Western Technical College District

Financial Statements
With Supplementary Information

Years Ended June 30, 2022 and 2021

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Western Technical College District

Financial Statements With Supplementary Financial Information

Years Ended June 30, 2022 and 2021

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Independent Auditor's Report

District Board
Western Technical College District
La Crosse, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Western Technical College District, (Western), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise Western's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the Western Technical College District, as of June 30, 2022 and 2021, 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.

We did not audit the financial statements of Western Technical College Foundation, Inc (the "Foundation"), which represent 100% of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2022 and 2021, and the respective changes in financial position for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2022, Western adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States, 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 Western'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 opinion. 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 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 Western'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 Western's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States require that the Management's Discussion and Analysis, the schedules of employer's proportionate share of the net pension liability (asset) and employer contributions – Wisconsin Retirement System, the schedules of employer's proportionate share of the net OPEB liability and employer contributions – Local Retiree Life Insurance Fund, and the schedule of changes in the employer's total OPEB liability and related ratios – District OPEB plan be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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, 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 Financial Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2022, on our consideration of Western'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 Western'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 Western's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

December 13, 2022
Eau Claire, Wisconsin

Management's Discussion and Analysis

Western Technical College District

Management's Discussion and Analysis
Years Ended June 30, 2022 and 2021

Western Technical College District's (Western) Management's Discussion and Analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial positions, and assists the reader of the financial statements in focusing on noteworthy financial issues for the year ended June 30, 2022.

While maintaining its financial health is crucial to the long-term viability of Western, the primary mission of a public institution of higher education is to provide education and training. Therefore, net position is accumulated only as required to ensure that there are sufficient reserve funds for future operations and implementation of new programs. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

This annual report consists of a series of basic financial statements, prepared in accordance with accounting principles generally accepted in the United States, as stated in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* and Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities.*

Statement of Revenues, Expenses, and Changes in Net Position

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 nonoperating. In general, a public college such as Western will report an overall operating deficit or loss, since the financial reporting model classifies state appropriations and property taxes as nonoperating revenues. 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 following is a condensed version of the Statement of Revenues, Expenses, and Changes in Net Position:

	2022	Restated 2021	Net Position Increase (Decrease) 2022-2021	2020	Net Position Increase (Decrease) 2021-2020
Operating revenue	$ 30,384,133	$ 26,061,577	$ 4,322,556	$ 29,264,563	$ (3,202,986)
Operating expenses	(78,087,836)	(69,505,011)	(8,582,825)	(70,872,896)	1,367,885
Net nonoperating revenues	54,219,509	55,392,353	(1,172,844)	51,266,602	4,125,751
Change in net position	$ 6,515,806	$ 11,948,919	$ (5,433,113)	$ 9,658,269	$ 2,290,650

Some of the most noteworthy results of operations for the current year are reflected below:

- Operating revenues are the charges for services offered by Western. During 2022, Western generated more than $30 million of operating revenue, which is an increase of approximately $4.3 million or 16.6 percent compared to 2021. Significant items and revenue sources are as follows:

  - Total revenue from program, material, and other student fees was approximately $9.3 million. This is an increase of approximately $382,000 or 4.3 percent from the prior year.

  - About $10.0 million in operating revenue from state and federal grants were received by Western during the year. This is a decrease of approximately $112,000 or 1.1 percent from the prior year. Western received approximately $112,000 less in federal vocational education grants than in 2021.

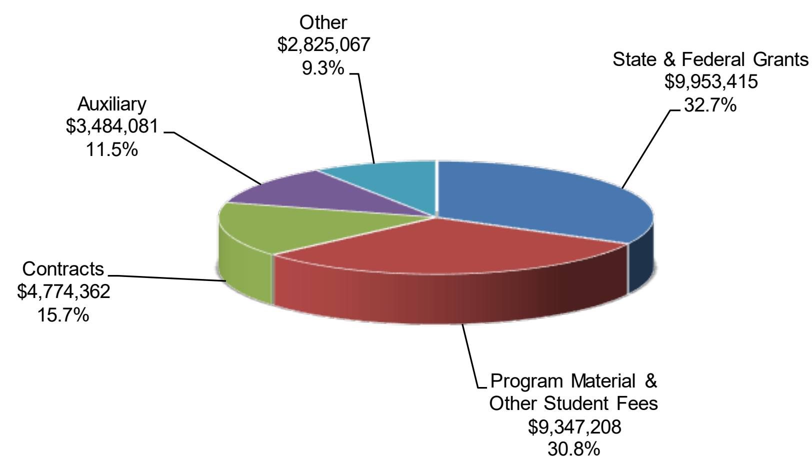
  - Contract revenue was approximately $4.8 million for the year and represents revenue from instructional and technical assistance contracts with business and industry as well as local school districts. This is an increase of approximately $1.2 million or 33.2 percent from the prior year and is due to the return of certain activities that had been disrupted by the COVID-19 pandemic.

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

– Auxiliary services revenue includes revenues generated by the bookstore, the student residence hall, cafeteria, leased facilities, and other similar activities of Western. Revenue of approximately $3.5 million was generated by these activities this year. This is an increase of approximately $1.0 million or 40.0 percent from the prior year due to the return of room and board revenue that had been disrupted by the COVID-19 pandemic.

– The graph below depicts Western's operating revenue by source:

Figure 1. Western Technical College District's Operating Revenue by Sources for Fiscal Year 2022

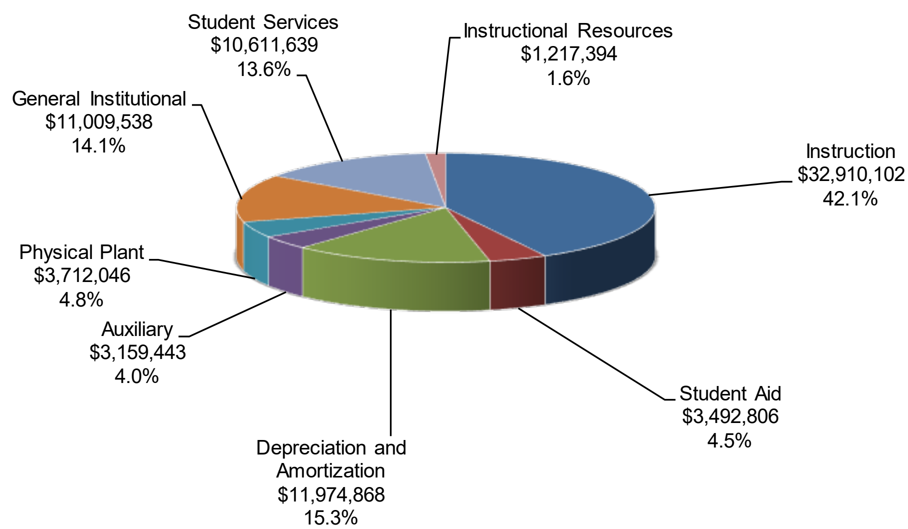


Statement of Revenues, Expenses, and Changes in Net Position (Continued)

- Operating expenses are costs related to offering the programs of Western. During 2022, operating expenses totaled approximately $78.1million. This is an increase of about $8.6 million or 12.3 percent from the prior year and is primarily a result of COVID-19 emergency grants. The majority of Western's expenses, about 56.2 percent, are for personnel-related costs. Other major types of expenses include supplies – 1.9 percent, contracted services – 10.1 percent, and depreciation and amortization – 15.3 percent. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 16.5 percent of total operating expenses.

- The graph below categorizes operating expenses by function:

Figure 2. Western Technical College District's Operating Expenses by Function for Fiscal Year 2022



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

- Nonoperating revenue and expenses are items not directly related to providing instruction. Net nonoperating revenue for the year ended June 30, 2022, was $54.2 million. The most significant components of net nonoperating revenues include the following:
  - Property taxes levied by Western for the year were approximately $30.2 million. This is a decrease of approximately $855,000 from the prior year.
  - State operating appropriations accounted for approximately $24.0 million in revenue in 2022. This is an increase of approximately $1.6 million or 7.4 percent from the prior year.
  - Western received federal COVID-19 funding of approximately $6.4 million in 2022 which was an increase of approximately $498,000 or 8.4% from the prior year.
  - Interest expense of approximately $3.3 million was recorded by Western this year. This is a decrease of approximately $400,000 or 10.9 percent from the prior year.
- Net position at June 30, 2022, was $89,821,752 as a result of the above activity. This is an increase of $6.5 million from the prior year.

Statement of Cash Flows

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

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

	2022	Restated 2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
Net cash used in operating activities	$ (39,887,700)	$ (34,108,217)	$ (5,779,483)	$ (32,670,226)	$ (1,437,991)
Net cash provided by noncapital financing activities	62,789,386	57,030,543	5,758,843	54,378,935	2,651,608
Net cash used in capital and related financing activities	(14,212,230)	(22,744,794)	8,532,564	(14,954,534)	(7,790,260)
Net cash provided by (used in) investing activities	(4,731,173)	2,683,281	(7,414,454)	(8,664,952)	11,348,233
Net increase (decrease) in cash and cash equivalents	$ 3,958,283	$ 2,860,813	$ 1,097,470	$ (1,910,777)	$ 4,771,590

Statement of Cash Flows (Continued)

Specific items of interest related to the Statement of Cash Flows include the following:

- The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits. Just under $47.2 million was paid in 2022, which is an increase of $4.7 million or 11.1% from the prior year.

- Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately $22.2 million represents the costs of doing business. This is an increase of $4.4 million from the prior year.

- The largest cash inflows from operating activities included approximately $9.7 million in tuition and fees, an increase of 13.0 percent from the prior year, and about $10.4 million in state and federal grants, a decrease of 1.8 percent from the prior year.

- All property taxes received, approximately $30.7 million this year, are categorized as cash flows from noncapital financing activities. This is a decrease of approximately $392,000 or 1.3 percent from the prior year. Also in this category is state appropriations, which accounted for $24.0 million of positive cash flow. This is an increase of 7.4 percent from the prior year. Western also received approximately $8.1 million in federal COVID-19 funding which is an increase of $4.5 million from the prior year.

- The cash used in capital and related financing activities is primarily made up of two categories of cash flows: purchases of capital assets and capital-related debt activity (debt proceeds and principal and interest payments).

- Investment income is interest received on Western's investments, investments sold represent investments that have matured and been reinvested or used for debt retirement, and investments purchased represent cash transferred to sinking funds for the retirement of debt.

Statement of Net Position

The statement of net position includes all assets (items that Western owns and amounts owed to Western by others) and liabilities (amounts owed to others by Western and what has been collected from others for which a service has not yet been performed). This statement is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service to Western – regardless of when cash is exchanged.

Below are highlights of the components of the Statement of Net Position:

	2022	Restated 2021	Increase (Decrease) 2022-2021	2020	Increase (Decrease) 2021-2020
Assets:					
Cash and investments	$ 38,764,222	$ 30,036,217	$ 8,728,005	$ 29,818,271	$ 217,946
Net capital and right of use assets	152,566,743	157,511,916	(4,945,173)	160,024,390	(2,512,474)
Other assets	34,001,610	32,108,243	1,893,367	23,821,769	8,286,474
TOTAL ASSETS	$ 225,332,575	$ 219,656,376	$ 5,676,199	$ 213,664,430	$ 5,991,946
DEFERRED OUTFLOWS OF RESOURCES	$ 30,699,168	$ 21,107,056	$ 9,592,112	$ 15,368,699	$ 5,738,357
Liabilities:					
Other liabilities	$ 6,252,378	$ 6,419,354	$ (166,976)	$ 5,704,893	$ 714,461
Long-term liabilities	123,812,813	124,343,972	(531,159)	132,130,482	(7,786,510)
TOTAL LIABILITIES	$ 130,065,191	$ 130,763,326	$ (698,135)	$ 137,835,375	$ (7,072,049)
DEFERRED INFLOWS OF RESOURCES	$ 36,144,800	$ 26,694,160	$ 9,450,640	$ 19,840,727	$ 6,853,433
Net position:					
Net investment in capital assets	$ 53,086,294	$ 51,979,075	$ 1,107,219	$ 44,952,654	$ 7,026,421
Restricted for debt service	3,075,569	2,273,990	801,579	7,235,071	(4,961,081)
Restricted for HRA contributions	206,238	486,162	(279,924)	774,430	(288,268)
Restricted for pension benefit	14,621,896	11,330,494	3,291,402	5,982,410	5,348,084
Restricted for student organizations	588,700	701,660	(112,960)	597,349	104,311
Unrestricted	18,243,055	16,534,565	1,708,490	11,815,113	4,719,452
TOTAL NET POSITION	$ 89,821,752	$ 83,305,946	$ 6,515,806	$ 71,357,027	$ 11,948,919

Statement of Net Position (Continued)

A more detailed analysis would reveal the following facts:

- As shown above, the largest component of Western's assets is capital and right of use assets. Total cost of capital and right of use assets net of accumulated depreciation and amortization at June 30, 2022 and 2021, was approximately $152.6 million and $157.5 million, respectively.

- The other assets category is primarily made up of various receivable balances, the largest being accounts and other receivables of approximately $8.2 million which decreased about 2.3 million from the prior year and the WRS net pension asset of $14.6 million which is an increase of 29.0% from the prior year.

- Other liabilities include accounts payable, various types of accruals, and accrued interest. At year-end, the other liabilities were $6.3 million. This is a decrease of $167,000 or 2.6 percent from the prior year.

- Long-term liabilities of $123.8 million include long-term debt ($115.0 million), total OPEB liability – District OPEB plan ($438,000), and net OPEB liability – Local Retiree Life Insurance Fund (LRLIF) ($8.4 million). This is a decrease of approximately $531,000 or 0.4 percent from the prior year.

Capital Assets and Debt Administration

Western's investment in capital assets and right of use assets as of June 30, 2022, amounts to $152,566,743 (net of accumulated depreciation and amortization). This includes land and land improvements, buildings and improvements, movable equipment, and lease right of use assets. Information on Western's capital and right of use assets can be found in Notes 6 and 7 in the accompanying financial statements.

At the end of the 2022 fiscal year, Western had total general obligation debt outstanding of $98,070,000 and $12,170,000 in revenue bonds. Western has continued to meet all of its debt service requirements. All general obligation debt for equipment is repaid in five years, while debt related to building and remodeling is repaid in 10 to 20 years. The debt, excluding revenue bonds, is secured by the full faith and credit of the unlimited taxing powers of Western. The current debt adequately replaces and expands the equipment and facility needs of Western. Additional information on Western's long-term debt can be found in Note 8 in the accompanying financial statements.

Financial Position

For the year ended June 30, 2022, Western's financial position improved with an increase in net position of $6,515,806. The fund balance in the General Fund as of June 30, 2022, represented approximately 39 percent of General Fund expenditures. This has grown from a low of 2.5 percent as of June 30, 2003. Western's fund balance policy directs the College to maintain a reserve for operations in the General Fund equal to 16-25 percent (60-90 days cash flow) of the adopted General Fund and Special Revenue – Operating Fund expenditure budgets for the next year. As of June 30, 2022, this ratio was maintained within policy at 22.9%. Additionally, General Fund and Special Revenue – Aidable fund balances designated for operations as of June 30, 2022 represented 24.9 percent of the respective actual fund expenditures for fiscal year 2022.

Western has diversified sources of revenue consisting of property taxes, state aid, student fees, federal and state grants, and other sources of revenue. With this diversity of revenues along with a strong commitment to operating efficiently, Western will continue to have the resources available to adequately finance enrollment in the future.

Economic Factors

Western continues to achieve financial stability and is confident that its financial and economic position will remain stable. The following economic factors contribute to this outlook:

- For 2022, Western experienced a valuation factor of 1.385% for net new construction.
- Significant funding from the Higher Education Emergency Relief Fund (HEERF) that is part of the American Rescue Plan.
- On the expenditure side, Western has a proven history of implementing cost reduction strategies, when needed, to reallocate funds to the highest priority areas.

Although Western has a strong financial position, some financial realities still remain that have the potential to negatively impact Western.

- The financial impact of the pandemic, including declining enrollments and increasing costs and availability of consumable products.
- Challenges associated with maintaining a competitive salary and benefit structure.
- The high cost of many high demand academic programs.
- The need to provide affordable education while keeping tuition rates low.

Economic Factors (Continued)

To address these pressure points and help Western maintain and/or improve its financial position, Western has consistently taken the following steps:

1. Maintained budget actions that require Western to reduce expenditures within expected revenues to enable the designated for operations fund balance to remain at or above the fund balance policy goal of 16-25 percent of General Fund and Special Revenue – Operating Fund expenditures.

2. Continued to right-size and reallocate within Western to ensure the budget expenditures are within expected revenues and other restrictions on current operations.

3. Gave careful scrutiny to new grant-funded initiatives to prevent starting activities that cannot be maintained when grant funding ends.

4. Focused district programs and services to high priority activities that are as cost-effective as possible.

5. Assessed critically reserve balances and committed dollars for uses in alignment with strategic goals and initiatives.

The fund financial statements of Western can be found on pages 89 through 98.

Summary

While the economic outlook for Western includes some considerable funding challenges, Western will continue to follow these steps to ensure that it provides the essential experience to students, as well as maintain a high level of financial stability.

Contacting Western's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Western's finances and to demonstrate Western's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Vice President, Finance/Operations, Western Technical College District, 400 Seventh Street N., P.O. Box C-0908, La Crosse, Wisconsin 54602-0908.

Basic Financial Statements

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Western Technical College District

Statements of Net Position

June 30, 2022 and 2021

Assets and Deferred Outflows of Resources	Primary Government 2022	Primary Government Restated 2021	Component Unit 2022	Component Unit 2021
Current assets:				
Cash and cash equivalents	$ 17,388,321	$ 13,840,530	$ 518,228	$ 310,793
Receivables:				
Local taxes	8,126,042	8,580,075	-	-
Accounts and other receivables, net of allowance for uncollectible accounts	8,186,810	10,470,488	-	2,836
Pledges receivable, net of discounts and allowances	-	-	316,837	444,858
Lease receivable, current	13,913	-	-	-
Note receivable, current	130,000	-	-	-
Inventories	620,345	850,194	-	-
Prepaid expenses	783,524	748,855	-	-
Total current assets	35,248,955	34,490,142	835,065	758,487
Noncurrent assets:				
Restricted cash and cash equivalents	2,386,144	1,975,652	-	-
Restricted investments	18,989,757	14,220,035	-	-
Investments	-	-	7,267,460	8,752,161
Cash value of life insurance	-	-	6,722	6,407
Lease receivable, noncurrent	28,764	-	-	-
Note receivable, noncurrent	1,370,000	-	-	-
Other noncurrent assets	120,316	128,137	-	-
Restricted net pension asset - WRS	14,621,896	11,330,494	-	-
Lease right of use assets, net of accumulated amortization	46,002	24,064	-	-
Capital assets, not being depreciated	10,085,024	9,027,471	-	-
Capital assets, being depreciated	282,493,984	277,707,085	-	-
Accumulated depreciation	(140,058,267)	(129,246,704)	-	-
Total noncurrent assets	190,083,620	185,166,234	7,274,182	8,758,568
Total assets	225,332,575	219,656,376	8,109,247	9,517,055
Deferred outflows of resources:				
Related to pensions - WRS	27,386,968	17,696,635	-	-
Related to OPEB - District OPEB plan	301,423	346,099	-	-
Related to OPEB - LRLIF	3,010,777	3,064,322	-	-
Total deferred outflows of resources	30,699,168	21,107,056	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 256,031,743	$ 240,763,432	$ 8,109,247	$ 9,517,055

Liabilities, Deferred Inflows of Resources, and Net Position	Primary Government 2022	Primary Government Restated 2021	Component Unit 2022	Component Unit 2021
Liabilities:				
Current liabilities:				
Accounts payable	$ 2,483,024	$ 2,000,270	$ 3,031	$ 2,257
Accrued liabilities:				
Payroll, payroll taxes, and insurance	1,278,026	1,945,338	-	-
Accrued interest	996,994	1,024,761	360	459
Compensated absences	325,446	315,626	-	-
Unearned revenue	1,168,888	1,133,359	-	222
Due to Western	-	-	3,742	2,465
Current portion of long-term obligations	13,354,409	11,659,921	275,000	375,000
Total current liabilities	19,606,787	$18,079,275	282,133	380,403
Noncurrent liabilities:				
Compensated absences	1,041	1,278	-	-
Lease liability	27,692	19,143		
Long-term debt	101,621,933	104,595,380	-	-
Net OPEB liability - LRLIF	8,369,982	7,328,849	-	-
Total OPEB liability - District OPEB plan	437,756	739,401	-	-
Total noncurrent liabilities	110,458,404	112,684,051	-	-
Total liabilities	130,065,191	130,763,326	282,133	380,403
Deferred inflows of resources:				
Related to leases	42,213	-	-	-
Related to pensions - WRS	34,441,698	24,849,452	-	-
Related to OPEB - LRLIF	1,033,402	1,115,659	-	-
Related to OPEB - District OPEB plan	4,944	-		
Deferred amount on refunding	622,543	729,049	-	-
Total deferred inflows of resources	36,144,800	26,694,160	-	-
Net position:				
Net investment in capital assets	53,086,294	51,979,075	-	-
Restricted - Nonexpendable	-	-	5,197,836	4,981,288
Restricted for:				
Debt service	3,075,569	2,273,990	-	-
HRA contributions	206,238	486,162	-	-
Pension benefit	14,621,896	11,330,494	-	-
Student organizations	588,700	701,660	-	-
Scholarships and other activities	-	-	2,676,368	4,018,141
Unrestricted	18,243,055	16,534,565	(47,090)	137,223
Total net position	89,821,752	83,305,946	7,827,114	9,136,652
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	$ 256,031,743	$ 240,763,432	$ 8,109,247	$ 9,517,055

See accompanying notes to the basic financial statements.

Western Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2022 and 2021

	Primary Government		Component Unit	
		Restated		
	2022	2021	2022	2021
Operating revenue:				
Student program fees - Net of scholarship allowance of $3,579,481 and $3,243,910, respectively	$ 7,643,206	$ 7,237,927	$ -	$ -
Student material fees - Net of scholarship allowance of $135,735 and $123,288, respectively	285,875	276,673	-	-
Other student fees - Net of scholarship allowance of $293,974 and $307,202, respectively	1,418,127	1,450,968	-	-
Federal grants	7,497,117	7,079,318	-	-
State grants	2,456,298	2,986,032	-	-
Business and industry contract revenue	4,774,362	3,583,021	-	-
Auxiliary services revenue	3,484,081	2,488,652	-	-
Contributions and other support	-	-	1,543,297	1,178,427
Miscellaneous	2,825,067	958,986	-	-
Total operating revenue	30,384,133	26,061,577	1,543,297	1,178,427
Operating expenses:				
Instruction	32,910,102	30,179,803	-	-
Instructional resources	1,217,394	1,058,885	-	-
Student services	10,611,639	7,781,112	-	-
General institutional	11,009,538	9,010,834	1,562,600	1,310,622
Physical plant	3,712,046	3,710,176	-	-
Auxiliary services	3,159,443	2,822,423	-	-
Depreciation and amortization	11,974,868	11,673,761	-	-
Student aid	3,492,806	3,268,017	-	-
Total operating expenses	78,087,836	69,505,011	1,562,600	1,310,622
Operating loss	(47,703,703)	(43,443,434)	(19,303)	(132,195)
Nonoperating revenue (expenses):				
Property taxes	30,214,581	31,069,859	-	-
State operating appropriations	23,979,704	22,336,516	-	-
Federal COVID-19 funding	6,408,351	5,910,402	-	-
Investment income earned	38,324	40,414	(1,290,235)	2,080,408
Interest expense	(3,264,304)	(3,664,533)	-	-
Loss on disposal of capital assets	(3,157,147)	(300,305)	-	-
Net nonoperating revenue (expense)	54,219,509	55,392,353	(1,290,235)	2,080,408
Change in net position	6,515,806	11,948,919	(1,309,538)	1,948,213
Net position - Beginning of year	83,305,946	71,357,027	9,136,652	7,188,439
Net position - End of year	$ 89,821,752	$ 83,305,946	$ 7,827,114	$ 9,136,652

Western Technical College District

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	2022	Restated 2021
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	$ 9,737,915	$ 8,617,208
Federal and state grants received	10,355,074	10,543,096
Business, industry, and school district contract revenues received	4,536,928	3,545,283
Payments to employees	(47,178,035)	(42,459,279)
Payments for materials and services	(22,178,860)	(17,805,902)
Auxiliary enterprise revenues received	3,515,276	2,492,842
Other receipts	1,324,002	958,535
Net cash used in operating activities	(39,887,700)	(34,108,217)
Cash flows from noncapital financing activities:		
Local property taxes	30,668,614	31,060,707
State appropriations	23,979,704	22,336,516
Federal COVID-19 funding	8,141,068	3,633,320
Net cash provided by noncapital financing activities	62,789,386	57,030,543
Cash flows from capital and related financing activities:		
Purchases of capital assets	(9,502,643)	(9,732,151)
Proceeds from issuance of capital debt	15,300,000	12,895,000
Principal paid on leases	(18,338)	(817)
Interest paid on leases	(225)	(25)
Principal paid on capital debt	(16,380,000)	(21,515,000)
Interest and fiscal charges paid on capital debt	(3,611,024)	(4,391,801)
Net cash used in capital and related financing activities	(14,212,230)	(22,744,794)
Cash flows from investing activities:		
Purchase of investments	(13,951,610)	(10,848,671)
Sales of investments	9,181,888	13,491,538
Investment income received	38,549	40,414
Net cash provided by (used in) investing activities	(4,731,173)	2,683,281
Net increase in cash and cash equivalents	3,958,283	2,860,813
Cash and cash equivalents - Beginning of year	15,816,182	12,955,369
Cash and cash equivalents - End of year	$ 19,774,465	$ 15,816,182

Western Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2022 and 2021

	2022	Restated 2021
Reconciliation of cash and cash equivalents to statement of net position:		
Cash and cash equivalents	$ 17,388,321	$ 13,840,530
Restricted cash and cash equivalents	2,386,144	1,975,652
Total	$ 19,774,465	$ 15,816,182
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (47,703,703)	$ (43,443,434)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	11,974,868	11,673,761
Changes in assets and liabilities:		
(Increase) decrease in assets/deferred outflows of resources:		
Accounts and other receivables	(949,505)	(889,466)
Inventories	229,849	195,592
Prepaid expenses	(34,669)	37,364
Other noncurrent assets	7,821	6,552
Net pension asset - WRS	(3,291,402)	(5,348,084)
Deferred outflows related to pension/OPEB	(9,592,112)	(5,738,357)
Increase (decrease) in liabilities/deferred inflows of resources:		
Accounts payable	(161,068)	92,773
Accrued liabilities	(667,312)	1,002,101
Compensated absences	9,820	8,394
Unearned revenue	35,529	(14,015)
Postemployment benefits - Compensated absences	(237)	(2,522)
Total OPEB liability - District OPEB plan	(301,645)	(335,174)
Net OPEB liability - LRLIF	1,041,133	1,796,594
Deferred inflows related to pension/OPEB	9,514,933	6,849,704
Net cash used in operating activities	$ (39,887,700)	$ (34,108,217)
Noncash capital and related financing activites:		
Purchases of capital assets in accounts payable	$ 1,768,333	$ 1,124,509

See accompanying notes to the basic financial statements.

Note 1 Summary of Significant Accounting Policies

Introduction

The financial statements of the Western Technical College District (Western) have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to public colleges and universities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by Western are described below.

Reporting Entity

The Western Technical College District (commonly known as the Western Technical College or Western) was organized in 1912 under state legislation. Western is fully accredited by the Higher Learning Commission of the North Central Association Commission on Accreditation and School Improvement. The geographic area of Western is comprised of all or part of 11 counties.

Western, governed by a nine-member board appointed by board chairpersons of counties within the service area, operates a public technical college offering one- and two-year degrees, technical certificates, and a comprehensive adult education program. As Western's governing authority, the Board's powers include:

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

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

Note 1 Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

The Western Technical College Foundation, Inc. (the "Foundation") is a not-for-profit corporation whose purpose is to support, promote, and facilitate the activities of Western. Western provides office space, printing, employee compensation, and other operating costs at no charge to the Foundation. Since the Foundation's resources are almost entirely for the benefit of Western and its students, the Foundation has a history of supporting Western with its economic resources, and the financial resources of the Foundation are significant to the District as a whole, the Foundation is presented as a discretely presented component unit of Western.

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

Measurement Focus and Basis of Accounting and Financial Statement Presentation

Western's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the cash transaction takes place. Nonexchange transactions, in which Western gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements imposed by the provider have been satisfied.

Operating revenues and expenses generally include all fiscal transactions directly related to instructional and auxiliary enterprise activities plus administration, operation, and maintenance of capital assets and depreciation on capital assets. Included in nonoperating revenues are property taxes, state appropriations, federal COVID-19 funding, investment income, and revenues for capital construction projects. Interest on debt is a nonoperating expense.

Note 1 Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncement

Management has adopted new accounting guidance, GASB Statement No. 87, *Leases*, which requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Western implemented this guidance as of July 1, 2020. The implementation of this guidance did not affect beginning net position for the year ended June 30, 2022.

Deposits and Investments

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

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

All investments are stated at fair value, except for the Wisconsin Investment Series Cooperative (WISC) and the repurchase agreement which are reported on a cost-based measure. Investment income includes changes in fair value of investments, interest, and realized gains and losses.

Fair Value Measurements

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

Note 1 Summary of Significant Accounting Policies (Continued)

Receivables

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

Inventories and Prepaid Expenses

Inventories of books and supplies are valued at the lower of cost, using the first-in, first-out (FIFO) method or market. Instructional and administrative inventories are accounted for as expenses when purchased. Prepaid expenses represent payments made by Western for which benefits extend beyond June 30.

Capital Assets

Capital assets are recorded at historical cost, or estimated historical cost, for assets where historical cost is not available. Donated assets are recorded as capital assets at their estimated acquisition value at the date of donation. Western maintains a threshold level of a unit cost of $5,000 or more for equipment and $15,000 or more for building or remodeling projects for capitalizing assets.

Capital assets are depreciated using the straight-line method mid-year convention over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed by Western, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 4 to 12 years for equipment, 10 to 20 years for site improvements, and 50 years for buildings.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed.

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may be indicative of impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statements of revenues, expenses, and changes in net position. There were no impairment losses recorded in the years ended June 30, 2022 and 2021.

GASB 87 Lease Accounting

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

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

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

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenues) until that time. Western has four types of items that qualify for reporting in this category. They are the deferred amount on refunding, deferred inflows of resources related to leases, deferred inflows of resources related to Western's District OPEB plan, and deferred inflows of resources related to the LRLIF and the WRS. The deferred amount on refunding represents the difference between the carrying value of refunded debt and its reacquisition price. The deferred inflows of resources related to leases is related to the lease receivable and will be recognized as an inflow of resources in a systematic and rational manner over the term of the lease. The deferred inflows of resources related to the OPEB plan represent differences between expected and actual experience from the actuarial study. The deferred inflows of resources related to the LRLIF and WRS represent Western's proportionate shares of collective deferred inflows of resources of the plans.

Note 1 Summary of Significant Accounting Policies (Continued)

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

Vacation – Western employees are granted vacation in varying amounts, based on length of service and staff classifications that can accumulate to a maximum of 120 hours for 2022 and 160 hours for 2021. The maximum hours were temporarily increased for 2021 due to the COVID-19 pandemic. Liabilities for vacation and salary-related payments, including social security taxes, are recorded when incurred. The maximum payout of unused, earned vacation when an employee leaves the college is 40 hours.

Sick Leave – Western's traditional policy allows employees to earn up to 10 days of sick pay for each year employed up to a maximum of 30 days. Except as indicated below in postemployment benefits, accumulated sick leave does not vest and no liability has been accrued.

Postemployment Benefits – Employees electing to retire after age 55 with 10 or more years of service may have had four options to choose from. One option (option a) applies unused sick leave to group health insurance premiums until exhausted. The other options (options b, c, and d) provide health care benefits until eligible for Medicare benefits or until covered under a new employer's medical program, whichever comes first. For option a, an estimate of the present value of future benefits is recognized as a long-term liability in the statements of net position. For options b, c, and d, an amount is actuarially determined and recorded. This plan is closed to new entrants and only includes those employees who had a minimum of 10 years of service and were at least 55 years of age as of June 30, 2013.

Western 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.

Note 1 Summary of Significant Accounting Policies (Continued)

District Pension Plan

Western employees participate in 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 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.

Restricted Assets

Restricted assets are cash, cash equivalents, investments, and the net pension asset whose use is limited by legal requirements such as a bond indenture or investment in an irrevocable trust.

Net Position

Net position is classified according to restrictions or availability of assets for Western's obligations. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

When both restricted and unrestricted resources are available for use, it is Western's policy to use externally restricted resources first.

Property Tax Levy

Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, town, and village treasurers or clerks who then make proportional settlement with Western and taxing entities' treasurers for those taxes collected on their behalf. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the taxing entities before retaining any for county purposes.

Note 1 Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

The aggregate Western tax levy is apportioned and certified by November 6 of the current fiscal year for collection to comprising municipalities based on the immediate past October 1 full or "equalized" taxable property values. As permitted by a collecting municipality's ordinance, taxes may be paid in full by two or more installments with the first installment payable the subsequent January 31 and a final payment no later than the following July 31. On or before January 15, and by the 20th of each subsequent month thereafter, Western may be paid by the collecting municipalities its proportionate share of tax collections received through the last day of the preceding month. On or before August 20, the county treasurer makes full settlement to Western for any remaining balance.

Under Section 38.16 of the Wisconsin Statutes, Western's Board may levy a tax not to exceed the prior year's levy by Western's valuation factor, which is equal to the percentage change in Western's equalized value from the prior year due to net new construction for the purposes of making capital improvements, acquiring equipment, operating, and maintaining schools. The limitation is not applicable to taxes levied for the purpose of paying principal and interest on general obligation notes payable issued by Western. For the years ended June 30, 2022 and 2021, Western levied at the following mill rate:

	2022	2021
Operating purposes	0.505470	0.575780
Debt service requirements	0.766240	0.823890
Total	1.271710	1.399670

Note 1 Summary of Significant Accounting Policies (Continued)

State and Federal Revenues

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

Tuition and Fees

Student 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 for the summer semester are prorated on the basis of student class days occurring before and after June 30.

Scholarship Allowances and Student Financial Aid

Certain student financial aid (loans, funds provided to students as awarded by third parties, and federal direct loans) is accounted for as third-party payments (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances. Scholarship allowances represent the amount of aid applied directly to the student's account. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash.

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Note 2 Cash and Investments

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, Western's deposits may not be returned to it. Western has the following deposit policy for custodial credit risk. The Vice President of Finance and Operations, or his/her designee, is authorized to make investments with the designated public depositories, the State of Wisconsin Local Government Pooled Investment Fund, or obligations of the United States Government or its agencies, as per applicable provisions of Wisconsin law plus the investment fundamentals of safety, liquidity, and yield. An amount not to exceed $650,000 of Western's funds may be invested in each designated public depository without collateralization. Appropriate operating procedures and agreements for the collateralization of public deposits beyond insured amounts shall be developed as necessary by the Vice President of Finance and Operations. Funds to be invested will be placed in institutions that provide insurance and/or collateralization to the full amount of the investment, including principal and interest. The exception shall be those funds placed directly with the Local Government Pooled Investment Fund or obligations of the United States Government or its agencies. Collateralization requires pledging of obligations of the United States Government or its agencies.

As of June 30, 2022 and 2021, none of Western's bank balance was exposed to custodial credit risk.

Investments

Interest Rate Risk: Interest rate risk is the risk that the changes in market interest rates will adversely affect the fair value of the investment. Western's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. State Statute limits the maturity of commercial paper and corporate bonds to not more than seven years.

Credit Risk: State Statute limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the Wisconsin Local Government Investment Pool. Western's investment policy does not further limit its investment choices. As of June 30, 2022 and 2021, Western's investment in U.S. Treasury notes had a Aaa rating through Moody's Investors Service. All other investments were unrated.

Note 2 Cash and Investments (Continued)

Concentration of Credit Risk: For an investment, concentration of credit risk is the risk of loss that may be caused by Western's investment in a single issuer. Western does not have an investment policy for concentration of credit risk. At June 30, 2022 and 2021, 82% and 76% of Western's total investments are in short-term money market instruments with the Wisconsin Investment Series Cooperative.

Western's cash and investment balances at June 30, 2022 and 2021, were as follows:

	Maturities	2022	2021
U.S. Treasury - Notes	< 1 year	$ 1,272,283	$ 1,272,520
U.S. Treasury - Bills	< 1 year	1,686,363	1,420,178
WISC Investment Series	< 1 year	15,587,221	10,807,622
Annuity contract	N/A	206,238	486,162
Money market funds	N/A	237,652	233,553
Total investments		18,989,757	14,220,035
Cash deposits with financial institutions			
carrying amount		19,763,720	15,805,342
Petty cash		10,745	10,840
Total cash and investments		$ 38,764,222	$ 30,036,217

Western is a participant in a Wisconsin Investment Series Cooperative (WISC) fund, which is authorized under Wisconsin Statute 66.0301 and is governed by a commission in accordance with the terms of an intergovernmental cooperation agreement. The WISC is not registered with the SEC as an investment company. The WISC reports to participants on the amortized cost basis. WISC shares are bought and redeemed at $1 based on the amortized cost of the investments in the pool. Participants in WISC have the right to withdraw their funds in total on one day's notice. The investments in WISC are not subject to the fair value hierarchy disclosures.

Note 2 Cash and Investments (Continued)

Cash and investments are classified as follows:

	2022	2021
Cash restricted for:		
Debt service	$ 2,386,144	$ 1,880,073
Capital projects	-	95,579
Investments restricted for:		
Debt service	3,196,298	2,926,251
HRA contributions	206,238	486,162
Capital projects	15,587,221	10,807,622
Total restricted	21,375,901	16,195,687
Unrestricted	17,388,321	13,840,530
Total cash and investments	$ 38,764,222	$ 30,036,217

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

Western categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Western has the following recurring fair value measurements as of June 30, 2022 and 2021:

	Assets at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
U.S. Treasury - Notes	$ -	$ 1,272,283	$ -	$ 1,272,283
U.S. Treasury - Bills	-	1,686,363	-	1,686,363
Money market fund	-	237,652	-	237,652
Total investments at fair value	$ -	$ 3,196,298	$ -	$ 3,196,298

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

Assets at Fair Value as of June 30, 2021

	Level 1	Level 2	Level 3	Total
U.S. Treasury - Notes	$ -	$ 1,272,520	$ -	$ 1,272,520
U.S. Treasury - Bills	-	1,420,178	-	1,420,178
Money market fund	-	233,553	-	233,553
Total investments at fair value	$ -	$ 2,926,251	$ -	$ 2,926,251

Note 4 Accounts and Other Receivables

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

	2022	2021
Student tuition and fees:		
Student tuition and fees	$ 1,473,416	$ 1,746,864
Allowance for uncollectible accounts	(270,000)	(200,000)
Student tuition and fees, net	1,203,416	1,546,864
Intergovernmental	2,038,852	4,173,229
Contracted services	618,640	424,131
Receivable from WTCEBC	4,322,161	4,323,124
Related party	3,741	3,140
	$ 8,186,810	$ 10,470,488

Note 5 Lease Receivable

On July 1, 2021, Western entered into a lease with the state of Wisconsin (lessee) for office space at the Viroqua location. Under the lease, the lessee will pay Western $1,153 per month. The lease term runs through June 30, 2025, which includes extensions at the option of the lessee. For the year ended June 30, 2022, Western recognized lease revenue of $13,607 and $225 of interest revenue under the lease.

Western Technical College District

Notes to the Basic Financial Statements

Note 6 Capital Assets

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

	2022			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 6,630,051	$ 29,000	$ 22,757	$ 6,636,294
Construction in progress	2,397,420	3,448,730	2,397,420	3,448,730
Total capital assets not being depreciated	9,027,471	3,477,730	2,420,177	10,085,024
Capital assets being depreciated:				
Site improvements	14,249,970	78,588	-	14,328,558
Leasehold improvements	674,723	-	-	674,723
Buildings and improvements	213,779,225	5,810,565	4,000,300	215,589,490
Equipment	49,003,167	3,177,005	278,959	51,901,213
Total capital assets being depreciated	277,707,085	9,066,158	4,279,259	282,493,984
Less accumulated depreciation for:				
Site improvements	8,617,049	1,036,269	-	9,653,318
Leasehold improvements	354,229	33,737	-	387,966
Buildings and improvements	82,160,840	7,800,655	933,403	89,028,092
Equipment	38,114,586	3,085,770	211,465	40,988,891
Total accumulated depreciation	129,246,704	11,956,431	1,144,868	140,058,267
Net capital assets being depreciated	148,460,381	(2,890,273)	3,134,391	142,435,717
Net capital assets	$ 157,487,852	$ 587,457	$ 5,554,568	152,520,741
Less outstanding debt related to capital assets				(110,112,289)
Unamortized premium				(4,882,658)
Unamortized discount				164,725
Plus unexpended debt proceeds				15,395,775
Net investment in capital assets				$ 53,086,294

Note 6 Capital Assets (Continued)

	2021			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 6,630,051	$ -	$ -	$ 6,630,051
Construction in progress	3,686,711	2,397,420	3,686,711	2,397,420
Total capital assets not being depreciated	10,316,762	2,397,420	3,686,711	9,027,471
Capital assets being depreciated:				
Site improvements	12,984,402	1,265,568	-	14,249,970
Leasehold improvements	674,723	-	-	674,723
Buildings and improvements	208,174,857	5,879,182	274,814	213,779,225
Equipment	45,655,928	3,583,452	236,213	49,003,167
Total capital assets being depreciated	267,489,910	10,728,202	511,027	277,707,085
Less accumulated depreciation for:				
Site improvements	7,584,610	1,032,439	-	8,617,049
Leasehold improvements	320,493	33,736	-	354,229
Buildings and improvements	74,416,063	7,766,762	21,985	82,160,840
Equipment	35,461,116	2,840,007	186,537	38,114,586
Total accumulated depreciation	117,782,282	11,672,944	208,522	129,246,704
Net capital assets being depreciated	149,707,628	(944,742)	302,505	148,460,381
Net capital assets	$ 160,024,390	$ 1,452,678	$ 3,989,216	157,487,852
Less outstanding debt related to capital assets				(111,320,000)
Unamortized premium				(5,105,733)
Unamortized discount				175,353
Plus unexpended debt proceeds				10,741,603
Net investment in capital assets				$ 51,979,075

Note 7 Lease Right of Use Assets

The following is a summary of changes in lease right of use assets for the year ended June 30:

	2022			
	RESTATED Beginning Balance	Increases	Decreases	Ending Balance
Right of use assets:				
Gym	$ -	$ 40,375	$ -	$ 40,375
Printer	24,881	-	-	24,881
Total right of use assets being amortized	24,881	40,375	-	65,256
Less accumulated amortization for:				
Gym	-	13,458		13,458
Printer	817	4,979		5,796
Total accumulated amortization	817	18,437	-	19,254
Right of use assets, net	$ 24,064	$ 21,938	$ -	$ 46,002

	2021			
	Beginning Balance	RESTATED Increases	RESTATED Decreases	RESTATED Ending Balance
Right of use assets:				
Printer	$ -	$ 24,881	$ -	$ 24,881
Total right of use assets being amortized	-	24,881	-	24,881
Less accumulated amortization for:				
Printer	-	817		817
Total accumulated amortization	-	817	-	817
Right of use assets, net	$ -	$ 24,064	$ -	$ 24,064

Note 8 Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2022:

	RESTATED Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
General obligation debt	$ 98,760,000	$ 15,300,000	$ 15,990,000	$ 98,070,000	$ 12,916,000
Revenue bonds	12,560,000	-	390,000	12,170,000	420,000
Plus unamortized premium	5,105,732	831,868	1,054,943	4,882,657	-
Less unamortized discount	(175,352)	-	(10,628)	(164,724)	-
Lease liability	24,064	40,375	18,338	46,101	18,409
Compensated absences	1,278	-	237	1,041	-
Total	$ 116,275,722	$ 16,172,243	$ 17,442,890	$ 115,005,075	$ 13,354,409

The following is a summary of changes in long-term obligations for the year ended June 30, 2021:

	Balance June 30, 2020	RESTATED Additions	RESTATED Reductions	RESTATED Balance June 30, 2021	RESTATED Due Within One Year
General obligation debt	$ 107,015,000	$ 12,895,000	$ 21,150,000	$ 98,760,000	$ 11,265,000
Revenue bonds	12,925,000	-	365,000	12,560,000	390,000
Plus unamortized premium	5,765,832	478,910	1,139,010	5,105,732	-
Less unamortized discount	(185,980)	-	(10,628)	(175,352)	-
Lease liability	-	24,881	817	24,064	4,921
Compensated absences	3,800	-	2,522	1,278	-
Total	$ 125,523,652	$ 13,398,791	$ 22,646,721	$ 116,275,722	$ 11,659,921

Note 8 Long-Term Obligations (Continued)

Long-Term Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of Western while the bonds are secured by certain revenues as outlined in the bond document. Long-term debt at June 30, 2022 and 2021, is comprised of the following individual issues:

	2022	2021
Taxable Clean Renewable Energy bonds in the amount of $2,000,000 were issued October 9, 2012, to Robert W. Baird & Co. to finance hydro and solar power energy projects. Interest rate at 3.10 percent. Mature April 1, 2023.	$ 2,000,000	$ 2,000,000
Promissory notes in the amount of $6,000,000 were issued February 4, 2013, to Robert W. Baird & Co. to finance building remodeling and improvement projects and acquisition of moveable equipment. Interest rate at 2.00 percent. Mature April 1, 2022.	-	385,000
Wisconsin Housing & Economic Authority Multifamily Housing Bonds in the amount of $14,575,000 were issued on December 1, 2013, to Robert W. Baird & Co. to finance the purchase of a residence hall for student housing. Interest rate at 0.40 - 4.70 percent. Mature April 1, 2038.	12,170,000	12,560,000
Promissory notes in the amount of $7,500,000 were issued March 3, 2015, to Robert W. Baird & Co. to finance the acquisition of moveable equipment. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2022.	-	1,010,000
Promissory notes in the amount of $1,500,000 were issued April 30, 2015, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2025. Partially refinanced on February 10, 2022 and paid off on April 1, 2022.	-	645,000
Promissory notes in the amount of $2,000,000 were issued June 2, 2015, to Robert W. Baird & Co. to finance building remodeling and improvement projects and construction of building additions or enlargements at the Viroqua campus. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2025. Partially refinanced on February 10, 2022 and paid off on April 1, 2022.	-	860,000

Note 8 Long-Term Obligations (Continued)

Long-Term Debt (Continued)

	2022	2021
Promissory notes in the amount of $3,940,000 were issued November 2, 2015, to Robert W. Baird & Co. for refinancing and to finance building remodeling and improvement projects and the construction of building additions or enlargements at the Viroqua campus. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2025. Partially refinanced on February 10, 2022 and paid off on April 1, 2022.	$ -	$ 690,000
Promissory notes in the amount of $4,130,000 were issued March 1, 2016, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the acquisition of moveable equipment. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2025.	495,000	655,000
Promissory notes in the amount of $1,500,000 were issued May 3, 2016, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2026.	635,000	785,000
Promissory notes in the amount of $3,100,000 were issued December 7, 2016, to Robert W. Baird & Co. to finance the acquisition of moveable equipment and the purchase of sites and buildings. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2026.	435,000	535,000
Refunding bonds in the amount of $21,025,000 were issued February 2, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 4.00 percent. Mature April 1, 2033.	18,125,000	18,200,000
Promissory notes in the amount of $3,020,000 were issued March 9, 2017, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the acquisition of moveable equipment. Interest rate at 2.00 - 4.00 percent. Mature April 1, 2026.	1,240,000	1,520,000

Note 8 Long-Term Obligations (Continued)

Long-Term Debt (Continued)

		2022		2021
Promissory notes in the amount of $3,000,000 were issued May 2, 2017, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the construction of buildings and building additions on the Sparta campus. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2027.	$	1,250,000	$	1,470,000
Promissory notes in the amount of $2,605,000 were issued July 10, 2017, to Robert W. Baird & Co. to finance building remodeling and improvement projects and refunding of debt. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2027.		825,000		975,000
Refunding bonds in the amount of $16,975,000 were issued July 10, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 4.00 - 5.00 percent. Mature April 1, 2027.		16,975,000		16,975,000
Refunding bonds in the amount of $20,265,000 were issued December 28, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 2.00 - 4.00 percent. Mature April 1, 2033. Partially defeased on April 5, 2021 and April 4, 2022.		15,175,000		18,230,000
Refunding bonds in the amount of $10,635,000 were issued December 28, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 5.00 percent. Mature April 1, 2023.		3,660,000		7,230,000
Promissory notes in the amount of $3,535,000 were issued March 13, 2018, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the acquisition of moveable equipment. Interest rate at 3.00 percent. Mature April 1, 2027.		1,100,000		1,300,000
Promissory notes in the amount of $1,660,000 were issued June 21, 2018, to Robert W. Baird & Co. to finance building remodeling and improvement projects, the acquisition of moveable equipment and the acquisition of sites on the La Crosse campus. Interest rate at 3.00 - 4.00 percent. Mature April 1, 2028.		745,000		855,000

Note 8 Long-Term Obligations (Continued)

Long-Term Debt (Continued)

		2022		2021
Promissory notes in the amount of $1,770,000 were issued March 4, 2019, to Robert W. Baird & Co. to finance building remodeling and improvement projects and property acquisition. Interest rate at 3.00 - 4.00 percent. Mature April 1, 2028.	$	960,000	$	1,100,000
Promissory notes in the amount of $1,500,000 were issued May 28, 2019, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 3.00 - 4.00 percent. Mature April 1, 2029.		800,000		900,000
Promissory notes in the amount of $1,500,000 were issued October 2, 2019, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 3.00 percent. Mature April 1, 2029.		800,000		900,000
Promissory notes in the amount of $4,225,000 were issued November 20, 2019, to Robert W. Baird & Co. with $1,500,000 to finance building remodeling and improvement projects and $2,725,000 to finance the acquisition of moveable equipment. Interest rate at 3.00 percent. Mature April 1, 2029.		1,780,000		2,005,000
Promissory notes in the amount of $4,345,000 were issued January 30, 2020, to Robert W. Baird & Co. with $1,500,000 to finance building remodeling and improvement projects and $2,845,000 for the refunding of debt. Interest rate at 3.00 percent. Mature April 1, 2029.		1,465,000		2,730,000
Promissory notes in the amount of $1,500,000 were issued April 9, 2020, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 3.00 percent. Mature April 1, 2030.		900,000		1,000,000
Promissory notes in the amount of $4,710,000 were issued June 4, 2020 with $1,500,000 to finance building remodeling and improvement projects and $3,210,000 to finance the acquisition of movable equipment. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2030.		2,810,000		3,210,000

Note 8 Long-Term Obligations (Continued)

Long-Term Debt (Continued)

	2022	2021
Promissory notes in the amount of $1,500,000 were issued October 13, 2020 to finance building remodeling and improvement projects. Interest rate at 1.00 - 3.00 percent Mature April 1, 2030.	$ 1,080,000	$ 1,200,000
Promissory notes in the amount of $6,900,000 were issued February 25, 2021 with $1,025,000 to finance building remodeling and improvement projects, $2,695,000 to finance the acquisition of movable equipment, and $3,180,000 for the refunding of debt. Interest at 1.00 - 2.00 percent. Mature April 1, 2030.	5,265,000	6,900,000
Promissory notes in the amount of $2,995,000 were issued April 5, 2021 with $1,500,000 to finance the construction of buildings and building additions on the Sparta campus and $1,495,000 to finance building remodeling and improvement projects. Interest rate at 2.00 percent. Mature April 1, 2031.	2,870,000	2,995,000
Promissory notes in the amount of $1,500,000 were issued May 27, 2021 to finance building remodeling and improvement projects. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2031	1,380,000	1,500,000
Promissory notes in the amount of $5,970,000 were issued February 10, 2022 with $645,000 to finance building remodeling and improvement projects, $270,000 to finance property acquisition, $3,410,000 to finance the acquisition of movable equipment and $1,645,000 for the refunding of debt. Interest rate at 2.00 - 4.00 percent. Mature April 1, 2031	5,970,000	-
Promissory notes in the amount of $1,500,000 were issued April 4, 2022 to finance building remodeling and improvement projects at the La Crosse Medical Health Science Consortium facility. Interest rate at 2.55 - 4.00 percent. Mature April 1, 2032	1,500,000	-

Note 8 Long-Term Obligations (Continued)

Long-Term Debt (Continued)

	2022	2021
Promissory notes in the amount of $2,500,000 were issued April 25, 2055 with $1,500,000 to finance building remodeling and improvement projects and $1,000,000 to finance the construction of buildings on the La Crosse campus. Interest rate at 4.00 percent. Mature April 1, 2031	$ 2,500,000	$ -
Promissory notes in the amount of $3,000,000 were issued May 26, 2022 with $1,500,000 to finance building remodeling and improvement projects and $1,500,000 to finance the acquisition of moveable equipment. Interest rate at 4.00 percent. Mature April 1, 2032	3,000,000	-
Promissory notes in the amount of $2,330,000 were issued June 23, 2022 with $1,330,000 to finance building remodeling and improvement projects, $800,000 to finance the acquisition of movable equipment, and $200,000 to finance the construction of buildings on the La Crosse campus. Interest rate at 3.05 - 4.84 percent. Mature April 1, 2032	2,330,000	-
Total long-term debt	$ 110,240,000	$ 111,320,000

Note 8 Long-Term Obligations (Continued)

Long-Term Debt (Continued)

Western has the power to incur indebtedness for certain purposes specified by Section 67.03(1)(a), Wisconsin Statutes in an aggregate amount, not exceeding 5% of the equalized value of the taxable property within Western, as last determined by the Wisconsin Department of Revenue. The legal debt limit and the margin of indebtedness as of June 30, 2022, are calculated as follows:

Legal debt limit (5% of $25,034,380,656)	$ 1,251,719,033
Deduct - Long-term debt applicable to debt margin	(98,070,000)
Restricted net position available for debt services	3,075,569
Margin of indebtedness	$ 1,156,724,602

Wisconsin Statutes 67.03(9) provides that the amount of bonded indebtedness for the purpose of purchasing school sites and the construction and equipping of school buildings may not exceed 2% of the equalized valuation of the taxable property, including tax incremental districts, of Western. This limit was $500,687,613 at June 30, 2022. Western has bonded indebtedness of $66,105,000 and $73,195,000 as of June 30, 2022 and 2021, respectively.

On February 10, 2022, Western issued $5,970,000 in general obligation notes, $1,645,000 of which was for the purpose of currently refunding $1,670,000 in general obligation notes. The refunding resulted in an economic gain of $62,606 and a decrease in cash flow requirements of $61,284.

On April 4, 2022, Western used existing resources of $3,196,861to purchase U.S. Government, State, and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments for a portion of the general obligation refunding bonds dated December 28, 2017. The trust will pay the interest when due totaling $305,500 and $3,055,000 in principal when the bonds are called on April 1, 2025. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2022, $3,055,000 of bonds are considered defeased.

Note 8 Long-Term Obligations (Continued)

Long-Term Debt (Continued)

On April 5, 2021, Western used existing resources of $1,996,971 to purchase U.S. Government, State, and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for future debt service payments for a portion of the general obligation refunding bonds dated December 28, 2017. The trust will pay the interest when due totaling $283,200 and $1,770,000 in principal when the bonds are called on April 1, 2025. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2022 and 2021, $1,770,000 of bonds are considered defeased.

Maturities of Long-Term Debt

Aggregate cash flow requirements for the retirement of long-term principal and interest on debt as of June 30, 2022, follows:

Fiscal Year	Principal	Interest	Total
2023	$ 13,336,000	$ 3,995,584	$ 17,331,584
2024	11,234,000	3,492,250	14,726,250
2025	10,704,000	3,093,529	13,797,529
2026	10,204,000	2,674,837	12,878,837
2027	9,658,000	2,308,595	11,966,595
2028-2032	42,029,000	6,700,138	48,729,138
2033-2037	11,860,000	1,224,335	13,084,335
2038	1,215,000	57,105	1,272,105
Total	$ 110,240,000	$ 23,546,373	$ 133,786,373

Note 9 Leases

Western has entered into agreements to lease equipment and building space. These leases meet the requirements to be presented in accordance with GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement, which was for printing equipment, commenced in May 2021 and requires 60 monthly payments of $421. There are no variable components of the lease. The lease liability was measured at a discount rate of 0.61%, which is based on Western's estimated incremental borrowing rate. The lease liability was $19,143 at June 30, 2022 and $24,064 at June 30, 2021. Additionally, Western has recorded a right of use asset, net of amortization, of $19,085 at June 30, 2022 and $24,064 at June 30, 2021.

The second agreement, which was for gym space, commenced in July 2021 and requires 3 annual payments of $13,458. There are no variable components of the lease. The lease liability was measured at a discount rate of 0.31%, which is based on Western's estimated incremental borrowing rate. The lease liability was $26,958 at June 30, 2022. Additionally, Western has recorded a right of use asset, net of amortization, of $26,917 at June 30, 2022.

Total future minimum lease payments under the leases as of June 30, 2022, were as follows:

Fiscal Year	Principal	Interest	Total
2023	$ 18,409	$ 142	$ 18,551
2024	18,481	70	18,551
2025	5,011	40	5,051
2026	4,200	10	4,210
Total	$ 46,101	$ 262	$ 46,363

Note 10 Employee Retirement Plans – Wisconsin Retirement System

Plan Description

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found online at 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 10 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to receive 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.

Note 10 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Postretirement Adjustments

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

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

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and 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.

Note 10 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Contributions (Continued)

During the reporting period, the WRS recognized $2,109,695 in contributions from the employer.

Contribution rates as of June 30, 2022 and 2021, are as follows:

	2022		2021	
Employee Category	**Employee**	**Employer**	**Employee**	**Employer**
General (including teachers, executives, and elected officials)	6.50%	6.50%	6.75%	6.75%
Protective with social security	6.50%	12.00%	6.75%	11.75%
Protective without social security	6.50%	16.40%	6.75%	16.35%

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

At June 30, 2022 and 2021, Western reported an asset of $14,621,896 and $11,330,494 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31 within Western's fiscal year, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. Western's proportionate share of the net pension asset was based on Western's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021 and 2020, Western's proportion was 0.18140897% and 0.18148715% (a decrease of 0.00007818% from the prior year).

For the years ended June 30, 2022 and 2021, Western recognized pension expense of ($1,279,794) and (1,252,296).

Note 10 Employee Retirement Plans – Wisconsin Retirement System (Continued)

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

At June 30, 2022 and 2021, Western reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 23,620,935	$ 1,703,324	$ 16,398,704	$ 3,532,251
Changes in assumptions	2,727,945	-	256,997	-
Net differences between projected and actual earnings on pension plan investments	-	32,710,399	-	21,272,080
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,203	27,975	580	45,121
Employer contributions subsequent to the measurement date	1,024,885	-	1,040,354	-
Total	$ 27,386,968	$ 34,441,698	$ 17,696,635	$ 24,849,452

Deferred outflows related to pension resulting from Western'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 pensions will be recognized in pension expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2023	$ (690,233)
2024	(3,972,446)
2025	(1,746,512)
2026	(1,670,424)

Note 10 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Actuarial Assumptions

The total pension liability in the actuarial valuations used for the years ended June 30, 2022 and 2021, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2022	2021
Actuarial valuation date	December 31, 2020	December 31, 2019
Measurement date of net pension liability (asset)	December 31, 2021	December 31, 2020
Experience Study	January 1, 2018 - December 31, 2020, published November 19, 2021	January 1, 2015 - December 31, 2017
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	Fair market value	Fair market value
Long-term expected rate of return	6.8%	7.0%
Discount rate	6.8%	7.0%
Salary increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table	Wisconsin 2018 Mortality Table
Postretirement adjustments*	1.7%	1.9%

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

Actuarial assumptions for the 2020 valuation are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018, through December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, wage inflation rate, mortality and separation rates. Actuarial assumptions for the 2019 valuation are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015, through December 31, 2017. The total pension liability for December 31, 2021 and 2020, is based upon a rollforward of the liability calculated from the December 31, 2020 and 2019, actuarial valuations.

Note 10 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Actuarial Assumptions (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 arithmetic 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, 2021

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
Global equities	52.0%	6.8%	4.2%
Fixed income	25.0%	4.3%	1.8%
Inflation sensitive assets	19.0%	2.7%	0.2%
Real estate	7.0%	5.6%	3.0%
Private equity/debt	12.0%	9.7%	7.0%
Total core fund	115.0%	6.6%	4.0%
Variable Fund Asset Class			
U.S. equities	70%	6.3%	3.7%
International equities	30%	7.2%	4.6%
Total variable fund	100%	6.8%	4.2%

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

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

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

Note 10 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Actuarial Assumptions (Continued)

Asset Allocation Targets and Expected Returns
As of December 31, 2020

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
Global equities	51.0%	7.2%	4.7%
Fixed income	25.0%	3.2%	0.8%
Inflation sensitive assets	16.0%	2.0%	(0.4%)
Real estate	8.0%	5.6%	3.1%
Private equity/debt	11.0%	10.2%	7.6%
Multi-asset	4.0%	5.8%	3.3%
Total core fund	115.0%	6.6%	4.1%
Variable Fund Asset Class			
U.S. equities	70%	6.6%	4.1%
International equities	30%	7.4%	4.9%
Total variable fund	100%	7.1%	4.6%

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.4%.

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

Single Discount Rate: A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 6.8% and a long-term bond rate of 1.84%. (Source: Fixed income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 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.

Note 10 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Actuarial Assumptions (Continued)

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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability

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

	2022		2021	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	5.8%	$ 10,375,272	6.0%	$ 10,785,060
Current discount rate	6.8%	(14,621,896)	7.0%	(11,330,494)
1% increase to discount rate	7.8%	(32,615,207)	8.0%	(27,574,204)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Payables to the Pension Plan

At June 30, 2022 and 2021, the District reported payables of $351,399 and $357,853 for the outstanding amount of contributions to the pension plan required for the years then ended.

Note 11 Postemployment Benefits Other Than Pension Benefits

Western administers a single employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees and their spouses through Western's group medical insurance plan, which covers both active and retired members. Benefit provisions are established through board policy. The eligibility requirements are based on the retiree's position, years of service, and age at retirement. If eligible, the retiree may receive medical insurance benefits until eligible for Medicare. There are no assets accumulated in a trust that meet the criteria of GASB No. 75, paragraph 4, and there is not a standalone report for the plan. There are 390 active plan members and 25 inactive plan members currently receiving benefits. The plan is closed to new entrants.

The contribution requirements of plan members are based on the employee handbook in effect on the date of retirement. Western's contribution is established annually based on an amount to pay current premiums, less the retiree portion. For fiscal year 2022, Western contributed $272,582 to the plan for current premiums, while plan members receiving benefits contributed $80,429 (approximately 23% of total premiums). For fiscal year 2021, Western contributed $346,099 to the plan for current premiums, while plan members receiving benefits contributed $94,431 (approximately 21% of total premiums).

Note 11 Postemployment Benefits Other Than Pension Benefits (Continued)

At June 30, 2022 and 2021, Western reported a total OPEB liability of $437,756 and $739,401. The total OPEB liability was measured as of June 30, 2021 and 2020, and was determined by an actuarial valuation as of June 30, 2021 and June 30, 2019. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2022	2021
Inflation	2.00%	2.00%
Salary increases:		
Inflation	3.00%	3.00%
Merit	0.1%-3.0%	0.1%-3.0%
Healthcare cost	6.5% decreasing by 0.1% per year down to 5.0% and level thereafter	7.5% decreasing by 0.5% down to 6.5%, then by 0.1% per year down to 5.0% and level thereafter
Discount rate	2.25%	2.25%
Mortality	Wisconsin 2018 Mortality Table	Wisconsin 2018 Mortality Table
Actuarial assumptions	Based on an experience study conducted in 2018 using WRS experience from 2015-2017	Based on an experience study conducted in 2018 using WRS experience from 2015-2017

The 2.25% discount rate used to measure the total OPEB liability were determined by the actuary at Bond Buyer Go for a 20-year AA municipal bond as of June 30, 2021 and 2020.

Changes in the total OPEB liability for the year ended June 30, are as follows:

	2022	2021
Balance at beginning of year	$ 739,401	$ 1,074,575
Changes for the year:		
Service cost	1,820	1,488
Interest	12,763	30,989
Differences between expected and actual experience	(6,180)	-
Changes of assumptions or other inputs	36,051	12,196
Benefit payments	(346,099)	(379,847)
Net changes	(301,645)	(335,174)
Balance at end of year	$ 437,756	$ 739,401

Note 11 Postemployment Benefits Other Than Pension Benefits (Continued)

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

	2022		2021	
	Discount Rate	Total OPEB Liability	Discount Rate	Total OPEB Liability
1% decrease to discount rate	1.25%	$ 443,460	1.25%	$ 749,392
Current discount rate	2.25%	437,756	2.25%	739,401
1% increase to discount rate	3.25%	432,137	3.25%	729,618

The following represents Western's total OPEB liability calculated using the healthcare cost trend rate of 7.5% decreasing to 5%, as well as what Western's total OPEB liability would be if it were calculated using the healthcare cost trend rate that is 1 percentage point lower (6.5% decreasing to 4.0%) or 1 percentage point higher (8.5% decreasing to 6.0%) than the current rate:

Healthcare Cost Trend Rates	2022		2021	
1% Decrease	5.5% Decreasing to 4.0%	$ 432,601	6.5% Decreasing to 4.0%	$ 729,310
Current	6.5% Decreasing to 5.0%	437,756	7.5% Decreasing to 5.0%	739,401
1% Increase	7.5% Decreasing to 6.0%	443,437	8.5% Decreasing to 6.0%	749,616

Note 11 Postemployment Benefits Other Than Pension Benefits (Continued)

For the years ended June 30, 2022 and 2021, Western recognized OPEB expense of $20,557 and $44,673. At June 30, 2022 and 2021, Western reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 4,944	$ -	$ -
Changes of assumptions or other input	28,841	-	-	-
Western's contributions subsequent to the measurement date	272,582	-	346,099	-
Total	$ 301,423	$ 4,944	$ 346,099	$ -

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

Year Ended June 30:	Net Deferred Outflows of Resources
2022	$ 5,974
2023	5,974
2024	5,974
2025	5,975

Note 12 Other Postemployment Benefits – Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found online at http://etf.wi.gov\publications\cafr.htm.

Additionally, ETF 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 postretirement benefit.

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.

Note 12 Other Postemployment Benefits – Local Retiree Life Insurance Fund (Continued)

Contributions (Continued)

Contribution rates as of June 30, 2022 and 2021, are as follows:

Coverage Type	Employer Contribution
50% postretirement coverage	40% of employee contribution

Employee contributions are based on 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 years ended December 31, 2021 and 2020, are as listed below:

Life Insurance Employee Contribution Rates
For the Years Ended December 31, 2021 and 2020

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

During the reporting period, the LRLIF recognized $28,869 in contributions from the employer.

Note 12 Other Postemployment Benefits – Local Retiree Life Insurance Fund (Continued)

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

At June 30, 2022 and 2021, Western reported a liability of $8,369,982 and $7,328,849 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31 within Western's fiscal year, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. Western's proportion of the net OPEB liability was based on Western's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021 and 2020, Western's proportion was 1.416152% and 1.332343% (an increase of 0.083809% from the prior year).

For the year ended June 30, 2022 and 2021, Western recognized OPEB expense of $1,041,290 and $853,020.

At June 30, 2022 and 2021, Western reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 425,779	$ -	$ 349,706
Changes in assumptions	2,528,861	405,697	2,851,024	502,858
Net differences between projected and actual earnings on OPEB plan investments	108,899	-	106,702	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	358,911	201,926	92,889	263,095
Employer contributions subsequent to the measurement date	14,106	-	13,707	-
Total	$ 3,010,777	$ 1,033,402	$ 3,064,322	$ 1,115,659

Note 12 Other Postemployment Benefits – Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The amount reported as deferred outflows related to OPEB resulting from Western'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
2023	$ 411,664
2024	399,031
2025	366,648
2026	489,672
2027	250,158
Thereafter	46,096

Actuarial Assumptions

The total OPEB liability in the actuarial valuations used for the years ended June 30, 2022 and 2021, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2022	2021
Actuarial valuation date	January 1, 2021	January 1, 2020
Measurement date of net OPEB liability (asset)	December 31, 2021	December 31, 2020
Experience Study	January 1, 2018 - December 31, 2020, published November 19, 2021	January 1, 2015 - December 31, 2017
Actuarial cost method	Entry age normal	Entry age normal
20 year tax-exempt municipal bond yield	2.06%	2.12%
Long-term expected rate of return	4.25%	4.25%
Discount rate	2.17%	2.25%
Salary increases:		
Inflation	3.0%	3.0%
Seniority/Merit	0.1% - 5.6%	0.1% - 5.6%

Note 12 Other Postemployment Benefits – Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions (Continued)

Actuarial assumptions for the 2021 valuation are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total OPEB liability changed from the prior year, including the price inflation, mortality, and separation rates. Actuarial assumptions for the 2020 valuation are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015, to December 31, 2017. The total OPEB liabilities for December 31, 2021 and 2020 are based upon a roll-forward of the liabilities calculated from the January 1, 2021 and January 1, 2020 actuarial valuations.

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021

Asset Class	Index	Target	Long-Term Expected
U.S. intermediate credit bonds	Bloomberg U.S. Interm Credit	45%	1.68%
U.S. long credit bonds	Bloomberg U.S. Long Credit	5%	1.82%
U.S. mortgages	Bloomberg U.S. MBS	50%	1.94%
Inflation			2.30%
Long-term expected rate of return			4.25%

Note 12 Other Postemployment Benefits – Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions (Continued)

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2020

Asset Class	Index	Target	Long-Term Expected
U.S. credit bonds	Barclays credit	50%	1.47%
U.S. mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-term expected rate of return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate: A single discount rate of 2.1% was used to measure the total OPEB liability as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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 retiring prior to age 65.

Note 12 Other Postemployment Benefits – Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions (Continued)

Sensitivity of Western's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate: The following presents Western's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what Western'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:

	2022		2021	
	Discount Rate	**Net OPEB Liability**	**Discount Rate**	**Net OPEB Liability**
1% decrease to discount rate	1.17%	$ 11,355,048	1.25%	$ 9,969,329
Current discount rate	2.17%	8,369,982	2.25%	7,328,849
1% increase to discount rate	3.17%	6,123,843	3.25%	5,331,929

Note 13 Risk Management

Self-Insured Programs

Western has a self-funded dental plan for its employees. The plan administrator, Delta Dental of Wisconsin, is responsible for the approval, processing, and payment of claims, after which they bill Western for reimbursement. Western is also responsible for a monthly administrative fee. The plan reports on a fiscal year ending June 30.

Claims Liabilities

Western establishes claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The estimate is based on historical experience.

Unpaid Claims Liabilities

The following represents the changes in approximate aggregate liabilities for Western:

	Dental
Liability balance - June 30, 2019	$ 22,861
Claims and changes in estimates	333,390
Claim payments	(336,526)
Liability balance - June 30, 2020	19,725
Claims and changes in estimates	387,528
Claim payments	(391,008)
Liability balance - June 30, 2021	16,245
Claims and changes in estimates	419,851
Claim payments	(415,795)
Liability balance - June 30, 2022	$ 20,301

Note 13 Risk Management (Continued)

Public Entity Risk Pool

As of July 1, 2015, Western joined together with other technical colleges in the state to form the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). WTCEBC is a public entity risk pool that Western participates in to provide health insurance coverage to its employees. The main purpose of WTCEBC is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. Western pays WTCEBC a monthly premium based on the number of participants and the type of coverage that has been elected. Individual claims below $100,000 are self-funded by Western. Any individual claim exceeding $100,000 but less than $250,000 is shared in a pooled layer among all of the colleges participating in the consortium. Individual claims exceeding $250,000 and aggregate claims exceeding $1,000,000 are subject to reinsurance. Each college maintains an individual reserve with WTCEBC. In the event a college were to leave the consortium, their reserve would be used to pay their remaining claims, and the balance would be refunded to the college.

WTCEBC operations are governed by a board of directors. The board of directors is comprised of one representative from each of the member colleges. The WTCEBC uses a third party to administer its operations, including all of the accounting functions.

For the year ended June 30, 2022 and 2021, Western paid a total premium of $6,637,760 and $6,600,932, respectively.

Audited financial statements for WTCEBC can be obtained by contacting Western.

Districts Mutual Insurance Company (DMI)

In July 2004, all 16 WTCS technical colleges created Districts Mutual Insurance Company (DMI). DMI is a fully assessable mutual company authorized under Wisconsin Statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at $500,000,000 per occurrence; general liability, auto, and educators' legal liability at $5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

At this time, settled claims have not approached the coverage limits as identified above. Western'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.

Note 13 Risk Management (Continued)

Districts Mutual Insurance Company (DMI) (Continued)

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

Each member college was assessed an annual premium that included a capitalization component to establish reserves for the company. Since DMI is fully capitalized, member districts have not been assessed a capitalization amount for fiscal years 2022 and 2021. For the years ended June 30, 2022 and 2021, Western paid a premium of $459,052 and $405,720, respectively. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses are paid through the premiums collected for the insurance policies issued by 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

Western is part of the WTCS Insurance Trust that jointly purchases 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 16 Wisconsin Technical College System districts.

The WTCS Insurance Trust has purchased the following levels of coverage from commercial carriers for Western:

<u>Crime</u> – $750,000 coverage for theft, employee dishonesty, forgery, computer fraud, and funds transfer fraud; $25,000 coverage for investigation expenses; $2,500 deductible for investigation; and $15,000 deductible for employee dishonesty, forgery, and fraud.

<u>Business Travel Accident</u> – Coverage for local Board of Trustees members, $100,000 for scheduled losses, assistance services, medical evacuation, and repatriation.

<u>Foreign Liability</u> - $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.

Note 13 Risk Management (Continued)

Supplemental Insurance (Continued)

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

Other Insured Risk

Western is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Western maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to Western, and there has been no significant reduction in insurance coverage from the previous year. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 14 Contingent Liability

From time to time, Western is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of administration and appropriate legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on Western's financial position or results of operations.

Note 15 Transactions With Component Unit

Western paid Foundation expenses of approximately $500,449 and $467,100 for the fiscal years ended June 30, 2022 and 2021, respectively. Western also has a receivable from the Foundation of $3,742 and $3,140 at June 30, 2022 and 2021, respectively. Western has a payable to the Foundation of $0 and $2,836 at June 30, 2022 and 2021, respectively. Western received payments of $115,478 and $126,346 for administration and professional development expenses during the fiscal years ended June 30, 2022 and 2021, respectively. In addition, the Foundation disbursed scholarships and awards of $632,066 and $499,021 on behalf of Western during the fiscal years ended June 30, 2022 and 2021, respectively.

Note 16 Joint Venture

The La Crosse Medical Health Science Center (Consortium) is a collaboratively owned and operated medical health science, education, and research center. The Consortium is a Wisconsin nonstock corporation tax-exempt under IRC 501(c)3. The Consortium board is made up of representatives of each of the five participating organizations.

To date, Western has borrowed $3,650,000 for the Consortium, as authorized in the 1996 referendum. The bonds were paid off in October 2008. In addition, Western's dormitory and land, valued at $1,110,000, was contributed to the Consortium. Along with the other participating entities, Western pays its share of the salaries, operations, and maintenance costs based on their share of square foot usage. Western's share of these costs was $290,631 and $278,146 for June 30, 2022 and 2021, respectively.

In addition, as of June 30, 2022, Western has a note receivable from the Consortium for $1,500,000, which relates to amounts that Western has borrowed for capital expenses of the Consortium. The note will be repaid in varying amounts with the final maturity on April 1, 2032.

Separately issued Consortium financial statements are available at the Western Business Office, 400 7th Street North, La Crosse, Wisconsin 54601.

Note 17 Expense Classification

Expenses on the statements of revenue, expenses, and changes in net position are classified by function. Alternately, the expenses could also be shown by type of expenses as follows for the years June 30, 2022 and 2021:

	2022	Restated 2021
Salaries and wages	$ 35,006,751	$ 32,320,355
Fringe benefits	8,871,389	7,432,290
Staff development	719,252	459,243
Supplies	1,466,074	1,302,553
Duplication/copy	132,958	89,053
Contracted services	7,879,472	6,787,294
Rentals - Facilities and equipment	6,131	9,600
Credit expenses	1,074,231	171,496
Insurance	494,127	556,002
Utilities	1,039,791	874,121
Depreciation and amortization	11,974,868	11,673,761
Student clubs	489,814	375,442
Student aid	6,362,331	5,073,042
Resale	1,518,164	1,434,635
Minor equipment	273,042	206,766
Other expenses	779,441	739,358
Total operating expenses	$ 78,087,836	$ 69,505,011

Note 18 Outstanding Contractual Commitments

During the year, Western entered into various contracts with construction contractors related to capital projects. The following contracted amounts remain unspent as of June 30, 2022:

Construction Contractors	Amount Remaining
Market & Johnson, Inc.	$ 2,250,180
Wieser Brothers General Contractor, Inc.	114,083
Jackson & Associates LLC	554,500
	$ 2,918,763

Note 19 Component Unit

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

A – Pledges Receivable

Unconditional pledges receivable at June 30, consist of:

	2022	2021
Receivable in less than one year	$ 311,292	$ 412,713
Receivable in one to five years	5,545	33,270
Total pledges receivable	316,837	445,983
Less:		
Discount to net present value at 4.5%	-	(1,125)
Pledges receivable - Net	$ 316,837	$ 444,858

Note 19 Component Unit (Continued)

B – Investments

Investments managed by investment firms consisted of the following at June 30:

	2022	2021
Fair value	$ 7,267,460	$ 8,752,161
Cost	$ 6,640,338	$ 6,470,909

	2022	2021
Cash equivalents	$ 117,575	$ 78,105
Bonds and notes	2,109,515	2,229,331
Common stocks and mutual funds	5,040,370	6,444,725
Totals	$ 7,267,460	$ 8,752,161

Investment income included the following:

	2022	2021
Interest and dividends	$ 290,573	$ 159,738
Investment management fees	(45,359)	(43,446)
Net realized gains	127,138	543,594
Net unrealized gains (losses)	(1,662,587)	1,420,522
Totals	$ (1,290,235)	$ 2,080,408

Note 19 Component Unit (Continued)

C – Long-Term Debt

Long-term debt consisted of the following at June 30:

	2022	2021
Due to Coulee Bank, related to its commitment for construction of Veteran and Military Student Center on Western campus, due December 2022	$ 275,000	$ 375,000
Subtotal	275,000	375,000
Less current maturities	(275,000)	(375,000)
Totals	$ -	$ -

The following is a schedule by years of future debt service payments required together with their present value as of June 30, 2022:

2023	$ 275,000
Totals	$ 275,000

Note 19 Component Unit (Continued)

D – Net Position

Unrestricted net position at June 30 consists of board-designated and undesignated funds.

Net position restricted for scholarships and other activities at June 30 consists of promises to give restricted due to time and for purpose, endowment earnings unexpended and restricted for purpose, and various funds restricted for purpose.

Restricted-nonexpendable net position at June 30 consists of endowment funds and promises to give to endowment funds.

E – Endowment Funds

The Board of Directors of the Foundation has interpreted the State of Wisconsin enacted version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowments, (b) the original value of subsequent gifts to the permanent endowments, and (c) accumulations to the permanent endowments made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

Note 19 Component Unit (Continued)

E – Endowment Funds (continued)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investment, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Following is a description of the Foundation's endowment funds:

Donor-Restricted Endowments

The Foundation's endowment consists of numerous individual funds established for a variety of purposes, primarily for student scholarship and staff development. A minimum of $10,000 is required to establish an endowment. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to support the established purposes while seeking to maintain the purchasing power of these endowment assets over the long-term. The current long-term return objective is to return 5%, which is to be provided through a total return strategy in which investment returns are achieved through a combination of capital appreciation and current income. The current spending policy is to distribute an amount at least equal to 5% of the fund's beginning market value.

Changes in donor-restricted endowment funds for the years ended June 30 are as follows:

	2022	2021
Balance at beginning of year	$ 8,063,674	$ 6,053,493
Contributions	172,932	193,303
Investment income, net	(1,176,811)	1,870,220
Reclassifications	16,209	226,351
Fees - Foundation	(110,049)	(119,024)
Award distributions	(179,563)	(160,669)
Balance at end of year	$ 6,786,392	$ 8,063,674

Note 19 Component Unit (Continued)

F – Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the statements of activities at June 30 are as follows:

	2022	2021
Equipment	$ 67,260	$ 125,064
Services	384,971	340,755
Total	$ 452,231	$ 465,819

The Foundation recognized contributed nonfinancial assets within revenue, including equipment and services. For the years ended June 30, 2022 and 2021, contributed nonfinancial assets of $1,756 and $6,477, respectively, had donor-imposed restrictions.

G – Fair Values Measured on Recurring Basis

Fair values of assets measured on a recurring basis at June 30 are as follows:

2022	Fair Value	Quoted Market Prices in Active Markets for Identical Assets (Level 1)
Investments	$ 7,267,460	$ 7,267,460

2021	Fair Value	Quoted Market Prices in Active Markets for Identical Assets (Level 1)
Investments	$ 8,752,161	$ 8,752,161

Note 20 Pledged Revenues

Western has pledged residence hall rent revenues and supplemental district revenues ("pledged revenues") to repay a $14,575,000 multifamily housing bond issue. Proceeds from the bonds provided financing for Western's residence hall construction project. The bonds are payable solely from the pledged revenue and are payable through April 1, 2038. The total principal and interest remaining to be paid on the bonds is $17,660,978. Principal and interest paid during the year ended June 30, 2022, was $931,458 and pledged revenues were $8,761,274. Principal and interest paid during the year ended June 30, 2021, was $916,678 and pledged revenues were $6,597,460.

Required Supplementary Information

Western Technical College District

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

Last 10 Fiscal Years*

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY WISCONSIN RETIREMENT SYSTEM (WRS)

Last 10 Calendar Years*

Measurement Date	Western's Proportion of the Net Pension Liability (Asset)	Western's Proportionate Share of the Net Pension Liability (Asset)	Western's Covered Payroll	Western's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2021	0.18140897%	$ (14,621,896)	$ 31,473,718	(46.46%)	106.02%
12/31/2020	0.18148715%	(11,330,494)	29,844,502	(37.97%)	105.26%
12/31/2019	0.18553236%	(5,982,410)	29,112,257	(20.55%)	102.96%
12/31/2018	0.19040130%	6,773,881	28,095,739	24.11%	96.45%
12/31/2017	0.19556431%	(5,806,536)	28,187,778	(20.60%)	102.93%
12/31/2016	0.19713787%	1,624,887	28,557,093	5.69%	99.12%
12/31/2015	0.19707112%	3,202,367	28,121,121	11.39%	98.20%
12/31/2014	0.19717624%	(4,843,188)	27,347,818	(17.71%)	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM (WRS)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Western's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2022	$ 2,109,695	$ (2,109,695)	$ -	$ 31,838,493	6.63%
2021	2,049,313	(2,049,313)	-	30,374,474	6.75%
2020	1,971,138	(1,971,138)	-	29,639,642	6.65%
2019	1,892,807	(1,892,807)	-	28,571,455	6.62%
2018	1,872,529	(1,872,529)	-	27,740,817	6.75%
2017	1,915,785	(1,915,785)	-	28,593,896	6.70%
2016	1,895,802	(1,895,802)	-	28,298,774	6.70%
2015	1,939,886	(1,939,886)	-	28,114,985	6.90%

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

Notes to the Schedules:

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

Changes of assumptions:

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

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

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

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

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
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 Invesmtent Rate of Return:	5.4%	5.4%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	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*:	1.9%	1.9%	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 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	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.

Notes to the Schedules (continued)**:**

Mortality	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

* 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.

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
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
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
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Invesmtent Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	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%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006-2008.
Mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table- 2005 for men.

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

Western Technical College District

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

Last 10 Fiscal Years*

SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

Last 10 Calendar Years*

Measurement Date	Western's Proportion of the Net OPEB Liability	Western's Proportionate Share of the Net OPEB Liability	Western's Covered Payroll	Western's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
12/31/2021	1.41615200%	$ 8,369,982	$ 27,092,890	30.89%	29.57%
12/31/2020	1.33234300%	7,328,849	26,957,232	27.19%	31.36%
12/31/2019	1.29920200%	5,532,255	26,214,989	21.10%	37.58%
12/31/2018	1.34206100%	3,462,970	24,896,910	13.91%	48.69%
12/31/2017	1.42340700%	4,282,434	25,217,250	16.98%	44.81%

SCHEDULE OF EMPLOYER CONTRIBUTIONS LOCAL RETIREE LIFE INSURANCE FUND (LRLIF)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Western's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2022	$ 28,869	$ (28,869)	$ -	$ 27,439,584	0.11%
2021	27,495	(27,495)	-	27,309,829	0.10%
2020	26,015	(26,015)	-	26,745,495	0.10%
2019	25,514	(25,514)	-	25,370,159	0.10%
2018	26,463	(26,463)	-	24,789,359	0.11%

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

Western Technical College District

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

Last 10 Fiscal Years*

Notes to the Schedules:

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

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

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

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

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

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

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

Last 10 Fiscal Years*

	2022	2021	2020	2019	2018
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability:					
Service cost	$ 1,820	$ 1,488	$ 11,188	$ 11,608	$ 11,608
Interest on the total OPEB liability	12,763	30,989	53,069	64,949	85,009
Differences between expected and actual experience	(6,180)	-	(214,518)	-	-
Changes of assumptions or other inputs	36,051	12,196	28,215	(9,269)	-
Benefit payments	(346,099)	(379,847)	(425,898)	(589,281)	(750,272)
Net change in total OPEB liability	(301,645)	(335,174)	(547,944)	(521,993)	(653,655)
Total OPEB liability - Beginning	739,401	1,074,575	1,622,519	2,144,512	2,798,167
Total OPEB liability - Ending	$ 437,756	$ 739,401	$ 1,074,575	$ 1,622,519	$ 2,144,512
Covered-employee payroll	$ 30,788,221	$ 677,786	$ 677,786	$ 2,165,627	$ 2,165,627
Western's total OPEB liability as a percentage of covered-employee payroll	1.42%	109.09%	158.54%	74.92%	99.02%

Notes to Schedule:

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

Benefit changes: In 2022, there were no changes in benefit terms.

Changes of assumptions: In 2022, retiree participation assumptions and the assumed number of dependents covered under family coverage in calculating the expected per capital claims cost were updated.

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

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

District Board
Western Technical College District
La Crosse, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Western Technical College District (Western) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Western's basic financial statements, and have issued our report thereon dated December 13, 2022. Our report includes a reference to other auditors who audited the financial statements of Western Technical College Foundation, Inc. (the "Foundation"), as described in our report on Western's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation or that are reported separately by those auditors who audited the financial statements of the Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western's internal control over financial reporting (internal control) as a basis for designing auditing 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 Western's internal control. Accordingly, we do not express an opinion on the effectiveness of Western's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 over financial reporting 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 may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western'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 Western's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Western's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

December 13, 2022
Eau Claire, Wisconsin

Supplementary Financial Information

Western Technical College District

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Local government	$ 13,005,000	$ 13,005,000	$ 11,922,557	$ -	$ 11,922,557	$ (1,082,443)
Intergovernmental:						
State	22,704,301	22,704,301	24,776,316	-	24,776,316	2,072,015
Federal	1,053,904	2,381,692	3,431,334	-	3,431,334	1,049,642
Tuition and fees:						
Statutory program fees	11,178,000	11,178,000	11,118,294	-	11,118,294	(59,706)
Material fees	412,000	412,000	421,610	-	421,610	9,610
Other student fees	896,900	896,900	878,827	-	878,827	(18,073)
Institutional	746,400	746,400	736,917	-	736,917	(9,483)
Total revenues	49,996,505	51,324,293	53,285,855	-	53,285,855	1,961,562
Expenditures:						
Instruction	30,040,650	29,820,396	29,809,647	5,685	29,815,332	5,064
Instructional resources	1,193,942	1,193,942	1,187,913	-	1,187,913	6,029
Student services	6,325,310	6,830,062	6,830,061	-	6,830,061	1
General institutional	9,399,850	10,734,645	10,761,472	(26,828)	10,734,644	1
Physical plant	4,353,216	4,061,711	4,053,524	(5,313)	4,048,211	13,500
Total expenditures	51,312,968	52,640,756	52,642,617	(26,456)	52,616,161	24,595
Revenue over (under) expenditures	(1,316,463)	(1,316,463)	643,238	26,456	669,694	1,986,157

Western Technical College District

General Fund – Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual

(Non-GAAP Budgetary Basis) (Continued)

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Other financing sources (uses):						
Operating transfer in	$ -	$ -	$ 2,957	$ -	$ 2,957	$ 2,957
Operating transfer (out)	(451,200)	(451,200)	(363,642)	-	(363,642)	87,558
Total other financing sources (uses)	(451,200)	(451,200)	(360,685)	-	(360,685)	90,515
Revenue and other financing sources (uses) over (under) expenditures	(1,767,663)	(1,767,663)	282,553	26,456	309,009	2,076,672
Fund balance - Beginning of year	20,178,997	20,178,997	20,245,904	(66,907)	20,178,997	-
Fund balance - End of year	$ 18,411,334	$ 18,411,334	$ 20,528,457	$ (40,451)	$ 20,488,006	$ 2,076,672
Analysis of fund balance:						
Reserve for encumbrances	$ -	$ -	$ 66,907	$ (26,456)	$ 40,451	$ 40,451
Reserve for prepaid expenses	-	-	748,904	-	748,904	748,904
Reserve for postemployment benefits	595,964	595,964	644,807	-	644,807	48,843
Designated for subsequent year	4,128,000	4,128,000	4,138,000	-	4,138,000	10,000
Designated for subsequent years	-	-	1,082,000	-	1,082,000	1,082,000
Designated for state aid fluctuations	721,600	721,600	721,600	-	721,600	-
Designated for operations	12,965,770	12,965,770	13,126,239	(13,995)	13,112,244	146,474
Fund balance - End of year	$ 18,411,334	$ 18,411,334	$ 20,528,457	$ (40,451)	$ 20,488,006	$ 2,076,672

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental:						
State	$ 567,000	$ 567,000	$ 302,610	$ -	$ 302,610	$ (264,390)
Federal	-	-	22,845	-	22,845	22,845
Tuition and fees:						
Other student fees	18,000	18,000	34,291	-	34,291	16,291
Institutional	2,908,800	4,310,790	4,530,307	-	4,530,307	219,517
Total revenues	3,493,800	4,895,790	4,890,053	-	4,890,053	(5,737)
Expenditures:						
Instruction	3,242,800	4,644,790	4,644,790	-	4,644,790	-
General institutional	251,000	251,000	245,263	-	245,263	5,737
Total expenditures	3,493,800	4,895,790	4,890,053	-	4,890,053	5,737
Revenue over expenditures	-	-	-	-	-	-
Other financing sources:						
Operating transfer in	-	-	279,190	-	279,190	279,190
Revenue and other financing sources over expenditures	-	-	279,190	-	279,190	279,190
Fund balance - Beginning of year	943,322	943,322	943,322	-	943,322	-
Fund balance - End of year	$ 943,322	$ 943,322	$ 1,222,512	$ -	$ 1,222,512	$ 279,190
Analysis of fund balance:						
Designated for operations	$ 943,322	$ 943,322	$ 1,222,512	$ -	$ 1,222,512	$ 279,190

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Local government	$ 125,465	$ 125,465	$ 95,961	$ -	$ 95,961	$ (29,504)
Intergovernmental:						
State	1,384,435	1,384,435	1,285,451	-	1,285,451	(98,984)
Federal	21,125,271	21,125,271	17,891,117	-	17,891,117	(3,234,154)
Tuition and fees:						
Other student fees	906,200	906,200	798,983	-	798,983	(107,217)
Institutional	816,000	816,000	529,224	-	529,224	(286,776)
Total revenues	24,357,371	24,357,371	20,600,736	-	20,600,736	(3,756,635)
Expenditures:						
Instruction	15,400	15,400	3,337	-	3,337	12,063
Student services	24,399,124	24,377,241	20,580,278	-	20,580,278	3,796,963
General institutional	11,000	32,883	32,883	-	32,883	-
Total expenditures	24,425,524	24,425,524	20,616,498	-	20,616,498	3,809,026
Revenue under expenditures	(68,153)	(68,153)	(15,762)	-	(15,762)	52,391
Other financing sources (uses):						
Operating transfer in	-		50,244		50,244	50,244
Operating transfer out	-	-	(129,500)	-	(129,500)	(129,500)
Total other financing sources (uses)	-	-	(79,256)	-	(79,256)	(79,256)
Revenue under expenditures and other financing uses	(68,153)	(68,153)	(95,018)	-	(95,018)	(26,865)
Fund balance - Beginning of year	701,460	701,460	701,460	-	701,460	-
Fund balance - End of year	$ 633,307	$ 633,307	$ 606,442	$ -	$ 606,442	$ (26,865)
Analysis of fund balance:						
Reserve for student and other organizations	$ 633,307	$ 633,307	$ 606,442	$ -	$ 606,442	$ (26,865)

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenue:						
Intergovernmental:						
State	$ -	$ -	$ 71,625	$ -	$ 71,625	$ 71,625
Federal	-	-	178,229	-	178,229	178,229
Institutional	77,000	77,000	539,454	-	539,454	462,454
Total revenue	77,000	77,000	789,308	-	789,308	712,308
Expenditures:						
Instruction	1,410,000	1,719,104	2,023,131	(304,027)	1,719,104	-
Instructional resources	231,000	231,000	159,591	3,976	163,567	67,433
Student services	10,000	45,517	16,875	28,642	45,517	-
General institutional	315,000	1,755,559	804,664	950,894	1,755,558	1
Physical plant	7,000,000	7,000,000	7,504,935	(559,104)	6,945,831	54,169
Total expenditures	8,966,000	10,751,180	10,509,196	120,381	10,629,577	121,603
Revenue under expenditures	(8,889,000)	(10,674,180)	(9,719,888)	(120,381)	(9,840,269)	833,911
Other financing sources:						
Operating transfer in	-	-	129,500	-	129,500	129,500
Issuance of lease liability	-	-	40,375	-	40,375	40,375
Issuance of long-term debt	5,000,000	6,785,180	13,655,000	-	13,655,000	6,869,820
Total other financing sources	5,000,000	6,785,180	13,824,875	-	13,824,875	7,039,695

Western Technical College District

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenue and other financing sources over (under) expenditures	$ (3,889,000)	$ (3,889,000)	$ 4,104,987	$ (120,381)	$ 3,984,606	$ 7,873,606
Fund balance - Beginning of year	5,266,202	5,266,202	9,767,253	(4,501,051)	5,266,202	-
Fund balance - End of year	$ 1,377,202	$ 1,377,202	$ 13,872,240	$ (4,621,432)	$ 9,250,808	$ 7,873,606
Analysis of fund balance:						
Reserve for encumbrances	$ -	$ -	$ 4,501,051	$ 120,381	$ 4,621,432	$ 4,621,432
Reserve for capital projects (unreserved)	1,377,202	1,377,202	9,371,189	(4,741,813)	4,629,376	3,252,174
Fund balance - End of year	$ 1,377,202	$ 1,377,202	$ 13,872,240	$ (4,621,432)	$ 9,250,808	$ 7,873,606

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Local government	$ 18,191,000	$ 18,191,000	$ 18,196,063	$ -	$ 18,196,063	$ 5,063
Institutional	83,000	83,000	(13,752)	547,210	533,458	450,458
Total revenues	18,274,000	18,274,000	18,182,311	547,210	18,729,521	455,521
Expenditures:						
Physical plant	16,853,000	16,853,000	15,049,230	(284,658)	14,764,572	2,088,428
Total expenditures	16,853,000	16,853,000	15,049,230	(284,658)	14,764,572	2,088,428
Revenue over expenditures	1,421,000	1,421,000	3,133,081	831,868	3,964,949	2,543,949
Other financing sources (uses):						
Issuance of long-term debt	-	-	1,645,000	-	1,645,000	1,645,000
Refinancing debt payment	-	-	(4,852,711)	-	(4,852,711)	(4,852,711)
Premium on notes issued	-	-	831,868	(831,868)	-	-
Total other financing sources (uses)	-	-	(2,375,843)	(831,868)	(3,207,711)	(3,207,711)
Revenue and other financing sources (uses) over expenditures	1,421,000	1,421,000	757,238	-	757,238	(663,762)
Fund balance - Beginning of year	3,301,825	3,301,825	3,301,825	-	3,301,825	-
Fund balance - End of year	$ 4,722,825	$ 4,722,825	$ 4,059,063	$ -	$ 4,059,063	$ (663,762)
Analysis of fund balance:						
Reserve for debt service	$ 4,722,825	$ 4,722,825	$ 4,059,063	$ -	$ 4,059,063	$ (663,762)

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

Enterprise Funds – Schedule of Revenue, Expenditures, and Changes in Net Position – Budget and Actual (Non-GAAP Budgetary Basis)

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenue:						
Intergovernmental:						
Federal	$ 50,000	$ 50,000	$ 1,158,164	$ -	$ 1,158,164	$ 1,108,164
Institutional	3,859,300	3,859,300	3,494,050	-	3,494,050	(365,250)
Total revenue	3,909,300	3,909,300	4,652,214	-	4,652,214	742,914
Expenditures:						
Auxiliary services	4,401,500	4,401,500	4,217,535	-	4,217,535	183,965
Total expenditures	4,401,500	4,401,500	4,217,535	-	4,217,535	183,965
Revenue over (under) expenditures	(492,200)	(492,200)	434,679	-	434,679	926,879
Other financing sources:						
Operating transfer in	451,200	451,200	34,208	-	34,208	(416,992)
Revenue and other financing sources over (under) expenditures	(41,000)	(41,000)	468,887	-	468,887	509,887
Net position - Beginning of year	4,892,118	4,892,118	4,892,118	-	4,892,118	-
Net position - End of year	$ 4,851,118	$ 4,851,118	$ 5,361,005	$ -	$ 5,361,005	$ 509,887
Analysis of net position:						
Unrestricted	$ 4,851,118	$ 4,851,118	$ 5,361,005	$ -	$ 5,361,005	$ 509,887

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenue:						
Institutional	$ 724,000	$ 724,000	$ 700,004	$ -	$ 700,004	$ (23,996)
Total revenue	724,000	724,000	700,004	-	700,004	(23,996)
Expenditures:						
Auxiliary services	724,000	724,000	704,713	-	704,713	19,287
Total expenditures	724,000	724,000	704,713	-	704,713	19,287
Revenue under expenditures	-	-	(4,709)	-	(4,709)	(4,709)
Other financing uses:						
Operating transfer out	-	-	(2,957)	-	(2,957)	(2,957)
Revenue under expenditures and other financing uses	-	-	(7,666)	-	(7,666)	(7,666)
Net position - Beginning of year	430,206	430,206	430,206	-	430,206	-
Net position - End of year	$ 430,206	$ 430,206	$ 422,540	$ -	$ 422,540	$ (7,666)
Analysis of net position:						
Unrestricted	$ 430,206	$ 430,206	$ 422,540	$ -	$ 422,540	$ (7,666)

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

Schedules to Reconcile Budget Basis Financial Schedules to Basic Financial Statements – Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Schedules to the Statement of Revenue, Expenses, and Changes in Net Position

June 30, 2022

	General Fund	Special Revenue Aidable Funds	Special Revenue Non-Aidable Funds	Capital Projects Fund
Revenues:				
Local government	$ 11,922,557	$ -	$ 95,961	$ -
Intergovernmental:				
State	24,776,316	302,610	1,285,451	71,625
Federal	3,431,334	22,845	17,891,117	178,229
Tuition and fees:				
Statutory program fees	11,118,294	-	-	-
Material fees	421,610	-	-	-
Other student fees	878,827	34,291	798,983	-
Institutional	736,917	4,530,307	529,224	539,454
Auxiliary services revenue	-	-	-	-
Total revenues	53,285,855	4,890,053	20,600,736	789,308
Expenditures:				
Instruction	29,815,332	4,644,790	3,337	1,719,104
Instructional resources	1,187,913	-	-	163,567
Student services	6,830,061	-	20,580,278	45,517
General institutional	10,734,644	245,263	32,883	1,755,558
Physical plant	4,048,211	-	-	6,945,831
Auxiliary services	-	-	-	-
Depreciation and amortization	-	-	-	-
Student aid	-	-	-	-
Interest expense	-	-	-	-
Total expenditures	52,616,161	4,890,053	20,616,498	10,629,577
Excess (deficiency) of revenue over expenditures	669,694	-	(15,762)	(9,840,269)
Other financing (uses) sources:				
Operating transfers in	2,957	279,190	50,244	129,500
Operating transfers (out)	(363,642)	-	(129,500)	-
Loss on disposal of capital assets	-	-	-	-
Issuance of lease liability	-	-	-	40,375
Issuance of long-term debt	-	-	-	13,655,000
Refinancing debt payment	-	-	-	-
Total other financing (uses) sources	(360,685)	279,190	(79,256)	13,824,875
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	309,009	279,190	(95,018)	3,984,606
Fund balance/net position - Beginning of year	20,178,997	943,322	701,460	5,266,202
Fund balance/net position - End of year	$ 20,488,006	$ 1,222,512	$ 606,442	$ 9,250,808

Debt Service Fund	Enterprise Funds	Internal Service Funds	Totals	Reconciling Items	Statement of Revenue, Expenses, and Changes in Net Position
$ 18,196,063	$ -	$ -	$ 30,214,581	$ -	$ 30,214,581
-	-	-	26,436,002	-	26,436,002
-	1,158,164	-	22,681,689	(8,776,221)	13,905,468
-	-	-	11,118,294	(3,475,088)	7,643,206
-	-	-	421,610	(135,735)	285,875
-	-	-	1,712,101	(293,974)	1,418,127
533,458	3,494,050	700,004	11,063,414	(3,425,661)	7,637,753
-	-	-	-	3,484,081	3,484,081
18,729,521	4,652,214	700,004	103,647,691	(12,622,598)	91,025,093
-	-	-	36,182,563	(3,272,461)	32,910,102
-	-	-	1,351,480	(134,086)	1,217,394
-	-	-	27,455,856	(16,844,217)	10,611,639
-	-	-	12,768,348	(1,758,810)	11,009,538
14,764,572	-	-	25,758,614	(22,046,568)	3,712,046
-	4,217,535	704,713	4,922,248	(1,762,805)	3,159,443
-	-	-	-	11,974,868	11,974,868
-	-	-	-	3,492,806	3,492,806
-	-	-	-	3,264,304	3,264,304
14,764,572	4,217,535	704,713	108,439,109	(27,086,969)	81,352,140
3,964,949	434,679	(4,709)	(4,791,418)	14,464,371	9,672,953
-	34,208	-	496,099	(496,099)	-
-	-	(2,957)	(496,099)	496,099	-
-	-	-	-	(3,157,147)	(3,157,147)
-	-	-	40,375	(40,375)	-
1,645,000	-	-	15,300,000	(15,300,000)	-
(4,852,711)	-	-	(4,852,711)	4,852,711	-
(3,207,711)	34,208	(2,957)	10,487,664	(13,644,811)	(3,157,147)
757,238	468,887	(7,666)	5,696,246	819,560	6,515,806
3,301,825	4,892,118	430,206	35,714,130	47,591,816	83,305,946
$ 4,059,063	$ 5,361,005	$ 422,540	$ 41,410,376	$ 48,411,376	$ 89,821,752

See Independent Auditor's Report.
See accompanying notes to Budgetary Comparison Schedules.

Note 1 Budgetary Accounting

Western uses a fund structure for budgetary accounting as compared to the entity-wide presentation of the basic financial statements. Annual budgets are adopted for all funds in accordance with the requirements of the Wisconsin Technical College System Board. Western follows the procedures listed below in adopting its annual budget.

- Property taxes are levied by the various taxing municipalities located in 11 West Central Wisconsin counties. Western records as revenue its share of the local tax when levied, since Western's share becomes available during its fiscal year to finance its operations.

- Public hearings are conducted on the proposed budget.

- Prior to July 1, the budget is legally enacted through approval by the Board.

- 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 Board and require publishing a Class I public notice in Western's official newspaper within 10 days according to Wisconsin Statutes.

- Management exercises control over budgeted expenditures by fund and function (i.e., instruction, instructional resources), as presented in the required supplementary information. Expenditures may not exceed funds available or appropriated, unless authorized by a resolution adopted by a vote of two-thirds of the Board. Unused appropriations lapse at the end of each fiscal year.

- Formal budgetary integration is employed as a planning device for all funds. The annual operating budget is prepared primarily on the same basis as fund financial statements prior to the adoption of GASB Statement No. 34, except encumbrances are also included in the adopted budget. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process.

Note 2 Explanation of Differences Between Revenues, Expenditures, and Other Financing Sources for Budgetary Funds on Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis

Revenues

Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules:		
General Fund	$	53,285,855
Special Revenue Aidable Funds		4,890,053
Special Revenue Non-Aidable Funds		20,600,736
Capital Projects Fund		789,308
Debt Service Fund		18,729,521
Enterprise Funds		4,652,214
Internal Services Funds		700,004
		103,647,691
Adjustments:		
Interfund charges from internal service funds are eliminated for GAAP reporting		(697,503)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting		(4,009,190)
Summer tuition is recognized on the cash basis rather than the accrual basis		104,393
Adjustment for notes receivable recognized as revenue for GAAP reporting		1,500,000
Student loans expended are eliminated for GAAP reporting		(8,973,088)
Premium on notes issued		(831,868)
Debt issuance costs shown net for budgetary reporting		284,658
Reconciled revenues	$	91,025,093

Note 2 Explanation of Differences Between Revenues, Expenditures, and Other Financing Sources for Budgetary Funds on Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis (Continued)

Revenues (Continued)

Revenues per the Statement of Revenues and Expenses on a GAAP Basis:		
Operating revenues	$	30,384,133
Property taxes		30,214,581
State operating appropriations		23,979,704
Federal COVID-19 funding		6,408,351
Investment income		38,324
Total	$	91,025,093

Note 2 Explanation of Differences Between Revenues, Expenditures, and Other Financing Sources for Budgetary Funds on Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis (Continued)

Expenditures

Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules:	
General Fund	$ 52,616,161
Special Revenue Aidable Fund	4,890,053
Special Revenue Non-Aidable Fund	20,616,498
Capital Projects Fund	10,629,577
Debt Service Fund	14,764,572
Enterprise Funds	4,217,535
Internal Service Funds	704,713
	108,439,109
Adjustments:	
Interfund charges from internal service funds are eliminated for GAAP reporting	(697,503)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(4,009,190)
The following expenditures are recognized on the cash basis rather than the accrual basis:	
Amortization of deferred premiums	(1,161,450)
Bond issue costs	284,658
Claims payable to employee benefits consortium	963
Interest expense	102,968
Compensated absences	(237)
Other postemployment and pension benefits	(2,629,093)
The acquisition of capital assets is reported as an expenditure for budgetary purposes	(10,140,522)
Student loans expended are eliminated for GAAP reporting	(8,973,088)
Repayment of principal on long-term debt is a budgetary expenditure	(11,265,000)
Lease right of use asset is a budgetary expenditure	(40,375)
Payment of principal on lease liabilities is a budgetary expenditure.	(18,338)
Encumbrances are recorded for budgetary purposes	(93,925)
Loss on disposal of capital assets recorded for GAAP purposes	3,157,147
Depreciation and amortization recorded for GAAP purposes	11,553,163
Reconciled expenses	$ 84,509,287

Note 2 Explanation of Differences Between Revenues, Expenditures, and Other Financing Sources for Budgetary Funds on Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis (Continued)

Expenditures (Continued)

Expenses per the Statement of Revenues and Expenses on a GAAP Basis:		
Operating expenses	$	78,087,836
Interest expense		3,264,304
Loss on disposal of capital assets		3,157,147
Total	$	84,509,287

Other financing sources and uses such as operating transfers in (out) and proceeds from issuance of long-term debt are not recognized as revenues or expenses for GAAP reporting.