



# **Southwest Wisconsin Technical College**

## **District Board Meeting**

**Regular Meeting**

**February 22, 2024**

Southwest Tech  
1800 Bronson Boulevard  
Fennimore, WI 53809  
Conference Room 430

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## **Annotated Agenda**



### **BOARD MEETING NOTICE/AGENDA**

Thursday, February 22, 2024

6:00 p.m. – Regular District Board Meeting

Southwest Tech  
1800 Bronson Boulevard  
Fennimore, WI 53809  
Room 430

### **ANNOTATED AGENDA**

#### **OPEN MEETING**

The following statement will be read: “The February 22, 2024, Southwest Wisconsin Technical College Board regular meeting is called to order. This meeting is open to the public and in compliance with State Statutes. Notice of the meeting has been sent to the press, posted on the College’s website at [www.swtc.edu/about/board/meetings](http://www.swtc.edu/about/board/meetings), posted on campus, CESA 3, and at the Fennimore City Office in an attempt to make the general public aware of the time, place and agenda of the meeting.”

#### **A. Roll Call**

#### **B. Reports/Forums/Public Input**

#### **C. Student Senate Update**

#### **D. Richland County Administrator Update**

Candace Pesch, Richland County Administrator, will be present and provide an update on Richland County happenings.

#### **ADJOURN TO CLOSED SESSION**

##### **A. Consideration of adjourning to a closed session for the purpose of**

- 1. Discussing property acquisition per Wis. Statutes 19.85(1)(e)** {Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.}
- 2. Discussing legal issues per Wis. Stats. 19.85(1)(g)** {Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.}
- 3. Discussing staff performance evaluations per Wis. Stats. 19.85(1)(c)** {Considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.}

## **B. Approval of Minutes from the January 25, 2024, Closed Session**

### **RECONVENE TO OPEN SESSION**

#### **A. Action, if necessary, on Closed Session Items**

### **CONSENT AGENDA**

#### **A. Approval of Agenda**

A copy of the agenda is included with the electronic Board material.

#### **B. January 25, 2024, Board /Meeting Minutes**

Minutes of the January 25, 2024, regular Board meeting are included with the electronic Board packet.

#### **C. Financial Reports**

- 1. Purchases Greater than \$2,500**
- 2. Treasurer's Cash Balance**
- 3. Budget Control**

Each report is available electronically with all other Board material. Caleb White, Vice President for Administrative Services, will be at the meeting and available for any questions.

#### **D. Contract Revenue**

There were eleven contracts totaling \$55,915.61 in January 2024 being presented for Board approval. The Contract Revenue Report is included with the electronic Board material.

#### **E. Personnel Items**

The Personnel Report includes a recommendation for two new hires, one promotion/transfer, one resignation, and one retirement. The report is included with the Board material.

**Recommendation** – *Approve the February 22, 2024, Consent Agenda as presented.*

### **OTHER ITEMS REQUIRING BOARD ACTION**

#### **A. 2022-23 Financial Audit**

Jordan Boehm from Clifton Larson Allen LLP will be joining the meeting over Zoom to present the audit report with Caleb White. The the audit report is available electronically with all other Board material.

**Recommendation**: *Approve the 2022-23 Financial Audit as presented.*

#### **B. RFP – Board and Leadership Training**

Proposals were sought from qualified vendors for Board and leadership professional development. The public opening for the request for proposals was held on January 24, 2024, with three proposals received. A summary will be presented by Caleb White and is included within the electronic Board packet of material.

**Recommendation:** Award the RFP for board and leadership training to The Aspen Institute, Inc. of Washington DC for \$38,000 plus travel expenses. This also includes the ability to utilize The Aspen Institute, Inc. for future similar scoped engagements at a rate of \$80/hour for a three-year period.

**C. RFP – Interactive Video Platform**

Proposals were sought for an interactive video platform to support learning. The public opening for the request for proposals was held on February 2, 2024, with three proposals received. Caleb White will present the summary of the proposals received. This summary is also included within the electronic Board packet of material.

**Recommendation:** Award the RFP for the Interactive Video Platform to The We Video Inc. Lake Forest, CA for \$16,753 for a one-year term with two optional one-year renewals.

**D. Bid – Telehandler/Forklift**

Bids were sought for a new 23/24 Telehandler/Forklift. The public bid opening of bids was held on February 7, 2024, with five vendors responding from a list of 12 plan holders. Caleb White will present the summary of the bids received. This summary is also included within the electronic Board packet of material.

**Recommendation:** Award the contract bid for the new 23/24 Telehandler/Forklift with the outlined required specifications to Fairchild Equipment of Green Bay, WI in the amount of \$114,513.41.

**E. Richland Center Outreach Site Lease**

Included in the Board material is the existing lease with TWA Properties of Richland Center, WI, for 3,400 square feet of office/classroom space located at 373 W. Sixth Street, Richland Center, WI. This has been the location for Southwest Tech's Outreach Site in Richland Center for approximately five years when the lease ends on May 31, 2024.

**Recommendation:** Approve exercising the 60-month lease renewal option with TWA Properties of Richland Center, WI, beginning June 1, 2024, and ending on May 31, 2029, for 3,400 square feet of office and classroom space located at 373 W. Sixth Street, Richland Center, WI 53581, contingent upon Wisconsin Technical College System board approval.

**BOARD MONITORING OF COLLEGE EFFECTIVENESS**

**A. 2024-25 Budget Assumptions & Parameters**

The Budget Priorities & Assumptions for 2024-25 will be reviewed by Caleb White. The report is included within the Board packet material.

**B. Staffing Update**

Krista Weber, Chief Human Resources Officer, will provide an update on College staffing. A summary is included within the Board packet.

## **INFORMATION AND CORRESPONDENCE**

### **A. Enrollment Report**

- 1. FY 2024 Comparison FTE Report**
- 2. Program Application Comparison 2023/24 vs. 2024/25**

The two reports are included in the electronic Board packet.

### **B. Chairperson's Report**

- 1. Board Member Reflection: What it means to be a SWTC Board Trustee**
- 2. District Boards Association (DBA): Officer Nomination**
- 3. WTCS Eagle Award Presentation & Student Ambassador Banquet – 4/18/24**

### **C. College President's Report**

- 1. Student Success Strategic Directions Progress Report**
- 2. College's Legal Counsel Process**
- 3. ACCT Legislative Summit Update**
- 4. Sabbatical Planning**
- 5. ERP Update**
- 6. ERP Heroes**
- 7. Crucial Conversations: High Stakes, Differing Opinions, Strong Emotions. Feedback and guidance on the quote, "When it comes to risky, controversial, and emotional conversations, skilled people find a way to get all relevant information (from themselves and others) out into the open."**
- 8. College Happenings**

### **D. Other Information Items**

## **ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING**

### **A. Agenda**

- 1. Board Monitoring Report – Quality Teaching & Learning**

### **B. Date, Time, and Place**

**Thursday, March 28, 2024, 7:00 p.m., Southwest Tech's Campus, Room 430**

## **ADJOURNMENT**

## **Open Meeting**

The following statement will be read: "The February 22, 2024, Southwest Wisconsin Technical College Board regular meeting is called to order. This meeting is open to the public and in compliance with State Statutes. Notice of the meeting has been sent to the press and posted on the College's website at [www.swtc.edu/about/board/meetings](http://www.swtc.edu/about/board/meetings). Notice is also posted on Campus, CESA3, and the Fennimore City Office in an attempt to make the general public aware of the time, place, and agenda of the meeting."

### ***A. Roll Call***

### ***B. Reports/Forums/Public Input***

### ***C. Student Senate Update***

### ***D. Richland County Administrator Update***

Candace Pesch, Richland County Administrator, will be present and provide an update on Richland County happenings.

## **Adjourn to Closed Session**

### ***A. Consideration of adjourning to a closed session for the purpose of***

#### **1. Discussing property acquisition per Wis. Statutes 19.85(1)(e)**

{Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.}

#### **2. Discussing legal issues per Wis. Stats. 19.85(1)(g)**

{Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.}

#### **3. Discussing staff performance evaluations per Wis. Stats. 19.85(1)(c)**

{Considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.}

### ***B. Approval of Minutes from the January 25, 2024, Closed Session***



## **Reconvene to Open Session**

### ***A. Action, if necessary, on Closed Session items***

## **Consent Agenda**

### ***A. Approval of Agenda***



## **BOARD MEETING NOTICE/AGENDA**

Thursday, February 22, 2024

6:00 p.m. – Regular District Board Meeting

Southwest Tech  
1800 Bronson Boulevard  
Fennimore, WI 53809  
Room 430

## **AGENDA**

### **OPEN MEETING**

The following statement will be read: “The February 22, 2024, Southwest Wisconsin Technical College Board regular meeting is called to order. This meeting is open to the public and in compliance with State Statutes. Notice of the meeting has been sent to the press, posted on the College’s website at [www.swtc.edu/about/board/meetings](http://www.swtc.edu/about/board/meetings), posted on campus, CESA 3, and at the Fennimore City Office in an attempt to make the general public aware of the time, place and agenda of the meeting.”

- A. Roll Call
- B. Reports/Forums/Public Input
- C. Student Senate Update
- D. Richland County Administrator Update

### **ADJOURN TO CLOSED SESSION**

- A. Consideration of adjourning to a closed session for the purpose of
  - 1. Discussing property acquisition per Wis. Statutes 19.85(1)(e) {Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.}
  - 2. Discussing legal issues per Wis. Stats. 19.85(1)(g) {Conferring with legal counsel for the governmental body who is rendering oral or written advice concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved.}
  - 3. Discussing staff performance evaluations per Wis. Stats. 19.85(1)(c) {Considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.}

- B. Approval of Minutes from the January 25, 2024, Closed Session

### **RECONVENE TO OPEN SESSION**

- A. Action, if necessary, on Closed Session Items

### **CONSENT AGENDA**

- A. Approval of Agenda
- B. Approval of Minutes from the January 25, 2024, Regular Board Meeting
- C. Financial Reports
  - 1. Purchases Greater than \$2,500
  - 2. Treasurer's Cash Balance
  - 3. Budget Control
- D. Contract Revenue
- E. Personnel Items

### **OTHER ITEMS REQUIRING BOARD ACTION**

- A. 2022-23 Financial Audit
- B. RFP – Board and Leadership Training
- C. RFP – Interactive Video Platform
- D. Bid– Telehandler/Forklift
- E. Richland Center Outreach Site Lease

### **BOARD MONITORING OF COLLEGE EFFECTIVENESS**

- A. 2024-25 Budget Assumptions & Parameters
- B. Staffing Update

### **INFORMATION AND CORRESPONDENCE**

- A. Enrollment Report
  - 1. FY 2024 Comparison FTE Report
  - 2. Program Application Comparison 2023/24 vs. 2024/25
- B. Chairperson's Report
  - 1. Board Member Reflection: What it means to be a SWTC Board Trustee
  - 2. District Boards Association (DBA) Officer Nomination
  - 3. WTCS Eagle Award Presentation and Student Ambassador Banquet – 4/18/24
- C. College President's Report
  - 1. Student Success Strategic Directions Progress Report
  - 2. College's Legal Counsel Process
  - 3. ACCT Legislative Summit Update
  - 4. Sabbatical Planning
  - 5. ERP Update
  - 6. ERP Heroes
  - 7. Crucial Conversations: High Stakes, Differing Opinions, Strong Emotions.  
Feedback and guidance on the quote, "When it comes to risky, controversial, and emotional conversations, skilled people find a way to get all relevant information (from themselves and others) out into the open."
  - 8. College Happenings
- D. Other Information Items

## **ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING**

### A. Agenda

1. Board Monitoring Report – Quality Teaching & Learning

### B. Date, Time, and Place

Thursday, March 28, 2024, 7:00 p.m., Southwest Tech's Campus, Room 430

## **ADJOURNMENT**

{Facilities at Southwest Tech are handicap accessible. For all accommodations, call 608-822-2632 or e-mail [disabilityservices@swtc.edu](mailto:disabilityservices@swtc.edu).}

***B. Approval of Minutes from the January 25, 2024, Regular Board Meeting***

**MINUTES OF THE REGULAR MEETING OF THE BOARD  
OF DIRECTORS OF SOUTHWEST WISCONSIN  
TECHNICAL COLLEGE  
JANUARY 25, 2024**



The Board of Southwest Wisconsin Technical College met in open session of a regular meeting commencing at 7:03 p.m. on January 25, 2024, in Conference Room 430, on the District Campus located at 1800 Bronson Boulevard, in the City of Fennimore, Grant County, Wisconsin. The following members were present:

David Blume, Charles Bolstad, Kent Enright, Tracy Fillback, Chris Prange (present over Zoom technology), Donald Tuescher, Steve Williamson, Jane Wonderling. Absent: Jeanne Jordie

Others present for all, or a portion, of the meeting included:

Southwest Tech President Jason Wood and College Staff: Heath Ahnen, Holly Clendenen, Dennis Cooley, Katie Glass, Dan Imhoff, Kelly Kelly, Cynde Larsen, Kim Maier, Lori Needham, Krista Weber

Chairperson Bolstad called the meeting to order. Proof of notice was given as to the time, place, and purpose of the meeting. The following is the official agenda:



**BOARD MEETING NOTICE/AGENDA**

Thursday, January 25, 2024

7:00 p.m. – Regular District Board Meeting

Southwest Tech  
1800 Bronson Boulevard  
Fennimore, WI 53809  
Room 430

**AMENDED AGENDA**

**OPEN MEETING**

The following statement will be read: "The January 25, 2024, Southwest Wisconsin Technical College Board regular meeting is called to order. This meeting is open to the public and in compliance with State Statutes. Notice of the meeting has been sent to the press, posted on the College's website at [www.swtc.edu/about/board/meetings](http://www.swtc.edu/about/board/meetings), posted on campus, CESA 3, and at the Fennimore City Office in an attempt to make the general public aware of the time, place and agenda of the meeting."

- A. Roll Call
- B. Reports/Forums/Public Input
- C. Richland County Administrator Update
- D. Student Senate Update

**CONSENT AGENDA**

- A. Approval of Agenda
- B. Approval of Minutes from the December 21, 2023, Regular Board Meeting
- C. Financial Reports
  - 1. Purchases Greater than \$2,500
  - 2. Treasurer's Cash Balance
  - 3. Budget Control
- D. Contract Revenue
- E. Personnel Items

**OTHER ITEMS REQUIRING BOARD ACTION**

- F. Approval of Board Monitoring Report - Safety and Security
- G. Approval of Fund & Account Transfers (2022-23 Budget Modifications)

**BOARD MONITORING OF COLLEGE EFFECTIVENESS**

- A. Staffing Update
- B. Southwest Tech Foundation Quarterly Report
- C. Southwest Tech Real Estate Foundation Quarterly Report

**INFORMATION AND CORRESPONDENCE**

- A. Enrollment Report
  - 1. FY 2024 Comparison FTE Report
  - 2. Program Application Comparison 2023/24 vs. 2024/25
- B. Chairperson's Report
  - 1. Board Member Reflection: What it Means to be a SWTC Board Trustee
  - 2. District Boards Association (DBA) Update
    - i. Board Member for the Year Nomination
    - ii. Officer Nominations
    - iii. Other Updates
- C. College President's Report
  - 1. Student Success Agenda: Progress Update and Initial Scoreboard Proposal
  - 2. Student Success Endowment
  - 3. Midwifery Education Accreditation Council Update
  - 4. Crucial Conversations: High Stakes, Differing Opinions, Strong Emotions
    - i. Feedback and Guidance on the Quote: "There are four common ways of making decisions: command, consult, vote, and consensus. These four options represent increasing degrees of involvement."
  - 5. College Happenings
- D. Other Information Items

**ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING**

- A. Agenda
  - 1. 2024-25 Budget Assumptions & Parameters
  - 2. 2022-23 Financial Audit
  - 3. Bid/RFPs
    - i. Board/Leadership Training & Data Analytics
    - ii. Interactive Video Platform
    - iii. Telehandler
- B. Date, Time, and Place
  - 1. Thursday, February 22, 2024
  - 2. 7:00 p.m.
  - 3. Southwest Tech's Campus, Room 430

**ADJOURN TO CLOSED SESSION**

- A. Consideration of adjourning to a closed session for the purpose of
1. Discussing property acquisition per Wis. Statutes 19.85(1)(e) {Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session.}
  2. Discussing personnel issues per Wis. Stats. 19.85(1)(c) {Considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.}
  3. Discussing disciplinary data for a specific situation related to Wis. Statutes 19.85(1)(f) {Considering financial, medical, social, or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems, or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations}.
  4. Discussing the president's contract per Wisconsin Statutes 19.85(1)(c) {Considering employment, promotion, compensation, or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.}
- B. Approval of Closed Session Minutes from November 16, 2023

**RECONVENE TO OPEN SESSION**

- A. Action, if necessary, on Closed Session Items

**ADJOURNMENT**

{Facilities at Southwest Tech are handicap accessible. For all accommodations, call 608-822-2632 or e-mail [disabilityservices@swtc.edu](mailto:disabilityservices@swtc.edu).}

Due to illness, the Richland County update by County Administrator, Candace Pesch, will be tabled until the February 2024 meeting.

After a review of the Consent Agenda, including the January 25, 2024, agenda; December 21, 2023, Board meeting minutes; financial reports; four contracts totaling \$46,550 in December 2023; the employment recommendations of new hire Rachel McGuire, Radiography Program Director & Instructor, and promotion/transfer of Tina Leis, Administrative Assistant-Academics; Mr. Blume moved, seconded by Mr. Tuescher, to approve the Consent Agenda, as presented. The motion unanimously adopted.

Dan Imhoff, Executive Director of Facilities, Safety & Security, and Heath Ahnen, Executive Director of Information Technology Services presented the January 25, 2024, Board Monitoring Report - Safety and Security. Workers Compensation claim reporting, current initiatives, and cybersecurity were highlighted. Mr. Tuescher moved, seconded by Mr. Williamson, to approve the January 25, 2024, Board Monitoring Report – Safety and Security, as presented. The motion unanimously carried.

The 2022-23 Budget Modifications were presented by Kelly Kelly, Director of Fiscal Services/Controller. All six of the College funds are affected by modifications: General, Capital, Debt Service, Enterprise, Internal Service, and Trust/Agency. Mr. Tuescher

moved, seconded by Ms. Fillback, to approve 2022-23 Budget Modifications, as presented. Upon a roll call vote, the following members voted affirmatively: Ms. Wonderling, Mr. Williamson, Mr. Tuescher, Mr. Prange, Ms. Fillback, Mr. Enright, Mr. Blume, and Mr. Bolstad. The motion unanimously carried.

A summary of open positions was provided under the College Staffing report by Krista Weber, Chief Human Resources Officer. The Academic Success Coach (part-time) was hired. The Business Analyst, Nursing Instructor, and Automotive Technician Instructor positions are in the interview stage.

The Southwest Tech Real Estate Foundation and Foundation FY 2024 2<sup>nd</sup> quarter reports were presented by Dennis Cooley, Executive Director of Advancement. It was noted that the Foundation completed a comprehensive draft of its five-year fundraising plan that features supporting the College's strategic directions. Priorities include providing financial support for needs identified in the Student Success Plans; 2) Providing resources for academic programming (increase enrollments in high-wage programs, innovate low/medium wage programs, and start new high-wage programs); and 3) Developing additional funds to help Special Populations achieve higher rates of access, completion, and post-graduate success.

Katie Glass, Executive Director of Marketing, presented the FY 2024 FTE Year-Over-Year enrollment report noting that there is a 3.0% increase compared to this time last year. Program applications were also reviewed which indicate a slight decrease of 7 fall-start applications compared to the January 2023 report.

Under the Chairperson's Report:

- Mr. Prange reflected on the honor involved in serving as SWTC board trustee.
- There was not a nomination submitted for the District Boards Association (DBA) the Board Member of the Year this year.
- A request for District Boards Association (DBA) officer nominations will be brought to the February 2024 meeting under the Chair report.
- The next DBA meeting is March 22-23, 2024, at Nicolet College. Attendance is encouraged.
- The DBA is considering contracting services under a one-year pilot program instead of replacing the late Steve Tenpas' position.
- Save the date for the upcoming WTCS Student Ambassador Banquet on April 18, 2024, at the Wilderness Resort, Wisconsin Dells.
- Reminder to Board members to complete their Statement of Economic Interest certification with the WI Ethics Commission.

Under the President's Report:

- Progress made on Student Success Plans development includes identifying the processes to 1.) Help the student select a program; 2.) Help the student identify how to pay for college and life while he or she is a student, including how to bridge the gap; 3.) Obtain commitment from the student that he or she will

access the services that are made available. The intention is to bring initial indicators to the February meeting.

- To assist students with financial gaps, the SWTC Foundation and Real Estate Foundation are working towards the formation of a Student Success Endowment. The goals are to have \$600,000 endowed by July 1, 2024, and to establish a million-dollar endowment over the next two years.
- The Midwifery Education Accreditation Council (MEAC) accepted the College's most recent submission and is honoring a continuance of the program's accreditation.
- The Board offered words of guidance to Dr. Wood about a quote from Crucial Conversations coursework.
- The Project RISE Student module plans to go live on January 30, 2024.
- Dr. Wood has been asked to serve as the President's Association Representative during the WTCS biennial budget process. The Board members offered support for this new duty.
- The Boscobel prison's winter graduation ceremony was on January 10, 2024, with Dr. Wood as the commencement speaker. Other representatives from the College were Caleb White and Board member David Blume.

There was not anything discussed under Other Informational Items.

Mr. Tuescher moved, seconded by Ms. Wonderling, to adjourn to a closed session to discuss property acquisition per Wis. Statutes 19.85(1)(e), a personnel issue per Wis. Stats. 19.85(1)(c), disciplinary data for a specific situation per Wis Statutes 19.85(f), and the president's evaluation per Wis. Stats. 19.85(1)(c). Upon roll call vote, the following members voted affirmatively: Mr. Blume, Mr. Bolstad, Mr. Enright, Ms. Fillback, Mr. Prange, Mr. Tuescher, Mr. Williamson, and Ms. Wonderling. The motion unanimously carried, and the meeting adjourned to a closed session at 8:46 p.m. No action was taken during the closed session and the Board reconvened to an open session at 9:50 p.m.

Without any further business to come before the Board, Mr. Tuescher moved to adjourn, with Ms. Wonderling seconding the motion. The motion carried, and the meeting adjourned at 9:57 p.m.

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Kent Enright, Secretary



**C. Financial Reports**

**1. Purchases Greater than \$2,500**

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
PURCHASES GREATER THAN \$2,500  
FOR THE PERIOD 1/01/2024 - 1/31/2024

Vendor	Expenditure Invoice #	Description	Amount
EMC	117155	PROGRESS PMT 2	368,929.66
IRS	1.5.24 IRS	1.5.24 PAYROLL	133,664.05
IRS	1.19.24 PR	1/19/24 PAYROLL	122,925.48
Campus Works	11957	AMENDMENT #9	29,167.00
CESA 3	1.22.24 REQUEST	PERSONNEL	27,358.08
Fennimore Utilities	1.26.24 STMT	UTILITIES	25,828.54
WI DOR- PR	1.5.23 DOR	1.5.23	21,923.54
Healthequity	1.19.24 PR	1.19.24 PAYROLL	21,719.75
Douglas Equipment	0095972-IN	MEAT GRINDER/SAW	21,549.42
Healthequity	1.5.24	1.5.24 LISTING	21,174.37
WI DOR- PR	1.19.24 PR	1.19.24 PAYROLL	20,529.87
SWTC Foundation	1.5.24 PR	PAYROLL DEDUCTIONS	14,817.99
Pcard - ATECH	17177	JOHN DEERE SPECIALIZED ELECTRONIC TRAINER	12,574.00
Great West	1.5.24 DEFERRED	WI DEFERRED COMP	9,354.46
Sub-Aquatics	INV-IL479	CASCADE SYSTEM	9,332.26
Great West	1.19.24 PR	1.19.21 PR	8,910.51
Haas Factory Outlet	8101186-IN	20% DOWN PMT	7,725.99
Student Refund	Student Refund	Student Refund	6,927.77
Delta	754785	DENTAL CLAIMS	6,741.01
WE	4881635232	ELECTRIC	6,130.03
Delta	763475	DENTAL CLAIMS	5,873.10
Symetra	A098854	2.1.24-2.28.24	5,548.25
Symetra	1.5.23 A097641	1.5.23 SUPPLEMENTAL	5,546.85
US Omni	1.19.24 VANGUARD	1.19.24 PR VANGUARD	5,509.17
US Omni	1.5.24 VANGUARD	VANGUARD 1.5.23	5,393.58
Delta	753514	DENTAL CLAIMS	5,202.80
Performance Food Gro	604152	CAFE	5,024.97
WageWorks	INV6055648	DCFSA 2023	4,999.80
WI Library Services	500041	FILMS ON DEMAND	4,373.82
Student Refund	Student Refund	Student Refund	4,062.42
Ultimate Safety	209309	RAE MULTIRAE LITE 5 GAS MONITOR	4,038.35
WageWorks	INV6078765	HRA 2021	3,643.19
ZS LLC	247018-1	LOAD TESTING/REPORT	3,630.00
WTA Properties	FEB '24 RENT	RENT	3,607.06
Delta	762201	DENTAL CLAIMS	3,288.40

Expenditure				
Vendor	Invoice #	Description	Amount	
WageWorks	INV6039678	HRA 2021	3,267.88	
Pcard - Spartan TG	11578	TRAINING SUITS	3,245.00	
Delta	756054	DENTAL CLAIMS	3,204.00	
WageWorks	INV6075313	HRA 2021	3,064.20	
Hydro-Flo	2426815	BLOWER KIT	3,000.00	
Scorebuilders LLC	IN16214568	PTA COURSE - JAN 2024	3,000.00	
PCARD - Menards	J FIEDLER 1.2.24	TOOL BOXES	2,999.94	
Student Refund	Student Refund	Student Refund	2,969.00	
Student Refund	Student Refund	Student Refund	2,969.00	
Wild Blue	29055-01	CAFE WALL COVERING	2,780.00	
Hydro-Flo	2426178	IMPELLER	2,700.00	
Heiman	0928061-IN	TRAINING MANIKIN	2,562.00	
<b>Total Invoices</b>				<b>\$1,002,786.56</b>
Bank Withdrawals				
Vendor	Transaction Date	Audit Trail	Amount	
OUTGOING WIRE TRANSFER State of Wisconsin Local Govt Inve	1/19/2024	GNJL008709	2,500,000.00	
HASLER ADVANCE ADVANCE XXXXXX7827	1/29/2024	GNJL009396	5,000.00	
<b>Total Bank Withdrawals</b>				<b>\$2,505,000.00</b>
Payroll				
Payroll Period	Payroll Date	Amount		
01/19/2024 Payroll	1/19/2024	378,052.69		
01/05/2024 Payroll	1/5/2024	355,087.67		
<b>Total Payroll</b>				<b>\$733,140.36</b>
<b>Total Purchases &gt;= \$2,500</b>				<b>\$4,240,926.92</b>

## 2. Treasurer's Cash Balance

<b>Southwest Wisconsin Technical College</b>			
<b>Report of Treasurers Cash Balance 1/31/2024</b>			
<b>Receipts</b>			
Fund			
1 General	3,839,908.00		
2 Special Revenue	-		
3 Capital Projects	24,450.00		
4 Debt Service	1,766,236.00		
5 Enterprise	488,105.00		
6 Internal Service	314,972.00		
7 Financial Aid/Activities	121,059.00		
<b>Total Receipts</b>		<b>6,554,730.00</b>	
<b>Expenses</b>			
Fund			
1 General	1,737,358.00		
2 Special Revenue	-		
3 Capital Projects	425,014.00		
4 Debt Service	475.00		
5 Enterprise	85,699.00		
6 Internal Service	45,287.00		
7 Financial Aid/Activities	51,381.00		
<b>Total Expenses</b>		<b>2,345,214.00</b>	
<b>Net cash change - month</b>			<b>4,209,516.00</b>
<b>EOM Cash Balances</b>			
-Midwest One Operating 0356	2,556,818.13		
-Midwest One Investment 1324	-		
-Cash on Hand	2,940.00		
-Local Government Investment Pool	11,919,477.89		
<b>Ending Cash/Investment Balance</b>		<b>14,479,236.02</b>	

### 3. Budget Control

**Southwest Wisconsin Technical College**  
**YTD Summary for Funds 1-7**  
**For 7 Months ended January 2024**

	<b>2023-24 Budget</b>	<b>2023-24 YTD Actual</b>	<b>2023-24 Percent</b>	<b>2022-23 Percent</b>	<b>2021-22 Percent</b>	<b>2020-21 Percent</b>	<b>2019-20 Percent</b>
General Fund Revenue	24,772,300.00	11,805,157.63	47.65	42.05	40.30	46.96	44.63
General Fund Expenditures	25,409,000.00	14,376,579.77	56.58	54.95	49.75	55.96	52.90
Capital Projects Fund Revenue	5,471,000.00	4,061,839.75	74.24	101.66	2.40	2.62	0.69
Capital Projects Fund Expenditures	5,947,000.00	3,261,057.36	54.84	24.59	16.49	31.90	19.42
Debt Service Fund Revenue	6,656,000.00	1,766,235.67	26.54	28.45	48.23	29.17	28.30
Debt Service Fund Expenditures	6,710,000.00	386,150.00	5.75	16.03	16.35	17.77	8.03
Enterprise Fund Revenue	1,300,000.00	1,241,237.79	95.48	49.06	62.34	77.61	67.72
Enterprise Fund Expenditure	1,905,300.00	870,012.26	45.66	49.28	109.92	56.76	64.54
Internal Service Fund Revenue	4,455,000.00	2,224,926.36	49.94	52.03	52.16	51.68	48.99
Internal Service Fund Expenditures	4,455,000.00	2,406,349.74	54.01	53.92	53.70	55.25	52.48
Trust & Agency Fund Revenue	8,525,500.00	3,107,475.22	36.45	38.59	42.94	28.37	33.34
Trust & Agency Fund Expenditures	7,830,500.00	3,382,231.38	43.19	42.49	49.51	34.67	38.83
<b>Grand Total Revenue</b>	<b>51,179,800.00</b>	<b>24,206,872.42</b>	<b>47.30</b>	<b>45.91</b>	<b>40.26</b>	<b>39.10</b>	<b>38.36</b>
<b>Grand Total Expenditures</b>	<b>52,256,800.00</b>	<b>24,682,380.51</b>	<b>47.23</b>	<b>44.23</b>	<b>44.67</b>	<b>44.65</b>	<b>42.23</b>

**D. Contract Revenue**

There were eleven contracts totaling \$55,915.61 in January 2024 being presented for Board approval:

**2023-2024 CONTRACTS**  
1/1/2024 to 1/31/2024

<u>Contract Holder</u>	<u>Contract #</u>	<u>Service Provided</u>	<u>Contact</u>	<u>Number Served</u>	<u>Price</u>	<u>Exchange of Services</u> (Instructional Fees Waived)	<u>INDIRECT COST FACTOR</u>		
							<u>On-Campus</u>	<u>Off-Campus</u>	<u>Waiver</u>
USA Clay Target League	03-2024-0056-T-42	League Director Duties - November	Caleb White		\$ 500.00	No		X	
USA Clay Target League	03-2024-0056-T-42	League Director Duties - December	Caleb White		\$ 500.00	No		X	
Boscobel School District	03-2024-0402-I-11	WI Statute 118.15	Mary Johannesen	1	\$ 3,680.00	No		X	
Fennimore School District	03-2024-0408-I-11	WI Statute 118.15	Mary Johannesen	2	\$ 3,816.50	No		X	
Iowa Grant School District	03-2024-0410-I-11	WI Statute 118.15	Mary Johannesen	3	\$ 9,422.59	No		X	
Platteville School District	03-2024-0416-I-11	WI Statute 118.15	Mary Johannesen	10	\$ 27,034.27	No		X	
Weston School District	03-2024-0428-I-11	WI Statute 118.15	Mary Johannesen	1	\$ 1,324.25	No		X	
Wauzeka School District	03-2024-0434-I-11	WI Statute 118.15	Mary Johannesen	1	\$ 1,007.25	No		X	
Benton School District	03-2024-0442-I-11	WI Statute 118.15	Mary Johannesen	1	\$ 3,378.00	No		X	
River Valley School District	03-2024-0456-I-11	WI Statute 118.15	Mary Johannesen	1	\$ 3,641.25	No		X	
Wisconsin Heights School District	03-2024-0459-I-11	WI Statute 118.15	Mary Johannesen	1	\$ 1,611.50	No		X	
<b>TOTAL of all Contracts</b>				<b>21</b>	<b>\$ 55,915.61</b>				
Exchange of Services				-	\$ -				
For Pay Service				21	\$ 55,915.61				

**E. Personnel Items**

The Personnel Report includes a recommendation for two new hires, one promotion/transfer, one resignation, and one retirement:



**PERSONNEL REPORT**  
February 22, 2024

**EMPLOYMENT: NEW HIRE**

Name:	JoAnn Wiederholt
Title:	Academic Success Coach
How many applicants & interviewed	7 applicants/3 interviews
Start Date:	01/26/2024
Salary/Wages:	\$25/hr
Classification:	Part-Time
Education and/or Experience:	Bachelor's in Medical Technology from UW Platteville, MLT Instructor at SWTC for 2 years, worked in the medical laboratory for Grant Regional Health Center in Lancaster for 28 years

**EMPLOYMENT: NEW HIRE**

Name:	Renuka Vallarapu
Title:	Business Analyst - Student Information System
How many applicants & interviewed	27 applicants, 5 interviews
Start Date:	02/06/24
Salary/Wages:	\$34/hr
Classification:	Full-Time
Education and/or Experience:	Experience working in Database, BI, and Analytics space as well as gathering Functional and Non-Functional Requirements, Business Process Modeling, System Use Case development, Business & System Analysis functions, Data Analysis, and Quality Assurance testing, in business and technology domains in both public and private sectors.  Competency in customer focus, change & innovation, strategic thinking, and relationship building.  Master of Software Engineering, Seattle University.

**PROMOTIONS/TRANSFER**

**NEW POSITION**

George Whiteaker – Electrical Power Distribution Lab Assistant	Automotive Technician Instructor
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**RETIREMENTS / RESIGNATIONS**

Haylee Freymiller (Last Day 02/23/2024)	Administrative Assistant (Public Safety)
Brian Kitelinger (Retirement 03/01/2024)	Safety Coordinator

**Recommendation:** Approve the February 22, 2024, Consent Agenda as presented.

## **Other Items Requiring Board Action**

### **A. 2022-23 Financial Audit**

Jordan Boehm from Clifton Larson Allen LLP will be joining the meeting over Zoom to present the audit report with Caleb White. A summary of the report follows.

**Recommendation:** *Approve the 2022-23 Financial Audit as presented.*





Board of Directors  
Southwest Wisconsin Technical College  
Fennimore, Wisconsin

We have audited the financial statements of the business-type activities and the discretely presented component unit of Southwest Wisconsin Technical College (the District) as of and for the year ended June 30, 2023 and 2022, and have issued our report thereon dated February 13, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated October 1, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements.

As described in Note 1 and 12, the District changed accounting policies related to reporting of subscription-based information technology arrangements (SBITA) activities by adopting Statement of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Agreements (SBITA)*, in 2023. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the business-type activities.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the net pension asset/liability and related deferred outflows/inflows of resources is based on information received from the Wisconsin Retirement System. We evaluated the key factors and assumptions used to develop the net pension asset and related deferred outflows/inflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the other postemployment benefits liability and related deferred outflows/inflows of resources is based on an actuarial report prepared utilizing underlying District census and plan-specific information. We evaluated the key factors and assumptions used to develop the other postemployment benefits liability and related deferred outflows/inflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.



- Management's estimate of the depreciable life of capital assets is based on analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.

*Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

*Significant unusual transactions*

We identified no significant unusual transactions.

*Difficulties encountered in performing the audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Uncorrected misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

*Corrected misstatements*

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

*Disagreements with management*

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

*Circumstances that affect the form and content of the auditors' report*

As previously communicated to you, the report was modified to include an emphasis-of-matter paragraph to highlight the adoption of new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The District adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the earliest comparative period presented. Our opinions are not modified with respect to this matter.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated February 13, 2024.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Audits of group financial statements***

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

***Required supplementary information***

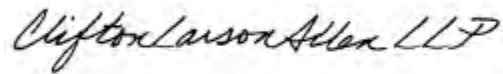
With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

***Supplementary information in relation to the financial statements as a whole***

With respect to the fund-level schedules of revenues, expenditures, and changes in fund balance and actual (non-GAAP budgetary basis) and the schedule to reconcile budget (non-GAAP budgetary) basis financial statements to statement of revenues, expenses, and changes in net position (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated February 13, 2024.

Board of Directors  
Southwest Wisconsin Technical College  
Page 4

This communication is intended solely for the information and use of the board of directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Clifton Larson Allen LLP".

**CliftonLarsonAllen LLP**

Middleton, Wisconsin  
February 13, 2024

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**  
 Southwest Technical College  
 Year Ended June 30, 2023

<b>UNCORRECTED ADJUSTMENTS</b>	<b>Effect of misstatements on:</b>			
Description	Assets and Deferred Outflows of Resources	Liabilities and Deferred Inflows of Resources	Net Position	Net Expense/Revenue and Change in Net Position
Improper capitalization of debt issuance costs which should have been recorded as a current period expense when the debt was issued.	\$ -	\$ (33,781)	\$ 78,168	\$ (44,387)
Net current year misstatements (Iron Curtain Method)	-	(33,781)	78,168	(44,387)
Net prior year misstatements	-	-	-	-
Combined current and prior year misstatements (Rollover Method)	\$ -	\$ (33,781)	\$ 78,168	\$ (44,387)
Financial statement totals	<u>\$ 87,947,968</u>	<u>\$ (43,393,777)</u>	<u>\$ (44,554,191)</u>	<u>\$ (3,272,737)</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)		0%	0%	1%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)		0%	0%	1%

**INADEQUATE DISCLOSURES**

Description	Amount (If Applicable)
None noted.	



February 13, 2024

CliftonLarsonAllen LLP  
8215 Greenway Blvd, Suite 480  
Middleton, Wisconsin 53562

This representation letter is provided in connection with your audits of the financial statements of Southwest Wisconsin Technical College, which comprise the respective financial position of the business-type activities and the discretely presented component unit as of June 30, 2023 and 2022, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, 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.

We confirm, to the best of our knowledge and belief, as of February 13, 2024, the following representations made to you during your audits.

#### Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated October 1, 2023, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date and have been reduced to their estimated net realizable value.
11. We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with U.S. GAAP.
12. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
13. We believe that all material expenditures that have been deferred to future periods will be recoverable.
14. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
15. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.
16. We have implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*, during the audit period. We have implemented the new accounting standard in accordance with the transition guidance prescribed in the standard. We have sufficient and appropriate documentation supporting all estimates and judgments underlying the amounts recorded and disclosed in the financial statements.

#### Information Provided

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
  - e. Access to all audit or relevant monitoring reports, if any, received from funding sources.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the District's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.
7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.

9. We have disclosed to you the identity of all the District's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
10. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the District, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
14. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
15. The District has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
16. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
17. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
18. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
19. The financial statements properly classify all funds and activities.
20. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
21. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.



22. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
23. Provisions for uncollectible receivables have been properly identified and recorded.
24. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
25. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
26. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
27. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
28. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
29. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
30. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
31. We acknowledge our responsibility for presenting the fund-level schedules of revenues, expenditures, and changes in fund balance budget and actual (non-GAAP budgetary basis) and the schedule to reconcile budget (non-GAAP budgetary) basis financial statements to statement of revenues, expenses, and changes in net position (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
32. As part of your audit, you prepared the draft financial statements, related notes, and supplementary information. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your services; have made all management judgments and decisions; and have assumed all management responsibilities. We have evaluated the adequacy and

results of the service. We have reviewed, approved, and accepted responsibility for those financial statements, related notes, and supplementary information. We have also ensured that the District's data and records are complete and received sufficient information to oversee the service.

33. We have evaluated the adequacy and results of the SBITA accounting services performed and accept responsibility for the results. We acknowledge our responsibility for our subscription assets and subscription liabilities (subscription schedule) based on the subscription information provided by us. We have reviewed our subscription contracts and related subscription schedule and have determined and accept responsibility for all inputs, outputs, assumptions and estimates included in the subscription schedule, including specific review of underlying contracts for accuracy of data input. We have designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee your SBITA services; have made all significant management judgments and decisions; and have assumed all management responsibilities. We have also ensured that the District's data and records are complete and received sufficient information to oversee the service.

*Caleb J White*

Signature: \_\_\_\_\_ Title: VP for Administrative Services

*Kelley Kelly*

Signature: \_\_\_\_\_ Title: Controller

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEARS ENDED JUNE 30, 2023 AND 2022**

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Southwest Wisconsin Technical College  
Fennimore, Wisconsin

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

#### *Basis for Opinions*

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

#### *Emphasis-of-Matter*

As discussed in Notes 1 and 12 to the financial statements, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. The District adopted the requirements of the guidance during the year ended June 30, 2023, and has applied the provisions of this standard to the beginning of the earliest comparative period presented. Our opinions are not modified with respect to this matter.

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

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

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

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

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

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

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

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



***Required Supplementary Information***

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

***Supplementary Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The fund-level schedules of revenues, expenditures, and changes in fund balance budget and actual (non-GAAP budgetary basis) and the schedule to reconcile budget (non-GAAP budgetary) basis financial statements to statement of revenues, expenses, and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the fund-level schedules of revenues, expenditures, and changes in fund balance budget and actual (non-GAAP budgetary basis) and the schedule to reconcile budget (non-GAAP budgetary) basis financial statements to statement of revenues, expenses, and changes in net position is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Board of Directors  
Southwest Wisconsin Technical College

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

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

**CliftonLarsonAllen LLP**

Middleton, Wisconsin  
REPORT DATE

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

The discussion and analysis of the financial performance of Southwest Wisconsin Technical College (the District) provides an overview of its financial activities, identifies changes in its financial position, and assists the reader of these financial statements in focusing on noteworthy financial issues for the fiscal year ended June 30, 2023.

The District provides lifelong learning opportunities with an individualized focus for students and communities.

The analysis focuses on the District's financial performance as a whole. It should be read in conjunction with the District's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS – YEAR ENDED JUNE 30, 2023**

The District's government-wide financial statements reflect the following:

- Received and managed federal, state or local grants totaling \$4.81 million.
- Updated official statement for borrowing and maintained the District's rating of Aa2 through Moody's.
- Issued \$4 million, 5-year promissory note at 5.00% interest rates, with an effective interest cost of 3.17% after factoring in the premium received.
- Continued participation in Districts Mutual Insurance (DMI), the insurance company formed by the colleges in the Wisconsin Technical College System to provide property and casualty coverage.
- Continued participation in the formation of Wisconsin Technical Colleges Employee Benefits Consortium (WTCEBC) with seven other Wisconsin technical colleges to provide employee benefits.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**FINANCIAL HIGHLIGHTS – YEAR ENDED JUNE 30, 2022**

The District's government-wide financial statements reflect the following:

- Received and managed federal, state or local grants totaling \$2.893 million.
- Updated official statement for borrowing and maintained the District's rating of Aa2 through Moody's.
- Issued \$4 million, 5-year promissory note at 1.25 – 2.25% interest rate.
- Continued participation in Districts Mutual Insurance (DMI), the insurance company formed by the colleges in the Wisconsin Technical College System to provide property and casualty coverage.
- Continued participation in the formation of Wisconsin Technical Colleges Employee Benefits Consortium (WTCEBC) with seven other Wisconsin technical colleges to provide employee benefits.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities performed by the District are classified as either operating or non-operating activities. Because the District receives the majority of its revenue from the taxpayers and other state and local governments, the District will typically report an operating deficit or loss.

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED  
JUNE 30, 2023**

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

	2023	2022	Change	Percent Change
<b>OPERATING REVENUE</b>				
Student Fees	\$ 5,081,240	\$ 5,346,504	\$ 315,298	5.88%
Federal Grants	2,039,317	610,167	1,429,450	234.27%
State Grants	7,766,972	7,267,755	499,217	7.18%
Contract Revenues	3,440,445	2,482,102	958,343	38.61%
Auxiliary Revenues	1,216,677	1,260,785	(1,088)	-0.08%
Total Operating Revenues	<u>19,527,659</u>	<u>17,964,269</u>	<u>1,113,681</u>	<u>6.22%</u>
<b>OPERATING EXPENSES</b>				
Instruction	14,608,086	12,912,688	1,595,402	12.32%
Instructional Resources	105,662	766,631	49,021	5.10%
Student Services	7,451,780	7,875,055	576,725	7.69%
General Institutional	5,658,131	6,783,520	(1,125,389)	-16.59%
Physical Plant	2,257,189	1,208,054	1,049,144	86.89%
Auxiliary Enterprise Services	1,759,648	1,498,147	261,501	17.45%
Depreciation	4,130,242	3,422,961	287,281	7.79%
Student Aid	3,385,804	4,835,401	(1,449,597)	-29.77%
Total Operating Expenses	<u>35,277,541</u>	<u>33,186,473</u>	<u>2,091,068</u>	<u>6.29%</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property Taxes	11,530,419	11,373,632	156,787	1.38%
State Appropriations	9,805,046	9,939,317	565,129	5.72%
Federal Appropriations	2,839,769	6,156,729	(3,322,973)	-53.97%
Investment Income	215,886	60,381	155,505	256.98%
Loss on Disposal of Capital Assets	(25,721)	(25,699)	(22)	0.08%
Interest Expenses	(187,641)	(840,718)	3,870	-0.45%
Total Nonoperating Revenues (Expenses)	<u>21,422,319</u>	<u>25,554,272</u>	<u>(2,431,953)</u>	<u>-9.41%</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>2,272,737</u>	<u>4,878,097</u>	<u>\$ (1,405,360)</u>	<u>-28.84%</u>
Net Position - Beginning of Year	<u>41,291,454</u>	<u>36,602,357</u>		
<b>NET POSITION - END OF YEAR</b>	<u>\$ 43,564,191</u>	<u>\$ 41,480,454</u>		

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED  
JUNE 30, 2023 (Continued)**

Operating revenues are the charges for services offered by the District. Total operating revenues increased \$3,113,661 or 25.92% for fiscal year 2023. The increase is primarily due to the following:

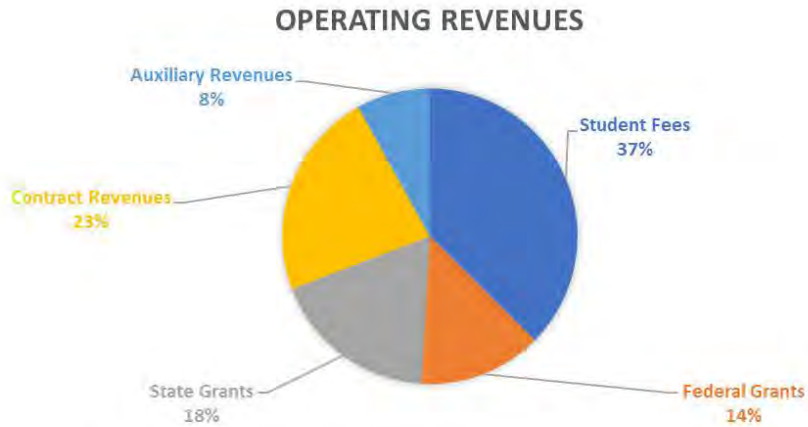
- The District receives funding from the federal and state governments for specific purposes, including financial aid payments to students. The District received \$4,806,089 from the federal and state governments for 2023 compared to \$2,892,922 for 2022.
  - State revenue increased \$483,717 or 21.19% in 2023 compared to 2022. State funding levels fluctuate between years based on the specific grants available each year as well as the amount of funding the state provides for financial aid.
  - Federal funding increased \$1,429,450 or 234.27% in 2023 compared to 2022. The level of enrollment impacts the amount of federal financial aid that is awarded each year. Federal funding levels fluctuate between years based on the specific grants available each year as well as the amount of funding the state provides for financial aid.
- Revenue from industrial and technical assistance contracts with business and industry, local school districts, and the Department of Corrections was \$3,440,445 in 2023 and \$2,482,102 in 2022.
- The District operates auxiliary enterprise operation such as the book store, food service, and childcare center. The District had sales of \$1,219,677 for 2023 compared to \$1,290,765 in 2022 for these activities.

Operating expenses are costs incurred for providing education, training and services. Total operating expenses increased \$2,087,068 or 6.29% compared to 2022. The majority of the District's expenses, 41%, are for instructional related costs. Student financial aid and general institutional accounts for an additional 25%, while auxiliary services and other expenses account for the remaining 34% of total operating expenses.

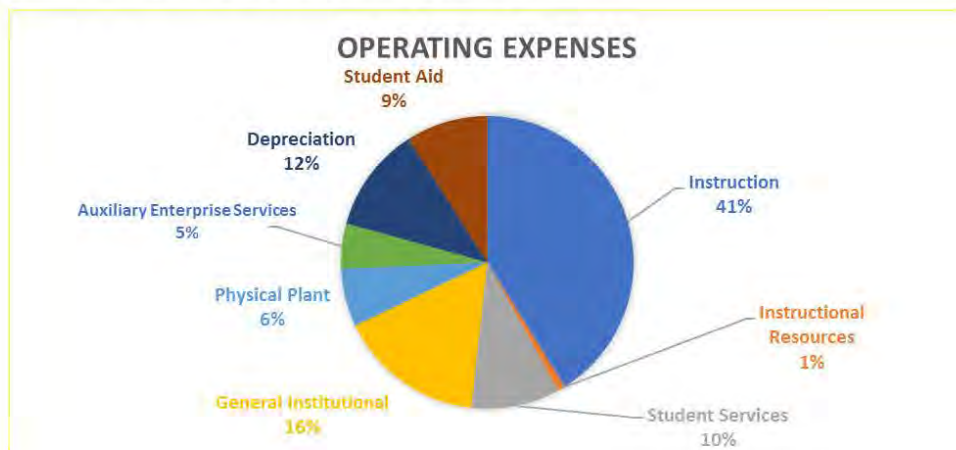
**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED  
JUNE 30, 2023 (Continued)**

The graph below depicts the District's operating revenues by source:



The graph below categorizes operating expenses by function:



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED  
JUNE 30, 2023 (Continued)**

Non-operating revenues (expenses) are revenue and expense items not related directly to providing instruction. Net non-operating revenues decreased \$2,431,953 or 9.41% in 2023.

- Federal appropriations decreased \$2,833,756 or 53.97% in 2023. The decrease is a result of the District expending less COVID-19 funding from the Higher Education Emergency Relief Funds (HEERF) as the program expired June 30, 2023.
- State appropriations increased \$565,129 or 6.32% in 2023.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED  
JUNE 30, 2022**

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities performed by the District are classified as either operating or non-operating activities. Because the District receives the majority of its revenue from the taxpayers and other state and local governments, the District will always report an operating deficit or loss.

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED  
JUNE 30, 2023 (Continued)**

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

	2023	2022	Change	Percent Change
<b>OPERATING REVENUE</b>				
Student Fees	\$ 5,348,509	\$ 5,658,980	\$ (310,471)	-5.50%
Federal Grants	610,167	684,406	(74,239)	-10.85%
State Grants	2,282,755	2,419,875	(137,120)	-5.62%
Contract Revenues	2,482,102	1,989,070	493,032	24.80%
Auxiliary Revenues	1,290,765	1,254,770	35,995	2.87%
Total Operating Revenues	<u>12,014,298</u>	<u>12,021,914</u>	<u>(7,616)</u>	<u>-0.06%</u>
<b>OPERATING EXPENSES</b>				
Instruction	12,812,884	13,057,557	(244,673)	-1.88%
Instructional Resources	256,831	196,357	60,474	30.84%
Student Services	2,875,055	2,664,014	211,041	7.92%
General Institutional	5,783,520	4,292,012	1,491,508	34.75%
Physical Plant	1,208,054	2,677,347	(1,469,293)	-54.91%
Auxiliary Enterprise Services	1,488,147	2,058,824	(570,677)	-27.72%
Depreciation	3,822,951	3,160,512	662,439	20.96%
Student Aid	4,825,431	3,768,106	1,057,325	28.06%
Total Operating Expenses	<u>37,180,473</u>	<u>30,658,915</u>	<u>6,521,558</u>	<u>21.28%</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Property Taxes	11,573,822	11,116,541	457,281	4.11%
State Appropriations	3,009,917	8,308,269	(5,298,352)	-63.65%
Federal Appropriations	8,156,723	3,895,279	4,261,444	109.42%
Investment Income	50,391	49,077	1,314	2.68%
Loss on Disposal of Capital Assets	(25,860)	(2,411,861)	2,386,001	98.94%
Interest Expenses	(640,719)	(875,347)	234,628	-26.81%
Total Nonoperating Revenues (Expenses)	<u>25,854,372</u>	<u>20,371,858</u>	<u>5,482,514</u>	<u>26.91%</u>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>\$ 878,097</u>	<u>1,734,855</u>	<u>\$ (856,758)</u>	<u>-49.39%</u>
Net Position - Beginning of Year	<u>36,803,357</u>	<u>34,866,782</u>		
<b>NET POSITION - END OF YEAR</b>	<u>\$ 37,681,454</u>	<u>36,601,637</u>		



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED  
JUNE 30, 2022 (Continued)**

Operating revenues are the charges for services offered by the District. Total operating revenues decreased \$7,616 or 0.06% for fiscal year 2022. The decrease is primarily due to the following:

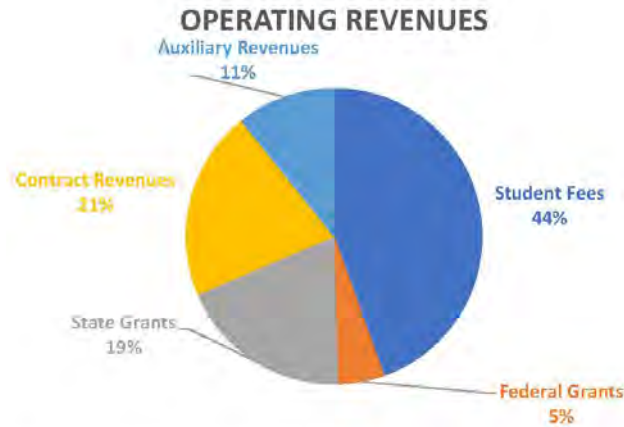
- The District receives funding from the federal and state governments for specific purposes, including financial aid payments to students. The District received \$2,892,922 from the federal and state governments for 2022 compared to \$3,108,081 for 2021.
  - State revenue decreased \$130,920 or 5.42% in 2022 compared to 2021. State funding levels fluctuate between years based on the specific grants available each year as well as the amount of funding the state provides for financial aid.
  - Federal funding decreased \$84,239 or 12.13% in 2022 compared to 2021. The level of enrollment impacts the amount of federal financial aid that is awarded each year. Federal funding levels fluctuate between years based on the specific grants available each year as well as the amount of funding the state provides for financial aid.
- Revenue from industrial and technical assistance contracts with business and industry, local school districts, and the Department of Corrections was \$2,482,102 in 2022 and \$1,999,073 in 2021, offsetting the decrease in federal and state grants.
- The District operates auxiliary enterprise operation such as the book store, food service, and childcare center. The District had sales of \$1,290,765 for 2022 compared to \$1,254,770 in 2021 for these activities.

Operating expenses are costs incurred for providing education, training and services. Total operating expenses increased \$2,531,558 or 8.26% compared to 2021. A major cause for the increase related to increased emergency student aid funded by the Federal Education Stabilization Fund. The majority of the District's expenses, 39%, are for instructional related costs. Student financial aid and general institutional accounts for an additional 27%, while auxiliary services and other expenses account for the remaining 34% of total operating expenses.

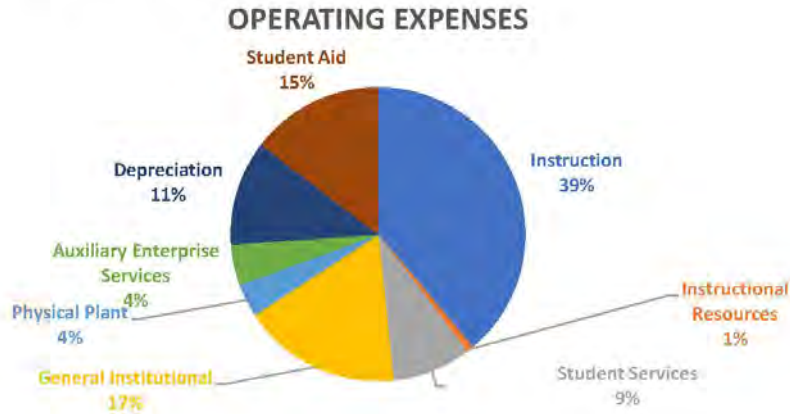
**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED  
JUNE 30, 2022 (Continued)**

The graph below depicts the District's operating revenues by source:



The graph below categorizes operating expenses by function:



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED  
JUNE 30, 2022 (Continued)**

Non-operating revenues (expenses) are revenue and expense items not related directly to providing instruction. Net non-operating revenues decreased \$5,482,616 or 26.91% in 2022.

- Federal appropriations increased \$2,261,450 in 2022. The increase is a result of the District expending COVID-19 funding from the Higher Education Emergency Relief Funds (HEERF).
- Loss reported on disposal of capital assets decreased \$2,385,495 or 98.94% in 2022 compared to 2021. The District disposed a building and related improvements and equipment representing \$2,340,322 of the total loss on disposal in 2021, while no such occurred in 2022.

**STATEMENT OF NET POSITION – JUNE 30, 2023**

The Statement of Net Position includes all assets, (items that the District owns and amounts that are owed to the District by others) and liabilities (amounts the District owes to others and what has been collected from others prior to providing the services). This statement is prepared using the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to the District, regardless of when cash is exchanged.

Total net position increased \$3,271,634 or 7.93% in 2023 compared to an increase of \$4,678,097 or 12.78% in 2022. The District ended its fiscal year with net position of \$44,553,088 in 2023 of which \$26,642,010 was net investment in capital assets, \$627,111 was restricted for student financial aid, \$689,489 was restricted for capital projects, \$1,603,529 was restricted for debt service assistance, and \$14,990,949 was unrestricted net position. Unrestricted net position represents the amount of discretionary resources that can be used to fund general District operations.

Total assets decreased \$4,860,580 or 6.23% in 2023 and \$6,052,734 or 8.41% in 2022. Net capital assets increased \$2,184,314 or 4.55% in 2023 compared to an increase of \$2,484,409 or 5.45% in 2022.

The District's current liabilities decreased \$93,121 or 0.98% in 2023 compared to an increase of \$141,881 or 1.51% in 2022. Long-term liabilities increased \$597,472 or 2.40% in the current year, which includes the net pension liability of \$3,939,356 for participation in the Wisconsin Retirement System.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF NET POSITION – JUNE 30, 2023 (Continued)**

The components of the statement of net position are summarized in Table 3:

	2023	2022	Change	Percent Change
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 9,826,698	\$ 6,822,006	\$ (2,996,548)	-43.9%
Net Pension Asset	-	6,030,006	(6,030,006)	-100.0%
Net Capital Assets*	40,236,293	48,081,976	(7,844,683)	-16.3%
Other Assets	8,036,073	7,784,416	251,657	3.2%
Total Assets	58,098,970	68,638,404	(10,539,434)	-15.3%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to Pension	4,233,634	11,316,527	(7,082,893)	-62.6%
Related to Other Postemployment Benefits	56,221	50,854	5,367	10.5%
Total Deferred Outflows of Resources	4,289,855	11,367,381	(7,077,526)	-62.3%
<b>LIABILITIES</b>				
Current Liabilities*	9,449,070	8,542,351	906,719	10.6%
Long-Term Liabilities*	25,493,248	24,864,748	628,500	2.5%
Total Liabilities	34,942,318	33,407,099	1,535,219	4.6%
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to Pension	6,291,669	4,207,085	2,084,584	49.5%
Related to Other Postemployment Benefits - Health Insurance	231,721	71,336	160,385	224.8%
Total Deferred Inflows of Resources	6,523,390	4,278,421	2,244,969	52.5%
<b>NET POSITION</b>				
Net Invested in Capital Assets	26,642,016	21,843,910	4,798,106	21.9%
Restricted for Pension	-	6,030,006	(6,030,006)	-100.0%
Restricted for Student Financial Aid	627,111	642,151	(15,040)	-2.3%
Restricted for Capital Projects	889,488	938,507	(49,019)	-5.2%
Restricted for Debt Service	1,603,523	2,280,895	(677,372)	-29.7%
Unrestricted	4,990,949	8,761,572	(3,770,623)	-43.0%
Total Net Position	\$ 44,553,087	\$ 41,286,951	\$ 3,266,136	7.9%

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF NET POSITION – JUNE 30, 2022**

The Statement of Net Position includes all assets, (items that the District owns and amounts that are owed to the District by others) and liabilities (amounts the District owes to others and what has been collected from others prior to providing the services). This statement is prepared using the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to the District, regardless of when cash is exchanged.

Total net position increased \$4,678,097 or 12.78% in 2022 compared to an increase of \$1,734,655 or 4.97% in 2021. The District ended its fiscal year with net position of \$41,281,454 in 2022 of which \$21,642,912 was net investment in capital assets, \$6,030,006 was restricted for the net pension asset, \$642,161 was restricted for student financial aid, \$933,507 was restricted for capital projects, \$2,280,896 was restricted for debt service assistance, and \$9,751,972 was unrestricted net position. Unrestricted net position represents the amount of discretionary resources that can be used to fund general District operations.

Total assets increased \$4,477,576 or 6.09% in 2022 and \$1,575,158 or 2.19% in 2021. Net capital assets increased \$2,484,409 or 5.45% in 2022 compared to a decrease of \$823,011 or 1.77% in 2021.

The District's current liabilities decreased \$141,881 or 1.51% in 2022 compared to an increase of \$827,525 or 9.65% in 2021.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**STATEMENT OF NET POSITION (continued)**

The components of the statement of net position are summarized in Table 4:

	2022	2021	Change	Percent Change
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 8,603,236	\$ 8,673,270	\$ (70,034)	-0.79%
Net Pension Asset	8,039,009	4,738,443	3,300,566	27.26%
Net Capital Assets*	85,261,978	84,867,869	394,109	0.46%
Other Assets	779,443	8,603,775	(7,824,332)	-90.12%
Total Assets	<u>100,683,666</u>	<u>106,923,357</u>	<u>(6,239,691)</u>	<u>-5.84%</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to Pension	113,652	7,278,208	(7,164,556)	-98.44%
Related to Other Postemployment Benefits	580,654	749,847	(169,193)	-22.57%
Total Deferred Outflows of Resources	<u>694,306</u>	<u>7,998,055</u>	<u>(7,303,749)</u>	<u>-91.31%</u>
<b>LIABILITIES</b>				
Current Liabilities*	19,582,891	8,400,340	11,182,551	133.11%
Long-Term Liabilities*	24,864,749	24,987,567	(122,818)	-0.49%
Total Liabilities	<u>44,447,640</u>	<u>33,387,907</u>	<u>11,059,733</u>	<u>33.12%</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to Pension	14,207,095	10,294,531	3,912,564	38.08%
Related to Other Postemployment Benefits - Health Insurance	71,236	324,157	(252,921)	-77.99%
Total Deferred Inflows of Resources	<u>14,278,331</u>	<u>10,618,688</u>	<u>3,659,643</u>	<u>34.47%</u>
<b>NET POSITION</b>				
Net Invested or Capital Assets	216,423,923	20,223,889	196,200,034	970.35%
Retained for Pension	6,030,008	4,738,443	1,291,565	27.26%
Retained for Student Financial Aid	642,161	521,622	120,539	23.12%
Retained for Capital Projects	933,807	827,881	105,926	12.81%
Retained for Debt Service	2,280,896	2,230,697	50,199	2.25%
Unrestricted	9,761,972	8,062,025	1,699,947	20.96%
Total Net Position	<u>\$ 236,082,767</u>	<u>\$ 36,005,357</u>	<u>\$ 200,077,410</u>	<u>555.67%</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**CAPITAL ASSET AND DEBT ADMINISTRATION – JUNE 30, 2023**

**Capital Assets**

At June 30, 2023, the District had \$85,914,829 in capital assets, including land, construction in progress, land improvements, buildings and improvements, moveable equipment, and right-to-use assets from leases and subscriptions. Total accumulated depreciation/amortization on these assets was \$35,678,537. Asset acquisitions totaled \$6,330,283. Asset disposals totaled \$193,210 net of related accumulated depreciation/amortization of \$167,483. The District recognized depreciation/amortization expense of \$4,120,242. Detailed information about capital assets can be found in Note 3 to the financial statements.

**Long-term Debt**

As of June 30, 2023, the District had \$19,960,000 in general obligation debt outstanding compared to \$22,555,000 in 2022. The District maintained its Aa2 rating from Moody's Investor service on its current and outstanding long-term debt. Debt service requirements of the District are current and are secured by a tax levy adopted by the District Board. Wisconsin statutes require that the first property tax receipts be segregated for annual debt service payments. All general obligation debt for equipment is repaid in five years, while debt related to building and major remodeling is repaid in 10-20 years. The current debt adequately replaces and expands the equipment and facility needs of the District. Detailed information about the District's long-term debt is presented in Note 4 to the financial statements.

**CAPITAL ASSET AND DEBT ADMINISTRATION – JUNE 30, 2022**

**Capital Assets**

At June 30, 2022, the District had \$79,777,756 in capital assets, including land, construction in progress, land improvements, buildings and improvements, moveable equipment, and right-to-use assets from leases and subscriptions. Total accumulated depreciation/amortization on these assets was \$31,725,778. Asset acquisitions totaled \$3,708,925. Asset disposals totaled \$244,989 net of related accumulated depreciation/amortization of \$219,321. The District recognized depreciation/amortization expense of \$3,822,951. Detailed information about capital assets can be found in Note 3 to the financial statements.

**Long-term Debt**

As of June 30, 20232022, the District had \$22,555,000 in general obligation debt outstanding compared to \$24,010,000 in 2022. The District maintained its Aa2 rating from Moody's Investor service on its current and outstanding long-term debt. Debt service requirements of the District are current and are secured by a tax levy adopted by the District Board. Wisconsin statutes require that the first property tax receipts be segregated for annual debt service payments. All general obligation debt for equipment is repaid in five years, while debt related to building and major remodeling is repaid in 10-20 years. The current debt adequately replaces and expands the equipment and facility needs of the District. Detailed information about the District's long-term debt is presented in Note 4 to the financial statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**FINANCIAL POSITION – JUNE 30, 2023**

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

Moody's "Aa2" rating reflects the District's broad tax base in southwestern Wisconsin (Aa1 stable) with solid resident incomes and stabilizing enrollment following a few years of declines driven by the coronavirus pandemic. The rating also reflects the maintenance of strong financial reserves and liquidity despite limited revenue raising ability that is constrained by state control of tuition and fee increases. The District's debt and pension liabilities are modest.

**FINANCIAL POSITION – JUNE 30, 2022**

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

Moody's "Aa2" rating reflects the District's broad tax base in southwestern Wisconsin (Aa1 stable) with solid resident incomes and stabilizing enrollment following a few years of declines driven by the coronavirus pandemic. The rating also reflects the maintenance of strong financial reserves and liquidity despite limited revenue raising ability that is constrained by state control of tuition and fee increases. The District's debt and pension liabilities are modest.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**ECONOMIC FACTORS – YEAR ENDED JUNE 30, 2023**

The region's current economy, persistent inflationary pressures and recessionary risks causes considerable concern for future budgets. The District's strengths in countering an economic turndown are summarized in the following statements:

- The District's newly granted authority to offer associate level collegiate transfer programs directly and the gains made in articulation agreements with other institutions of higher learning provide options for students to fulfill program requirements locally and finish with minimal time elsewhere.
- Unique programs such as Golf Course Management, Midwifery and online programs/courses draw students from outside of the District and state.
- The District is 1 of 2 colleges in the state technical college system that provide student housing on directly on campus. This benefits students that decide not to commute or reside further than reasonable daily travel distances.
- The level of our fund balances affords us time and flexibility to adjust to changing conditions.
- Capital financing through debt service allows us to keep pace with current technology and other modern advancements.

Southwest Wisconsin Technical College faces challenges among which are:

- Limited revenue generating flexibility due to state-imposed levy restrictions
- Weak resident income levels

These challenges make the execution of the budget a continuous work in progress as adjustments need to occur when revenue sources change. The District has effectively survived previous difficult times and is a stronger institution as a result of it. The current financial position of the District allows us the flexibility to adjust to change and maintain this positive status in the future.

**ECONOMIC FACTORS – YEAR ENDED JUNE 30, 2022**

The current state's economy coupled with the state's continuing budget challenges causes considerable concern for future funding levels. The District's strengths in countering an economic turndown are summarized in the following statements:

- The District has articulation agreements with other institutions of higher learning that provide options for students to fulfill program requirements locally and finish with minimal time elsewhere.
- Unique programs such as Golf Course Management, Midwifery and online programs/courses draw students from outside of the district and state.
- The District is 1 of 2 colleges in the state technical college system that provide student housing on campus. This benefits students that decide not to commute or reside further than reasonable daily travel distances.
- The level of our fund balances affords us time and flexibility to adjust to changing conditions.
- Capital financing through debt service allows us to keep pace with current technology.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEARS ENDED JUNE 30, 2023 AND 2022**

**ECONOMIC FACTORS – YEAR ENDED JUNE 30, 2022 (Continued)**

Southwest Wisconsin Technical College faces challenges among which are:

- Limited revenue generating flexibility due to state imposed levy restrictions
- Declining enrollment trend
- Weak resident income levels

These challenges make the execution of the budget a continuous work in progress as adjustments need to occur when revenue sources change. The District has effectively survived previous difficult times and is a stronger institution as a result of it. The current financial position of the District allows us the flexibility to adjust to change and maintain this positive status in the future.

**CONTACTING SOUTHWEST WISCONSIN TECHNICAL COLLEGE'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Caleb White, Vice President for Administrative Services, 1800 Bronson Boulevard, Fennimore, WI 53809.

Additional information about Southwest Wisconsin Technical College and its services can also be found at <http://www.swtc.edu>.

**Basic Financial Statements**

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**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
STATEMENTS OF NET POSITION  
JUNE 30, 2023 AND 2022**

	District		Foundation	
	2023	2022 - Restated	2023	2022
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	\$ 13,826,888	\$ 16,183,236	\$ 1,359,693	\$ 1,557,184
Taxes Receivable	3,416,143	3,374,341	-	-
Accounts Receivable	163,186	163,282	413,683	161,410
Student Accounts Receivable, Net	634,762	586,328	-	-
Due from Other Governments	1,811,918	406,199	-	-
WTCEBC Consortium	2,865,645	2,399,438	-	-
Inventories	162,624	473,181	-	-
Prepaid Expenses	81,796	392,644	78	-
Total Current Assets	<u>22,962,761</u>	<u>23,977,649</u>	<u>1,773,354</u>	<u>1,628,604</u>
<b>NON CURRENT ASSETS</b>				
Net Pension Asset	-	6,030,006	-	-
Investments	-	-	5,109,027	5,415,630
Accounts Receivable	-	-	367,131	362,177
Capital Assets not Being Depreciated/Amortized	3,287,231	2,602,504	80,000	80,000
Capital Assets Being Depreciated/Amortized, Net	46,949,061	45,449,474	2,868,944	2,980,017
Total Noncurrent Assets	<u>50,236,292</u>	<u>54,081,984</u>	<u>9,425,102</u>	<u>8,835,724</u>
Total Assets	<u>73,199,053</u>	<u>78,059,633</u>	<u>11,198,456</u>	<u>10,364,328</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to Pension	14,233,694	11,316,527	-	-
Related to Other Postemployment Benefits	515,221	590,654	-	-
Total Deferred Outflows of Resources	<u>14,748,915</u>	<u>11,907,181</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable and Other Current Liabilities	1,315,574	1,051,304	56,288	13,306
Accrued Salaries and Benefits	385,767	323,908	-	-
Accrued Interest	57,533	56,007	-	-
Deferred Revenue	548,803	596,864	-	-
Current Portion of Compensated Absences/Termination Benefits	1,001,334	896,341	-	-
Current Portion of Lease Liability	52,720	49,595	-	-
Current Portion of Subscription Liability	585,389	290,776	-	-
Current Portion of Long-Term Debt	5,060,000	5,795,000	107,260	103,736
Current Portion of Other Postemployment Benefits	441,950	488,396	-	-
Total Current Liabilities	<u>9,449,070</u>	<u>9,542,191</u>	<u>163,548</u>	<u>117,042</u>
<b>NONCURRENT LIABILITIES</b>				
Compensated Absences/Termination Benefits	1,576,481	1,946,307	-	-
Lease Liability	401,970	454,698	-	-
Subscription Liability	2,139,010	2,462,966	-	-
Long-Term Debt	14,900,000	15,750,000	1,878,068	1,985,335
Unamortized Debt Premiums	455,185	595,031	-	-
Net Pension Liability	3,939,356	-	-	-
Other Postemployment Benefits	2,050,210	2,644,746	-	-
Total Noncurrent Liabilities	<u>25,462,220</u>	<u>24,854,748</u>	<u>1,878,068</u>	<u>1,985,335</u>
Total Liabilities	<u>34,911,290</u>	<u>34,406,939</u>	<u>2,041,616</u>	<u>2,102,377</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to Pension	8,251,869	14,207,065	-	-
Related to Other Postemployment Benefits	231,721	71,336	-	-
Total Deferred Inflows of Resources	<u>8,483,590</u>	<u>14,278,421</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	26,642,010	21,642,912	963,816	970,946
Restricted	-	-	-	-
Net Pension Asset	-	6,030,006	-	-
Student Financial Assistance	827,111	842,161	-	-
Capital Projects	689,489	933,507	-	-
Debt Service	1,603,529	2,200,896	-	-
Donor Restrictions	-	-	7,517,913	6,774,725
Unrestricted	<u>14,990,949</u>	<u>9,751,972</u>	<u>675,311</u>	<u>516,280</u>
Total Net Position	<u>\$ 44,553,088</u>	<u>\$ 41,281,454</u>	<u>\$ 9,166,640</u>	<u>\$ 8,261,951</u>

See accompanying Notes to Financial Statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED JUNE 30, 2023 AND 2022**

	District		Foundation	
	2023	2022 - Restated	2023	2022
<b>OPERATING REVENUES</b>				
Tuition and Fees				
Program Fees (Net of \$414,793 and \$299,439 Scholarship Allowances, Respectively	\$ 4,490,977	\$ 4,343,652	\$ -	\$ -
Material Fees (Net of \$23,673 and \$16,822 Scholarship Allowances, Respectively	256,308	244,019	-	-
Other Student Fees (Net of \$84,461 and \$52,450 Scholarship Allowances, Respectively	914,463	760,838	-	-
State Grants and Contracts	2,766,472	2,282,755	-	-
Federal Grants and Contracts	2,039,617	610,167	-	-
Non-Governmental Grants and Contracts	3,440,445	2,482,102	-	-
Auxiliary Enterprise Services	1,219,677	1,290,765	-	-
Contributions and Other Support	-	-	1,402,653	2,148,154
Rental Income	-	-	646,730	539,544
<b>Total Operating Revenues</b>	<b>15,127,959</b>	<b>12,014,298</b>	<b>2,049,383</b>	<b>2,687,698</b>
<b>OPERATING EXPENSES</b>				
Instruction	14,502,521	12,912,684	-	-
Instructional Resources	305,653	256,631	-	-
Student Services	3,451,777	2,875,055	-	-
General Institution	5,696,150	5,783,520	-	-
Physical Plant	2,255,200	1,206,054	-	-
Auxiliary Enterprise Services	1,761,297	1,498,147	-	-
Depreciation/Amortization	4,120,242	3,822,951	-	-
Student Aid	3,185,804	4,835,431	-	-
Program Activities and Other	-	-	1,748,893	1,333,552
<b>Total Operating Expenses</b>	<b>35,278,644</b>	<b>33,190,473</b>	<b>1,748,893</b>	<b>1,333,552</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(20,150,685)</b>	<b>(21,176,175)</b>	<b>300,490</b>	<b>1,354,146</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State Appropriations	9,505,046	8,939,917	-	-
Federal Appropriations	2,833,756	6,156,729	-	-
Local Property Taxes	11,530,419	11,373,622	-	-
Loss on Disposal of Capital Assets	(25,727)	(25,668)	(61,974)	-
Investment Income (Loss)	215,866	50,391	656,373	(1,118,115)
Interest Expense	(637,041)	(640,719)	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>23,422,319</b>	<b>25,854,272</b>	<b>594,399</b>	<b>(1,118,115)</b>
<b>CHANGE IN NET POSITION</b>	<b>3,271,634</b>	<b>4,678,097</b>	<b>894,889</b>	<b>236,031</b>
Net Position - Beginning of Year	41,281,454	36,603,357	8,261,951	8,025,920
<b>NET POSITION - END OF YEAR</b>	<b>\$ 44,553,088</b>	<b>\$ 41,281,454</b>	<b>\$ 9,156,840</b>	<b>\$ 8,261,951</b>

See accompanying Notes to Financial Statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2023 AND 2022**

	<u>2023</u>	<u>2022 - Restated</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and Fees Received	\$ 5,575,253	\$ 5,196,714
Federal and State Grants Received	4,806,089	2,892,922
Business, Industry, and School District Contract Revenues Received	3,440,541	2,591,778
Payments to Employees for Operating Payroll	(24,843,095)	(26,005,794)
Payments to Suppliers	(5,650,965)	(6,391,997)
Auxiliary Enterprise Revenues Received	1,219,677	1,290,765
Net Cash Used by Operating Activities	<u>(15,452,500)</u>	<u>(20,425,612)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Local Property Taxes Received	11,488,617	11,492,441
State Appropriations Received	9,505,046	8,939,917
Federal Grants Received	1,428,037	7,502,259
Net Cash Provided by Noncapital Financing Activities	<u>22,421,700</u>	<u>27,934,617</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(5,830,756)	(3,349,134)
Lease Payments	(49,595)	(59,720)
Subscription Payments	(287,902)	(368,107)
Proceeds from Issuance of Debt	4,000,000	4,000,000
Premium on Debt Issue	193,240	14,376
Debt Retired	(6,595,000)	(5,455,000)
Interest Paid	(971,801)	(831,845)
Net Cash Used by Capital and Related Financial Activities	<u>(9,541,614)</u>	<u>(6,049,430)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income Received	<u>215,866</u>	<u>50,391</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(2,356,548)</u>	<u>1,509,966</u>
Cash and Cash Equivalents - Beginning of Year	<u>16,183,236</u>	<u>14,673,270</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 13,826,688</u>	<u>\$ 16,183,236</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION</b>		
Acquisition and Construction of Capital Assets Included in Accounts Payable	<u>\$ 612,404</u>	<u>\$ 371,436</u>
Noncash Acquisition of Right-to-Use Assets - Subscriptions	<u>\$ 258,559</u>	<u>\$ 470,036</u>

See accompanying Notes to Financial Statements.

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**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2023 AND 2022**

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	2023	2022 - Restated
Operating Loss	\$ (20,150,685)	\$ (21,176,175)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Depreciation/Amortization	4,120,242	3,822,951
(Increase) Decrease in Assets:		
Accounts Receivable	96	109,676
Student Accounts Receivable, Net	(48,434)	15,212
Inventories	310,557	(31,858)
Prepaid Expenses and Other Assets	(156,358)	(749,017)
Net Pension Asset/Liability	9,969,362	(1,291,563)
(Increase) Decrease in Deferred Outflows of Resources:		
Pension	(2,917,167)	(3,938,319)
OPEB	75,433	158,993
Increase (Decrease) in Liabilities:		
Accounts Payable and Other Current Liabilities	23,302	185,558
Accrued Salaries and Benefits	61,859	(72,922)
Compensated Absences	(266,833)	(342,113)
Unearned Revenue	(38,061)	(167,007)
Post-Employment Benefits	(640,982)	(508,761)
Increase (Decrease) in Deferred Inflows of Resources:		
Pension	(5,955,216)	3,812,554
OPEB	160,385	(252,821)
Total Net Cash Used by Operating Activities	\$ (15,452,500)	\$ (20,425,612)

*See accompanying Notes to Financial Statements.*

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**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Southwest Wisconsin Technical College (the District), comprised of five full Southwest Wisconsin counties and portions of four others, became operational on July 1, 1967, pursuant to Chapter 292, Laws of Wisconsin of 1965. The geographic area of the District is comprised of most of Crawford, Grant, Iowa, Lafayette, and Richland counties and part of Dane, Green, Sauk, and Vernon counties covering 3,800 square miles. There are 30 public K-12 school districts within the District boundaries.

The District is governed by a nine-member District Board elected by the 30 school district boards comprising the District. Pursuant to Wisconsin Statute, the District Board consists of two employer members, two employee members, three additional members, one elected official member who holds a state or local office, and one school district administrator. Board members serve staggered three-year terms. The District Board powers are established under the provisions of Chapter 38 of the Wisconsin Statutes and include:

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

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles.

**Reporting Entity**

The reporting entity of the District consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable, or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of an organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of an organization's governing body and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government or its constituents; (2) the primary government is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government is entitled to, or has the ability to otherwise access, are significant to the primary government.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Reporting Entity (Continued)**

The Southwest Wisconsin Technical College Foundation, Inc. (Foundation), is a nonprofit corporation whose purpose is to solicit, hold, manage, invest, and expend endowment funds and other gifts, grants, and bequests exclusively for the maintenance and benefit of the District. The Foundation includes the Southwest Wisconsin Technical College Real Estate Foundation, Inc. (REF) as a consolidated entity. REF was formed for the purpose of acquiring, developing, and holding real estate for the benefit of the District. The Foundation and REF are each managed by an independent board of directors. REF is operated, supervised, and controlled by the Foundation. The District provides office space, certain equipment and furnishings, most related utility services and some insurance coverage to the Foundation without charge. The Foundation's resources are almost entirely for the benefit of the District and the "entitlement/ability to access" criterion is met because the Foundation has a history of supporting the District with its economic resources, the financial resources of the Foundation are significant to the District as a whole and accordingly, the Foundation is presented as a discretely presented component unit of the District.

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

**Basis of Accounting and Financial Statement Presentation**

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

**Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires the District to make estimates and assumptions that affect the reported amounts of assets, deferred inflows and outflows of revenues and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position**

**Cash and Cash Equivalents**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the Local Government Investment Pool, and short-term investments with original maturities less than 90 days from date of acquisition.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position  
(Continued)

Cash and Cash Equivalents (Continued)

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

The District is limited to investments authorized by Wisconsin State Statute 66.0603 including the following:

1. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in the state if the time deposits mature in not more than three years.
2. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board, or other instrumentality of the federal government.
3. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state, as well as bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, the University of Wisconsin Hospitals and Clinics Authority, a local cultural arts district, or the Wisconsin Aerospace Authority.
4. Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's corporation, Moody's investors service, or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
5. Securities of an open-end management investment company or investment trust, with certain limitations:
  - a. Bonds or securities issued under the authority of the municipality.
  - b. The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes; the state of Wisconsin local government investment fund (LGIP).
  - c. Agreements in which a public depository agrees to repay funds advanced to it by the District, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
  - d. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
  - e. Repurchase agreements with public depositories, with certain conditions.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position  
(Continued)

Inventories

Inventories of books and supplies are stated at the lower of cost or market; cost is determined using the first-in, first-out method. Instructional and administrative inventories are expensed as incurred.

Capital Assets

Capital assets are reported at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value at the time of receipt.

The costs of maintenance and repairs are charged to operations as incurred. Equipment assets having a cost of \$500 or more per unit and building or remodeling projects of \$15,000 or more are capitalized. Depreciation on buildings and equipment is provided in amounts sufficient to relate the cost of depreciable assets to operations on the straight-line basis over the estimated useful life of the asset, which range from four to ten years for equipment and fifty years for buildings and remodeling.

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

Leases

The District is a lessee for building space and recognizes a lease liability and an intangible right-to-use lease asset based on the criteria dictated in GASB Statement No. 87 – *Leases*. At the commencement of a lease, the District determines if the lease is a financed purchased lease or a right-to-use lease based on the criteria in GASB Statement No. 87 – *Leases*. The District then measures the lease liability at the present value of payments expected to be made during the lease term. During the lease term, the lease liability is reduced by the principal portion of lease payments made.

An intangible right-to-use lease asset is initially measured as the amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The intangible right-to-use lease asset is amortized on a straight-line basis over the term of the lease. The intangible right-to-use lease asset is reported with the District's capital assets in a stand-alone Leased Assets (Right to Use) category.

The District utilizes estimates and judgements to determine (1) the discount rate used to discount expected lease payments to present value, (2) lease term, and (3) lease payments.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position  
(Continued)

Leases (Continued)

The District uses the interest rate charged by the lessor as the discount rate when the lessor provides it. If the interest rate is not provided, the District uses its estimated incremental borrowing rate as the discount rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the District is reasonably certain to exercise. The District accounts for lease and nonlease components separately when possible. In cases where the lease does not provide separate cost information for lease and nonlease components, the District treats the components as a single lease unit if it is impractical to estimate cost information. The District monitors changes in circumstances that would require re-measurement of the lease asset and liability.

Property Tax and Taxes Receivable

The District Board, under Section 38.16 of the Wisconsin Statutes, may levy a tax not to exceed 1.5 mills on the full value of taxable property within the area served by the District for the purposes of operating and maintaining schools. The mill rate limitation is not applicable to taxes levied for the purposes of paying principal and interest on general obligation debt issued by the District that is used for capital improvements and equipment additions.

The District's operational mill rate was .44533 and .50646 mills for fiscal years ending 2023 and 2022, respectively. The debt service mill rate was .57790 and .62064 for the fiscal years ending 2023 and 2022, respectively.

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

The following dates are pertinent to the District's tax calendar:

Levy Date	Month of October
Tax Bills are Mailed	Month of October
Payments	
Taxes Paid in One Installment	January 31
Taxes Paid in Two Installments:	
First Installment Due	January 31
Second Installment Due	July 31

Historically, the District has received the majority of its property tax levy from municipalities in the fiscal year for which the taxes were levied. However, in most fiscal years, a portion of such revenues has been receivable at year-end because the second installment of real estate taxes and delinquent taxes is not required to be collected by the county treasurer until the month of August following the District's year-end.



SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position  
(Continued)

Compensated Absences

The District employees are granted vacation and sick leave benefits in varying amounts in accordance with the District policies. In the event of retirement, death or resignation of an employee, the District is obligated to pay for all unused vacation days. All vacation is accrued when earned as accrued compensated absences in the statement of net position.

Pensions

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

Post-Employment Benefits

For employees hired prior to July 1, 2006, the District's employee fringe benefit program includes a provision which allows academic, administrative, and support staff to be carried with the group insurance plan or plans at their own expense after retirement or layoff. However, the Board will continue to pay health insurance premiums based on type of employee and years of service or number of accumulated hours of sick leave.

For employees, any academic staff, administrative staff, or support staff with less than 13 years of service to the District that retire under the Wisconsin Retirement System or are laid off, one-half of their unused accumulated sick leave at full pay will be used to continue the payment of health insurance premiums at the time of retirement or layoff.

At time of separation, support staff with 13 or more years of service to the District will have one year of health insurance premiums banked to pay future post separation premiums. Those with 15 or more years of service to the District will have two years of health insurance premiums banked to pay future post separation premiums. Those with 17 or more years of service will have three years of health insurance premiums banked to pay future separation premiums.

Academic and administrative staff with 13 or more years of service to the District will have three years of health insurance premiums banked to pay future separation premiums. Those with 15 or more years of service will have four years of health insurance premiums banked to pay future post separation premiums. Those with 17 or more years of service will have five years of health insurance premiums banked to pay future post separation premiums.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position  
(Continued)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. The District has deferred outflows as of June 30, 2023 and 2022 related to pension and OPEB activity.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows as of June 30, 2023 and 2022 related to pension and OPEB activity.

Fees and Tuition

Fees and tuition are recorded as revenue in the period in which the related activity or instruction takes place. Revenues for the summer semester are prorated on the basis of student class days occurring before and after June 30. The District's student fee receivable is stated at amounts due from students, net of an allowance for doubtful accounts. Amounts outstanding longer than the agreed upon payment terms are considered past due. The District determines its allowance for doubtful accounts by considering a number of factors including length of time amounts are past due, the District's previous loss history and the student's ability to pay his or her obligation. The District writes off receivables when they become uncollectible, and payments subsequently collected on such receivables are credited to the allowance for doubtful accounts.

State and Federal Revenues

The District receives funding from various federal and state contracts and grants. These revenues are earned as expenses are incurred. Such expenses may be incurred during the grantor's fiscal period, which may be different than that of the District. The District participates in federally funded Pell Grants, SEOG Grants, Federal Work Study and Federal Direct Student Loan Programs.



SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position  
(Continued)

Scholarship Allowances and Student Aid

Financial aid to students is reported in the financial statements under the following method: All aid is reflected in the basic financial statements as operating expenses or scholarship allowances, which reduce revenues. The District receives and disburses cash and, as a result, must record all federal and state loan funds as federal and state grants, and the crediting of the funds to the student's account as student aid expense. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

Classification of Revenue and Expense

The District has classified its revenue and expenses as either operating or nonoperating according to the following criteria:

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

***Nonoperating revenues/expenses*** – Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions. Nonoperating revenues as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. These revenues include gifts and contributions, and other revenue sources.

Self-Insurance

The District is self-insured for health and dental coverage. The District accounts for its medical self-insurance program in an internal service fund. The purpose of this fund is to pay medical insurance claims of the District employees and their covered dependents and to minimize the total costs of annual insurance to the District. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year-end, including claims incurred, but not yet reported. The amounts not reported to the District were determined by the Plan administrator.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position  
(Continued)

Net Position

Net position is classified according to restrictions on availability of assets for satisfaction of the District's obligations.

**Net investment in capital assets:** The value of capital assets (land, buildings, equipment, and intangible right-to-use assets) less the debt incurred to acquire or construct the assets plus the borrowed resources not yet expended, but restricted for capital purchases.

**Restricted net position:** Restricted net position includes resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

- Restricted net position for debt service can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose.
- Restricted net position for student financial assistance can only be used for student financial assistance activities.
- Restricted net position for capital projects can only be used to finance the acquisition of land, building, building improvements, and equipment.
- Restricted net position for net pension asset can only be used for future pension-related obligations.

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

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Adoption of New Accounting Standard

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*.** In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. The District adopted the requirements of the guidance during the year ended June 30, 2023, and has applied the provisions of this standard to the beginning of the earliest comparative period presented.

**NOTE 2 CASH AND CASH EQUIVALENTS**

The District's cash and cash equivalents consist of the following at June 30:

	2023	2022	Risk
Cash and Cash Equivalents:			
Cash on Hand	\$ 2,940	\$ 2,940	
Deposit Accounts	4,413,435	14,945,010	Custodial Credit
Local Government Investment Pool	9,410,313	1,235,288	Credit and Interest Rate
Total Cash and Cash Equivalents	<u>\$ 13,826,688</u>	<u>\$ 16,183,236</u>	

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District would not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

**Custodial Credit Risk (continued)**

Deposits in each local and area bank are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. As of June 30, the following table represents the District's custodial credit risk:

	2023	2022
Bank Balances - Deposit Accounts	\$ 4,662,569	\$ 15,246,178
Amounts Secured by FDIC Coverage or Collateral Agreements	(4,662,569)	(15,246,178)
Custodial Credit Risk Exposure	\$ -	\$ -

For investments, custodial credit risk is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to the transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investment policy minimizes credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio. Individual securities may not exceed 5% of the market value of the portfolio at the time of purchase with the exception of U.S. Government issues fully guaranteed as to both principal and interest by the U.S. government or agencies thereof, shares of open-ended investment companies, the LGIP, or the Wisconsin Investment Series Cooperative (WISC). The LGIP and WISC do not carry a credit quality rating.

At June 30, 2023 and 2022, the District did not hold any investments other than funds with the LGIP, which are classified as cash equivalents in the financial statements.

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the maturity of any security to no more than five years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is less. The policy indicates that the investment portfolio should be structured so that securities mature to meet the cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The policy sets a maximum duration range of two years with a target duration of one year. As of June 30, 2023 and 2022, the LGIP investments have a maturity of 12 months or less.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 3 CAPITAL ASSETS**

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

	Balance 7/1/2022	Additions	(Deletions)	Balance 6/30/2023
<b>Capital Assets not Being Depreciated/Amortized</b>				
Land	\$ 1,022,011	\$ -	\$ -	\$ 1,022,011
Construction in Progress	1,580,493	1,679,365	(994,638)	2,265,220
<b>Total Capital Assets not Being Depreciated/Amortized</b>	<b>2,602,504</b>	<b>1,679,365</b>	<b>(994,638)</b>	<b>3,287,231</b>
<b>Capital Assets Being Depreciated/Amortized</b>				
Right-to-Use Assets - Leases	595,704	-	-	595,704
Right-to-Use Assets - Subscriptions	3,121,849	258,559	(40,843)	3,339,565
Land Improvements	692,735	6,077	-	698,812
Buildings and Improvements	44,420,583	422,406	(17,198)	44,825,803
Equipment	28,344,381	4,868,514	(135,181)	33,167,714
<b>Total Capital Assets Being Depreciated/Amortized</b>	<b>77,176,252</b>	<b>5,645,556</b>	<b>(193,210)</b>	<b>82,627,598</b>
<b>Less: Accumulated Depreciation/Amortization for</b>				
Right-to-Use Assets - Leases	117,312	58,656	-	175,968
Right-to-Use Assets - Subscriptions	384,941	434,259	(40,843)	778,357
Land Improvements	352,082	31,134	-	383,216
Buildings and Improvements	13,227,788	1,279,561	(8,402)	14,498,938
Equipment	17,643,654	2,316,842	(118,238)	19,842,058
<b>Total Accumulated Depreciation/Amortization</b>	<b>31,725,779</b>	<b>4,120,242</b>	<b>(167,483)</b>	<b>35,678,537</b>
<b>Total Capital Assets Being Depreciated/Amortized, Net</b>	<b>45,449,474</b>	<b>1,525,314</b>	<b>(25,727)</b>	<b>46,949,061</b>
<b>Net Capital Assets</b>	<b>48,051,978</b>	<b>\$ 3,204,679</b>	<b>\$ (1,020,365)</b>	<b>60,236,292</b>
<b>Less: General Obligation Debt</b>	<b>(25,151,031)</b>			<b>(20,415,185)</b>
<b>Less: Subscription Liability</b>	<b>(2,753,742)</b>			<b>(2,724,389)</b>
<b>Less: Lease Liability</b>	<b>(504,293)</b>			<b>(454,698)</b>
<b>Total Net Investment in Capital Assets</b>	<b>\$ 21,642,912</b>			<b>\$ 26,842,010</b>

\*Amounts have been adjusted from the prior year and restated for the implementation of GASB Statement No. 96.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 3 CAPITAL ASSETS (CONTINUED)**

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

	Balance <sup>1</sup> 7/1/2021	Additions <sup>2</sup>	(Deletions) <sup>3</sup>	Balance <sup>1</sup> 6/30/2022
<b>Capital Assets not Being Depreciated/Amortized</b>				
Land	\$ 1,022,011	\$ -	\$ -	\$ 1,022,011
Construction in Progress	32,971	1,575,232	(27,710)	1,580,493
<b>Total Capital Assets not     Being Depreciated/Amortized</b>	<b>1,054,982</b>	<b>1,575,232</b>	<b>(27,710)</b>	<b>2,602,504</b>
<b>Capital Assets Being Depreciated/Amortized</b>				
Right-to-Use Assets - Leases	595,704	-	-	595,704
*Right-to-Use Assets - Subscriptions	2,651,813	470,036	-	3,121,849
Land Improvements	692,735	-	-	692,735
Buildings and Improvements	44,218,398	202,185	-	44,420,583
Equipment	27,127,898	1,461,472	(244,989)	28,344,381
<b>Total Capital Assets     Being Depreciated/Amortized</b>	<b>75,286,548</b>	<b>2,133,693</b>	<b>(244,989)</b>	<b>77,175,252</b>
<b>Less: Accumulated Depreciation/Amortization for</b>				
Right-to-Use Assets - Leases	58,656	58,656	-	117,312
*Right-to-Use Assets - Subscriptions	-	384,941	-	384,941
Land Improvements	319,080	33,002	-	352,082
Buildings and Improvements	11,968,288	1,261,501	-	13,227,789
Equipment	15,778,124	2,084,851	(219,321)	17,643,654
<b>Total Accumulated Depreciation/Amortization</b>	<b>28,122,148</b>	<b>3,822,951</b>	<b>(219,321)</b>	<b>31,725,778</b>
<b>Total Capital Assets Being     Depreciated/Amortized, Net</b>	<b>47,164,400</b>	<b>(1,689,258)</b>	<b>(25,668)</b>	<b>45,449,474</b>
<b>Net Capital Assets</b>	<b>48,219,382</b>	<b>\$ (114,026)</b>	<b>\$ (53,378)</b>	<b>48,051,978</b>
<b>Less: General Obligation Debt</b>	<b>(24,808,332)</b>			<b>(23,151,031)</b>
<b>*Less: Subscription Liability</b>	<b>(2,651,813)</b>			<b>(2,753,742)</b>
<b>Less: Lease Liability</b>	<b>(537,048)</b>			<b>(504,293)</b>
<b>Total Net Investment     in Capital Assets</b>	<b>\$ 20,222,188</b>			<b>\$ 21,642,912</b>

<sup>1</sup>Amounts have been adjusted from the prior year and restated for the implementation of GASB Statement No. 96.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 4 LONG-TERM OBLIGATIONS**

Long-term obligations of the District consist of general obligation bonds, general obligation promissory notes, net OPEB liability, compensated absences for vacation and sick pay benefits, and lease liabilities.

Changes in long-term obligations for the years ended June 30 was as follows:

	Balance <sup>*</sup> 7/1/2022	Additions	Reductions	Balance 6/30/2023	Due Within One Year
<b>Notes and Bonds Payable</b>					
General Obligation Bonds	\$ 13,755,000	\$ -	\$ (1,795,000)	\$ 11,960,000	\$ 1,860,000
General Obligation Notes	8,800,000	4,000,000	(4,800,000)	8,000,000	3,200,000
Unamortized Premiums	595,031	193,240	(334,086)	455,185	-
<b>Total Bonds and Notes Payable</b>	<b>23,151,031</b>	<b>4,193,240</b>	<b>(6,929,086)</b>	<b>20,415,185</b>	<b>5,060,000</b>
<b>Other Liabilities:</b>					
<b>Net Other Postemployment</b>					
Liability Benefits - Health Insurance	3,133,142	109,820	(749,802)	2,492,160	441,950
Termination Benefit	2,248,833	4,212	(293,247)	1,959,798	383,317
Accrued Compensated Absences - Vacation	595,815	889,070	(866,868)	618,017	618,017
*Subscription Liability	2,753,742	258,559	(287,902)	2,724,399	585,389
Lease Liability	504,293	-	(49,595)	454,698	52,720
<b>Total Long-Term Liabilities</b>	<b>\$ 32,386,856</b>	<b>\$ 5,253,901</b>	<b>\$ (8,976,500)</b>	<b>\$ 28,664,257</b>	<b>\$ 7,141,393</b>
<b>Balance 7/1/2021</b>					
<b>Notes and Bonds Payable</b>					
General Obligation Bonds	\$ 15,510,000	\$ -	\$ (1,755,000)	\$ 13,755,000	\$ 1,795,000
General Obligation Notes	8,500,000	4,000,000	(3,700,000)	8,800,000	4,000,000
Unamortized Premiums	798,332	14,376	(216,677)	595,031	-
<b>Total Bonds and Notes Payable</b>	<b>24,808,332</b>	<b>4,014,376</b>	<b>(5,671,677)</b>	<b>23,151,031</b>	<b>5,795,000</b>
<b>Other Liabilities:</b>					
<b>Net Other Postemployment</b>					
Liability Benefits - Health Insurance	3,641,503	81,627	(580,399)	3,133,142	488,386
Termination Benefit	2,537,506	12,196	(300,989)	2,248,833	302,526
Accrued Compensated Absences - Vacation	849,155	840,902	(884,242)	595,815	595,815
*Subscription Liability	2,851,813	470,038	(388,107)	2,753,742	290,776
Lease Liability	537,048	-	(32,755)	504,293	49,595
<b>Total Long-Term Liabilities</b>	<b>\$ 34,825,857</b>	<b>\$ 5,219,137</b>	<b>\$ (7,658,138)</b>	<b>\$ 32,386,856</b>	<b>\$ 7,522,108</b>

\*Amounts have been adjusted from the prior year and restated for the implementation of GASB Statement No. 96.

All general obligation debt is secured by the full faith and credit and taxing powers of the District. Long-term debt will be retired by future property tax levies and resources accumulated in the debt service fund.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

Wisconsin State Statute 67.03 (1) limits total general obligation debt of the District to 5% of the equalized value of taxable property located within the district. Wisconsin State Statute 67.03 (9) limits bonded indebtedness of the District to 2% of the equalized value of taxable property, including tax incremental districts. The legal debt limit and the margin of indebtedness, as of June 30 is as follows:

June 30, 2023		
	Bonds	Aggregate
Equalized Value	\$ 13,117,644,361	\$ 13,117,644,361
Debt Limit (2% for Bonds, 5% for Total)	262,352,887	655,882,218
Debt Outstanding at June 30, 2023, Net of Resources Available to Pay Principal	11,960,000	19,960,000
Margin of Indebtedness	\$ 250,392,887	\$ 635,922,218
June 30, 2022		
	Bonds	Aggregate
Equalized Value	\$ 11,579,996,110	\$ 11,579,996,110
Debt Limit (2% for Bonds, 5% for Total)	231,599,922	578,999,806
Debt Outstanding at June 30, 2022, Net of Resources Available to Pay Principal	13,755,000	22,555,000
Margin of Indebtedness	\$ 217,844,922	\$ 556,444,806

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

General obligation debt at June 30, 2023 and 2022 are as follows:

<u>Description</u>	<u>Buyer</u>	<u>2023</u>	<u>2022</u>
2014 \$5,215,000 general obligation refunding bonds payable with annual principal payments of \$30,000-\$575,000 through June 1, 2028, interest at 2.0-3.0%, payable semi-annually June 1 and December 1.	Robert W. Baird	\$ 2,695,000	\$ 3,185,000
2017 \$8,485,000 general obligation refunding bonds payable with annual 3.0% interest only payments until June 2026. Then \$1,555,000 to \$1,690,000 of principal payments annually through 2029.	Robert W. Baird	6,485,000	6,485,000
2018 \$4,000,000 promissory notes payable with annual principal payments of \$814,000 - \$892,400 through June 1, 2023, interest at 5.0%, payable semi-annually on June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	Robert W. Baird	-	800,000
2019 \$7,775,000 general obligation refunding bonds payable with annual principal payments of \$1,313,650 - \$1,460,625 through June 1, 2025, interest with an average rate of 4.0%, payable semi-annually in June 1 and December 1. Proceeds used to finance construction and remodeling.	Robert W. Baird	2,780,000	4,085,000
2020 \$4,000,000 promissory notes payable with annual principal payments of \$800,000 through June 1, 2024, interest at 2.0-4.0%, payable semi-annually on June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	Robert W. Baird	800,000	1,600,000
2021 \$4,000,000 promissory notes payable with annual principal payments of \$900,000 through June 1, 2025, interest at 1.25-2.25%, payable semi-annually on June 1 and December 1. Proceeds used to finance building remodeling and improvements, and equipment purchases.	Robert W. Baird	1,600,000	2,400,000
2022 \$4,000,000 promissory notes payable with annual principal payments of \$800,000 through June 1, 2026, interest at 2.00%, payable semi-annually on June 1 and December 1. Proceeds used to finance building remodeling and improvements, and equipment purchases.	Robert W. Baird	2,400,000	4,000,000
2023 \$4,000,000 promissory notes payable with annual principal payments of \$800,000 through June 1, 2027, interest at 5.00%, payable semi-annually on June 1 and December 1. Proceeds used to finance building remodeling and improvements, and equipment purchases.	Robert W. Baird	3,200,000	-
Total General Obligation Debt		<u>\$ 19,980,000</u>	<u>\$ 22,555,000</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)**

Future debt service requirements as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 5,060,000	\$ 690,400	\$ 5,750,400
2025	4,350,000	501,500	4,851,500
2026	3,695,000	340,500	4,035,500
2027	2,945,000	221,650	3,166,650
2028	2,220,000	117,300	2,337,300
2029	1,690,000	50,700	1,740,700
Total	<u>\$ 19,960,000</u>	<u>\$ 1,922,050</u>	<u>\$ 21,882,050</u>

In prior years, the District defeased certain general obligations bonds by placing the proceeds of new debt in an irrevocable trust to provide for the future debt service payments on the old debt. Accordingly, the trust account assets and liability for the defeased bonds are not included in the District's financial statements. At June 30, 2023 and 2022, \$9,375,000 and \$10,680,000 of debt outstanding is considered defeased, respectively.

**Termination Benefit**

In addition to the District's OPEB plan, the employee fringe benefit program included a provision for employees hired prior to July 1, 2006, which allowed academic, administrative, and support staff to be carried with the group insurance plan or plans at their own expense after retirement or layoff. However, the District would continue to pay health insurance premiums based on the type of employee and years of service or number of accumulated hours of sick leave. These benefits are financed on a pay-as-you-go basis. The District's accrual for termination benefits was \$1,959,798 and \$2,248,833 at June 30, 2023 and 2022.

**NOTE 5 LEASES**

The District, acting as lessee, leases building space under long-term, noncancellable lease agreements. The leases expire at various dates and provide for additional renewable options that are expected to be exercised through the year ending June 30, 2034. During the year ended June 30, 2023 and 2022, the District recognized \$11,916 and \$13,119 in interest expense, respectively, pursuant to these contracts. The District utilizes an estimated incremental borrowing rate of 2.5%.

Total future minimum lease payments under these lease agreements as of June 30, 2023 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$ 52,720	\$ 10,637	\$ 63,357
2025	55,980	9,278	65,258
2026	59,380	7,836	67,216
2027	62,925	6,307	69,232
2028	66,622	4,687	71,309
2029 - 2033	157,071	7,393	164,464
Total	<u>\$ 454,698</u>	<u>\$ 46,138</u>	<u>\$ 500,836</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS**

**Plan Description**

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

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <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.

**Benefits Provided**

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

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

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

The WRS also provides death and disability benefits for employees.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)**

**Post-retirement Adjustments**

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

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

**Contributions**

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

During the current and prior reporting period, the WRS recognized \$906,969 and \$849,302 of contributions from the employer, respectively.

Contribution rates as of December 31, 2022, the measurement dates for the year ended June 30, 2023, are as follows:

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)**

**Contributions (Continued)**

Contribution rates as of December 31, 2021, the measurement dates for the year ended June 30, 2022, are as follows:

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

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

At June 30, 2023, the District reported a liability of \$3,939,356 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.07435970% which was a decrease of 0.00045257% from its proportion measured as of December 31, 2021.

At June 30, 2022, the District reported an asset of \$6,030,006 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on The District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the District's proportion was 0.07481227% which was a decrease of 0.00108614% from its proportion measured as of December 31, 2020.

For the years ended June 30, 2023 and 2022, the District recognized pension expense (income) of \$2,008,560 and (\$521,563), respectively.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)**

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 6,274,174	\$ 8,242,856
Net Differences Between Projected And Actual Earnings on Pension Plan Investments	6,692,057	-
Changes in Assumptions	774,640	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	25,838	9,013
Employer Contributions Subsequent to the Measurement Date	466,985	-
Total	\$ 14,233,694	\$ 8,251,869

\$466,985 reported as deferred outflow/s related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction (increase) of the net pension liability (asset) in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2024	\$ 229,973
2025	1,142,738
2026	1,174,565
2027	2,967,564
Total	\$ 5,514,840

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



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 9,741,170	\$ 702,443
Net Differences Between Projected And Actual Earnings on Pension Plan Investments	-	13,489,626
Changes in Assumptions	1,124,993	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	11,988	15,016
Employer Contributions Subsequent to the Measurement Date	438,376	-
Total	\$ 11,316,527	\$ 14,207,085

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)**

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

\$438,376 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date was recognized as a reduction (increase) of the net pension liability (asset) in the year ended June 30, 2023.

**Actuarial Assumptions**

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

Actuarial Valuation Date:	December 31, 2021
Measurement Date:	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

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

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

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)**

**Actuarial Assumptions (Continued)**

Actuarial Valuation Date:	December 31, 2020
Measurement Date:	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020; Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement Adjustments*	1.7%

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

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

**Long-Term Expected Return on Plan Assets**

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)**

**Long-Term Expected Return on Plan Assets (Continued)**

**Asset Allocation Targets and Expected Returns  
as of December 31, 2022**

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<b>Core Fund Asset Class:</b>			
Public Equity	48.0%	7.6%	5.0%
Public Fixed Income	25.0%	5.3%	2.7%
Inflation Sensitive Assets	19.0%	3.6%	1.1%
Real Estate	8.0%	5.2%	2.6%
Private Equity/Debt	15.0%	9.6%	6.9%
Total Core Fund	115.0%	7.4%	4.8%
<b>Variable Fund Asset Class:</b>			
U.S. Equities	70.0%	7.2%	4.6%
International Equities	30.0%	8.1%	5.5%
Total Variable Fund	100.0%	7.7%	5.1%

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

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

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

**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 %
<b>Core Fund Asset Class:</b>			
Global Equities	52.00%	6.8%	4.2%
Fixed Income	25.00%	4.3%	1.8%
Inflation Sensitive Assets	19.00%	2.7%	0.2%
Real Estate	7.00%	5.6%	3.0%
Private Equity/Debt	12.00%	9.7%	7.0%
Total Core Fund	115.00%	6.6%	4.0%
<b>Variable Fund Asset Class:</b>			
U.S. Equities	70.00%	6.3%	3.7%
International Equities	30.00%	7.2%	4.6%
Total Variable Fund	100.00%	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%.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)**

**Single Discount Rate**

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% for the current year and 1.84% for the prior year, respectively (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022 and 2021, respectively. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District's proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate**

For the year ended June 30, 2023, the following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's Proportionate Share of Net Pension Liability (Asset)	\$ 13,074,596	\$ 3,939,356	\$ (2,344,904)

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)**

**Sensitivity of the District's proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate (Continued)**

For the year ended June 30, 2022, the following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's Proportionate Share of Net Pension Liability (Asset)	\$ 4,278,717	\$ (6,030,006)	\$ (13,450,369)

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>.

As of June 30, 2023 and 2022, the District reported payables to the plan of \$169,003 and \$164,100, respectively.

**NOTE 7 OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

*Plan Administration.* The District provides other post-employment benefits (OPEB) for its employees through a single-employer retiree benefit plan that provides postemployment health and dental insurance benefits to eligible employees and their spouses in accordance with employee contracts. Benefits and eligibility are established and amended by the governing body.

*Plan Membership.* At June 30, 2022, the date of the latest actuarial valuation, there were 189 active and 95 retired members in the plan.

Administrative staff and faculty hired prior to July 1, 2000 with a minimum of 13 years of service with the District as of June 30, 2013 are eligible. Eligible retirees will be provided with a credit/bank from which their premiums may be paid until exhaustion of funds. The benefit amount is based upon the family medical premium amount (annualized) times a factor, ranging from three to five, as determined by years of service as of June 30, 2013.

Support staff hired prior to July 1, 2000 with a minimum of 13 years of service with the District as of June 30, 2013 are eligible. Eligible retirees will be provided with a credit/bank from which their premiums may be paid until exhaustion of funds. The benefit amount is based upon the family medical premium amount (annualized) times a factor, ranging from one to three, as determined by years of service as of June 30, 2013.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 7 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Plan Description (Continued)**

As of July 1, 2019, the District eliminated benefits for those hired prior to 2000. Only those that retired prior to July 1, 2019 are eligible to receive the benefits.

*Funding Policy.* Payments under the plan are made on a pay-as-you-go basis. There are no assets accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits as of June 30, 2023 or 2022.

**Total OPEB Liability**

The District's total OPEB liability was measured as of June 30, 2022 and 2021, respectively and was determined by an actuarial valuation as of June 30, 2022 and 2020, respectively.

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Discount Rate	4.00%
Healthcare Cost Trend Rates	7.00% decreasing by 0.10% per year down to 4.50% and level thereafter.

The actuarial assumptions are based upon an experience study conducted in 2021 using Wisconsin Retirement System (WRS) experience from 2018-2020. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.00%
Discount Rate	2.25%
Healthcare Cost Trend Rates	6.50% decreasing by 0.10% per year down to 5.00% and level thereafter.

The actuarial assumptions are based upon an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017. The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 7 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Total OPEB Liability (Continued)**

*The long-term expected rate of return on OPEB plan investments.* Since the District has no assets held in trust, the long-term expected rate of return on OPEB plan investments was based upon the 20-year AA municipal bond rate and applied to all periods of projected benefit payments to determine the total OPEB liability.

*Discount rate.* The discount rate of 4.00% and 2.25%, respectively, was used in calculating the District's OPEB liabilities (based upon all projected payments discounted at a long-term expected rate of return of 4.00% and 2.25%, respectively). This rate is equivalent to the Bond Buyer G.O. 20-year AA Bond Index published by the Federal Reserve as of the week of the measurement date.

**Changes in the Total OPEB Liability**

	2023	2022
Balance at Beginning of the Year	\$ 3,133,142	\$ 3,641,903
Changes for the Year:		
Service Cost	6,397	6,256
Interest	65,073	75,371
Changes of Assumptions or Other Inputs	(261,406)	-
Differences Between Expected and Actual Experience	37,350	-
Benefit Payments	(488,396)	(590,388)
Net Changes	(640,982)	(508,761)
Balance at End of the Year	\$ 2,492,160	\$ 3,133,142

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

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

June 30, 2023			
	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
Total OPEB Liability	\$ 2,619,298	\$ 2,492,160	\$ 2,378,531
June 30, 2022			
	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Total OPEB Liability	\$ 3,308,541	\$ 3,133,142	\$ 2,979,398

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 7 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

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

June 30, 2023			
	1% Decrease to (6.0% Decreasing to 3.5%)	Current Trends (7.0% Decreasing to 4.5%)	1% Increase to (8.0% Decreasing to 5.5%)
Total OPEB Liability	\$ 2,475,830	\$ 2,492,160	\$ 2,508,312
June 30, 2022			
	1% Decrease to (5.5% Decreasing to 4.0%)	Current Trends (6.5% Decreasing to 5.0%)	1% Increase to (7.5% Decreasing to 6.0%)
Total OPEB Liability	\$ 3,109,076	\$ 3,133,142	\$ 3,156,013

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2023 and 2022, the District recognized OPEB expense (income) of \$36,786 and (\$114,193), respectively. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 28,012	\$ 35,667
Changes in Assumptions or Other Inputs	45,259	196,054
Employer Contributions Subsequent to the Measurement Date	441,950	-
Total	\$ 515,221	\$ 231,721

\$441,950 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2024	\$ (46,422)
2025	(56,014)
2026	(56,014)
Total	\$ (158,450)

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 7 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 71,336
Changes in Assumptions or Other Inputs	102,258	-
Employer Contributions Subsequent to the Measurement Date	488,396	-
Total	<u>\$ 590,654</u>	<u>\$ 71,336</u>

\$488,396 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date was recognized as a reduction of the total OPEB liability in the year ended June 30, 2023.

**NOTE 8 COMMITMENTS AND CONTINGENCIES**

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

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

**NOTE 9 RISK MANAGEMENT**

**Districts Mutual Insurance Company (DMI)**

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

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

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022

**NOTE 9 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 is assessed an annual premium. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company. Since DMI is fully capitalized, member districts have not been assessed a capitalization amount for fiscal years 2023 and 2022.

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

**Supplemental Insurance**

In July 1997, WTCS technical colleges formed the WTCS Insurance Trust to jointly purchase commercial insurance to provide coverage for losses from theft of, damages to, or destruction of assets. The trust is organized under Wisconsin Statutes 66.0301 and is governed by a board of trustees consisting of one trustee from each member college. Member entities include all 16 Wisconsin Technical College System districts.

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

- *Foreign Travel Liability:* \$2,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses \$1,000 deductible for employee benefits.
- *Crime:* \$750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; \$500,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses; \$2,500 deductible for investigation, \$15,000 deductible for employee dishonesty, forgery, and fraud.
- *Business Travel Accident:* Coverage for Local Board of Trustee Members \$1,000,000 aggregate general; \$100,000 for scheduled losses, assistance services medical evacuation and repatriation.

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 9 RISK MANAGEMENT (CONTINUED)**

**Health Insurance**

As of July 1, 2015, the District joined together with other colleges in the State to form the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). WTCEBC is a public entity risk pool that the District 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. The District 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 the District. 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.

The District's proportion of the investment in the WTCEBC of \$2,865,645 and \$2,398,438 reported at June 30, 2023 and 2022. The IBNR included in this investment is not material to the financial statements.

**NOTE 10 CLASSIFICATION OF EXPENSES**

Operating expenses by natural classification were as follows for the year ended June 30:

	<u>2023</u>	<u>2022</u>
Salaries and Wages	\$ 15,443,997	\$ 14,576,221
Fringe Benefits	6,298,007	2,879,556
Travel, Memberships, and Subscriptions	643,255	486,045
Supplies, Printing, and Minor Equipment	785,211	1,328,959
Contracted Services	2,103,801	2,057,060
Rentals, Repairs, and Maintenance	271,620	232,289
Marketing and Advertising	389,221	344,618
Student Activities	311,882	207,262
Enterprise Activities	1,023,500	1,573,468
Utilities	535,141	504,006
Miscellaneous	165,860	342,607
Depreciation/Amortization	4,120,242	3,822,951
Student Aid	3,185,804	4,835,431
Total Operating Expenses	<u>\$ 35,277,541</u>	<u>\$ 33,190,473</u>

**NOTE 11 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

The District has entered into subscription-based information technology arrangements (SBITAs) for various educational and security software. The SBITAs expire at various dates through 2033 and provide for renewal options. However, most are only two to three years in term due to the evolving technology applications.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 11 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$3,339,565 and \$778,357, respectively. As of June 30, 2022, SBITA assets and the related accumulated amortization totaled \$3,121,849 and \$384,941, respectively.

Interest has been calculated utilizing an interest rate of 4.43%, which is the District's estimated incremental borrowing rate for the agreements.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2024	\$ 585,389	\$ 97,055	\$ 682,444
2025	292,295	82,160	374,455
2026	276,892	68,268	345,160
2027	216,146	58,121	274,267
2028	230,168	48,165	278,333
2029 - 2033	1,123,609	78,227	1,201,736
Total	<u>\$ 2,724,399</u>	<u>\$ 431,986</u>	<u>\$ 3,156,385</u>

There were no termination penalties, no commitments under SBITAs prior to the commencement of the SBITA term and no impairment related losses on SBITA assets.

**NOTE 12 RESTATEMENT**

As part of the implementation of GASB Statements No. 96 the District reported the following restatements to previously reported amounts:

Net position, previously reported as of June 30, 2022	\$ 41,593,340
Restatement due to GASB No. 96 implementation	(311,886)
Net position, restated as of June 30, 2022	<u>\$ 41,281,454</u>

Statement of revenues, expenses and changes in net position, previously reported for year ended June 30, 2022	
General Institution	\$ 5,976,110
Depreciation/Amortization	3,438,010
Interest Expense	521,184

Statement of revenues, expenses and changes in net position, restated for year ended June 30, 2022	
General Institution	\$ 5,783,520
Depreciation/Amortization	3,822,951
Interest Expense	640,719

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT**

Southwest Wisconsin Technical College Foundation, Inc. (the Foundation) promotes learning through funding and activities that enable Southwest Wisconsin Technical College (located in Fennimore, Wisconsin) to provide opportunities for success. The Foundation identifies, solicits, and manages alternative sources of funding to:

- Provide leadership and direction through the involvement of the Foundation's board of directors and staff in the continuing development of Southwest Wisconsin Technical College (the District);
- Develop and manage endowment funds to provide scholarships, special awards, and other financial assistance to students of the District;
- Provide and develop alternative financial support to the District for facilities improvement, equipment acquisitions, program development, student financial aid, and staff development; and
- Support and encourage developments in vocational/technical education through various activities.

Southwest Wisconsin Technical College Real Estate Foundation, Inc. (REF) was formed for the purpose of acquiring, developing, and holding real estate for the benefit of the District. The REF supports the District by holding and managing real estate that is integral to the District's mission.

Each of the District, the Foundation and the REF are governed by a separate board of directors; however, the REF is operated, supervised, and controlled by the Foundation. Each Foundation maintains an arms-length transaction with the District. While each entity is independently governed, it is recognized that close collaboration and cooperation are essential to attain their separate missions.

The District sets the strategic priorities and objectives consistent with its role as an educational institution. The activities of Foundation and the REF should be consistent with and aligned with the District's objectives. The Foundation is intended to be the primary means through which private donors may assist the District.

**A. Summary of Significant Accounting Policies**

Principles of Consolidation

The financial statements include the financial statements of the Foundation and the REF. The REF is consolidated since the Foundation has both an economic interest in the REF and control of the REF. All material intra-entity transactions have been eliminated.

The consolidated financial statements are included as a component unit in the District's financial statements since the District has an economic interest in the Foundation and REF.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023 AND 2022**

**NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

**A Summary of Significant Accounting Policies (Continued)**

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. At June 30, 2023 and 2022, the Foundation determined the amounts recorded to be fully collectible.

Investments

The Foundation reports investments in marketable equity securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all costs for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation and amortization is computed using primarily the straight-line method over the useful lives of the assets ranging from 5 to 40 years.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The REF is exempt from federal income tax under Section 501(c)(3) of the IRC. In addition, the REF qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as a supporting organization under Section 509(a)(3).

Revenue Recognition

Revenue is recognized when performance obligations are met. Rental income is recognized ratably over the rental period.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2023 AND 2022

NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

A. Summary of Significant Accounting Policies (Continued)

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Accordingly, personnel expenses are allocated on the basis of time and effort.

The following program services and supporting activities are included in the accompanying financial statements:

*Scholarships and awards*—Scholarships, special awards, and other financial assistance provided to students and support provided to faculty to continue their education in their respective fields.

*Student housing*—On-campus apartment style units that provide students with a place to reside while attending Southwest Wisconsin Technical College.

*Management and general*—Management and general expenses include the costs necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of the Foundation, inform the public about the Foundation's stewardship, and perform other activities related to the overall direction of the Foundation.

*Fundraising*—Fundraising expenses include the costs related to activities that involve inducing potential donors to contribute assets, services, or time to the Foundation.

Estimates

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

B. Promises to Give

Unconditional promises to give at June 30 are as follows:

	2023	2022
Receivable in Less than One Year	\$ 353,352	\$ 115,357
Receivable in One to Five Years	367,131	362,177
Unconditional Promises to Give	<u>\$ 720,483</u>	<u>\$ 477,534</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

**C. Investments**

Investments at June 30 are comprised of the following:

	2023	2022
Money Market Fund	\$ 45,279	\$ 64,978
Mutual Funds - Equity	4,511,976	3,747,332
Mutual Funds - Fixed Income	1,551,772	1,601,220
Investments	<u>\$ 6,109,027</u>	<u>\$ 5,413,530</u>

Investments at June 30, 2023 and 2022 include \$5,047,266 and \$4,351,769 of investments held for endowment purposes.

**D. Fair Value Measurements**

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

	Fair Value	Quoted Prices in Active Markets for Identical Assets	
		(Level 1)	(Level 2)
Mutual Funds			
Equity	\$ 4,511,976	\$ 4,511,976	\$ -
Fixed Income	1,551,772	1,551,772	-
Total Investments at Fair Value	<u>6,063,748</u>	<u>\$ 6,063,748</u>	<u>\$ -</u>
Investments Not Measured at Fair Value on a Recurring Basis			
Cash and Cash Equivalents	45,279		
Total Investments at June 30, 2023	<u>\$ 6,109,027</u>		
Mutual Funds			
Equity	\$ 3,747,332	\$ 3,747,332	\$ -
Fixed Income	1,601,220	1,601,220	-
Total Investments at Fair Value	<u>5,348,552</u>	<u>\$ 5,348,552</u>	<u>\$ -</u>
Investments Not Measured at Fair Value on a Recurring Basis			
Cash and Cash Equivalents	64,978		
Total Investments at June 30, 2022	<u>\$ 5,413,530</u>		

The valuation methodologies used for assets measured at fair value are as follows:

Mutual funds are valued at the quoted market prices, which represent the net asset value of the shares held by the Foundation at year-end.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

**E. Property and Equipment**

Property and equipment consist of the following:

	2023	2022
Land	\$ 80,000	\$ 80,000
Buildings and Improvements	3,828,738	4,009,837
Equipment	115,915	66,518
Property and Equipment	4,024,653	4,156,355
Less: Accumulated Depreciation	(1,075,709)	(1,096,338)
Property and Equipment, Net	<u>\$ 2,948,944</u>	<u>\$ 3,060,017</u>

**F. Long-term Debt**

<u>Description</u>	<u>2023</u>	<u>2022</u>
Note Payable, due in monthly installments of \$2,155, including interest at 3.51% with single balloon payment due November 2030, secured by property.	\$ 264,807	\$ 281,067
Note Payable, due in monthly installments of \$9,210, including interest at 3.51% with single balloon payment due November 2030, secured by property.	1,133,648	1,203,072
Note Payable, due in monthly installments of \$3,279, including interest at 3.52%, with single balloon payment due October 2030, secured by property.	586,873	604,932
Subtotal	1,985,328	2,089,071
Less: Current Maturities	107,260	103,736
Total Long-Term Debt	<u>\$ 1,878,068</u>	<u>\$ 1,985,335</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

**F. Long-term Debt (Continued)**

The future scheduled maturities of the mortgages are as follows for the years ending June 30:

<u>Year Ending June 30.</u>	<u>Amount</u>
2024	\$ 107,260
2025	111,285
2026	115,267
2027	627,335
2028	101,998
Thereafter	922,183
Total	<u>\$ 1,985,328</u>

**G. Leasing Arrangements**

The REF leases housing units to students of the District. Lease terms are typically for one District academic year and may be extended through the summer months if requested by the student and units are available.

**H. Net Assets**

The Foundation and the REF's boards of directors have chosen to place the following limitations on unrestricted net assets:

	<u>2023</u>	<u>2022</u>
Property and Equipment Held for Leasing (Net of Accumulated Depreciation and Related Debt)	\$ 963,616	\$ 970,946
Undesignated	675,311	516,280
Net Assets Without Donor Restrictions	<u>\$ 1,638,927</u>	<u>\$ 1,487,226</u>

Net assets with donor restrictions are available for the following purposes:

	<u>2023</u>	<u>2022</u>
Professional Staff Development - Perpetual	\$ 61,290	\$ 57,620
Special Projects and Events - Perpetual	153,529	143,283
Scholarship - Perpetual	4,537,789	4,390,114
Professional Staff Development - Spendable	8,984	5,677
Special Projects and Events - Spendable	667,517	686,072
Scholarships - Spendable	2,088,804	1,491,959
Net Assets with Donor Restrictions	<u>\$ 7,517,913</u>	<u>\$ 6,774,725</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

**H. Net Assets (Continued)**

The Foundation has endowment agreements with various donors. Under certain agreements, the donor contributes to an endowment fund periodically. Once the balance of the individual's endowment fund reaches \$12,500, the donor's contributions become permanently endowed and the Foundation may not expend the corpus of the fund below the specified amount.

**I. Endowment Funds**

The Foundation's endowment consists of approximately 90 individual funds established for a variety of purposes. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has interpreted Wisconsin's enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment 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 fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by Wisconsin's enacted version of UPMIFA. In accordance with Wisconsin's enacted version of UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

**I. Endowment Funds (Continued)**

To achieve its objectives, the Foundation has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution, while growing the fund if possible. The Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Investment risk is measured in terms of the total endowment fund. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. Asset classes may include common and preferred stocks, closed-end and open-end mutual funds, real estate investment trusts, American Depository Receipts (ADRs) of foreign companies, U.S. Treasury securities and government agency obligations, mortgage-backed securities, and domestic corporate bonds typically of investment grade. All investment assets have sufficient liquidity for reasonable price stability and ease of trading. No individual equity-based investment may exceed 5% of the total fair value of all equity-based investments at the time of purchase or 5% of the total fair value of all investment assets at any given time. With the exception of U.S. Treasury securities and government agency obligations, no fixed income investment of any single issuer may in the aggregate exceed 5% of the total fair value of all investment assets at any given time.

The Foundation has a spending policy of appropriating for distribution annually a minimum of 3.0% of its endowment fund's average fair value on the last day of each of the three calendar years immediately preceding the fiscal year in which the appropriation is to be made. In establishing this policy, the Foundation considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment fund to grow at a rate consistent with its objectives of maintaining the purchasing power of the endowment assets as well as providing additional real growth through investment return.

Endowment net asset composition by type of fund is as follows:

	2023	2022
Donor-Restricted Endowment Funds		
Original Donor-Restricted Gift Amount	\$ 4,752,608	\$ 4,591,017
Accumulated Investment Gains	623,762	265,479
Total Funds	\$ 5,376,370	\$ 4,856,496



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

**I. Endowment Funds (Continued)**

The changes in donor-restricted endowment net assets for the years ended June 30 are as follows:

	2023	2022
Endowment Net Assets - Beginning	\$ 4,856,496	\$ 5,575,293
Investment Return, Net	593,388	(990,382)
Contributions	136,118	449,680
Transfers	25,472	41,078
Appropriation of Endowment Assets for Expenditure	(235,104)	(219,173)
Endowment Net Assets - Ending	<u>\$ 5,376,370</u>	<u>\$ 4,856,496</u>

**J. Related Party Transactions**

The Foundation and the REF have an agreement with the District for services and facilities. The District employed all of the Foundation and REF's employees. During the years ended June 30, 2023 and 2022, the Foundation recorded donated services of \$209,792 and \$245,546, and the REF recorded donated services of \$49,145 and \$59,519 for the personnel-related costs. The District also provided payroll, human resources, and maintenance services, internet and mailing services, office space, and office equipment. Services received from the District are measured at the District's estimate of the costs it incurred in providing those services. Facilities and office equipment are measured at the fair value rental for similar facilities. During the years ended June 30, 2023 and 2022, the Foundation paid \$193,280 and \$74,588 and the REF paid \$77,970 and \$29,462 for expenses incurred by the District.

The Foundation disburses scholarships, professional development awards, project grants and emergency grants to and on behalf of the District. During the years ended June 30, 2023 and 2022, the Foundation disbursed \$528,480 and \$644,128, respectively.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023 AND 2022**

**NOTE 13 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

**K. Liquidity and Availability**

The following table reflects the Foundation's financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date:

	<u>2023</u>	<u>2022</u>
Financial Assets - Year-End	\$ 8,249,512	\$ 7,304,311
Less Those Unavailable for General Expenditure		
Within One Year Due to:		
Restricted by Donor with Time or Purpose Restrictions	(2,141,543)	(1,918,229)
Restricted for Endowment Purposes	<u>(5,376,370)</u>	<u>(4,856,496)</u>
Financial Assets Available to Meet Cash Needs for		
General Expenditures Within One Year	<u>\$ 731,599</u>	<u>\$ 529,586</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**NOTE 14 SUBSEQUENT EVENTS**

On December 7, 2023, the District issued General Obligation Promissory Notes, Series 2022A (the Notes), totaling \$4,000,000, with an interest rate of 5%, payable on June 1 and December 1 annually. Principal payments of \$800,000 are due on June 1 of each year until maturity on June 1, 2028. Proceeds will be used for building remodeling and improvements projects and acquiring movable equipment. The Notes are not subject to redemption prior to maturity.

**Required Supplementary Information**

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**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 MEASUREMENT PERIODS**

Plan Fiscal Year Ending	Proportion of the Net Pension (Asset) Liability Percent	Proportionate Share of the Net Pension (Asset) Liability	Covered Payroll	Proportionate Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
12/31/2014	0.086672%	\$ (2,128,893)	\$ 12,149,964	-17.52%	102.74%
12/31/2015	0.087056%	1,414,636	12,311,841	11.49%	98.20%
12/31/2016	0.086366%	711,859	12,373,045	5.75%	99.12%
12/31/2017	0.083501%	(2,479,236)	11,758,708	-21.08%	102.93%
12/31/2018	0.080345%	2,858,425	11,883,773	24.05%	96.45%
12/31/2019	0.077373%	(2,494,865)	12,228,545	-20.40%	102.96%
12/31/2020	0.075898%	(4,738,443)	12,386,134	-38.26%	105.26%
12/31/2021	0.074812%	(6,030,006)	12,772,078	-47.21%	106.02%
12/31/2022	0.0743597%	3,939,356	13,491,037	29.20%	95.72%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those year for which information is available.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE OF CONTRIBUTIONS  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 850,618	\$ 850,618	\$ -	\$ 12,010,404	7.08%
6/30/2016	837,279	837,279	-	12,352,788	6.78%
6/30/2017	816,621	816,621	-	11,955,189	6.83%
6/30/2018	792,663	792,663	-	11,915,580	6.65%
6/30/2019	796,212	796,212	-	11,910,676	6.68%
6/30/2020	800,839	800,839	-	12,453,569	6.43%
6/30/2021	818,976	818,976	-	12,132,986	6.75%
6/30/2022	849,302	849,302	-	12,832,045	6.62%
6/30/2023	906,969	906,969	-	13,636,412	6.65%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those year for which information is available.

See accompanying Notes to the Required Supplementary Information.  
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**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
LAST 10 MEASUREMENT PERIODS**

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>TOTAL OPEB LIABILITY</b>						
Service Cost	\$ 6,397	\$ 6,256	\$ 5,066	\$ 4,761	\$ 93,739	\$ 93,739
Interest	85,073	75,371	133,441	157,909	226,102	232,922
Changes of Benefit Terms	-	-	-	-	(1,262,091)	-
Differences between Expected and Actual Experience	37,350	-	(142,674)	-	(683,532)	-
Changes in Assumptions or Other Input	(261,406)	-	181,039	46,962	(185,079)	-
Benefit Payments	(488,396)	(590,388)	(690,081)	(526,073)	(261,530)	(781,544)
<b>NET CHANGE IN OPEB LIABILITY</b>	(640,982)	(508,761)	(513,209)	(316,441)	(2,072,391)	(454,883)
Total OPEB Liability - Beginning of Year	3,133,142	3,641,903	4,155,112	4,471,553	6,543,944	6,998,827
<b>TOTAL OPEB LIABILITY - END OF YEAR</b>	<u>\$ 2,492,160</u>	<u>\$ 3,133,142</u>	<u>\$ 3,641,903</u>	<u>\$ 4,155,112</u>	<u>\$ 4,471,553</u>	<u>\$ 6,543,944</u>
Covered Payroll	\$ 12,908,469	\$ 12,061,085	\$ 12,061,085	\$ 11,191,670	\$ 11,191,670	\$ 2,561,028
OPEB Liability as a Percentage of Covered Payroll	19.31%	25.96%	30.20%	37.13%	39.95%	255.52%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, governments should present information for those year for which information is available.

See accompanying Notes to the Required Supplementary Information.

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**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING**

The District's reporting structure used in the preparation of the basic financial statements is different than the fund structure used for budgetary accounting. Annual budgets are adopted for all funds in accordance with the requirements of the Wisconsin Technical College System Board. The process includes an administrative compilation and review of campus and departmental requests, public hearings, and approval by the District Board prior to June 30 of each year. Capital outlays for multi-year projects are budgeted annually in the Capital Projects Fund upon planned inception of the project.

Local property taxes are levied on a calendar year basis by various taxing municipalities located in Southwestern Wisconsin. The District records as revenue its share of the local tax when levied.

Annual budgets are prepared on a different basis from the basic financial statements by recognizing encumbrances as expenditures and by recognizing revenues related to encumbrances.

The legal level of control for each budget is by function and within each fund. Budget amendments during the year are legally authorized. Budget transfers (between funds and functional areas within funds) and changes in expenditures (appropriations) require approval by the Board and require publishing a Class I public notice in the District's official newspaper within 10 days according to Wisconsin Statutes. The budget was modified during the year and also subsequent to the fiscal year end. These budget modifications reflect (1) actual property tax revenues in excess of estimates; (2) changes in expected state aid payments, both for the current year and prior year adjustments; (3) various other minor adjustments. Expenditures may not exceed appropriations. Unencumbered appropriations lapse at the end of each fiscal year. Management is authorized to transfer appropriations within functions without the approval of the Board.

**NOTE 2 WISCONSIN RETIREMENT SYSTEM**

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

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

- 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 transitions from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 2 WISCONSIN RETIREMENT SYSTEM (CONTINUED)**

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

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

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

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

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014.
Mortality:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).

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



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**NOTE 2 WISCONSIN RETIREMENT SYSTEM (CONTINUED)**

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

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational	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.

**NOTE 3 TOTAL OPEB LIABILITY AND RELATED RATIOS ASSUMPTIONS**

Materials and assumptions used to determine OPEB contribution rates are described in Note 7.

#### **Supplementary Information**

The following supplementary information is provided to document the District's compliance with budgetary requirements. This accountability is an essential requirement to maintain the public trust. The method of accounting used for budgetary compliance monitoring is substantially different from the method of preparing the basic financial statements of the District. At the end of this section is a reconciliation between the two methods.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023			Variance with Final Budget	2022
	Original Budget	Final Budget	Actual on a Budgetary Basis		Actual (Budgetary) Basis
<b>REVENUES</b>					
Local Government - Tax Levy	\$ 5,118,300	\$ 5,118,300	\$ 5,020,419	\$ (97,881)	\$ 5,163,622
Intergovernmental Revenue					
State	11,649,600	11,649,600	11,586,409	(63,191)	10,718,350
Federal	585,400	1,585,400	1,876,872	291,472	1,066,285
Tuition and Fees					
Statutory Program Fees	4,629,000	4,629,000	4,490,977	(138,023)	4,343,652
Materials Fees	270,000	270,000	256,308	(13,692)	244,019
Other Student Fees	511,000	511,000	647,281	136,281	482,819
Institutional	1,994,000	2,694,000	2,662,708	(31,292)	2,225,450
Total Revenues	<u>24,757,300</u>	<u>26,457,300</u>	<u>26,540,974</u>	<u>83,674</u>	<u>24,244,197</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	13,687,100	15,887,000	15,837,617	49,383	13,533,503
Instructional Resources	299,000	299,000	297,990	1,010	285,455
Student Services	2,823,900	2,973,900	2,925,392	48,508	2,875,650
General Institutional	6,347,500	5,897,500	5,869,948	27,552	5,218,232
Physical Plant	2,107,900	2,307,900	2,298,273	9,627	2,010,734
Auxiliary Services	-	50,000	10,491	39,509	-
Total Expenditures	<u>25,265,400</u>	<u>27,415,300</u>	<u>27,239,711</u>	<u>175,589</u>	<u>23,903,574</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(508,100)	(958,000)	(698,737)	259,263	340,623
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	10,000	415,000	1,308,833	893,833	61,760
Transfers Out	(45,000)	-	(38,812)	(38,812)	(39,121)
Total Other Financing Sources (Uses)	<u>(35,000)</u>	<u>415,000</u>	<u>1,270,021</u>	<u>855,021</u>	<u>22,639</u>
<b>NET CHANGE IN FUND BALANCES</b>	(543,100)	(543,000)	571,284	1,114,284	363,262
Fund Balance - Beginning of Year	10,854,310	10,854,310	11,140,250	285,940	10,776,988
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 10,311,210</u>	<u>\$ 10,311,310</u>	<u>\$ 11,711,534</u>	<u>\$ 1,400,224</u>	<u>\$ 11,140,250</u>
<b>FUND BALANCE</b>					
Nonspendable - Prepaid Expenses			\$ 119,002		
Assigned for State and Fluctuations			200,000		
Assigned for Post-Employment Benefits			4,882,846		
Unassigned			<u>6,509,686</u>		
Total Fund Balances			<u>\$ 11,711,534</u>		

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SPECIAL REVENUE NONAIDABLE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023				2022
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
<b>REVENUES</b>					
Intergovernmental Revenue					
State	\$ 553,000	\$ 553,000	\$ 660,407	\$ 107,407	\$ 480,483
Federal	6,555,400	6,555,400	4,729,070	(1,826,330)	6,474,039
Student Fees	877,000	877,000	267,182	(609,818)	278,019
Institutional	317,400	317,400	970,494	653,094	213,332
Total Revenues	<u>8,302,800</u>	<u>8,302,800</u>	<u>6,627,153</u>	<u>(1,675,647)</u>	<u>7,445,873</u>
<b>EXPENDITURES</b>					
Instruction	-	-	-	-	-
Institutional Resources	-	-	-	-	-
Student Services	7,664,400	7,514,400	5,954,904	1,559,496	7,355,263
Auxiliary Services	38,400	38,400	31,481	6,919	9,392
Total Expenditures	<u>7,702,800</u>	<u>7,552,800</u>	<u>5,986,385</u>	<u>1,566,415</u>	<u>7,364,655</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	600,000	750,000	640,768	(116,151)	81,218
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	38,812	38,812	39,121
Transfers Out	(555,000)	(705,000)	(694,630)	10,370	-
Total Other Financing Sources (Uses)	<u>(555,000)</u>	<u>(705,000)</u>	<u>(655,818)</u>	<u>49,182</u>	<u>39,121</u>
<b>NET CHANGE IN FUND BALANCE</b>	45,000	45,000	(15,050)	(66,969)	120,339
Fund Balance - Beginning of Year	<u>976,822</u>	<u>976,822</u>	<u>642,161</u>	<u>(334,661)</u>	<u>521,822</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,021,822</u>	<u>\$ 1,021,822</u>	<u>\$ 627,111</u>	<u>\$ (401,630)</u>	<u>\$ 642,161</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023				2022
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
<b>REVENUES</b>					
Intergovernmental Revenue					
Federal	\$ 250,000	\$ 250,000	\$ 370,246	\$ 120,246	\$ 486,696
Institutional	25,000	25,000	109,484	84,484	134,563
Total Revenues	275,000	275,000	479,730	204,730	621,259
<b>EXPENDITURES</b>					
Current:					
Instruction	547,000	647,000	619,797	27,203	652,530
Instructional Resources	64,000	64,000	6,342	57,658	-
General Institutional	1,832,000	1,832,000	1,721,534	110,466	1,641,788
Physical Plant	2,691,000	1,291,000	1,067,242	223,758	2,173,131
Total Expenditures	5,134,000	3,834,000	3,414,915	419,085	4,467,449
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,859,000)	(3,559,000)	(2,935,185)	623,815	(3,846,190)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Debt	4,000,000	4,000,000	4,000,000	-	4,014,376
Transfers Out	(10,000)	(1,310,000)	(1,308,833)	1,167	(61,760)
Total Other Financing Sources (Uses)	3,990,000	2,690,000	2,691,167	1,167	3,952,616
<b>NET CHANGE IN FUND BALANCE</b>	(869,000)	(869,000)	(244,018)	624,982	106,426
Fund Balance - Beginning of Year	886,081	886,081	933,507	47,426	827,081
<b>FUND BALANCE - END OF YEAR</b>	\$ 17,081	\$ 17,081	\$ 689,489	\$ 672,408	\$ 933,507

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023				2022
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
<b>REVENUES</b>					
Local Government - Tax Levy	\$ 6,510,000	\$ 6,510,000	\$ 6,510,000	\$ -	\$ 6,210,000
Intergovernmental Revenue					
State	20,000	20,000	24,702	4,702	23,839
Institutional	8,500	8,500	38,898	30,398	9,221
Total Revenues	<u>6,538,500</u>	<u>6,538,500</u>	<u>6,573,600</u>	<u>35,100</u>	<u>6,243,060</u>
<b>EXPENDITURES</b>					
Debt Services	<u>7,401,644</u>	<u>7,451,644</u>	<u>7,422,281</u>	<u>29,363</u>	<u>6,194,275</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(863,144)	(913,144)	(848,681)	64,463	48,785
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on Issuance of Debt	-	-	170,840	170,840	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>170,840</u>	<u>170,840</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(863,144)	(913,144)	(677,841)	235,303	48,785
Fund Balance - Beginning of Year	<u>2,335,618</u>	<u>2,335,618</u>	<u>2,338,903</u>	<u>3,285</u>	<u>2,290,118</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,472,474</u>	<u>\$ 1,422,474</u>	<u>\$ 1,661,062</u>	<u>\$ 238,588</u>	<u>\$ 2,338,903</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
 PROPRIETARY FUNDS – ENTERPRISE FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 YEAR ENDED JUNE 30, 2023  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023				2022
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
<b>OPERATING REVENUES</b>					
Intergovernmental Revenue					
Federal	\$ -	\$ -	\$ 76,449	\$ 76,449	\$ 616,024
Institutional	1,547,000	1,547,000	1,219,677	(327,323)	1,299,438
Total Operating Revenues	1,547,000	1,547,000	1,296,126	(250,874)	1,915,462
<b>OPERATING EXPENSES</b>					
Current:					
Instruction	-	-	208	(208)	-
Institutional Resources	-	-	-	-	-
Physical Plant	-	-	-	-	-
Auxiliary Services	1,815,700	-	2,155,780	(2,155,780)	2,341,106
Total Operating Expenditures	1,815,700	-	2,155,988	(2,155,988)	2,341,106
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenses	(268,700)	1,547,000	(859,862)	1,905,114	(425,644)
<b>NONOPERATING EXPENSES</b>					
Transfers In	600,000	600,000	694,630	(94,630)	-
Transfers Out	-	-	-	-	-
Total Nonoperating Expenses	600,000	600,000	694,630	(94,630)	-
<b>NET CHANGE IN NET POSITION</b>	331,300	2,147,000	(165,232)	1,810,484	(425,644)
Net Position - Beginning of Year	3,558,342	3,558,342	3,134,266	(424,076)	3,559,910
<b>NET POSITION - END OF YEAR</b>	<b>\$ 3,889,642</b>	<b>\$ 5,705,342</b>	<b>\$ 2,969,034</b>	<b>\$ 1,386,408</b>	<b>\$ 3,134,266</b>



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
 PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE-BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 YEAR ENDED JUNE 30, 2023  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	2023				2022
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
<b>OPERATING REVENUES</b>					
Institutional	\$ 4,455,000	\$ 4,455,000	\$ 3,909,921	\$ (545,079)	\$ 3,963,038
Total Operating Revenues	4,455,000	4,455,000	3,909,921	(545,079)	3,963,038
<b>OPERATING EXPENSES</b>					
General Institutional	-	50,000	1,518	48,482	-
Auxiliary Services	4,455,000	4,405,000	3,654,711	750,289	3,446,357
Total Operating Expenditures	4,455,000	4,455,000	3,656,229	798,771	3,446,357
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenses	-	-	253,692	205,210	516,681
<b>NET CHANGE IN NET POSITION</b>	-	-	253,692	205,210	516,681
Net Position - Beginning of Year	1,664,890	1,664,890	1,991,571	326,681	1,474,890
<b>NET POSITION - END OF YEAR</b>	<b>\$ 1,664,890</b>	<b>\$ 1,664,890</b>	<b>\$ 2,245,263</b>	<b>\$ 531,891</b>	<b>\$ 1,991,571</b>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL STATEMENTS**  
**TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	Governmental Funds				Proprietary Funds		Total	Requiring Items	Statement of Revenues, Expenses, and Changes in Net Position
	General	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service			
<b>REVENUES</b>									
Local Government - Tax Levy	\$ 5,030,410			\$ 6,510,000			\$ 11,550,410		\$ 11,550,410
Intergovernmental Revenue									
State	(1,130,408)	660,407		24,700			(2,271,518)		32,271,518 (a)
Fydecs	3,876,872	4,733,070	170,540		76,440		7,062,887	(3,175,204)	4,873,273 (b)
Tuition and Fees									
Stability Program Fees	4,400,977						4,400,977		4,400,977
Materials Fees	256,308						256,308		256,308
Other Student Fees	647,281	247,122					914,403		814,403
Institutional	2,082,705	910,494	100,484	58,898	1,210,077	3,809,921	3,911,182	(4,035,104)	4,875,288 (c)
Total Revenues	26,540,974	6,677,153	470,730	6,579,690	1,296,126	3,809,921	45,427,594	(6,214,456)	39,213,048
<b>EXPENDITURES/EXPENSES</b>									
Current									
Instruction	18,637,617		618,797		208		19,456,622	(1,965,101)	14,502,531
Instruction Resources -	237,990		8,342				246,332	1,121	305,653
Student Services	2,925,592	5,994,504					8,920,096	(5,426,519)	3,451,777
General Institutional	5,860,048		1,721,534			1,518	7,581,600	(1,898,850)	5,686,150
Physical Plant	2,290,273		1,687,242				3,977,515	(1,110,415)	2,255,200
Auxiliary Services	10,491	51,481			2,155,780	3,654,711	5,852,463	(4,991,166)	1,761,297
Depreciation/Amortization								4,120,242	4,120,242
Student Aid								3,185,804	3,185,804
Debt Services									
Principal				6,595,000			6,595,000	(6,595,000)	
Interest				827,281			827,281	(180,240)	657,041
Total Expenditures/Expenses	27,230,711	6,066,585	3,444,915	7,422,281	2,155,988	3,656,229	49,875,509	(13,959,234)	35,915,855
Block (Definite) Financing									
Over (Under) Expenditures/Expenses	(689,737)	(389,432)	(12,955,185)	(848,691)	(859,962)	(250,692)	(4,448,005)	7,745,366	-2,297,361
<b>OTHER FINANCING SOURCES (USES)</b>									
Long-Term Debt Issued			4,000,000				4,000,000	(4,000,000)	
Premium on Issuance of Debt				170,840			170,840	(170,840)	
Transfers In	1,038,833	46,812			698,630		2,042,275	(2,042,275)	
Transfers Out	(155,812)	(654,830)	(1,388,838)				(2,042,275)	2,042,275	
Loss on Disposal of Capital Assets								(25,727)	(25,727)
Total Other Financing Sources (Uses)	1,121,021	(608,018)	2,611,162	170,840	698,630		4,170,540	(4,188,567)	(15,727)
<b>NET CHANGE IN FUND BALANCE/NET POSITION</b>	571,264	(15,960)	(244,019)	(677,841)	(165,232)	353,692	(277,165)	2,540,709	3,211,834
Fund Balance/Net Position - Beginning of Year	11,140,250	842,161	23,507	2,333,963	3,134,299	1,991,571	20,169,850	2,130,706	44,291,454
<b>FUND BALANCE/NET POSITION - END OF YEAR</b>	\$ 11,711,514	\$ 826,191	\$ 209,488	\$ 1,656,122	\$ 2,969,067	\$ 2,245,263	\$ 19,892,685	\$ 24,949,595	\$ 44,553,088 (d)

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL  
STATEMENTS  
TO STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED JUNE 30, 2023**

(a)	State Grant Revenue is Presented on the Basic Financial Statement as Follows:	
	Operating	\$ 2,766,472
	Nonoperating	<u>9,505,046</u>
		<u>\$ 12,271,518</u>
(b)	Federal Grant Revenue is Presented on the Basic Financial Statement as Follows:	
	Operating	\$ 2,039,617
	Nonoperating	<u>2,833,756</u>
		<u>\$ 4,873,373</u>
(c)	Institutional Revenue is Reported on the Basic Financial Statement as Follows:	
	Nongovernmental Grants and Contracts	\$ 3,440,445
	Auxiliary Enterprises	1,219,677
	Investment Income	<u>215,866</u>
		<u>\$ 4,875,988</u>
(d)	Reconciliation of Budgetary Basis Fund Balance and Net Position as Presented in the Basic Financial Statements:	
	Budgetary Basis Fund Balance	\$ 19,903,493
	Capital Assets - Cost	84,549,273
	Accumulated Depreciation/Amortization on Capital Assets	(35,176,693)
	Prepaid Expense Adjustment	(10,807)
	Lease Liabilities	(454,698)
	Subscription Liabilities	(2,724,399)
	Net Pension Liability and Deferred Items	2,042,469
	General Obligation Bonds and Notes Payable	(19,960,000)
	Unamortized Debt Premium	(455,185)
	Net Other Postemployment Benefits and Deferred Items	(2,208,660)
	Termination Benefit	(1,576,481)
	Accrued Interest on Notes Payable	(57,533)
	Encumbrances Outstanding at Year-End	<u>682,309</u>
	Net Position per Basic Financial Statements	<u>\$ 44,553,088</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Southwest Wisconsin Technical College  
Fennimore, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 activity and the discretely presented component unit of the Southwest Wisconsin Technical College (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated REPORT DATE.

The consolidated financial statements of the Southwest Wisconsin Technical College Foundation, Inc. (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 instances of reportable noncompliance associated with the Foundation.

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

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

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

Board of Directors  
Southwest Wisconsin Technical College

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

***Report on Compliance and Other Matters***

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

***Purpose of this Report***

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

**CliftonLarsonAllen LLP**

Middleton, Wisconsin  
REPORT DATE

## ***B. RFP – Board and Leadership Training***

Proposals were sought from qualified vendors for Board and leadership professional development. The public opening for the request for proposals was held on January 24, 2024, with three proposals received. A summary of the proposals will be presented to the Board by Caleb White. The summary follows.

***Recommendation:*** Award the RFP for board and leadership training to The Aspen Institute, Inc. of Washington DC for \$38,000 plus travel expenses. This also includes the ability to utilize The Aspen Institute, Inc. for future similar scoped engagements at a rate of \$80/hour for a three-year period.

### **Board and Leadership Training RFP #2024-12**

The public opening of the request for proposals (RFP) for Board and Leadership Training for the college was held on Wednesday, January 24 at 2:00 p.m. CST.

#### **Purpose**

Southwest Tech requested proposals from qualified vendors to facilitate professional development for Board members and leadership to advance our achievements in access, completion, and post-graduate success (transfer and wage outcomes) of all students with an emphasis on our Special Populations (Pell-eligible, Students of Color, Veterans, incarcerated, dislocated workers, or students with disabilities).

#### **Scope, Summary**

Training:

- a. For board members: analysis of data related to access, completion, and post-graduate success for Special Populations versus non-special populations; facilitated creation of leading and lagging metrics to assess progress of Board-established goals/ends; review and development of board policies to support student access, completion, and post-graduate success; and resource allocation priorities to support administrative efforts.
- b. For leadership: creating a common sense of purpose internally and externally for reform; prioritized strategies to meet Board goals/ends; emphasis on improving student learning inside and outside of the classroom; and establishing innovative partnerships with industry and university partners.

Proposals were received from three vendors. An evaluation team consisting of Cynde Larsen, Holly Clendenen, and Caleb White reviewed and rated the proposals. Team scoring was based on the following criteria:

#### **Evaluation Criteria**

Submitted proposals were reviewed and evaluated in accordance with the evaluation criteria established below:

1. 40% - Aligned with SWTC Student Success Priorities
2. 30% - References/Demonstration
3. 20% - Project framework
4. 10% - Cost, the reasonableness of proposed fee schedule in relation to scope of services provided.

The evaluation team's composite score ranking from high to low is as follows:

<b>Ranking</b>	<b>Vendor</b>	<b>Location</b>	<b>Cost (before travel expenses)</b>	<b>SWTC Final Score</b>
1	The Aspen Institute, Inc.	Washington DC	38,000	100
2	HYA Corporation	Arlington Heights, IL	91,950	62
3	Trivium Group	West Chester, PA	171,000	41

**Recommendation:** Award the RFP for board and leadership training to The Aspen Institute, Inc. of Washington DC for \$38,000 plus travel expenses. This also includes the ability to utilize The Aspen Institute, Inc. for future similar scoped engagements at a rate of \$80/hour for a three-year period.

### C. RFP – Interactive Video Platform

Proposals were sought for an interactive video platform to support learning. The public opening for the request for proposals was held on February 2, 2024, with three proposals received. Caleb White will present to the Board the summary of the proposals received. This summary follows.

**Recommendation:** Award the RFP for the Interactive Video Platform to The We Video Inc. Lake Forest, CA for \$16,753 for a one-year term with two optional one-year renewals.

#### Interactive Video Platform

#### RFP #2024-09

The public opening of the request for proposals (RFP) for Interactive Video Platform for the college was held on Friday, February 2 at 11:00 a.m. CST.

#### Purpose

To procure and implement an Interactive Video Platform to support the learning needs of our diverse student community. This community includes current students, faculty, and staff with LMS access. The platform would provide support that includes but is not limited to the ability to create interactive videos faculty and students, analytics, Schoology Gradebook integration and interventions regarding information contained within the videos.

#### Scope, Summary

Southwest Wisconsin Technical College has placed a strong emphasis on Universal Design for Learning. By providing an Interactive Video Platform, the college will assist the members of the campus community in providing faculty with a tool to meet the needs of our diverse learners.

Proposals were received from three vendors. Edpuzzle did not submit a pricing proposal and was unable to be evaluated. An evaluation team consisting of Josh Krohn, Jen Fonder & Jake Wienkes reviewed and rated the proposals based on the evaluation criteria.

#### Evaluation Criteria

Submitted proposals were reviewed and evaluated in accordance with the evaluation criteria established below:

1. 30% - Technical Capability Integration Abilities with Schoology
2. 30% - Qualifications, Features & Relevant Experience
3. 20% - References
4. 20% - Cost, reasonableness of proposed fee schedule in relation to scope of services provided

The evaluation team's composite score ranking from high to low is as follows:

Ranking	Vendor	Location	Pricing	SWTC Final Score
1	We Video Inc	Lake Forest, CA	16,753	213
2	Panopto	Pittsburgh, PA	12,500	195
NA	Edpuzzle	San Francisco, CA 94103	NA	NA

Recommendation: Award the RFP for Interactive Video Platform to The We Video Inc. Lake Forest, CA for \$16,753 for a one-year term with two optional one-year renewals.



**D. Bid – Telehandler/Forklift**

Bids were sought for a new 23/24 Telehandler/Forklift. The public bid opening of bids was held on February 7, 2024, with five vendors responding from a list of 12 plan holders. Caleb White will present the summary of the bids received. This summary follows.

**Recommendation:** Award the contract bid for the new 23/24 Telehandler/Forklift with the outlined required specifications to Fairchild Equipment of Green Bay, WI in the amount of \$114,513.41.

**Bid # 2324-13 Telehandler/Forklift**

The college recently solicited bids for a new 23/24 Telehandler/Forklift with the following specifications:

- Maximum lifting capacity of no less than 7,000 lbs.
- Lifting height of at least 30'
- Cab with heating and air condition
- LED light package
- 60" fork and bucket attachments

The public opening of bids was held on February 7, 2024 @ 11:00 a.m. via Teams. Five vendors responded to the bid request from a list of 12 plan holders. A summary of the bid from the responsive bidders is included below.

Organization	Bid Amount	Notes
Fairchild Equipment Green Bay, WI	114,513.41	
Ritchie Implement Cobb, WI	127,500.00	
American State Equipment Milwaukee, WI	132,900.00	
Brooks Tractor, Inc. West Salem, WI	147,000.00	
Conger Toyatalift Green Bay, WI	92,506.00	Maximum lifting capacity 6,000 lbs. was not met

**Recommendation:** Award a contract for bid amount of \$114,513.41 to Fairchild Equipment of Green Bay, WI.

### ***E. Richland Center Outreach Lease***

The existing lease with TWA Properties of Richland Center, WI, for 3,400 square feet of office/classroom space located at 373 W. Sixth Street, Richland Center, WI, follows. This has been the location for Southwest Tech's Outreach Site in Richland Center for approximately five years when the lease ends on May 31, 2024.

***Recommendation:*** *Approve exercising the 60-month lease renewal option with TWA Properties of Richland Center, WI, beginning June 1, 2024, and ending on May 31, 2029, for 3,400 square feet of office and classroom space located at 373 W. Sixth Street, Richland Center, WI 53581, contingent upon Wisconsin Technical College System board approval.*

## LEASE AGREEMENT

THIS AGREEMENT OF LEASE is made as of this 1st day of June 2019 by and between WTA Property, LLC, Lessor, and Southwest Wisconsin Technical College, Lessee:

### 1. PREMISES AND TERM.

1.1 Demised Premises. Lessor leases to Lessee the following:

3,400 square feet of floor space located at 373 W 6<sup>th</sup> Street, Richland Center, Wisconsin.

1.2 Term. This lease is for a term of sixty (60) months commencing on June 1, 2019, and ending May 31, 2024.

1.3 Termination This lease shall continue until the date specified in paragraph 1.2 or an extension date agreed upon as specified in paragraph 1.4 or until terminated in accordance with this paragraph. This lease or any renewal thereof may be terminated by mutual written agreement of the parties before the end of the fixed term or the end of each and every renewal period hereafter upon such terms and conditions as the parties shall agree.

1.4 Renewal. Lessee shall have one five (5) year option to renew under the same terms and conditions (except as indicated in Section 2 below). Such renewal term will automatically commence upon the expiration if the initial term, unless either party provides written notice to the other party with their intent to terminate this lease ninety (90) days BEFORE the end of the original term.

### 2. RENT.

2.1 Payments. The Lessee shall yield and pay the sum of Three Thousand Four Hundred and 00/100 Dollars (\$3,400.00) per month as rent for the premises for the first thirty-six (36) months, Three Thousand Five Hundred Two and 00/100 Dollars (\$3,502.00) per month as rent for the premises for the next twelve (12) months, and Three Thousand Six Hundred Seven and 06/100 Dollars (\$3,607.06) per month as rent for the premises for the final twelve (12) months of this Agreement, payable by mail or direct deposit on the 1st day of each month of this agreement. Mailed payments shall be sent to TWA Properties, LLC, 145 N Main Street, Richland Center, Wisconsin 53581 or direct deposits shall be paid to Travis Wertz checking account (routing number available upon request). If renewal per Section 1.4 is executed, payments shall be increased by 3% beginning each June 1.

### 3. USE AND SIGNS.

3.1 Use. Lessee shall use and occupy the demised premises solely for educational and office purposes. Lessee shall not use the demised premises in any way which, in the judgment of the

Lessor, poses a hazard to the Lessor, the premises, other Lessees, if any, or the building in part or in whole; nor shall Lessee use the demised premises so as to cause damage to the building in part or in whole; nor shall Lessee use the premises so as to cause damage, annoyance, nuisance or inconvenience to the building occupants or others.

3.2 Signs. Lessee shall have the privilege of placing on and in the demised premises such exterior signs as Lessee deems necessary and proper in the conduct of Lessee's business, provided:

- (a) Lessee obtains all permits and licenses at its own cost which may be required for the erection and maintenance thereof; and
- (b) Such signs may lawfully be permitted to be erected and maintained; and
- (c) Lessee obtains the Lessor's consent to the placement of any exterior sign on the building or grounds.

4. CARE AND REPAIR OF DEMISED PREMISES; UTILITIES.

4.1 Utilities.

- (a) Lessee shall be responsible for heat, electricity, gas, telephone and computer expenses, including any costs for upgrading the existing computer cabling system. Lessee agrees to maintain temperatures in the demised premises during the heating season so as to prevent damage to water pipes.
- (b) Lessor is responsible for water and sewer costs.

4.2 Maintenance.

- (a) Lessee is responsible for purchasing cleaning and paper products and is further responsible for providing general interior custodial and maintenance services of the rented space. Lessor is responsible for cleaning and maintenance of all common areas of the building.
- (b) Lessor is responsible for all exterior maintenance, including prompt snow removal from the parking lot and sidewalks, mowing of grass and care of shrubbery and trees. Lessor is not responsible for the maintenance of exterior signage placed on the premises by Lessee.
- (c) Lessor shall, except as otherwise specifically provided herein and except for damages resulting from the act or negligence of Lessee, its agents, employees, invitees or permittees, maintain in good repair and tenantable condition the demised premises including the building and any and all equipment, fixtures

and appurtenances whether severable or nonseverable, furnished by the Lessor under this lease. Lessee shall promptly report any problems with heating, air conditioning, electricity or plumbing.

- (d) Lessee shall commit no waste and shall take good care of the demised premises. Upon the expiration or termination of this lease or any renewal thereof, Lessee shall vacate the demised premises, remove its property therefrom and forthwith yield and place Lessor in peaceful possession of the leased premises free and clear of any liens, claims or encumbrances and in as good condition as the premises existed at the commencement of this lease, ordinary wear and tear, and damage by fire, act of God, casualty or other cause not due to misuse and neglect by Lessee or Lessee's agents, servants, customers, visitors or permittees excepted.

4.2 Lessee property. All improvements made by Lessee to the demised premises which are or become so attached to the demised premises that they cannot be removed without material injury to the demised premises shall become the property of the Lessor. Not later than the last day on which Lessee has the right to possession of the premises, Lessee may, nevertheless, remove all Lessee's personal property.

#### 5. ALTERATIONS.

5.1 Lessee shall have the right, at Lessee's expenses, from time to time, without Lessor's consent, to redecorate the demised premises, and to make nonstructural alterations, changes, installations, additions or improvements (collectively "changes") in, on, to or about such parts thereof as he shall deem expedient or necessary for its purpose.

#### 6. ASSIGNMENT AND SUBLETTING.

6.1 Lessee shall not have the right, without Lessor's written consent, to assign this lease or sublet the demised premises or any part thereof with the exceptions of any non-profit, governmental or agency partners of the College.

#### 7. TAXES.

7.1 Real estate taxes imposed during the term of this lease shall be the responsibility of Lessor.

#### 8. OTHER FACILITIES.

8.1 Lessee shall have nonexclusive access to all off street parking available on the premises, it being understood that parking is available to all tenants of the building.

#### 9. INDEMNITY - LIABILITY INSURANCE

9.1 Liability insurance. The Lessee must obtain and maintain during the term of this lease, a liability insurance policy covering its operations on the demised premises.

9.2 Contents insurance. During the term of this lease, Lessee shall, at Lessee's expense, be responsible for insuring its personal property located on the demised premises against damage and destruction by fire, theft or other perils.

10. NOTICES.

10.1 Any notice, demand, request or other communication hereunder given or made by either party to the other shall be in writing and shall be deemed to be duly given only if personally served on the other party or mailed by first class, postage prepaid regular mail addressed as follows:

- (a) if to Lessor, to TWA Properties, LLC, 145 N. Main Street, Richland Center, WI 53518, and
- (b) if to Lessee, to Vice President for Administrative Services, Southwest Wisconsin Technical College, 1800 Bronson Boulevard, Fennimore, WI 53809

or at such other addresses as Lessor or Lessee, respectively, may designate in writing by notice pursuant to this paragraph.

11. QUIET ENJOYMENT.

11.1 Quiet enjoyment. Lessor covenants that so long as Lessee pays rent and performs the terms, covenants and conditions on Lessee's part to be performed, Lessee shall peaceably and quietly have, hold and enjoy the demised premises for the term of this lease, subject to the provisions of this lease.

11.2 Title and use warranty. Lessor warrants and represents that Lessor has good and marketable title to the demised premises and that Lessee is not prohibited by any law or ordinance from using the property as described in Paragraph 3.1.

12. COMPLETE AGREEMENT AND CONSTRUCTION FORM OF AGREEMENT.

12.1 Complete agreement. Both parties acknowledge that no representations, warranties, promises, covenants or undertakings of any kind have been made to either party as an inducement to enter into this lease agreement, other than those expressly set forth herein or in any attachment hereto. This lease is intended to be and is the complete agreement of the parties.

12.2 Paragraph headings. Paragraph headings are for convenience only. They are not part of this lease agreement of the parties and shall not be used in the construction or interpretation

thereof.

12.3 Form of agreement. With respect to the form of the lease agreement, both parties assume joint responsibility for the form and composition of each paragraph, and they further agree that this lease agreement shall be interpreted as though each of the parties participated equally in the composition of each and every part thereof.

12.4 Construction. This lease agreement is not to be strictly construed for or against either of the parties. It shall be interpreted simply and fairly with regard to both parties.

12.5 Choice of law. The parties intend this lease agreement to be construed in accordance with the laws of the State of Wisconsin, irrespective of the residence of either party, or regardless of the forum where it may be construed later whether for enforcement, revision, modification or for any other purpose. In addition to the provisions of paragraph 1.3 pertaining to termination, in the event of a breach of this contract by either party, the parties specifically agree to be bound by the relevant provisions of Chapter 704 of the Wisconsin Statutes.

12.6 Severability. Both parties agree that in the event any court of competent jurisdiction at any time holds that a portion of this lease agreement is invalid, illegal, unenforceable, void or voidable, the remainder of the lease agreement, to the extent consistent with such holding, shall not be affected thereby and shall continue in full force and effect.

### 13. MISCELLANEOUS PROVISIONS.

13.1 Revision or modification Any future revision, modification, amendment or waiver of any of the provisions of this lease agreement shall be effective only if made in writing, dated, signed and executed with the same formality as this lease agreement. Any such revision, modification or amendment shall specifically provide that it is intended to revise, modify, or amend this lease agreement. Failure of either party to insist upon strict performance of any of the provisions of this lease agreement shall not be construed as a waiver of any subsequent default of the same or similar nature.

13.2 Access to premises. Lessor may enter the demised premises at any reasonable time on reasonable notice to Lessee for any purpose related to the performance of Lessor's obligations thereunder.

13.3 Interruption of services. Interruption of any service maintained in the demised premises if caused by mechanical difficulties or any causes beyond the Lessors's control shall not entitle Lessee to any claim against Lessor or to any abatement in rent, nor shall the same constitute constructive or partial eviction, unless Lessor fails to take such measures as may be reasonable in the circumstances to restore the service without undue delay. If the demised premises are rendered unfit in whole or in part for the uses specified in this lease agreement, for a period of more than 3 days, by the making of repairs, replacement or additions, other than those made with Lessee's consent or caused by misuse or neglect by Lessee or Lessee's agent, customers, visitors or permittees, there



shall be a proportionate abatement of rent during the period of such unfitness.

14. BINDING EFFECT.

14.1 Binding effect. The provisions of this lease agreement shall apply to, bind and inure to the benefit of the parties hereto and their respective heirs, beneficiaries, personal or legal representatives and assigns.

IN WITNESS WHEREOF, the said Lessor has caused these presents to be signed this 21 day of May 2019.

BY:

  
\_\_\_\_\_  
Managing Member, TWA Properties, LLC, Lessor

IN WITNESS WHEREOF, the said Lessee has caused these presents to be signed this 17<sup>th</sup> day of May 2019.

BY:

SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
  
\_\_\_\_\_  
Vice President of Administrative Services

Date of Board authorization: March 28, 2019

**RESOLUTION  
OF THE  
SOUTHWEST WISCONSIN TECHNICAL COLLEGE BOARD**

WHEREAS, Southwest Wisconsin Technical College has continued demand for use of outreach facilities for Adult Education and other outreach programming to meet the needs of the Richland Center area, and

WHEREAS, Southwest Wisconsin Technical College has recognized the need for an off-campus facility in Richland Center of approximately 3,400 square feet to meet classroom/office demand, and

WHEREAS, Southwest Wisconsin Technical College has considered continuation of the lease at the current Southwest Tech Richland Center Outreach Site facility located at 373 W. 6<sup>th</sup> Street, Richland Center, WI, and

WHEREAS, Southwest Wisconsin Technical College has the ability to fund the off-campus Richland Center facility from operational funds obtained through program fees and tax levy,

BE IT THEREFORE RESOLVED that the District Board of Southwest Wisconsin Technical College approves the lease extension for approximately 3,400 square feet located at 373 W. 6<sup>th</sup> Street in Richland Center, WI, for off-site classroom/office space contingent upon Wisconsin Technical College System board approval.

Adopted and recorded this 22nd day of February 2024.

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Charles J. Bolstad  
Chairperson

ATTEST:

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Kent Enright  
Secretary

## **Board Monitoring of College Effectiveness**

### **A. 2024-25 Budget Assumptions & Parameters**

The Budget Priorities & Assumptions for 2023-24 will be reviewed by Caleb White. The report is included below.



#### **Priorities and Budget Assumptions for 2024-2025**

1. Access: Create transformational student success plans to improve access for all students
  - a. At Southwest Tech we want every person to know we care about their success. Faculty and staff unite to help students design plans to achieve their goals. Student success plans include career goals, an academic map, financial planning and budgeting, and a network of professionals to ensure supports and services are inevitable prior to classes beginning.
2. Completion: Enhance high-quality work-based learning to improve course completion and graduation for all students.
  - a. Graduation Matters. We help every student complete their courses and finish their degrees because we know students with degrees have more earning power and better opportunities to improve their lives.
3. Post-College Success: Innovate the curriculum and workforce to improve wage and transfer success for all graduates.
  - a. Southwest Tech graduates experience high levels of job placement. We seek to improve the wages they earn as our alumni increase their value to employers.

See [Strategic Directions 2023-2026](#) document for additional details and specific priority goals.

#### **Budget Assumptions for 2024-2025**

- Structures to support new and expanding programming to include AA/AS, radiology technician, software developer, precision agriculture and summer semester programming.
- Supports for student success plans and enhancement of effective and efficient transfer paths.
- 1.25% increase in district net new construction valuation
- 1.5% increase in tuition rates
- Minimum material fee increasing 11% from \$4.50/credit to \$5.00/credit.
- Additional Project RISE cost shifting from capital to operational budget.
- Health and dental coverage rates are estimated to increase 1.2% and 6.1%, respectively.
- Gas, electric and water/sewer utility rates are estimated to increase of 5-8% partially offset by solar array to be commissioned.
- Wisconsin Retirement System contribution rate increased 1.5% on January 1, 2024, from 6.8% to 6.9% (Southwest Tech's 50% share)
- Mileage rate increased 2.3% on January 1, 2024, to .67/mile from .655/mile in 2023.
- Projecting 1,344 FTEs for 2023-24 and we will begin the 2024-25 budget with a target of 1,355 FTEs, an approximate 0.8% increase.
- 4.12% CPI base wage increase = \$650,000
- Other supplies and services estimated to increase 3-5%

## B. Staffing Update

Krista Weber, Chief Human Resources Officer, will provide an update on College staffing. A summary follows:

	Name	Title	Status and/or Additional Info	Effective Date	Funding Source &/or Estimated Wage Range/Hired Salary
1	New	Sustainable Energy Management Instructor/Energy Coordinator	Ashley Wojtalewicz	7/31/2023	BS: \$50,365 - \$80,083 AS: \$52,977 - \$84,234 MS: \$55,588 - \$88,385 Hired at \$70,000
2	Replacement	Communication Instructor	Sarah Gleisner	8/9/2023	MS: \$56,533 - \$89,888 Hired at \$65,000
3	Replacement	Disability Services Specialist	Tracy Allen	7/17/2023	C4 \$51,471-\$72,438 Hired at \$68,000
4	New	IT Systems Analyst (Student Services, Fin Aid, Student Accounts) Re-posted: Business Analyst - Student Information System	Renuka Vallarapu	2/6/2024	C42: \$24.88 - \$34.83 Hired at \$34/hour
5	Replacement	Accounting Instructor	Julie Johl	8/7/2023	BS: \$51,221 - \$81,444 AS: \$53,878 - \$85,666 MS: \$56,533 - \$89,888 Hired at \$63,000
6	Replacement	Web Designer	Eesha Gongula	10/4/2023	C43 \$54,575- \$76,406 Hired at \$66,560
7	Replacement	Multicultural Success Coach	Karla Escobar	8/28/2023	C41: \$48,908 - \$68,472 Hired at \$63,000
8	Replacement	Student Engagement Coordinator	Brittany Sherman	8/1/2023	C41: \$48,908 - \$68,472 Hired at \$56,000
9	Replacement	Child Care Aide - Part-time	Abby Meier	8/28/2023	A12: \$19.56 - \$22.87 Hired at \$19.56/hour

	Name	Title	Status and/or Additional Info	Effective Date	Funding Source &/or Estimated Wage Range/Hired Salary
10	Replacement	Director of Development and Major Gifts	Angela Herting	10/18/2023	D61: \$64,582 - \$93,645 Hired at \$79,000
11	Replacement	Academic Success Coach	JoLynn Moss	10/11/2023	B24: \$22 - 28.61/hourly Hired at \$26/hour
12	Replacement	Advisor	Beth Cummins	10/17/2023	C42: \$51,742 - \$72,438 Hired at \$67,477
13	Replacement	Associate Degree Nursing Instructor	Interviewing Candidates	2/9/2024	BS: \$51,221 - \$81,444 AS: \$53,878 - \$85,666 MS: \$56,533 - \$89,888
14	New	Radiography Program Director & Instructor	Rachel McGuire	1/5/2024	MS: \$56,533 - \$89,888 Hired at \$65,000
15	Replacement	Administrative Assistant - Academic Division	Tina Leis	1/28/2023	B22: \$19.56 - \$25.37/hourly Hired at \$23/hour
16	New	Academic Success Coach (Part-Time)	JoAnn Wiederholt	1/26/2024	B24: \$22.00 - \$28.61/hourly Hired at \$25/hour
17	New	Automotive Technician Instructor	George Whiteaker	2/5/2024	BS: \$51,221 - \$81,444 AS: \$53,878 - \$85,666 MS: \$56,533 - \$89,888 Hired at \$64,000
18	Replacement	Welding Instructor	Posted	1/18/2024	BS: \$51,221 - \$81,444 AS: \$53,878 - \$85,666 MS: \$56,533 - \$89,888
19	Replacement	Administrative Assistant - College Effectiveness	Posted	1/26/2024	B22, Hourly Range - \$19.56 - \$25.37

# Information and Correspondence

## A. Enrollment Report

### 1. 2023-24 FTE Year-Over-Year Comparison Report

Aid Code	Instruct Area	Program Code	Program Name	2/12/2024		2/13/2023 CAMS		2/14/2022 CAMS	
				Head Count	FTEs	Head Count	FTEs	Head Count	FTEs
10	006	100067	Agribusiness Science & Technology - Agribusiness Management	15	15.00	16	16.63	14	13.93
10	006	100065	Agribusiness Science & Technology - Agronomy	14	13.10	11	10.67	12	9.77
10	006	100066	Agribusiness Science & Technology - Animal Science	30	28.60	36	32.13	29	23.57
10	101	101011	Accounting	26	18.10	59	34.70	60	39.83
10	102	101021	Business Analyst (Data Analytics)	4	2.90	5	3.23	5	2.27
10	102	101023	Business Management	72	53.93	101	65.87	114	71.40
10	150	101502	IT - Network Specialist (Teaching out)	3	2.80	22	16.90	30	18.00
10	151	101512	IT - Cybersecurity Specialist (new)	14	12.70	-	-	-	-
10	182	101821	Supply Chain Management	20	13.80	32	18.27	35	16.90
10	196	101961	Leadership Development	9	5.97	12	6.20	12	6.33
10	196	101966	Nonprofit Leadership	8	5.87	12	6.77	9	5.10
10	201	102012	Graphic And Web Design	31	29.07	27	25.20	23	17.97
10	307	103071	Early Childhood Education	49	34.40	51	31.20	49	31.83
10	325	103251	Golf Course Management	14	13.90	15	14.83	13	12.17
10	481	104813	Energy Management Technology (Sustainable Energy Management)	1	0.87	-	-	-	-
10	504	105046	Criminal Justice - Law Enforcement 2	27	24.30	22	19.83	30	22.93
10	504	105045	Criminal Justice Studies	8	7.77	10	6.70	14	9.03
10	510	105106	Direct Entry Midwife	100	54.07	147	71.97	137	65.23
10	512	105121	Surgical Technology	16	12.40	9	6.77	-	-
10	513	105131	Medical Laboratory Technician	9	7.87	14	10.10	20	14.93
10	520	105203	Human Services Associate	17	16.63	34	28.27	39	29.27
10	524	105241	Physical Therapist Assistant	16	10.93	19	11.90	22	14.07
10	530	105305	Cancer Information Management	59	38.13	66	37.13	85	52.23
10	530	105301	Health Information Technology	27	14.07	46	23.87	52	27.03
10	543	105431	Nursing - Associate Degree	151	91.60	212	116.23	205	104.83
10	543	105431	Nursing - Associate Degree (WL)	6	4.90	212	116.23	205	104.83
10	620	106201	Electromechanical Technology	20	19.90	23	21.17	27	23.13
10	620	106203	Instrumentation and Controls Technology	1	1.07	2	2.20	-	-
10	825	108251	Individualized Technical Studies	1	0.40	-	-	-	-
<b>10 Total</b>				<b>768</b>	<b>555.03</b>	<b>1,215</b>	<b>754.97</b>	<b>1,241</b>	<b>736.60</b>
11	530	115301	Cancer Information Management (CIM) ATC	8	3.27	-	-	-	-
<b>11 Total</b>				<b>8</b>	<b>3.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
20	800	208001	Liberal Arts - Associate Of Arts	6	2.53	38	10.93	51	18.67
20	800	208001	Liberal Arts - Associate of Arts (SWTC)	19	13.33	38	10.93	51	18.67
20	800	208002	Liberal Arts - Associate Of Science	3	1.43	12	4.57	9	3.60
20	800	208002	Liberal Arts - Associate of Science (SWTC)	5	4.10	12	4.57	9	3.60
<b>20 Total</b>				<b>33</b>	<b>21.40</b>	<b>100</b>	<b>31.00</b>	<b>120</b>	<b>44.53</b>



Aid Code	Instruct Area	Program Code	Program Name	2/12/2024		2/13/2023 CAMS		2/14/2022 CAMS	
				Head Count	FTEs	Head Count	FTEs	Head Count	FTEs
30	316	303163	Artisanal Modern Meat Butchery	7	1.17	-	-	-	-
30	502	305024	Nail Technician	3	1.00	7	2.63	2	1.00
30	504	305042	Criminal Justice-Law Enforcement 720 Academy	6	3.20	10	8.00	7	5.13
30	513	305133	Laboratory Science Technician	1	0.57	7	1.00	11	5.03
30	531	305313	Emergency Medical Technician	73	11.60	75	12.63	58	7.80
30	543	305431	Nursing Assistant	26	5.47	178	24.80	165	20.20
30	812	308121	Driver and Safety Education Certification	8	2.00	17	3.70	13	2.00
<b>30 Total</b>				<b>124</b>	<b>25.00</b>	<b>294</b>	<b>52.77</b>	<b>256</b>	<b>41.17</b>
31	006	310063	Agribusiness Science & Technology - Agronomy Tech	2	1.27	1	0.60	1	0.10
31	101	311011	Accounting Assistant	8	5.27	11	5.30	9	3.77
31	150	311509	IT - Network Systems Technician (new)	4	2.87	-	-	-	-
31	182	311821	Supply Chain Assistant	1	0.40	3	1.70	3	0.73
31	307	313071	Child Care Services	6	3.47	5	2.70	4	2.10
31	405	314051	Auto Collision Repair & Refinish Technician	6	6.03	9	8.17	9	9.07
31	413	314132	Electrical Power Distribution	41	40.80	44	41.17	44	37.00
31	442	314421	Welding	21	19.97	48	38.70	46	30.60
31	475	314751	Building Trades-Carpentry	20	18.00	7	5.33	9	7.90
31	502	315021	Cosmetology	21	20.43	31	22.83	26	19.23
31	509	315091	Medical Assistant	19	13.50	26	20.20	31	22.43
31	530	315302	Medical Coding Specialist	54	28.20	68	30.17	95	51.90
31	620	316201	Industrial Mechanic	1	1.13	2	1.33	2	1.23
<b>31 Total</b>				<b>204</b>	<b>161.33</b>	<b>255</b>	<b>178.20</b>	<b>279</b>	<b>186.07</b>
32	070	320701	Agricultural Power & Equipment Technician	31	30.47	29	28.43	36	34.47
32	080	320804	Farm Operations & Management - Ag Mechanics	1	1.13	6	4.73	11	10.10
32	080	320806	Farm Operations & Management - Livestock	2	2.07	5	4.70	3	2.73
32	404	324042	Automotive Technician	24	22.80	19	17.73	19	15.07
<b>32 Total</b>				<b>58</b>	<b>56.47</b>	<b>59</b>	<b>55.60</b>	<b>69</b>	<b>62.37</b>
50	413	504132	Electricity (Construction) Apprentice	27	3.60	23	2.93	23	3.07
50	413	504131	Industrial Electrician Apprentice	1	0.13	11	2.27	6	0.80
50	427	504275	Plumbing Apprentice	23	4.71	23	3.59	21	4.17
<b>50 Total</b>				<b>51</b>	<b>8.44</b>	<b>57</b>	<b>8.79</b>	<b>50</b>	<b>8.03</b>
BAS-ED		BAS-ED	Basic Education ( <i>hours are in Lumens, working on integration</i> )	-	-	336	49.53	251	44.17
COLLED		COLLED	ColLEDGE Up	181	60.53	-	-	-	-
Aid Code 60		COMSRV	Community Service	-	-	13	0.04	-	-
<b>CO Total</b>				<b>181</b>	<b>60.53</b>	<b>13</b>	<b>0.04</b>	<b>-</b>	<b>-</b>
NONDEG		NONDEG	Non-Degree	2,718	50.18	2,967	55.17	2,705	55.23
REMED		REMED	Basic Education Remedial/Developmental	-	-	214	8.40	145	6.60
SCNOW		SCNOW	Start College Now	184	53.27	-	-	-	-
UNDEC		UNDECL	Undeclared	894	176.21	559	117.73	488	94.00
<b>Grand Total</b>				<b>5,223</b>	<b>1,171.1</b>	<b>6,069</b>	<b>1,312.2</b>	<b>5,604</b>	<b>1,278.8</b>

**Year over Year change - 23/24 to 22/23 and 23/24 to 21/22**      **-10.75%**      **-8.42%**



## 2. Program Application Comparison 2023/24 vs. 2024/25

<b>Program Application Comparison 2023/24 vs. 2024/25</b>								
<b>Fall 2024 Starts</b>		02/13/23			02/14/24			
PROGRAM	CAP	IP	ACCEPT	TOTAL	IP	ACCEPT	TOTAL	YOY
Accounting		8	2	10	22	4	26	16
Accounting Assistant		3	0	3	7	1	8	5
Agribusiness Science & Technology - Agbus Mgmt			19	19		25	25	6
Agribusiness Science & Technology - Agronomy			9	9		12	12	3
Agribusiness Science & Technology - Agronomy Tech			4	4		2	2	-2
Agribusiness Science & Technology - Animal Science			25	25		22	22	-3
Agribusiness Science & Technology-Dairy&Livestock						2	2	2
Agricultural Power & Equipment Technician	22		25	25		22	22	-3
Artisanal Modern Meat Butchery	15					7	7	7
Auto Collision Repair & Refinish Technician	22		13	13		9	9	-4
Automotive Technician	22		29	29		25	25	-4
Building Performance Technician					2	0	2	2
Building Trades-Carpentry			18	18		11	11	-7
Business Management		27	12	39	30	13	43	4
Cancer Information Management		16	27	43	16	13	29	-14
Cancer Information Management (ATC)				0	11	11	22	22
Child Care Services		5	3	8	2	4	6	-2
CNC Machine Operator/Programmer	15		0	0		0	0	0
Cosmetology	24		44	44		51	51	7
Criminal Justice Studies		9	4	13	10	4	14	1
Criminal Justice-Law Enforcement 2		10	18	28	2	13	15	-13
Data Analytics		7	0	7	1	0	1	-6
Dental Assistant		3	8	11	6	10	16	5
Driver and Safety Education Certification		6	0	6	1	0	1	-5
Early Childhood Education		24	16	40	11	15	26	-14
Electrical Power Distribution	44		89	89		68	68	-21
Electro-Mechanical Technology	24		16	16		11	11	-5
Golf Course Management			8	8		12	12	4
Graphic and Web Design	25		23	23		22	22	-1
Health Information Technology		2	10	12	13	5	18	6
Human Services Associate			18	18		7	7	-11
Industrial Mechanic	6		3	3		0	0	-3
Instrumentation and Controls Technology	6		0	0		0	0	0
IT-Computer Support Technician			6	6				-6
IT-Cybersecurity Specialist						14	14	14

<b>Fall 2024 Starts</b>		02/13/23			02/14/24			
PROGRAM	CAP	IP	ACCEPT	TOTAL	IP	ACCEPT	TOTAL	YOY
IT-Network Specialist			6	6				-6
IT-Network Systems Technician						6	6	6
Laboratory Science Technician	15		0	0		0	0	0
Leadership Development			0	0	3	0	3	3
Liberal Arts - Associate of Arts		14	5	19				-19
Liberal Arts - Associate of Arts (SWTC)					12	10	22	22
Liberal Arts - Associate of Science		14	1	15				-15
Liberal Arts - Associate of Science (SWTC)					6	3	9	9
Medical Assistant	32		19	19		21	21	2
Medical Coding Specialist		14	18	32	9	16	25	-7
Medical Laboratory Technician	16	7	3	10	5	0	5	-5
Nail Technician	4		10	10		9	9	-1
Nonprofit Leadership		1	0	1		1	1	0
Nursing-Associate Degree	54	111	37	148	85	19	104	-44
Nursing-Associate Degree-Part-time	28		4	4		10	10	6
Pharmacy Tech			0	0		0	0	0
Physical Therapist Assistant	18	7	9	16	9	8	17	1
Radiography	10				34	6	40	40
Solar Installation Technician						1	1	1
Supply Chain Assistant		2	0	2		0	0	-2
Supply Chain Management		4	1	5	3	2	5	0
Surgical Technology	10	9	7	16	10	4	14	-2
TechnicalStudies-Journeyworker		1	0	1	3	0	3	2
Undecided		28	0	28	34	0	34	6
Welding	40		39	39		40	40	1
<b>TOTAL</b>		<b>332</b>	<b>608</b>	<b>940</b>	<b>347</b>	<b>571</b>	<b>918</b>	<b>-22</b>

<b>Spring 2025 Starts</b>								
PROGRAM	CAP	IP	ACCEPT	TOTAL	IP	ACCEPT	TOTAL	YOY
Accounting			0	0	1	0	1	1
Artisanal Modern Meat Butchery						3	3	3
Business Management			0	0		1	1	1
Cancer Information Management				0		1	1	1
Direct Entry Midwife	40	25	34	59	23	4	27	-32
Medical Coding Specialist			1	1		0	0	-1
Nursing-Associate Degree			0	0		1	1	1
<b>TOTAL</b>		<b>25</b>	<b>35</b>	<b>60</b>	<b>23</b>	<b>10</b>	<b>34</b>	<b>-26</b>

## ***B. Chairperson's Report***

- 1. Board Member Reflection: What it Means to be a SWTC Board Trustee**
- 2. District Boards Association (DBA) Officer Nomination**
- 3. WTCS Eagle Award Presentation and Student Ambassador Banquet – 4/18/24**

## ***C. College President's Report***

- 1. Student Success Strategic Directions Progress Report**
- 2. College's Legal Counsel Process**
- 3. ACCT Legislative Summit Update**
- 4. Sabbatical Planning**
- 5. ERP Update**
- 6. ERP Heroes**
- 7. Crucial Conversations: High Stakes, Differing Opinions, Strong Emotions. Feedback and guidance on the quote, "When it comes to risky, controversial, and emotional conversations, skilled people find a way to get all relevant information (from themselves and others) out into the open."**
- 8. College Happenings**

## ***D. Other Information Items***

### ***Establish Board Agenda Items for Next Meeting***

#### ***A. Agenda***

- 1. Board Monitoring Report – Quality Teaching & Learning**


#### ***B. Date, Time, & Place***

**Thursday, March 28, 2024**

**7:00 p.m., Southwest Tech, Room 430**


### ***Adjournment***

**Appendix ~ Southwest Wisconsin Technical College Strategic Directions (2023 - 2026)**

 Southwest Wisconsin  
TECHNICAL COLLEGE

# STRATEGIC DIRECTIONS

2023–2026



For seven years in a row, Southwest Tech ranks among the best two-year colleges in the nation!

THIS IS WHERE  
*Everyone Belongs*



# Who We Are

## Mission

Southwest Wisconsin Technical College provides education and training opportunities responsive to students, employers, and communities.

## Vision

Southwest Wisconsin Technical College will be a preferred provider of education, source of talent, and place of employment in the region. We at the College change lives by providing opportunities for success.

## Values

### Integrity

We promote a cohesive culture that is based on honesty, professionalism, trust, kindness, and respect. We work collaboratively to maintain a healthy environment of clear communication, transparency, and dedication to the mission of Southwest Tech.



*Lori Needham, executive assistant, is known around campus for her unwavering kindness and infectious positivity. She extends trust generously and helps the entire campus community to feel like they belong here.*

### Accountability

We hold ourselves and our teams responsible for achieving academic and fiscal College goals as established by the District Board. We practice self-awareness and hold each other accountable to recognize and confront biases that impact our thinking, behavior, and performance to realize positive and equitable results.

*Holly Straka, Workforce Innovation Grant coordinator, is working on her masters degree while also leading the \$2.9 million Workforce Innovation Grant which funds Southwest Tech's Advance Southwest Wisconsin project. The project helps the Southwest Wisconsin workforce excel and increase their career potential in the post-pandemic manufacturing sector by providing job site training, educational pathways, and advanced support.*



### Learning

We work together to make high-quality, affordable education accessible to our diverse population. We help students develop the knowledge, skills, and attitudes needed to contribute to an inclusive workforce and community success. Through partnerships, we seek opportunities to improve lives.

*Kelly Kelly, Director of Fiscal Services, regularly seeks opportunities to provide work-based learning opportunities for students in the accounting program. She considers them an essential part of her team and holds them accountable for demonstrating professional behavior, communication, and the technical skills needed for today's workforce.*



### Inclusivity

We provide a welcoming environment that promotes respect for all members of the college community. We commit to learning about our differences and commonalities to better appreciate the value of each person. We empower the college community to cultivate connections and defend the dignity and humanity of all. We expect all members of our college community to live our Charger Respect Pledge.



*Matt Nation, evening custodian, regularly seeks opportunities to support students who need it the most by hiring them for the evening custodian crew. Matt makes adjustments to job duties to make sure students feel confident and supported. Matt answers many after-hours calls and is the first to extend a helping hand.*

### Continuous Improvement

We leverage our rural perspective and progressive entrepreneurial spirit to attract people who strive for excellence in student success through innovation in technology, services, and strategies. We support and promote personal and professional development to exceed industry standards and produce competent and



skilled graduates in high-quality, relevant programs essential to our sustainability as a college.

*Stacey Place, Physical Therapist Assistant program instructor, recently took on the role of academic lead for several health science*

*programs. The primary role of academic leads is to serve as coaches, mentors, and guides on a peer-to-peer basis, with the overarching goal of enhancing student learning outcomes.*

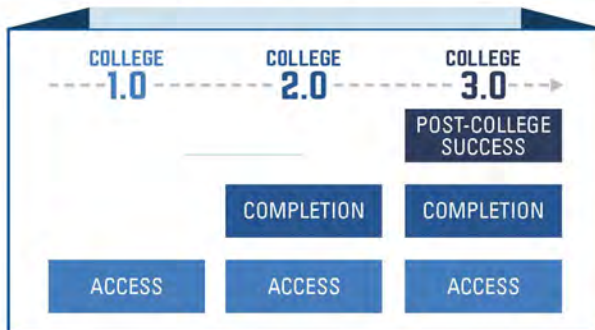


**Building relationships with prospective students, current students, and employers is what we do best. At Southwest Tech, we care.**

The front cover shows a recruiter meeting with students from Darlington High School, a non-traditional occupation student in the Building Trades-Carpentry program, and the first cohort of students in the high wage Surgical Technology program.



# College Health Indicators



COLLEGE HEALTH INDICATORS (CHI)		2023 ACTUAL	2024 GOAL
CHI 1A.	Promoting Equity in Student Learning-Graduation Rate Comparison:		
	For Special Population* Students	42%	70%
	For Non-Special Population Students	60%	
CHI 2A.	Course Completion Rate	91%	95%
CHI 3A.	Year-to-Year Graduate Wage Growth	8%	10%
CHI 4A.	5-Year Graduate Wage Growth	67%	75%

\*The Wisconsin Technical College System (WTCS) defines special populations as students of color, Pell Grant recipients, military veterans, incarcerated individuals, dislocated workers, and persons with disabilities.

The District Board of Directors reviews College Health Indicators (CHI) semi-annually. The CHI are metrics that provide a trend of performance year-over-year with benchmarks that compare Southwest Tech to other Wisconsin Technical College System colleges or national performance standards.

Each year, the Wisconsin Technical College District Boards Association recognizes individuals and business leaders in the state who exemplify the very best of Wisconsin's technical education system and colleges. The Association also recognizes partners in our communities who promote the value of a technical college education. For the last two years in a row, Southwest Tech District Board



▲ Charles Bolstad  
Donald Tuescher ▶

Chairs Donald Tuescher and Charles Bolstad were honored as the Wisconsin Technical College System Board Member of the Year.



# College Governance



## Executive Team

Leads the college to achieve excellence with integrity through learning and service.

*The Aspen Institute College Excellence Program selected Holly Clendenen as one of 35 leaders for the 2023-24 class of the Aspen Rising Presidents Fellowship.*



## College Council

Cultivates College Values as core behaviors of a positive, caring culture of wellness and trust.

*Josh Bedward, facilities manager and master electrician, co-leads the College Council and took a lead role in developing and implementing the performance management evaluations.*



## Academic Council

Leads efforts to ensure all students learn, progress, and achieve their goals, especially our Special Populations\*.

*Cynde Larsen, Ph.D., chief academic officer and executive dean, leads the Academic Council.*



## Operations Council

Leads the achievement of sustainable college operations.

*Heath Ahnen, executive director of information technology services, is co-leading the implementation of a new Enterprise Resource Planning system.*



**COLLEGE 1.0-ACCESS**

**STRATEGIC DIRECTION:** Create transformational student success plans to improve access for all students.

**This Is Where People Care.** At Southwest Tech we want every person to know we care about their success. Faculty and staff unite to help students design plans to achieve their goals. Student success plans include: career goals, an academic map, financial planning and budgeting, and a network of professionals to ensure supports and services are inevitable.

**PERFORMANCE**

*We know we will be successful when more people chose to be students at Southwest Tech, especially if they live in the college's five-county district.*

**GOALS**

- a. 50 Adult Basic Education and English Language Learners students will have a student success plan by the end of the spring 2024 semester.
- b. 150 dual enrollment high school students will have a student success plan by the end of the spring 2024 semester.
- c. 300 special population\* degree-seeking students will have a student success plan by the end of the spring 2024 semester.
- d. 50 university transfer students have a student success plan by the end of the spring 2024 semester.
- e. All program students will have a success plan before their first course begins in the 2024 fall term.



*An eager group of adults in Darlington is on their way to learning English. A partnership between Southwest Wisconsin Technical College and the Darlington Community School District, has drawn approximately 60 adult learners to weekly classes since September.*



*Cody M. Burke completed the HSED program at our Richland Center Outreach Center. He is from Soldiers Grove, Wisconsin, and was a student at North Crawford High School. Cody will attend Southwest Tech in Fennimore this fall as a part of the Agricultural Power and Equipment Technology program. Good luck with your future, Cody!*

**COLLEGE 2.0-COMPLETION**

**STRATEGIC DIRECTION:** Enhance high-quality work-based learning to improve course completion and graduation for all students.

**This Is Where You Succeed.** Graduation Matters. We help every student complete their courses and finish their degrees because we know students with degrees have more earning power and better opportunities to improve their lives.

**PERFORMANCE**

*We know we will be successful when more students graduate and we make improvements to decrease achievement gaps for special population students. Southwest Tech emphasizes work-based learning\* so students learn first-hand from industry experts how to excel in the workforce or successfully transfer to a four-year university.*

**GOALS**

- a. All academic programs will incorporate or enhance at least one formal work-based learning initiative into the curriculum before the fall 2024 semester.
- b. During the 2023-24 academic year, all academic program advisory committees will consider student success rates and outcomes and identify curriculum or industry innovations that will increase wages.
- c. The Boards of Directors for the College, Foundation, and Real Estate Foundation will adopt fundraising priorities aligned with supporting needs-based scholarships and work-based learning by November of 2023 and establish fundraising goals for each of the next three years.
- d. Universal Design initiatives will be assessed for impact on student success with investments in the opportunities that will have the most impact on students during the 2024-25 budget development cycle.

*All students are better off when they have authentic work-based learning opportunities similar to what they will experience in the workplace. The internal partnerships between marketing and the Graphic & Web Design program create meaningful experiences that align with program outcomes. Pictured are Graphic & Web Design students Sabrina Splinter and Alexa Weber whose t-shirt designs were selected to be sold in the Chargers Bookstore.*



\*Work-based learning is a course-based opportunity to engage and interact with industry experts while learning to demonstrate essential employability and technical skills necessary for today's workforce. Work-based learning can take various forms, such as practicum, clinical, and internship courses; apprenticeships, and other course-based learning experiences in which students interact directly with potential employers.



**COLLEGE 3.0-POST-COLLEGE SUCCESS**

**STRATEGIC DIRECTION:** Innovate the curriculum and workforce to improve wage and transfer success for all graduates.

**This is Where You Excel.** Southwest Tech graduates experience high levels of job placement. We seek to improve the wages they earn as our alumni increase their value to employers.

**PERFORMANCE**

*We know we will be successful when local employers report graduates have increased knowledge, skills, and abilities and recognize the high value by increasing wages.*

**GOALS**

- a. Add five new high-wage programs by 2026. We will pursue radiology technician, respiratory therapist, software developer, paramedic, and one still to-be-determined.
- b. Through the Team Action Plan process of Instructional Vitality, we will plan and implement curriculum modifications for at least one element of each low-wage program during the 2023-24 academic year.
- c. Strengthen the college's relationship with the University of Wisconsin-Platteville to help more Southwest Tech students complete their bachelor's degree.



*As a Nursing student Kylie Meier participated in the Southwest Tech sponsored trip to Haiti.*



*While working as an LPN and working her way through the Nursing-Associate Degree program, Kylie was selected as the DRIVEN Award recipient at Southwest Health in Platteville, Wisconsin. Kylie is described as "A nurse who shows compassion for people every day." Kylie is known for her energy, empathy, flexibility in meeting others' needs, dedication, and caring nature.*



*After working for seven years as an LPN, ADN, and BSN, Kylie has started seeing her own patients as an Advanced Practice Nurse Prescriber in 2023.*

*Kylie Meier*

- 2018 Nursing-Associate Degree
- 2020 Bachelor of Science in Nursing
- 2022 Advanced Practice Nurse Prescriber

**COLLEGE EXCELLENCE PROGRAM**  


The Aspen Institute College Excellence Program (Aspen) and its partners at the Community College Research Center (CCRC) have launched a first-of-its-kind initiative that reflects the next wave of the two-year college student success movement: a bold focus on excellence and equity in post-completion outcomes. In the spring of 2023, Southwest Tech was selected to join a ten-college network to work closely with Aspen, CCRC, expert

coaches, and field practitioners over three years on comprehensive reforms and then three additional years of evaluation, all with one overarching goal: thousands more community college students, including students of color and those from lower-income backgrounds, entering and completing programs that lead directly to jobs that pay a family-sustaining wage or to efficient and effective completion of a bachelor's degree.