public notice in the District's official newspaper within 10 days. Management exercises control over budgeted expenditures by fund and function. Expenditures may not legally exceed funds available or appropriated unless authorized by a resolution adopted by a vote of two-thirds of the District Board. Unused appropriations lapse at the end of each fiscal year.
- e. Formal budgetary integration is employed as a planning device for all funds. The District adopts an annual operating budget that is prepared on a different basis from the basic financial statements, which are prepared in accordance with GAAP. The budget differs from GAAP by recognizing encumbrances as expenditures. Also, the budget does not incorporate changes related to other GASB statements.

#### Use of Estimates

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

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Cash and Cash equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

State Statutes permit the District to invest available cash balances in time deposits of authorized depositories, U.S. Treasury obligations, U.S. government agency issues, municipal obligations of Wisconsin municipal entities, high-grade commercial paper that matures in less than seven years, and the local government pooled investment fund administered by the State of Wisconsin Investment Board.

#### **Investments**

All investments are reported at fair value, except for the investment in the Local Government Investment Pool, which is reported on the amortized cost basis. Investment income includes changes in fair value of investments, interest, and realized gains and losses.

#### **Fair Value Measurements**

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

#### **Receivables and Credit Policies**

Accounts receivable and program and material fees receivable are stated at amounts due from students net of an allowance for doubtful accounts. Amounts outstanding longer than the agreed-upon payment terms are considered past due. The District determines its allowance for doubtful accounts by considering a number of factors, including length of time amounts are past due, the District's previous loss history, and the student's ability to pay his or her obligation. Accounts receivable and program and material fees receivable are stated at amounts due from students net of an allowance for doubtful accounts of \$635,000 at June 30, 2025 and June 30, 2024. The District writes off receivables when they become uncollectible. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Prepays**

Prepaid balances are for payments made by the District for which benefits extend beyond June 30.

#### **Inventories**

Inventories are stated at the lower of cost or market; cost is determined primarily by the first-in, first-out (FIFO) method. Instructional and administrative inventories are accounted for as expenses when purchased.

#### **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 cost at the time of receipt. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets useful life are not capitalized. Equipment assets having a cost of \$5,000 or more per unit and building or remodeling projects of \$15,000 or more are capitalized. Depreciation on buildings and equipment is provided in amounts sufficient to relate the cost of the depreciable assets to operations on the straight-line basis over the estimated service lives, which range from 3 to 7 years for equipment, 15 years for site improvements, 20 years for remodeling, and 40 years for buildings.

#### **Lease Accounting**

The District is a lessor in a noncancelable lease agreement. The lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow is recorded at the initiation of the lease at the same value as the lease receivable and is amortized on a straight-line basis over the term of the lease.

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

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

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Subscription Based Information Technology Arrangements**

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

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

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the District's incremental borrowing rate.

For all underlying classes of assets, the District does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until then. At this time, the District reports deferred outflows of resources related to the District's OPEB and pension plans, the Local Retiree Life Insurance Fund (LRLIF), and the Wisconsin Retirement System (WRS). The deferred outflows of resources related to the OPEB and pension plans represent District contributions to the plans subsequent to the measurement date of the total pension and OPEB liabilities. The deferred outflows of resources related to the LRLIF and WRS represent its proportionate shares of collective deferred outflows of resources of the plans and District contributions to the plans subsequent to the measurement date of the collective net pension and OPEB liabilities (assets).

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to lease, the District pension and OPEB plans, the LRLIF, and the WRS. The deferred inflows related to leases are related to the lease receivable and will be recognized as an inflow of resources in a systematic and rational manner over the term of the lease. The deferred inflows related to the District pension and OPEB plans represent changes in assumptions used in the calculation of the total pension and OPEB liabilities. The deferred inflows of resources related to the LRLIF and WRS represent its proportionate shares of the collective deferred inflows of resources of the plans.

#### **Property Taxes**

The District Board's allowable tax levy increase, under Section 38.16 of the Wisconsin Statutes, is based on the total revenue. It is defined in statute as the total tax levy (net of debt service) from the previous year plus the property tax relief aid received in the previous year. The amount is multiplied by the District's tax valuation factor to calculate the amount of additional levy allowable from the previous year.

The mill rate limitation is not applicable to taxes levied for the purposes of paying principal and interest on general obligation promissory notes issued by the District that are used for capital improvements and equipment acquisitions.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Property Taxes (Continued)

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

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

The District recognizes its total levy as revenue in the fiscal year for which taxes are levied. The 2024 tax levy used to finance the fiscal year ended June 30, 2025, and the 2023 tax levy used to finance the fiscal year ended June 30, 2024, were \$27,914,925 and \$25,822,828, respectively. Mill rates for the 2024 and 2023 levies were 0.38143 and 0.39721, respectively, for operations and 0.28136 and 0.26570, respectively, for debt service.

#### Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

District employees are granted vacation in varying amounts, based on length of service. Vacation earned is forfeited if not taken within the allowable time period. The expense for vacation pay is recorded on the accrual basis. The value of vacation pay was \$261,892 and \$254,579 based on current wage rates in effect at June 30, 2025, and June 30, 2024, respectively.

Sick Leave – The District's policy allows employees to earn up to 15 sick days for each year employed that can accumulate to a maximum of 135 days. Amounts have been recorded consistent with the compensated absences reporting standards of GASB Statement No.101, Compensated Absences, including an accrual for accumulated sick leave in the year-end compensated absences liability. The value of sick pay was \$270,202 and \$0 based on current wage rates in effect at June 30, 2025 and June 30, 2024.

Postemployment Benefits Other Than Pensions – The District provides postemployment healthcare benefits to teachers, support staff, and administrators. Expenditures are recognized as they are incurred for eligible retirees. For eligible employees who have not yet elected to retire, potential health insurance has been accrued based on the provisions of GASB Statement No. 75.



# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts (Continued)**

The District participates in a life insurance OPEB plan that covers WRS-eligible employees. The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB liability (asset)
- Deferred outflows of resources and deferred inflows of resources related to OPEBs
- OPEB expense (revenue)

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions – The District offers a retirement incentive to eligible teachers and administrators who elect to retire on or after the age of 55. Benefit payments are recognized when due and payable in accordance with the benefit terms. The total pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense for the plan have been accounted for based on the provisions of GASB Statement No. 73.

The District has a pension plan covering substantially all of its employees, which is funded through contributions to the Wisconsin Retirement System. The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net pension liability (asset)
- Deferred outflows of resources and deferred inflows of resources related to pensions
- Pension expense (revenue)

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Self- Insurance

The District is exposed to various risks of loss related to dental insurance. Under the program, the self-insurance fund provides dental coverage up to a maximum reimbursement per claimant of \$1,500 per year. The District makes payments for actual claims and administrative fees needed to pay prior and current year's claims. Changes in the claims liability amount for the years ended June 30 are below.

|   | 2025             | 2024             | 2023             |
|---|------------------|------------------|------------------|
| Unpaid claims and claim adjustment expenses at the beginning of the year                        | \$ 29,312        | \$ 30,156        | \$ 23,214        |
| Incurred claims and claim adjustment expenses:  |                  |                  |                  |
| Provision for insured events of the current fiscal year   | 663,080          | 651,627          | 548,467          |
| <b>Total incurred claims</b>  | <b>692,392</b>   | <b>681,783</b>   | <b>571,681</b>   |
| Payments:   |                  |                  |                  |
| Claims and claim adjustment expenses attributable to: Insured events of the current fiscal year | 633,725          | 622,315          | 518,311          |
| Claims and claim adjustment expenses attributable to: Insured events of prior fiscal years      | 29,312           | 30,156           | 23,214           |
| <b>Total payments</b>   | <b>663,037</b>   | <b>652,471</b>   | <b>541,525</b>   |
| <b>Total unpaid claims and claim adjustment expenses at the end of the fiscal year</b>          | <b>\$ 29,355</b> | <b>\$ 29,312</b> | <b>\$ 30,156</b> |

The claims liabilities of \$29,355 and \$29,312 reported above at June 30, 2025 and 2024, respectively, are based upon the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicated that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Fees and Tuition**

Fees and tuition are recorded as revenue in the period in which the related activity or instruction takes place.

#### **State and Federal Revenues**

The District receives funding from various federal and state grants. Some of these revenues are earned over fiscal periods different from that of the District and are subject to Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and State of Wisconsin Single Audit Guidelines*.

State operating appropriations are recognized as revenue in the entitlement year. Federal and state grants for reimbursable programs are recognized as revenue in the year that related program expenditures are incurred or eligibility requirements are met. Grants received prior to meeting revenue recognition criteria are recorded as unearned revenues.

#### **Scholarship Allowances and Student Aid**

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

#### **Net Position**

Net position is classified according to restrictions or availability of assets for District obligations. Net investment in capital assets represents the net value of capital assets (property, plant, equipment, lease assets, and subscription assets) less the debt incurred to acquire or construct the assets and the borrowed resources not yet expended but restricted for capital purchases. Restricted net position for debt service can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose.

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

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### 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. Tuition and fees attributable to the upcoming fall school term are recorded as unearned revenue for students who have paid before June 30.

### Note 2: Cash and Investments

#### Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of June 30, 2025 and 2024, none of the District's bank balance was exposed to custodial credit risk.

#### Cash and Cash equivalents

For purposes of the statements of cash flows, cash on hand, demand deposits with financial institutions, and investments in the Wisconsin Local Government Investment Pool are considered cash and cash equivalents.

The District's cash and cash equivalents consist of the following amounts at June 30, 2025 and 2024:

|  | 2025                 | 2024                 |
|--|----------------------|----------------------|
| <b>Cash:</b>                               |                      |                      |
| Petty Cash funds                           | \$ 3,906             | \$ 4,466             |
| Operating funds in U.S. Bank               | (429,434)            | 1,122,540            |
| Operating funds in BMO Harris Bank         | 750                  | 750                  |
| Operating funds in First National Bank     | 750                  | 750                  |
| <b>Investments:</b>                        |                      |                      |
| Wisconsin Local Government Investment Pool | 23,359,427           | 19,488,620           |
| <b>Total Cash and Cash Equivalents</b>     | <b>\$ 22,935,399</b> | <b>\$ 20,617,126</b> |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 2: Cash and Investments (Continued)

The District's cash and cash equivalents are classified as follows at June 30, 2025 and 2024:

|  | 2025                 | 2024                 |
|--|----------------------|----------------------|
| <b>Restricted for:</b>                 |                      |                      |
| Debt Service                           | \$ 1,136,302         | \$ 261,484           |
| Capital projects                       | 13,623,286           | 10,448,240           |
| Total Restricted                       | 14,759,588           | 10,709,724           |
| Unrestricted                           | 8,175,811            | 9,907,402            |
| <b>Total cash and cash equivalents</b> | <b>\$ 22,935,399</b> | <b>\$ 20,617,126</b> |

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

### Investments

The District is authorized by Wisconsin Statute 66.0603(1m) to invest in the following instruments:

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

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 2: Cash and Investments (Continued)

The District is a participant in the Local Government Investment Pool (LGIP), which is authorized in Wisconsin Statutes 25.14 and 25.17 under the State of Wisconsin Investment Board. The LGIP is not registered with the Securities Exchange Commission as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. The investment in LGIP is not subject to the fair value hierarchy disclosures.

As of June 30, 2025 and 2024, the District had the following investments and maturities:

| <i>Investment Type</i>                      | Investment<br>Maturities Less<br>Than 1 Year |
|---|--|
| Wisconsin Local Government Investment Pool: |  |
| June 30, 2025                               | \$23,359,427                                 |
| June 30, 2024                               | 19,488,620                                   |

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy states that funds shall be invested only in investments permitted by Wisconsin Statutes and in such a manner as to maximize the investment income within these options.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District's investment policy minimizes credit risk by limiting investments to the safest type of securities. The investment in the LGIP is unrated.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 3: Capital Assets

Capital asset activity was as follows for the fiscal year ended June 30, 2025:

|  | 2025                 |                     |                     |                      |
|--|----------------------|---------------------|---------------------|----------------------|
|  | Beginning Balance    | Increases           | Decreases           | Ending Balance       |
| Capital assets not being depreciated:                  |                      |                     |                     |                      |
| Land   | \$ 5,761,928         | \$ -                | \$ -                | \$ 5,761,928         |
| Construction in progress                               | 9,198,529            | 3,505,728           | 5,792,632           | 6,911,625            |
| <b>Total capital assets not being depreciated</b>      | <b>14,960,457</b>    | <b>3,505,728</b>    | <b>5,792,632</b>    | <b>12,673,553</b>    |
| Capital assets being depreciated:                      |                      |                     |                     |                      |
| Land improvements                                      | 9,505,756            | -                   | -                   | 9,505,756            |
| Buildings and improvements                             | 137,034,087          | 8,102,767           | 5,862               | 145,130,992          |
| Equipment  | 59,607,650           | 5,124,468           | 3,229,427           | 61,502,691           |
| <b>Total capital assets being depreciated</b>          | <b>206,147,493</b>   | <b>13,227,235</b>   | <b>3,235,289</b>    | <b>216,139,439</b>   |
| Less accumulated depreciation for:                     |                      |                     |                     |                      |
| Land improvements                                      | 4,107,861            | 57,065              | -                   | 4,164,926            |
| Buildings and improvements                             | 53,768,678           | 5,693,252           | 5,862               | 59,456,068           |
| Equipment  | 42,704,881           | 6,920,285           | 3,229,427           | 46,395,739           |
| <b>Total accumulated depreciation</b>                  | <b>100,581,420</b>   | <b>12,670,602</b>   | <b>3,235,289</b>    | <b>110,016,733</b>   |
| <b>Net capital assets being depreciated</b>            | <b>105,566,073</b>   | <b>556,633</b>      | <b>-</b>            | <b>106,122,706</b>   |
| Right-to-use assets:                                   |                      |                     |                     |                      |
| Lease assets- Buildings and improvements               | 35,412               | -                   | -                   | 35,412               |
| Subscription-based IT arrangements                     | 882,702              | 264,586             | -                   | 1,147,288            |
| <b>Total right-to-use assets</b>                       | <b>918,114</b>       | <b>264,586</b>      | <b>-</b>            | <b>1,182,700</b>     |
| Accumulated amortization:                              |                      |                     |                     |                      |
| Lease assets - Buildings and improvements              | 10,624               | 7,082               | -                   | 17,706               |
| Subscription-based IT arrangements                     | 471,665              | 270,573             | -                   | 742,238              |
| <b>Total accumulated amortization</b>                  | <b>482,289</b>       | <b>277,655</b>      | <b>-</b>            | <b>759,944</b>       |
| <b>Total right-to-use assets, being amortized, net</b> | <b>435,825</b>       | <b>(13,069)</b>     | <b>-</b>            | <b>422,756</b>       |
| <b>Net capital assets</b>                              | <b>120,962,355</b>   | <b>\$ 4,049,292</b> | <b>\$ 5,792,632</b> | <b>119,219,015</b>   |
| Less outstanding debt related to capital assets        | (84,630,000)         |                     |                     | (87,020,000)         |
| Less lease liabilities                                 | (25,520)             |                     |                     | (18,589)             |
| Less subscription liabilities                          | (274,624)            |                     |                     | (140,004)            |
| Less unamortized premium                               | (3,140,070)          |                     |                     | (3,346,484)          |
| Plus unexpended debt proceeds                          | 9,081,574            |                     |                     | 12,665,137           |
| <b>Net investment in capital assets</b>                | <b>\$ 41,973,715</b> |                     |                     | <b>\$ 41,359,075</b> |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 3: Capital Assets (Continued)

Capital asset activity was as follows for the fiscal year ended June 30, 2024:

|  | 2024                 |                      |                     |                      |
|--|----------------------|----------------------|---------------------|----------------------|
|  | Beginning<br>Balance | Increases            | Decreases           | Ending Balance       |
| Capital assets not being depreciated:                  |                      |                      |                     |                      |
| Land   | \$ 5,761,928         | \$ -                 | \$ -                | \$ 5,761,928         |
| Construction in progress                               | 7,976,915            | 5,792,632            | 4,571,018           | 9,198,529            |
| <b>Total capital assets not being depreciated</b>      | <b>13,738,843</b>    | <b>5,792,632</b>     | <b>4,571,018</b>    | <b>14,960,457</b>    |
| Capital assets being depreciated:                      |                      |                      |                     |                      |
| Land Improvements                                      | 9,505,756            | -                    | -                   | 9,505,756            |
| Buildings and improvements                             | 125,955,883          | 11,078,204           | -                   | 137,034,087          |
| Equipment  | 69,494,076           | 6,819,005            | 16,705,431          | 59,607,650           |
| <b>Total capital assets being depreciated</b>          | <b>204,955,715</b>   | <b>17,897,209</b>    | <b>16,705,431</b>   | <b>206,147,493</b>   |
| Less accumulated depreciation for:                     |                      |                      |                     |                      |
| Land Improvements                                      | 4,050,120            | 57,741               | -                   | 4,107,861            |
| Buildings and improvements                             | 48,850,094           | 4,918,584            | -                   | 53,768,678           |
| Equipment  | 53,548,991           | 5,861,321            | 16,705,431          | 42,704,881           |
| <b>Total accumulated depreciation</b>                  | <b>106,449,205</b>   | <b>10,837,646</b>    | <b>16,705,431</b>   | <b>100,581,420</b>   |
| <b>Net capital assets being depreciated</b>            | <b>98,506,510</b>    | <b>7,059,563</b>     | <b>-</b>            | <b>105,566,073</b>   |
| Right-to-use assets:                                   |                      |                      |                     |                      |
| Lease assets - Buildings and improvements              | 71,138               | -                    | 35,726              | 35,412               |
| Subscription-based IT arrangements                     | 718,827              | 163,875              | -                   | 882,702              |
| <b>Total right-to-use assets</b>                       | <b>789,965</b>       | <b>163,875</b>       | <b>35,726</b>       | <b>918,114</b>       |
| Accumulated amortization:                              |                      |                      |                     |                      |
| Lease assets - Buildings and improvements              | 30,335               | 16,015               | 35,726              | 10,624               |
| Subscription-based IT arrangements                     | 265,884              | 205,781              | -                   | 471,665              |
| <b>Total accumulated amortization</b>                  | <b>296,219</b>       | <b>221,796</b>       | <b>35,726</b>       | <b>482,289</b>       |
| <b>Total right-to-use assets, being amortized, net</b> | <b>493,746</b>       | <b>(57,921)</b>      | <b>-</b>            | <b>435,825</b>       |
| <b>Net capital assets</b>                              | <b>112,739,099</b>   | <b>\$ 12,794,274</b> | <b>\$ 4,571,018</b> | <b>120,962,355</b>   |
| Less outstanding debt related to capital assets        | (77,545,000)         |                      |                     | (84,630,000)         |
| Less lease liabilities                                 | (41,509)             |                      |                     | (25,520)             |
| Less subscription liabilities                          | (404,066)            |                      |                     | (274,624)            |
| Unamortized premium                                    | (2,640,478)          |                      |                     | (3,140,070)          |
| Plus unexpended debt proceeds                          | 9,290,523            |                      |                     | 9,081,574            |
| <b>Net investment in capital assets</b>                | <b>\$ 41,398,569</b> |                      |                     | <b>\$ 41,973,715</b> |



# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 4: Short-Term Debt

The District did not engage in any short-term debt activity during the year.

### Note 5: Long-Term Obligations

Long-term obligations of the District consists of general obligation promissory notes, lease and subscription liabilities.

The changes in long-term obligations are as follows:

|                                     | Balance<br>June 30, 2024 | Additions            | Reductions           | Balance<br>June 30, 2025 | Due Within<br>One Year |
|-------------------------------------|--------------------------|----------------------|----------------------|--------------------------|------------------------|
| General obligation promissory notes | \$ 84,630,000            | \$ 12,200,000        | \$ 9,810,000         | \$ 87,020,000            | \$ 9,870,000           |
| Lease liability                     | 25,520                   | -                    | 6,931                | 18,589                   | 7,214                  |
| Subscription liability              | 274,624                  | -                    | 134,620              | 140,004                  | 140,004                |
| Plus unamortized premium            | 3,140,070                | 634,464              | 428,050              | 3,346,484                | -                      |
| <b>Totals</b>                       | <b>\$ 88,070,214</b>     | <b>\$ 12,834,464</b> | <b>\$ 10,379,601</b> | <b>\$ 90,525,077</b>     | <b>\$ 10,017,218</b>   |

|                                     | Balance<br>June 30, 2023 | Additions            | Reductions          | Balance<br>June 30, 2024 | Due Within<br>One Year |
|-------------------------------------|--------------------------|----------------------|---------------------|--------------------------|------------------------|
| General obligation promissory notes | \$ 77,545,000            | \$ 16,200,000        | \$ 9,115,000        | \$ 84,630,000            | \$ 9,310,000           |
| Lease liability                     | 41,509                   | -                    | 15,989              | 25,520                   | 6,931                  |
| Subscription liability              | 404,066                  | -                    | 129,442             | 274,624                  | 134,620                |
| Plus unamortized premium            | 2,640,478                | 827,152              | 327,560             | 3,140,070                | -                      |
| <b>Total</b>                        | <b>\$ 80,631,053</b>     | <b>\$ 17,027,152</b> | <b>\$ 9,587,991</b> | <b>\$ 88,070,214</b>     | <b>\$ 9,451,551</b>    |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 5: Long-Term Obligations (Continued)

#### General -Term Obligation

The District pledges full faith, credit, and resources of the District to pay all outstanding general obligation promissory notes. The District levies taxes annually to pay the amount of principal and interest due for the debt. General obligation debt of the District at June 30, 2025 and 2024, is as follows:

|  | Principal  |            | Interest |          |
|--|------------|------------|----------|----------|
|  | 2025       | 2024       | 2025     | 2024     |
| August 2016 - \$2,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at .75% to 2.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2026. Proceeds used for acquiring movable equipment and building additions or enlargements.                              | \$ 150,000 | \$ 300,000 | \$ 2,437 | \$ 7,125 |
| July 2017 - \$5,000,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.0% to 2.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2025. Proceeds used for acquiring equipment and facility and non-facility remodeling and improvements.                     | -          | 265,000    | -        | 5,300    |
| August 2017 - \$3,000,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.5% to 2.25%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for acquiring equipment, facility and non-facility remodeling and improvements, and new facilities. | 300,000    | 635,000    | 10,125   | 24,413   |
| June 2018 - \$6,400,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 0.1% to 3.5%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2026. Proceeds used for acquiring equipment, facility and non-facility remodeling and improvements, and new facilities.    | 235,000    | 1,310,000  | 8,225    | 54,075   |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 5: Long-Term Obligations (Continued)

|  | Principal  |            | Interest  |           |
|--|------------|------------|-----------|-----------|
|  | 2025       | 2024       | 2025      | 2024      |
| March 2019 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 0.05% to 3.25%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for facility and non-facility remodeling and improvements.      | \$ 405,000 | \$ 600,000 | \$ 19,825 | \$ 37,375 |
| April 2019 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 0.05% to 2.5%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for facility and non-facility remodeling and improvements.       | 415,000    | 615,000    | 15,625    | 31,000    |
| July 2019 - \$3,840,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0% to 4.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2026. Proceeds used for acquiring equipment.   | 715,000    | 1,410,000  | 28,600    | 85,000    |
| June 2020 - \$11,525,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0% to 3.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2030. Proceeds used for acquiring site, building addition, remodeling, and equipment. | 8,185,000  | 8,915,000  | 670,950   | 870,400   |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 5: Long-Term Obligations (Continued)

|   | Principal     |               | Interest     |              |
|---|---------------|---------------|--------------|--------------|
|   | 2025          | 2024          | 2025         | 2024         |
| February 2021 - \$41,400,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.0% to 5.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2040. Proceeds used for acquiring referendum site, building addition, remodeling, and equipment.                                     | \$ 32,825,000 | \$ 34,560,000 | \$ 5,020,338 | \$ 5,688,775 |
| July 2021 - \$9,100,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.0% to 1.5%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2028. Proceeds used for public purpose of paying the cost of acquiring movable equipment.   | 5,690,000     | 7,500,000     | 167,338      | 270,675      |
| February 2021 - \$5,700,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0% to 4.0%, payable semiannually in April and October, varying principal payments are due on October 1, 2022 and then annually on April 1 until maturity on April 1, 2030. Proceeds used for paying the cost of building remodel, improvement projects, and movable equipment. | 2,895,000     | 3,410,000     | 353,725      | 483,588      |
| March 2023 - \$5,700,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at .25% to 6.0%, payable semiannually in April and October, varying principal payments are due on October 1, 2023 and then annually on April 1 until maturity on April 1, 2030. Proceeds used for paying the cost of building remodel, improvement projects, and movable equipment.    | 4,245,000     | 4,990,000     | 665,637      | 845,523      |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 5: Long-Term Obligations (Continued)

|  | Principal    |              | Interest   |            |
|--|--------------|--------------|------------|------------|
|  | 2025         | 2024         | 2025       | 2024       |
| April 2023 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0% to 4.0%, payable semiannually in April and October, varying principal payments are due on October 1, 2023 and then annually on April 1 until maturity on April 1, 2031. Proceeds used for paying the cost of building remodel, improvement projects, and movable equipment. | \$ 1,170,000 | \$ 1,340,000 | \$ 156,300 | \$ 207,750 |
| May 2023 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.375% to 4.625%, payable semiannually in April and October, varying principal payments are due on April 1, 2024 and then annually on April 1 until maturity on April 1, 2031. Proceeds used for paying the cost of building remodel, improvement projects, and movable equipment. | 1,190,000    | 1,360,000    | 164,238    | 218,950    |
| June 2023 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0% to 5.0%, payable semiannually in April and October, varying principal payments are due on April 1, 2024 and then annually on April 1 until maturity on April 1, 2031. Proceeds used for paying the cost of building remodel, improvement projects, and movable equipment.    | 1,190,000    | 1,360,000    | 178,250    | 237,950    |
| July 2023 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0% to 5.0%, payable semiannually in April and October, varying principal payments are due on April 1, 2024 and then annually on April 1 until maturity on April 1, 2031. Proceeds used for paying the cost of building remodeling and improvement projects.                     | 1,195,000    | 1,360,000    | 179,250    | 238,900    |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 5: Long-Term Obligations (Continued)

|  | Principal    |              | Interest   |            |
|--|--------------|--------------|------------|------------|
|  | 2025         | 2024         | 2025       | 2024       |
| August 2023 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0%, payable semiannually in April and October, varying principal payments are due on April 1, 2025 and then annually on April 1 until maturity on April 1, 2031. Proceeds used for paying the cost of building remodeling and improvement projects.                   | \$ 1,315,000 | \$ 1,500,000 | \$ 191,600 | \$ 251,600 |
| August 2023 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0%, payable semiannually in April and October, varying principal payments are due on April 1, 2026 and then annually on April 1 until maturity on April 1, 2031. Proceeds used for paying the cost of building remodeling and improvement projects.                   | 1,500,000    | 1,500,000    | 218,000    | 278,000    |
| October 2023 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0%, payable semiannually in April and October, varying principal payments are due on April 1, 2026 and then annually on April 1 until maturity on April 1, 2031. Proceeds used for paying the cost of building remodeling and improvement projects.                  | 1,500,000    | 1,500,000    | 272,000    | 347,000    |
| January 2024 - \$5,700,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0%, payable semiannually in April and October, varying principal payments are due on April 1, 2026 and then annually on April 1 until maturity on April 1, 2031. Proceeds used for paying the cost of building remodel, improvement projects, and movable equipment. | 5,700,000    | 5,700,000    | 828,200    | 1,080,900  |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 5: Long-Term Obligations (Continued)

|   | Principal    |              | Interest   |            |
|---|--------------|--------------|------------|------------|
|   | 2025         | 2024         | 2025       | 2024       |
| February 2024 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 5.0% to 3.0%, payable semiannually in April and October, varying principal payments are due on April 1, 2026 and then annually on April 1 until maturity on April 1, 2031. Proceeds used for paying the cost of building remodeling and improvement projects.          | \$ 1,500,000 | \$ 1,500,000 | \$ 206,100 | \$ 266,420 |
| March 2024 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0%, payable semiannually in April and October, varying principal payments are due on April 1, 2026 and then annually on April 1 until maturity on April 1, 2032. Proceeds used for paying the cost of building remodeling and improvement projects.                     | 1,500,000    | 1,500,000    | 262,600    | 320,267    |
| April 2024 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0%, payable semiannually in April and October, varying principal payments are due on April 1, 2027 and then annually on April 1 until maturity on April 1, 2032. Proceeds used for paying the cost of building remodeling and improvement projects.                     | 1,500,000    | 1,500,000    | 277,000    | 329,500    |
| September 2024 - \$1,500,000 general obligation promissory note payable at Huntington Securities, Inc. dba Huntington Capital Markets, with interest at 4.00% payable semi-annually in April and October, varying principal payments are due on April 1, 2025 and then annually until maturity on April 1, 2032. Proceeds used for paying the cost of building remodeling and improvement projects. | 1,500,000    | -            | 259,400    | -          |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 5: Long-Term Obligations (Continued)

|   | Principal     |               | Interest      |               |
|---|---------------|---------------|---------------|---------------|
|   | 2025          | 2024          | 2025          | 2024          |
| October 2024 - \$1,500,000 general obligation promissory note payable at Huntington Securities, Inc. dba Huntington Capital Markets, with interest at 4.00% payable semi-annually in April and October, varying principal payments are due on April 1, 2025 and then annually until maturity on April 1, 2032. Proceeds used for paying the cost of building remodeling and improvement projects. | \$ 1,000,000  | \$ -          | \$ 191,400    | \$ -          |
| February 2025 - \$6,200,000 general obligation promissory note payable at Piper Sandler & Co., with interest at 4.00 to 5.00% payable semi-annually in April and October, varying principal payments are due on October 1, 2025 and then annually until maturity on October 1, 2032. Proceeds used for paying the cost of building remodeling and improvement projects.                           | 6,200,000     | -             | 1,361,973     | -             |
| March 2025 - \$1,500,000 general obligation promissory note payable at BNY Mellon Capital Markets, LLC, with interest at 3.00 to 4.00% payable semi-annually in April and October, varying principal payments are due on October 1, 2025 and then annually until maturity on October 1, 2032. Proceeds used for paying the cost of building remodeling and improvement projects.                  | 1,500,000     | -             | 321,126       | -             |
| April 2025 - \$1,500,000 general obligation promissory note payable at Colliers Securities LLC, with interest at 4.00 to 5.00% payable semi-annually in April and October, varying principal payments are due on October 1, 2025 and then annually until maturity on October 1, 2033. Proceeds used for paying the cost of building remodeling and improvement projects.                          | 1,500,000     | -             | 396,315       | -             |
| Total general obligation debt   | \$ 87,020,000 | \$ 84,630,000 | \$ 12,426,577 | \$ 12,180,486 |



# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 5: Long-Term Obligations (Continued)

Principal and interest maturities on general obligation promissory notes at June 30, 2025 are as follows:

| Fiscal Year | Principal     | Interest      | Totals        |
|-------------|---------------|---------------|---------------|
| 2026        | \$ 9,870,000  | \$ 2,560,165  | \$ 12,430,165 |
| 2027        | 10,420,000    | 2,218,681     | 12,638,681    |
| 2028        | 10,725,000    | 1,868,806     | 12,593,806    |
| 2029        | 9,440,000     | 1,514,413     | 10,954,413    |
| 2030        | 9,795,000     | 1,172,187     | 10,967,187    |
| 2031-2035   | 25,190,000    | 2,544,275     | 27,734,275    |
| 2036-2040   | 11,580,000    | 548,050       | 12,128,050    |
| Totals      | \$ 87,020,000 | \$ 12,426,577 | \$ 99,446,577 |

The District has entered into a noncancelable SBITA with Microsoft. The agreement matures during the year ended June 30, 2026. The related subscription liability has been discounted at a rate of 4.00%. Principal and interest maturities on the subscription liabilities at June 30, 2025 are as follows:

| Fiscal Year | Principal  | Interest | Totals     |
|-------------|------------|----------|------------|
| 2026        | \$ 140,004 | \$ 5,600 | \$ 145,604 |
| Totals      | \$ 140,004 | \$ 5,600 | \$ 145,604 |

The District, as a lessee, has entered into a lease agreement with St. Croix Valley. The lease with St. Croix Valley is for office space and commenced in January 2023. The lease term is for five years, expiring in December 2027. Annual payments are \$7,800. The lease liability was measured at a discount rate of 4%. The lease liability was \$18,589 at June 30, 2025 and \$25,520 at June 30, 2024. Principal and interest maturities on the lease liabilities at June 30, 2025 are as follows:

| Fiscal year | Principal | Interest | Total     |
|-------------|-----------|----------|-----------|
| 2026        | \$ 7,214  | \$ 586   | \$ 7,800  |
| 2027        | 7,508     | 292      | 7,800     |
| 2028        | 3,867     | 33       | 3,900     |
| Totals      | \$ 18,589 | \$ 911   | \$ 19,500 |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 5: Long-Term Obligations (Continued)**

The Wisconsin State Statutes Chapter 67.03(1) limits general obligation debt of the District to 5% of the equalized value of the taxable property located in the District. As of June 30, 2025, the 5% limitation was \$2,194,230,146 and the District's outstanding general obligation debt was \$87,020,000. The District's outstanding general obligation debt (net of resources available to pay principal and interest) at June 30, 2025, was \$85,440,884. Wisconsin State Statutes Chapter 67.03(9) limits bonded indebtedness of the District to 2% of the equalized value of the taxable property located in the District. As of June 30, 2025, the 2% limitation was \$877,692,059. The District had no bonded indebtedness for the period.

### **Note 6: Lease Receivable**

On July 1, 2021, the District entered into a lease with the Lakeland College (lessee) for office space. Under the lease, the lessee will pay the District \$67,158, annually. The original lease term was to run through December 31, 2024, but the lease was terminated early on December 31, 2023. For the year ended June 30, 2024, the District recognized lease revenue of \$33,912 and \$1,742 of interest revenue under the lease.

On March 1, 2025, the District entered into a lease with OakLeaf Clinics-Pine Grove Family Medicine Division (lessee) for office space to provide healthcare services. Under the lease, the lessee will pay the District annual rent between \$331,920 and \$396,334. The lease term is to run through March 1, 2031. For the year ended June 30, 2025, the District recognized lease revenue of \$53,231 and \$28,705 of interest revenue under the lease.

### **Note 7: Employee Retirement Plans - Wisconsin Retirement System**

#### **Plan Description**

The Wisconsin Retirement System (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, and 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 online 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.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)**

#### **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 occupation employees) 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.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Postretirement Adjustments

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

| <b>Year</b> | <b>Core<br/>Fund<br/>Adjustment</b> | <b>Variable<br/>Fund<br/>Adjustment</b> |
|-------------|-------------------------------------|---|
| 2015        | 2.9 %                               | 2.0 %                                   |
| 2016        | 0.5 %                               | (5.0)%                                  |
| 2017        | 2.0 %                               | 4.0 %                                   |
| 2018        | 2.4 %                               | 17.0 %                                  |
| 2019        | - %                                 | (10.0)%                                 |
| 2020        | 1.7 %                               | 21.0 %                                  |
| 2021        | 5.1 %                               | 13.0 %                                  |
| 2022        | 7.4 %                               | 15.0 %                                  |
| 2023        | 1.6 %                               | (21.0)%                                 |
| 2024        | 3.6 %                               | 15.0 %                                  |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Contributions

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

During the reporting period, the WRS recognized \$2,864,510 in contributions from the employer.

Contribution rates as of June 30, 2025 and 2024, are as follows:

| Employee Category   | 2025     |          | 2024     |          |
|---|----------|----------|----------|----------|
|   | Employee | Employer | Employee | Employer |
| General (including teachers, executives, and elected officials) | 6.95%    | 6.95%    | 6.90%    | 6.90%    |
| Protective with Social Security                                 | 6.95%    | 14.95%   | 6.90%    | 14.30%   |
| Protective without Social Security                              | 6.95%    | 18.95%   | 6.90%    | 19.10%   |
| Act 4 Protective County Jailer                                  | 14.95%   | 6.95%    | -%       | -%       |

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

At June 30, 2025 and 2024, the District reported a liability of \$3,308,359 and \$3,002,686 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, within the District's fiscal year, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportionate share of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024 and 2023, the District's proportion was 0.20134062% and 0.20195550% (a decrease of 0.00061488% from the prior year).

For the year ended June 30, 2025 and 2024, the District recognized pension expense of \$4,449,020 and \$2,062,175.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

At June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | 2025                                 |                                     | 2024                                 |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ 10,274,267                        | \$ 9,654,588                        | \$ 12,106,802                        | \$ 16,035,533                       |
| Change in assumptions   | 981,654                              | -                                   | 1,308,784                            | -                                   |
| Net differences between projected and actual earnings on pension plan investments                             | 5,027,227                            | -                                   | 10,463,875                           | -                                   |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 32,399                               | 42,716                              | 64,462                               | 32,034                              |
| Employer contributions subsequent to the measurement date   | 1,435,037                            | -                                   | 1,455,760                            | -                                   |
| Totals  | \$ 17,750,584                        | \$ 9,697,304                        | \$ 25,399,683                        | \$ 16,067,567                       |

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

| Year Ended June 30 | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|--------------------|---|
| 2026               | \$ 2,005,088  |
| 2027               | 6,852,807   |
| 2028               | (1,707,754)   |
| 2029               | (531,898)   |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Actuarial Assumptions

The total pension liability in the actuarial valuations used for the years ended June 30, 2025 and 2024, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

|   | 2025   | 2024   |
|---|--|--|
| Actuarial valuation date                          | December 31, 2023  | December 31, 2022  |
| Measurement date of net pension liability (asset) | December 31, 2024  | December 31, 2023  |
| Experience study                                  | January 1, 2021-<br>December 31, 2023<br>Published November 19, 2024 | January 1, 2018-<br>December 31, 2020<br>Published November 19, 2021 |
| Actuarial cost method                             | Entry Age normal   | Entry Age normal   |
| Asset valuation method                            | Fair Value   | Fair Value   |
| Long-term expected rate of return                 | 6.8%   | 6.8%   |
| Discount rate                                     | 6.8%   | 6.8%   |
| Salary Increases:                                 |  |  |
| Inflation   | 3.0%   | 3.0%   |
| Seniority/Merit                                   | 0.1% - 5.7%  | 0.1% - 5.6%  |
| Mortality   | 2020 WRS Experience<br>Mortality Table                               | 2020 WRS Experience<br>Mortality Table                               |
| Postretirement adjustments*                       | 1.7%   | 1.7%   |

*\*No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in the 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 and 2023, are based upon a rollforward of the liability calculated from the December 31, 2023 and 2021, actuarial valuation

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

#### Asset Allocation Targets and Expected Returns

As of December 31, 2024

|                        | Asset<br>Allocation % | Long-Term<br>Expected<br>Nominal Rate<br>of Return % | Long-Term<br>Expected<br>Real Rate<br>of Return % |
|------------------------|-----------------------|--|---|
| Core fund asset class: |                       |  |   |
| Public Equity          | 38.0%                 | 7.0%   | 4.3%  |
| Public Fixed Income    | 27.0                  | 6.1  | 3.4   |
| Private Equity/Debt    | 20.0                  | 9.5  | 6.7   |
| Inflation Sensitive    | 19.0                  | 4.8  | 2.1   |
| Real Estate            | 8.0                   | 6.5  | 3.8   |
| Leverage               | (12.0)                | 3.7  | 1.1   |
| Total core fund        | 100.0%                | 7.5%   | 4.8%  |
| Variable fund asset:   |                       |  |   |
| U.S. equities          | 70.0%                 | 6.5%   | 3.8%  |
| International equities | 30.0                  | 7.4  | 4.7   |
| Total variable fund    | 100.0%                | 6.9%   | 4.2%  |

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

*New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.6%*

*The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range up to 20%.*



# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Actuarial Assumptions (Continued)

#### Asset Allocation Targets and Expected Returns

As of December 31, 2023

| Asset Class                | Asset Allocation % | Long-Term Expected Nominal Rate of Return % | Long-Term Expected Real Rate of Return % |
|----------------------------|--------------------|---|--|
| <u>Core fund:</u>          |                    |   |  |
| Global equities            | 40.0%              | 7.3%  | 4.5%                                     |
| Fixed income               | 27.0               | 5.8   | 3.0                                      |
| Inflation sensitive assets | 19.0               | 4.4   | 1.7                                      |
| Real estate                | 8.0                | 5.8   | 3.0                                      |
| Private equity/debt        | 18.0               | 9.6   | 6.7                                      |
| Multi-asset                | (12.0)             | 3.7   | 1.0                                      |
| Total core fund            | 100.0%             | 7.4%  | 4.6%                                     |
| <u>Variable fund:</u>      |                    |   |  |
| U.S. equities              | 70.0%              | 6.8%  | 4.0%                                     |
| International equities     | 30.0               | 7.6   | 4.8                                      |
| Total variable fund        | 100.0%             | 7.3%  | 4.5%                                     |

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

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

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

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)

#### Actuarial Assumptions (Continued)

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 4.08% (2025) and 3.77% (2024). (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of the 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 District's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability (asset) calculated using the current discount rate, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                              | 2025          |                               | 2024          |                               |
|------------------------------|---------------|-------------------------------|---------------|-------------------------------|
|                              | Discount Rate | Net Pension Liability (Asset) | Discount Rate | Net Pension Liability (Asset) |
| 1% decrease to discount rate | 5.8%          | \$ 31,036,733                 | 5.8%          | \$ 29,022,415                 |
| Current discount rate        | 6.8%          | 3,308,359                     | 6.8%          | 3,002,686                     |
| 1% increase to discount rate | 7.8%          | (16,391,854)                  | 7.8%          | (15,204,418)                  |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 7: Employee Retirement Plans - Wisconsin Retirement System (Continued)**

#### **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>.

#### **Payables to the Pension Plan**

At June 30, 2025 and 2024, the District reported a payable of \$479,280 and \$477,902.

The District also sponsors a defined contribution retirement plan under Code Section 403(b) that allows all employees to make pretax voluntary contributions. This plan does not provide for employer contributions.

### **Note 8: District Pension Plan and Benefits (Supplemental Stipend)**

The District administers a single-employer defined benefit plan for eligible management and professional employees hired prior to June 30, 2009, and faculty hired prior to July 1, 2012, that provides a one-time contribution equal to 36% of an employee's final contracted salary into a TSA account. The TSA benefit was modified in 2025 and only applies to eligible employees who retire prior to June 30, 2026. The pension plan is closed to new entrants. There are no assets accumulated in a trust that meets the criteria in GASBS No. 73, paragraph 4, and there is no standalone report for the plan. There are 68 active plan members and 20 inactive plan members currently receiving benefits. The District Board has the authority to establish and amend the types of benefits provided through the pension plan.

The total pension liability as of June 30, 2025 and 2024, was measured as of June 30, 2024 and 2023, and was determined by an actuarial valuation as of June 30, 2022, respectively. There have been no changes of assumptions or other inputs and no changes of benefit terms that affected measurement of the total pension liability since the prior measurement date. There have been no changes that are expected to have a significant effect on the total pension liability since the measurement date. The actuarial assumptions included an inflation rate of 2.5% at June 30, 2022 and projected salary increases of 3.0%, average, including inflation. The discount rate used in the measurement of the total pension liability was 4.21% at June 30, 2024 and 4.13% at June 30, 2023, as determined by the actuary based on the S&P Municipal Bond 20 Year Higher Grade Index as of June 30, 2024 and 2023. Mortality, disability, and retirement rates are from the Wisconsin Retirement System experience for public schools.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 8: District Pension Plan and Benefits (Supplemental Stipend) (Continued)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study conducted in 2021 using experience from 2018-2020.

Changes in the total pension liability for the years ended June 30, 2025 and 2024, are as follows:

|  | <u>Total Pension Liability</u> |              |
|--|--------------------------------|--------------|
|  | <u>2025</u>                    | <u>2024</u>  |
| Balance, beginning of year                         | \$ 1,936,216                   | \$ 2,046,593 |
| Changes for the year:                              |                                |              |
| Service cost                                       | 64,005                         | 62,756       |
| Interest on the total pension liability            | 75,204                         | 76,676       |
| Changes of benefit terms                           | (1,273,763)                    | -            |
| Differences between expected and actual experience | 186,624                        | 84,177       |
| Changes of assumptions or other inputs             | 78,913                         | (11,833)     |
| Benefit payments                                   | (294,607)                      | (322,153)    |
| Net changes  | (1,163,624)                    | (110,377)    |
| Balance, end of the year                           | \$ 772,592                     | \$ 1,936,216 |

The following presents the total pension liability of the District, calculated using the current discount rate, as well as what the District's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                              | <u>2025</u>          |   | <u>2024</u>          |   |
|------------------------------|----------------------|---|----------------------|---|
|                              | <u>Decrease Rate</u> | <u>District's Total Pension Liability</u> | <u>Discount Rate</u> | <u>District's Total Pension Liability</u> |
| 1% decrease to discount rate | 3.21%                | \$ 780,441                                | 3.13%                | \$ 2,027,484                              |
| Current discount rate        | 4.21%                | 772,592                                   | 4.13%                | 1,936,216                                 |
| 1% increase to discount rate | 5.21%                | 764,735                                   | 5.13%                | 1,846,843                                 |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 8: District Pension Plan and Benefits (Supplemental Stipend) (Continued)

For the years ended June 30, 2025 and 2024, the District recognized pension expense (income) of \$(901,624) and \$106,825. At June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

|   | 2025                                 |                                     | 2024                                 |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ 202,935                           | \$ 325,189                          | \$ 270,589                           | \$ 390,226                          |
| Change in assumptions or other input                | 12,130                               | 179,894                             | 16,172                               | 219,160                             |
| Benefit payments subsequent to the measurement date | 233,737                              | -                                   | 294,607                              | -                                   |
| Totals  | \$ 448,802                           | \$ 505,083                          | \$ 581,368                           | \$ 609,386                          |

Deferred outflows related to pensions resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30 | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|--------------------|---|
| 2026               | \$ (32,607)   |
| 2027               | (32,609)  |
| 2028               | (78,123)  |
| 2029               | (75,686)  |
| 2030               | (75,686)  |
| Thereafter         | 4,693   |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 9: Postemployment Benefits Other Than Pension Benefits**

The District administers a single-employer defined benefit healthcare plan. The plan provides medical insurance benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. The eligibility requirements are based on the retirees position, years of service, and age at retirement. If eligible, the retiree may receive medical insurance benefits until eligible for Medicare. There are no assets accumulated in a trust that meet the criteria of GASB No. 75, paragraph 4, and there is not a standalone report for the plan. There are 540 active plan members and 64 inactive plan members currently receiving benefits. The plan is closed to new entrants.

The contribution requirements of plan members are based on the employee handbook in effect on the date of retirement. In the year of retirement, the District pays 100% of the medical insurance premium for eligible members. In years subsequent to the retirement year, the retiree pays the difference between the current premium and the amount of the premium in effect at the date of retirement. The District's contribution is established annually based on an amount to pay current premiums, less the retiree portion. For fiscal years 2025 and 2024, the District contributed \$951,466 and \$395,990 to the plan for current premiums, while plan members receiving benefits contributed \$101,112 and \$162,397 (approximately 13% and 13% of total premiums).

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 9: Postemployment Benefits Other Than Pension Benefits (Continued)

At June 30, 2025 and 2024, the District reported a total OPEB liability of \$7,188,584 and \$6,810,789. The total pension liability was measured as of June 30, 2025 and 2024, and was determined by and actuarial valuation as of June 30, 2023 and June 30, 2022. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                       | 2025   | 2024   |
|-----------------------|--|--|
| Inflation             | 2.50%  | 2.50%  |
| Salary Increases:     |  |  |
| Inflation             | 3.0%   | 3.0%   |
| Merit                 | 0.1%-3.0%  | 0.1% - 3.0%  |
| Healthcare cost       | 7.0% decreasing to 6.5%, then decreasing by 0.1% per year down to 4.5% and level thereafter  | 7.0% decreasing to 6.5%, then decreasing by 0.1% per year down to 4.5% and level thereafter  |
| Discount rate         | 4.21%  | 4.13%  |
| Mortality             | 2020 WRS Experience Table for Active Employees and Healthy Retirees projected with mortality improvements using the fully generated MP-2021 projection scale from a base year of 2010. | 2020 WRS Experience Table for Active Employees and Healthy Retirees projected with mortality improvements using the fully generated MP-2021 projection scale from a base year of 2010. |
| Actuarial assumptions | Based on an experience study conducted in 2021 using WRS experience from 2018-2020   | Based on an experience study conducted in 2021 using WRS experience from 2018-2020   |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 9: Postemployment Benefits Other Than Pension Benefits (Continued)

The 4.21% and 4.13% discount rates used to measure the total OPEB liability were determined by the actuary based on S&P Municipal Bond 20 year High Grade Index of June 30, 2024 and 2023.

Changes in the total OPEB liability for the years ended June 30, 2025 and 2024, are as follows:

|  | 2025         | 2024         |
|--|--------------|--------------|
| Balance, beginning of year                         | \$ 6,810,789 | \$ 7,234,283 |
| Changes for the year:                              |              |              |
| Service cost                                       | 159,936      | 156,898      |
| Interest   | 276,411      | 274,091      |
| Differences between expected and actual experience | (481,914)    | 106,611      |
| Changes of assumptions or other inputs             | 819,352      | (40,194)     |
| Benefit payments                                   | (395,990)    | (920,900)    |
| Net Changes  | 377,795      | (423,494)    |
| Balance, end of the year                           | \$ 7,188,584 | \$ 6,810,789 |

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|                              | 2025          |                      | 2024          |                      |
|------------------------------|---------------|----------------------|---------------|----------------------|
|                              | Discount Rate | Total OPEB Liability | Discount Rate | Total OPEB Liability |
| 1% decrease to discount rate | 3.21%         | \$ 7,597,248         | 3.13%         | \$ 7,123,525         |
| Current discount rate        | 4.21%         | 7,188,584            | 4.13%         | 6,810,789            |
| 1% increase to discount rate | 5.21%         | 6,796,081            | 5.13%         | 6,508,434            |



# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 9: Postemployment Benefits Other Than Pension Benefits (Continued)

The following represents the District's total OPEB liability calculated using the healthcare cost trend rate from the study, as well as what the District's total OPEB liability would be if it were calculated using the healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

|             | 2025                            |                         | 2024                            |                         |
|-------------|---------------------------------|-------------------------|---------------------------------|-------------------------|
|             | Health Care Cost<br>Trend Rates | Total OPEB<br>Liability | Health Care Cost<br>Trend Rates | Total OPEB<br>Liability |
| 1% decrease | 6.0% decreasing<br>to 3.5%      | \$ 6,635,618            | 6.0% decreasing<br>to 3.5%      | \$ 6,363,977            |
| Current     | 7.0% decreasing<br>to 4.5%      | 7,188,584               | 7.0% decreasing<br>to 4.5%      | 6,810,789               |
| 1% increase | 8.0% decreasing<br>to 5.5%      | 7,810,607               | 8.0% decreasing<br>to 5.5%      | 7,316,510               |

For the year ended June 30, 2025 and 2024, the District recognized OPEB expense of \$356,614 and \$536,276. At June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | 2025                                 |                                     | 2024                                 |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ 563,309                           | \$ 743,207                          | \$ 700,329                           | \$ 618,971                          |
| Change in assumptions or other input                | 848,396                              | 309,699                             | 245,959                              | 385,689                             |
| Benefit payments subsequent to the measurement date | 951,466                              | -                                   | 395,990                              | -                                   |
| Totals  | \$ 2,363,171                         | \$ 1,052,906                        | \$ 1,342,278                         | \$ 1,004,660                        |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 9: Postemployment Benefits Other Than Pension Benefits (Continued)

The amount reported as deferred outflows of resources related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

| <u>Year Ended June 30</u> | <u>Net Deferred<br/>Outflows<br/>(Inflows) of<br/>Resources</u> |
|---------------------------|---|
| 2026                      | \$ (103,731)  |
| 2027                      | 94,774  |
| 2028                      | 94,774  |
| 2029                      | 94,775  |
| 2030                      | 43,233  |
| Thereafter                | 134,974   |

### Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund

#### Plan Description

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

#### OPEB Plan Fiduciary Net Position

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

Additionally, ETF issues a standalone Retiree Life Insurance Financial Report, which can also be found using the link above.

#### Benefits Provided

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

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

#### Contributions

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

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

Contribution rates as of June 30, 2025 and 2024, are as follows:

| Coverage Type               | Employer Contribution      |
|-----------------------------|----------------------------|
| 50% postretirement coverage | 40% of member contribution |
| 25% postretirement coverage | 20% of member contribution |

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2024 and 2023, are as listed below:

| Life Insurance Member Contribution Rates      |       |      |              |
|---|-------|------|--------------|
| For the Year Ended December 31, 2024 and 2023 |       |      |              |
| Attained Age                                  | Basic |      | Supplemental |
| Under 30                                      | \$    | 0.05 | \$ 0.05      |
| 30-34   |       | 0.06 | 0.06         |
| 35-39   |       | 0.07 | 0.07         |
| 40-44   |       | 0.08 | 0.08         |
| 45-49   |       | 0.12 | 0.12         |
| 50-54   |       | 0.22 | 0.22         |
| 55-59   |       | 0.39 | 0.39         |
| 60-64   |       | 0.49 | 0.49         |
| 65-69   |       | 0.57 | 0.57         |

\*Disabled members under age 70 receive a waiver-of-premium benefit.

During the reporting period, the LRLIF recognized \$31,862 in contributions from the employer.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

At June 30, 2025 and 2024, the District reported a liability of \$5,757,990 and \$6,618,386 for its proportionate share of the net OPEB liability. The net OPEB liability was measured at December 31 within the District's fiscal year, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022 and 2021, the District's proportion was 1.471782% and 1.438575% (an increase of 0.033210% from the prior year).

For the year ended June 30, 2025 and 2024, the District recognized OPEB expense of \$289,244 and \$467,959.

At June 30, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

|   | 2025                                 |                                     | 2024                                 |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ -                                 | \$ 599,032                          | \$ -                                 | \$ 585,746                          |
| Net differences between projected and actual earnings on OPEB plan investments                                | 79,073                               | -                                   | 89,411                               | -                                   |
| Changes in assumptions  | 1,412,849                            | 3,229,537                           | 2,070,287                            | 2,606,179                           |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 302,438                              | 178,703                             | 193,986                              | 256,273                             |
| Employer contributions subsequent to the measurement date   | 15,762                               | -                                   | 15,141                               | -                                   |
| <b>Totals</b>   | <b>\$ 1,810,122</b>                  | <b>\$ 4,007,272</b>                 | <b>\$ 2,368,825</b>                  | <b>\$ 3,448,198</b>                 |

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

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

| Year Ended June 30: | Net Deferred<br>Outflows<br>(Inflows) of<br>Resources |
|---------------------|---|
| 2026                | \$ (216,854)  |
| 2027                | (456,834)   |
| 2028                | (652,534)   |
| 2029                | (607,382)   |
| 2030                | (104,052)   |
| Thereafter          | (175,256)   |

#### Actuarial Assumptions

The total OPEB liability in the actuarial valuations used for the years ended June 30, 2025 and 2024, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

|  | 2025  | 2024  |
|--|---|---|
| Actuarial valuation date                       | January 1, 2024   | January 1, 2023   |
| Measurement date of net OPEB liability (asset) | December 31, 2024   | December 31, 2023   |
| Experience study                               | January 1, 2021-<br>December 31, 2023<br>Published November<br>19, 2024 | January 1, 2018-December<br>31, 2020 Published<br>November 19, 2021 |
| Actuarial cost method                          | Entry age normal  | Entry Age normal  |
| 20 Year tax exempt municipal bond yield        | 4.08%   | 3.26%   |
| Long-term expected rate of return              | 4.25%   | 4.25%   |
| Discount rate                                  | 4.09%   | 3.32%   |
| Salary Increases:                              |   |   |
| Inflation                                      | 3.0%  | 3.0%  |
| Seniority/Merit                                | 0.1% - 5.7%   | 0.1% - 5.6%   |
| Mortality                                      | 2020 WRS Experience<br>Mortality Table                                  | 2020 WRS Experience<br>Mortality Table                              |

\* Based on the Bond Buyers GO Index

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total OPEB Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

#### Actuarial Assumptions (Continued)

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

#### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2024

| Asset Class                       | Index                        | Target Allocation | Long-Term Expected Geometric Real Rate of Return |
|-----------------------------------|------------------------------|-------------------|--|
| U.S. Intermediate Credit Bonds    | Bloomberg U.S. Interm Credit | 40%               | 2.41%  |
| U.S. Mortgages                    | Bloomberg U.S. MBS           | 60%               | 2.71%  |
| Inflation                         |                              |                   | 2.30 %   |
| Long-term expected rate of return |                              |                   | 4.25 %   |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

#### Actuarial Assumptions (Continued)

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

#### Local OPEB Life Insurance Asset Allocation Targets and Expected Returns As of December 31, 2023

| Asset Class                       | Index                       | Target Allocation | Long-Term Expected Geometric Real Rate of Return |
|-----------------------------------|-----------------------------|-------------------|--|
| U.S. intermediate credit bonds    | Bloomberg US Interim Credit | 40%               | 2.32%  |
| U.S. mortgages                    | Bloomberg US MBS            | 60%               | 2.52%  |
| Inflation                         |                             |                   | 2.30%  |
| Long-term expected rate of return |                             |                   | 4.25%  |

Single Discount Rate: A single discount rate of 4.09% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2037.

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

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 10: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

#### Actuarial Assumptions (Continued)

Sensitivity of District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents District's proportionate share of the net OPEB liability calculated using the current discount rate of 4.09%, as well as what the District's proportionate share of the Net OPEB Liability (Asset) would be if it were calculated using a discount rate that is 1 percentage point lower (3.09%) or 1 percentage point higher (5.09%) than the current rate:

|                              | 2025          |                    | 2024          |                    |
|------------------------------|---------------|--------------------|---------------|--------------------|
|                              | Discount Rate | Net OPEB Liability | Discount Rate | Net OPEB Liability |
| 1% decrease to discount rate | 3.09%         | \$ 7,696,360       | 2.32%         | \$ 8,892,724       |
| Current discount rate        | 4.09%         | 5,757,990          | 3.32%         | 6,618,386          |
| 1% increase to discount rate | 5.09%         | 4,264,302          | 4.32%         | 4,882,330          |

### Note 11: Expense Classifications

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, 2025 and 2024:

|  | 2025                 | 2024                 |
|--|----------------------|----------------------|
| Salaries and wages                     | \$ 44,405,943        | \$ 44,161,699        |
| Employee benefits                      | 19,132,220           | 17,646,218           |
| Travel, memberships, and subscriptions | 704,632              | 805,483              |
| Supplies                               | 9,129,463            | 8,605,831            |
| Contracted services                    | 5,950,632            | 8,287,868            |
| Rentals                                | 37,035               | 57,477               |
| Credit                                 | 360,074              | 302,727              |
| Insurance                              | 652,066              | 593,305              |
| Utilities                              | 1,682,082            | 1,765,727            |
| Depreciation                           | 12,948,258           | 11,059,442           |
| Student aid                            | 4,744,829            | 3,519,942            |
| <b>Total operating expenses</b>        | <b>\$ 99,747,234</b> | <b>\$ 96,805,719</b> |



# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 12: Transactions With Component Unit

The District has the following transactions and balances with Chippewa Valley Technical College Foundation, Inc., a discretely presented component unit:

|  | 2025       | 2024    |
|--|------------|---------|
| Equipment donated by Foundation  | \$ 161,654 | \$ -    |
| Cash donations from the Foundation to the District for capital projects and support services | 458,193    | 948,142 |
| Foundation payable to the College  | 11,576     | -       |
| Payment for services from the Foundation based on memorandum of understanding                | 108,750    | 70,000  |

### Note 13: Contingencies

The District receives regular program aids from the Wisconsin Technical College System Board based on aidable expenditures. This amount is subject to adjustment based on a state audit of the full-time equivalent students and cost allocation reports of the District and other districts of the state. The audit for the fiscal year ended June 30, 2025 and 2024, has not been completed. It is the belief of management of the District that audit adjustments, if any, will not materially affect the District's financial position.:

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted 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 material adverse effect on the District's financial position or results of operations.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 14: Risk Management

#### Districts Mutual Insurance Company (DMI)

In July 2004, all 16 WTCS technical colleges created Districts Mutual Insurance Company (DMI). DMI 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. The District'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 the retained layer of coverage above \$250,000 per occurrence.

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 DMI.

Each member college was assessed an annual premium. Since DMI is fully capitalized, member colleges have not been assessed a capitalization amount for fiscal years 2025 and 2024. 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 DMI.

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

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### **Note 14: Risk Management** (Continued)

#### **Supplemental Insurance**

In July 1997, 11 of the 16 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 16 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 liability: \$2,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; \$1,000 deductible for employee benefits.
- Crime: \$750,000 coverage for employee dishonesty, forgery, computer fraud, and funds transfer fraud; \$500,000 coverage for theft, robbery, burglary, disappearance, and destruction of money and securities; \$25,000 coverage for investigation expenses; \$2,500 deductible for investigation, \$15,000 deductible for employee dishonesty, forgery, and fraud.

### **Note 15: Outstanding Contractual Commitments**

During the year, the District entered into various contracts with a general contractor related to capital projects. The total amount that remained unspent on these contracts as of June 30, 2025 was \$1,894,029.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 16: Component Unit

This report contains the Chippewa Valley Technical College Foundation, Inc., which is included as a discretely presented component unit. In addition to the basic financial statements, the following disclosures are considered necessary for a fair presentation

#### A – Cash and Investments

##### Deposits

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation does not have a deposit policy for custodial credit risk. As of June 30, 2025 and 2024, none of the Foundation's bank balance was exposed to custodial credit risk.

Pooled investments at June 30 are summarized as follows:

|  | 2025         |                   | 2024         |                   |
|--|--------------|-------------------|--------------|-------------------|
|  | Cost         | Fair Market Value | Cost         | Fair Market Value |
| Institutional/CMA Money Fund           | \$ 315,828   | \$ 315,828        | \$ 326,456   | \$ 326,456        |
| American Capital World Growth & Income | 502,523      | 722,534           | -            | -                 |
| Fixed Income                           | 2,093,843    | 2,096,700         | 2,013,748    | 2,009,205         |
| AMCAP Fund                             | 541,992      | 722,319           | 482,922      | 649,636           |
| Fidelity Investment Treasury Only      | 195,870      | 195,870           | -            | -                 |
| Capital World Growth and Income Fund   | 5,000        | 5,181             | 426,832      | 588,827           |
| Fundamental Investors                  | 544,095      | 775,996           | 501,790      | 691,272           |
| Capital Income Builder Fund            | 849,276      | 1,119,801         | 770,771      | 924,273           |
| Income Fund of America                 | 861,996      | 1,092,180         | 773,288      | 903,224           |
| Totals                                 | \$ 5,910,423 | \$ 7,046,409      | \$ 5,295,807 | \$ 6,092,893      |

Return on investment consists of the following at June 30:

|                              | 2025       | 2024       |
|------------------------------|------------|------------|
| Unrealized gains (losses)    | \$ 544,622 | \$ 432,025 |
| Realized gains               | 35,455     | 55,641     |
| Interest and dividend income | 203,173    | 200,011    |
| Totals                       | \$ 783,250 | \$ 687,677 |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 16: Component Unit (Continued)

#### B – Fair Value Measurements

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 16: Component Unit (Continued)

#### B- Fair Value Measurements (Continued)

Information regarding assets measured at fair value on a recurring basis as of June 30, 2025 and 2024, are as follows:

|                                  | 2025               |              |         |                  |
|----------------------------------|--------------------|--------------|---------|------------------|
|                                  | Measurements Using |              |         | Total Fair Value |
|                                  | Level 1            | Level 2      | Level 3 |                  |
| Assets at fair value:            |                    |              |         |                  |
| Money market funds               | \$ 315,828         | \$ -         | \$ -    | \$ 315,828       |
| Mutual funds - Equity securities | 4,633,881          | -            | -       | 4,633,881        |
| Fixed income                     | -                  | 2,096,700    | -       | 2,096,700        |
| Total assets at fair value       | \$ 4,949,709       | \$ 2,096,700 | \$ -    | \$ 7,046,409     |

|                                  | 2024               |              |         |              | Total Fair Value |
|----------------------------------|--------------------|--------------|---------|--------------|------------------|
|                                  | Measurements Using |              |         |              |                  |
|                                  | Level 1            | Level 2      | Level 3 |              |                  |
| Assets at fair value:            |                    |              |         |              |                  |
| Money market funds               | \$ 326,456         | \$ -         | \$ -    | \$ 326,456   |                  |
| Mutual funds - Equity securities | 3,757,232          | -            | -       | 3,757,232    |                  |
| Fixed Income                     | -                  | 2,009,205    | -       | 2,009,205    |                  |
| Total assets at fair value       | \$ 4,083,688       | \$ 2,009,205 | \$ -    | \$ 6,092,893 |                  |

The methods described above and shown above for fair value calculations may produce a fair value calculation that may be different from the net realizable value or not reflective of future values expected to be received. The Foundation believes that its valuation methods are appropriate and consistent with other market participants; however, the use of these various methodologies and assumptions may produce results that differ in the fair value at the financial reporting date.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 16: Component Unit (Continued)

#### C – Restricted Net Position and Endowments

Net position restricted for scholarships and other activities includes assets set aside in accordance with donor restrictions as to time or use. Net position restricted for scholarships and other activities is available for the following purposes or periods at June 30:

|                          | 2025         | 2024         |
|--------------------------|--------------|--------------|
| Endowments               | \$ 4,672,320 | \$ 3,690,124 |
| Scholarships             | 216,437      | 295,576      |
| Equipment                | -            | 75,322       |
| Programs                 | 382,520      | 346,121      |
| Professional development | 5,079        | 4,137        |
| Other                    | 556,099      | 662,306      |
| Totals                   | \$ 5,832,455 | \$ 5,073,586 |

Restricted-nonexpendable net position has been restricted by donors to be maintained in perpetuity, the income of which is expendable to support scholarship programs of the Foundation.

The Foundation's endowments consist of funds that are invested in money market accounts, corporate and government bonds, and mutual funds. These endowments include donor-restricted endowment funds and unrestricted board-designated endowment funds. Net position associated with the endowment funds is classified and reported on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as restricted-nonexpendable net position (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

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### Note 16: Component Unit (Continued)

#### C – Restricted Net Position and Endowments (Continued)

Investment Return Objectives, Risk Parameters, and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to provide a market-competitive total return on assets to increase the asset base over the long-term and meet potential partial disbursement requirements of its restricted funds. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The spending policy for the Foundation is directed by the Board of Directors. Endowment scholarship payments may not exceed 5% of total endowment fund balances as determined at September 30 of each year. Administrative expenses, legal, tax, accounting, and investment advisory fees will be paid from the operating fund and are not included in the amount designated for disbursement. It is the responsibility of the Board of Directors to annually review the spending policy and make adjustments as necessary to preserve the purchasing power of the Foundation. Further, it shall be the responsibility of the Board of Directors to promptly communicate any changes in the spending policy to its investment manager.

Endowments that are donor restricted consisted of the following on June 30:

|   | Donor Restricted |              |
|---|------------------|--------------|
|   | 2025             | 2024         |
| Without donor restrictions - Board designated | \$ 698,349       | \$ 694,320   |
| With donor restrictions                       | 4,672,320        | 3,690,124    |
| Total   | \$ 5,370,669     | \$ 4,384,444 |



# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 16: Component Unit (Continued)

#### C – Restricted Net Position and Endowments (Continued)

Changes in endowment net position for the years ended June 30, 2025 and 2024, consisted of the following:

|  | <b>2025</b>                                  |                             |                     |
|--|--|-----------------------------|---------------------|
|  | <b>Unrestricted<br/>Board<br/>Designated</b> | <b>Donor<br/>Restricted</b> | <b>Total</b>        |
| Endowment net position at beginning of year        | \$ 694,320                                   | \$ 3,690,124                | \$ 4,384,444        |
| Investment return                                  | 104,702                                      | 680,028                     | 784,730             |
| Contributions                                      | 181,175                                      | 608,170                     | 789,345             |
| Appropriation of endowment assets for expenditures | (281,848)                                    | (306,002)                   | (587,850)           |
| <b>Totals</b>                                      | <b>\$ 698,349</b>                            | <b>\$ 4,672,320</b>         | <b>\$ 5,370,669</b> |

|  | <b>2024</b>                                  |                             |                     |
|--|--|-----------------------------|---------------------|
|  | <b>Unrestricted<br/>Board<br/>Designated</b> | <b>Donor<br/>Restricted</b> | <b>Total</b>        |
| Endowment net position at beginning of year        | \$ 612,225                                   | \$ 3,168,192                | \$ 3,780,417        |
| Investment return                                  | 83,092                                       | 576,188                     | 659,280             |
| Contributions                                      | 29,221                                       | 132,589                     | 161,810             |
| Appropriation of endowment assets for expenditures | (30,218)                                     | (186,845)                   | (217,063)           |
| <b>Totals</b>                                      | <b>\$ 694,320</b>                            | <b>\$ 3,690,124</b>         | <b>\$ 4,384,444</b> |

# Chippewa Valley Technical College District

## Notes to the Basic Financial Statements

### Note 16: Component Unit (Continued)

#### D - Unconditional Promises to Give

Unconditional promises to give consist of the following at June 30:

|  | 2025       | 2024       |
|--|------------|------------|
| Restricted for Dunn Energy Naming opportunities      | \$ 8,000   | \$ -       |
| Restricted for Diesel Truck Program                  | 7,600      | -          |
| Restricted for AC, Heating and Refrigeration Program | 6,413      | 9,619      |
| Restricted for IT naming opportunities               | 7,600      | 11,400     |
| Restricted for United Way Microgrant                 | 53,127     | 148,280    |
| Restricted for ESEC naming opportunities             | 30,875     | 61,750     |
| Restricted for Tec naming opportunities              | 34,675     | 46,550     |
| Restricted for administrative fees                   | 4,925      | 21,782     |
| Total restricted                                     | 153,215    | 299,381    |
| Less - Discount on pledges receivable                | (12,977)   | (16,978)   |
| Total unconditional promises to give                 | \$ 140,238 | \$ 282,403 |
| Amounts Due in:                                      |            |            |
| Less than one year                                   | \$ 114,465 | \$ 114,309 |
| One to five years                                    | 38,750     | 185,072    |
| Totals   | \$ 153,215 | \$ 299,381 |

Unconditional promises to give due in more than one year are to be reflected at the present value of estimated future cash flows. At June 30, 2025, and June 30, 2024, future unconditional promises to give were discounted at 3.79% and 4.13%, respectively..

## **Required Supplementary Information**

# Chippewa Valley Technical College District

## Schedule of Changes in the Employer's Total Pension Liability and Related Ratios - District Pension Plan

Last 10 Fiscal Years\*

|  | 2025         | 2024         | 2023         | 2022         | 2021         |
|--|--------------|--------------|--------------|--------------|--------------|
| Measurement date   | 6/30/2024    | 6/30/2023    | 6/30/2022    | 6/30/2021    | 6/30/2020    |
| Total Pension liability:   |              |              |              |              |              |
| Service cost   | \$ 64,005    | \$ 62,756    | \$ 111,556   | \$ 109,101   | \$ 161,535   |
| Interest on total pension liability  | 75,204       | 76,676       | 49,222       | 52,236       | 109,361      |
| Changes of benefit terms   | (1,273,763)  | -            | -            | -            | -            |
| Differences between expected and actual experience                             | 186,624      | 84,177       | 46,943       | -            | (650,374)    |
| Changes of assumptions or other input  | 78,913       | (11,833)     | (149,432)    | -            | (72,986)     |
| Benefit payments   | (294,607)    | (322,153)    | (287,160)    | (305,811)    | (342,835)    |
| Net change in total pension liability  | (1,163,624)  | (110,377)    | (228,871)    | (144,474)    | (795,299)    |
| Total pension liability - Beginning  | 1,936,216    | 2,046,593    | 2,275,464    | 2,419,938    | 3,215,237    |
| Total pension liability - Ending   | \$ 772,592   | \$ 1,936,216 | \$ 2,046,593 | \$ 2,275,464 | \$ 2,419,938 |
| Covered-employee payroll   | \$ 6,457,339 | \$ 7,541,547 | \$ 7,541,547 | \$ 9,734,565 | \$ 9,734,565 |
| District's total pension liability as a percentage of covered-employee payroll | 11.96 %      | 25.67 %      | 27.14 %      | 23.38 %      | 24.86 %      |

# Chippewa Valley Technical College District

## Schedule of Changes in the Employer's Total Pension Liability and Related Ratios - District Pension Plan (Continued)

Last 10 Fiscal Years\*

|  | 2020          | 2019          | 2018          | 2017          |
|--|---------------|---------------|---------------|---------------|
| Measurement date   | 6/30/2019     | 6/30/2018     | 6/30/2017     | 6/30/2016     |
| Total Pension liability:   |               |               |               |               |
| Service cost   | \$ 150,725    | \$ 167,571    | \$ 178,844    | \$ 178,844    |
| Interest on total pension liability  | 118,177       | 95,949        | 82,693        | 80,626        |
| Changes of benefit terms   | -             | -             | -             | -             |
| Differences between expected and actual experience                             | -             | 477,764       | -             | -             |
| Changes of assumptions or other input  | 36,382        | (68,104)      | (71,293)      | -             |
| Benefit payments   | (332,149)     | (177,410)     | (221,822)     | (159,310)     |
| Net change in total pension liability  | (26,865)      | 495,770       | (31,578)      | 100,160       |
| Total pension liability - Beginning  | 3,242,102     | 2,746,332     | 2,777,910     | 2,677,750     |
| Total pension liability - Ending   | \$ 3,215,237  | \$ 3,242,102  | \$ 2,746,332  | \$ 2,777,910  |
| Covered-employee payroll   | \$ 14,135,517 | \$ 14,135,517 | \$ 13,867,156 | \$ 13,867,156 |
| District's total pension liability as a percentage of covered-employee payroll | 22.75 %       | 22.94 %       | 19.80 %       | 20.03 %       |

### Notes to Schedule:

There are no assets accumulated in a trust that meets the criteria in GASBS No. 73, paragraph 4, to pay related benefits.

Benefit changes: In 2025 there was a change to benefit terms. The College no longer provides TSA contributions to those who are eligible but retiring after June 30, 2026. In 2024 there were no changes in benefit terms.

Changes of assumptions: The discount rate was changed to 4.21% in 2025, 4.13% in 2024, 4.0% in 2023, 2.25% in 2021 and 2022, 3.5% in 2020, 3.75% in 2019, and 3.5% in 2018 to be reflective of the 20-year AA municipal bond rates.

\*This schedule is presented to illustrate the requirement to show information for 10 years. Additional information will be presented as it becomes available.

# Chippewa Valley Technical College District

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

Last 10 Fiscal Years

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

#### Wisconsin Retirement System (WRS)

Last 10 Calendar Years

| Measurement Date<br>December 31, | District's<br>Proportion of<br>the Net Pension<br>Liability (Asset) | District's<br>Proportionate Share<br>of the Net Pension<br>Liability (Asset) | District's<br>Covered Payroll | Districts Proportionate<br>Share of the Net<br>Pension Liability<br>(Asset) as a Percentage<br>of it's Covered<br>Employee Payroll | Plan Fiduciary Net<br>Position as a<br>Percentage of the<br>Total Pension Liability |
|----------------------------------|---|--|-------------------------------|--|---|
| 2024                             | 0.20134062 %  | \$ 3,308,359   | \$ 41,814,980                 | 7.91 %   | 98.79 %   |
| 2023                             | 0.20195550  | 3,002,686  | 39,986,550                    | 7.51   | 98.85   |
| 2022                             | 0.19897391  | 10,541,048   | 36,622,960                    | 28.78  | 95.72   |
| 2021                             | 0.19944276  | (16,075,453)   | 34,112,355                    | (47.13)  | 106.02  |
| 2020                             | 0.20535808  | (12,820,789)   | 32,898,151                    | (38.97)  | 105.26  |
| 2019                             | 0.21350609  | (6,884,411)  | 32,648,063                    | (21.09)  | 102.96  |
| 2018                             | 0.21940654  | 7,805,796  | 33,039,626                    | 23.63  | 96.45   |
| 2017                             | 0.22257400  | (6,608,486)  | 32,803,779                    | (20.15)  | 102.93  |
| 2016                             | 0.22342502  | 1,841,556  | 31,953,776                    | 5.76   | 99.12   |
| 2015                             | 0.22691790  | 3,687,372  | 31,928,079                    | 11.55  | 98.20   |

### Schedule of the Employer Contributions

#### Wisconsin Retirement System (WRS)

Last 10 Fiscal Years

| Year Ended<br>June 30, | Contractually<br>Required<br>Contributions<br>for the Fiscal<br>Period | Contributions in<br>Relation to the<br>Contractually<br>Required<br>Contributions | Contribution<br>Deficiency<br>(Excess) | District's Covered<br>Payroll for the Fiscal<br>Year | Contributions as a<br>Percentage of<br>Covered Payroll |
|------------------------|--|---|--|--|--|
| 2025                   | \$ 2,864,510   | \$ (2,864,510)  | -                                      | \$ 41,365,018  | 6.92 %   |
| 2024                   | 2,854,057  | (2,854,057)   | -                                      | 41,661,161   | 6.85   |
| 2023                   | 2,665,324  | (2,665,324)   | -                                      | 40,108,529   | 6.65   |
| 2022                   | 2,323,902  | (2,323,902)   | -                                      | 35,018,452   | 6.64   |
| 2021                   | 2,176,210  | (2,176,210)   | -                                      | 32,240,141   | 6.75   |
| 2020                   | 2,172,704  | (2,172,704)   | -                                      | 32,234,059   | 6.74   |
| 2019                   | 2,162,285  | (2,162,285)   | -                                      | 32,633,376   | 6.63   |
| 2018                   | 2,249,431  | (2,249,431)   | -                                      | 33,322,622   | 6.75   |
| 2017                   | 2,159,708  | (2,159,708)   | -                                      | 32,238,375   | 6.70   |
| 2016                   | 2,133,414  | (2,133,414)   | -                                      | 31,835,599   | 6.70   |

# Chippewa Valley Technical College District

## Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

Last 10 Fiscal Years

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### Notes to the Schedules:

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

*Changes of assumptions:*

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

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

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

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

See Independent Auditor's Report.

# Chippewa Valley Technical College District

## Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

Last 10 Fiscal Years

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

|  | 2024  | 2023  | 2022  | 2021  | 2020  |
|--|---|---|---|---|---|
| Valuation Date:                          | December 31, 2022                                   | December 31, 2021                                   | December 31, 2020                                   | December 31, 2019                                   | December 31, 2018                                   |
| Actuarial Cost Method:                   | Frozen Entry Age                                    | Frozen Entry Age                                    | Frozen Entry Age                                    | Frozen Entry Age                                    | Frozen Entry Age                                    |
|  | Level Percent of Payroll-<br>Closed Amortization    | Level Percent of Payroll-<br>Closed Amortization    | Level Percent of Payroll-<br>Closed Amortization    | Level Percent of Payroll-<br>Closed Amortization    | Level Percent of Payroll-<br>Closed Amortization    |
| Amortization Method:                     | Period  | Period  | Period  | Period  | Period  |
|  | 30 Year closed from date<br>of participation in WRS | 30 Year closed from date<br>of participation in WRS | 30 Year closed from date<br>of participation in WRS | 30 Year closed from date<br>of participation in WRS | 30 Year closed from date<br>of participation in WRS |
| Amortization Period:                     | Five Year Smoothed                                  | Five Year Smoothed                                  | Five Year Smoothed                                  | Five Year Smoothed                                  | Five Year Smoothed                                  |
| Asset Valuation Method:                  | Market (Closed)                                     | Market (Closed)                                     | Market (Closed)                                     | Market (Closed)                                     | Market (Closed)                                     |
| Net Investment Rate of<br>Return:        | 5.4%  | 5.4%  | 5.4%  | 5.4%  | 5.4%  |
| Pre-retirement:                          | 6.8%  | 6.8%  | 7.0%  | 7.0%  | 7.0%  |
| Post-retirement:                         | 5.0%  | 5.0%  | 5.0%  | 5.0%  | 5.0%  |
| Wage Inflation:                          | 3.0%  | 3.0%  | 3.0%  | 3.0%  | 3.0%  |
| Seniority/Merit:                         | 0.1%-5.7%   | 0.1%-5.6%   | 0.1%-5.6%   | 0.1%-5.6%   | 0.1%-5.6%   |
| Post-retirement Benefit<br>Adjustments*: | 1.7%  | 1.7%  | 1.9%  | 1.9%  | 1.9%  |



# Chippewa Valley Technical College District

## Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

Last 10 Fiscal Years

### Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions: (Continued)

|                 | 2024   | 2023   | 2022  | 2021  | 2020  |
|-----------------|--|--|---|---|---|
| Retirement Age: | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.             | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.             | Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.            | Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.            | Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.            |
| Mortality:      | 2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010. | 2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010. | Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%). | Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%). | Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%). |

\*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.

# Chippewa Valley Technical College District

## Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

Last 10 Fiscal Years

### Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions: (Continued)

|                                       | 2019  | 2018  | 2017  | 2016  | 2015  |
|---------------------------------------|---|---|---|---|---|
| Valuation Date:                       | December 31, 2017                                   | December 31, 2016                                   | December 31, 2015                                   | December 31, 2014                                   | December 31, 2013                                   |
| Actuarial Cost Method:                | Frozen Entry Age                                    | Frozen Entry Age                                    | Frozen Entry Age                                    | Frozen Entry Age                                    | Frozen Entry Age                                    |
| Amortization Method:                  | Level Percent of Payroll-Closed Amortization Period | Level Percent of Payroll-Closed Amortization Period | Level Percent of Payroll-Closed Amortization Period | Level Percent of Payroll-Closed Amortization Period | Level Percent of Payroll-Closed Amortization Period |
| Amortization Period:                  | 30 Year closed from date of participation in WRS    | 30 Year closed from date of participation in WRS    | 30 Year closed from date of participation in WRS    | 30 Year closed from date of participation in WRS    | 30 Year closed from date of participation in WRS    |
| Asset Valuation Method:               | Five Year Smoothed Market (Closed)                  | Five Year Smoothed Market (Closed)                  | Five Year Smoothed Market (Closed)                  | Five Year Smoothed Market (Closed)                  | Five Year Smoothed Market (Closed)                  |
| Actuarial Assumptions                 |   |   |   |   |   |
| Net Investment Rate of Return:        | 5.5%  | 5.5%  | 5.5%  | 5.5%  | 5.5%  |
| Weighted based on assumed rate for:   |   |   |   |   |   |
| Pre-retirement:                       | 7.2%  | 7.2%  | 7.2%  | 7.2%  | 7.2%  |
| Post-retirement:                      | 5.0%  | 5.0%  | 5.0%  | 5.0%  | 5.0%  |
| Salary Increases                      |   |   |   |   |   |
| Wage Inflation:                       | 3.2%  | 3.2%  | 3.2%  | 3.2%  | 3.2%  |
| Seniority/Merit:                      | 0.1%-5.6%   | 0.1%-5.6%   | 0.1%-5.6%   | 0.1%-5.6%   | 0.1%-5.6%   |
| Post-retirement Benefit Adjustments*: | 2.1%  | 2.1%  | 2.1%  | 2.1%  | 2.1%  |

# Chippewa Valley Technical College District

## Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System (Continued)

Last 10 Fiscal Years

### Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions: (Continued)

|                 | 2019  | 2018  | 2017  | 2016   | 2015   |
|-----------------|---|---|---|--|--|
| Retirement Age: | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.          | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.          | Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 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. |
| Mortality:      | Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%). | Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%). | Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%). | Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.                         | Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.                         |

\*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.

# Chippewa Valley Technical College District

## Schedules of the Employer's Proportionate Share of the Net OPEB Liability and Employer Contributions - Local Retiree Life Insurance Fund

Last 10 Fiscal Years\*

### Schedule of the Employer's Proportionate Share of the Net OPEB Liability Local Retiree Life Insurance Fund (LRLIF) Last 10 Calendar Years\*

|                     |            | District's<br>Proportion of the<br>Net OPEB<br>Liability | District's<br>Proportionate<br>Share of the Net<br>OPEB Liability | District's Covered<br>Payroll | District's<br>Proportionate<br>Share of the Net<br>OPEB Liability as a<br>Percentage of its<br>Covered Payroll | Plan Fiduciary Net<br>Position as a<br>Percentage of the<br>Total OPEB<br>Liability |
|---------------------|------------|--|---|-------------------------------|--|---|
| Measurement<br>Date |            |  |   |                               |  |   |
| 2025                | 12/31/2024 | 1.47178200 %   | \$ 5,757,990  | \$ 38,855,529                 | 14.82 %  | 37.20 %   |
| 2024                | 12/31/2023 | 1.43857500   | 6,618,386   | 37,559,403                    | 17.62  | 33.90   |
| 2023                | 12/31/2022 | 1.39600100   | 5,318,522   | 35,698,619                    | 14.90  | 38.81   |
| 2022                | 12/31/2021 | 1.42879600   | 8,444,712   | 33,990,798                    | 24.84  | 29.57   |
| 2021                | 12/31/2020 | 1.45225900   | 7,988,473   | 31,740,539                    | 25.17  | 31.36   |
| 2020                | 12/31/2019 | 1.46832800   | 6,252,427   | 31,436,146                    | 19.89  | 37.58   |
| 2019                | 12/31/2018 | 1.55202500   | 4,004,748   | 31,575,027                    | 12.68  | 48.69   |
| 2018                | 12/31/2017 | 1.53253500   | 4,610,754   | 29,965,980                    | 15.39  | 44.81   |

### Schedule of the Employer Contributions Local Retiree Life Insurance Fund (LRLIF) Last 10 Fiscal Years\*

|      | Contractually<br>Required<br>Contributions for<br>the Fiscal Period | Contributions in<br>Relation to the<br>Contractually<br>Required<br>Contributions | Contribution<br>Deficiency (Excess) | District's Covered<br>Payroll for the<br>Fiscal Period | Contributions as a<br>Percentage of<br>Covered Payroll |
|------|---|---|-------------------------------------|--|--|
| 2025 | \$ 31,862   | \$ (31,862)   | \$ -                                | \$ 40,529,973  | 0.08 %   |
| 2024 | 30,176  | (30,176)  | -                                   | 40,606,809   | 0.07   |
| 2023 | 28,788  | (28,788)  | -                                   | 39,144,655   | 0.07   |
| 2022 | 27,895  | (27,895)  | -                                   | 33,099,115   | 0.08   |
| 2021 | 29,235  | (29,235)  | -                                   | 31,081,234   | 0.09   |
| 2020 | 28,630  | (28,630)  | -                                   | 31,012,456   | 0.09   |
| 2019 | 29,243  | (29,243)  | -                                   | 31,111,605   | 0.09   |
| 2018 | 29,794  | (29,794)  | -                                   | 31,945,515   | 0.09   |

# Chippewa Valley Technical College District

## Schedules of the Employer's Proportionate Share of the Net OPEB Liability and Employer Contributions - Local Retiree Life Insurance Fund (Continued)

Last 10 Fiscal Years\*

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### Notes to the Schedules:

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

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

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

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

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

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

\*These schedules are intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

# Chippewa Valley Technical College District

## Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios - District OPEB Plan

Last 10 Fiscal Years\*

|   | 2025          | 2024          | 2023          | 2022          | 2021          |
|---|---------------|---------------|---------------|---------------|---------------|
| Measurement date  | 6/30/2024     | 6/30/2023     | 6/30/2022     | 6/30/2021     | 6/30/2020     |
| Total OPEB liability:   |               |               |               |               |               |
| Service cost  | \$ 159,936    | \$ 156,898    | \$ 335,912    | \$ 328,520    | \$ 412,176    |
| Interest on total OPEB liability  | 276,411       | 274,091       | 243,908       | 252,740       | 441,356       |
| Changes of benefit terms  | -             | -             | (3,878,112)   | -             | -             |
| Differences between expected and actual experience                          | (481,914)     | 106,611       | 852,528       | -             | (1,856,919)   |
| Changes of assumptions or other input                                       | 819,352       | (40,194)      | (491,733)     | -             | 665,884       |
| Benefit payments  | (395,990)     | (920,900)     | (1,001,212)   | (953,784)     | (1,042,146)   |
| Net change in total OPEB liability  | 377,795       | (423,494)     | (3,938,709)   | (372,524)     | (1,379,649)   |
| Total OPEB liability - Beginning  | 6,810,789     | 7,234,283     | 11,172,992    | 11,545,516    | 12,925,165    |
| Total OPEB liability - Ending   | \$ 7,188,584  | 6,810,789     | \$ 7,234,283  | \$ 11,172,992 | \$ 11,545,516 |
| Covered-employee payroll  | \$ 36,594,715 | \$ 38,836,885 | \$ 38,836,885 | \$ 31,240,619 | \$ 31,240,619 |
| District's total OPEB liability as a percentage of covered-employee payroll | 19.65 %       | 17.54 %       | 18.63 %       | 35.76 %       | 36.96 %       |

# Chippewa Valley Technical College District

## Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios - District OPEB Plan (Continued)

Last 10 Fiscal Years\*

|   | 2020          | 2019          | 2018          |
|---|---------------|---------------|---------------|
| Measurement date  | 6/30/2019     | 6/30/2018     | 6/30/2017     |
| Total OPEB liability:   |               |               |               |
| Service cost  | \$ 383,453    | \$ 418,982    | \$ 418,982    |
| Interest on total OPEB liability  | 475,212       | 376,624       | 395,498       |
| Changes of benefit terms  | -             | 986,526       | -             |
| Differences between expected and actual experience                          | -             | 2,788,563     | -             |
| Changes of assumptions or other input                                       | 143,994       | (1,475,964)   | -             |
| Benefit payments  | (1,116,172)   | (1,214,502)   | (1,492,969)   |
| Net change in total OPEB liability  | (113,513)     | 1,880,229     | (678,489)     |
| Total OPEB liability - Beginning  | 13,038,678    | 11,158,449    | 11,836,938    |
| Total OPEB liability - Ending   | \$ 12,925,165 | \$ 13,038,678 | \$ 11,158,449 |
| Covered-employee payroll  | \$ 33,458,415 | \$ 33,458,415 | \$ 18,405,377 |
| District's total OPEB liability as a percentage of covered-employee payroll | 38.63 %       | 38.97%        | 60.63%        |

### Notes to Schedule

*Funding:* There are no assets accumulated in a trust that meets the criteria of GASB No. 75, paragraph 4, to pay related benefits.

*Benefit changes:* In 2018, the benefit terms were changed so that all eligible current and future retirees would receive the same contribution towards medical coverage as active employees, rather than contribution being frozen in the first year of retirement.

*Changes of assumptions:* The Discount rate was changed to 4.21 in 2025, 4.13% in 2024, 4.0% in 2023, 2.25% in 2021 and 2022, 3.50% in 2020, 3.75% in 2019, 3.75% in 2018 to be reflective of the 20-year AA municipal bond rates.

\*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See Independent Auditor's Report.

# Other Reports

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

District Board  
Chippewa Valley Technical College District  
Eau Claire, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Chippewa Valley Technical College District (the "District") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 30, 2025. The financial statements of the Chippewa Valley Technical College Foundation, Inc. (the "Foundation"), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

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

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

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

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

## Report on Compliance and Other Matters

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

## Purpose of This Report

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

The logo for Wipfli LLP, featuring the word "Wipfli" in a large, stylized, handwritten-style font, followed by "LLP" in a smaller, clean, sans-serif font.

Wipfli LLP

December 30, 2025  
Eau Claire, Wisconsin

## **Supplementary Financial Information**

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# Chippewa Valley Technical College District

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

Year Ended June 30, 2025

|  | Original Budget | Amended Budget | Actual        | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Favorable (Unfavorable) |
|--|-----------------|----------------|---------------|-------------------------------|-----------------------------|----------------------------------|
| Revenues:  |                 |                |               |                               |                             |                                  |
| Local Government - Property taxes                              | \$ 15,118,883   | \$ 15,063,328  | \$ 15,049,608 | \$ -                          | \$ 15,049,608               | \$ (13,720)                      |
| Intergovernmental:   |                 |                |               |                               |                             |                                  |
| State  | 28,567,057      | 28,950,491     | 28,950,491    | -                             | 28,950,491                  | -                                |
| Federal  | -               | 24,469         | 24,469        | -                             | 24,469                      | -                                |
| Tuition and Fees   |                 |                |               |                               |                             |                                  |
| Statutory program fees   | 15,093,576      | 15,796,767     | 15,796,767    | -                             | 15,796,767                  | -                                |
| Material fees  | 784,000         | 809,260        | 809,260       | -                             | 809,260                     | -                                |
| Other student fees   | 1,076,000       | 1,266,463      | 1,266,463     | -                             | 1,266,463                   | -                                |
| Institutional  | 3,243,028       | 4,547,459      | 4,547,459     | -                             | 4,547,459                   | -                                |
| Total revenues   | 63,882,544      | 66,458,237     | 66,444,517    | -                             | 66,444,517                  | (13,720)                         |
| Expenditures:  |                 |                |               |                               |                             |                                  |
| Instruction  | 39,612,971      | 40,429,550     | 40,445,577    | (13,848)                      | 40,431,729                  | (2,179)                          |
| Instructional resources  | 729,767         | 857,251        | 857,251       | -                             | 857,251                     | -                                |
| Student services   | 5,035,414       | 5,600,468      | 5,600,473     | -                             | 5,600,473                   | (5)                              |
| General institutional  | 14,362,926      | 14,868,468     | 14,869,036    | 38,115                        | 14,907,151                  | (38,683)                         |
| Physical plant   | 6,243,598       | 5,922,529      | 5,911,459     | (11,944)                      | 5,899,515                   | 23,014                           |
| Total expenditures   | 65,984,676      | 67,678,266     | 67,683,796    | 12,323                        | 67,696,119                  | (17,853)                         |
| Revenues under expenditures                                    | (2,102,132)     | (1,220,029)    | (1,239,279)   | (12,323)                      | (1,251,602)                 | (31,573)                         |
| Other financing sources (uses):                                |                 |                |               |                               |                             |                                  |
| Operating transfer in  | -               | 250,000        | 250,000       | -                             | 250,000                     | -                                |
| Operating transfer out   | (2,102,131)     | -              | -             | -                             | -                           | -                                |
| Total other financing sources (uses)                           | (2,102,131)     | 250,000        | 250,000       | -                             | 250,000                     | -                                |
| Revenues and other financing sources (uses) under expenditures | (4,204,263)     | (970,029)      | (989,279)     | (12,323)                      | (1,001,602)                 | (31,573)                         |
| Fund balance - Beginning of year                               | 14,279,969      | 14,036,933     | 14,127,969    | (92,786)                      | 14,035,183                  | -                                |
| Fund balance - End of year                                     | \$ 10,075,706   | \$ 13,066,904  | \$ 13,138,690 | \$ (105,109)                  | \$ 13,033,581               | \$ (31,573)                      |

See Independent Auditor's Report.

# Chippewa Valley Technical College District

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

Year Ended June 30, 2025

|  | Original Budget | Amended Budget | Actual      | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Favorable (Unfavorable) |
|--|-----------------|----------------|-------------|-------------------------------|-----------------------------|----------------------------------|
| Revenues:  |                 |                |             |                               |                             |                                  |
| Local government   | \$ 930,000      | \$ 930,000     | \$ 930,000  | \$ -                          | \$ 930,000                  | \$ -                             |
| Intergovernmental:   |                 |                |             |                               |                             |                                  |
| State  | 3,375,000       | 3,983,302      | 3,975,780   | -                             | 3,975,780                   | (7,522)                          |
| Federal  | 3,825,000       | 5,205,449      | 5,205,449   | -                             | 5,205,449                   | -                                |
| Other student fees   | 800,000         | -              | -           | -                             | -                           | -                                |
| Institutional  | 25,000          | 187,410        | 187,410     | -                             | 187,410                     | -                                |
| Total revenues   | 8,955,000       | 10,306,161     | 10,298,639  | -                             | 10,298,639                  | (7,522)                          |
| Expenditures:  |                 |                |             |                               |                             |                                  |
| Instruction  | 6,120,000       | 8,321,927      | 8,359,419   | (139,188)                     | 8,220,231                   | 101,696                          |
| Instructional resources  | 80,000          | 1,417          | 1,417       | -                             | 1,417                       | -                                |
| Student services   | 2,270,000       | 1,675,269      | 1,675,269   | -                             | 1,675,269                   | -                                |
| General institutional  | 220,000         | 197,209        | 197,209     | -                             | 197,209                     | -                                |
| Physical plant   | 100,000         | -              | -           | -                             | -                           | -                                |
| Total expenditures   | 8,790,000       | 10,195,822     | 10,233,314  | (139,188)                     | 10,094,126                  | 101,696                          |
| Revenues over expenditures   | 165,000         | 110,339        | 65,325      | 139,188                       | 204,513                     | 94,174                           |
| Other financing uses:  |                 |                |             |                               |                             |                                  |
| Operating transfer out   | -               | (1,178,860)    | (1,178,860) | -                             | (1,178,860)                 | -                                |
| Total other financing uses   | -               | (1,178,860)    | (1,178,860) | -                             | (1,178,860)                 | -                                |
| Excess (deficiency) of revenues over expenditures and other financing uses | 165,000         | (1,068,521)    | (1,113,535) | 139,188                       | (974,347)                   | 94,174                           |
| Fund balance - Beginning of year   | 1,028,072       | 1,333,448      | 1,472,636   | (139,188)                     | 1,333,448                   | -                                |
| Fund balance - End of year   | \$ 1,193,072    | \$ 264,927     | \$ 359,101  | \$ -                          | \$ 359,101                  | \$ 94,174                        |

See Independent Auditor's Report.

# Chippewa Valley Technical College District

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

Year Ended June 30, 2025

|  | Original Budget | Amended Budget | Actual       | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Favorable (Unfavorable) |
|--|-----------------|----------------|--------------|-------------------------------|-----------------------------|----------------------------------|
| Revenues:  |                 |                |              |                               |                             |                                  |
| Local government - Property taxes                      | \$ 120,000      | \$ 105,000     | \$ 105,000   | \$ -                          | \$ 105,000                  | \$ -                             |
| Intergovernmental:                                     |                 |                |              |                               |                             |                                  |
| Federal  | 7,600,000       | 9,310,227      | 9,310,227    | -                             | 9,310,227                   | -                                |
| Other Student Fees                                     | -               | 642,014        | 642,014      | -                             | 642,014                     | -                                |
| Institutional  | 220,000         | 259,224        | 259,224      | -                             | 259,224                     | -                                |
| Total revenues   | 7,940,000       | 10,316,465     | 10,316,465   | -                             | 10,316,465                  | -                                |
| Expenditures:  |                 |                |              |                               |                             |                                  |
| Instruction  | 70,000          | 68,456         | 68,146       | -                             | 68,146                      | 310                              |
| Student services                                       | 7,800,000       | 10,239,163     | 10,239,473   | -                             | 10,239,473                  | (310)                            |
| Total expenditures                                     | 7,870,000       | 10,307,619     | 10,307,619   | -                             | 10,307,619                  | -                                |
| Revenues over expenditures                             | 70,000          | 8,846          | 8,846        | -                             | 8,846                       | -                                |
| Other financing sources:                               |                 |                |              |                               |                             |                                  |
| Operating transfer in                                  | -               | 1,178,860      | 1,178,860    | -                             | 1,178,860                   | -                                |
| Revenues and other financing sources over expenditures | 70,000          | 1,187,706      | 1,187,706    | -                             | 1,187,706                   | -                                |
| Fund balance - Beginning of year                       | 87,813          | 54,009         | 54,009       | -                             | 54,009                      | -                                |
| Fund balance - End of year                             | \$ 157,813      | \$ 1,241,715   | \$ 1,241,715 | \$ -                          | \$ 1,241,715                | \$ -                             |

See Independent Auditor's Report.

# Chippewa Valley Technical College District

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

Year Ended June 30, 2025

|  | Original Budget | Amended Budget | Actual        | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Favorable (Unfavorable) |
|--|-----------------|----------------|---------------|-------------------------------|-----------------------------|----------------------------------|
| Revenues:  |                 |                |               |                               |                             |                                  |
| Intergovernmental:   |                 |                |               |                               |                             |                                  |
| State  | \$ 1,700,000    | \$ 1,450,000   | \$ 1,090,143  | \$ -                          | \$ 1,090,143                | \$ (359,857)                     |
| Federal  | -               | 90,000         | 227,041       | -                             | 227,041                     | 137,041                          |
| Institutional  | 800,000         | 1,190,000      | 886,386       | -                             | 886,386                     | (303,614)                        |
| Total revenues   | 2,500,000       | 2,730,000      | 2,203,570     | -                             | 2,203,570                   | (526,430)                        |
| Expenditures:  |                 |                |               |                               |                             |                                  |
| Instruction  | 4,000,000       | 3,000,000      | 3,006,148     | 130,306                       | 3,136,454                   | (136,454)                        |
| Instructional resources  | 500,000         | 500,000        | 174,128       | 5,379                         | 179,507                     | 320,493                          |
| General institutional  | 2,200,000       | 2,000,000      | 1,696,639     | 60,079                        | 1,756,718                   | 243,282                          |
| Physical plant   | 9,500,000       | 9,500,000      | 5,943,092     | (192,138)                     | 5,750,954                   | 3,749,046                        |
| Total expenditures   | 16,200,000      | 15,000,000     | 10,820,007    | 3,626                         | 10,823,633                  | 4,176,367                        |
| Revenues under expenditures                                    | (13,700,000)    | (12,270,000)   | (8,616,437)   | (3,626)                       | (8,620,063)                 | 3,649,937                        |
| Other financing sources:                                       |                 |                |               |                               |                             |                                  |
| Proceeds from promissory notes                                 | 13,200,000      | 13,200,000     | 12,200,000    | -                             | 12,200,000                  | (1,000,000)                      |
| Total other financing sources                                  | 13,200,000      | 13,200,000     | 12,200,000    | -                             | 12,200,000                  | (1,000,000)                      |
| Revenues and other financing sources over (under) expenditures | (500,000)       | 930,000        | 3,583,563     | (3,626)                       | 3,579,937                   | 2,649,937                        |
| Fund balance - Beginning of year                               | 1,951,910       | 4,681,159      | 9,081,572     | (4,400,233)                   | 4,681,339                   | 180                              |
| Fund balance - End of year                                     | \$ 1,451,910    | \$ 5,611,159   | \$ 12,665,135 | \$ (4,403,859)                | \$ 8,261,276                | \$ 2,650,117                     |

See Independent Auditor's Report.

# Chippewa Valley Technical College District

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

Year Ended June 30, 2025

|                                    | Original Budget | Amended Budget | Actual        | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Favorable (Unfavorable) |
|------------------------------------|-----------------|----------------|---------------|-------------------------------|-----------------------------|----------------------------------|
| Revenues:                          |                 |                |               |                               |                             |                                  |
| Local government - Property taxes  | \$ 11,200,000   | \$ 11,850,000  | \$ 11,850,000 | \$ -                          | \$ 11,850,000               | \$ -                             |
| Institutional                      | 750,000         | 730,000        | 722,270       | -                             | 722,270                     | (7,730)                          |
| Total Revenues                     | 11,950,000      | 12,580,000     | 12,572,270    | -                             | 12,572,270                  | (7,730)                          |
| Expenditures:                      |                 |                |               |                               |                             |                                  |
| Physical plant                     | 12,709,000      | 12,500,000     | 12,427,453    | -                             | 12,427,453                  | 72,547                           |
| Total expenditures                 | 12,709,000      | 12,500,000     | 12,427,453    | -                             | 12,427,453                  | 72,547                           |
| Revenues over (under) expenditures | (759,000)       | 80,000         | 144,817       | -                             | 144,817                     | 64,817                           |
| Fund balance - Beginning of year   | 1,272,258       | 2,091,483      | 2,091,483     | -                             | 2,091,483                   | -                                |
| Fund balance - End of year         | \$ 513,258      | \$ 2,171,483   | \$ 2,236,300  | \$ -                          | \$ 2,236,300                | \$ 64,817                        |

See Independent Auditor's Report.



# Chippewa Valley Technical College District

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

Year Ended June 30, 2025

|                                  | Original Budget | Amended Budget | Actual       | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Favorable (Unfavorable) |
|----------------------------------|-----------------|----------------|--------------|-------------------------------|-----------------------------|----------------------------------|
| Operating revenues:              |                 |                |              |                               |                             |                                  |
| Intergovernmental:               |                 |                |              |                               |                             |                                  |
| State                            | \$ 200,000      | \$ 361,430     | \$ 361,430   | \$ -                          | \$ 361,430                  | \$ -                             |
| Institutional                    | 2,750,000       | 3,620,964      | 3,620,964    | -                             | 3,620,964                   | -                                |
| Total operating revenues         | 2,950,000       | 3,982,394      | 3,982,394    | -                             | 3,982,394                   | -                                |
| Operating expenses:              |                 |                |              |                               |                             |                                  |
| Auxiliary services               | 3,000,000       | 3,754,782      | 3,755,419    | 247,248                       | 4,002,667                   | (247,885)                        |
| Total operating expenses         | 3,000,000       | 3,754,782      | 3,755,419    | 247,248                       | 4,002,667                   | (247,885)                        |
| Income (loss) before transfers   | (50,000)        | 227,612        | 226,975      | (247,248)                     | (20,273)                    | (247,885)                        |
| Transfers:                       |                 |                |              |                               |                             |                                  |
| Operating transfer out           | -               | (250,000)      | (250,000)    | -                             | (250,000)                   | -                                |
| Total other financing uses       | -               | (250,000)      | (250,000)    | 247,248                       | (250,000)                   | -                                |
| Change in net position           | (50,000)        | (22,388)       | (23,025)     | (247,248)                     | (270,273)                   | (247,885)                        |
| Net position - Beginning of year | 1,222,300       | 1,484,470      | 1,486,040    | -                             | 1,486,040                   | 1,570                            |
| Net position - End of year       | \$ 1,172,300    | \$ 1,462,082   | \$ 1,463,015 | \$ (247,248)                  | \$ 1,215,767                | \$ (246,315)                     |

See Independent Auditor's Report.

# Chippewa Valley Technical College District

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

Year Ended June 30, 2025

|                                  | Original Budget | Amended Budget | Actual     | Adjustment to Budgetary Basis | Actual on a Budgetary Basis | Variance Favorable (Unfavorable) |
|----------------------------------|-----------------|----------------|------------|-------------------------------|-----------------------------|----------------------------------|
| Operating revenues:              |                 |                |            |                               |                             |                                  |
| Institutional                    | \$ 900,000      | \$ 900,000     | \$ 817,683 | \$ -                          | \$ 817,683                  | \$ (82,317)                      |
| Total operating revenues         | 900,000         | 900,000        | 817,683    | -                             | 817,683                     | (82,317)                         |
| Operating expenses:              |                 |                |            |                               |                             |                                  |
| Auxiliary services               | 850,000         | 850,000        | 725,940    | -                             | 725,940                     | 124,060                          |
| Total operating expenses         | 850,000         | 850,000        | 725,940    | -                             | 725,940                     | 124,060                          |
| Change in net position           | 50,000          | 50,000         | 91,743     | -                             | 91,743                      | 41,743                           |
| Net position - Beginning of year | 73,586          | 1,061          | 1,061      | -                             | 1,061                       | -                                |
| Net position - End of year       | \$ 123,586      | \$ 51,061      | \$ 92,804  | \$ -                          | \$ 92,804                   | \$ 41,743                        |

See Independent Auditor's Report.

# Chippewa Valley Technical College District

## Schedule to Reconcile Budget (Non-GAAP Budgetary Basis) Financial Statements

### to Basic Financial Statements

Year Ended June 30, 2025

|   | General Fund         | Special Revenue Aidable Fund | Special Revenue Non-Aidable Funds | Capital Projects Fund | Debt Service Fund   | Enterprise Funds    | Internal Service Funds | Totals               | Reconciling Items    | Statement of Revenues, Expenses, and Changes in Net Position |
|---|----------------------|------------------------------|-----------------------------------|-----------------------|---------------------|---------------------|------------------------|----------------------|----------------------|--|
| Revenues:   |                      |                              |                                   |                       |                     |                     |                        |                      |                      |  |
| Local government - Property taxes   | \$ 15,049,608        | \$ 930,000                   | \$ 105,000                        | \$ -                  | \$ 11,850,000       | \$ -                | \$ -                   | \$ 27,934,608        | \$ -                 | \$ 27,934,608  |
| Intergovernmental:  |                      |                              |                                   |                       |                     |                     |                        |                      |                      |  |
| State (1)   | 28,950,491           | 3,975,780                    | -                                 | 1,090,143             | -                   | 361,430             | -                      | 34,377,844           | -                    | 34,377,844   |
| Federal   | 24,469               | 5,205,449                    | 9,310,227                         | 227,041               | -                   | -                   | -                      | 14,767,186           | -                    | 14,767,186   |
| Tuition and Fees:   |                      |                              |                                   |                       |                     |                     |                        |                      |                      |  |
| Statutory program fees  | 15,796,767           | -                            | -                                 | -                     | -                   | -                   | -                      | 15,796,767           | (4,116,449)          | 11,680,318   |
| Material fees   | 809,260              | -                            | -                                 | -                     | -                   | -                   | -                      | 809,260              | (210,969)            | 598,291  |
| Other student fees  | 1,266,463            | -                            | 642,014                           | -                     | -                   | -                   | -                      | 1,908,477            | (329,726)            | 1,578,751  |
| Institutional (2)   | 4,547,459            | 187,410                      | 259,224                           | 886,386               | 722,270             | -                   | -                      | 6,602,749            | (183,013)            | 6,419,736  |
| Auxiliary services revenue  | -                    | -                            | -                                 | -                     | -                   | 3,620,964           | 817,683                | 4,438,647            | (817,685)            | 3,620,962  |
| <b>Total revenues</b>   | <b>66,444,517</b>    | <b>10,298,639</b>            | <b>10,316,465</b>                 | <b>2,203,570</b>      | <b>12,572,270</b>   | <b>3,982,394</b>    | <b>817,683</b>         | <b>106,635,538</b>   | <b>(5,657,842)</b>   | <b>100,977,696</b>   |
| Expenditures/expenses::   |                      |                              |                                   |                       |                     |                     |                        |                      |                      |  |
| Instruction   | 40,431,729           | 8,220,231                    | 68,146                            | 3,136,454             | -                   | -                   | -                      | 51,856,560           | (2,569,561)          | 49,286,999   |
| Instructional resources   | 857,251              | 1,417                        | -                                 | 179,507               | -                   | -                   | -                      | 1,038,175            | (193,814)            | 844,361  |
| Student services  | 5,600,473            | 1,675,269                    | 10,239,473                        | -                     | -                   | -                   | -                      | 17,515,215           | (9,343,647)          | 8,171,568  |
| General institutional   | 14,907,151           | 197,209                      | -                                 | 1,756,718             | -                   | -                   | -                      | 16,861,078           | (2,602,883)          | 14,258,195   |
| Physical plant  | 5,899,515            | -                            | -                                 | 5,750,954             | 12,427,453          | -                   | -                      | 24,077,922           | (18,186,331)         | 5,891,591  |
| Auxiliary enterprise services   | -                    | -                            | -                                 | -                     | -                   | 4,002,667           | 725,940                | 4,728,607            | (1,127,174)          | 3,601,433  |
| Depreciation and amortization   | -                    | -                            | -                                 | -                     | -                   | -                   | -                      | -                    | 12,948,258           | 12,948,258   |
| Student aid   | -                    | -                            | -                                 | -                     | -                   | -                   | -                      | -                    | 4,744,829            | 4,744,829  |
| Interest expense  | -                    | -                            | -                                 | -                     | -                   | -                   | -                      | -                    | 2,690,217            | 2,690,217  |
| <b>Total expenditures/expenses</b>  | <b>67,696,119</b>    | <b>10,094,126</b>            | <b>10,307,619</b>                 | <b>10,823,633</b>     | <b>12,427,453</b>   | <b>4,002,667</b>    | <b>725,940</b>         | <b>116,077,557</b>   | <b>(13,640,106)</b>  | <b>102,437,451</b>   |
| <b>Revenues over (under) expenditures/expenses</b>  | <b>(1,251,602)</b>   | <b>204,513</b>               | <b>8,846</b>                      | <b>(8,620,063)</b>    | <b>144,817</b>      | <b>(20,273)</b>     | <b>91,743</b>          | <b>(9,442,019)</b>   | <b>7,982,264</b>     | <b>(1,459,755)</b>   |
| Other financing sources (uses):   |                      |                              |                                   |                       |                     |                     |                        |                      |                      |  |
| Operating transfer in   | 250,000              | -                            | 1,178,860                         | -                     | -                   | -                   | -                      | 1,428,860            | (1,428,860)          | -  |
| Operating transfers (out)   | -                    | (1,178,860)                  | -                                 | -                     | -                   | (250,000)           | -                      | (1,428,860)          | 1,428,860            | -  |
| Issuance of long-term debt  | -                    | -                            | -                                 | 12,200,000            | -                   | -                   | -                      | 12,200,000           | (12,200,000)         | -  |
| <b>Total other financing (uses) sources</b>   | <b>250,000</b>       | <b>(1,178,860)</b>           | <b>1,178,860</b>                  | <b>12,200,000</b>     | <b>-</b>            | <b>(250,000)</b>    | <b>-</b>               | <b>12,200,000</b>    | <b>(12,200,000)</b>  | <b>-</b>   |
| Excess (deficiency) of revenues and other financing sources (uses) over expenditures (expenses) | (1,001,602)          | (974,347)                    | 1,187,706                         | 3,579,937             | 144,817             | (270,273)           | 91,743                 | 2,757,981            | (4,217,736)          | (1,459,755)  |
| <b>Fund balance/net position - Beginning of year</b>  | <b>14,035,183</b>    | <b>1,333,448</b>             | <b>54,009</b>                     | <b>4,681,339</b>      | <b>2,091,483</b>    | <b>1,486,040</b>    | <b>1,061</b>           | <b>23,682,563</b>    | <b>26,984,506</b>    | <b>50,667,069</b>  |
| <b>Fund balance/net position - End of year</b>  | <b>\$ 13,033,581</b> | <b>\$ 359,101</b>            | <b>\$ 1,241,715</b>               | <b>\$ 8,261,276</b>   | <b>\$ 2,236,300</b> | <b>\$ 1,215,767</b> | <b>\$ 92,804</b>       | <b>\$ 26,440,544</b> | <b>\$ 22,766,770</b> | <b>\$ 49,207,314</b>   |

# Chippewa Valley Technical College District

## Schedule to Reconcile Budget (Non-GAAP Budgetary Basis) Financial Statements to Basic Financial Statement (Continued)

Year Ended June 30, 2025

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(1) Intergovernmental revenue - State is reported as two separate line items on the basic financial statements:

|                                   |                      |
|-----------------------------------|----------------------|
| State grants                      | \$ 5,427,353         |
| State nonoperating appropriations | <u>28,950,491</u>    |
|                                   | <u>\$ 34,377,844</u> |

(2) Institutional revenue is reported as four separate line items on the basic financial statements:

|  |                     |
|--|---------------------|
| Business and industry contract revenue | \$ 2,695,784        |
| Other operating revenues               | 983,154             |
| Other non-operating revenues           | 1,359,912           |
| Investment income earned               | <u>1,380,886</u>    |
|  | <u>\$ 6,419,736</u> |

See Independent Auditor's Report.

## **APPENDIX B**

### **FORM OF CONTINUING DISCLOSURE CERTIFICATE**

## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Chippewa Valley Technical College District, Chippewa, Dunn, Eau Claire, Pepin and Pierce Counties and portions of Buffalo, Clark, Jackson, Taylor, Trempealeau and St. Croix Counties, Wisconsin (the "Issuer") in connection with the issuance of \$5,700,000 General Obligation Promissory Notes, Series 2026A, dated February 12, 2026 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on December 4, 2025, as supplemented by an Approving Certificate, dated January 14, 2026 (collectively, the "Resolution") and delivered to Loop Capital Markets, LLC (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 January 14, 2026 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 Chippewa Valley Technical College District, Chippewa, Dunn, Eau Claire, Pepin and Pierce Counties and portions of Buffalo, Clark, Jackson, Taylor, Trempealeau and St. Croix Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Vice President of Administration and Chief Strategy Officer of the Issuer who can be contacted at 620 West Clairemont Avenue, Eau Claire, Wisconsin 54701, phone (715) 833-6224, fax (715) 833-6470.

"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, 2026, 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 THE DISTRICT - 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 12th day of February, 2026.

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Ramona J. Mathews  
Chairperson

(SEAL)

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Brady Weiss  
Secretary

## **APPENDIX C**

### **FORM OF LEGAL OPINION**

Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, WI 53202

February 12, 2026

Re: Chippewa Valley Technical College District, Wisconsin ("Issuer")  
\$5,700,000 General Obligation Promissory Notes, Series 2026A,  
dated February 12, 2026 ("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 the dates and in the principal amounts as follows:

| <u>Date</u>     | <u>Principal Amount</u> | <u>Interest Rate</u> |
|-----------------|-------------------------|----------------------|
| October 1, 2026 | \$1,000,000             | 4.00%                |
| 2027-2028       | --                      | --                   |
| April 1, 2029   | 785,000                 | 4.00                 |
| April 1, 2030   | 465,000                 | 4.00                 |
| April 1, 2031   | 1,100,000               | 4.00                 |
| April 1, 2032   | 1,150,000               | 4.00                 |
| April 1, 2033   | 1,200,000               | 3.00                 |

Interest is payable semi-annually on April 1 and October 1 of each year commencing on October 1, 2026.

The Notes are not subject to optional redemption.

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