

PRELIMINARY OFFICIAL STATEMENT DATED JULY 2, 2025

NEW ISSUE
Bank Qualified

Moody's Rated "Aa2"
(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 be designated as "qualified tax-exempt obligations". See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

\$3,800,000
BLACKHAWK TECHNICAL COLLEGE DISTRICT
Rock and Green Counties, Wisconsin
General Obligation Promissory Notes, Series 2025A

Dated: August 4, 2025

Due: April 1, 2027 - 2035

The \$3,800,000 General Obligation Promissory Notes, Series 2025A (the "Notes") will be dated August 4, 2025 and will be in the denomination of \$5,000 each or any multiple thereof. The Notes will mature serially on April 1 of the years 2027 through 2035. Interest on the Notes shall be payable commencing on April 1, 2026 and semi-annually thereafter on October 1 and April 1 of each year.

MATURITY SCHEDULE

				CUSIP ⁽¹⁾ Base 09237R					CUSIP ⁽¹⁾ Base 09237R
(April 1)	Amount	Rate	Yield		(April 1)	Amount	Rate	Yield	
2027	\$340,000				2032	\$440,000			
2028	360,000				2033	465,000			
2029	380,000				2034	485,000			
2030	400,000				2035	510,000			
2031	420,000								

The Notes are being issued pursuant to Section 67.12 (12) of the Wisconsin Statutes. The Notes will be general obligations of the Blackhawk Technical College District, Wisconsin (the "District") for which its full faith and credit and unlimited 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 purpose of financing building remodeling and improvement projects (\$1,000,000) and for the public purpose of financing the acquisition of movable equipment (\$2,800,000) (the "Project").

The Notes maturing on April 1, 2033 and thereafter are subject to call and prior redemption, at the option of the District, on April 1, 2032 or on any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity at a price of par plus accrued interest to the date of 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, Milwaukee, Wisconsin, Bond Counsel. The settlement date for this issue is on or about August 4, 2025.

SALE DATE: JULY 14, 2025

SALE TIME: 10:00 A.M. CT

⁽¹⁾ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

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

**BLACKHAWK TECHNICAL COLLEGE DISTRICT
Rock and Green Counties, Wisconsin**

DISTRICT BOARD⁽¹⁾

Eric A. Thornton, Chairperson
Barbara J. Barrington-Tillman, Vice Chairperson
Rich Deprez, Secretary
Kathy Sukus, Treasurer
Rachel Andres, Member
Robert Hendrickson, Member
Suzann Holland, Member
Mark Holzman, Member
Vacant, Member⁽²⁾

ADMINISTRATION

Tracy Pierner, Ph.D., President
Karen Schmitt, Ph.D., Vice President of Academic Affairs
James S. Nemeth, Vice President of Finance & College Operations/CFO
Katherine Lange, Executive Director of Student Services
Kathleen Broske, Executive Director of Human Resources
Geraldine Downing, Controller⁽³⁾

DISTRICT ATTORNEY

(General Counsel)
Sean Scullen David Moore
Quarles & Brady LLP Nowlan and Mouat, LLP

PROFESSIONAL SERVICES

Financial Advisor: Robert W. Baird & Co. Incorporated, Milwaukee, Wisconsin
Bond Counsel: Quarles & Brady LLP, Milwaukee, Wisconsin
Paying Agent Contact: Blackhawk Technical College District, Wisconsin⁽⁴⁾

⁽¹⁾The new board will be seated and new officers elected on July 14, 2025.

⁽²⁾Mr. Dave Marshick is expected to be appointed to the Board on July 14, 2025 as an at large member. He previously served on the Board as an elected official but did not seek re-election for the elected position.

⁽³⁾Ms. Geraldine Downing will be retiring effective June 30, 2025. She plans to continue on a part-time basis with the District until September 2025. The District is currently seeking to hire a replacement for this position.

⁽⁴⁾Paying Agent contact is Ms. Geraldine Downing, Controller.

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 Blackhawk Technical College District, Wisconsin (the "District"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

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

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

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

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

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

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

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SUMMARY

District:	Blackhawk Technical College District, Rock and Green Counties, Wisconsin (the "District").
Issue:	\$3,800,000 General Obligation Promissory Notes, Series 2025A (the "Notes").
Dated Date:	August 4, 2025.
Interest Due:	Commencing April 1, 2026 and each October 1 and April 1 thereafter. Interest on the Notes is computed on the basis of a 30-day month and a 360-day year.
Principal Due:	April 1 of the years 2027 through 2035.
Redemption Provisions:	The Notes maturing on and after April 1, 2033 shall be subject to call and prior payment, at the option of the District, on April 1, 2032 or on any date thereafter at a price of par plus accrued interest. The amounts and maturities of the Notes to be redeemed shall be selected by the District. If less than the entire principal amount of any maturity is to be redeemed, the Notes of that maturity which are to be redeemed shall be selected by lot. Notice of such call shall be given by sending a notice thereof by registered or certified mail, facsimile or electronic transmission, overnight express delivery, or in any other manner required by DTC not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books. (See "REDEMPTION PROVISIONS" herein.)
Security:	The full faith, credit and resources of the District are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied on all the taxable property in the District, direct, annual irrevocable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
Purpose:	The proceeds from the sale of the Notes will be used for the public purpose of financing building remodeling and improvement projects (\$1,000,000) and for the public purpose of financing the acquisition of movable equipment (\$2,800,000) (the "Project").
Credit Rating:	This issue has been assigned a "Aa2" rating by Moody's Investors Service, Inc. (See "RATING" herein.)
Tax Exemption:	Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX EXEMPTION" herein.)
Bank Qualification:	The Notes shall be designated as "qualified tax-exempt obligations".
Bond Years:	22,766.67 years.
Average Life:	5.991 years.
Record Date:	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 Blackhawk Technical College District, Wisconsin (the "District" and the "State" respectively) in connection with the sale of the District's \$3,800,000 General Obligation Promissory Notes, Series 2025A (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 Award Resolution (defined herein) provides that the District will establish a separate debt service fund with respect to payment of principal of and interest on the Notes. In practice, the District will maintain a separate account in its debt service fund for each issue. This 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 the Resolutions contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and the Resolutions, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Award Resolution. Copies of the Resolutions may be obtained from the Financial Advisor (defined herein) upon request.

REDEMPTION PROVISIONS

Optional Redemption

The Notes maturing on April 1, 2033 and thereafter are subject to call and prior redemption, at the option of the District, on April 1, 2032 or on any date thereafter, in whole or in part, and if in part, from maturities selected by the District and by lot within each maturity at a price of par plus accrued interest to the date of redemption.

ESTIMATED SOURCES AND USES

Sources of Funds

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

Uses of Funds

Deposit to Project Construction Fund	<u>\$3,800,000</u>
Total Uses	<u><u>\$3,800,000</u></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 District pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for complete recitals of their terms.

Authorizing Resolution

By way of an authorizing resolution adopted on June 18, 2025 (the "Authorizing Resolution"), the Board authorized the issuance of general obligation promissory notes in the amount not to exceed \$3,800,000 for the purpose of paying the cost of the Project.

As required by State Statute, notice of the adoption of the authorizing resolution was published in the required newspaper on June 25, 2025. The resolution authorizing the issuance of the Notes is subject to referendum if, within 30 days after publication of notice of adoption of the resolution, a sufficient petition requesting a referendum is filed by the electors of the District. The petition period will expire July 25, 2025. Award of the Notes will be made subject to expiration of the petition period without the filing a sufficient petition for referendum.

Award Resolution

By way of a resolution to be adopted on July 14, 2025 (the "Award Resolution"), the Board will accept the bid (or reject all bids) of the Underwriter (defined herein) for the purchase of the Notes, in accordance with bid specifications, provide the details and form of the Notes, and set out certain covenants with respect thereto. The Award Resolution pledges the full faith, credit and resources of the District to payments of the principal of and interest on the Notes. Pursuant to the Award Resolution, the amount of direct, annual, irrepealable taxes levied for collection in the years 2026 through 2035 which will be sufficient to meet the principal and interest payments on the Notes when due will be specified (or monies to pay such debt service will otherwise be appropriated). The Award Resolution establishes separate and distinct from all other funds of the District a debt service fund with respect to payment of principal of and interest on the Notes.

THE DISTRICT

The Board is comprised of nine members. The members of the Board are selected by a committee comprised of the County Board Chairperson of each County within the District and are confirmed by the State Board. These members are appointed for staggered three-year terms and elect a Chairperson, Vice Chairperson, Secretary and Treasurer for one-year terms.

The Board has the power and duty, among other things, to adopt a budget (see “FINANCIAL INFORMATION-Budgeting Process” herein), to make rules for the organization, management and government of the schools of the District, to enter into agreements with other governmental units, to tax for operation, maintenance and debt service, and to purchase school equipment.

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

<u>Name⁽¹⁾</u>	<u>Employer and Position</u>	<u>Expiration of Term</u>
Eric A. Thornton, Chairperson	President, SSM Health St. Mary’s Hospital Madison	June 30, 2028
Barbara J. Barrington-Tillman, Vice Chairperson	Retired Chief Deputy, Rock County Sheriff’s Office	June 30, 2028
Rich Deprez, Secretary	Network Consultant, TDS Telecom	June 30, 2028
Kathy Sukus, Treasurer	Retired Communications Center Director, Rock County	June 30, 2026
Rachel Andres, Member	Executive Vice President, Prent Corporation	June 30, 2026
Robert Hendrickson, Member	PepsiCo/Frito-Lay, Technical Director – Beloit site	June 30, 2027
Suzann Holland, Member	Library Director, Monroe Public Library	June 30, 2027
Mark Holzman, Member	Superintendent, School District of Janesville	June 30, 2027
Vacant, Member ⁽²⁾		June 30, 2026

⁽¹⁾The new board will be seated and new officers elected on July 14, 2025.

⁽²⁾Mr. Dave Marshick is expected to be appointed to the Board on July 14, 2025 as an at large member. He previously served on the Board as an elected official but did not seek re-election for the elected position.

Source: The District.

Administration

The Board is also empowered to employ a President to conduct the day-to-day operations of the District. Tracy Pierner, Ph.D. was selected for the position of President in July 2016. Prior to joining the District, Dr. Pierner served as the Vice President of Academic Affairs at Henry Ford College located in Dearborn, Michigan.

The administrative team includes the following people.

<u>Name</u>	<u>Title</u>	<u>Years of Service</u>
Karen Schmitt, Ph.D.	Vice President of Academic Affairs	5
James S. Nemeth	Vice President of Finance & College Operations/CFO	2 ⁽¹⁾
Katherine Lange	Executive Director of Student Services	12 ⁽²⁾
Kathleen Broske	Executive Director of Human Resources	4
Geraldine Downing	Controller	10 ⁽³⁾

⁽¹⁾Mr. James Nemeth assumed the role of Vice President of Finance & College Operations/CFO effective July 5, 2023. He previously served as the Director of Corporate Treasury at Aspirus Health Plan Finance.

⁽²⁾Ms. Katherine Lange assumed the role of Executive Director of Student Services effective May 1, 2025. She previously served as Student Enrollment Manager for the District.

⁽³⁾Ms. Geraldine Downing will be retiring effective June 30, 2025. She plans to continue on a part-time basis with the District until September 2025. The District is currently seeking to hire a replacement for this position.

Source: The District.

Enrollments

The full-time equivalent enrollment figures are listed below.

<u>School Year</u>	<u>Total FTE</u>
2016-17	1,502
2017-18	1,502
2018-19	1,561
2019-20	1,456
2020-21	1,396
2021-22	1,433
2022-23	1,555
2023-24	1,627
2024-25	1,664
2025-26*	1,664

* FY26 enrollment is projected based on Fall 2025 enrollment as of May 15, 2025.

Source: The District.

Employment Relations

<u>Department</u>	<u>2024-25*</u>
Faculty	82
Administrative Salaried	23
Administrative Supervisor	37
Administrative Hourly	54
TOTAL	<u>196</u>

*Headcount as of May 1, 2025.

Source: The District.

Labor Contracts

The District considers its relationship with its employees to be good. Full-time Faculty and Certain Student Facing Staff recently voted to be represented by the Wisconsin Federation of Teachers, AFT Local #2308. Base wage negotiations with the union will commence in summer 2025.

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⁽¹⁾.

⁽¹⁾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, 2022, June 30, 2023 and June 30, 2024 ("Fiscal Year 2024") the District's portion of contributions to WRS (not including any employee contributions) totaled \$1,007,534, \$1,049,322 and \$1,089,342, 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, 2023, the total pension liability of the WRS was calculated as \$129.2 billion and the fiduciary net position of the WRS was calculated as \$127.7 billion, resulting in a net pension liability of \$1.5 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 2024, the District reported a liability of \$1,268,717 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2023 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 0.085% of the aggregate WRS net pension liability as of December 31, 2023.

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 7 in "Appendix A - Basic Financial Statements and Related Notes for the year ended June 30, 2024" attached hereto.

Other Post Employment Benefits

For employees hired prior to July 1, 2023, 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 the Wisconsin Public Employers Group Health Insurance Program and the Local Retiree Life Insurance Fund to employees who have terminated their employment with the District and have satisfied specified eligibility standards.

OPEB calculations are required to be prepared annually in accordance with Statement No. 74 and No. 75 of the Governmental Accounting Standards Board ("GASB 74/75") regarding retiree health and life insurance benefits, and related standards.

Wisconsin Public Employers Group Health Insurance Program

The District administers a single-employer defined benefit plan that provides OPEB benefits to eligible retirees. An OPEB study for the District was conducted by McCready and Keene, Inc. dated September, 2023 with a valuation date as of June 30, 2024. Membership of the plan consisted of 28 retirees receiving benefits and 177 active members as of June 30, 2024, the date of the last report.

The District is required to expense the estimated yearly cost of providing post-retirement benefits representing a level of funding that, if paid on an ongoing basis, is projected to cover costs and amortize unfunded actuarial liabilities over a given period not to exceed 30 years. Such annual accrual expense is referred to as the "actuarially-determined contribution." The actuarially-determined contribution for Fiscal Year 2024 was \$314,113. For Fiscal Year 2024, the District did not contribute to the plan.

The plan's fiduciary net position as a percent of total OPEB liability, as of the most recent actuarial valuation date, June 30, 2024, was 256.06%. As of June 30, 2024, the total OPEB liability was \$4,500,483, and the plan fiduciary net position was \$11,524,102, resulting in a funded OPEB liability of (\$7,023,619).

For more information, see Note 9 in "Appendix A – Basic Financial Statements and Related Notes for the year ended June 30, 2024" attached hereto.

The District offered a special election retirement option to enable eligible employees who decided to retire in Fiscal Year 2019-2020 with one additional year of health insurance benefit in addition to the standard program. Twelve eligible employees elected this benefit during the option period.

In November 2022, the District decided to discontinue the health insurance benefit program for new employees hired on or after July 1, 2023.

Local Retiree Life Insurance Fund Program (LRLIF)

The District participates in a cost-sharing multiple-employer defined benefit OPEB plan 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 District reported a liability of \$1,624,530 for its proportionate share of the net OPEB liability as of June 30, 2024. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. 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.

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. During the reporting period, the LRLIF recognized \$7,195 in contributions from the District.

At December 31, 2023, the District's proportion was 0.353%, which was a 0.007% decrease from its proportion measured as of December 31, 2022. For the year ended June 30, 2024, the District recognized OPEB expense of \$97,571.

For more information, see Note 10 in "Appendix A – Basic Financial Statements and Related Notes for the year ended June 30, 2024" attached hereto.

GENERAL INFORMATION

History

In 1911, six years before the use of federal funds for the promotion of vocational, technical and adult education throughout the nation, Wisconsin established a special Board of Vocational and Adult Education District. As a result of this law, the cities of Beloit and Janesville took the necessary steps to establish vocational schools in their communities. The Beloit and Janesville schools, along with major portions of Rock and Green Counties, were organized into a single system on July 1, 1968.

These two schools have developed to form the nucleus of the present vocational, technical and adult education district which is now Blackhawk Technical College.

In August of 1987, Blackhawk Technical College (“BTC” or “College”) changed its name from Blackhawk Technical Institute to Blackhawk Technical College in recognition of its educational offerings.

Location

The District is located in Rock and Green Counties encompassing an area of 1,225 square miles. The Central campus of the District, home for most of the college's services, is located midway between the cities of Beloit and Janesville on over 120 acres of partially-wooded, rolling prairie. A second campus, the Monroe Campus, is located on Monroe's northwest side to service the needs within the community.

Central Campus

The College's Central Campus is located midway between Beloit and Janesville at 6004 Prairie Road, Janesville, Wisconsin. Situated on a 120-acre partially wooded site, the campus is home for most of BTC's programs and services. The campus is easily accessible from Prairie Road (County Highway G) and U.S. Highway 51.

This comprehensive technical college facility is currently slightly more than 259,000 square feet and includes instructional classrooms, shops, and labs for most of BTC's 70 instructional programs. The campus was originally constructed in 1974. Some of the programs offered in this facility include: nursing, radiography, certified nursing assistant, dental assistant, emergency medical technician, police science, fire protection technician, accounting, early childhood education, foundations of teacher education, and culinary arts.

In addition to the programs offered, the campus also houses a student success center, library, information technology area, student services, bookstore, food service, and a student commons area.

On November 3, 2020, district voters approved a \$32million capital referendum to construct a public safety and transportation training center on the Central Campus. This facility serves students in nine areas of study as well as support training for community police officers, firefighters, first responders, and others.

The transportation studies facility, constructed in 2021, is slightly more than 22,000 square feet and includes shops for automotive, diesel, and heavy equipment maintenance technician programs. An emergency vehicle operations training track with scenario villages and an adjacent observation building were constructed in 2022. The final referenda project, a three-story public safety training building, approximately 75,000 square feet, was completed in June of 2023. The building includes class rooms, a state-of-the-art shooting range, fitness facility, gymnasium, and an apparatus pay and indoor training areas to provide comprehensive protective services training including fire, emergency medical services, police, and other first responders.

In 2023, the Blackhawk Technical College Foundation (“BTCF”) sold the building that housed the College's Advanced Manufacturing Center. From the proceeds, a \$6.8 million grant was given to the college to construct a replacement facility on the Central Campus. The construction of a 52,000 square foot Innovative Manufacturing and Education Center (I-MEC) was completed in October 2024 and provides instruction for the industrial mechanic technician, computer-numerical control (CNC) technician, welding, heating, venting, air condition and refrigeration (HVAC/R) technician, electro-mechanical technician, industrial engineering technician, and a variety of apprenticeship programs, previously provided in Milton.

Monroe Campus

The Monroe Campus is a 27,000 square foot building located on the northwest side of Monroe at Highway 11. This full-service, handicapped accessible campus has computer labs equipped with state-of-the-art computer equipment, a distance learning lab designed for global classroom connections, a nursing assistant and phlebotomy lab, and seven general classrooms. The campus offers a selection of full associate degrees, one-year diplomas and short-term certificates, as well as general education core courses. A learning lab offers GED/HSED testing and vocational prep courses. Several continuing education courses are offered each year.

In addition, a 3,200 square foot shop with lab and adjoining greenhouse was constructed on the Monroe Campus in 2019, to support agricultural instruction.

Rock County Jail

The Rock County Education and Criminal Addictions Program (RECAP) is offered at the Rock County Jail. The Rock County Jail provides all space and provides the necessary custodial/maintenance services. The space includes an office for instructors and classrooms. Basic skills education is provided to the jail population.

Outreach Facilities

BTC also has a outreach continuing education center and outreach site in Beloit, WI that provide space for adult continuing education classes and other services. In addition, BTC partners with over 20 local high schools to offer their students opportunities to earn college credits. :

District Vision and Mission Statement

Our Vision:

Delivering innovative education to enrich our communities.

Our Mission:

We help you build your future with flexible education in a supportive environment.

Our Values:

- **Responsive:** Meeting students when and where they learn best, providing supportive services empowering them to succeed.
- **Collaborative+:** Creating critical partnerships, adapting to community needs.
- **Empowering:** Building an inclusive, aligned and supportive culture, allowing students and employees to develop, grow and succeed.
- **Strategic:** Optimizing college resources to meet the needs of learners and employers through data-informed decisions and innovative solutions.
- **Process-driven:** Developing transparent, consistent, aligned and repeatable processes and procedures, focusing on efficiency, accountability and excellence.
- **Inclusive:** Cultivating a climate in which all students and employees feel welcomed, valued, and included.
-

The following strategic initiatives will guide fulfillment of our mission and vision:

- **Develop Flexible Learning Delivery Models to Meet Student Needs:** offer flexible learning solutions that get students where they need and want to go;
- **Create a Supportive and Inclusive College Environment:** an environment that embraces inclusion, collaboration, engagement, and equity for all and a student-centered culture that believes all students and employees can be successful;
- **Enhance the College's Pursuit of Educational Excellence:** understanding and proving educational outcomes;
- **Improve College Operational Efficiency and Effectiveness:** processes that are streamlined, documented, and easily accessible to staff, and students find it easy to do business with BTC;
- **Improve Our Data Informed Decision-Making Capabilities:** faculty, administration, and students will have access to data/information that leads to a data-informed decision-making culture.

Programs

Blackhawk Technical College offers a wealth of programs and services designed to improve and advance students' skills and abilities in preparation for increased effectiveness in the world of work, and the world at large. To assist students who desire to enter, advance in, or re-train for the world of work, approximately 70 Associate Degree, Vocational Diploma, or cultural occupations are available. Numerous other courses are designed for those who wish to become more effective in the world-at-large.

Associate Degree

These programs are organized to provide day and evening educational opportunities at the two-year post-secondary level. The overall objective is the creation of an atmosphere of inquiry and learning in which students are guided in their pursuit of the understanding, appreciation, knowledge, and skills essential to their active and effective participation in their home, academic, occupational and civic lives.

The specific objective is to prepare students for entry/advancement in occupations which depend on technical information and on an understanding of the laws and principles of mathematics, science, and technology relevant to modern design, production, distribution, and service or for transfer to four-year university to obtain a bachelorette degree.

The Applied Associate degree programs require successful completion of a minimum of 64 semester credit hours of course work of which 32 must have been in courses dealing with the major field of instruction. At least 25% of these semester hours must have been earned at the institution awarding the degree. The distribution of course credits may vary according to the type of degree program in which the student is enrolled. Collegiate transfer degrees require 60 credits including elective courses that allow students to select classes that appeal to their future career plans.

Diploma and Certificate Programs

Individual courses fulfill specific job needs. They may be chosen individually or they may be part of a Certificate or Diploma program.

Certificate programs include a grouping of only those courses which are essential to prepare a student for successful employment in specific occupations. Certificates may be awarded for completion of an educational offering not described under diploma or associate degree program criteria.

Diploma programs, usually one or two years long, provide more extensive training on a broader base in a more complete work area. This greater training leads to greater employment opportunity and to greater advancement possibilities.

Diploma programs may be less than one year, one year or two years in length. Occupational skills course work comprises a minimum of 80 percent of the total class time spent in these programs. Supportive related course work may constitute the remaining curricular requirements. Related instruction for apprenticeship is included as a diploma program.

Apprentice Programs and Courses

The Wisconsin Apprenticeship Law was created to fulfill the following purposes:

1. To assist in the development of better-trained workers for the trades.
2. To act as a protective measure for young men and women entering the trades.
3. To provide a basis for orderly procedure for the indenturing and training of apprentices.

The Apprenticeship Law is a part of the educational machinery of the state for instruction in useful occupations. Blackhawk Technical College has been vested with the responsibility of cooperating with employers and the Division of Apprenticeship and Training, Department of Workforce Development, under the Apprenticeship Law.

When an employer decides to use the apprenticeship method of training their skilled workers, an arrangement is made with representatives of the Division of Apprenticeship and Training to draw up the standards which apply to the trade field in which the apprentice is to be trained. As soon as this has been done, the employer and the apprentice sign a contract in which the training schedule, the total hours of related instruction, and the total time of the training program are determined.

A person interested in becoming an apprentice cannot enroll in Blackhawk Technical College for this purpose unless the person has entered into a training agreement with an employer and the Department of Workforce Development, Apprenticeship Division. This training agreement, as indicated, is outlined in a contract.

Listed below are the individual programs offered by Blackhawk Technical College.

COLLEGIATE DEGRESS

Associate of Arts
Associate of Science

BUSINESS AND INFORMATION TECHNOLOGY

Accounting
Accounting Assistant
Administrative Professional
Administrative Support Professional
Behavior Technician
Business Management
Business Management Specialist
Child Care Services
Culinary Arts
Culinary Production Line Cook
Digital Marketing
Early Childhood Education
Foundations of Teacher Education
Hospitality Management
Human Resources
Leadership Development
Supply Chain Assistant
Supply Chain Management
Individualized Technical Studies

PROTECTIVE SERVICES

Advanced Emergency Medical Technician
Criminal Justice Studies
Law Enforcement Basic Jail Academy
Law Enforcement Basic Recruit Academy
Emergency Medical Technician
Fire Protection Technician
Human Services Associate
Paramedic Technician
Paramedic

HEALTH SERVICES

Dental Assistant
Dental Hygienist
Diagnostic Medical Sonography & Vascular Tech
Health Information Management
Laboratory Science Technician Assistant
Medical Assistant
Medical Coder
Medical Laboratory Technician
Nursing
Nursing Assistant
Phlebotomy Technician
Physical Therapist Assistant
Radiography
Respiratory Therapy
Sterile Processing Technician
Substance Abuse Education
Substance Use Disorder Counseling
Surgical Technology

ADVANCED MANUFACTURING AND TRANSPORTATION

Air Conditioning, Heating and Refrigeration Technology
Automation System Technology
Automotive Technician
Computer Numerical Control Operator / Programmer
Computer Numerical Control Technician
Diesel and Heavy Equipment Technician
Diesel Medium & Heavy Truck Technician
Entry Maintenance Technician
Electric Power Distribution
Electro-Mechanical Technology
Residential Heating, Ventilation, and Air Conditioning
Industrial Maintenance Mechanic
Information Technology – Help Desk Support Specialist
Information Technology – Technical Support Specialist
Information Technology – Web Software Developer
Manufacturing Engineering Technology
Welding
Welding Fabrication & Robotics

MONROE CAMPUS

Agribusiness Management Technician
Agribusiness Science and Technology
Farm Business & Production Management
Laboratory Food Science Technician

APPRENTICESHIPS

Electricity
HVAC Apprentice
Industrial Electrician
Machinist
Maintenance Technician
Mechatronics Technician

OTHER – CERTIFICATE/SPECIAL PROGRAMS

Entry Level Driver Training
Commercial Driver's License Training

OFFERED IN COOPERATION - SHARED

Funeral Service
Nutrition and Dietetic Technician

Learning Support Division

The Learning Support Division offers a variety of programs and services that provide career awareness and readiness activities, and instructional support for a variety of educational needs that exists in the adult community. The division works closely with other divisions of Blackhawk Technical College as well as local schools and industry to develop programs to meet educational needs in the community. Programs are offered at no cost to the student at several locations throughout the community including Central and Monroe Campuses, Rock County Jail and other community and work sites.

The following is a list of the different programs and services offered by the division.

- Adult High School and High School Credit Classes
- Basic Skills Education and GED/HSED Preparation
- Business and Industry Outreach for Basic Skills
- Contracting for At-risk High School Youth
- English As a Second Language Instruction
- RECAP/WtW (Rock County Education and Criminal Addictions Program/Welfare to Work)
- Remedial Instruction for Vocational Students
- Special Needs Support and Instruction
- Tutorial Assistance for Vocational Students

Adult Continuing Education/Continuing Education and Development

Serving nearly 3,000 adults each year throughout Rock and Green Counties, the Continuing Education and Development unit of Blackhawk Technical College combines programming for the general public as well as customized training for business and industry in delivering educational services and resources.

Subject matter embraces all disciplines. Methods of delivery range from seminars and workshops to short-term and semester-length courses, made available in classroom and shop format and through cable television and computer applications.

Continuing Education and Development staff are committed to the concept of “lifelong” learning and providing educational programs that reflect the latest in technological advances and services.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

	The District ⁽¹⁾	Rock County	City of Janesville	City of Beloit	Green County	City of Monroe
Estimate, 2024	191,211	165,156	66,311	36,726	37,364	10,609
Estimate, 2023	191,079	164,726	66,202	36,674	37,291	10,627
Estimate, 2022	191,421	164,959	66,206	36,760	37,445	10,691
Estimate, 2021	⁽²⁾	161,899	64,198	36,376	37,448	10,660
Census, 2020	186,265	163,687	65,615	36,657	37,093	10,661

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

⁽²⁾ 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 Wisconsin	Rock County	City of Janesville	City of Beloit	Green County	City of Monroe
2023	\$73,001	\$89,161	\$63,843	\$51,832	\$69,761	\$61,783
2022	70,548	79,134	61,225	48,310	69,184	67,053
2021	66,369	68,940	60,077	44,609	64,175	58,428
2020	61,518	60,837	55,010	41,058	60,277	53,947
2019	61,003	60,720	54,657	40,720	58,199	53,510

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

Unemployment Rate

	<u>State of Wisconsin</u>	<u>Janesville-Beloit MSA</u>	<u>City of Beloit</u>	<u>Green County</u>
May, 2025 ⁽¹⁾	3.3%	3.6%	4.4%	2.8%
May, 2024	2.8	3.0	3.8	2.2
Average, 2024 ⁽¹⁾	3.0%	3.2%	3.9%	2.3%
Average, 2023	2.8	3.2	3.9	2.3
Average, 2022	2.8	3.4	4.1	2.4
Average, 2021	3.8	4.6	5.8	3.1
Average, 2020	6.4	7.4	7.9	5.0

⁽¹⁾Preliminary.

Source: Wisconsin Department of Workforce Development.

Building Permit Valuations

<u>Year</u>	<u>City of Janesville</u>	<u>Year</u>	<u>City of Beloit</u>	<u>Year</u>	<u>City of Monroe</u>
2025	N/A	2025*	\$85,340,666	2025*	\$ 3,188,478
2024*	\$169,437,500	2024	56,736,631	2024	115,909,161
2023	170,136,270	2023	51,654,223	2023	39,183,937
2022	332,313,449	2022	81,425,029	2022	23,068,169
2021	167,439,169	2021	31,103,547	2021	34,600,042
2020	117,453,862	2020	87,265,169	2020	16,266,202

*As of December 31, 2024.

*As of February 11, 2025.

*As of May 27, 2025.

Source: City of Janesville Final Official Statement dated March 10, 2025, City of Beloit Final Official Statement dated March 17, 2025 and City of Monroe, City Clerk.

Largest Employers in the District

<u>Name</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Mercy Health System ⁽¹⁾	Health care	2,927 ^(A)
School District of Janesville ⁽¹⁾	Education	1,420 ^(B)
Rock County ⁽¹⁾	Government	1,341 ^(C)
Monroe Clinic ⁽³⁾	Medical facility	1,300
Amazon ⁽²⁾	Distribution facility	1,220
Grainger Brands ⁽¹⁾	Wholesale safety equipment & clothing	1,193 ^(D)
SSI Technologies, LLC ⁽¹⁾	Manufacturer of sensors	950
Beloit Health System ⁽²⁾	Medical services	919
Colony Brands, Inc. ⁽³⁾	Mail order food and gifts	900
Blain's Supply (Farm & Fleet) ⁽¹⁾	Retail store, distribution center & corporate headquarters	845

^(A)Figure includes 2,207 full-time and 755 part-time employees.

^(B)1,420.26 FTE employees.

^(C)1,341.35 FTE employees.

^(D)Figure includes employees at Grainger, Ariens and 45 external contractors.

⁽¹⁾ City of Janesville.

⁽²⁾ City of Beloit.

⁽³⁾ City of Monroe.

Source: City of Janesville Final Official Statement dated March 10, 2025, City of Beloit Final Official Statement dated March 17, 2025, Data Axle Genie (www.salesgenie.com), IndustrySelect by MNI and direct inquiries.

Largest Taxpayers in the District

<u>Taxpayer</u>	<u>Type of Business</u>	2024 <u>Equalized Valuation</u>
ABC Supply/Hendricks Development ⁽¹⁾	Various companies/real estate development	\$166,430,382
TI Janesville I LLC - VIII LLC ⁽²⁾	Real Estate/Developer	166,298,427
Amazon ⁽¹⁾	Distribution center	146,245,892
Mercy Health System ⁽²⁾	Health care facilities	69,502,445
Dollar General ⁽²⁾	Distribution center and retail stores	57,490,432
Seneca Foods Corp. ⁽²⁾	Food Packaging	51,062,513
Hawks Ridge Apartments LLC ⁽¹⁾	Apartment rentals	44,711,669
Stag Janesville LLC ⁽²⁾	Commercial properties	39,509,356
SSM Health ⁽²⁾	Dean Health System/St. Mary's Hospital	34,351,159
MW Residences LLC ⁽²⁾	Commercial properties	34,325,537
	TOTAL	<u>\$809,927,812</u>

The above taxpayers represent 3.42% of the District's 2024 Equalized Value (TID IN) (\$23,648,341,217).

⁽¹⁾ *City of Beloit.*

⁽²⁾ *City of Janesville.*

Source: City of Beloit Final Official Statement dated March 17, 2025 and the City of Janesville.

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 2024-25 fiscal year, the District established a mill rate of \$0.34272 for operational purposes and \$0.41487 for payment of debt.

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

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

Collection Year	District Tax Rate	District Levy	Uncollected Taxes as of August 20 th of Each Year	Percent of Levy Collected
2025	\$0.76	\$17,210,970	<i>-In Process of Collection-</i>	
2024	0.78	17,057,820	-0-	100.00%
2023	0.84	16,137,349	-0-	100.00
2022	1.00	16,171,346	-0-	100.00
2021	1.08	16,071,320	-0-	100.00

Source: The District.

**2024-25 Proportionate Amounts of Local Tax Revenue
Per Municipality Based on 2024 Equalized Valuation**

<u>Entity</u>	<u>2024 Equalized Valuation (TID OUT)</u>	<u>Percent of Levy</u>	<u>Amount of Levy</u>
Rock County	\$19,087,557,378	84.019191%	\$14,460,518
Green County	3,630,535,039	15.980809	2,750,452
Totals	<u>\$22,718,092,417</u>	<u>100.000000%</u>	<u>\$17,210,970</u>

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 10.98 percent annually, with an overall increase of 51.70 percent since 2020.

<u>Year</u>	<u>Equalized Valuation (TID-IN)</u>	<u>Equalized Valuation (TID-OUT)*</u>
2024	\$23,648,341,217	\$22,718,092,417
2023	22,606,037,953	21,804,771,653
2022	19,959,740,679	19,238,667,879
2021	17,225,048,841	16,159,386,341
2020	15,589,099,557	14,821,866,157

*Some municipalities located within the District have Tax Incremental Districts ("TIDs") under Wisconsin Statutes 66.1105. TID valuations totaling \$930,248,800 for these municipalities have been excluded from the District tax base for 2024.

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. Interest on the Notes has been estimated using an average rate of 5.00 percent. Bond years are 22,766.67 years and average life is 5.991 years.

Year	Outstanding Bonds and Notes		New Issue-2025A Notes		Total Debt Service Requirements*
	Principal	Interest	Principal	Interest*	
2025	\$7,855,000	\$1,927,515			\$9,782,515
2026	7,620,000	1,652,119		\$220,083	9,492,202
2027	6,985,000	1,415,975	\$340,000	181,500	8,922,475
2028	6,070,000	1,203,442	360,000	164,000	7,797,442
2029	5,640,000	1,011,077	380,000	145,500	7,176,577
2030	5,245,000	849,729	400,000	126,000	6,620,729
2031	4,685,000	712,778	420,000	105,500	5,923,278
2032	4,145,000	582,431	440,000	84,000	5,251,431
2033	3,740,000	460,191	465,000	61,375	4,726,566
2034	2,940,000	359,887	485,000	37,625	3,822,512
2035	2,120,000	293,838	510,000	12,750	2,936,588
2036	2,490,000	239,781	--	--	2,729,781
2037	2,260,000	186,838	--	--	2,446,838
2038	2,310,000	138,713	--	--	2,448,713
2039	2,320,000	89,125	--	--	2,409,125
2040	2,110,000	41,788	--	--	2,151,788
2041	965,000	9,650	--	--	974,650
	<u>69,500,000</u>	<u>11,174,876</u>	<u>3,800,000</u>	<u>1,138,333</u>	<u>85,613,209</u>
Less: 2025 Payments	<u>(7,855,000)</u>	<u>(1,927,515)</u>	<u>0</u>	<u>0</u>	<u>(9,782,515)</u>
TOTAL	<u>\$61,645,000</u>	<u>\$9,247,361</u>	<u>\$3,800,000</u>	<u>\$1,138,333</u>	<u>\$75,830,694</u>

*Preliminary, subject to change.

Other Financing

The District does not borrow for cash flow purposes.

Future Financing

The District usually borrows annually pursuant to its capital improvement plans. The District anticipates issuing an additional \$1,500,000 general obligation debt in September 2025.

Default Record

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

Overlapping and Underlying Indebtedness

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

<u>Name of Entity</u>	<u>Amount of Debt (Net of 2025 Principal Payments)</u>	<u>Percent Chargeable to District</u>	<u>Outstanding Debt Chargeable to District</u>
Rock County	\$128,960,000	99.81%	\$128,714,976
Green County	24,830,000	70.51	17,507,633
Cities Total	218,003,923	100.00	218,003,923
Villages Total	13,144,642	100.00	13,144,642
Towns Total	22,168,409	Varies	18,476,908
School Districts Total	467,083,871	Varies	408,552,288
Sanitary Districts Total	3,658,424	Varies	3,336,100
TOTAL	\$877,849,269		\$807,736,470

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on EMMA.msrb.org, the Wisconsin Department of Revenue 2023 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 2025 principal payments.

2024 Equalized Valuation as certified by Wisconsin Department of Revenue	\$23,648,341,217
Direct Bonded Indebtedness (including the Notes)	\$65,445,000
Direct, Overlapping and Underlying Bonded Indebtedness (Including the Notes)	\$873,181,470
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	0.28%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	3.69%
Population of District (2024 Estimate)*	191,211
Direct Bonded Indebtedness Per Capita	\$342.27
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$4,566.59

*Source: Wisconsin Technical College District Board.

Debt Limit

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS--Debt Limit," the total indebtedness of the District may not exceed five percent (5%)⁽¹⁾ 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 date of the closing date of the Notes, as a percentage of the applicable debt limit.

Equalized Valuation (2024) as certified by Wisconsin Department of Revenue	\$23,648,341,217
Legal Debt Percentage Allowed	<u>5.00%</u>
Legal Debt Limit	\$1,182,417,061
General Obligation Debt Outstanding (including the Notes)	<u>\$65,445,000</u>
Unused Margin of Indebtedness	\$1,116,972,061
Percent of Legal Debt Incurred	5.53%
Percentage of Legal Debt Available	94.47%

(1) 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.

As part of the budgeting process, budget requests are submitted during the last half of the fiscal year by the instructors and departmental administrators of each division to their respective leadership, who thereafter review and revise such requests and submit them, with their recommendations, to the President. After review and adjustment by the administrative staff of the District, the proposed budget is presented to the full Board. After further review and adjustment, the proposed budget is again submitted to the full Board each year. The proposed budget is formally adopted by the Board after the public hearing is held.

**COMPARATIVE STATEMENT OF REVENUES AND EXPENDITURES
GENERAL FUND
FOR YEARS ENDED JUNE 30**

	2025-26 BUDGET	ESTIMATED Actual on a Budgetary Basis 2024-25⁽¹⁾	Actual on a Budgetary Basis 2023-24	Actual on a Budgetary Basis 2022-23	Actual on a Budgetary Basis 2021-22
Revenues					
Tax Levy	\$7,274,000	\$7,271,000	\$7,230,194	\$6,959,292	\$6,790,672
State Aid	14,854,014	14,705,000	14,667,293	14,587,626	13,927,588
Federal	8,000	10,000	12,540	9,911	8,401
Program Fees	7,052,500	6,847,000	6,468,874	6,230,811	5,613,931
Material Fees	364,700	364,000	351,176	334,875	315,126
Other Student Fees	656,250	656,000	525,854	498,294	478,116
Institutional	2,310,350	2,585,000	2,906,481	2,956,945	2,727,939
Total revenues	<u>32,519,814</u>	<u>32,438,000</u>	<u>32,162,412</u>	<u>31,577,754</u>	<u>29,861,773</u>
Expenditures					
Instruction	18,321,948	17,801,000	17,116,517	16,444,139	16,583,010
Instructional Resources	1,302,803	1,027,000	1,003,462	1,033,418	1,032,958
Student Services	2,569,973	2,163,000	2,308,432	2,071,334	2,027,097
General Institutional	7,497,449	6,895,000	6,563,545	6,737,655	6,174,230
Physical Plant	2,569,084	2,409,000	4,273,647	2,619,006	2,422,685
Total Expenditures	<u>32,261,257</u>	<u>30,295,000</u>	<u>31,265,603</u>	<u>28,905,552</u>	<u>28,239,980</u>
Excess of revenues over (under) expenditures	<u>258,557</u>	<u>2,143,000</u>	<u>896,809</u>	<u>2,672,202</u>	<u>1,621,793</u>
Other financing sources (uses)					
Operating transfer in	100,000	80,000	137,357	319,285	320,047
Operating transfers out	<u>(320,096)</u>	<u>(1,805,000)</u>	<u>(63,605)</u>	<u>(2,028,266)</u>	<u>(1,720,808)</u>
Net other financing sources (uses)	<u>(220,096)</u>	<u>(1,725,000)</u>	<u>73,752</u>	<u>(1,708,981)</u>	<u>(1,400,761)</u>
Revenues and other sources over (under) expenditures and other uses	38,461	418,000	970,561	963,221	221,032
Fund balances - beginning of year		<u>13,423,880</u>	<u>12,453,319</u>	<u>11,490,098</u>	<u>11,269,066</u>
Fund balances - end of year		<u><u>\$13,841,880</u></u>	<u><u>\$13,423,880</u></u>	<u><u>\$12,453,319</u></u>	<u><u>\$11,490,098</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.

⁽¹⁾ Estimate is based upon ten months of unaudited actual results and two months of estimates.

The amounts shown for the fiscal years ended June 30, 2022 through June 30, 2024 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, 2025 are estimated by the District based on ten months of unaudited actual results and the amount shown for the fiscal year ending June 30, 2026 are 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, 2024 including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, or relating to this Official Statement, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

UNDERWRITING

The Notes have been purchased at a public sale by a group of Underwriters for whom _____ is acting as Managing Underwriter (the "Underwriter"). The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the cover of this Official Statement plus accrued interest from August 4, 2025, if any, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allocate or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

RATING

This issue has been assigned a "Aa2" 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 Undertakings 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.

Original Issue Discount

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

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

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

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

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

Bond Premium

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

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

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

DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS

The District shall designate the Notes as "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 Award Resolution adopted by the Board to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes to provide certain financial information and operating data relating to the District annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than 270 days after the end of each fiscal year. The District's fiscal year ends June 30th.** 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.

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.

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. 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.

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.

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION") and has not performed any investigation as to its accuracy, completeness or sufficiency.

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

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

AUTHORIZATION

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

BLACKHAWK TECHNICAL COLLEGE DISTRICT

By /s/ _____
District Secretary

APPENDIX A

BASIC FINANCIAL STATEMENTS AND RELATED NOTES

BLACKHAWK TECHNICAL COLLEGE DISTRICT

Rock and Green Counties, Wisconsin

For year ended June 30, 2024

**Wipfli LLP
Eau Claire, Wisconsin**

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2024 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.

Blackhawk Technical College District

Financial Statements

Years Ended June 30, 2024 and 2023



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Blackhawk Technical College District

Financial Statements and Single Audit

Years Ended June 30, 2024 and 2023

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Independent Auditor's Report

Independent Auditor's Report

District Board
Blackhawk Technical College District
Janesville, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information (the "financial statements") of Blackhawk Technical College District (the "College"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the the business-type activities, the discretely presented component unit, and the aggregate remaining information of Blackhawk Technical College District, as of June 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Blackhawk Technical College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

December 20, 2024

Eau Claire, Wisconsin

Management's Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

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

Basic Financial Statements

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

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

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

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

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

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

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

	amounts shown in thousands			Increase or (Decrease)			
	2024	2023	Restated 2022	(2024-2023)		(2023-2022)	
				\$	%	\$	%
ASSETS							
Cash and investments	\$27,112	\$44,749	\$40,278	(\$17,637)	-39.4%	\$4,471	11.1%
Net capital and lease assets	86,965	72,446	67,674	14,519	20.0%	4,772	7.1%
Other assets	13,653	12,861	20,892	793	6.2%	(8,031)	-38.4%
Total assets	127,731	130,056	128,844	(2,325)	-1.8%	1,211	0.9%
Deferred Outflows of Resources	11,929	18,914	15,856	(6,985)	-36.9%	3,057	19.3%
LIABILITIES							
Current liabilities	\$15,610	\$14,079	\$13,643	1,532	10.9%	436	3.2%
Long-Term liabilities	61,803	67,466	65,942	(5,663)	-8.4%	1,523	2.3%
Total liabilities	77,413	81,544	79,585	(4,132)	-5.1%	1,959	2.5%
Deferred Inflows of Resources	8,930	12,388	18,836	(3,457)	-27.9%	(6,448)	-34.2%
NET POSITION							
Net investment in capital assets	\$24,879	\$24,642	\$18,685	238	1.0%	5,957	31.9%
Restricted for:							
Debt Service	423	352	293	70	19.9%	59	20.1%
Pension	0	0	7,374	0	#DIV/0!	(7,374)	-100.0%
OPEB	7,024	6,260	5,695	764	0.0%	565	9.9%
Student Financial Assistance	133	133	126	0	0.2%	8	6.0%
Student Organizations	866	727	650	139	19.1%	77	11.9%
Unrestricted	19,992	22,923	13,458	(2,932)	-12.8%	9,466	70.3%
Total net position	\$53,316	\$55,037	\$46,280	(\$1,721)	-3.1%	\$8,757	18.9%

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

Fiscal Year 2024 Compared to 2023

From 2023 to 2024, total assets decreased by \$2.3 million, or 1.8%. Significant changes are as follows:

- ❖ Cash and cash equivalents decreased by \$17.6 million, or 39.4% due primarily to the completion of capital construction projects.
- ❖ Net capital and lease assets increased by \$14.5 million, or 20.0% due to capital asset additions net of disposals.
- ❖ Other assets increased by \$792,530, or 6.2% due primarily to an increase of \$763,801 in other post-employment health benefit assets.

From 2023 to 2024, deferred outflows of resources decreased \$7.0 million, or 36.9%. This change is primarily due to:

- ❖ A \$6.25 million decrease in the College's proportionate share of the Wisconsin Retirement System collective deferred outflows of resources for pension and life benefits. This decrease is attributed to actual versus expected experience, investment performance, and a change in assumptions.

From 2023 to 2024, total liabilities decreased \$4.1 million, or 5.1%. Significant changes are as follows:

- ❖ Current liabilities increased \$1.5 million, or 10.9% primarily due to increases in accounts payable and accrued liabilities and in the current portion of long-term obligations over the prior year.
- ❖ Long term liabilities decreased \$5.7 million, or 8.4% due primarily to decreases of \$3.4 million in the Wisconsin Retirement System pension plan liability, \$1.4 million in general obligation debt, and \$1.4 million in lease liability payable due to termination of the lease at the Advanced Manufacturing Technology Center.

From 2023 to 2024, deferred inflows of resources decreased \$3.5 million, or 27.9%. This is due to:

- ❖ A \$3.03 million decrease in the College's proportionate share of collective deferred inflows of resources in the Wisconsin Retirement System pension plan. Deferred inflows of resources will be applied to future periods and will be recognized as revenue at that time.

From 2023 to 2024, total net position decreased by \$1.7 million or 3.1%. Significant changes are as follows:

- ❖ Net investment in capital assets increased \$0.2 million due to \$13.8 million in investments in capital assets, offset by \$5.1 million in depreciation and the disposal of \$8.6 million in assets from the closing of the Advanced Manufacturing and Training Center in Milton, WI.
- ❖ Net position restricted for other post-employment health benefits increased \$1.1 million, which is the result of actuarial adjustments (actual versus expected experience, investment performance, and a change in assumptions).
- ❖ Net position unrestricted decreased \$2.9 million due to a \$6.8 million investment in capital assets offset by net revenues over expenses.

Fiscal Year 2023 Compared to 2022

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

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

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

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

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

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

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

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

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

- ❖ Net investment in capital assets increased \$6.0 million due to investment in capital assets offset by depreciation. Unrestricted net position increased \$8.68 million due largely to strong operational performance wherein revenues exceeded expenditures. These increases are offset by a decrease of \$7.4 in net position restricted for Pension, which is the result of actuarial adjustments (actual versus expected experience and a change in assumptions).

Condensed Comparative Data and Overall Analysis

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

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

	amounts shown in thousands			Increase or (Decrease)			
	2024	2023	Restated 2022	(2024-2023)		(2023-2022)	
				\$	%	\$	%
Operating Revenues:							
Student tuition and fees	\$6,173	\$5,796	\$4,996	\$377	6.5%	\$800	16.0%
Federal grants	5,421	7,487	10,871	-2,066	-27.6%	-3,384	-31.1%
State grants	936	975	797	-39	-4.0%	178	22.3%
Miscellaneous	3,071	9,795	4,363	-6,724	-68.6%	5,432	124.5%
Total operating revenues	\$15,601	\$24,053	\$21,027	-\$8,452	-35.1%	\$3,026	14.4%

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

Fiscal Year 2024 Compared to 2023

During 2024, the College generated \$15.6 million in operating revenue. From 2023 to 2024, operating revenues decreased \$8.5 million, or 35.1%. Significant changes are as follows:

- ❖ Institutional revenue decreased by \$6.7 million, or 68.6% mainly due to receiving a gift of \$6.8 million from the Blackhawk Technical College Foundation for construction of the new manufacturing building in the prior year.
- ❖ Federal grant revenue decreased \$2.1 million or 27.61% due primarily to the decrease in the higher education emergency relief funding (HEERF) for student aid from the prior year (\$2,820,630), offset by an increase in financial aid provided to students (\$754,640).
- ❖ Student tuition and fees increased \$377,164 or 6.5% due to enrollment growth and a 1.92% increase in tuition rate.
- ❖ State grants decreased \$39,759, or 4.0% primarily due to a decrease in Wisconsin Technical College System Board grant funding (\$29,178).

Fiscal Year 2023 Compared to 2022

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

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

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

	amounts shown in thousands			Increase or (Decrease)			
	2024	2023	Restated 2022	(2024-2023)		(2023-2022)	
				\$	%	\$	%
Operating Expenses:							
Instruction	\$17,969	\$18,480	\$16,611	-\$511	-2.8%	\$1,869	11.3%
Instructional resources	1,167	2,359	2,146	-1,192	-50.5%	213	9.9%
Student services	3,778	5,308	6,213	-1,530	-28.8%	-905	-14.6%
General institutional	6,506	6,900	6,207	-394	-5.7%	693	11.2%
Physical plant	2,272	3,444	2,589	-1,172	-34.0%	855	33.0%
Student aid	2,834	2,186	1,698	648	29.6%	488	28.7%
Auxiliary enterprise services	96	60	28	36	60.0%	32	114.3%
Depreciation	6,644	7,021	6,320	-377	-5.4%	701	11.1%
Total operating expenses	\$41,266	\$45,758	\$41,812	-\$4,492	-9.8%	\$3,946	9.4%

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

Fiscal Year 2024 Compared to 2023

During 2024, total operating expenses decreased by \$4.5 million, or 9.8% from the prior year. Significant changes are as follows:

- ❖ Instructional expenses decreased \$510,182 or 2.8%, primarily due to decreases in the actuarially determined in pension and other post-employment benefit expenses (\$986,392 and \$103,549 respectively), capital purchases and projects (\$617,717), and transcribed credit service for high school delivered curriculum (\$477,392). These decreases are offset by increases in general operational expenses (\$1,149,769) and reclassification of capital purchases and encumbrances (\$564,314).
- ❖ Instruction resources expenditures decreased \$1.2 million or 50.5%, primarily due to decreases in reclassification of capital purchases and encumbrances (\$532,629), and capital expenditures (\$496,162)
- ❖ Physical plant expenses decreased \$1.2 million or 34.0%, mainly due to a net decrease of reclassification of capital purchases and encumbrances (\$2,756,668) and an increase in operational expenses (\$1,591,755).
- ❖ Student services decreased \$1.5 million or 28.8%, primarily due to a decrease in HEERF emergency student aid disbursed (\$1.3 million).
- ❖ Student aid expenses increased \$647,645, or 29.6% primarily due to the increase in student financial aid awards resulting in increased dollars disbursed to students.
- ❖ Depreciation expense decreased \$378,036, or 5.4% primarily due to the disposal of capital assets relating to the move from the Advanced Manufacturing Technology Center to the Innovative Manufacturing Education Center.

Fiscal Year 2023 Compared to 2022

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

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

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

	amounts shown in thousands			Increase or (Decrease)			
				(2024-2023)		(2023-2022)	
	2024	2023	Restated 2022	\$	%	\$	%
Non-Operating Revenues:							
Property taxes	\$17,096	\$16,321	\$16,184	\$775	4.7%	\$137	0.8%
State operating appropriations	14,667	14,588	13,928	79	0.5%	660	4.7%
Investment income earned	1,838	1,382	85	456	33.0%	1,297	1525.9%
Subtotal of Non-Operating Revenues	33,601	32,291	30,197	1,310	4.1%	2,094	6.9%
Non-Operating Expenses:							
Interest expense	1,775	1,740	1,597	35	2.0%	143	9.0%
Loss on disposal of capital assets	7,882	88	757	7,794	8856.8%	-669	-88.4%
Subtotal of Non-Operating Expenses	9,657	1,828	2,354	7,829	428.3%	-526	-22.3%
Subtotal of Non-Operating Revenues (Expenses)	\$23,944	\$30,463	\$27,843	-\$6,519	-21.4%	\$2,620	9.4%

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

Fiscal Year 2024 Compared to 2023

Net non-operating revenues (expenses) decreased \$6.5 million, or 21.4% from the prior year resulting from a higher increase in non-operating expenses than non-operating revenues:

- ❖ Property tax revenues increased \$775,003, or 4.7% due to increases in net new construction (\$372,386), and in debt service obligations due in calendar year 2024 (\$560,000). These increases were offset by a decrease in TIF funding in the District (\$157,383).
- ❖ State operating appropriations increased \$79,667, or 0.5% due primarily to an increase in general state aid (\$134,700), offset by a decrease in prior period adjustments (\$76,524).
- ❖ Investment income increased \$456,262 due primarily to higher interest rates.
- ❖ Loss on disposal of capital assets increased \$7,793,926 due to the disposal of capital assets no longer in service, mainly related to the move from the Advanced Manufacturing Technology Center to the Innovative Manufacturing Education Center.

Fiscal Year 2023 Compared to 2022

Net non-operating revenues (expenses) increased \$2.62 million, or 9.4% from the prior year resulting from an increase in non-operating revenues which was offset by an decrease in non-operating expenses:

- ❖ Property tax revenues increased \$136,288, or 0.7% due to increases in net new construction (\$280,856), TIF funding in the District (\$173,905) and an increase in debt service obligations due in calendar year 2023 (\$15,000). These increases were offset by a decrease in the allocation to state aid for property tax relief (\$337,840)
- ❖ State operating appropriations increased \$660,038, or 4.7% due primarily to increases in property tax relief aid (\$337,840) and prior period adjustments (\$167,200).
- ❖ Investment income increased \$1.3 million due primarily to higher interest rates.
- ❖ Interest expense increased \$143,201, or 9.0% due to the increase in debt issued and outstanding.
- ❖ Loss on disposal of capital assets decreased \$668,457 or 88.4% due to the disposal of capital assets no longer in service.

Capital Asset and Debt Administration

The College's investment in capital assets includes land, land improvements, buildings and improvements, leasehold improvements, intangible assets (water main), equipment, and construction in progress. This investment as of June 30, 2024 and 2023, net of accumulated depreciation, amounted to \$87.0 million and \$72.4 million, respectively. Additional information on the College's capital assets can be found in Note 5 of the financial statements.

The College finances the majority of its capital assets through the issuance of debt. In November 2020, the District voters approved a capital referenda authorizing borrowing up to \$32.0 million to construct a comprehensive public safety and transportation training center on the College's Central Campus in Janesville. Construction was completed in 2024. The debt to fund the project was issued in three borrowings (\$7.5 million, \$5.0 million, and \$19.5 million) amortized over twenty-years from date of issuance. The College issued the first borrowing (\$7.5 million) in 2021 and the remaining borrowings (\$5.0 million and \$19.5 million) were completed in fiscal year 2022.

In 2024, the College incurred new debt in the amount of \$6.8 million for capital assets and facility improvements and retired debt in the amount of \$7.875 million for a net decrease of \$1.075 million in debt outstanding. Referenda debt will be retired in twenty years from date of issuance while all non-referenda general obligation debt outstanding at fiscal year-end will be retired in ten years.

As of June 30, 2024, the College had total general obligation debt outstanding of \$62,700,000. The balance on June 30, 2023 was \$63,775,000. The College continues to maintain a Moody's Investors Service Aa2 rating, and continues to meet all of its debt service requirements. Wisconsin state statutes limit the amount of aggregate and bonded indebtedness that the College can incur. The amount of debt outstanding falls well below these thresholds.

Requests for Information

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

Basic Financial Statements

Blackhawk Technical College District

Statements of Net Position

June 30, 2024 and 2023

	Primary Government		Component Unit	
	2024	2023	2024	2023
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	\$ 16,452,495	\$ 17,140,810	\$ 1,999,925	\$ 1,156,569
Investments	35,951	35,951	4,639,881	3,985,652
Receivables:				
Property taxes	4,407,644	4,038,076	-	-
Federal and state aid	869,403	1,066,248	-	-
Current portion of notes receivable	-	-	728,277	166,090
Accounts and other, net reserve of \$165,000 at 2024 and 2023	972,446	1,162,209	6,793	27,036
Unconditional promises to give	-	-	195,817	199,684
Prepaid expenses	380,291	334,522	12,623	12,498
Total current assets	<u>23,118,230</u>	<u>23,777,816</u>	<u>7,583,316</u>	<u>5,547,529</u>
<u>Noncurrent assets</u>				
Restricted cash	10,623,853	27,572,116	-	-
Notes receivable, net of current portion	-	-	-	728,277
Unconditional promises to give	-	-	176,662	281,536
Net OPEB asset - Restricted	7,023,619	6,259,818	-	-
Total noncurrent assets	<u>17,647,472</u>	<u>33,831,934</u>	<u>176,662</u>	<u>1,009,813</u>
<u>Capital assets</u>				
Capital assets	137,741,655	125,378,394	321,106	321,106
Less: accumulated depreciation and amortization	50,776,755	52,932,538	6,577	6,577
Total capital assets, net of depreciation	<u>86,964,900</u>	<u>72,445,856</u>	<u>314,529</u>	<u>314,529</u>
Total assets	<u>\$ 127,730,602</u>	<u>\$ 130,055,606</u>	<u>\$ 8,074,507</u>	<u>\$ 6,871,871</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - actuarial - WRS	\$ 10,159,685	\$ 16,402,667	\$ -	\$ -
Deferred outflows of resources - actuarial - OPEB	590,912	1,361,589	-	-
Deferred outflow of resources - actuarial - LRLIF	610,296	616,275	-	-
Deferred outflows of resources - contributions - WRS	564,119	529,586	-	-
Deferred outflow of resources - contributions - LRLIF	3,823	3,698	-	-
Total deferred outflows of resources	<u>\$ 11,928,835</u>	<u>\$ 18,913,815</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
<u>Current liabilities</u>				
Accounts payable and accrued liabilities	\$ 4,212,620	\$ 3,096,423	\$ 789	\$ -
Other accrued liabilities	1,830,662	1,635,430	-	-
Accrued interest payable	430,706	413,854	-	-
Unearned revenue - other	454,120	525,385	-	-
Current portion of long-term obligations	8,682,009	8,407,432	-	-
Total current liabilities	<u>15,610,117</u>	<u>14,078,524</u>	<u>789</u>	<u>-</u>
<u>Long-term obligations, less current portion</u>				
General obligation debt payable	55,025,000	56,430,000	-	-
Arbitrage rebate	400,000	195,000	-	-
Lease liability payable	2,494	1,405,285	-	-
SBITA liability payable	2,048,979	1,870,434	-	-
Unamortized premium on general obligation debt	1,432,986	1,509,520	-	-
Net pension liability	1,268,717	4,680,538	-	-
Net OPEB liability - LRLIF	1,624,530	1,375,048	-	-
Total long-term obligations, less current portion	<u>61,802,706</u>	<u>67,465,825</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>\$ 77,412,823</u>	<u>\$ 81,544,349</u>	<u>\$ 789</u>	<u>\$ -</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - actuarial WRS	\$ 6,781,213	\$ 9,808,280	-	-
Deferred inflows of resources - actuarial OPEB	1,257,162	1,522,304	-	-
Deferred inflow of resources - actuarial LRLIF	892,112	1,057,274	-	-
Total deferred inflows of resources	<u>\$ 8,930,487</u>	<u>\$ 12,387,858</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION				
Net investment in capital assets	\$ 24,879,229	\$ 24,641,533	-	-
Restricted for donors	-	-	5,498,824	4,574,627
Restricted for:				
Debt service	422,506	352,398	-	-
OPEB	7,023,619	6,259,818	-	-
Student financial assistance	133,286	133,019	-	-
Student organizations	865,980	727,140	-	-
Unrestricted	<u>19,991,507</u>	<u>22,923,306</u>	<u>2,574,894</u>	<u>2,297,244</u>
Total net position	<u>\$ 53,316,127</u>	<u>\$ 55,037,214</u>	<u>\$ 8,073,718</u>	<u>\$ 6,871,871</u>

See accompanying notes to financial statements.

Blackhawk Technical College District

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended June 30, 2024 and 2023

	Primary Government		Component Unit	
	2024	2023	2024	2023
<u>Operating revenues</u>				
Student tuition and program fees, net of scholarship allowances of \$1,738,388 in 2024 and \$1,827,194 in 2023	\$ 6,173,215	\$ 5,796,051	\$ -	\$ -
State aids	935,605	975,364	-	-
Federal grants	5,421,332	7,487,322	-	-
Contract revenue	1,434,620	1,973,630	-	-
Auxiliary enterprise revenue	233,929	89,223	-	-
Miscellaneous - institutional revenue	1,402,527	7,732,018	1,312,623	1,378,112
Total operating revenues	15,601,228	24,053,608	1,312,623	1,378,112
<u>Operating expenses</u>				
Instruction	17,969,360	18,479,542	-	-
Instructional resources	1,166,915	2,359,017	-	-
Student services	3,778,145	5,308,126	-	-
General institutional	6,506,132	6,899,506	532,526	738,764
Physical plant	2,271,864	3,443,882	-	-
Student aid	2,833,844	2,186,199	-	-
Auxiliary services	95,802	59,990	-	-
Depreciation	6,643,883	7,021,919	-	-
Total operating expenses	41,265,945	45,758,181	532,526	738,764
Operating loss	(25,664,717)	(21,704,573)	780,097	639,348
<u>Nonoperating revenues (expenses)</u>				
Property taxes	17,095,728	16,320,725	-	-
State operating appropriations	14,667,293	14,587,626	-	-
Investment income	1,838,384	1,382,122	421,750	285,574
Gain/(loss) on disposal of property and equipment	(7,882,361)	(88,435)	-	7,196,431
Grant to Blackhawk Technical College	-	-	-	(6,780,000)
Interest expense	(1,775,414)	(1,740,270)	-	-
Total nonoperating revenues	23,943,630	30,461,768	421,750	702,005
Increase (decrease) in net position	(1,721,087)	8,757,195	1,201,847	1,341,353
Net position - beginning of year	55,037,214	46,280,019	6,871,871	5,530,518
Net position - end of year	\$ 53,316,127	\$ 55,037,214	\$ 8,073,718	\$ 6,871,871

See accompanying notes to financial statements.

Blackhawk Technical College District

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	Primary Government	
	2024	2023
<u>Cash flows from operating activities</u>		
Tuition and fees received	\$ 6,227,498	\$ 5,687,159
Federal and state grants received	6,235,391	8,882,587
Contract revenues	1,828,211	3,021,763
Payments to employees	(24,656,179)	(23,666,365)
Payments for materials and services	(8,699,672)	(13,671,907)
Auxiliary enterprise revenues	233,929	89,223
Other receipts	1,392,896	7,669,669
Net cash used for operating activities	(17,437,926)	(11,987,871)
<u>Cash flows from noncapital financing activities</u>		
Local government property taxes received	16,726,160	16,356,770
State appropriations received	14,667,293	14,587,626
Net cash provided by noncapital financing activities	31,393,453	30,944,396
<u>Cash flows from capital and related financing activities</u>		
Purchases of capital assets	(29,348,322)	(10,572,838)
Proceeds from issuance of capital debt	6,800,000	5,300,000
Principal paid on right of use assets	(1,377,071)	(1,618,285)
Interest paid on right of use assets	(165,532)	(166,312)
Principal paid on capital debt	(7,875,000)	(7,395,000)
Interest paid on capital debt	(1,669,564)	(1,610,093)
Net cash provided by (used for) capital and related financing activities	(33,635,489)	(16,062,528)
<u>Cash flows from investing activities</u>		
Purchase of Investments	-	(81)
Investment income received	2,043,384	1,577,122
Net cash provided by investing activities	2,043,384	1,577,041
Net increase in cash and cash equivalents	(17,636,578)	4,471,038
<u>Cash and cash equivalents</u>		
Beginning of year	44,712,926	40,241,888
End of year	\$ 27,076,348	\$ 44,712,926
<u>Non-cash capital and related financing activities</u>		
Issuance of subscription liability	\$ 1,470,748	\$ 512,460
Loss on disposal of capital assets	9,323,053	88,435

Blackhawk Technical College District

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2024 and 2023

	Primary Government	
	2024	2023
<u>Reconciliation of operating loss to net cash used for operating activities:</u>		
Operating loss	\$ (25,664,717)	\$ (21,704,573)
Adjustment to reconcile operating loss to net cash used for operating activities:		
Depreciation	6,643,883	7,021,919
Changes in assets and liabilities:		
Receivables	386,608	1,191,690
Prepaid expenditures	(45,769)	(5,584)
Accounts payable and accrued liabilities	1,516,633	1,128
Other accrued liabilities	195,232	33,965
Post-employment benefits (asset)/liability	(514,319)	(1,179,127)
Net pension (asset)/liability	(3,411,821)	12,054,550
Deferred inflows of resources	(3,457,371)	(6,447,833)
Deferred outflows of resources	6,984,980	(3,057,380)
Deferred revenue - other	(71,265)	103,374
Net cash used for operating activities	<u>\$ (17,437,926)</u>	<u>\$ (11,987,871)</u>

See accompanying notes to financial statements.

Blackhawk Technical College District

Statements of Fiduciary Net Position - Blackhawk Technical College Post-Employment Benefits Trust June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 115,253	\$ 108,263
Short-term investments	53,412	11,446
Total Current Assets	<u>168,665</u>	<u>119,709</u>
Long Term Assets		
Equity investments	<u>11,355,437</u>	<u>10,466,983</u>
Total Assets	<u>\$ 11,524,102</u>	<u>\$ 10,586,692</u>
LIABILITIES		
Current Liabilities	<u>\$ -</u>	<u>\$ 27,414</u>
Total Liabilities	<u>-</u>	<u>27,414</u>
NET POSITION		
Restricted for post-employment benefits	<u>10,559,278</u>	<u>10,559,278</u>
Total Net Position	<u>\$ 11,524,102</u>	<u>\$ 10,559,278</u>

See accompanying notes to financial statements.

Blackhawk Technical College District

Statements of Changes in Fiduciary Net Position - Blackhawk Technical College Post-Employment Benefits Trust For the Years Ended June 30, 2024 and 2023

	2024	2023
ADDITIONS		
Contributions		
Blackhawk Technical College	\$ -	\$ -
Investment income		
Interest	14,754	10,259
Dividends	306,263	307,557
Capital gains - realized	266,093	(74,275)
Capital gains - unrealized	731,461	598,877
Total investment income	<u>1,318,571</u>	<u>842,418</u>
Total additions	<u>1,318,571</u>	<u>842,418</u>
DEDUCTIONS		
Retiree benefits	307,135	319,076
Investment expense	43,777	41,599
Administrative expense	2,835	2,954
Total deductions	<u>353,747</u>	<u>363,629</u>
Change in Net Position	964,824	478,789
NET POSITION RESTRICTED FOR POST-EMPLOYMENT BENEFITS		
Beginning of year	<u>10,559,278</u>	<u>10,080,489</u>
End of year	<u>\$ 11,524,102</u>	<u>\$ 10,559,278</u>

See accompanying notes to financial statements.

Note 1 – Summary of Significant Accounting Policies

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

The geographic area of the College is comprised of most of Rock County and the majority of Green County in south central Wisconsin. There are 52 municipalities with an estimated population of 191,079 and 13 public school districts within the College's boundaries. The district contains 1,200 square miles and operates campuses located in the cities of Beloit, Janesville and Monroe as well as learning centers in the surrounding communities.

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

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

The College is approved to offer 68 associate degree and technical diploma programs. These include 33 associate degree, 3 two-year technical diploma, 10 one-year technical diploma, 14 less-than-one-year technical diploma, and 8 apprenticeship programs. In addition, the College offers various advanced technical programs, basic skills education, and adult continuing education.

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

Note 1 – Summary of Significant Accounting Policies (continued)

The following is a summary of the more significant policies.

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

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

The combined tax rate for the fiscal years ended June 30, 2024 and 2023, are as follows:

	2024		2023	
	Mill Rate	Levy Amount	Mill Rate	Levy Amount
Operating levy	0.35005	\$ 7,632,820	0.37801	\$ 7,272,349
Debt service levy	0.43224	9,425,000	0.46079	8,865,000
Total property tax levy		<u>\$ 17,057,820</u>		<u>\$ 16,137,349</u>

In 2013 the Wisconsin Act 145 provided a ‘dollar for dollar’ reduction in the operational property tax levy and increase in state aid funding, effective for the year ending June 30, 2015. State property tax relief aid was \$10,835,014 and \$10,835,014 for the years ended June 30, 2024 and 2023, respectively.

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

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

Compensated Absences - College employees are granted vacation in varying amounts in accordance with the provisions of the employee handbook and College policy. Vacation earned is forfeited if not taken within the allowable time period. The expense for vacation pay is recorded on the accrual basis. The value of vested vacation pay including payroll taxes and retirement costs was approximately \$289,000 and \$221,000 as of June 30, 2024 and 2023, respectively.

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 7 for further information on retirement plans.

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

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

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

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

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

Note 2 - Cash, Cash Equivalents, and Investments

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

	<u>2024</u>	<u>2023</u>
Cash deposits:		
Cash on hand	\$ 1,700	\$ 1,700
Demand deposits	2,787,921	1,953,690
Total cash deposits	2,789,621	1,955,390
Cash equivalents:		
Wisconsin Local Government Investment Pool	24,286,727	42,757,536
Total cash and cash equivalents	27,076,348	44,712,926
Investments:		
Certificates of Deposit	35,951	35,951
Total cash, cash equivalents, and investments	<u>\$ 27,112,299</u>	<u>\$ 44,748,877</u>

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

	<u>2024</u>	<u>2023</u>
Restricted for:		
Debt Service	\$ 2,286,673	\$ 2,276,247
Capital Projects	7,454,374	24,543,714
Student Financial Assistance	882,806	752,155
	10,623,853	27,572,116
Unrestricted	16,488,446	17,176,761
Total cash, cash equivalents, and investments	<u>\$ 27,112,299</u>	<u>\$ 44,748,877</u>

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

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

	<u>2024</u>	<u>2023</u>
Cash equivalents:		
Cash on hand	\$ 100	\$ 100
Wisconsin Local Government Investment Pool	115,153	108,163
US Bank Money Market	53,412	11,446
	<hr/>	<hr/>
Total cash equivalents	168,665	119,709
Investments		
Mutual funds	11,355,437	10,466,983
	<hr/>	<hr/>
Total cash equivalents and investments	<u>\$ 11,524,102</u>	<u>\$ 10,586,692</u>

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

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

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

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

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

The Wisconsin Local Government Investment Pool (LGIP) has compiled fair value information for all securities in the pool and has provided a book value to fair value conversion factor. As of June 30, 2024 and 2023, the conversion factors were 100%.

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

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

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that, in the event of financial institution failure, the College will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of a third party. As of June 30, 2024 and 2023, the College's carrying value of the deposits was \$2,823,873 and \$1,989,641, respectively, compared to bank balances of \$3,349,127 and \$2,622,175, respectively. No bank balances at June 30, 2024 or 2023, were uninsured and uncollateralized.

Credit Risk - Investments: Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments as listed above. The College minimizes its credit risk by requiring security of the investment as the first priority and limiting investments to financial institutions and the LGIP. The College's repurchase agreements are collateralized by U.S. Government securities which are uninsured and unregistered, held by the counterparty or its trust department, but not in the College's name. As of June 30, 2024 and 2023, the College had \$24,401,880 and \$42,865,699, respectively, invested in the LGIP, which does not carry a credit quality rating.

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

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

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

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

The College has the following recurring fair value measurements as of June 30, 2024 and 2023:

Assets at Fair Value as of June 30, 2024

	Level 1	Level 2	Total
Certificates of deposit (CD's)	\$ -	\$ 35,951	\$ 35,951
Mutual funds	11,355,437	-	11,355,437
	<hr/>		
Total cash and investments	\$ 11,355,437	\$ 35,951	\$ 11,391,388
	<hr/> <hr/>		

Assets at Fair Value as of June 30, 2023

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

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

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

Note 4 – Accounts and Other Receivables

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

	<u>2024</u>	<u>2023</u>
Student tuition and fees, net of allowance for doubtful accounts	\$ 789,631	\$ 945,808
Contracted services	105,357	181,510
Other	77,458	34,891
	<hr/>	
Total accounts and other receivables	\$ 972,446	\$ 1,162,209
	<hr/> <hr/>	

Note 5 – Capital Assets

Following are the changes in the College's capital assets for the year ended June 30, 2024:

	Beginning Balance	Additions	Adjustments	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,366,434	\$ -	\$ -	\$ -	\$ 1,366,434
Construction in progress	8,603,917	27,889,203	(4,528)	559,137	35,929,455
Total capital assets not being depreciated or amortized	9,970,351	27,889,203	(4,528)	559,137	37,295,889
Capital assets being depreciated or amortized:					
Land improvements	7,150,264	-	-	-	7,150,264
Infrastructure	514,152	-	-	-	514,152
Buildings and improvements	69,451,568	730,672	74,901	13,494,748	56,762,393
Leasehold improvements	539,456	-	-	-	539,456
Equipment	27,865,259	891,673	(74,901)	882,600	27,799,431
ROU assets - Buildings	2,687,339	-	-	2,547,860	139,479
Subscription based assets (SBITA)	4,795,031	1,470,748	-	1,130,162	5,135,617
Intangible assets	2,404,974	-	-	-	2,404,974
Total capital assets being depreciated or amortized	115,408,043	3,093,093	-	18,055,370	100,445,766
Less accumulated depreciation and amortization:					
Land improvements	1,377,468	317,477	-	-	1,694,945
Infrastructure	77,124	12,854	-	-	89,978
Buildings and improvements	27,595,611	2,501,956	-	5,645,132	24,452,435
Leasehold improvements	89,867	26,973	-	-	116,840
Equipment	20,364,188	2,219,195	-	723,335	21,860,048
ROU assets - Buildings	1,059,465	353,155	-	1,301,036	111,584
Subscription based assets (SBITA)	2,055,066	1,084,800	-	1,062,814	2,077,052
Intangible assets	313,749	60,124	-	-	373,873
Total accumulated depreciation and amortization	52,932,538	6,576,534	-	8,732,317	50,776,755
Net capital assets being depreciated or amortized	62,475,505	(3,483,441)	-	9,323,053	49,669,011
Net capital assets	72,445,856	24,405,762	(4,528)	9,882,190	86,964,900
Less general obligation debt	(63,775,000)				(62,700,000)
Less lease liabilities	(1,749,757)				(31,939)
Less subscription liabilities	(2,588,394)				(3,026,543)
Unamortized premium	(1,509,520)				(1,432,986)
Add unspent general obligation debt	21,818,348				5,105,797
Net investment in capital assets	\$ 24,641,533				\$ 24,879,229

Note 5 – Capital Assets (continued)

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

	Beginning Balance	Additions	Adjustments	Deletions	Ending Balance
Capital assets not being depreciated:					
Land	\$ 1,041,036	\$ 325,398	\$ -	\$ -	\$ 1,366,434
Construction in progress	16,108,276	9,400,447	(50,823)	16,853,983	8,603,917
Total capital assets not being depreciated or amortized	17,149,312	9,725,845	(50,823)	16,853,983	9,970,351
Capital assets being depreciated or amortized:					
Land improvements	3,634,228	3,516,036	-	-	7,150,264
Infrastructure	514,152	-	-	-	514,152
Buildings and improvements	54,414,856	13,972,664	1,064,048	-	69,451,568
Leasehold improvements	539,456	-	-	-	539,456
Equipment	28,702,871	1,048,451	(1,052,843)	833,220	27,865,259
ROU assets - Buildings	2,687,339	-	-	-	2,687,339
Subscription based assets (SBITA)	4,282,571	512,460	-	-	4,795,031
Intangible asset	2,404,974	-	-	-	2,404,974
Total capital assets being depreciated or amortized	97,180,447	19,049,611	11,205	833,220	115,408,043
Less accumulated depreciation and amortization:					
Land improvements	1,142,493	234,975	-	-	1,377,468
Infrastructure	64,270	12,854	-	-	77,124
Buildings and improvements	24,943,158	2,572,520	79,933	-	27,595,611
Leasehold improvements	62,894	26,973	-	-	89,867
Equipment	18,745,640	2,413,637	(50,304)	744,785	20,364,188
ROU assets - Buildings	706,310	353,155	-	-	1,059,465
Subscription based assets (SBITA)	737,014	1,318,052	-	-	2,055,066
Intangible asset	253,625	60,124	-	-	313,749
Total accumulated depreciation and amortization	46,655,404	6,992,290	29,629	744,785	52,932,538
Net capital assets being depreciated or amortized	50,525,043	12,057,321	(18,424)	88,435	62,475,505
Net capital assets	67,674,355	21,783,166	(69,247)	16,942,418	72,445,856
Less general obligation debt	(65,870,000)				(63,775,000)
Less lease liabilities	(1,749,757)				(1,749,757)
Less subscription liabilities	(2,588,394)				(2,588,394)
Unamortized premium	(1,509,520)				(1,509,520)
Add unspent general obligation debt	22,727,852				21,818,348
Net investment in capital assets	\$ 18,684,536				\$ 24,641,533

Note 6 - Long-Term Obligations

The following is a summary of long-term obligations for the years ended June 30, 2024 and 2023:

	Balance 07/01/23	Increases	Decreases	Balance 06/30/24	Due Within One Year
General Obligation Debt	\$ 63,775,000	\$ 6,800,000	\$ 7,875,000	\$ 62,700,000	\$ 7,675,000
Lease liability	1,749,757		1,717,818	31,939	29,445
SBITA	2,588,394	1,470,748	1,032,599	3,026,543	977,564
Unamortized premium	1,509,520	232,948	309,482	1,432,986	-
	\$ 69,622,671	\$ 8,503,696	\$ 10,934,899	\$ 67,191,468	\$ 8,682,009

	Balance 07/01/22	Increases	Decreases	Balance 06/30/23	Due Within One Year
General Obligation Debt	\$ 65,870,000	\$ 5,300,000	\$ 7,395,000	\$ 63,775,000	\$ 7,345,000
Lease liability	2,077,072		327,315	1,749,757	344,472
SBITA	3,366,904	512,460	1,290,970	2,588,394	717,960
Unamortized premium	1,552,226	239,985	282,691	1,509,520	-
	\$ 72,866,202	\$ 6,052,445	\$ 9,295,976	\$ 69,622,671	\$ 8,407,432

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

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

	2024	2023
2014 \$5,000,000 general obligation promissory note payable to Hutchinson, Shockey, Erley & Co., Chicago, IL, interest at 1.50%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	\$ -	\$ 700,000
2015 \$4,500,000 general obligation promissory note payable to Hutchinson, Shockey, Erley & Co., Chicago, IL, interest at 1.50%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	-	525,000
Subtotal	\$ -	\$ 1,225,000

Note 6 - Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ -	\$ 1,225,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	-	425,000
2015 \$4,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 1.00%-2.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for building construction, remodeling, and equipment.	-	600,000
2015 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2021, until maturity on April 1, 2025. Proceeds used for building construction, remodeling, and equipment.	300,000	600,000
2016 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2021, until maturity on April 1, 2025. Proceeds used for building remodeling and improvement projects.	300,000	600,000
2016 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2020, until maturity on April 1, 2025. Proceeds used for building remodeling and improvement projects.	<u>300,000</u>	<u>600,000</u>
Subtotal	<u>\$ 900,000</u>	<u>\$ 4,050,000</u>

Note 6 - Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ 900,000	\$ 4,050,000
2016 \$4,300,000 general obligation promissory note payable to Raymond James & Associates, Inc., St. Petersburg, FL, interest at 2.00%-2.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2016, until maturity on April 1, 2025. Proceeds used for building construction, remodeling, and equipment.	450,000	900,000
2016 \$4,000,000 general obligation promissory note payable to FTN Financial Capital Markets, New York, NY, interest at 1.00%-2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2017, until maturity on April 1, 2024. Proceeds used for the water main service extension project and equipment.	-	200,000
2017 \$1,500,000 general obligation promissory note payable to Robert W. Baird Co., Milwaukee, WI, interest at 2.00%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 commencing April 1, 2022, until maturity on April 1, 2026. Proceeds used for building remodeling and improvement projects.	800,000	1,100,000
2017 \$3,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 2.00%-2.55%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2026. Proceeds used for building improvements, remodeling, and to acquire equipment.	1,100,000	1,600,000
2017 \$3,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 2.00%-2.50%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for building improvements and remodeling, construction, and to acquire equipment.	1,500,000	1,900,000
Subtotal	<u>\$ 4,750,000</u>	<u>\$ 9,750,000</u>

Note 6 - Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ 4,750,000	\$ 9,750,000
2018 \$1,500,000 general obligation promissory note payable to BOK Financial Securities, Dallas, TX, interest at 2.50%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for building improvements and remodeling.	1,500,000	1,500,000
2018 \$2,900,000 general obligation promissory note payable to Dougherty & Company LLC, Minneapolis, MN, interest at 3.00-3.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2028. Proceeds used for building improvements and remodeling, and to acquire equipment.	2,000,000	2,500,000
2019 \$3,200,000 general obligation promissory note payable to Northland Securities, Inc., Minneapolis, MN, interest at 2.00%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2029. Proceeds used for building improvements and remodeling, construction, and to acquire equipment.	2,700,000	3,200,000
2020 \$1,500,000 general obligation promissory note payable to Associated Trust Company, Green Bay, WI, interest at 1.30-3.25%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2030. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	1,500,000	1,500,000
2020 \$3,500,000 general obligation promissory note payable to UMB Bank, N.A., Kansas City, MO, interest at 1.00%-1.15%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2030. Proceeds used for building improvements and remodeling, and to acquire equipment.	<u>2,470,000</u>	<u>2,825,000</u>
Subtotal	<u>\$ 14,920,000</u>	<u>\$ 21,275,000</u>

Note 6 - Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ 14,920,000	\$ 21,275,000
2021 \$7,500,000 general obligation promissory note payable to UBS Financial Services Inc., New York, NY, interest at 2%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2041. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	7,500,000	7,500,000
2021 \$3,800,000 general obligation promissory note payable to Colliers Securities LLC., Minneapolis, MN, interest at 1.25%-3.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2031. Proceeds used for building remodeling and improvement projects, and to acquire equipment.	3,375,000	3,800,000
2021 \$5,000,000 general obligation promissory note payable to Colliers Securities LLC., Minneapolis, MN, interest at 2.00%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2036. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	5,000,000	5,000,000
2021 \$1,500,000 general obligation promissory note payable to Colliers Securities LLC., Minneapolis, MN, interest at 1.00%-2.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2031. Proceeds used for building remodeling and improvement projects.	1,300,000	1,500,000
2022 \$19,500,000 general obligation promissory note payable to Piper Sandler & Co., Minneapolis, MN interest at 2.00-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2036. Proceeds used for building improvements and remodeling, and to acquire land and construction of additional facilities.	19,500,000	19,500,000
Subtotal	<u>\$ 51,595,000</u>	<u>\$ 58,575,000</u>

Note 6 - Long-Term Obligations (continued)

	<u>2024</u>	<u>2023</u>
Subtotal - carried forward	\$ 51,595,000	\$ 58,575,000
2022 \$3,800,000 general obligation promissory note payable to Northland Securities, Inc., Minneapolis, MN, interest at 3.00%-4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2032. Proceeds used for building remodeling and improvement projects, and to acquire equipment.	3,425,000	3,700,000
2023 \$1,500,000 general obligation promissory note payable to TD Securities (USA) LLC , New York, NY interest at 4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2033. Proceeds used for building improvements and remodeling.	1,410,000	1,500,000
2023 \$1,500,000 general obligation promissory note payable to BOK Financial Securities, Dallas, TX, interest at 4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2033. Proceeds used for building remodeling and improvement projects.	1,350,000	-
2023 \$3,800,000 general obligation promissory note payable to BOK Financial Securities, Dallas, TX, interest at 4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2033. Proceeds used for building improvements and remodeling, and to acquire equipment.	3,420,000	-
2024 \$1,500,000 general obligation promissory note payable to BOK Financial Securities, Dallas, TX, interest at 4.00%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2033. Proceeds used for building remodeling and improvement projects.	1,500,000	-
Total outstanding long-term obligations	<u>\$ 62,700,000</u>	<u>\$ 63,775,000</u>

Note 6 - Long-Term Obligations (continued)

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

Year	Principal	Interest	Total
2025	\$ 7,675,000	\$ 1,722,825	\$ 9,397,825
2026	7,025,000	1,482,788	8,507,788
2027	6,355,000	1,261,900	7,616,900
2028	5,410,000	1,069,300	6,479,300
2029	4,945,000	898,785	5,843,785
2030-2034	16,715,000	2,752,558	19,467,558
2035-2039	11,500,000	1,075,325	12,575,325
2040-2041	3,075,000	83,575	3,158,575
	<u>\$ 62,700,000</u>	<u>\$ 10,347,056</u>	<u>\$ 73,047,056</u>

Wisconsin Statutes 67.03(1) provides the aggregate amount of indebtedness of a district shall not exceed 5 percent of the value of the taxable property located in the district. The 5 percent limit at June 30, 2024 and 2023, was \$1,130,301,898 and \$997,987,034, respectively. The actual indebtedness of the College for 2024 and 2023 was \$62,700,000 and \$63,775,000, respectively. The indebtedness of the College, net of resources available for 2024 and 2023 was \$60,413,802 and \$61,499,228, respectively. In addition, the maximum bonded indebtedness of the College for purchasing and constructing buildings and equipment may not exceed 2 percent of the value of the taxable property within the District. The 2 percent limit at June 30, 2024 and 2023, was \$452,120,759 and \$399,194,814, respectively. The College had no bonded indebtedness for 2024 and 2023.

Note 7 - Retirement Plans

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

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

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

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

Note 7 - Retirement Plans (continued)

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

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions: Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and executives and elected officials. 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 \$1,089,342 in contributions from the College.

Note 7 - Retirement Plans (continued)

Contribution rates as of June 30, 2024 and 2023 are:

Employee Category	2024		2023	
	Employee	Employer	Employee	Employer
General (including teachers, executives and elected officials)	6.9%	6.9%	6.8%	6.8%
Protective with Social Security	6.9%	14.3%	6.8%	13.2%
Protective without Social Security	6.9%	19.1%	6.8%	18.1%

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

At June 30, 2024 and 2023, the College reported liabilities of \$1,268,717 and \$4,680,538 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31 within the College's fiscal year, and the total pension liability used to calculate the net pension 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 College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023 and 2022, the College's proportion was 0.085% and 0.088% (a decrease of 0.003% from the prior year).

For the year ended June 30, 2024 and 2023, the College recognized pension expense of \$893,436 and \$2,404,398.

At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$5,115,454	\$6,775,451	\$7,454,648	\$9,793,733
Changes in assumptions	552,997	0	920,387	0
Net differences between projected and actual earnings on pension plan investments	4,421,273	0	7,951,154	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	69,961	5,762	76,478	14,547
Employer contributions subsequent to the measurement date	564,119	0	529,586	0
Total	\$10,723,804	\$6,781,213	\$16,932,253	\$9,808,280

Note 7 - Retirement Plans (continued)

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

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2025	\$699,679
2026	738,294
2027	2,789,763
2028	(849,264)

Actuarial assumptions: The total pension liability in the December 31, 2023 and 2022, actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2023	2022
Actuarial Valuation Date:	December 31, 2022	December 31, 2021
Measurement Date of Net Pension Liability (Asset)	December 31, 2023	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 published November 19, 2021	January 1, 2018 – December 31, 2020 published November 19, 2021
Actuarial Cost Method:	Entry Age Normal	Entry Age
Asset Valuation Method:	Fair Value	Fair Market Value
Long-Term Expected Rate of Return:	6.8%	6.8%
Discount Rate:	6.8%	6.8%
Salary Increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%	1.7%

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

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 and 2022, is based upon a roll-forward of the liability calculated from the December 31, 2022 and 2021, actuarial valuations.

Note 7 - Retirement Plans (continued)

Long-term expected Return on Plan Assets: The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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, 2023

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return
<u>Core Fund Asset Class</u>			
Public equity	40.0%	7.3%	4.5%
Public 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%
Leverage	-12.0%	3.7%	1.0%
Total core fund	100.0%	7.4%	4.6%
<u>Variable Fund Asset Class</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 US 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. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

Note 7 - Retirement Plans (continued)

Asset Allocation Targets and Expected Returns

As of December 31, 2022

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

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

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

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

Single Discount Rate: A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 7 - Retirement Plans (continued)

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

	2024		2023	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	5.8%	\$12,262,763	5.8%	\$15,534,555
Current discount rate	6.8%	1,268,717	6.8%	4,680,538
1% increase to discount rate	7.8%	(6,424,282)	7.8%	(2,786,093)

Payables to the pension plan: The College reported a payable to the pension plan for the outstanding amount of required contributions of \$255,355 at June 30, 2024 and \$236,506 at June 30, 2023.

Note 8 – Other Post-Employment Benefits – Retiree Medical

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

	2024	2023
Inactive plan members or beneficiaries currently receiving benefit payments	28	28
Inactive plan members entitled but not yet receiving benefit payments	-	-
Active plan members	177	177
Total participants	205	205

The College provides post-retirement health care, dental and life insurance benefits to certain teachers, support staff and administrators under contractual arrangements hired prior to June 30, 2023. The plan is closed to new entrants. Retirees must be 55 years old and have completed 12, 15, or 18 years of service to receive three, four or five years of paid health insurance, respectively. Health care benefits are coordinated with Medicare after age 65. Dental coverage is available only to College Presidents. The cost method used in estimating the Actuarially Determined Contribution was the Projected Unit Credit (ADC), Entry Age Normal (NOL) Cost Method. The significant assumptions used in the computation include a 7.0% discount rate, a health insurance premium rate trend of 9% in year 1 and declining to 5% in year 11 and remaining at that level thereafter for those under age 65, and a health insurance premium rate of 5.0% for those over age 65.

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

The OPEB plan investment policies are described in Notes 1 and 2. For June 30, 2024 and 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 12.69% and 8.49%, respectively. The money-weighted rate of return expresses the investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 8 – Other Post-Employment Benefits – Retiree Medical (continued)

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

	<u>2024</u>	<u>2023</u>
Total OPEB liability	\$ 4,500,483	\$ 4,299,460
Plan fiduciary net position	<u>11,524,102</u>	<u>10,559,278</u>
Net OPEB liability (asset)	<u>\$ (7,023,619)</u>	<u>\$ (6,259,818)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>256.06%</u>	<u>245.60%</u>

The net OPEB liability (asset) was measured as of June 30, 2024 and 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024 and 2023.

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

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

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

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

Note 8 – Other Post-Employment Benefits – Retiree Medical (continued)

Changes in the Net OPEB Liability (Asset) for the year ended June 30, 2024 and 2023 are as follows:

Changes in Net OPEB Liability Year Ended June 30, 2024	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at July 1, 2023	\$ 4,299,460	\$ 10,559,278	\$ (6,259,818)
Changes for the year:			
Service cost	284,753	-	284,753
Interest	306,715	-	306,715
Differences between expected and actual experience	(83,310)	-	(83,310)
Changes in assumptions	-	-	-
Contributions - Employer	-	-	-
Net investment income	-	1,318,572	(1,318,572)
Benefit payments, including refunds of employee contributions	(307,135)	(307,135)	-
Administrative expense	-	(46,613)	46,613
Net changes	201,023	964,824	(763,801)
Balances as of June 30, 2024	\$ 4,500,483	\$ 11,524,102	\$ (7,023,619)

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

Note 8 – Other Post-Employment Benefits – Retiree Medical (continued)

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

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

	June 30, 2024		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 4,769,926	\$ 4,500,483	\$ 4,029,171
Plan Fiduciary Net Position	11,524,102	11,524,102	11,524,102
Net OPEB Liability (Asset)	\$ (6,754,176)	\$ (7,023,619)	\$ (7,494,931)

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

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

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

	June 30, 2024		
	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 3,945,440	\$ 4,500,483	\$ 4,878,673
Plan Fiduciary Net Position	11,524,102	11,524,102	11,524,102
Net OPEB Liability (Asset)	\$ (7,578,662)	\$ (7,023,619)	\$ (6,645,429)

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

Note 8 – Other Post-Employment Benefits – Retiree Medical (continued)

For the years ended June 30, 2024 and 2023, the College recognized OPEB expense of (\$307,167) and (\$93,929), respectively. At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,467	\$ 1,276,517	\$ 50,368	\$ 1,522,304
Changes in assumptions	589,445		732,140	
Net difference between projected and actual earnings on OPEB plan investments	19,355		579,081	
Total	\$ 610,267	\$ 1,276,517	\$ 1,361,589	\$ 1,522,304

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

Year ended June 30:	
2025	\$ (226,268)
2026	143,052
2027	(256,449)
2028	(176,176)
2029	(49,474)
Thereafter	(100,935)

Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund

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

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

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

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

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 post-retirement benefit.

Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

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

Contribution rates as of June 30, 2024 and 2023 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2023 and 2022 are as listed below:

Life Insurance Employee Contribution Rates* For the years ended December 31, 2023 and 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$7,195 in contributions from the College.

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

At June 30, 2024 and 2023, the College reported a liability of \$1,624,530 and \$1,375,046 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The College's proportion of the net OPEB liability was based on the College's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023 and 2022, the College's proportion was 0.353% and 0.360%, (a decrease of 0.007% from the prior year).

For the years ended June 30, 2024 and 2023, the College recognized OPEB expense of \$97,571 and \$116,533.

Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

At June 30, 2024 and 2023, the College reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$0	\$143,776	\$0	\$134,570
Changes in assumptions	508,166	639,705	494,023	811,655
Net differences between projected and actual earnings on pension plan investments	21,946	0	25,803	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	80,184	108,631	96,449	111,049
Employer contributions subsequent to the measurement date	3,822	0	3,697	0
Total	\$614,118	\$892,112	\$619,972	\$1,057,274

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

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2025	\$(36,313)
2026	(6,045)
2027	(63,599)
2028	(99,366)
2029	(90,308)
Thereafter	13,815

Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

Actuarial assumptions: The total OPEB liability in the January 1, 2023 and 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2024	2023
Actuarial Valuation Date:	January 1, 2023	January 1, 2022
Measurement Date of Net OPEB Liability	December 31, 2023	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020 published November 19, 2021	January 1, 2018 – December 31, 2020 published November 19, 2021
Actuarial Cost Method:	Entry Age Normal	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.26%	3.72%
Long-Term Expected Rate of Return:	4.25%	4.25%
Discount Rate:	3.32%	3.76%
Salary Increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table

*Based on the Bond Buyer GO 20-Bond Municipal Index.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total OPEB liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

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

Asset Allocation Targets and Expected Returns

As of December 31, 2023

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation %</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Intern Credit	40.0%	2.32%
US Mortgages	Bloomberg US MBS	60.0%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

Note 9 – Other Post-Employment Benefits – Local Retiree Life Insurance Fund (continued)

Asset Allocation Targets and Expected Returns

As of December 31, 2022

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

Single Discount Rate: A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the College's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the College's proportionate share of the net OPEB liability calculated using the discount rate of 3.32 percent (3.76 percent for the prior year), as well as what the College's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>2024</u>		<u>2023</u>	
	<u>Discount Rate</u>	<u>Net OPEB Liability</u>	<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease to discount rate	2.32%	\$2,182,779	2.76%	\$1,874,730
Current discount rate	3.32%	1,624,530	3.76%	1,375,046
1% increase to discount rate	4.32%	1,198,401	4.76%	992,097

Payables to the OPEB plan: There were no outstanding required contributions at June 30, 2024 and 2023.

Note 10 - Expenses Classification

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

	2024	2023
Salaries and wages	\$ 18,832,307	\$ 17,999,817
Employee benefits	5,620,571	7,070,729
Travel, memberships, and subscriptions	331,960	307,721
Supplies	(217,840)	3,580,299
Contract services	4,009,166	4,556,513
Rentals	1,961,452	441,928
Credit	44,710	80,656
Insurance	279,383	265,066
Utilities	867,044	842,824
Depreciation and amortization	6,643,883	7,021,919
Student aid	2,893,309	3,590,709
Total operating expenses	<u>\$ 41,265,945</u>	<u>\$ 45,758,181</u>

Note 11 - Commitments and Contingencies

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

As of June 30, 2024, the College had approximately \$3,561,096 (including retainage) in project commitments related to projects-in-progress at year-end.

Note 12 – Leases

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

In May 2023, the building was sold and the lease was assigned to Kandu Industries Inc. with the same terms and conditions. On June 30, 2024, the College exercised the right to terminate the lease at a cost of \$1,456,554 (the remaining lease payments through April, 2028).

The total amount of the right of use asset, net of amortization on this lease is \$0 and \$1,572,084 at June 30, 2024 and 2023 respectively. Principal and interest payments were calculated monthly using a fixed rate of 3% over the life of the lease and a straight-line amortization schedule. Lease liability amounts as of June 30, 2024 and 2023 were \$0 and \$1,689,242, respectively.

Note 12 – Leases (continued)

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

The total amount of the right of use asset, net of amortization on this lease is \$27,895 and \$55,791 at June 30, 2024 and 2023 respectively. Principal and interest payments were calculated monthly using a fixed rate of 3% over the life of the lease and a straight-line amortization schedule. Lease liability amounts as of June 30, 2024 and 2023 were \$31,939 and \$60,514, respectively.

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

Year	Principal	Interest	Total
2025	\$ 29,445	\$ 555	\$ 30,000
2026	2,494	6	2,500
	<u>\$ 31,939</u>	<u>\$ 561</u>	<u>\$ 32,500</u>

Note 13 – Subscription-Based Information Technology Arrangements (SBITAs)

The College entered into multiple subscription-based information technology arrangements (SBITAs) with different vendors for a variety of software during the years ended June 30, 2024 and 2023. As of June 30, 2024 and 2023, the net SBITA right-to-use intangible assets were reported in the amount of \$3,058,565 and \$2,739,965, respectively. These SBITA right-to-use intangible assets are discounted at a rate of 3%. For the years ended June 30, 2024 and 2023, the College reported a corresponding SBITA liability in the amount of \$3,026,543 and \$2,588,394, respectively. For the year ended June 30, 2024 there was an overall principal increase of \$438,149 as compared to a reduction of \$778,510 as of June 30, 2023.

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

Year	Principal	Interest	Total
2025	\$ 977,564	\$ 86,640	\$ 1,064,204
2026	878,416	57,050	935,466
2027	899,210	30,422	929,632
2028	271,353	8,141	279,494
	<u>\$ 3,026,543</u>	<u>\$ 182,253</u>	<u>\$ 3,208,796</u>

Note 14 - Insurance

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

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

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

At the start of operations, each member college was assessed a charge for a capitalization component to establish reserves for the Company. For the years ended June 30, 2024 and 2023, the College paid premiums of approximately \$256,422 and \$243,522, respectively, to DMI. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the Company. The audited DMI financial statements can be obtained through Districts Mutual Insurance Co., 212 West Pinehurst Trail, Dakota Dunes, SD 57049.

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

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

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

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

Note 15 – Transactions with Component Unit

The College paid Foundation expense of approximately \$67,281 and \$65,398 for the years ended June 30, 2024 and 2023, respectively. These expenses covered the costs of salaries, benefits, office space, computer usage, and office supplies. In December 2016, the College entered into a ten year lease with option terms of up to four (4) additional periods of five (5) years each. This lease ended when the Foundation sold the building in May 2023. Total rental income paid to the Foundation for the year ended June 30, 2023 was \$325,077.

Note 15 – Transactions with Component Unit (continued)

In June 2023, the Foundation awarded a grant of \$6,780,000 to the College for the construction of an Innovative Manufacturing Education Center. The College also received donated equipment in the amounts of \$75,096 and \$95,587 from the Foundation for the years ended June 30, 2024 and 2023, respectively. In addition, the Foundation disbursed scholarships and awards of \$219,477 and \$198,578 on behalf of the College during the fiscal years ended June 30, 2024 and 2023, respectively.

Note 16 - Component Unit

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

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

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

Investment securities are carried at market value.

Cash and investments at June 30, 2024 and 2023 are as follows:

	Cost	Fair Value	Unrealized Gains
June 30, 2024			
Cash equivalents	\$ 367,577	\$ 367,577	\$ -
Certificates of Deposit	653,000	653,000	-
Equity	1,917,369	2,395,164	477,795
Fixed Income	1,221,895	1,224,140	2,245
Total Investments	<u>\$ 4,159,841</u>	<u>\$ 4,639,881</u>	<u>\$ 480,040</u>
Cash & Cash Equivalents		1,999,925	
Total Cash and Investments		<u>\$ 6,639,806</u>	
June 30, 2023			
Cash equivalents	\$ 338,870	\$ 338,870	\$ -
Certificates of Deposit	807,335	807,335	-
Equity	1,687,849	1,931,982	244,133
Fixed Income	909,960	907,465	(2,495)
Total Investments	<u>\$ 3,744,014</u>	<u>\$ 3,985,652</u>	<u>\$ 241,638</u>
Cash & Cash Equivalents		1,156,569	
Total Cash and Investments		<u>\$ 5,142,221</u>	

Note 16 - Component Unit (continued)

Investment income reported in the statement of revenues, expenses and changes in net position totaled \$421,750 and \$285,574 respectively for the years ended June 30, 2024 and 2023 and consisted of the following:

	2024	2023
Interest and dividends	\$ 185,482	\$ 165,116
Net realized gains/(losses)	20,120	(169,610)
Net unrealized gains/(losses)	238,400	310,384
Investment fees	(22,252)	(20,316)
	<u>\$ 421,750</u>	<u>\$ 285,574</u>

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

	2024	2023
Restricted for student support	\$ 284,188	\$ 416,602
Without donor restriction	108,276	100,000
Less allowance for doubtful accounts	(1,647)	(1,418)
Less discounts to net present value	(18,338)	(33,964)
	<u>\$ 372,479</u>	<u>\$ 481,220</u>

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

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

Note Receivable: In May 2023, the Foundation sold its Advanced Manufacturing Training Center property for \$9,909,412 of which \$728,277 and \$894,367 were included as notes receivable as of June 30, 2024 and 2023, respectively. The note receivable bears annual interest at zero percent, with monthly principal only payments starting May 2023 and continuing until the maturity date of April 2028. This note is secured by a second mortgage of the properties commonly known as 15 Plumb Street, 35 Plumb Street, and 40 Plumb Street, Milton, Wisconsin.

In June 2024, the Foundation consented to accept the full outstanding payment in the following year, thereby classifying the entire note receivable balance of \$728,277 as a current note receivable.

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

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

Net position classified at June 30 are as follows:

	2024	2023
Restricted	\$ 5,498,824	\$ 4,574,627
Unrestricted	2,574,894	2,297,244
	<u>\$ 8,073,718</u>	<u>\$ 6,871,871</u>

Note 16 - Component Unit (continued)

Related Party Transactions: The Foundation received donated services from the College for salaries, benefits, office space, and computer usage. The value of these donated services was \$67,281 and \$65,398, respectively for the years ended June 30, 2024 and 2023. The Foundation received facility rental income from the College in the amount of \$325,077 for the year ended June 30, 2023. The lease ended when the Foundation sold the building in May 2023. In June 2023, the Foundation awarded a grant of \$6,780,000 to the College for the construction of an Innovative Manufacturing Education Center at the central campus. The Foundation also transferred donated equipment to the College in the amounts of \$75,096 and \$95,587, respectively for the years ended June 30, 2024 and 2023.

Note 17 - Subsequent Events

On August 1, 2024, the College issued general obligation promissory notes in the amount of \$3,800,000. The proceeds are to be used for costs related to building remodeling and improvement projects, and for the acquisition of movable equipment. The interest rate is 4.00-5.00% with the first principal payment due April 1, 2026.

On September 11, 2024, the College issued general obligation promissory notes in the amount of \$1,500,000. The proceeds are to be used for costs related to building remodeling and improvement projects. The interest rate is 4.00-5.00% with the first principal payment due April 1, 2026.

On October 9, 2024, the College issued general obligation promissory notes in the amount of \$1,500,000. The proceeds are to be used for costs related to building remodeling and improvement projects. The interest rate is 4.00% with the first principal payment due April 1, 2025.

The College entered into a 5-year agreement for Subscription-Based Information Technology Arrangement (SBITA) in the amount of \$525,047, beginning on July 1, 2024, through June 30, 2029.

In July and August 2024, the College signed contracts in the amount of \$4,406,449 for project commitments.

Required Supplementary Information

Blackhawk Technical College District

Schedule of Changes in Net OPEB Liability and Related Ratios

Year Ended June 30, 2024

	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Total OPEB Liability				
Service Cost	\$ 284,753	\$ 277,653	\$ 259,489	\$ 248,787
Interest	306,715	310,003	300,295	303,179
Difference between Expected and Actual Experience	(83,310)	(729,323)	(76,180)	(720,167)
Changes in Assumptions	-	374,807	-	552,857
Benefit Payments	(307,135)	(319,076)	(355,620)	(410,935)
Net Change in Total OPEB Liability	201,023	(85,936)	127,984	(26,279)
Beginning Balance	4,299,460	4,385,396	4,257,412	4,283,691
Ending Balance	<u>\$ 4,500,483</u>	<u>\$ 4,299,460</u>	<u>\$ 4,385,396</u>	<u>\$ 4,257,412</u>
Plan Fiduciary Net Position				
Contributions	\$ -	\$ -	\$ -	\$ -
Net Investment Income	1,318,572	842,418	(1,561,860)	2,538,833
Benefit Payments	(307,135)	(319,076)	(355,620)	(410,935)
Administrative Expense	(46,613)	(44,553)	(51,202)	(48,400)
Net Change in Plan Fiduciary Net Position	964,824	478,789	(1,968,682)	2,079,498
Beginning Balance	10,559,278	10,080,489	12,049,171	9,969,673
Ending Balance	<u>\$ 11,524,102</u>	<u>\$ 10,559,278</u>	<u>\$ 10,080,489</u>	<u>\$ 12,049,171</u>
Net OPEB Liability (Asset)	<u>\$ (7,023,619)</u>	<u>\$ (6,259,818)</u>	<u>\$ (5,695,093)</u>	<u>\$ (7,791,759)</u>
Plan Fiduciary Net Position as a % of the Total OPEB Liability	256.06%	245.60%	229.86%	283.02%
Covered Employee Payroll	\$ 13,643,229	\$ 13,643,229	\$ 13,043,881	\$ 13,043,881
Net OPEB Liability (Asset) as a % of Covered Employee Payroll	-51.48%	-45.88%	-43.66%	-59.73%

The College's total OPEB liability of \$4,500,483 and \$4,299,460 was measured as of June 30, 2024 and 2023, and was determined by an actuarial valuation as of those dates.

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2024

	2020	2019	2018	2017
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability				
Service Cost	\$ 232,511	\$ 214,630	\$ 214,630	\$ 199,624
Interest	291,097	331,386	321,454	274,928
Difference between Expected and Actual Experience	(30,981)	(992,208)	(1,979)	392,675
Changes in Assumptions	-	195,401	-	-
Benefit Payments	(337,907)	(336,788)	(392,222)	(388,352)
Net Change in Total OPEB Liability	154,720	(587,579)	141,883	478,875
Beginning Balance	4,128,971	4,716,550	4,574,667	4,095,792
Ending Balance	\$ 4,283,691	\$ 4,128,971	\$ 4,716,550	\$ 4,574,667
Plan Fiduciary Net Position				
Contributions	\$ 55,000	\$ 55,000	-	\$ 130,000
Net Investment Income	630,896	603,489	734,433	885,302
Benefit Payments	(337,907)	(336,788)	(392,222)	(388,352)
Administrative Expense	(44,463)	(44,227)	(43,456)	(40,239)
Net Change in Plan Fiduciary Net Position	303,526	277,474	298,755	586,711
Beginning Balance	9,666,147	9,388,673	9,089,918	8,503,207
Ending Balance	\$ 9,969,673	\$ 9,666,147	\$ 9,388,673	\$ 9,089,918
Net OPEB Liability (Asset)	\$ (5,685,982)	\$ (5,537,176)	\$ (4,672,123)	\$ (4,515,251)
Plan Fiduciary Net Position as a % of the Total OPEB Liability	232.74%	234.11%	199.06%	198.70%
Covered Employee Payroll	\$ 12,265,057	\$ 12,265,057	\$ 12,348,508	\$ 12,348,508
Net OPEB Liability (Asset) as a % of Covered Employee Payroll	-46.36%	-45.15%	-37.84%	-36.57%

See Independent Auditor's Report.

Blackhawk Technical College District

Schedule of Employer Contributions - OPEB

Last 10 Fiscal Years, As Available

Schedule of Employer Contributions Last 10 Fiscal Years, As Available

	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Actuarially Determined Contribution	\$ 314,113	\$ 298,559	\$ 279,027	\$ 254,040	\$ 237,421
Actual Employer Contributions	-	-	-	-	55,000
Contribution Deficiency (Excess)	\$ 314,113	\$ 298,559	\$ 279,027	\$ 254,040	\$ 182,421
Covered Employee Payroll	\$ 13,643,229	\$ 13,643,229	\$ 13,043,881	\$ 13,043,881	\$ 12,265,057
Contributions as a % of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.45%

	6/30/2019	6/30/2018	6/30/2017	6/30/2016
Actuarially Determined Contribution	\$ 239,628	\$ 223,951	\$ 213,677	\$ 239,832
Actual Employer Contributions	55,000	-	130,000	-
Contribution Deficiency (Excess)	\$ 184,628	\$ 223,951	\$ 83,677	\$ 239,832
Covered Employee Payroll	\$ 12,265,057	\$ 12,348,508	\$ 12,348,508	\$ 11,915,830
Contributions as a % of Covered Employee Payroll	0.45%	0.00%	1.05%	0.00%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

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

Blackhawk Technical College District

Notes to Schedule (continued)

Retirement Rates:

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

Per Capita Claim Costs (Medical):

Per Capita Claim Costs (Medical)

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

See Independent Auditor's Report.

Blackhawk Technical College District

Schedule of Investment Returns

Year Ended June 30, 2024

Schedule of Investment Returns Year Ended June 30, 2024

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

2024	2023	2022	2021	2020
12.69%	8.49%	(13.18%)	26.00%	6.62%
2019	2018	2017		
6.53%	8.26%	10.60%		

See Independent Auditor’s Report.

Blackhawk Technical College District

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

Year Ended June 30, 2024

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

Wisconsin Retirement System
Last 10 Calendar Years*

	2023	2022	2021	2020	2019
Proportion of the net pension liability (asset)	0.085%	0.088%	0.091%	0.094%	0.096%
Proportionate share of the net pension liability (asset)	\$1,268,717	\$4,680,538	(\$7,374,012)	(\$5,890,554)	(\$3,089,571)
Covered payroll	\$16,019,737	\$15,593,063	\$15,179,598	\$15,219,033	\$15,316,986
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.85%	95.72%	106.02%	105.26%	102.96%
Net pension liability (asset) as a percentage of covered payroll	7.92%	30.02%	(48.58%)	(38.71%)	(20.17%)

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

Wisconsin Retirement System
Last 10 Calendar Years*

	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.098%	0.103%	0.110%	0.116%	0.119%
Proportionate share of the net pension liability (asset)	\$3,496,801	(\$3,065,235)	\$905,791	\$1,876,948	(\$2,921,424)
Covered payroll	\$14,821,564	\$14,149,856	\$14,955,390	\$15,814,940	\$16,059,648
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.45%	102.93%	99.12%	98.20%	102.74%
Net pension liability (asset) as a percentage of covered payroll	23.59%	(21.66%)	6.06%	11.87%	(18.19%)

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

Blackhawk Technical College District

Schedules of Employer Contributions

Year Ended June 30, 2024

Schedule of Employer Contributions

Wisconsin Retirement System

Last 10 Fiscal Years

	2024	2023	2022	2021	2020
Contractually required contributions-fiscal year	\$1,089,342	\$1,049,322	\$1,007,534	\$1,021,481	\$1,026,116
Contributions in relation to the contractually required contributions	\$1,089,342	\$1,049,322	\$1,007,534	\$1,021,481	\$1,026,116
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$16,019,737	\$15,783,969	\$15,207,797	\$15,133,048	\$15,432,154
Contributions as a percentage of covered payroll	6.80%	6.65%	6.63%	6.75%	6.65%

Schedule of Employer Contributions

Wisconsin Retirement System

Last 10 Fiscal Years

	2019	2018	2017	2016	2015
Contractually required contributions-fiscal year	\$993,314	\$965,816	\$960,668	\$1,043,635	\$1,089,991
Contributions in relation to the contractually required contributions	\$993,314	\$965,816	\$960,668	\$1,043,635	\$1,089,991
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$15,197,510	\$14,308,525	\$14,343,307	\$15,561,083	\$15,790,401
Contributions as a percentage of covered payroll	6.54%	6.75%	6.70%	6.71%	6.90%

Note 1

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

Changes of assumptions:

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

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

See Independent Auditor's Report.

Blackhawk Technical College District

Note 1 (continued)

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

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

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

	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed market (Closed)	Five Year Smoothed market (Closed)	Five Year Smoothed market (Closed)	Five Year Smoothed market (Closed)	Five Year Smoothed market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.5%
Weighted based on assumed rate for :					
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increase					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.9%	1.9%	1.9%	2.1%
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 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.
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.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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

Blackhawk Technical College District

Note 1 (continued)

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed market (Closed)	Five Year Smoothed market (Closed)	Five Year Smoothed market (Closed)	Five Year Smoothed market (Closed)	Five Year Smoothed market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for :					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increase					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.
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 projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

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

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2024

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

Local Retiree Life Insurance Fund

Last 10 Calendar Years*

	2024	2023	2022	2021
Proportion of the net OPEB liability	35.311%	36.000%	0.340%	0.340%
Proportionate share of the net OPEB liability	\$1,624,530	\$1,375,046	\$1,989,448	\$1,873,799
Covered payroll	\$14,336,000	\$14,552,000	\$14,016,000	\$13,618,000
Net OPEB liability as a percentage of covered payroll	11.33%	9.45%	14.19%	13.76%
Plan fiduciary net position as a percentage of the total OPEB liability	33.90%	38.81%	29.57%	31.36%

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

Local Retiree Life Insurance Fund

Last 10 Calendar Years*

	2020	2019	2018
Proportion of the net OPEB liability	0.370%	0.388%	0.398%
Proportionate share of the net OPEB liability	\$1,576,290	\$1,001,297	\$1,198,582
Covered payroll	\$13,650,000	\$12,956,000	\$13,141,589
Net OPEB liability as a percentage of covered payroll	11.55%	7.73%	9.12%
Plan fiduciary net position as a percentage of the total OPEB liability	37.58%	48.69%	44.81%

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

Blackhawk Technical College District

Schedules of Employer Contributions

Year Ended June 30, 2024

Schedule of Employer Contributions

Local Retiree Life Insurance Fund
Last 10 Fiscal Years*

	2024	2023	2022	2021
Contractually required contributions-fiscal year	\$7,396	\$7,470	\$7,215	\$6,479
Contributions in relation to the contractually required contributions	\$7,396	\$7,470	\$7,215	\$6,479
Contribution deficiency (excess)	\$0	\$0	\$0	\$0
Covered payroll	\$14,336,000	\$14,552,000	\$14,016,000	\$13,618,000
Contributions as a percentage of covered payroll	0.05%	0.05%	0.05%	0.05%

Schedule of Employer Contributions (continued)

Local Retiree Life Insurance Fund
Last 10 Fiscal Years

	2020	2019	2018
Contractually required contributions-fiscal year	\$7,069	\$7,483	\$7,586
Contributions in relation to the contractually required contributions	\$7,069	\$7,483	\$7,586
Contribution deficiency (excess)	\$0	\$0	\$0
Covered payroll	\$13,650,000	\$12,956,000	\$13,175,864
Contributions as a percentage of covered payroll	0.05%	0.06%	0.06%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. The tables will be built prospectively as the information becomes available.

Note 1

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

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

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

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

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

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

See Independent Auditor's Report.

Supplementary Financial Information

Blackhawk Technical College District

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

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 7,005,000	\$ 7,230,194	\$ 7,230,194	\$ -
Intergovernmental revenue:				
State aids	14,422,120	14,681,220	14,667,293	(13,927)
Federal aids	7,000	12,540	12,540	-
Tuition and fees:				
Statutory program fees	6,243,050	6,476,261	6,468,874	(7,387)
Material fees	343,000	359,592	351,176	(8,416)
Other student fees	480,750	537,732	525,854	(11,878)
Miscellaneous - institutional revenue	2,286,558	2,926,174	2,906,481	(19,693)
Total revenues	30,787,478	32,223,713	32,162,412	(61,301)
<u>Expenditures</u>				
Current:				
Instruction	17,017,069	17,118,287	17,116,517	1,770
Instructional resources	1,282,048	1,007,048	1,003,462	3,586
Student services	2,704,912	2,309,208	2,308,432	776
General institutional	7,100,842	6,566,218	6,563,545	2,673
Physical plant	2,679,914	4,274,174	4,273,647	527
Total expenditures	30,784,785	31,274,935	31,265,603	9,332
Revenues over (under) expenditures	2,693	948,778	896,809	(51,969)
<u>Other financing sources</u>				
Operating transfers in	100,000	137,357	137,357	-
Total other financing sources	100,000	137,357	137,357	-
<u>Other financing uses</u>				
Operating transfers out	(21,000)	(513,606)	(63,605)	450,001
Total other financing uses	(21,000)	(513,606)	(63,605)	450,001
Revenues and other financing sources over (under) expenditures and other financing uses	81,693	572,529	970,561	398,032
<u>Fund balance</u>				
Beginning of year	12,453,319	12,453,319	12,453,319	-
End of year	\$ 12,535,012	\$ 13,025,848	\$ 13,423,880	\$ 398,032

Blackhawk Technical College District

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

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 465,583	\$ 440,534	\$ 440,534	\$ -
Intergovernmental revenue:				
State aids	509,529	1,387,650	935,605	(452,045)
Federal	693,056	1,060,536	778,888	(281,648)
Tuition and fees:				
Statutory program fees	-	40,261	34,972	(5,289)
Material fees	-	1,922	1,662	(260)
Other student fees	-	2,052	1,666	(386)
Miscellaneous - institutional revenue	-	131,844	80,691	(51,153)
Total revenues	1,668,168	3,064,799	2,274,018	(790,781)
<u>Expenditures</u>				
Current:				
Instruction	818,720	1,815,433	1,036,150	779,283
Instructional resources	75,010	73,998	71,868	2,130
Student services	761,117	1,101,563	1,045,315	56,248
General institutional	13,321	100,018	61,542	38,476
Total expenditures	1,668,168	3,091,012	2,214,875	876,137
Revenues over (under) expenditures	-	(26,213)	59,143	85,356
Revenues over (under) expenditures and other financing uses	-	(26,213)	59,143	85,356
<u>Fund balance</u>				
Beginning of year	957,745	957,745	957,745	-
End of year	\$ 957,745	\$ 931,532	\$ 1,016,888	\$ 85,356

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Intergovernmental revenue:				
State aids	\$ 806,800	\$ 1,088,258	\$ 1,087,388	\$ (870)
Federal	6,938,551	8,000,497	7,995,841	(4,656)
Miscellaneous - institutional revenue	-	180,651	178,422	(2,229)
Total revenues	7,745,351	9,269,406	9,261,651	(7,755)
<u>Expenditures</u>				
Current:				
Student services	7,766,351	9,122,770	9,118,244	4,526
General institutional	-	183,382	179,886	3,496
Total expenditures	7,766,351	9,306,152	9,298,130	8,022
Revenues over (under) expenditures	(21,000)	(36,746)	(36,479)	267
<u>Other financing sources</u>				
Operating transfers in	21,000	36,746	36,746	-
Revenues and other financing sources over (under) expenditures and other financing uses	-	-	267	267
<u>Fund balance</u>				
Beginning of year	133,019	133,019	133,019	-
End of year	\$ 133,019	\$ 133,019	\$ 133,286	\$ 267

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Intergovernmental revenue:				
Federal	\$ -	\$ 74,719	\$ 74,718	\$ (1)
Miscellaneous - institutional revenue	-	1,192,577	1,192,576	(1)
Total revenues	-	1,267,296	1,267,294	(2)
<u>Expenditures</u>				
Capital outlay:				
Instruction	739,244	1,166,940	1,067,149	99,791
Instructional resources	356,920	431,920	310,940	120,980
Student services	-	50,744	50,561	183
General institutional	1,793,622	1,889,030	1,324,951	564,079
Physical plant	6,424,777	28,397,459	25,043,099	3,354,360
Total expenditures	9,314,563	31,936,093	27,796,700	4,139,393
Revenues over (under) expenditures	(9,314,563)	(30,668,797)	(26,529,406)	4,139,391
<u>Other financing sources</u>				
Proceeds of general obligation debt	6,800,000	6,800,000	6,800,000	-
Operating transfers in	-	450,000	-	(450,000)
Total other financing sources	6,800,000	7,250,000	6,800,000	-
<u>Other financing uses</u>				
Operating transfers out	(105,000)	-	-	-
Total other financing uses	(105,000)	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	(2,619,563)	(23,418,797)	(19,729,406)	4,139,391
<u>Fund balance</u>				
Beginning of year	27,092,876	27,092,876	27,092,876	-
End of year	\$ 24,473,313	\$ 3,674,079	\$ 7,363,470	\$ 4,139,391

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Local government	\$ 9,652,460	\$ 9,425,000	\$ 9,425,000	\$ -
Miscellaneous - institutional revenue	-	130,975	129,990	(985)
Total revenues	9,652,460	9,555,975	9,554,990	(985)
<u>Expenditures</u>				
Physical plant	10,033,553	9,928,553	9,777,512	151,041
Total expenditures	10,033,553	9,928,553	9,777,512	151,041
Revenues over (under) expenditures	(381,093)	(372,578)	(222,522)	150,056
<u>Other financing sources</u>				
Proceeds from long-term debt	-	232,949	232,948	(1)
Operating transfers in	105,000	-	-	-
Total other financing sources	105,000	232,949	232,948	(1)
Revenues and other financing sources over (under) expenditures	(276,093)	(139,629)	10,426	150,055
<u>Fund balance</u>				
Beginning of year	2,275,772	2,275,772	2,275,772	-
End of year	\$ 1,999,679	\$ 2,136,143	\$ 2,286,198	\$ 150,055

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Tuition and fees:				
Other student fees	\$ -	\$ -	\$ -	\$ -
Miscellaneous - institutional revenue	202,053	233,930	233,929	(1)
Total revenues	202,053	233,930	233,929	(1)
<u>Expenditures</u>				
Instruction		12,000	10,359	1,641
Student services		29,380	29,380	-
Auxiliary services	142,865	142,865	95,804	47,061
Total expenditures	142,865	184,245	135,543	48,702
Revenues over (under) expenditures	59,188	49,685	98,386	48,701
<u>Other financing uses</u>				
Operating transfers out	(100,000)	(140,088)	(140,088)	-
Total other financing uses	(100,000)	(140,088)	(140,088)	-
Revenues and other financing sources over (under) expenditures and other financing uses	(40,812)	(90,403)	(41,702)	48,701
<u>Net position</u>				
Beginning of year	379,208	379,208	379,208	-
End of year	\$ 338,396	\$ 288,805	\$ 337,506	\$ 48,701

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2024

	Budget Amounts		Actual on a Budgetary Basis	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Miscellaneous - institutional revenue	\$ 280,000	\$ 280,000	\$ 256,945	\$ (23,055)
Total revenues	280,000	280,000	256,945	(23,055)
<u>Expenditures</u>				
Auxiliary services	280,000	280,000	256,945	23,055
Total expenditures	280,000	280,000	256,945	23,055
Revenues over (under) expenditures	-	-	-	-
<u>Net position</u>				
Beginning of year	251,276	251,276	251,276	-
End of year	\$ 251,276	\$ 251,276	\$ 251,276	\$ -

See Independent Auditor's Report.

Blackhawk Technical College District

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

June 30, 2024

ASSETS AND OTHER DEBITS	General	Special Revenue Fund		Capital	Debt	Enterprise	Internal	Agency	Total	Reconciling	Statement of
	Fund	Operating	Non - Aidable	Projects Fund	Service Fund	Fund	Service Fund	Funds			
Assets											
Cash and cash equivalents	\$ 11,957,142	\$ 913,990	\$ 107,564	\$ 10,487,977	\$ 2,286,673	\$ 332,435	\$ 251,276	\$ 739,291	\$ 27,076,348	\$ -	\$ 27,076,348
Investments	-	-	35,951	-	-	-	-	-	35,951	-	35,951
Receivables:											
Taxes	4,407,644	-	-	-	-	-	-	-	4,407,644	-	4,407,644
Federal and state	112,139	206,092	551,172	-	-	-	-	-	869,403	-	869,403
Accounts	729,915	-	8,606	11,000	-	36,630	-	186,295	972,446	-	972,446
Due from other funds	602,343	-	-	-	-	-	-	-	602,343	(602,343)	-
Prepaid items	40,147	1,507	2,647	334,000	-	1,913	-	77	380,291	-	380,291
Post-employment benefits	-	-	-	-	-	-	-	-	-	7,023,619	7,023,619
Deferred outflow of resources - actuarial - WRS	-	-	-	-	-	-	-	-	-	10,159,685	10,159,685
Deferred outflow of resources - actuarial - OPEB	-	-	-	-	-	-	-	-	-	590,912	590,912
Deferred outflow of resources - actuarial - LRLIF	-	-	-	-	-	-	-	-	-	610,296	610,296
Deferred outflow of resources - contributions - WRS	-	-	-	-	-	-	-	-	-	564,119	564,119
Deferred outflow of resources - contributions - LRLIF	-	-	-	-	-	-	-	-	-	3,823	3,823
Right of use lease assets, net of amortization	-	-	-	-	-	-	-	-	-	27,895	27,895
Right of use SBITA assets, net of amortization	-	-	-	-	-	-	-	-	-	3,058,565	3,058,565
Capital assets	-	-	-	-	-	-	-	-	-	132,466,559	132,466,559
Less: accumulated depreciation	-	-	-	-	-	-	-	-	-	48,588,119	48,588,119
Total assets and other debits	\$ 17,849,330	\$ 1,121,589	\$ 705,940	\$ 10,832,977	\$ 2,286,673	\$ 370,978	\$ 251,276	\$ 925,663	\$ 34,344,426	\$ 105,315,011	\$ 139,659,437
LIABILITIES AND FUND BALANCE/NET POSITION											
Liabilities											
Accounts payable	\$ 1,882,459	\$ 27,182	\$ 1,752	\$ 2,293,577	\$ 475	\$ 6,928	\$ -	\$ 247	\$ 4,212,620	\$ -	\$ 4,212,620
Accrued liabilities	1,753,143	77,519	-	-	-	-	-	-	1,830,662	-	1,830,662
Accrued interest	-	-	-	-	-	-	-	-	-	430,706	430,706
Due to other funds	-	-	570,902	-	-	683	-	30,758	602,343	(602,343)	-
Unearned revenue - student fees	425,442	-	-	-	-	-	-	-	425,442	28,678	454,120
Due to student organizations	-	-	-	-	-	-	-	894,658	894,658	(894,658)	-
General obligation debt payable	-	-	-	-	-	-	-	-	-	62,700,000	62,700,000
Arbitrage rebate	-	-	-	400,000	-	-	-	-	400,000	-	400,000
Lease liability payable	-	-	-	-	-	-	-	-	-	31,939	31,939
SBITA liability payable	-	-	-	-	-	-	-	-	-	3,026,543	3,026,543
Net pension liability	-	-	-	-	-	-	-	-	-	1,268,717	1,268,717
Net OPEB liability - LRLIF	-	-	-	-	-	-	-	-	-	1,624,530	1,624,530
Deferred inflow of resources - actuarial WRS	-	-	-	-	-	-	-	-	-	6,781,213	6,781,213
Deferred inflow of resources - actuarial OPEB	-	-	-	-	-	-	-	-	-	1,257,162	1,257,162
Deferred inflow of resources - actuarial LRLIF	-	-	-	-	-	-	-	-	-	892,112	892,112
Unamortized premium on general obligation debt	-	-	-	-	-	-	-	-	-	1,432,986	1,432,986
Total liabilities	4,061,044	104,701	572,654	2,693,577	475	7,611	-	925,663	8,365,725	77,977,585	86,343,310
Fund balance/Net position											
Net investment in capital assets	-	-	-	-	-	-	-	-	-	24,879,229	24,879,229
Net position	-	-	-	-	-	337,506	251,276	-	588,782	19,402,725	19,991,507
Fund balances:											
Restricted for debt service	-	-	-	-	2,286,198	-	-	-	2,286,198	(1,863,692)	422,506
Restricted for capital projects	-	-	-	4,060,150	-	-	-	-	4,060,150	(4,060,150)	-
Restricted for OPEB	-	-	-	-	-	-	-	-	-	7,023,619	7,023,619
Restricted for student financial assistance	-	-	133,286	-	-	-	-	-	133,286	-	133,286
Restricted for student organizations	-	-	-	-	-	-	-	-	-	865,980	865,980
Nonspendable for prepaid items	40,147	1,507	-	269,717	-	-	-	-	311,371	(311,371)	-
Assigned - Designated for operations	7,425,000	345,572	-	-	-	-	-	-	7,770,572	(7,770,572)	-
Assigned - Designated for capital projects	-	-	-	3,033,603	-	-	-	-	3,033,603	(3,033,603)	-
Assigned - Designated for State aid fluctuations	330,000	-	-	-	-	-	-	-	330,000	(330,000)	-
Assigned - Designated for subsequent years	495,000	669,809	-	-	-	-	-	-	1,164,809	(1,164,809)	-
Assigned - Designated for subsequent year	5,133,733	-	-	-	-	-	-	-	5,133,733	(5,133,733)	-
Budgetary basis fund balance/net position	13,423,880	1,016,888	133,286	7,363,470	2,286,198	337,506	251,276	-	24,812,504	28,503,623	53,316,127
Reserve for encumbrances	364,406	-	-	775,930	-	25,861	-	-	1,166,197	(1,166,197)	-
Total fund balance/net position	13,788,286	1,016,888	133,286	8,139,400	2,286,198	363,367	251,276	-	25,978,701	27,337,426	53,316,127
Total liabilities and fund balance/net position	\$ 17,849,330	\$ 1,121,589	\$ 705,940	\$ 10,832,977	\$ 2,286,673	\$ 370,978	\$ 251,276	\$ 925,663	\$ 34,344,426	\$ 105,315,011	\$ 139,659,437

Blackhawk Technical College District

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

Year Ended June 30, 2024

	General Fund	Special Revenue Fund		Capital Projects Fund	Debt Service Fund	Enterprise Fund	Internal Service Fund	Total	Reconciling Items	Statement of
		Operating	Non - Aidable							Revenues, Expenses and Changes in Net Position
Revenues										
Local government - tax levy	\$ 7,230,194	\$ 440,534	\$ -	\$ -	\$ 9,425,000	\$ -	\$ -	\$17,095,728	\$ -	\$ 17,095,728
Intergovernmental revenue:										
State aids	14,667,293	935,605	1,087,388	-	-	-	-	16,690,286	(1,087,388)	15,602,898
Federal aids	12,540	778,888	7,995,841	74,718	-	-	-	8,861,987	(3,440,655)	5,421,332
Tuition and fees:										
Statutory program fees	6,468,874	34,972	-	-	-	-	-	6,503,846	(1,464,871)	5,038,975
Material fees	351,176	1,662	-	-	-	-	-	352,838	(79,497)	273,341
Other student fees	525,854	1,666	-	-	-	-	-	527,520	333,379	860,899
Miscellaneous - institutional revenue	2,906,481	80,691	178,422	1,192,576	129,990	233,929	256,945	4,979,034	(69,574)	4,909,460
Total revenues	32,162,412	2,274,018	9,261,651	1,267,294	9,554,990	233,929	256,945	55,011,239	(5,808,606)	49,202,633
Expenditures										
Current:										
Instruction	17,116,517	1,036,150	-	1,067,149	-	10,359	-	19,230,175	(1,260,815)	17,969,360
Instructional resources	1,003,462	71,868	-	310,940	-	-	-	1,386,270	(219,355)	1,166,915
Student services	2,308,432	1,045,315	9,118,244	50,561	-	29,380	-	12,551,932	(8,773,787)	3,778,145
General institutional	6,563,545	61,542	179,886	1,324,951	-	-	-	8,129,924	(1,623,792)	6,506,132
Physical plant	4,273,647	-	-	25,043,099	9,777,512	-	-	39,094,258	(36,822,394)	2,271,864
Student aid	-	-	-	-	-	-	-	-	2,833,844	2,833,844
Auxiliary	-	-	-	-	-	95,804	256,945	352,749	(256,947)	95,802
Depreciation	-	-	-	-	-	-	-	-	6,643,883	6,643,883
Loss on disposition of fixed assets	-	-	-	-	-	-	-	-	7,882,361	7,882,361
Debt service										
Interest and fiscal charges	-	-	-	-	-	-	-	-	1,775,414	1,775,414
Total expenditures	31,265,603	2,214,875	9,298,130	27,796,700	9,777,512	135,543	256,945	80,745,308	(29,821,588)	50,923,720
Excess (deficiency) of revenues over expenditures	896,809	59,143	(36,479)	(26,529,406)	(222,522)	98,386	-	(25,734,069)	24,012,982	(1,721,087)
Other financing sources (uses)										
Operating transfers in	137,357	-	36,746	-	-	-	-	174,103	(174,103)	-
Operating transfers out	(63,605)	-	-	-	-	(140,088)	-	(203,693)	203,693	-
Proceeds from long-term debt	-	-	-	6,800,000	232,948	-	-	7,032,948	(7,032,948)	-
Total other financing sources (uses)	73,752	-	36,746	6,800,000	232,948	(140,088)	-	7,003,358	(7,003,358)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	970,561	59,143	267	(19,729,406)	10,426	(41,702)	-	(18,730,711)	17,009,624	(1,721,087)
Fund balances/Net position:										
Beginning of year	12,453,319	957,745	133,019	27,092,876	2,275,772	379,208	251,276	43,543,215	11,493,999	55,037,214
End of year	\$ 13,423,880	\$ 1,016,888	\$ 133,286	\$ 7,363,470	\$ 2,286,198	\$ 337,506	\$ 251,276	\$24,812,504	\$ 28,503,623	\$ 53,316,127

See Independent Auditor's Report.

Blackhawk Technical College District

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

Year Ended June 30, 2024

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

Operating	\$ 935,605
Non-operating	14,667,293
	<hr/>
Total	<u>\$ 15,602,898</u>

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

Auxiliary enterprise revenues	\$ 233,929
Contract revenues	1,434,620
Miscellaneous income	1,402,527
Investment income	1,838,384
	<hr/>
Total	<u>\$ 4,909,460</u>

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

	<u>2024</u>
Budgetary basis fund equity	\$ 24,812,504
Capital assets - cost	137,741,655
Accumulated depreciation on capital assets	(50,776,755)
Net OPEB Asset	7,023,619
Net OPEB liability - LRLIF	(1,624,530)
General obligation debt	(62,700,000)
Lease liability payable	(31,939)
SBITA liability payable	(3,026,543)
Unamortized premium	(1,432,986)
Accrued interest on long-term debt	(430,706)
Deferred outflows of resources	11,928,835
Net pension liability - WRS	(1,268,717)
Deferred inflows of resources	(8,930,487)
Due to students and other groups	865,980
Encumbrances	1,166,197
	<hr/>
Net position per basic financial statements	<u>\$ 53,316,127</u>

See Independent Auditor's Report.

Blackhawk Technical College District

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

ASSETS AND OTHER DEBITS	General	Special Revenue Fund		Capital	Debt	Enterprise	Internal	Agency	Total	Reconciling	Statement of
	Fund	Operating	Non - Aidable	Projects Fund	Service Fund	Fund	Service Fund	Funds			
Assets											
Cash and cash equivalents	\$ 8,843,357	\$ 872,333	\$ 108,897	\$ 31,370,607	\$ 2,276,247	\$ 382,902	\$ 251,276	\$ 607,307	\$ 44,712,926	\$ -	\$ 44,712,926
Investments	-	-	35,951	-	-	-	-	-	35,951	-	35,951
Receivables:											
Taxes	4,038,076	-	-	-	-	-	-	-	4,038,076	-	4,038,076
Federal and state	98,330	207,826	760,092	-	-	-	-	-	1,066,248	-	1,066,248
Accounts	972,953	-	8,095	-	-	3,000	-	178,161	1,162,209	-	1,162,209
Due from other funds	806,188	-	-	-	-	-	-	-	806,188	(806,188)	-
Prepaid items	139,371	1,507	-	193,644	-	-	-	-	334,522	-	334,522
Post-employment benefits	-	-	-	-	-	-	-	-	-	6,259,818	6,259,818
Deferred outflow of resources - actuarial - WRS	-	-	-	-	-	-	-	-	-	16,402,667	16,402,667
Deferred outflow of resources - actuarial - OPEB	-	-	-	-	-	-	-	-	-	1,361,589	1,361,589
Deferred outflow of resources - actuarial - LRLIF	-	-	-	-	-	-	-	-	-	616,275	616,275
Deferred outflow of resources - contributions - WRS	-	-	-	-	-	-	-	-	-	529,586	529,586
Deferred outflow of resources - contributions - LRLIF	-	-	-	-	-	-	-	-	-	3,698	3,698
Right of use lease assets, net of amortization	-	-	-	-	-	-	-	-	-	1,627,874	1,627,874
Right of use SBITA assets, net of amortization	-	-	-	-	-	-	-	-	-	2,739,965	2,739,965
Capital assets	-	-	-	-	-	-	-	-	-	117,896,024	117,896,024
Less: accumulated depreciation	-	-	-	-	-	-	-	-	-	49,818,007	49,818,007
Total assets and other debits	\$ 14,898,275	\$ 1,081,666	\$ 913,035	\$ 31,564,251	\$ 2,276,247	\$ 385,902	\$ 251,276	\$ 785,468	\$ 52,156,120	\$ 96,813,301	\$ 148,969,421
LIABILITIES AND FUND BALANCE/NET POSITION											
Liabilities											
Accounts payable	\$ 382,295	\$ 12,702	\$ -	\$ 2,694,010	\$ 475	\$ 6,694	\$ -	\$ 247	\$ 3,096,423	\$ -	\$ 3,096,423
Accrued liabilities	1,570,465	64,965	-	-	-	-	-	-	1,635,430	-	1,635,430
Accrued interest	-	-	-	-	-	-	-	-	-	413,854	413,854
Due to other funds	-	-	780,016	-	-	-	-	26,172	806,188	(806,188)	-
Unearned revenue - student fees	463,476	-	-	30,000	-	-	-	-	493,476	31,909	525,385
Due to student organizations	-	-	-	-	-	-	-	759,049	759,049	(759,049)	-
General obligation debt payable	-	-	-	-	-	-	-	-	-	63,775,000	63,775,000
Arbitrage rebate	-	-	-	195,000	-	-	-	-	195,000	-	195,000
Lease liability payable	-	-	-	-	-	-	-	-	-	1,749,757	1,749,757
SBITA liability payable	-	-	-	-	-	-	-	-	-	2,588,394	2,588,394
Net pension liability	-	-	-	-	-	-	-	-	-	4,680,538	4,680,538
Net OPEB liability - LRLIF	-	-	-	-	-	-	-	-	-	1,375,048	1,375,048
Deferred inflow of resources - actuarial WRS	-	-	-	-	-	-	-	-	-	9,808,280	9,808,280
Deferred inflow of resources - actuarial OPEB	-	-	-	-	-	-	-	-	-	1,522,304	1,522,304
Deferred inflow of resources - actuarial LRLIF	-	-	-	-	-	-	-	-	-	1,057,274	1,057,274
Unamortized premium on general obligation debt	-	-	-	-	-	-	-	-	-	1,509,520	1,509,520
Total liabilities	2,416,236	77,667	780,016	2,919,010	475	6,694	-	785,468	6,985,566	86,946,641	93,932,207
Fund balance/Net position											
Net investment in capital assets	-	-	-	-	-	-	-	-	-	24,641,533	24,641,533
Net position	-	-	-	-	-	379,208	251,276	-	630,484	22,292,822	22,923,306
Fund balances:											
Restricted for debt service	-	-	-	-	2,275,772	-	-	-	2,275,772	(1,923,374)	352,398
Restricted for capital projects	-	-	-	20,072,339	-	-	-	-	20,072,339	(20,072,339)	-
Restricted for OPEB	-	-	-	-	-	-	-	-	-	6,259,818	6,259,818
Restricted for student financial assistance	-	-	133,019	-	-	-	-	-	133,019	-	133,019
Restricted for student organizations	-	-	-	-	-	-	-	-	-	727,140	727,140
Nonspendable for prepaid items	139,371	1,507	-	193,644	-	-	-	-	334,522	(334,522)	-
Assigned - Designated for operations	7,395,000	286,429	-	-	-	-	-	-	7,681,429	(7,681,429)	-
Assigned - Designated for capital projects	-	-	-	6,826,893	-	-	-	-	6,826,893	(6,826,893)	-
Assigned - Designated for State aid fluctuations	203,000	-	-	-	-	-	-	-	203,000	(203,000)	-
Assigned - Designated for subsequent years	305,000	669,809	-	-	-	-	-	-	974,809	(974,809)	-
Assigned - Designated for subsequent year	4,410,948	-	-	-	-	-	-	-	4,410,948	(4,410,948)	-
Budgetary basis fund balance/net position	12,453,319	957,745	133,019	27,092,876	2,275,772	379,208	251,276	-	43,543,215	11,493,999	55,037,214
Reserve for encumbrances	28,720	46,254	-	1,552,365	-	-	-	-	1,627,339	(1,627,339)	-
Total fund balance/net position	12,482,039	1,003,999	133,019	28,645,241	2,275,772	379,208	251,276	-	45,170,554	9,866,660	55,037,214
Total liabilities and fund balance/net position	\$ 14,898,275	\$ 1,081,666	\$ 913,035	\$ 31,564,251	\$ 2,276,247	\$ 385,902	\$ 251,276	\$ 785,468	\$ 52,156,120	\$ 96,813,301	\$ 148,969,421

Blackhawk Technical College District

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

Year Ended June 30, 2023

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

See Independent Auditor's Report.

Other Report

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

District Board
Blackhawk Technical College District
Janesville, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of Blackhawk Technical College District (the “College”), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the College’s basic financial statements, and have issued our report thereon dated December 20, 2024. The financial statements of the Blackhawk Technical College Foundation, Inc. (the “Foundation”), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Wipfli LLP

December 20, 2024
Eau Claire, Wisconsin

Statistical Section

Blackhawk Technical College District

Financial Trends – Net Position by Component Last Ten Fiscal Years

	2024	2023	(Restated) 2022	(Restated) 2021	(Restated) 2020	2019	(Reclassified) 2018	2017	2016	(Restated) 2015
Net investment in capital assets	\$ 26,284,237	\$ 26,158,815	\$ 19,068,038	\$ 14,355,613	\$ 12,269,050	\$ 11,784,309	\$ 12,042,920	\$ 11,539,741	\$ 12,194,425	\$ 13,888,849
Restricted for:										
Debt service	422,506	352,398	293,441	224,454	229,334	198,915	449,826	356,084	778,427	553,401
Pensions	-	-	7,374,012	5,890,554	3,089,571					2,921,424
OPEB	7,023,619	5,915,346	5,695,093	7,791,759	5,685,982	4,510,365	4,400,561	4,274,829		
Student financial assistance	133,286	133,019	125,517	136,046	134,372	123,397	134,474	104,776	48,259	52,887
Student organizations	865,980	727,140	649,829	617,415	578,000					
Unrestricted	18,586,499	21,750,496	13,074,089	10,207,463	10,936,885	12,997,506	13,343,096	12,949,549	15,763,540	13,605,148
Total Net Position	\$ 53,316,127	\$ 55,037,214	\$ 46,280,019	\$ 39,223,304	\$ 32,923,194	\$ 29,614,492	\$ 30,370,877	\$ 29,224,979	\$ 28,784,651	\$ 31,021,709

Blackhawk Technical College District

Financial Trends – Changes in Net Position Last Ten Fiscal Years

	2024	2023	(Restated) 2022	(Restated) 2021	(Restated) 2020	2019	2018	2017	2016	(Restated) 2015
Operating Revenues										
Tuition and fees, net of scholarship allowances	\$ 6,173,215	\$ 5,796,051	\$ 4,995,966	\$ 4,806,211	\$ 4,675,094	\$ 4,712,362	\$ 4,621,905	\$ 4,627,487	\$ 4,779,121	\$ 3,801,758
State aids	935,605	975,364	796,791	704,545	1,326,439	2,345,142	2,045,642	1,798,962	1,619,248	1,525,993
Federal grants	5,421,332	7,487,322	10,870,592	8,893,861	5,913,796	4,149,742	4,733,230	5,127,300	5,811,872	6,825,882
Contract revenue	1,434,620	1,973,630	2,119,830	1,648,524	2,806,588	1,576,283	1,407,542	1,457,254	1,092,002	675,424
Auxiliary revenues	233,929	89,223	103,836	115,987	122,432	126,147	153,672	145,930	127,444	107,828
Miscellaneous - institutional revenue	1,402,527	7,537,018	2,139,999	1,132,601	778,073	599,576	636,342	1,146,896	737,132	650,942
Total program revenues	15,601,228	23,858,608	21,027,014	17,301,729	15,622,422	13,509,252	13,598,333	14,303,829	14,166,819	13,587,827
Operating Expenses										
Instruction	17,969,360	18,479,542	16,611,184	15,779,774	19,002,609	18,944,128	17,652,913	18,002,019	18,268,116	20,128,563
Instructional Resources	1,166,915	2,359,017	2,146,280	1,743,107	1,729,418	1,700,467	1,578,082	1,797,801	2,111,723	2,754,984
Student Services	3,778,145	5,308,126	6,213,472	4,566,197	4,279,358	3,282,279	3,518,363	3,741,244	4,011,244	3,810,176
General Institutional	6,506,132	6,899,506	6,207,327	6,696,232	5,583,415	5,523,017	5,017,942	5,454,728	4,975,086	5,626,818
Physical Plant	2,271,864	3,443,882	2,588,964	2,519,497	2,698,493	2,728,005	2,743,556	3,042,192	3,913,173	2,034,944
Student Aid	2,833,844	2,186,199	1,698,096	2,041,478	2,236,967	2,398,529	2,369,950	2,525,524	2,981,290	2,297,505
Auxiliary Services	95,802	59,990	28,296	72,502	92,633	82,285	69,453	111,718	64,812	103,271
Depreciation	6,643,883	7,021,919	6,319,859	5,649,780	5,399,704	5,219,628	5,087,354	4,941,665	4,921,570	2,286,750
Total operating expenses	41,265,945	45,758,181	41,813,478	39,068,567	41,022,597	39,878,338	38,037,613	39,616,891	41,247,014	39,043,011
Operating loss	(25,664,717)	(21,899,573)	(20,786,464)	(21,766,838)	(25,400,175)	(26,369,086)	(24,439,280)	(25,313,062)	(27,080,195)	(25,455,184)
Non-operating Revenues (Expenses)										
Property taxes	17,095,728	16,320,725	16,184,437	16,078,719	15,750,265	14,880,450	14,833,466	14,219,152	13,673,247	12,441,582
State operating appropriations	14,667,293	14,587,626	13,927,588	13,190,322	13,194,031	12,710,032	12,650,361	12,673,742	12,727,832	12,835,623
Investment income	1,838,384	1,577,122	85,115	17,877	216,652	332,588	184,395	59,580	19,563	19,563
Loss on disposal of property and equipment	(7,882,361)	(88,435)	(756,892)	(86,115)	(26,392)	(1,303,408)	(9,741)	(1,443,504)	(428,062)	(111,876)
Interest expense	(1,775,414)	(1,740,270)	(1,597,069)	(1,133,855)	(1,003,680)	(1,006,961)	(1,046,918)	(1,112,294)	(1,149,444)	(1,115,944)
Total non-operating revenues (expenses)	23,943,630	30,656,768	27,843,179	28,066,948	28,130,876	25,612,701	26,611,563	24,396,676	24,843,136	24,068,948
Change in Net Position	\$ (1,721,087)	\$ 8,757,195	\$ 7,056,715	\$ 6,300,110	\$ 2,730,701	\$ (756,385)	\$ 2,172,283	\$ (916,386)	\$ (2,237,059)	\$ (1,386,236)

Blackhawk Technical College District

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

Calendar Year	Residential	Commercial	Manufacturing	Other	Personal Property	Tax Incremental Districts ^(a)	Total Value ^(b)	Total District Value ^(c)	Tax Rate ^(d)
2014	8,475,434	2,214,135	469,081	871,764	375,301	(511,649)	11,894,066	11,192,318	1.11126
2015	8,636,578	2,234,500	494,021	884,501	398,203	(512,148)	12,135,655	11,400,609	1.19909
2016	8,991,446	2,355,016	500,075	869,610	398,276	(623,541)	12,490,882	11,717,073	1.21275
2017	9,610,802	2,448,071	525,607	831,594	416,659	(704,926)	13,127,807	12,329,756	1.20275
2018	10,292,414	2,574,739	569,594	846,494	303,426	(683,826)	13,902,841	13,020,910	1.14293
2019	11,133,018	2,726,169	595,186	859,051	314,335	(940,363) 	14,687,396	14,026,990	1.11263
2020	11,805,161	2,934,316	638,634	883,716	325,283	(1,060,864) 	15,526,246	14,821,886	1.08430
2021	13,057,266	3,316,266	646,352	935,746	353,045	(1,380,820) 	16,927,855	16,159,386	1.00074
2022	15,166,557	3,962,279	690,248	1,019,026	374,202	(1,074,285) 	20,138,027	19,238,668	0.83880
2023	17,125,256	4,545,183	772,715	1,209,222	370,699	(1,213,331) 	22,809,744	21,804,772	0.78229

Source: Wisconsin Department of Revenue, Bureau of Property Tax

Notes:

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

Blackhawk Technical College District

Revenue Capacity – Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

Fiscal Year	BTC Direct Rate			Overlapping Rates ^(a)				Gross Total	State Tax Relief	Net Tax Rate
	Operational ^(b)	Debt Service	Total	County	Local ^(c)	Other School Districts	State			
2015	0.57	0.55	1.11	6.57	6.57	10.45	1.39	26.09	(1.64)	24.45
2016	0.57	0.63	1.20	6.51	6.58	10.39	1.39	26.07	(1.83)	24.24
2017	0.57	0.64	1.21	6.46	6.62	10.32	1.59	26.20	(1.78)	24.42
2018	0.56	0.64	1.20	6.32	6.51	10.05	1.48	25.56	(1.88)	23.68
2019	0.54	0.60	1.14	6.06	6.40	9.74	1.31	24.65	(1.78)	22.87
2020	0.53	0.59	1.11	5.89	6.15	9.62	1.16	23.93	(1.68)	22.25
2021	0.52	0.57	1.08	5.73	5.93	9.48	1.25	23.47	(1.61)	21.86
2022	0.45	0.55	1.00	5.35	5.67	9.20	1.58	22.80	(1.50)	21.30
2023	0.38	0.46	0.84	4.37	5.11	7.96	0.72	19.00	(1.29)	17.71
2024	0.35	0.43	0.78	4.08	4.66	7.21	0.66	17.39	(1.49)	15.90

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

Notes:

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

Blackhawk Technical College District

Revenue Capacity – Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Total Collections to Date ^(b)	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2015	12,437,599	8,905,566	71.60%	12,437,599	100.00%
2016	13,670,386	9,807,438	71.74%	13,670,386	100.00%
2017	14,209,843	10,330,415	72.70%	14,209,843	100.00%
2018	14,829,670	10,903,713	73.53%	14,829,670	100.00%
2019	14,881,962	9,136,317	61.39%	14,881,962	100.00%
2020	15,606,881	15,606,881	100.00%	15,606,881	100.00%
2021	16,071,320	11,949,341	74.35%	16,071,320	100.00%
2022	16,171,346	12,097,225	74.81%	16,171,346	100.00%
2023	16,137,349	10,297,825	63.81%	16,137,349	100.00%
2024	17,057,820	12,650,176	74.16%	17,057,820	100.00%

Notes:

- (a) Under Wisconsin law, personal property taxes and certain installment real estate taxes are collected by city, village, and town treasurers or clerks, who then settle with other taxing units, such as counties, technical colleges and local school districts. Settlements are due from the municipality by the 15th of the month following the due date based on the municipality's payment plan. Certain installment real estate taxes and delinquent taxes are collected by the county treasurers, who then settle with the city, village, and town treasurers and other taxing units before retaining any for county purposes. In practice, any delinquent real estate taxes are withheld from the county's share. Therefore, the District receives 100% of its levy upon receipt of settlement from the county treasurers, although the taxes collected as a percentage of total tax levy will vary in any given fiscal year due to timing of payments received from municipalities.
- (b) Full levy is typically collected in mid-August. For 2024, \$17,057,820 or 100% was collected by the end of August 2024.

Blackhawk Technical College District

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

Taxpayer Name	2023			2013		
	Equalized Valuation	Rank	Percentage of Total Equalized Valuation	Equalized Valuation	Rank	Percentage of Total Equalized Valuation
Amazon	\$ 198,882,500	1	0.88%	\$ -		
ABC Supply/Hendricks Holdings	172,761,791	2	0.76%	59,696,982	1	0.55%
TI Janesville I LLC - VIII LLC	128,218,148	3	0.57%			
Mercy Health System	78,405,257	4	0.35%	59,348,668	2	0.55%
Dollar General	70,919,100	5	0.31%			
Dean/St. Mary's/Riverview Clinic	59,730,579	6	0.26%	35,259,492	5	0.33%
Woodman's Food Market	49,970,200	7	0.22%			
Hawks Ridge Apartments LLC	48,006,000	8	0.21%			
Wal-Mart	45,952,367	9	0.20%	21,239,136	10	0.20%
Kerry Ingredients	42,749,500	10	0.19%	36,531,084	3	0.34%
Blain Supply Farm & Fleet			0.00%	32,383,962	7	0.30%
Kerry Ingredients			0.00%	36,531,084	3	0.34%
Kettle Foods				35,496,482	4	
Janesville Mall				33,672,291	6	0.31%
Staples Contract & Commercial LLC				30,264,329	8	0.28%
GHC Specialty Brands LLC				26,045,818	9	0.24%
Total	\$ 895,595,442		3.96%	\$ 406,469,328		3.77%
Total Equalized Valuation for the District	\$ 22,606,037,953			\$ 10,779,158,932		

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

Blackhawk Technical College District

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Students Served ⁽¹⁾										
Associate Degree	3,106	3,002	2,873	2,704	2,685	2,673	2,494	2,488	2,606	3,002
Technical Diploma	839	834	736	715	585	791	720	695	784	748
Apprentices	168	149	145	136	139	127	108	92	81	63
Vocational Adult	2,156	2,427	2,583	2,027	2,188	2,523	2,773	2,458	2,461	3,041
Community Service ⁽⁴⁾	101	91	36	18	71	180	197	175	247	220
Basic Skills	839	736	693	847	879	875	888	859	886	1,025
Total	7,209	7,239	7,066	6,447	6,547	7,169	7,180	6,767	7,065	8,099
Full-time Equivalent Enrollment ⁽²⁾										
Associate Degree	1,331	1,260	1,153	1,123	1,171	1,134	1,052	1,078	1,195	1,355
Technical Diploma	179	183	180	166	143	264	293	276	270	282
Apprentices	28	24	23	21	24	23	15	15	12	10
Vocational Adult	38	37	40	34	36	40	36	39	46	41
Community Service	2	2	1	1	1	4	4	4	5	6
Basic Skills	77	74	60	72	80	96	102	106	114	134
Total	1,655	1,580	1,457	1,417	1,455	1,561	1,502	1,518	1,642	1,828
Total Expenditures ⁽⁵⁾	\$ 34,436,430	\$ 31,325,920	\$ 30,961,812	\$ 29,977,662	\$ 30,872,471	\$ 29,546,435	\$ 27,972,760	\$ 28,582,125	\$ 29,187,694	\$ 29,987,881
Cost per full-time equivalent student	\$ 20,802	\$ 19,833	\$ 21,249	\$ 21,156	\$ 21,218	\$ 18,928	\$ 18,624	\$ 18,829	\$ 17,776	\$ 16,405
Graduate Follow-up statistics ⁽³⁾										
Number of Graduates	769	805	706	674	587	647	431	529	730	639
Number of Respondents	N/A	452	360	390	357	394	163	248	323	324
Percent in workforce employed	N/A	97%	99%	97%	94%	97%	95%	94%	94%	95%
Percent employed in related occupations	N/A	84%	95%	87%	85%	86%	88%	83%	81%	73%
Median monthly salary	N/A	\$ 4,238	\$ 4,142	\$ 3,705	\$ 3,657	\$ 3,404	\$ 3,715	\$ 2,659	\$ 3,452	\$ 2,623
Percent employed in district	N/A	53%	48%	28%	30%	40%	50%	59%	54%	53%
Percent employed elsewhere in Wisconsin	N/A	23%	25%	24%	16%	26%	27%	19%	23%	16%
Average Age of students	26.7	27.4	29.1	26.9	27.0	28.0	26.9	27.0	32.3	32.9
Age range of students	15-67	11-86	14-94	15-76	15-79	9-93	12-106	11-90	10-94	15-95

Source: Institution Advancement Department and basic financial statements.

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

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

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

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

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

Blackhawk Technical College District

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

Fiscal Year	Population ^(a)	Equalized Valuation ^(b)	Outstanding Debt ^(c)	Less Amounts Available ^(d)	Net Debt Outstanding	Percent of Net Debt to Equalized Valuation	Debt per Capita
2015	186,747	11,192,317,904	45,435,000	819,388	44,615,612	0.40%	238.91
2016	186,715	11,400,609,427	50,775,000	1,071,826	49,703,174	0.44%	266.20
2017	186,442	11,717,072,877	48,875,000	640,385	48,234,615	0.41%	258.71
2018	185,739	12,329,756,115	46,810,000	725,031	46,084,969	0.37%	248.12
2019	186,516	13,020,909,894	42,575,000	458,314	42,116,686	0.32%	225.81
2020	186,838	14,026,990,474	39,990,000	1,067,042	38,922,958	0.28%	208.32
2021	186,265	14,821,866,157	43,565,000	1,060,736	42,504,264	0.29%	228.19
2022	186,265	16,159,386,341	65,870,000	2,252,950	63,617,050	0.39%	341.54
2023	191,421	19,238,667,879	63,775,000	2,275,772	61,499,228	0.32%	321.28
2024	191,079	21,804,771,653	62,700,000	2,286,198	60,413,802	0.28%	316.17

Notes:

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

Blackhawk Technical College District

Debt Capacity – Direct and Overlapping Debt

As of June 30, 2024

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt			
County of			
Green	\$ 30,285,000	79.5%	\$ 24,076,575
Rock	109,325,000	99.8%	109,106,350
Total All Counties	139,610,000	95.4%	133,182,925
City of			
Beloit	\$ 83,431,025	100.0%	83,431,025
Brodhead	1,592,000	100.0%	1,592,000
Edgerton	2,337,000	92.6%	2,164,062
Evansville	56,461,593	100.0%	56,461,593
Janesville	80,017,447	100.0%	80,017,447
Milton	6,470,100	100.0%	6,470,100
Monroe	37,305,849	100.0%	37,305,849
Total All Cities	267,615,014	99.9%	267,442,076
Village of			
Albany	\$ 1,306,267	100.0%	1,306,267
Browntown	-	100.0%	-
Clinton	3,434,962	100.0%	3,434,962
Footville	1,581,288	100.0%	1,581,288
Monticello	2,404,771	100.0%	2,404,771
Orfordville	3,088,854	100.0%	3,088,854
Total All Villages	11,816,142	100.0%	11,816,142

Blackhawk Technical College District

Debt Capacity – Direct and Overlapping Debt (Continued)

As of June 30, 2024

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt (continued)			
Town of			
Adams	\$ -	96.2%	\$ -
Albany	-	100.0%	-
Avon	-	100.0%	-
Beloit	20,028,806	100.0%	20,028,806
Bradford	116,122	100.0%	116,122
Brooklyn	322,996	43.4%	140,180
Cadiz	284,252	57.1%	162,308
Center	114,841	100.0%	114,841
Clarno	194,293	100.0%	194,293
Clinton	105,248	100.0%	105,248
Decatur	-	100.0%	-
Exeter	-	6.9%	-
Fulton	2,386,875	100.0%	2,386,875
Harmony	-	100.0%	-
Janesville	-	100.0%	-
Jefferson	78,032	100.0%	78,032
Johnstown	-	100.0%	-
Jordan	-	91.1%	-
La Prairie	-	100.0%	-
Lima	-	100.0%	-
Magnolia	-	100.0%	-
Milton	-	100.0%	-
Monroe	194,293	100.0%	194,293
Mount Pleasant	50,000	100.0%	50,000
New Glarus	2,912,615	0.5%	14,563
Newark	-	100.0%	-
Plymouth	-	100.0%	-
Porter	1,400,000	86.0%	1,204,000
Rock	-	100.0%	-
Spring Grove	274,132	100.0%	274,132
Spring Valley	-	100.0%	-
Sylvester	-	100.0%	-
Turtle	263,985	100.0%	263,985
Union	1,420,768	96.1%	1,365,358
Washington	346,186	96.8%	335,108
York	-	0.9%	-
Total All Towns	30,493,444	88.6%	27,028,144

Blackhawk Technical College District

Debt Capacity – Direct and Overlapping Debt (Continued)

As of June 30, 2024

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt (continued)			
School District of			
Albany	\$ 1,119,000	100.0%	\$ 1,119,000
Argyle	5,781,453	32.7%	1,890,535
Beloit	6,466,355	100.0%	6,466,355
Beloit Turner	13,864,384	100.0%	13,864,384
Brodhead	-	100.0%	-
Clinton	22,961,000	99.6%	22,869,156
Delavan-Darien	18,870,000	0.3%	56,610
Edgerton	34,750	72.9%	25,333
Evansville	25,914,775	99.9%	25,888,860
Fort Atkinson	11,615,000	0.2%	23,230
Janesville	12,045,995	100.0%	12,045,995
Juda	3,777,013	100.0%	3,777,013
Milton	45,005,000	98.7%	44,419,935
Monroe	85,065,000	100.0%	85,065,000
Monticello	992,232	100.0%	992,232
Parkview (Orfordville)	9,189,000	100.0%	9,189,000
Whitewater	13,000,000	6.1%	793,000
Total All School Districts	275,700,957	82.9%	228,485,638
Special Districts			
Consolidated Koshkonong Sanitary District	\$ 6,651,443	72.4%	4,815,645
Juda Sanitary District #1	-	100.0%	-
Plymouth Sanitary District #1	11,607	100.0%	11,607
Rock-Koshkonong Lake District	-	53.9%	-
Total All Special Districts	6,663,050	72.4%	4,827,252
Subtotal Overlapping Debt	731,898,606	91.9%	672,782,177
District Direct Debt			
General Obligation Bond	\$ -	100.0%	\$ -
General Obligation Notes	62,700,000	100.0%	62,700,000
Subtotal Direct Debt	62,700,000	100.0%	62,700,000
Total Direct and Overlapping Debt	\$ 794,598,606	92.6%	\$ 735,482,177

Blackhawk Technical College District

Debt Capacity – Direct and Overlapping Debt (Continued) As of June 30, 2024

Statistical Summary

2024 Equalized Valuation - TID In	<u>\$ 22,606,037,953</u>
Total Direct and Overlapping Debt	<u>\$ 735,482,177</u>
Direct and Overlapping Debt as a Percentage of Equalized Valuation	<u>3.3%</u>
Population of District	<u>191,079</u>
Direct and Overlapping Indebtedness - Per Capita	<u>\$ 3,849</u>

Source: Survey of each government unit with the District's boundaries, June 30, 2024

Notes:

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

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

Blackhawk Technical College District

Debt Capacity – Legal Debt Margin Information Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Equalized valuation - TID In	\$ 22,606,037,953	\$ 19,959,740,679	\$ 17,225,048,841	\$ 15,589,099,557	\$ 14,690,919,474	\$ 13,701,734,694	\$ 13,008,450,305	\$ 12,329,520,367	\$ 11,901,034,517	\$ 11,683,539,794
Debt limit - 5% of equalized valuation ^(a)	1,130,301,898	997,987,034	861,252,442	779,454,978	734,545,974	685,086,735	650,422,515	616,476,018	595,051,726	584,176,990
Aggregate Indebtedness										
General obligation promissory notes	62,700,000	63,775,000	65,870,000	43,565,000	39,990,000	42,575,000	46,810,000	48,875,000	50,775,000	45,435,000
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less resources available to fund principal and interest payments ^(b)	(2,286,198)	(2,275,772)	(2,252,950)	(1,060,736)	(1,067,042)	(458,314)	(725,031)	(640,385)	(1,071,826)	(819,388)
Total net debt applicable to limit	60,413,802	61,499,228	63,617,050	42,504,264	38,922,958	42,116,686	46,084,969	48,234,615	49,703,174	44,615,612
Legal debt margin	1,069,888,096	936,487,806	797,635,392	736,950,714	695,623,016	642,970,049	604,337,546	568,241,403	545,348,552	539,561,378
Total net debt applicable to the limit as a percentage of debt limit	5.34%	6.16%	7.39%	5.45%	5.30%	6.15%	7.09%	7.82%	8.35%	7.64%
Debt limit - 2% of equalized valuation ^(a)	452,120,759	399,194,814	344,500,977	311,781,991	293,818,389	274,034,694	260,169,006	246,590,407	238,020,690	233,670,796
Bonded Indebtedness										
General obligation bonds	-	-	-	-	-	-	-	-	-	-
Less resources available to fund principal and interest payments ^(b)	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	452,120,759	399,194,814	344,500,977	311,781,991	293,818,389	274,034,694	260,169,006	246,590,407	238,020,690	233,670,796
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

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

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

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

Blackhawk Technical College District

Demographic and Economic Information – Demographic and Economic Statistics

Last Ten Calendar Years

Calendar Year	Population ^(a)	Personal Income (000's) ^(a)	Per Capita Personal Income ^(a)	Number of Households ^(b)	Median Household Income ^(b)	Public School Enrollment ^(c)	Annual Public and Private High School Graduates ^(d)	Unemployment Rate ^(e)
2015	198,634	8,186,379	41,213	84,164	55,058	33,520	2,456	5.29%
2016	198,695	8,274,428	41,644	84,414	53,318	33,305	2,614	4.65%
2017	199,160	8,615,323	43,258	84,976	54,767	33,219	2,267	3.98%
2018	200,058	9,095,229	45,463	85,302	56,673	32,884	2,231	3.09%
2019	200,314	9,540,615	47,628	85,581	59,125	32,563	2,245	3.07%
2020	199,687	10,036,831	50,263	86,664	62,130	32,232	2,302	5.84%
2021	201,369	10,905,361	54,156	87,163	67,700	31,206	2,117	5.02%
2022	200,876	10,877,007	54,148	87,787	67,703	30,810	2,197	3.50%
2023	N/A	N/A	N/A	88,349	N/A	30,793	2,128	2.98%
2024	N/A	N/A	N/A	N/A	N/A	30,805	N/A	3.14%

Notes:

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

Blackhawk Technical College District

Demographic and Economic Information – Principal Employers Last Ten Fiscal Years

		2024		2014	
		Employees	Rank	Employees	Rank
Mercy Health Systems	Health care	2,962	1	3,869	1
SSM Health	Medical facility	1,890	2		
Beloit Health Systems	Medical services	1,508	3	1,517	2
The Swiss Colony	Mfg/mail order food and gifts	1,500	4	895	7
School District of Janesville	Education	1,475	5	1,280	4
Hendricks Holdings	Various companies/real estate development	1,420	6		
Rock County	Government	1,371	7	1,161	5
Amazon	Distribution facility	1,250	8		
Grainger Brands	Wholesale safety equipment	1,193	9	800	10
Prent Corporation	Thermoform plastic packaging and parts	887	10		
Seventh Avenue	Mail order food and gifts			1,500	3
Monroe Clinic	Medical facility			917	6
School District of Beloit	Education			881	8
Walmart	Discount department stores			840	9

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

Blackhawk Technical College District

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
By Pay Groups:										
Full-time instructors	78	74	77	77	88	88	90	91	96	98
Part-time instructors	27	22	21	21	18	21	23	25	28	31
Administration	62	84	78	81	86	85	80	75	79	82
Part-time support personnel	21	20	21	23	21	22	20	21	23	22
Full-time clerical and custodial	54	33	34	35	31	39	38	35	39	41
Total	242	233	231	237	244	255	251	247	265	274

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

Blackhawk Technical College District

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

Year	Operational Expenditures ⁽³⁾ (General and Special Revenue-Aidable Funds)			Student Enrollments		BTC Operational Expenditure per Student		Statewide Operational Expenditure per Student	
	Amount (in 000's)	Percent Increase	Full-time Equivalent Students	Percent Increase/ (Decrease)	Per FTE Students	Percent Increase/ (Decrease)	Per FTE Students	Rank ⁽¹⁾	
2015	\$ 29,988	-1.7%	1,828	-6.8%	\$ 16,405	5.5%	\$ 15,951	10	
2016	29,188	-2.7%	1,642	-10.2%	17,776	8.4%	17,907	12	
2017	28,582	-2.1%	1,522	-7.3%	18,779	5.6%	19,029	12	
2018	27,973	-2.1%	1,502	-1.3%	18,624	-0.8%	18,624	10	
2019	29,546	5.6%	1,561	3.9%	18,928	1.6%	18,928	8	
2020	30,872	4.5%	1,455	-6.8%	21,218	12.1%	19,086	12	
2021	29,978	-2.9%	1,417	-2.6%	21,156	-0.3%	21,207	7	
2022	30,962	3.3%	1,457	2.8%	21,249	0.4%	22,458	7	
2023	31,326	1.2%	1,580	8.4%	19,833	-6.7%	22,662	5	
2024	34,436	9.9%	1,655	4.8%	20,802	4.9%	(2)	(2)	

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

(2) Not yet available

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

Blackhawk Technical College District

Operating Information – Campus Statistics

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Square Footage										
Campuses										
Main Campus - Janesville		324,733	324,733	291,452	291,452	291,452	291,452	291,452	291,452	291,452
Central Building	291,452									
Public Safety Transportation Complex	107,695									
Innovative Manufacturing Education Center	36,975									
Advanced Manufacturing Training Center	-	110,939	110,939	110,939	110,939	110,939	110,939	110,939	110,939	110,939
Aviation Center	-	-	-	-	-	-	-	-	25,210	25,210
Beloit Campus	-	-	-	-	-	18,068	18,068	18,068	29,068	29,068
Beloit Public Library	3,500	3,500	3,500							
Center for Transportation Studies	-	-	-	30,846	30,846	30,846	30,846	30,846	30,846	30,846
Monroe Campus	28,135	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,203	24,203
Total for campuses	467,757	463,375	463,375	457,440	457,440	475,508	475,508	475,508	511,718	511,718
Facilities										
Administration Building	-	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Storage Building - Central Campus	-	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Storage Building - Admin	-	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650
Total for facilities	11,400									
Grand Total⁽¹⁾	479,157	474,775	474,775	468,840	468,840	486,908	486,908	486,908	523,118	523,118

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

Source: Facilities Department

APPENDIX B

FORM OF CONTINUING DISCLOSURE CERTIFICATE

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Blackhawk Technical College District, Rock and Green Counties, Wisconsin (the "Issuer") in connection with the issuance of \$3,800,000 General Obligation Promissory Notes, Series 2025A, dated August 4, 2025 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on June 18, 2025 and July 14, 2025 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org 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 July 14, 2025 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 Blackhawk Technical College District, Rock and Green Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Vice President of Finance & College Operations/CFO of the Issuer who can be contacted at 6004 South County Road G, P.O. Box 5009, Janesville, Wisconsin 53547-5009, phone (608) 757-7700, fax (608) 757-7740.

"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, 2025, 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 4th day of August, 2025.

Eric A. Thornton
Chairperson

(SEAL)

Rich Deprez
Secretary

APPENDIX C

FORM OF LEGAL OPINION

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

August 4, 2025

Re: Blackhawk Technical College District, Wisconsin ("Issuer")
\$3,800,000 General Obligation Promissory Notes, Series 2025A,
dated August 4, 2025 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$340,000	___%
2028	360,000	___
2029	380,000	___
2030	400,000	___
2031	420,000	___
2032	440,000	___
2033	465,000	___
2034	485,000	___
2035	510,000	___

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

The Notes maturing on April 1, 2033 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on April 1, 2032 or on any date thereafter. Said Notes are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of 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

APPENDIX D

**OFFICIAL NOTICE OF SALE AND BID FORM
FOR**

\$3,800,000

**BLACKHAWK TECHNICAL COLLEGE DISTRICT, WISCONSIN
Rock and Green Counties
General Obligation Promissory Notes, Series 2025A**

Sale Data:

Sale Date and Time: Monday, July 14, 2025
10:00 a.m. Central Time

Place: Robert W. Baird & Co. Incorporated
Public Finance Department
777 East Wisconsin Avenue, 25th Floor

Attention: Ms. Katherine Voss
Phone: (414) 765-3827

Bids will be accepted electronically
via PARITY

OFFICIAL NOTICE OF SALE

\$3,800,000

BLACKHAWK TECHNICAL COLLEGE DISTRICT, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2025A (THE "Notes")
DATED AUGUST 4, 2025

NOTICE IS HEREBY GIVEN that bids will be received by the District Board of the Blackhawk Technical College District, Rock and Green Counties, Wisconsin (the "District") for the purchase of all but no part of its Notes electronically via PARITY (as described below) or at the offices of the District's financial advisor, Robert W. Baird & Co. Incorporated, Public Finance Department, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 ("Baird"), Attention: Ms. Katherine Voss, Financial Analyst, until 10:00 a.m. (Central Time) on:

July 14, 2025

at which time the bids will be publicly opened and read. Bids may be mailed or delivered to Baird at the address set forth above or submitted electronically via PARITY, as described below. Bid forms are available from Baird upon request. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 765-3827 for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for Blackhawk Technical College District Notes". A meeting of the District Board will be held on said date for the purpose of taking action on such bids as may be received. Bids will only be considered by the District Board if the required good faith deposit has been received in accordance with the requirements set forth below.

Dates and Maturities: The Notes will be dated August 4, 2025 and will mature on April 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2027	\$340,000
2028	360,000
2029	380,000
2030	400,000
2031	420,000
2032	440,000
2033	465,000
2034	485,000
2035	510,000

Interest: Interest on the Notes will be payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2026 to the registered owners of the Notes appearing of record in the bond register as of the close of business on the 15th day of the calendar month next preceding each interest payment date. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

Optional Redemption: The Notes maturing on April 1, 2033 and thereafter will be subject to redemption prior to maturity, at the option of the District, on April 1, 2032 or on any date thereafter. Said Notes will be redeemable as a whole or in part, and if in part, from maturities selected by the District, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

No Term Bond Option: Bids for the Notes may not provide for term bonds.

Security and Purpose: The Notes are general obligations of the District. The principal of and interest on the Notes will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable property located in the District. The Notes will be issued for the public purposes of financing building remodeling and improvement projects and the acquisition of movable equipment.

Registration: The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered only in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC").

DTC Book Entry Only System: UTILIZATION OF DTC IS REQUIRED. BIDS FOR THE NOTES MAY NOT PROVIDE FOR THE NOTES TO BE ISSUED ON A NON-DTC BASIS. DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, in the denomination of \$5,000 or any integral multiple thereof. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder shall be required to deposit the Note certificates with DTC as a condition to delivery of the Notes. The District will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

Depository: In the event that the securities depository relationship with DTC for the Notes is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered certificated Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Fiscal Agent: The Notes shall be distributed to the owners in fully-registered form in the denomination of \$5,000 or any integral multiple thereof by the fiscal agent for the District (the "Fiscal Agent"). Such Fiscal Agent may be the Secretary or Treasurer and will be designated by the District at the time of the sale of the Notes. The Notes shall be payable as to interest by check or draft of the Fiscal Agent mailed to the registered owners whose names appear on the

books of the Fiscal Agent at the close of business on the 15th day of the calendar month next preceding each interest payment date and as to principal by presentation of the Notes at the office of the Fiscal Agent. The District will pay all costs relating to the registration of the Notes.

Designation as Qualified Tax-Exempt Obligations: The Notes will be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Secretary or other officer of the District charged with the responsibility for issuing the Notes, shall provide an appropriate certificate of the District as of the date of delivery and payment for the Notes confirming the "qualified" status.

Bid Specifications: Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid, but all Notes of the same maturity shall bear the same interest rate. No bid for less than One Hundred Percent (100%) of the principal amount of the Notes (\$3,800,000) nor more than One Hundred Five Percent (105%) of the principal amount of the Notes (\$3,990,000) plus accrued interest to the date of delivery will be considered. The Notes will be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the District.

Type of Bid: Bids must be submitted either: (1) to Baird as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, within a one hour period prior to the time of sale, but no bids will be received after the time established above for the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Baird, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The District and Baird assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the District, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The District is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Notes, and PARITY is not an agent of the District.

The District may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Notes and interest rate or rates to be borne by the Notes and any other information included in such transmission) as though the same information were submitted and executed on behalf of the bidder by a duly authorized signatory. If the bid is accepted by the District, the terms of the bid, this Official Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, as described in this Official Notice of Sale and in the written form of bid form (if any). All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of bid form (if any).

Good Faith Deposit: A cashier's check in the amount of \$76,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$76,000 shall be made by the winning bidder by federal wire transfer as directed by the District to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (July 14, 2025) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes. The good faith deposit will be applied to the purchase price of the Notes. In the event the successful bidder fails to honor its accepted bid, the good faith deposit will be retained by the District. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Notes shall be made at the closing. Good faith checks of unsuccessful bidders will be returned by overnight delivery for next day receipt sent not later than the first business day following the sale.

Bond Insurance at Bidder's Option: If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder. Each bidder shall indicate if it is obtaining bond insurance and shall list the name of the bond insurer on the bidder's electronic transmission of the bid or the bid form (if any). Any increased costs of issuance of the Notes resulting from such purchase of insurance shall be paid by the successful bidder except that, if the District has requested and received a rating on the Notes from a rating agency, the District will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Notes.

Delivery: The Notes will be delivered in printed form, one Note per maturity, registered in the name of CEDE & CO., as nominee of DTC, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, within approximately forty-five (45) days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its good faith deposit shall be returned, but no interest shall be allowed thereon.

Legality: The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin. A transcript of the proceedings relative to the issuance of the Notes (including an arbitrage certificate and a no-litigation certificate) will be furnished to the successful bidder without cost. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the District's undertaking and such Certificate is a condition of closing.

Award Conditional: The award of the Notes will be made subject to expiration of the petition period provided for under Section 67.12(12)(e)5, Wisconsin Statutes, without the filing of a sufficient petition for a referendum with respect to the resolution authorizing the issuance of the Notes.

CUSIP Numbers: The District will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The District will permit such numbers to be assigned and printed at the expense of the successful bidder, but neither the failure to print such numbers on any Notes nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Notes.

Establishment of Issue Price: (a) The winning bidder shall assist the District in establishing the issue price of the Notes and shall execute and deliver to the District at closing an Underwriter's Certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Notes may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) the District shall disseminate this Official Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Notes, as specified in the bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the District shall advise the winning bidder of such fact prior to the time of award of the sale of the Notes to the underwriter. In such event, any proposal submitted will not be subject to cancellation or withdrawal and the District agrees to use the rule selected by the underwriter on its bid form to determine the issue price for the Notes. On its bid form, each underwriter must specify one of

the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes (the "hold-the-offering-price rule"). The form of the Underwriter's Certificate will be modified to reflect compliance with the requirements of the rule selected by the underwriter.

(d) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriter has offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriter participating in the purchase of the Notes, that the underwriter will neither offer nor sell unsold Notes of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the District when the underwriter has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The District acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Notes.

(e) If all of the requirements of a "competitive sale" are not satisfied and the underwriter selects the 10% test, the underwriter agrees to promptly report to the District, Bond Counsel and Baird the prices at which the Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Notes or until all of the Notes of a certain maturity have been sold.

(f) By submitting a bid, each bidder confirms that (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

(g) Sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Notes are awarded by the District to the winning bidder.

Official Statement: Bidders may obtain a copy of the Preliminary Official Statement by request to the District's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the District within 24 hours after the award of the Notes all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven business days of the award of the Notes, the successful bidder will be provided with an electronic copy of the Official Statement in pdf format. If the successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement and any addenda to syndicate members.

Certification Regarding Official Statement: The District will deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the District and the Notes are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The District also agrees to notify the successful bidder of any material developments impacting the District or the Notes of which the District becomes aware within 60 days after the delivery of the Notes.

Undertaking to Provide Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the District will covenant to undertake (pursuant to a Resolution to be adopted by the District Board), to provide annual reports and timely notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the District, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Irregularities: The District reserves the right to reject any and all bids and to waive any and all irregularities.

Information: Copies of the Preliminary Official Statement and additional information may be obtained by addressing inquiries to: Robert W. Baird & Co. Incorporated; Attention: Ms. Katherine Voss, Financial Analyst, 414-298-7702 or the undersigned.

James S. Nemeth
Vice President of Finance & College Operations/CFO
Blackhawk Technical College District
6004 South County Road G
P.O. Box 5009
Janesville, Wisconsin 53547-5009
Phone: (608) 757-7700

Exhibit A
(to Official Notice of Sale)

Blackhawk Technical College District, Wisconsin ("District")
\$3,800,000
General Obligation Promissory Notes, Series 2025A,
dated August 4, 2025

UNDERWRITER'S CERTIFICATE

The undersigned, on behalf of _____ (the "Underwriter"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Notes").

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Notes to the Public by the Underwriter are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Notes used by the Underwriter in formulating its bid to purchase the Notes. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Notes.

(b) The Underwriter was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Underwriter constituted a firm offer to purchase the Notes.

[2. *Bond Insurance.*

(a) The Municipal Bond Insurance Policy (the "Bond Insurance Policy") issued by _____ (the "Bond Insurer") was essential in marketing the Notes at the rates and prices at which they were marketed and the absence of the Bond Insurance Policy would have had a material adverse effect on the interest rates at which the Notes were sold.

(b) In our opinion, the Bond Insurance Premium paid to the Bond Insurer for its Bond Insurance Policy is a reasonable arm's-length charge for the transfer of credit risk which the Bond Insurance Policy represents.

(c) In our opinion, the present value of the Bond Insurance Premium is less than the present value of the interest on the Notes reasonably expected to be saved as a result of the Bond Insurance Policy. In making this determination present values were computed by using the yield on the Notes (determined with regard to the Bond Insurance Premium) as the discount rate.]

____. *Defined Terms.*

(a) "Maturity" means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Notes. The Sale Date of the Notes is July 14, 2025.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Exemption Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Quarles & Brady LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the District from time to time relating to the Notes.

[UNDERWRITER]

By: _____

Name: _____

Dated: August 4, 2025

SCHEDULE A
TO
UNDERWRITER'S CERTIFICATE

EXPECTED OFFERING PRICES

(See Attached)

SCHEDULE B
TO
UNDERWRITER'S CERTIFICATE

COPY OF UNDERWRITER'S BID

(See Attached)