



Southwest Wisconsin Technical College

District Board Meeting

Regular Meeting

February 23, 2023

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

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Annotated Agenda

BOARD MEETING NOTICE/AGENDA

Thursday, February 23, 2023

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

Southwest Tech
1800 Bronson Boulevard
Fennimore, WI 53809
Room 430 or via remote Zoom

Join Zoom Meeting:

<https://swtc.zoom.us/j/98938080755?pwd=cEl3Ym9VNUxFTVRMK1F5dkN4aHFVQT09>

Meeting ID: 989 3808 0755

Passcode: 033038

ANNOTATED AGENDA - AMENDED

OPEN MEETING

The following statement will be read: "The February 23, 2023, regular meeting of the Southwest Wisconsin Technical College Board 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. 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

CONSENT AGENDA

A. Approval of Agenda

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

B. Minutes of the Regular Board Meeting of January 26, 2023

Minutes of the January 26, 2023, 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 eight contracts totaling \$88,635.00 in January 2023 being presented for Board approval. The Contract Revenue Report is included with the electronic Board material.

E. Personnel Items

The Personnel Report includes two employment recommendations and two resignations being presented for approval. The report is included with the Board material.

Recommendation – *Approve the Consent Agenda as presented.*

OTHER ITEMS REQUIRING BOARD ACTION

A. 2021-22 Financial Audit

Caleb White and Jordan Boehm from Clifton Larson Allen LLP will present the audit report. A draft of the audit report is available electronically with all other Board material.

Recommendation: *Approve the 2021-22 Financial Audit as presented.*

B. Fund & Account Transfers (2021-22 Budget Modifications)

Information on the budget modifications is available electronically with all other Board material. Caleb White will present a financial review followed by a review of the modifications to the General Fund, Capital Fund, Enterprise Fund, and Special Revenue Fund.

Recommendation: *Approve the 2021-22 budget modifications as presented.*

BOARD MONITORING OF COLLEGE EFFECTIVENESS

A. 2023-24 Budget Priorities & Assumptions

The Budget Priorities & Assumptions for 2023-24 will be reviewed by Caleb White. The report is included within the Board packet material.

B. Safety & Security Monitoring Report

Dan Imhoff, Executive Director of Facilities, Safety & Security, and Heath Ahnen, Executive Director of Information Technology Services, will present the Board monitor report on Safety & Security. This report is included with all other Board meeting material.

C. Staffing Update

1. Staffing Summary

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

2. Recruitment, Retention, Compensation, Benefits, and Culture: Trends and Opportunities

Krista Weber will present a summary outlining recruitment and retention data, as well as current College Council projects. The report is part of the Board packet.

INFORMATION AND CORRESPONDENCE

A. Enrollment Report

- 1. FY 2023 FTE Comparison Report**
- 2. FY 2024 Application Comparison Report**

Caleb White will be available for any questions on the reports. The two reports are included in the electronic Board packet.

B. Chairperson's Report

C. College President's Report

- 1. Higher Learning Commission**
- 2. Unlocking Opportunity: The Post-Graduation Success & Equity Network**
- 3. Dodgeville Outreach Update**
- 4. College Happenings**

D. Other Information Items

ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING

A. Agenda

- 1. Quality Teaching & Learning Monitoring Report**

B. Time and Place

Thursday, March 23, 2023, 7:00 p.m., Southwest Tech, Room 430

ADJOURN TO CLOSED SESSION

A. Consideration of adjourning to closed session for the purpose of

- 1. 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.}
- 2. Discussing preliminary notices of non-renewal 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 Closed Session Minutes from January 26, 2023.

RECONVENE TO OPEN SESSION

A. Action, if necessary, on Closed Session Items

ADJOURNMENT

Open Meeting

The following statement will be read: "The February 23, 2023, regular meeting of the Southwest Wisconsin Technical College Board 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. 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

Consent Agenda

A. Approval of Agenda



BOARD MEETING NOTICE/AGENDA

Thursday, February 23, 2023
6:00 p.m. - Regular District Board Meeting

Southwest Tech
1800 Bronson Boulevard
Fennimore, WI 53809
Room 430 or via remote Zoom

Join Zoom Meeting:

<https://swtc.zoom.us/j/98938080755?pwd=cEl3Ym9VNUxFTVRMK1F5dkN4aHFVQT09>

Meeting ID: 989 3808 0755

Passcode: 033038

AMENDED AGENDA

OPEN MEETING

The following statement will be read: "The February 23, 2023, regular meeting of the Southwest Wisconsin Technical College Board 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. 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

CONSENT AGENDA

- A. Approval of Agenda
- B. Minutes of the Regular Board Meeting of January 26, 2023
- 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. 2021-22 Financial Audit
- B. Fund & Account Transfers (2021-22 Budget Modifications)

BOARD MONITORING OF COLLEGE EFFECTIVENESS

- A. 2023-24 Budget Priorities & Assumptions
- B. Safety & Security Monitoring Report
- C. Staffing Update
 - 1. Staffing Summary
 - 2. Recruitment, Retention, Compensation, Benefits, and Culture: Trends and Opportunities

INFORMATION AND CORRESPONDENCE

- A. Enrollment Report
 - 1. FY 2023 FTE Comparison Report
 - 2. FY 2024 Application Comparison Report
- B. Chairperson's Report
- C. College President's Report
 - 1. Higher Learning Commission
 - 2. Unlocking Opportunity: The Post-Graduation Success & Equity Network
 - 3. Dodgeville Outreach Update
 - 4. College Happenings
- D. Other Information Items

ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING

- A. Agenda
 - 1. Quality Teaching & Learning Monitoring Report
- B. Time and Place

Thursday, March 23, 2023, 7:00 p.m., Southwest Tech, Room 430

ADJOURN TO CLOSED SESSION

- A. Consideration of adjourning to closed session for the purpose of
 - 1. 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.}

2. Discussing preliminary notices of non-renewal 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 Closed Session Minutes from January 26, 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.}

B. Minutes of the Regular Board Meeting of January 26, 2023

MINUTES OF THE BOARD REGULAR MEETING OF THE BOARD OF DIRECTORS OF SOUTHWEST WISCONSIN TECHNICAL COLLEGE JANUARY 26, 2023



The Board of Southwest Wisconsin Technical College met in open session of a regular meeting commencing at 7:01 p.m. on January 26, 2023, 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, Jeanne Jordie, Chris Prange (remotely over Zoom technology), Don Tuescher, Jane Wonderling, Crystal Wallin

Absent: N/A

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

SWTC President Jason Wood and SWTC Staff: Heath Ahnen, Christena Bowers, Holly Clendenen, Dennis Cooley, Katie Glass, Katie Garrity, Connie Haberkorn, Cynde Larsen, Lori Needham, Krista Weber, Caleb White, Kris Wubben

Chairperson Tuescher 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 26, 2023

6:00 p.m. - Student Stories & Experiences

6:30 p.m. - Dinner

7:00 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 January 26, 2023, regular meeting of the Southwest Wisconsin Technical College Board 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. Notice is also posted on Campus, the Platteville and Richland Center Outreach Sites, 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

CONSENT AGENDA

- A. Approval of Agenda
- B. Minutes of the Regular Board Meeting of January 26, 2023
- C. Financial Reports
 - 1. Purchases Greater than \$2,500
 - 2. Treasurer's Cash Balance
 - 3. Budget Control
- D. Contract Revenue
- E. DWD Job Center Lease
- F. Personnel Items

OTHER ITEMS REQUIRING BOARD ACTION

No agenda items for January 26, 2023, Board Meeting

BOARD MONITORING OF COLLEGE EFFECTIVENESS

- A. Review of 6/30/2022 Financial Results
- B. Staffing Update
- C. Benefits Consortium Update
- D. Student Access Monitoring Report
- E. Southwest Tech Foundation Quarterly Report
- F. Southwest Tech Real Estate Foundation Quarterly Report

INFORMATION AND CORRESPONDENCE

- A. Enrollment Report
 - 1. FY 2023 Comparison FTE Report
 - 2. FY 2024 Application Report
- B. Chairperson's Report
 - 1. District Boards Association (DBA) Drafts of the 2023-2024 Fee Calculations & Budget
- C. College President's Report
 - 1. Review Governance Policies: 4.4 College Values, 4.5 College Strategic Directions
 - 2. College Happenings
 - i. Legislative Update
 - ii. Outreach
 - iii. Budget Priorities
- D. Other Information Items

ADJOURN TO CLOSED SESSION

- A. Consideration of adjourning to closed session for the purpose of
 - 1. Discussing personnel issues per Wis. Stats. 19.85(1)(b) {Considering dismissal, demotion, licensing or discipline of any public employee or person licensed by a board or commission or the investigation of charges against such person, or considering the grant or denial of tenure for a university faculty member, and the taking of formal action on any such matter; provided that the faculty member or other public employee or person licensed is given actual notice of any evidentiary hearing which may be held prior to final action being taken and of any meeting at which final action may be taken. The notice shall contain a statement that the

person has the right to demand that the evidentiary hearing or meeting be held in open session. This paragraph and par. (f) do not apply to any such evidentiary hearing or meeting where the employee or person licensed requests that an open session be held.}

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 legal issues per Wis. Stats. 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 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.}

B. Approval of Closed Session Minutes from November 17, 2022

ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING

- A. Agenda
 1. Budget Assumptions & Parameters
 2. Procurement Bid: One Ton Truck (for Electro Mech Trailer)
 3. Procurement Bid: Electro Mech Trailer
 4. Safety & Security Monitoring Report
- B. Time and Place
 1. Thursday, February 23, 2023, 7:00 p.m.
 2. Southwest Tech, Room 430

ADJOURNMENT

After a review of the Consent Agenda, including the January 26, 2023 agenda; December 22, 2022, Board meeting minutes; financial reports; 22 contracts totaling \$106,525.85 in December 2022; the DWD Job Center lease; employment recommendation for Gabby Snider, Administrative Assistant-Business & Industry Services; promotion/transfers for Cynde Larsen, Chief Academic Officer, and Dennis Cooley, Executive Director of Advancement; and the resignations of Holly Knapp, Mental Health Counselor, and Ken Bartz, Public Safety Supervisor/Coordinator/EMS Instructor, Mr. Bolstad moved, seconded by Mr. Enright, to approve the Consent Agenda, as presented. Motion adopted.

Caleb White, Vice President for Administrative Services, presented the College's preliminary 6/30/2022 financial results. The review consisted of a breakdown of each of the six College funds. Mr. White noted that the completed audit report and the 2021-22 budget modifications will be brought to the February 23, 2023, Board meeting for Board approval.

Krista Weber, Chief Human Resources Officer, provided an update on College staffing noting that the following full-time positions are currently posted: Associate Degree Nursing Instructor, Mental Health Counselor, and Electrical Power Distribution (EPD) Lab Assistant. Interviews have been completed and employment offers will soon be extended for the Emergency Medical Services (EMS) Instructor and Foundation Development Officer positions.

A Wisconsin Technical College System (WTCS) Employee Benefits Consortium update was presented by Connie Haberkorn, Director of Human Resources; Caleb White; and Krista Weber. Currently, there are 146 Southwest Tech employees participating in the self-funded health coverage plan. Other benefits were reviewed, as well as an overview of future benefits being considered. It was noted that the Consortium's consultant will be conducting an employee benefit survey to the Southwest Tech employees this coming spring. President Wood thanked Ms. Haberkorn for serving as the current Chair for the eight-college consortium that is made up of approximately 5000 insured persons.

Holly Clendenen, Chief Student Services Officer; Kris Wubben, Director of Student Success; and Chris Bowers, Disabilities/Support Services Manager, provided the Board monitor report on Student Access. The presentation encompassed a review of College Health Indicators for Student Access and Success, as well as strategic initiatives designed to improve College performance including Universal Design; Student Recruitment & FTE Generation; Diversity, Equity and Inclusion Recruitment and Retention Efforts; Project RISE; Charger Tech 360; and High-Risk Case Management.

The Southwest Tech Foundation's FY 2023 2nd quarter report was presented by Dennis Cooley, Executive Director of Advancement. There were 3063 gifts received from 516 donors totaling \$481,712 in the 2nd quarter of FY2023. Mr. Cooley noted that in his new role he will serve as director of Southwest Tech Foundation, Southwest Tech Real Estate Foundation, and Business & Industry Services.

Mr. Cooley presented the Southwest Tech Real Estate Foundation's FY 2023 2nd quarter report noting that plans are underway to partially furnish some existing College housing. Ongoing discussions about a potential outreach opportunity in Dodgeville are still occurring.

The Board reviewed the Enrollment and Application Reports noting that the FTE count has increased 2.07% compared to this time last year. Fall applications have increased by 63 applicants from this time last year.

Under the Chairperson's report, Chairperson Tuescher reviewed the drafts of the District Boards Association (DBA) 2023-24 budget and fee calculations. Board comments included that the association provides very valuable support and service to the Wisconsin Technical College System District Boards.

Under the College President's Report, President Wood asked the Board for recommendations for updates to Governance Policies 4.4 - College Values and 4.5 –

College Strategic Directions; there were not any recommendations for updates at this time.

College Happenings and additional items noted under the President's Report:

- Legislative Updates:
 - President Wood; Board trustees Chuck Bolstad and Jeanne Jordie; and College Staff Holly Clendenen and Krista Weber attended the District Boards Association legislative update meeting in Madison on January 12, 13, 2023. A portion of their time was spent meeting with Senator Howard Marklein, Representative Tony Kurtz, and staff from the offices of Representatives Travis Tranel and Todd Novak.
 - There is a National Legislative summit in Washington D.C. February 6-8, 2023. President Wood, Chuck Bolstad, and Holly Clendenen plan to attend. At this time, visits are scheduled with Secretary of Education's office and Senators Tammy Baldwin and Ron Johnson.
- Outreach: The Platteville Regional Chamber hosted "Good Morning, Platteville" this morning, January 26, 2023. The event was held at the Platteville Outreach Center and was well attended with a positive atmosphere of cooperation, where all shared the same enthusiasm of doing what is best for students.
- FY2024 Budget Priorities are being assessed and compared to assumptions. Preliminary budget information will be brought to the Board in future meetings during the budget development process.
- The 2023 Board Appointment process is underway. The public hearing/appointment meeting is scheduled for March 2, 2023, 7:00 p.m.
- ERP – Project RISE Update: There will be onsite visit the week of February 6, 2023. There are currently eight showstoppers, and the quality rate of the most recent spin is approximately 70%.

There were not any items to discuss under agenda item "Other Information Items".

Mr. Enright moved, seconded by Mr. Blume to adjourn to closed session for the purpose of discussing personnel and potential legal issues per Wis. Stats. 19.85(1)(b); (1)(c); (1)(f); and (1)(g). Upon a roll call vote, the following members voted affirmatively: Mr. Blume, Mr. Bolstad, Mr. Enright, Ms. Fillback, Ms. Jordie, Mr. Prange, Mr. Tuescher, Ms. Wonderling, and Ms. Wallin. The motion carried and the meeting adjourned to closed session at 8:40 p.m.

The Board reconvened to open session at 10:01 p.m. With no further business to come before the Board, Mr. Prange moved to adjourn the meeting, seconded by Mr. Enright. The motion carried and the meeting adjourned at 10:02 p.m.

Crystal Wallin, Secretary

C. Financial Reports

1. Purchases Greater than \$2,500

SOUTHWEST WISCONSIN TECHNICAL COLLEGE PURCHASES GREATER THAN \$2,500 FOR THE PERIOD 1/01/2023 - 1/31/2023			
Vendor	Expenditure Invoice #	Description	Amount
Sikich	2/1/23	2/1/23	302,408.11
IRS	12.23.22 PR	12.23.22	173,966.67
WRS-PR	1.31.23	FOR DEC 2022	162,941.03
WRS-PR	1.20.23 PR	1.20.23 PR	136,393.73
IRS	1.20.23 PR	1.20.23 PR	119,745.84
IRS	1/6/23 PR	1/6/23 PR	117,650.53
eCampus.com	6557-221231-2639	BOOK VOUCHERS	103,962.57
Ritchie	49809	BOBCAT TOOLCAT	60,985.00
Napleton	F23043	2023 CHEVY SILVERADO 3500HD	43,519.64
PCARD-Snap On	ARV-55687989	TRU-POINT EDU 5-YEAR	39,066.82
HBS	570786-H2	NETWORK ESSENTIALS	35,876.88
SWTC REF	FALL 2223 HOUSING	FALL 2223 HOUSING	35,610.73
PCARD-Snap On	ARV-55730925	TRITON CERTIFICATION KIT	33,591.15
EPA	200261	TECHNOLOGY EQUIPMENT	32,610.31
WI DOR- PR	12.23.22 STFF PR	12.23.22	30,690.84
Campus Works	10750	AMENDMENT #5	29,167.00
Fennimore Utilities	1/27/23 BILLING	JANUARY UTILITIES	27,374.11
Constellation	3657203	UTILITIES	21,088.70
Les Mack Chevy	1G1ZB5ST7NF208539	2022 CHEVY MALIBU	21,060.50
Factory	33-1484962	WHEEL BALANCER	20,978.56
EPA	200262	TECHOLOGY	20,025.00
WI DOR- PR	1/6/23 PR	1/6/23 PAYROLL	19,996.21
WI DOR- PR	1.20.23 PR	1.20.23 PR	19,339.97
Healthequity	1/19/23	CONTRIBUTION	17,872.05
Healthequity	1.6.23 HRA	1.6.23 HRA	17,257.43
WE	4437940353	UTILITIES	12,874.02
Franklin University	0305182 2022 FALL	2022 FALL	12,000.00
OHD	86729	QUANITFIT 2 TESTING UNIT	11,275.00
Zorn	385004-00	SCREW COMPRESSOR	11,113.40
Husch Blackwell	3269320	PROFESSIONAL SVCS	10,459.50
Moody's	P0423694	22-23 borrow	10,000.00
Great West	1.6.23 PR	1.6.23 DEFERRED COMP	9,775.36
Anthology	ANTH_INV_013252	MONTHLY 1.1.23-5.31.23	9,625.00
Great West	1.20.23 PR	1.20.23 DEFERRED COMP	9,437.04

Medical Solutions	01A22296	DIGITAL HD/MONITOR/CABLES	9,376.63
Symetra	A066697	JAN 2023	9,227.72
Delta	636532	DENTAL CLAIMS	9,036.60
Delta	635308	DENTAL CLAIMS	7,921.46
First Tech	88319760	ELECTROMAGNETISM TRAINER	7,720.00
Motimatic	1908	ADVERTISING	7,540.00
Garys Auto	KL7CJКСB2LB061666	2020 CHEVY TRAX	7,500.00
Garys Auto	1G1ZB5ST9KF179847	2019 Chevy Malibu	7,400.00
eCampus.com	6557-221231-430	SCHOOLS	6,781.20
Turnitin	IN11248954	ORIGINALITY CHECKING & FEEDBACK	6,757.00
CLA	3519926	AUDITORS	6,405.00
PCARD - ECampus	12517523-M	BOOKS	6,387.11
EPA	200260	COSMO CLASSROOM AUDIO	6,341.54
Medical Solutions	01A23393	LAPAROSCOPE	6,026.56
Bluum	888548	50" TVs/MEDIA PLAYERS	5,639.96
Hydro-Flo	2412397	VALVE ASSEMBLY	5,630.45
Delta	644512	DENTAL CLAIMS	5,470.60
Fennimore Times	371196	JANUARY START	5,132.40
Baus Electric	1015	LABOR/MATERIAL	4,900.00
Delta	634079	DENTAL CLAIMS	4,802.00
Campuspeak	INV#23-0201.BEL	BLACK HISTORY IS AM HISTORY	4,550.00
Anthology	ANTH_INV_012604	MANAGED SVCS 12.12-12.31.22	4,331.00
Kraemer Air	21382	FILTER CARTRIDGE	4,300.76
HBS	553598-H	CON-SNT-N9KXC923	4,157.10
Delta	643290	1/19/23-1/25/23	4,029.72
ExamSoft	IN11248930	ESESENTIAL	4,009.50
Delta	637753	DENTAL PLAN	4,006.67
Buckingham Mfg	845199	MSUT SHIP	3,897.84
WI Library Services	EBSCO RENEWALS	EBSCO	3,791.00
US Omni	1.20.23 PR	1.20.23 VANGUARD	3,661.62
PCARD - Chair	7065	WLDI WEEK 2 REGISTRATION	3,600.00
PCARD - Health Ed	AI0CABD0DD1D	HESI VOUCHERS	3,600.00
Fennimore Times	371197	CNA	3,503.28
WTA Properties	FEB '23 RENT	FEBRUARY RC OR RENT	3,502.00
PCARD - Hillyard	604978327	PAPER TOWEL	3,456.20
US Omni	1.6.23 PR	1.6.23 PR	3,427.11
Delta	632847	DENTAL CLAIMS	3,182.00
PCARD - Elsevier	82293DF1	BOOKS	3,112.13
PCARD - Bioelements	756838	PURCHASE RESALE	3,111.20
DigitalBarn	SWTC361222	ADVERTISING	3,000.00
Uline	85068721	CHAIRS	2,926.51
3289058	2099308	Student Refund	2,873.00
US Omni	12.23.22 VANGUARD	VANGUARD PMT	2,791.84
WageWorks	INV4620027	PMB PAYMENTS HRA 2021	2,682.92

DMI	2027	OUT OF STATE W/C	2,677.00
Fennimore Times	365921	FAST TRACK	2,645.48
3368769	2099309	Student Refund	2,564.50
Queen B Rad	156960-1	SEPT DIGITAL	2,500.00

Total Invoices

\$1,971,625.31

Bank Withdrawals			
Vendor	Transaction Date	Audit Trail	Amount
HASLER ADVANCE ADVANCE XXXXX7827	1/27/2023	GNJL005802	5,000.00

Total Bank Withdrawals

\$5,000.00

Payroll		
Payroll Period	Payroll Date	Amount
01/06/2023 Payroll	1/6/2023	355,473.58
01/20/2023 Payroll	1/20/2023	350,862.50

Total Payroll

\$706,336.08

Total Purchases >= \$2,500

\$2,682,961.39

2. Treasurer's Cash Balance

Southwest Wisconsin Technical College			
Report of Treasurers Cash Balance 1/31/2023			
Receipts			
Fund			
1 General	3,722,071.00		
2 Special Revenue	-		
3 Capital Projects	2,806.00		
4 Debt Service	1,859,964.00		
5 Enterprise	92,928.00		
6 Internal Service	317,179.00		
7 Financial Aid/Activities	606,818.00		
Total Receipts		6,601,766.00	
Expenses			
Fund			
1 General	1,782,060.00		
2 Special Revenue	-		
3 Capital Projects	437,653.00		
4 Debt Service	10,475.00		
5 Enterprise	105,277.00		
6 Internal Service	341,385.00		
7 Financial Aid/Activities	51,708.00		
Total Expenses		2,728,558.00	
Net cash change - month			3,873,208.00
EOM Cash Balances			
-Midwest One Operating 0356	10,520.10		
-Midwest One Investment 1324	14,103,439.13		
-Cash on Hand	2,940.00		
-Local Government Investment Pool	1,257,336.05		
Ending Cash/Investment Balance		15,374,235.28	

3. Budget Control

Southwest Wisconsin Technical College							
YTD Summary for Funds 1-7							
For 7 Months ended January 2023							
	2022-23	2022-23	2022-23	2021-22	2020-21	2019-20	2018-19
	<u>Budget</u>	<u>YTD Actual</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
General Fund Revenue	24,757,300.00	10,410,654.67	42.05	40.30	46.96	44.63	43.16
General Fund Expenditures	25,265,400.00	13,882,387.45	54.95	49.75	55.96	52.90	54.92
Capital Projects Fund Revenue	4,275,000.00	4,345,798.74	101.66	2.40	2.62	0.69	99.25
Capital Projects Fund Expenditures	5,134,000.00	1,262,357.74	24.59	16.49	31.90	19.42	36.41
Debt Service Fund Revenue	6,538,500.00	1,859,964.00	28.45	48.23	29.17	28.30	29.15
Debt Service Fund Expenditures	7,401,644.00	1,186,619.44	16.03	16.35	17.77	8.03	10.85
Enterprise Fund Revenue	1,547,000.00	758,988.32	49.06	62.34	77.61	67.72	59.46
Enterprise Fund Expenditure	1,815,700.00	894,825.88	49.28	109.92	56.76	64.54	53.90
Internal Service Fund Revenue	4,455,000.00	2,317,935.06	52.03	52.16	51.68	48.99	51.39
Internal Service Fund Expenditures	4,455,000.00	2,401,948.96	53.92	53.70	55.25	52.48	54.74
Trust & Agency Fund Revenue	8,302,800.00	3,203,889.88	38.59	42.94	28.37	33.34	40.04
Trust & Agency Fund Expenditures	7,702,800.00	3,273,154.83	42.49	49.51	34.67	38.83	40.83
Grand Total Revenue	49,875,600.00	22,897,230.67	45.91	40.26	39.10	38.36	47.19
Grand Total Expenditures	51,774,544.00	22,901,294.30	44.23	44.67	44.65	42.23	45.95

D. Contract Revenue

There were eight contracts totaling \$88,635.00 in January 2022 being presented for Board approval. The Contract Revenue Report is below.

2022-2023 CONTRACTS

1/1/2023 to 1/31/2023

<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	03-2023-0097-T-42	League Director Duties - January	Caleb White		\$ 500.00	No		X	
Platteville School District	03-2023-0104-I-11	Baking I	Kim Maier	47	\$ 34,800.00	No		X	
Platteville School District	03-2023-0104-I-11	Cooking Principles	Kim Maier	16	\$ 11,075.00	No		X	
Platteville School District	03-2023-0104-I-11	ECE: Infant & Toddler Development	Kim Maier	24	\$ 21,850.00	No		X	
Dodgeville High School	03-2023-0105-I-11	Marketing Principles	Kim Maier	25	\$ 15,625.00	No		X	
Glen Haven First Responders	03-2023-0120-I-42	BLS for Healthcare Provider-CPR Recertification	Kris Schoville	10	\$ 720.00	No		X	
Saputo-Belmont	03-2023-0136-I-41	Heartsaver CPR/AED with First Aid	Kris Schoville	10	\$ 1,440.00	No		X	
3M	03-2023-0145-I-41	OSHA 30	Dennis Cooley	21	\$ 2,625.00	No		X	
TOTAL of all Contracts				153	\$ 88,635.00				
Exchange of Services				-	\$ -				
For Pay Service				153	\$ 88,635.00				

F. Personnel Items

The Personnel Report includes two employment recommendations and two resignations being presented for approval. The Personnel Report follows.



PERSONNEL REPORT February 13, 2023

EMPLOYMENT: NEW HIRE

Name:	Nikki Nemitz
Title:	Foundation Development Officer
How many applicants & interviewed	4 applicants/2 interviews
Start Date:	02/16/2023
Salary/Wages	\$61,000
Classification	Full Time
Education and/or Experience	Bachelor of Science in Secondary education – English & Masters in Business Education with 9 years of supply chain management experience & 5 years of educational technology integrationist coaching experience.

EMPLOYMENT: NEW HIRE

Name:	Dan Rogers
Title:	Programmer/Analyst
How many applicants & interviewed	8 applicants/2 interviews
Start Date:	02/27/2023
Salary/Wages	\$75,000
Classification	Full Time
Education and/or Experience	Bachelor of Science – Computer Science & Masters in Administration of Data Analytics with 7 years of system administrator and developer experience.

PROMOTIONS/TRANSFER

NEW POSITION

None	
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RETIREMENTS / RESIGNATIONS

Tyler Horton (last day 2/10/2023)	IT Support Specialist
Anne Otto (last day 1/24/2023)	Communication Instructor

Recommendation: *Approve the Consent Agenda as presented.*

Other Items Requiring Board Action

A. 2021-22 Financial Audit

Caleb White and Jordan Boehm from Clifton Larson Allen LLP will present the audit report. A draft of the report follows.

Recommendation: *Approve the 2021-22 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, 2022 and 2021, and have issued our report thereon dated REPORT DATE. 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 September 30, 2022. 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, the District changed accounting policies related to leases by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*, during the year ended June 30, 2022. The adoption of this standard had no impact on previously reported net position.

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 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.

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.

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.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated REPORT DATE.

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 REPORT DATE.

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.

CliftonLarsonAllen LLP

Middleton, Wisconsin
REPORT DATE

Management
Southwest Wisconsin Technical College
Fennimore, Wisconsin

In planning and performing our audit of the financial statements of the Southwest Wisconsin Technical College (the District) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, 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 opinion 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.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. We previously provided a written communication dated REPORT DATE, on the District's internal control. This letter does not affect our report on the financial statements dated REPORT DATE, nor our internal control communication dated REPORT DATE.

Allowance for Doubtful Accounts

The District does not have a documented process for evaluating the allowance for doubtful accounts related to the student receivables on a recurring basis. Not performing a review of the allowance for doubtful accounts could result in the net realizable value of the student accounts receivable being either overstated or understated. In addition, the District may miss opportunities to identify at risk accounts for collectability which may result in reduced cash flows that could be used in District operations. In the current year, it was determined that the allowance was appropriate given the current conditions as of June 30, 2022.

We recommend that the District develop a documented process for routinely reviewing the accounts receivable aging, identifying the balances that require allowance, and adjusting the allowance for the calculation. The analysis should include the accounts receivable aging, an understanding of the historical collectability of accounts based on the aging, the District's plan for collection on the balance due, and a process for identifying and approving write-off of individual accounts when collectability is no longer deemed feasible.

Reconciliation of Fixed Asset Accounts and Calculation of Depreciation

The District does not have a process for timely reconciling and adjusting fixed asset detail for current year additions, disposals, and depreciation expense. While not deemed material to the financial statements as of June 30, 2022, the timely preparation of these account reconciliations, review of the reconciliations, and adjustments could become significant in future periods.

We recommend the District establish a process and procedure to ensure the timely preparation of these account reconciliations, review of the reconciliations, and adjustments.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

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

CliftonLarsonAllen LLP

Middleton, Wisconsin
REPORT DATE

DRAFT
For Preliminary Discussion Purposes Only
Subject to Change

SOUTHWEST WISCONSIN TECHNICAL COLLEGE

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2022 AND 2021

DRAFT
For Preliminary Discussion Purposes Only
Subject to Change

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DRAFT
For Preliminary Discussion
Subject to Change

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 year ended June 30, 2022 and 2021, 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, 2022 and 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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.

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, 2022 AND 2021**

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, 2022.

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, 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 rates.
- 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, 2022 AND 2021**

FINANCIAL HIGHLIGHTS – YEAR ENDED JUNE 30, 2021

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

- Received and managed federal, state or local grants totaling \$3.108 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 2.0 – 4.0% 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, 2022 AND 2021**

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

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

TABLE 1 CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION				
	2022	2021	Change	Percent Change
OPERATING REVENUE				
Student Fees	\$ 5,348,509	\$ 5,669,990	\$ (311,481)	-5.50%
Federal Grants	610,167	694,406	(84,239)	-12.13%
State Grants	2,282,755	2,413,675	(130,920)	-5.42%
Contract Revenues	2,482,102	1,999,073	483,029	24.16%
Auxiliary Revenues	1,290,765	1,254,770	35,995	2.87%
Total Operating Revenues	12,014,298	12,021,914	(7,616)	-0.06%
OPERATING EXPENSES				
Instruction	12,912,684	13,057,563	(144,879)	-1.11%
Instructional Resources	256,631	139,357	117,274	84.15%
Student Services	2,875,055	2,064,014	811,041	39.29%
General Institutional	5,976,110	4,292,012	1,684,098	39.24%
Physical Plant	1,206,054	2,677,347	(1,471,293)	-54.95%
Auxiliary Enterprise Services	1,498,147	2,008,924	(560,777)	-27.24%
Depreciation	3,438,010	3,180,512	257,498	8.10%
Student Aid	4,835,431	3,169,186	1,666,245	51.62%
Total Operating Expenses	32,998,122	30,658,915	2,339,207	7.63%
NONOPERATING REVENUES (EXPENSES)				
Property Taxes	11,373,622	11,118,541	255,081	2.29%
State Appropriations	8,939,917	8,399,269	540,648	6.44%
Federal Appropriations	6,156,729	3,896,279	2,260,450	58.06%
Investment Income	50,391	49,077	1,314	2.68%
Loss on Disposal of Capital Assets	(25,868)	(2,411,163)	2,385,495	-98.94%
Interest Expenses	(821,184)	(679,347)	151,837	-23.28%
Total Nonoperating Revenues (Expenses)	25,973,307	20,371,656	5,601,651	27.50%
INCREASE (DECREASE) IN NET POSITION	4,989,883	1,734,655	\$ 3,255,228	187.66%
Net Position - Beginning of Year	36,603,357	34,868,702		
NET POSITION - END OF YEAR	\$ 41,593,240	\$ 36,603,357		

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

**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:

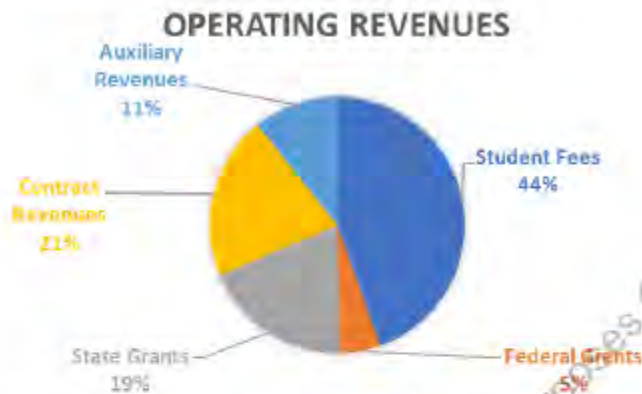
- The District receives funding from the federal and state governments for specific purposes, including financial aid payments to students. The District received \$2,892,922 from the federal and state governments for 2022 compared to \$3,108,081 for 2021.
 - State revenue decreased \$130,920 or 5.42% 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 \$32,998,122 or 7.63% 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, 2022 AND 2021**

**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, 2022 AND 2021**

**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 increased \$5,602,151 or 27.50% 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 disposals occurred in 2022.

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED
JUNE 30, 2021**

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, 2022 AND 2021**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED
JUNE 30, 2021 (Continued)**

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

TABLE 2 CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION				
	2021	2020	Change	Percent Change
OPERATING REVENUE				
Student Fees	\$ 5,659,990	\$ 5,570,847	\$ 89,143	1.60%
Federal Grants	694,406	922,531	(228,125)	-24.73%
State Grants	2,413,675	2,556,220	(142,545)	-5.58%
Contract Revenues	1,999,073	1,758,180	240,893	13.70%
Auxiliary Revenues	1,254,770	1,404,714	(149,944)	-10.67%
Total Operating Revenues	12,021,914	12,212,492	(190,578)	-1.56%
OPERATING EXPENSES				
Instruction	13,057,563	15,609,492	(2,551,929)	-16.35%
Instructional Resources	139,357	125,998	12,359	9.73%
Student Services	2,064,014	2,431,218	(367,204)	-15.10%
General Institutional	4,292,012	4,987,213	(695,201)	-13.94%
Physical Plant	2,677,347	1,000,678	1,676,669	167.55%
Auxiliary Enterprise Services	2,058,924	1,335,739	723,185	54.14%
Depreciation	3,180,512	3,014,303	166,209	5.51%
Student Aid	3,189,186	3,483,964	(294,778)	-8.46%
Total Operating Expenses	30,658,915	31,989,605	(1,330,690)	-4.16%
NONOPERATING REVENUES (EXPENSES)				
Property Taxes	11,118,541	10,650,000	468,541	4.40%
State Appropriations	8,399,269	8,747,474	(348,205)	-3.98%
Federal Appropriations	3,895,279	2,856,905	1,038,374	36.35%
Investment Income	49,077	219,612	(170,535)	-77.65%
Loss on Disposal of Capital Assets	(2,411,163)	(40,743)	(2,370,420)	5817.98%
Interest Expenses	(679,347)	(752,515)	73,168	-9.72%
Total Nonoperating Revenues (Expenses)	20,371,656	21,680,733	(1,309,077)	-6.04%
INCREASE (DECREASE) IN NET POSITION	1,734,655	1,903,620	\$ (168,965)	-8.88%
Net Position - Beginning of Year	34,868,702	32,965,082		
NET POSITION - END OF YEAR	<u>\$ 36,603,357</u>	<u>\$ 34,868,702</u>		

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED
JUNE 30, 2021 (Continued)**

Operating revenues are the charges for services offered by the District. Total operating revenues decreased \$190,578 or 1.56% for fiscal year 2021. 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 \$3,108,081 from the federal and state governments for 2021 compared to \$3,478,751 for 2020.
 - State revenue decreased \$142,545 or 5.58% in 2021 compared to 2020. 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 \$228,125 or 24.73% in 2021 compared to 2020. 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 \$1,999,073 in 2021 and \$1,758,180 in 2020.
- The District operates auxiliary enterprise operation such as the book store, food service, and childcare center. The District had sales of \$1,254,770 for 2021 compared to \$1,404,714 in 2020 for these activities.

Operating expenses are costs incurred for providing education, training and services. Total operating expenses decreased \$1,330,690 or 4.16% compared to 2020. The majority of the District's expenses, 43%, are for instructional related costs. Student financial aid and general institutional accounts for an additional 21%, while auxiliary services and other expenses account for the remaining 36% of total operating expenses.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED
JUNE 30, 2021 (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, 2022 AND 2021**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – YEAR ENDED
JUNE 30, 2021 (Continued)**

Non-operating revenues (expenses) are revenue and expense items not related directly to providing instruction. Net non-operating revenues decreased \$1,309,077 or 6.04% in 2020.

- Federal appropriations increased \$1,038,374 in 2021. The increase is a result of the District expending COVID-19 funding from the Higher Education Emergency Relief Funds (HEERF).
- Loss on disposal of capital assets increased \$2,370,420 or 5,817.98% 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.

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 \$1,723,294 or 13.63% 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 \$41,593,340 in 2022 of which \$21,920,351 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 \$9,786,419 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 \$2,035,720 or 2.77% in 2022 and \$1,575,158 or 2.19% in 2021. Net capital assets increased \$8,106 or 0.02% in 2022 compared to a decrease of \$823,011 or 1.77% in 2021.

The District's current liabilities decreased \$148,895 or 1.58% 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, 2022 AND 2021**

STATEMENT OF NET POSITION – JUNE 30, 2022 (Continued)

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

	2022	2021	Change	Percent Change
ASSETS				
Cash and Cash Equivalents	\$ 16,183,236	\$ 14,673,270	\$ 1,509,966	10.25%
Net Pension Asset	6,030,006	4,738,443	1,291,563	27.26%
Net Capital Assets*	45,575,675	45,567,569	8,106	0.02%
Other Assets	7,828,860	8,602,775	(773,915)	-9.00%
Total Assets	75,617,777	73,582,057	2,035,720	2.77%
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension	11,316,527	7,378,206	3,938,319	53.38%
Related to Other Postemployment Benefits	590,654	749,547	(158,893)	-21.21%
Total Deferred Outflows of Resources	11,907,181	8,127,855	3,779,326	46.50%
LIABILITIES				
Current Liabilities*	9,261,415	9,400,310	(148,895)	-1.58%
Long-Term Liabilities*	22,401,782	24,987,557	(2,585,775)	-10.35%
Total Liabilities	31,663,197	34,387,867	(2,724,670)	-7.95%
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	14,207,065	10,394,531	3,812,554	36.68%
Related to Other Postemployment Benefits - Health Insurance	71,336	324,157	(252,821)	-77.99%
Total Deferred Inflows of Resources	14,278,421	10,718,688	3,559,733	33.21%
NET POSITION				
Net Invested in Capital Assets	21,920,351	20,222,189	1,698,162	8.40%
Restricted for Pension	6,030,006	4,738,443	1,291,563	27.26%
Restricted for Student Financial Aid	642,161	521,822	120,339	23.06%
Restricted for Capital Projects	933,507	827,081	106,426	12.87%
Restricted for Debt Service	2,280,895	2,230,697	50,199	2.25%
Unrestricted	9,786,419	8,063,125	1,723,294	21.37%
Total Net Position	\$ 41,593,340	\$ 36,603,357	\$ 4,989,983	13.63%

* The District Implemented GASB No. 67 in 2022; the prior year has been retrospectively adjusted for this implementation.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

STATEMENT OF NET POSITION – JUNE 30, 2021

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 \$1,734,655 or 4.97% in 2021 compared to an increase of \$1,903,620 or 5.77% in 2020. The District ended its fiscal year with net position of \$36,603,357 in 2021 of which \$20,222,189 was net investment in capital assets, \$4,738,443 was restricted for the net pension asset, \$521,822 was restricted for student financial aid, \$827,081 was restricted for capital projects, \$2,230,697 was restricted for debt service assistance, and \$8,063,125 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 \$1,575,158 or 2.19% in 2021 and \$5,546,045 or 8.34% in 2020. Net capital assets decreased \$823,011 or 1.77% in 2021 compared to an increase of \$1,129,122 or 2.49% in 2020.

The District's current liabilities increased \$827,525 or 9.65% in 2021 compared to an increase of \$2,631,581 or 44.29% in 2020.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

STATEMENT OF NET POSITION (continued)

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

	2021	2020	Change	Percent Change
ASSETS				
Cash and Cash Equivalents	\$ 14,673,270	\$ 16,179,861	\$ (1,506,591)	-9.31%
Net Pension Asset	4,738,443	2,494,866	2,243,578	89.93%
Net Capital Assets*	45,567,569	46,390,580	(823,011)	-1.77%
Other Assets	8,602,775	6,941,593	1,661,182	23.93%
Total Assets	73,582,057	72,006,899	1,575,158	2.19%
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension	7,378,208	5,365,632	2,012,576	37.51%
Related to Other Postemployment Benefits -	749,647	725,302	24,345	3.36%
Total Deferred Outflows of Resources	8,127,855	6,090,934	2,036,921	33.44%
LIABILITIES				
Current Liabilities*	9,400,310	8,572,785	827,525	9.65%
Long-Term Liabilities*	24,987,557	26,747,159	(1,759,602)	-6.58%
Total Liabilities	34,387,867	35,319,944	(932,077)	-2.64%
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	10,394,531	7,474,882	2,919,649	39.06%
Related to Other Postemployment Benefits -				
Health Insurance	324,157	434,305	(110,148)	-25.36%
Total Deferred Outflows of Resources	10,718,688	7,909,187	2,809,501	35.52%
NET POSITION				
Net Invested in Capital Assets	20,222,189	20,448,897	(226,708)	-1.11%
Restricted for Pension	4,738,443	2,494,866	2,243,578	89.93%
Restricted for Student Financial Aid	521,822	481,252	40,570	8.43%
Restricted for Capital Projects	827,081	1,869,963	(1,042,882)	-55.77%
Restricted for Debt Service	2,230,697	2,364,940	(134,243)	-5.68%
Unrestricted	8,063,125	7,208,785	854,340	11.85%
Total Net Position	\$ 36,603,357	\$ 34,868,702	\$ 1,734,655	4.97%

* The District Implemented GASB No. 87 in 2022; the prior year has been retrospectively adjusted for this implementation. 2020 has not been updated for this implementation

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

CAPITAL ASSET AND DEBT ADMINISTRATION – JUNE 30, 2022

Capital Assets

At June 30, 2022, the District had \$76,916,512 in capital assets, including land, construction in progress, land improvements, buildings and improvements, moveable equipment, and right-to-use assets recorded under lease agreements. Total accumulated depreciation/amortization on these assets was \$31,340,837. Asset acquisitions totaled \$3,471,784. Asset disposals totaled \$244,989 net of related accumulated depreciation of 219,321. The District recognized depreciation/amortization expense of \$3,438,010. Detailed information about capital assets can be found in Note 3 to the financial statements.

Long-term Debt

As of June 30, 2022, the District had \$22,555,000 in general obligation debt outstanding compared to \$24,010,000 in 2021. 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, 2021

Capital Assets

At June 30, 2021, the District had \$73,689,717 in capital assets, including land, construction in progress, land improvements, buildings and improvements, , moveable equipment, and right-to-use assets recorded under lease agreements. Total accumulated depreciation/amortization on these assets was \$28,122,148. Asset acquisitions totaled \$4,152,960. Asset disposals totaled \$18,127,227 net of related accumulated depreciation of 15,736,064. The District recognized depreciation/amortization expense of \$3,180,512. Detailed information about capital assets can be found in Note 3 to the financial statements.

Long-term Debt

As of June 30, 2021, the District had \$24,010,000 in general obligation debt outstanding compared to \$25,115,000 in 2020. 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, 2022 AND 2021**

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.

FINANCIAL POSITION – JUNE 30, 2021

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:

- Large tax base with growing valuations
- Healthy reserves and liquidity
- Low debt burden and modest pension liabilities

"We expect the District's financial position will remain strong given the presence of healthy reserves and conservative budgeting practices. In fiscal 2020, the district posted a surplus of \$1.1 million, resulting in an available general fund balance of \$13.7 million, or a healthy 57% of revenues. The district had originally budgeted for a \$394,000 draw in the general fund, for one-time capital initiatives, however, the year ended better than expected due to favorable expenditure results primarily from coronavirus related savings from underspending on utilities, travel, and supplies. Available fund balance across all operating funds (general and debt service funds), totaled \$16.1 million, or a healthy 55% of operating revenues for fiscal 2020."

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2022 AND 2021**

ECONOMIC FACTORS – YEAR ENDED JUNE 30, 2022

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
- 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.

ECONOMIC FACTORS – YEAR ENDED JUNE 30, 2021

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, 2022 AND 2021**

ECONOMIC FACTORS – YEAR ENDED JUNE 30, 2021 (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

DRAFT
For Preliminary Discussion Purposes Only
Subject to Change

SOUTHWEST WISCONSIN TECHNICAL COLLEGE
STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

	District		Foundation	
	2022	2021	2022	2021
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 16,183,236	\$ 14,673,270	\$ 1,367,194	\$ 718,199
Taxes Receivable	3,374,341	3,493,160	-	-
Accounts Receivable	163,282	272,958	523,587	249,950
Student Accounts Receivable, Net	586,328	601,540	-	-
Due from Other Governments	406,199	1,751,729	-	-
WTCEBC Consortium	2,398,438	1,675,672	-	-
Inventories	473,181	441,323	-	-
Prepaid Expenses	427,091	366,393	-	-
Total Current Assets	24,012,096	23,276,045	1,890,781	968,149
NON CURRENT ASSETS				
Net Pension Asset	6,030,006	4,738,443	-	-
Investments	-	-	5,413,530	6,109,234
Capital Assets not Being Depreciated/Amortized	2,863,109	1,054,982	80,000	80,000
Capital Assets Being Depreciated/Amortized, Net	42,712,566	44,512,587	2,980,017	3,073,276
Total Noncurrent Assets	51,605,681	50,306,012	8,473,547	9,262,510
Total Assets	75,617,777	73,582,057	10,364,328	10,230,659
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pension	11,316,527	7,378,208	-	-
Related to Other Postemployment Benefits	590,654	749,647	-	-
Total Deferred Outflows of Resources	11,907,181	8,127,855	-	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts Payable and Other Current Liabilities	1,051,304	1,003,701	13,306	15,515
Accrued Salaries and Benefits	323,908	396,830	-	-
Accrued Interest	58,007	59,421	-	-
Deferred Revenue	586,664	753,871	-	-
Current Portion of Compensated Absences/Termination Benefits	886,341	1,108,344	-	-
Current Portion of Lease Liability	49,595	32,755	-	-
Current Portion of Long-Term Debt	5,795,000	5,455,000	103,736	100,153
Current Portion of Other Postemployment Benefits	488,396	590,388	-	-
Total Current Liabilities	9,251,415	9,400,310	117,042	115,668
NONCURRENT LIABILITIES				
Compensated Absences/Termination Benefits	1,946,307	2,078,417	-	-
Lease Liability	454,698	504,293	-	-
Long-Term Debt	16,760,000	18,555,000	1,985,335	2,089,071
Unamortized Debt Premiums	596,031	798,332	-	-
Other Postemployment Benefits	2,644,746	3,051,515	-	-
Total Noncurrent Liabilities	22,401,782	24,987,557	1,985,335	2,089,071
Total Liabilities	31,653,197	34,387,867	2,102,377	2,204,739
DEFERRED INFLOWS OF RESOURCES				
Related to Pension	14,207,085	10,394,531	-	-
Related to Other Postemployment Benefits	71,336	324,157	-	-
Total Deferred Inflows of Resources	14,278,421	10,718,688	-	-
NET POSITION				
Net Investment in Capital Assets	21,920,351	20,222,189	-	-
Restricted				
Net Pension Asset	6,030,006	4,738,443	-	-
Student Financial Assistance	642,161	521,822	-	-
Capital Projects	933,507	627,081	-	-
Debt Service	2,280,896	2,230,697	-	-
Donor Restrictions	-	-	5,774,725	6,500,730
Unrestricted	9,786,419	8,063,125	1,487,226	1,525,190
Total Net Position	\$ 41,593,340	\$ 36,603,357	\$ 8,261,951	\$ 8,025,920

See accompanying Notes to Financial Statements.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021

	District		Foundation	
	2022	2021	2022	2021
OPERATING REVENUES				
Tuition and Fees				
Program Fees (Net of \$299,439 and \$194,578 Scholarship Allowances, Respectively)	\$ 4,343,652	\$ 4,485,321	\$ -	\$ -
Material Fees (Net of \$16,822 and \$11,734 Scholarship Allowances, Respectively)	244,019	270,491	-	-
Other Student Fees (Net of \$52,450 and \$39,224 Scholarship Allowances, Respectively)	760,838	904,178	-	-
State Grants and Contracts	2,282,755	2,413,675	-	-
Federal Grants and Contracts	610,167	694,406	-	-
Non-Governmental Grants and Contracts	2,482,102	1,999,073	-	-
Auxiliary Enterprise Services	1,290,765	1,254,770	-	-
Contributions and Other Support	-	-	2,148,154	1,701,255
Rental Income	-	-	539,544	596,997
Total Operating Revenues	12,014,298	12,021,914	2,687,698	2,298,252
OPERATING EXPENSES				
Instruction	12,912,684	13,057,583	-	-
Instructional Resources	256,631	139,357	-	-
Student Services	2,875,055	2,064,014	-	-
General Institution	5,976,110	4,292,012	-	-
Physical Plant	1,206,054	2,877,347	-	-
Auxiliary Enterprise Services	1,498,147	2,058,924	-	-
Depreciation/Amortization	3,438,010	3,180,512	-	-
Student Aid	4,835,431	3,189,186	-	-
Program Activities and Other	-	-	1,333,552	1,484,598
Total Operating Expenses	32,998,122	30,658,915	1,333,552	1,484,598
OPERATING INCOME (LOSS)	(20,983,824)	(18,637,001)	1,354,146	813,654
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	8,939,917	8,399,269	-	-
Federal Appropriations	6,156,729	3,895,279	-	-
Local Property Taxes	11,373,622	11,118,541	-	-
Loss on Disposal of Capital Assets	(25,668)	(2,411,163)	-	-
Investment Income (Loss)	50,391	49,077	(1,118,115)	1,444,727
Interest Expense	(521,184)	(679,347)	-	-
Total Nonoperating Revenues (Expenses)	25,973,807	20,371,656	(1,118,115)	1,444,727
CHANGE IN NET POSITION	4,989,983	1,734,655	236,031	2,258,381
Net Position - Beginning of Year	36,603,357	34,868,702	8,025,920	5,767,539
NET POSITION - END OF YEAR	\$ 41,593,340	\$ 36,603,357	\$ 8,261,951	\$ 8,025,920

See accompanying Notes to Financial Statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Tuition and Fees Received	\$ 5,196,714	\$ 5,890,687
Federal and State Grants Received	2,892,922	3,108,081
Business, Industry, and School District Contract Revenues Received	2,591,778	1,912,148
Payments to Employees for Operating Payroll	(26,005,794)	(26,352,035)
Payments to Suppliers	(8,619,034)	(3,173,850)
Auxiliary Enterprise Revenues Received	1,290,765	1,254,770
Net Cash Used by Operating Activities	<u>(20,652,649)</u>	<u>(17,560,199)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Local Property Taxes Received	11,492,441	11,103,019
State Appropriations Received	8,939,917	8,399,269
Federal Grants Received	7,502,259	2,521,785
Net Cash Provided by Noncapital Financing Activities	<u>27,934,617</u>	<u>22,024,053</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES		
Acquisition and Construction of Capital Assets	(3,809,739)	(4,172,960)
Lease Payments	(59,720)	(59,070)
Proceeds from Issuance of Debt	4,000,000	4,000,000
Premium on Debt Issue	14,376	159,880
Debt Retired	(5,455,000)	(5,105,000)
Interest Paid	(712,310)	(842,372)
Net Cash Used by Capital and Related Financial Activities	<u>(5,822,393)</u>	<u>(6,019,522)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income Received	<u>50,391</u>	<u>49,077</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,509,966	(1,508,591)
Cash and Cash Equivalents - Beginning of Year	<u>14,673,270</u>	<u>16,179,861</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 16,183,236</u>	<u>\$ 14,673,270</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INFORMATION		
Acquisition and Construction of Capital Assets Included in Accounts Payable	<u>\$ 371,436</u>	<u>\$ 509,391</u>

See accompanying Notes to Financial Statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021**

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	2022	2021
Operating Loss	\$ (20,983,824)	\$ (18,637,001)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation/Amortization	3,438,010	3,180,512
(Increase) Decrease in Assets:		
Accounts Receivable	109,676	(86,925)
Student Accounts Receivable, Net	15,212	(55,786)
Inventories	(31,858)	(194,085)
Prepaid Expenses and Other Assets	(783,464)	64,650
Net Pension Asset	(1,291,563)	(2,243,578)
(Increase) Decrease in Deferred Outflows of Resources:		
Pension	(3,938,319)	(2,012,576)
OPEB	158,993	(24,345)
Increase (Decrease) in Liabilities:		
Accounts Payable and Other Current Liabilities	185,558	227,683
Accrued Salaries and Benefits	(72,922)	17,517
Compensated Absences	(342,113)	(179,040)
Unearned Revenue	(167,007)	86,483
Post-Employment Benefits	(508,761)	(513,209)
Increase (Decrease) in Deferred Inflows of Resources:		
Pension	3,812,554	2,919,649
OPEB	(252,821)	(110,148)
Total Net Cash Used by Operating Activities	<u>\$ (20,652,649)</u>	<u>\$ (17,580,199)</u>

See accompanying Notes to Financial Statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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, 2022 AND 2021**

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 is managed by an independent board of directors. 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, 2022 AND 2021**

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, 2022 and 2021, 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, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. Interest costs incurred during construction are not capitalized and are not considered material.

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.

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.

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.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 .50646 and .57833 mills for fiscal years ending 2022 and 2021, respectively. The debt service mill rate was .62064 and .60275 for the fiscal years ending 2022 and 2021, 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.

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.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 position 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, 2022 and 2021 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 position 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, 2022 and 2021 related to pension and OPEB activity.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fees and Tuition

Fees and tuition are recorded as revenue in the period in which the related activity or instruction takes place. 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. Federal and State programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Audits of States, Local Governments, and Non-Profit Organizations*, and the Wisconsin State Single Audit Guidelines.

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.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 AND 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Principle

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. GASB 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District adopted the requirements of GASB 87 effective July 1, 2021 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:

	2022	2021	Risk
Cash and Cash Equivalents:			
Cash on Hand	\$ 2,940	\$ 2,940	
Deposit Accounts	14,946,010	13,437,852	Custodial Credit
Local Government Investment Pool	1,235,286	1,232,678	Credit and Interest Rate
Total Cash and Cash Equivalents	<u>\$ 16,183,236</u>	<u>\$ 14,673,270</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, 2022 and 2021, 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, 2022 AND 2021

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:

	2022	2021
Bank Balances - Deposit Accounts	\$ 15,246,178	\$ 13,660,221
Amounts Secured by FDIC Coverage or Collateral Agreements	(15,246,178)	(13,660,221)
Custodial Credit Risk Exposure	<u>\$ -</u>	<u>\$ -</u>

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, 2022 and 2021, 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, 2022 and 2021, the LGIP investments have a maturity of 12 months or less.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 CAPITAL ASSETS

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

	Balance 7/1/2021	Additions	(Deletions)	Balance 6/30/2022
Capital Assets not Being Depreciated/Amortized				
Land	\$ 1,022,011	\$ -	\$ -	\$ 1,022,011
Construction In Progress	32,971	1,835,837	(27,710)	1,841,098
Total Capital Assets not Being Depreciated/Amortized	1,054,982	1,835,837	(27,710)	2,863,109
Capital Assets Being Depreciated/Amortized				
Right-to-Use Assets	595,704	-	-	595,704
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
Total Capital Assets Being Depreciated/Amortized	72,634,735	1,663,657	(244,989)	74,053,403
Less: Accumulated Depreciation/Amortization for				
Right-to-Use Assets	58,656	58,656	-	117,312
Land Improvements	319,080	33,002	-	352,082
Buildings and Improvements	11,966,288	1,261,501	-	13,227,789
Equipment	15,778,124	2,084,851	(219,321)	17,643,654
Total Accumulated Depreciation/Amortization	28,122,148	3,438,010	(219,321)	31,340,837
Total Capital Assets Being Depreciated/Amortized, Net	44,512,587	(1,774,353)	(25,668)	42,712,566
Net Capital Assets	45,567,569	\$ 61,484	\$ (53,378)	45,575,675
Less: General Obligation Debt	(24,808,332)			(23,151,031)
Less: Lease Liability	(537,048)			(504,293)
Total Net Investment in Capital Assets	\$ 20,222,189			\$ 21,920,351

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 3 CAPITAL ASSETS (CONTINUED)

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Balance 7/1/2020	Additions	(Deletions)	Balance 6/30/2021
Capital Assets not Being Depreciated/Amortized				
Land	\$ 1,042,011	\$ -	\$ (20,000)	\$ 1,022,011
Construction In Progress	965,283	32,971	(965,283)	32,971
Total Capital Assets not Being Depreciated/Amortized	2,007,294	32,971	(985,283)	1,054,982
Capital Assets Being Depreciated/Amortized				
Right-to-Use Assets	595,704	-	-	595,704
Land Improvements	1,233,861	2,810	(543,936)	692,735
Buildings and Improvements	50,648,429	437,095	(6,867,126)	44,218,398
Equipment	33,178,696	4,665,367	(10,716,165)	27,127,898
Total Capital Assets Being Depreciated/Amortized	85,656,690	5,105,272	(18,127,227)	72,634,735
Less: Accumulated Depreciation/Amortization for				
Right-to-Use Assets	-	58,656	-	58,656
Land Improvements	766,281	45,894	(493,095)	319,080
Buildings and Improvements	15,472,133	1,211,783	(4,717,628)	11,966,288
Equipment	24,439,266	1,864,179	(10,525,341)	15,778,124
Total Accumulated Depreciation/Amortization	40,677,700	3,180,512	(15,736,064)	28,122,148
Total Capital Assets Being Depreciated/Amortized, Net	44,978,990	1,924,760	(2,391,163)	44,512,587
Net Capital Assets	46,986,284	\$ 1,957,731	\$ (3,376,446)	45,567,569
Less: General Obligation Debt	(25,941,683)			(24,808,332)
Less: Lease Liability	(595,704)			(537,048)
Total Net Investment In Capital Assets	\$ 20,448,897			\$ 20,222,189

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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 7/1/2021	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Notes and Bonds Payable					
General Obligation Bonds	\$ 15,510,000	\$ -	\$ (1,755,000)	\$ 13,755,000	\$ 1,755,000
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)	596,031	-
Total Bonds and Notes Payable	24,808,332	4,014,376	(5,671,677)	23,151,031	5,755,000
Other Liabilities:					
Net Other Postemployment					
Liability Benefits - Health Insurance	3,641,903	81,627	(590,388)	3,133,142	488,396
Termination Benefit	2,537,606	12,196	(300,969)	2,248,833	302,526
Accrued Compensated Absences - Vacation	649,155	640,902	(694,242)	595,815	595,815
Lease Liability	537,048	-	(32,755)	504,293	49,595
Total Long-Term Liabilities	\$ 32,174,044	\$ 4,745,101	\$ (7,290,031)	\$ 29,633,114	\$ 7,231,332
	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021	Due Within One Year
Notes and Bonds Payable					
General Obligation Bonds	\$ 17,215,000	\$ -	\$ (1,705,000)	\$ 15,510,000	\$ 1,755,000
General Obligation Notes	7,900,000	4,000,000	(3,400,000)	8,500,000	3,700,000
Unamortized Premiums	826,683	159,880	(188,231)	798,332	-
Total Bonds and Notes Payable	25,941,683	4,159,880	(5,293,231)	24,808,332	5,455,000
Other Liabilities:					
Net Other Postemployment					
Liability Benefits - Health Insurance	4,155,112	319,546	(832,755)	3,641,903	590,388
Termination Benefit	2,972,908	253,901	(689,203)	2,537,606	459,189
Accrued Compensated Absences - Vacation	392,893	846,650	(590,388)	649,155	649,155
Lease Liability	596,704	-	(58,656)	537,048	32,755
Total Long-Term Liabilities	\$ 34,058,300	\$ 5,579,977	\$ (7,464,233)	\$ 32,174,044	\$ 7,186,487

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, 2022 AND 2021

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, 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

June 30, 2021		
	Bonds	Aggregate
Equalized Value	\$ 10,288,229,441	\$ 10,288,229,441
Debt Limit (2% for Bonds, 5% for Total)	205,764,589	514,411,472
Debt Outstanding at June 30, 2021, Net of Resources Available to Pay Principal	15,510,000	24,010,000
Margin of Indebtedness	\$ 190,254,589	\$ 490,401,472

SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

General obligation debt at June 30, 2022 and 2021 are as follows:

Description	Buyer	2022	2021
2014 \$5,215,000 general obligation refunding bonds payable with annual principal payments of \$30,000-\$575,000 through June 1, 2026, interest at 2.0-3.0%, payable semi-annually June 1 and December 1.	Robert W. Baird	\$ 3,185,000	\$ 3,660,000
2017 \$2,500,000 promissory notes payable with annual principal payments of \$500,000 through June 1, 2022, interest at 2.0%, payable semi-annually on June 1 and December 1.	Robert W. Baird	-	500,000
2017 \$6,485,000 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	1,600,000
2019 \$7,775,000 general obligation refunding bonds payable with annual principal payments of \$1,313,550 - \$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	4,085,000	5,365,000
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	1,600,000	2,400,000
2021 \$4,000,000 promissory notes payable with annual principal payments of \$800,000 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	2,400,000	4,000,000
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	4,000,000	-
Total General Obligation Debt		<u>\$ 22,555,000</u>	<u>\$ 24,010,000</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 4 LONG-TERM OBLIGATIONS (CONTINUED)

Future debt service requirements as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 5,795,000	\$ 677,644	\$ 6,472,644
2024	4,260,000	530,400	4,790,400
2025	3,550,000	381,500	3,931,500
2026	2,895,000	326,944	3,221,944
2027	2,145,000	181,650	2,326,650
2028-2029	3,910,000	168,000	4,078,000
Total	<u>\$ 22,555,000</u>	<u>\$ 2,266,138</u>	<u>\$ 24,821,138</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, 2022, \$10,680,000 of debt outstanding is considered defeased.

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 \$2,248,833 and \$2,537,606 at June 30, 2022 and 2021.

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, 2022 and 2021, the District recognized \$13,119 and \$14,260 in interest expense, respectively, pursuant to these contracts.

Total future minimum lease payments under these lease agreements as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2023	\$ 49,595	\$ 11,916	\$ 61,511
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 - 2032	202,254	11,878	214,132
2033 - 2034	21,439	203	21,642
Total	<u>\$ 504,293</u>	<u>\$ 58,055</u>	<u>\$ 562,348</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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, 2022 AND 2021**

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:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	5.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, 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 \$862,115 and \$818,976 of contributions from the employer, respectively.

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%

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

Contributions (Continued)

Contribution rates as of December 31, 2020, the measurement dates for the year ended June 30, 2021, are as follows:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

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

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.

At June 30, 2021, the District reported an asset of \$4,738,443 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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, 2020, the District's proportion was 0.07589841% which was a decrease of 0.0014753221% from its proportion measured as of December 31, 2019.

For the years ended June 30, 2022 and 2021, the District recognized pension expense (income) of (\$521,563) and (\$515,645), respectively.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

At June 30, 2022, 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	\$ 9,741,170	\$ 702,443
Net Differences Between Projected And Actual Earnings on Pension Plan Investments	-	13,489,628
Changes in Assumptions	1,124,993	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	11,888	15,016
Employer Contributions Subsequent to the Measurement Date	438,376	-
Total	<u>\$ 11,316,527</u>	<u>\$ 14,207,085</u>

\$438,376 reported as deferred outflows 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, 2023. 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
2023	\$ (281,840)
2024	(1,638,571)
2025	(720,265)
2026	(688,258)
Total	<u>\$ (3,328,934)</u>

At June 30, 2021, 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	\$ 6,857,981	\$ 1,477,196
Net Differences Between Projected And Actual Earnings on Pension Plan Investments	-	8,896,038
Changes in Assumptions	107,477	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	6,686	21,297
Employer Contributions Subsequent to the Measurement Date	406,064	-
Total	<u>\$ 7,378,208</u>	<u>\$ 10,394,531</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

\$406,064 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, 2022.

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2020
Measurement Date:	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, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The total pension liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

The total pension liability in the December 31, 2020, 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, 2022 AND 2021**

NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

Actuarial Valuation Date:	December 31, 2019
Measurement Date:	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	Wisconsin 2018 Mortality Table
Postretirement Adjustments*	1.9%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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:

**Asset Allocation Targets and Expected Returns
as of December 31, 2021**

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	52.0%	6.8%	4.2%
Fixed Income	25.0	4.3%	1.8%
Inflation Sensitive Assets	19.0	2.7%	0.2%
Real Estate	7.0	5.6%	3.0%
Private Equity/Debt	12.0	9.7%	7.0%
Total Core Fund	115.0%	6.6%	4.0%
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.3%	3.7%
International Equities	30.0	7.2%	4.6%
Total Variable Fund	100.0%	6.8%	4.2%

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

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an 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, 2022 AND 2021**

NOTE 6 EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

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

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0	3.2%	0.8%
Inflation Sensitive Assets	16.0	2.0%	-0.4%
Real Estate	8.0	5.6%	3.1%
Private Equity/Debt	11.0	10.2%	7.6%
Multi-Asset	4.0	5.8%	3.3%
Total Core Fund	115.0%	6.6%	4.1%
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0	7.4%	4.9%
Total Variable Fund	100.0%	7.1%	4.6%

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

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

Single Discount Rate

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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

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	\$ (8,030,008)	\$ (13,450,369)

For the year ended June 30, 2021, the following presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.0%, 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
District's Proportionate Share of Net Pension Liability (Asset)	\$ 4,510,341	\$ (4,738,443)	\$ (11,531,605)

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, 2022 and 2021, the District reported payables to the plan of \$164,100 and \$136,372, respectively.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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, 2020, the date of the latest actuarial valuation, there were 199 active and 109 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.

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 invested plan assets accumulated for payments of future benefits as of June 30, 2022 or 2021.

Contributions. The District has no invested plan assets accumulated for payment of future benefits. The employer makes all contributions. The District's funding policy is to provide annual contributions on a pay-as-you-go basis.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 7 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Net OPEB Liability

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

Actuarial assumptions. 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.

The long-term expected rate of return on OPEB plan investments. Since the District currently holds assets in fixed income funds or as cash equivalents, 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.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 7 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Discount rate. The discount rate of 2.25 % 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 2.25% 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. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	2022	2021
Balance at Beginning of the Year	\$ 3,641,903	\$ 4,155,112
Changes for the Year:		
Service Cost	6,256	5,066
Interest	75,371	133,441
Changes of Assumptions or Other Inputs	-	181,039
Differences Between Expected and Actual Experience	-	(142,674)
Benefit Payments	(590,388)	(690,081)
Net Changes	(508,761)	(513,209)
Balance at End of the Year	<u>\$ 3,133,142</u>	<u>\$ 3,641,903</u>

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

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

June 30, 2021			
	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
Total OPEB Liability	\$ 3,847,437	\$ 3,641,903	\$ 3,461,252

SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net 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, 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

June 30, 2021			
	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	\$ 3,619,172	\$ 3,641,903	\$ 3,663,286

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

For the year ended June 30, 2022 and 2021, the District recognized OPEB expense (income) of (\$114,193) and (\$57,314), respectively. 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 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 21,330
2024	9,592
Total	<u>\$ 30,922</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 7 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

At June 30, 2021, 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	\$ -	\$ 277,888
Changes in Assumptions or Other Inputs	159,259	46,269
Employer Contributions Subsequent to the Measurement Date	590,388	-
Total	<u>\$ 749,647</u>	<u>\$ 324,157</u>

\$590,388 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 net OPEB liability in the year ended June 30, 2022.

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, 2022 AND 2021**

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 2022 and 2021.

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, 2022 AND 2021**

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 \$2,398,438 and \$1,675,672 reported at June 30, 2022 and 2021. The IBNR included in this investment is not material to the financial statement.

NOTE 10 CLASSIFICATION OF EXPENSES

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

	2022	2021
Salaries and Wages	\$ 14,576,221	\$ 14,211,624
Fringe Benefits	2,879,556	3,713,067
Travel, Memberships, and Subscriptions	486,045	442,954
Supplies, Printing, and Minor Equipment	1,328,959	1,137,724
Contracted Services	2,249,650	1,955,639
Rentals, Repairs, and Maintenance	232,289	151,771
Marketing and Advertising	344,618	508,327
Student Activities	207,262	136,662
Enterprise Activities	1,573,468	1,521,463
Utilities	504,006	416,527
Miscellaneous	342,607	93,459
Depreciation/Amortization	3,438,010	3,180,512
Student Aid	4,835,431	3,189,186
Total Operating Expenses	<u>\$ 32,998,122</u>	<u>\$ 30,658,915</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 11 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, 2022 AND 2021**

NOTE 11 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, 2022 and 2021, 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.

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).

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, 2022 AND 2021

NOTE 11 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:

	2022	2021
Receivable in Less than One Year	\$ 115,357	\$ 84,901
Receivable in One to Five Years	362,177	91,159
Unconditional Promises to Give	<u>\$ 477,534</u>	<u>\$ 176,060</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 11 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

C. Investments

Investments at June 30 are comprised of the following:

	2022	2021
Money Market Fund	\$ 64,978	\$ 44,090
Mutual Funds - Equity	3,747,332	4,570,134
Mutual Funds - Fixed Income	1,601,220	1,495,010
Investments	<u>\$ 5,413,530</u>	<u>\$ 6,109,234</u>

Investments at June 30, 2022 and 2021 include \$4,351,769 and \$5,433,618 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	\$ 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>		
Mutual Funds			
Equity	\$ 4,570,134	\$ 4,570,134	\$ -
Fixed Income	1,495,010	1,495,010	-
Total Investments at Fair Value	<u>\$ 6,065,144</u>	<u>\$ 6,065,144</u>	<u>\$ -</u>
Investments Not Measured at Fair Value on a Recurring Basis			
Cash and Cash Equivalents	44,090		
Total Investments at June 30, 2021	<u>\$ 6,109,234</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, 2022 AND 2021**

NOTE 11 DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)

E. Property and Equipment

Property and equipment consist of the following:

	2022	2021
Land	\$ 80,000	\$ 80,000
Buildings and Improvements	4,009,837	3,989,478
Equipment	66,518	66,518
Property and Equipment	4,156,355	4,135,996
Less: Accumulated Depreciation	(1,096,338)	(982,720)
Property and Equipment, Net	<u>\$ 3,060,017</u>	<u>\$ 3,153,276</u>

F. Long-term Debt

Description	2022	2021
Note Payable, due in monthly installments of \$2,155, including interest (3.51% and 3.51% at June 30, 2022 and 2021, respectively), with single balloon payment due November 2030, secured by property.	\$ 281,067	\$ 296,767
Note Payable, due in monthly installments of \$9,210, including interest (3.51% and 3.85% at June 30, 2022 and 2021, respectively), with single balloon payment due November 2030, secured by property.	1,203,072	1,270,104
Note Payable, due in monthly installments of \$3,279, including interest at 3.52%, with single balloon payment due October 2030, secured by property.	604,932	622,353
Subtotal	2,089,071	2,189,224
Less: Current Maturities	103,736	100,153
Total Long-Term Debt	<u>\$ 1,985,335</u>	<u>\$ 2,089,071</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 11 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>
2023	\$ 103,736
2024	107,260
2025	111,285
2026	115,267
2027	627,335
Thereafter	1,024,188
Total	<u>\$ 2,089,071</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>2022</u>	<u>2021</u>
Property and Equipment Held for Leasing (Net of Accumulated Depreciation and Related Debt)	\$ 970,946	\$ 964,052
Undesignated	516,280	561,138
Net Assets Without Donor Restrictions	<u>\$ 1,487,226</u>	<u>\$ 1,525,190</u>

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

	<u>2022</u>	<u>2021</u>
Professional Staff Development - Perpetual	\$ 57,620	\$ 64,045
Special Projects and Events - Perpetual	143,283	126,208
Scholarship - Perpetual	4,390,114	3,910,006
Professional Staff Development - Spendable	5,677	24,722
Special Projects and Events - Spendable	686,072	367,509
Scholarships - Spendable	1,491,959	2,008,240
Net Assets with Donor Restrictions	<u>\$ 6,774,725</u>	<u>\$ 6,500,730</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 11 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, 2022 AND 2021**

NOTE 11 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:

	2022	2021
Donor-Restricted Endowment Funds		
Original Donor-Restricted Gift Amount	\$ 4,591,017	\$ 4,100,259
Accumulated Investment Gains	265,479	1,475,034
Total Funds	<u>\$ 4,856,496</u>	<u>\$ 5,575,293</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 11 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:

	2022	2021
Endowment Net Assets - Beginning	\$ 5,575,293	\$ 3,676,149
Investment Return, Net	(990,382)	1,325,737
Contributions	449,680	640,722
Transfers	41,078	62,471
Appropriation of Endowment Assets for Expenditure	(219,173)	(129,786)
Endowment Net Assets - Ending	<u>\$ 4,856,496</u>	<u>\$ 5,575,293</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, 2022 and 2021, the Foundation recorded donated services of \$245,546 and \$250,076, and the REF recorded donated services of \$50,519 and \$59,273 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, 2022 and 2021, the Foundation paid \$74,588 and \$89,203 and the REF paid \$29,462 and \$88,264 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, 2022 and 2021, the Foundation disbursed \$644,128 and \$786,347, respectively.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 11 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:

	2022	2021
Financial Assets - Year-End	\$ 7,304,311	\$ 7,077,383
Less Those Unavailable for General Expenditure		
Within One Year Due to:		
Restricted by Donor with Time or Purpose Restrictions	(1,918,229)	(925,437)
Restricted for Endowment Purposes	(4,856,498)	(5,575,293)
Financial Assets Available to Meet Cash Needs for		
General Expenditures Within One Year	<u>\$ 529,586</u>	<u>\$ 576,653</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 12 SUBSEQUENT EVENTS

On December 8, 2022, the District issued General Obligation Promissory Notes, Series 2022B (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, 2027. Proceeds will be used for acquiring movable equipment. The Notes are not subject to redemption prior to maturity.

Required Supplementary Information

DRAFT
For Preliminary Discussion Purposes Only
Subject to Change

**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	0.087058%	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%

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	-	12,132,966	6.75%
6/30/2022	849,302	849,302	-	12,832,045	6.62%

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 NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 MEASUREMENT PERIODS**

	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
TOTAL OPEB LIABILITY					
Service Cost	\$ 6,256	\$ 5,068	\$ 4,761	\$ 93,739	\$ 93,739
Interest	75,371	133,441	157,909	226,102	232,922
Changes of Benefit Terms	-	-	-	(1,262,091)	-
Differences between Expected and Actual Experience	-	(142,674)	-	(683,532)	-
Changes in Assumptions or Other Input	-	181,039	46,962	(185,079)	-
Benefit Payments	(590,388)	(690,081)	(528,073)	(261,530)	(781,544)
NET CHANGE IN OPEB LIABILITY	(508,761)	(513,209)	(316,441)	(2,072,391)	(454,883)
Total OPEB Liability - Beginning of Year	3,641,903	4,155,112	4,471,553	6,543,944	6,998,827
TOTAL OPEB LIABILITY - END OF YEAR	<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	\$ 12,061,085	\$ 12,061,085	\$ 11,191,670	\$ 11,191,670	\$ 2,561,028
OPEB Liability as a Percentage of Covered Payroll	25.98%	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, 2022**

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, 2022**

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:

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

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

NOTE 2 WISCONSIN RETIREMENT SYSTEM (CONTINUED)

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments ^a :	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 2012 valuation pursuant to an experience study of the period 2009 - 2011. 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.	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. 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.	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. 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.	Experience- based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006 - 2008. Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.
Mortality:				

^aNo post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actual and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-discount rate.

NOTE 3 NET OPEB LIABILITY AND RELATED RATIOS ASSUMPTIONS

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

Other 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, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022				2021
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
REVENUES					
Local Government - Tax Levy	\$ 5,545,000	\$ 5,545,000	\$ 5,163,622	\$ (381,378)	\$ 5,468,541
Intergovernmental Revenue					
State	10,983,400	10,983,400	10,718,350	(265,050)	10,276,189
Federal	2,477,300	2,477,300	1,066,285	(1,411,015)	1,213,041
Tuition and Fees					
Statutory Program Fees	4,628,000	4,628,000	4,343,852	(284,348)	4,485,321
Materials Fees	284,000	284,000	244,019	(39,981)	270,491
Other Student Fees	398,000	398,000	482,819	84,819	623,036
Institutional	1,506,500	1,506,500	2,225,450	718,950	1,901,562
Total Revenues	25,822,200	25,822,200	24,244,197	(1,578,003)	24,238,181
EXPENDITURES					
Current:					
Instruction	15,162,400	14,912,400	13,533,503	1,378,897	14,319,890
Instructional Resources	297,500	297,500	265,455	32,045	145,856
Student Services	2,628,900	2,878,900	2,875,650	3,250	2,081,086
General Institutional	6,009,200	6,009,200	5,218,232	790,968	5,063,662
Physical Plant	2,460,800	2,460,800	2,010,734	450,066	1,922,059
Total Expenditures	26,558,800	26,558,800	23,903,574	2,655,226	23,512,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	(736,600)	(736,600)	340,623	1,077,223	725,628
OTHER FINANCING SOURCES (USES)					
Transfers In	168,000	168,000	61,760	(106,240)	49,649
Transfers Out	(47,000)	(47,000)	(39,121)	7,879	(35,739)
Total Other Financing Sources (Uses)	121,000	121,000	22,639	(98,361)	13,910
NET CHANGE IN FUND BALANCES	(615,600)	(615,600)	363,262	978,862	739,538
Fund Balance - Beginning of Year	10,528,450	10,528,450	10,776,988	248,538	10,037,450
FUND BALANCE - END OF YEAR	<u>\$ 9,912,850</u>	<u>\$ 9,912,850</u>	<u>\$ 11,140,250</u>	<u>\$ 1,227,400</u>	<u>\$ 10,776,988</u>
FUND BALANCE					
Nonspendable - Prepaid Expenses			\$ 427,091		
Assigned for State and Fluctuations			200,000		
Assigned for Post-Employment Benefits			4,882,846		
Unassigned			5,630,313		
Total Fund Balances			<u>\$ 11,140,250</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, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022				2021
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
REVENUES					
Intergovernmental Revenue					
State	\$ 547,000	\$ 547,000	\$ 480,483	\$ (66,517)	516,962
Federal	8,758,000	8,758,000	6,474,039	(2,283,961)	4,836,139
Student Fees	250,000	250,000	278,019	28,019	281,142
Institutional	245,000	245,000	213,332	(31,668)	131,227
Total Revenues	9,800,000	9,800,000	7,445,873	(2,354,127)	5,765,470
EXPENDITURES					
Student Services	9,800,000	9,790,000	7,355,203	2,434,737	5,760,640
Auxiliary Services	-	10,000	9,392	608	-
Total Expenditures	9,800,000	9,800,000	7,364,655	2,435,345	5,760,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	81,218	80,610	4,830
OTHER FINANCING SOURCES					
Transfers In	47,000	47,000	39,121	(7,879)	35,740
NET CHANGE IN FUND BALANCE	47,000	47,000	120,339	72,731	40,570
Fund Balance - Beginning of Year	507,252	507,252	521,822	14,570	481,252
FUND BALANCE - END OF YEAR	<u>\$ 554,252</u>	<u>\$ 554,252</u>	<u>\$ 642,161</u>	<u>\$ 87,301</u>	<u>\$ 521,822</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, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022				2021
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
REVENUES					
Intergovernmental Revenue					
Federal	\$ 285,000	\$ 485,000	\$ 488,896	\$ 1,896	\$ 187,185
Institutional	50,000	50,000	134,583	84,583	89,104
Total Revenues	335,000	535,000	621,259	86,259	236,289
EXPENDITURES					
Current:					
Instruction	736,500	686,500	652,530	33,970	692,986
Instructional Resources	64,000	14,000		14,000	20,457
General Institutional	997,000	1,647,000	1,641,788	5,212	2,567,120
Physical Plant	2,555,000	2,205,000	2,173,131	31,869	1,948,958
Total Expenditures	4,352,500	4,552,500	4,467,449	85,051	5,229,521
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,017,500)	(4,017,500)	(3,846,190)	171,310	(4,993,232)
OTHER FINANCING SOURCES (USES)					
Proceeds from Debt	4,000,000	4,000,000	4,014,376	14,376	4,000,000
Transfers Out	(68,000)	(68,000)	(61,760)	6,240	(49,650)
Total Other Financing Sources (Uses)	3,932,000	3,932,000	3,952,616	20,616	3,950,350
NET CHANGE IN FUND BALANCE	(85,500)	(85,500)	106,426	191,926	(1,042,882)
Fund Balance - Beginning of Year	208,351	208,351	827,081	618,730	1,869,963
FUND BALANCE - END OF YEAR	<u>\$ 122,851</u>	<u>\$ 122,851</u>	<u>\$ 933,507</u>	<u>\$ 810,656</u>	<u>\$ 827,081</u>

**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, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022				2021
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
REVENUES					
Local Government - Tax Levy	\$ 6,050,000	\$ 6,050,000	\$ 6,210,000	\$ 160,000	\$ 5,650,000
Intergovernmental Revenue					
State	20,500	20,500	23,839	3,339	19,793
Institutional	20,000	20,000	9,221	(10,779)	8,662
Total Revenues	6,090,500	6,090,500	6,243,060	152,560	5,678,455
EXPENDITURES					
Debt Services	7,080,000	7,080,000	6,194,275	885,725	5,947,786
Excess (Deficiency) of Revenues Over (Under) Expenditures	(989,500)	(989,500)	48,785	1,038,285	(269,331)
OTHER FINANCING SOURCES (USES)					
Premium on Issuance of Debt	-	-	-	-	159,880
Total Other Financing Sources (Uses)	-	-	-	-	159,880
NET CHANGE IN FUND BALANCE	(989,500)	(989,500)	48,785	1,038,285	(109,451)
Fund Balance - Beginning of Year	2,149,783	2,149,783	2,290,118	140,335	2,399,569
FUND BALANCE - END OF YEAR	\$ 1,160,283	\$ 1,160,283	\$ 2,338,903	\$ 1,178,620	\$ 2,290,118

**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, 2022
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022				2021
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
OPERATING REVENUES					
Intergovernmental Revenue					
Federal	\$ -	\$ 650,000	\$ 618,024	\$ (33,976)	\$ 715,624
Institutional	1,621,500	1,321,500	1,299,438	(22,062)	1,263,853
Total Operating Revenues	1,621,500	1,971,500	1,915,462	(56,038)	1,979,477
OPERATING EXPENSES					
Current:					
Physical Plant					
Auxiliary Services	1,541,300	2,341,300	2,341,106	194	2,127,909
Total Operating Expenditures	1,541,300	2,341,300	2,341,106	194	2,127,909
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenses	80,200	(369,800)	(425,644)	(56,232)	(148,432)
NONOPERATING EXPENSES					
Transfers Out	(100,000)	(100,000)	-	-	-
Total Nonoperating Expenses	(100,000)	(100,000)	-	-	-
NET CHANGE IN NET POSITION	(19,800)	(469,800)	(425,644)	(56,232)	(148,432)
Net Position - Beginning of Year	3,558,342	3,558,342	3,559,910	1,568	3,708,342
NET POSITION - END OF YEAR	<u>\$ 3,538,542</u>	<u>\$ 3,088,542</u>	<u>\$ 3,134,266</u>	<u>\$ (54,664)</u>	<u>\$ 3,559,910</u>

**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, 2022
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2021)**

	2022				2021
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary) Basis
OPERATING REVENUES					
Institutional	\$ 4,425,000	\$ 4,425,000	\$ 3,983,038	\$ (461,962)	\$ 3,930,379
OPERATING EXPENSES					
Auxiliary Services	4,435,000	4,435,000	3,446,357	988,643	4,185,886
Excess (Deficiency) of Operating Revenues Over (Under) Operating Expenses	(10,000)	(10,000)	516,681	526,681	(255,487)
NET CHANGE IN NET POSITION	(10,000)	(10,000)	516,681	526,681	(255,487)
Net Position - Beginning of Year	1,570,377	1,570,377	1,474,890	(95,487)	1,730,377
NET POSITION - END OF YEAR	<u>\$ 1,560,377</u>	<u>\$ 1,560,377</u>	<u>\$ 1,991,571</u>	<u>\$ 431,194</u>	<u>\$ 1,474,890</u>

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, 2022

	Governmental				Proprietary Funds				Statement of
	General	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	Total	Reconciling Items	Revenues, Expenses, and Changes in Net Position
REVENUES									
Local Government - Tax Levy	\$ 5,163,622	\$ -	\$ -	\$ 6,210,000	\$ -	\$ -	\$ 11,373,622	\$ -	\$ 11,373,622
Intergovernmental Revenue									
State	10,718,350	480,483	-	23,839	-	-	11,222,672	-	11,222,672 (a)
Federal	1,066,285	6,474,039	486,696	-	516,024	-	8,643,044	(1,876,148)	6,766,896 (b)
Tuition and Fees									
Statutory Program Fees	4,343,652	-	-	-	-	-	4,343,652	-	4,343,652
Materials Fees	244,019	-	-	-	-	-	244,019	-	244,019
Other Student Fees	482,819	278,019	-	-	-	-	760,838	-	760,838
Institutional	2,225,450	213,332	134,563	9,221	1,299,438	3,963,038	7,845,042	(4,021,784)	3,823,258 (c)
Total Revenues	24,244,197	7,445,873	621,259	6,243,060	1,915,462	3,963,038	44,432,889	(5,897,932)	38,534,957
EXPENDITURES/EXPENSES									
Current									
Instruction	13,533,503	-	652,590	-	-	-	14,186,093	(1,273,349)	12,912,684
Instruction Resources	265,455	-	-	-	-	-	265,455	(8,824)	256,631
Student Services	2,875,650	7,355,263	-	-	-	-	10,230,913	(7,355,858)	2,875,055
General Institutional	5,218,232	-	1,641,789	-	-	-	6,860,020	(883,910)	5,976,110
Physical Plant	2,010,734	-	2,173,131	-	-	-	4,183,865	(2,977,811)	1,206,054
Auxiliary Services	-	9,392	-	-	2,341,106	3,446,357	5,796,855	(4,298,708)	1,498,147
Depreciation	-	-	-	-	-	-	-	3,438,010	3,438,010
Student Aid	-	-	-	-	-	-	-	4,835,431	4,835,431
Debt Services									
Principal	-	-	-	5,455,000	-	-	5,455,000	(5,455,000)	-
Interest	-	-	-	739,275	-	-	739,275	(218,091)	521,184
Total Expenditures/Expenses	23,903,574	7,364,655	4,467,449	6,194,275	2,341,106	3,446,357	47,712,416	(14,198,110)	33,519,306
Excess (Deficiency) of Revenues									
Over (Under) Expenditures/Expenses	340,623	81,218	(3,846,190)	48,785	(425,644)	516,681	(3,284,527)	8,300,178	5,015,651
OTHER FINANCING SOURCES (USES)									
Long-Term Debt Issued	-	-	4,014,376	-	-	-	4,014,376	(4,014,376)	-
Premium on Issuance of Debt	-	-	-	-	-	-	-	-	-
Transfers In	51,760	39,121	-	-	-	-	90,881	(100,881)	-
Transfers Out	(39,121)	-	(61,760)	-	-	-	(100,881)	100,881	-
Loss on Disposal of Capital Assets	-	-	-	-	-	-	-	(25,668)	(25,668)
Total Other Financing Sources (Uses)	12,639	39,121	3,952,616	-	-	-	4,014,376	(4,040,044)	(25,668)
NET CHANGE IN FUND BALANCE/NET POSITION	363,262	120,339	106,426	48,785	(425,644)	516,681	729,849	4,260,134	4,989,983
Fund Balance/Net Position - Beginning of Year	10,776,988	521,822	827,081	2,290,118	3,559,910	1,474,890	19,450,809	17,152,948	36,603,357
FUND BALANCE/NET POSITION - END OF YEAR	<u>\$ 11,140,250</u>	<u>\$ 642,161</u>	<u>\$ 933,507</u>	<u>\$ 2,338,903</u>	<u>\$ 3,134,266</u>	<u>\$ 1,991,571</u>	<u>\$ 20,180,658</u>	<u>\$ 21,412,682</u>	<u>\$ 41,593,340 (d)</u>

**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, 2022**

- (a) State Grant Revenue is Presented on the Basic Financial Statement as Follows:

Operating	\$ 2,282,755
Nonoperating	8,939,917
	<u>\$ 11,222,672</u>

- (b) Federal Grant Revenue is Presented on the Basic Financial Statement as Follows:

Operating	\$ 610,167
Nonoperating	6,156,729
	<u>\$ 6,766,896</u>

- (c) Institutional Revenue is Reported on the Basic Financial Statement as Follows:

Nongovernmental Grants and Contracts	\$ 2,482,102
Auxiliary Enterprises	1,290,765
Investment Income	50,391
	<u>\$ 3,823,258</u>

- (d) Reconciliation of Budgetary Basis Fund Balance and Net Position as Presented in the Basic Financial Statements:

Budgetary Basis Fund Balance	\$ 20,180,658
Capital Assets - Cost	76,201,476
Accumulated Depreciation/Amortization on Capital Assets	(31,069,758)
Lease Liabilities	(504,293)
Net Pension Asset and Deferred Items	3,139,448
General Obligation Bonds and Notes Payable	(22,555,000)
Unamortized Debt Premium	(596,031)
Net Other Postemployment Benefits and Deferred Items	(2,613,824)
Termination Benefit	(1,946,307)
Accrued Interest on Notes Payable	(58,007)
Encumbrances Outstanding at Year-End	1,414,978
Net Position per Basic Financial Statements	<u>\$ 41,593,340</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, 2022, 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.

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 may exist that have not been 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. Fund & Account Transfers (2021-22 Budget Modifications)

Caleb White will present a review of the modifications to the General Fund, Capital Fund, Enterprise Fund, and Special Revenue Fund. A report of each fund follows.

Recommendation: *Approve the 2021-22 budget modifications as presented.*

BUDGET MODIFICATION District: Southwest Wisconsin Technical College Fiscal Year: 2021-22

General Fund - 100

	Current Budget Adopted <u>6/24/2021</u>	Modified Budget Adopted <u>2/23/2023</u>	Amount of <u>Change</u>
<u>Resources</u>			
Local Government	5,545,000	5,545,000	-
State Aids	10,983,400	10,983,400	-
Program Fees	4,628,000	4,628,000	-
Material Fees	284,000	284,000	-
Other Student Fees	398,000	398,000	-
Insitutional	1,506,500	1,506,500	-
Federal	2,477,300	2,477,300	-
Transfers from Reserves and Designated Fund Balances	<u>121,000</u>	<u>121,000</u>	<u>-</u>
Total Resources	<u>25,943,200</u>	<u>25,943,200</u>	<u>-</u>
<u>Uses</u>			
Instructional	15,162,400	14,912,400	(250,000)
Instructional Resources	297,500	297,500	-
Student Services	2,628,900	2,878,900	250,000
General Institutional	6,009,200	6,009,200	-
Physical Plant	<u>2,460,800</u>	<u>2,460,800</u>	<u>-</u>
Total Uses	<u>26,558,800</u>	<u>26,558,800</u>	<u>-</u>

Caleb J. White
Vice President for Administrative Services

BUDGET MODIFICATION
District: Southwest Wisconsin Technical College
Fiscal Year: 2021-22

Capital Fund - 300

	Current Budget Adopted <u>6/24/2021</u>	Modified Budget Adopted <u>2/23/2023</u>	Amount of <u>Change</u>
<u>Resources</u>			
Insitutional	50,000	50,000	-
Federal	285,000	485,000	200,000
Proceeds from Debt	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>
Total Resources	<u>4,335,000</u>	<u>4,535,000</u>	<u>200,000</u>
<u>Uses</u>			
Instructional	736,500	686,500	(50,000)
Instructional Resources	64,000	14,000	(50,000)
General Institutional	997,000	1,647,000	650,000
Physical Plant	2,555,000	2,205,000	(350,000)
Transfer	<u>68,000</u>	<u>68,000</u>	<u>-</u>
Total Uses	<u>4,420,500</u>	<u>4,620,500</u>	<u>200,000</u>

Caleb J. White
Vice President for Administrative Services

BUDGET MODIFICATION
District: Southwest Wisconsin Technical College
Fiscal Year: 2021-22

Enterprise Fund - 500

	Current Budget Adopted <u>6/24/2021</u>	Modified Budget Adopted <u>2/23/2023</u>	Amount of <u>Change</u>
<u>Resources</u>			
Institutional	1,621,500	1,321,500	(300,000)
Federal	-	650,000	650,000
Total Resources	<u>1,621,500</u>	<u>1,971,500</u>	<u>350,000</u>
<u>Uses</u>			
Auxiliary Services	1,541,300	2,341,300	800,000
Transfer	100,000	100,000	-
Total Uses	<u>1,641,300</u>	<u>2,441,300</u>	<u>800,000</u>

Caleb J. White
Vice President for Administrative Services

BUDGET MODIFICATION
District: Southwest Wisconsin Technical College
Fiscal Year: 2021-22

Trust/Agency - 700

	Current Budget Adopted <u>6/24/2021</u>	Modified Budget Adopted <u>2/23/2023</u>	Amount of <u>Change</u>
<u>Resources</u>			
State Aids	547,000	547,000	-
Other Student Fees	250,000	250,000	-
Institutional	245,000	245,000	-
Federal	8,758,000	8,758,000	-
Transfer	47,000	47,000	-
Total Resources	<u>9,847,000</u>	<u>9,847,000</u>	<u>-</u>
<u>Uses</u>			
Student Services	9,800,000	9,790,000	(10,000)
Auxiliary Services	-	10,000	10,000
Total Uses	<u>9,800,000</u>	<u>9,800,000</u>	<u>-</u>

Caleb J. White
Vice President for Administrative Services

Board Monitoring of College Effectiveness

A. 2023-24 Budget Priorities & Assumptions

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



Priorities and Budget Assumptions for 2023-2024

1. Engage Students in High Quality Experiential Learning
 - a. Access to high-quality academic programming helps students succeed in the workforce. The Academic Plan focuses on emerging industries and revitalizing existing programs.
2. Strengthen a Culture of Caring and Success
 - a. At Southwest Tech we want every student to know we care about their success. We also want faculty, staff, and leadership to be representative of our district population and student body.
3. Enhance the College's Economic Impact
 - a. Using one-time funding sources, we will reduce our operating expenses through investments in renewable energies. We will create student learning opportunities through partnerships between academics and operations.

See [Strategic Directions 2022-2025](#) document for additional details and specific priority goals.

Budget Assumptions for 2023-2024

- Slight increase in district net new construction valuation
- Slight increase in tuition rates
- Potential 10% increase in general state aid appropriation, but conservatively planning for a 3.5% increase
- Additional Project RISE cost shifting from capital to operational budget
- Health and dental coverage rates are both estimated to remain flat and increase 1.3%, respectively
- Compensation analysis and benefit enhancement workgroup adjustments
- Wage scale modifications for adjunct instructors and student employees
- Gas, electric and water/sewer utility rates are estimated to increase of 5-8%
- Grant funding is estimated to increase due to the Workforce Innovation Grant
- Wisconsin Retirement System contribution rate increased 4.6% on January 1, 2023, from 6.5% to 6.8% (Southwest Tech's 50% share)
- Mileage rate increased 8.3% on January 1, 2023, to .655/mile from a blended rate of .605/mile in 2022
- Projecting 1,285 FTEs for 2022-23 and we will begin the 2023-24 budget with a target of 1,300 FTEs, an approximate 1% increase
- 8.00% CPI base wage increase = \$1.2 million
- Other supplies and services estimated to increase 8-12%

B. Safety & Security Monitoring Report

Dan Imhoff, Executive Director of Facilities, Safety & Security, and Heath Ahnen, Executive Director of Information Technology Services, will present the Board monitor report on Safety & Security. The report follows.

Board Monitoring Report Safety and Security January 22, 2023

EXECUTIVE SUMMARY

Alignment with Mission, Vision, Values, and Purposes

Southwest Wisconsin Technical College (Southwest Tech) (College) has a proud history of providing a safe learning environment for our students and a safe workplace for our faculty and staff. The safety of our students and employees is important to us. A wide variety of policies and procedures have been developed over the years to ensure the health and safety of students, employees, and visitors to the campus. In addition, we comply with constantly emerging and evolving federal and state laws which are increasingly complex. Every member of our campus community plays an integral role in both the safety and security of the campus; therefore, it is important that we provide them with the training and tools they need to help keep Southwest Tech the safe and inviting place it has always been.

Alignment with Strategic Directions

Campus safety and cyber security directly affect all College operations. There are indirect connections to each of our strategic directions. When our teaching spaces are safe, learning improves. As employees feel safe in their work environment, productivity increases. When people look out for the welfare of each other, our culture is enhanced. Taking steps to ensure people's safety shows that you care about them as human beings and want to see them reach their full potential. Individuals that feel cared for are more likely to have a positive attitude toward the people they work with and the institution. When they feel safer and more secure, distractions are removed that can undermine their productivity and help them reach their full potential. People are also more likely to attend and collaborate with an institution that has a reputation for ensuring the safety of all their stakeholders. All these factors help us engage students and help them stay focused on their education and what they need to do to succeed.

Competitive Positioning Statement

Providing a safe environment gives Southwest Tech an advantage in recruiting and retaining both students and employees. To maintain our competitive advantage, it is imperative that the College continues to train people in how to avoid an emergency or how to respond in a crisis. The threats to the College constantly evolve and it is important to make sure our plans and procedures are updated. Our plan's quality depends on continual professional development and debriefing our response after training or real emergency situations. Having a safe environment also has a direct effect on insurance and time lost costs.

Core Emergency Response Team (CERT)

CERT is a group of appointed Southwest Tech administrators and staff responsible for deciding how to respond in crisis situations affecting Southwest Tech community members. CERT meets monthly to plan and participate in crisis simulations. Crisis response plans and procedures are regularly updated to reflect the latest industry best practices. Debrief meetings are held after all incidents to evaluate the campus's response and provide updates. CERT is led by the Executive Director of Facilities, Safety & Security and includes key College personnel selected based on their background and known abilities. The tasks performed as a CERT member are in addition to their regular duties at the College. These people are quick to respond when needed and must make tough decisions usually under intense pressure when the team is together; these decisions are made knowing they will be second guessed or critiqued by outsiders, but these people are willing to make and stand behind the choices they make.

CERT members are Caleb White, Cynde Larsen, Kris Wubben, Karl Sandry, Katie Glass, Heath Ahnen, Brian Kitelinger, Krista Webber, Josh Bedward, Holly Clendenen, Connie Haberkorn, Derek Dachelet, and Dan Imhoff.

Safety Coordinator

The College recognizes the importance of safety throughout campus and has a Safety Coordinator on staff. This position is filled by Brian Kitelinger. Brian is tasked with making safety an ever-present part of the Southwest Tech culture through the creation, implementation, and training of College safety procedures and policies. He works to enhance College safety programs and make College safety an integral part of Southwest Tech's culture, through trainings and safety checks. Some of the issues Brian has worked on this past year include: The "See Something, Say Something" campaign, Safe Eyes program, and walk safe campaign.

Occupational Safety and Health Administration (OSHA) Audits

As a College, we recognize that prevention is the best way to avoid most injuries and medical emergencies. Based on this knowledge, a plan has been implemented for monthly audits of shop and lab spaces. These monthly audits are in addition to the annual audit performed by District Mutual Insurance (DMI). Josh Bedward and Brian Kitelinger are leading this initiative and have done an excellent job working with the staff and instructors in not only pointing out the deficiencies but also working on corrective solutions. This initiative directly impacted the number of violations reported when DMI completed the annual campus audit.

Behavioral Intervention Team (BIT)

A behavioral intervention team (BIT) is a multi-disciplinary group whose purpose is meeting regularly to support our students via concern reports issued by faculty and staff. The team tracks "red flags" over time, detecting patterns, trends, and disturbances in an individual's or group's behavior. The team will help guide the individual or group to the resources they need to prevent the identified issue from worsening. Referral resources may include the College's on-campus staff mental health counselor or outside entities that can serve the students' needs. Each member of the team has received training from D. Stafford and Associates, which is one of the leaders in this area. The BIT members are Stephanie Brown, Kris Wubben, Robin Hammel, and Dan Imhoff.

Student Security

The College has recently revamped the student security officer program. This program is overseen by Karl Sandry and Brian Kitelinger. The program is staffed by four current Criminal Justice students. The students are unarmed and patrol campus on a rotating schedule. Officer tasks include Building Safety Inspections, Fire Safety Inspections (extinguishers, emergency lighting, means of egress), Medical Kit & AED (Automatic External Defibrillator) inspections/stocking, Emergency Pre-Incident Plans, and providing assistance to stakeholders in emergency situations. While patrolling students are assessing the security of the buildings and will help create corrective action plans if something is observed. The program provides the students with real world experience while providing the College with a consistent security presence.

Campus Cybersecurity Incident Response Team (CIRT)

An incident response team is a group of IT (Information Technology) professionals from Southwest Tech's Information Technology Services team formed to address cyber security incidents. Their responsibility may include, but is not limited to, analysis, isolation of threats, communication to stakeholders, business continuity, service restoration, and call center support. The CIRT members are led by Executive Director of Information Technology Services. Team members are Heath Ahnen, Matthew Baute, Dave Friesen, John Troxel, Jake Wienkes, Jake Mootz, Bob Thompson, Calvin Butteris, and Darwyn Wolfe.

PRESENTATION OF THE DATA

1. Workers Compensations Statistics

Policy Year	Claims	Total Incurred	Open Claims	Total Reserve
7/1/2018 – 2019	3	\$1,024	0	\$0
7/1/2019 - 2020	4	\$2,477.76	0	\$0
7/1/2020-2021	7	\$122,318.31	3	\$0
7/1/2021-2022	9	\$21,675.01	1	\$0

2.

Safety and Security	Goals	2018-2019	2019-2020	2020-2021	2021-2022
Security Incidents (Student or Employee)	0	0	0	0	0
Worker Compensation Mod Factor	0.75	1.15	1.01	.97	.68

Number of Class/Type A, B, C student incidents	0	13	16	19	16
Type A: Injuries reported requiring limited or no medical attention	0	12	13	16	12
Type B: Incidents requiring immediate medical attention with little follow-up (stitched, moderate burns)	0	1	2	2	4
Type C: Incidents that require immediate medical attention and prolonged treatment (broken bones, torn ligaments, amputation)	0	0	1	1	0

STRENGTHS

1. The willingness of such a large group of employees to join the various safety and security teams and committees on campus shows the employee commitment that is necessary to create a safe campus.
2. The College's emergency response plan has been reviewed by DMI (Districts Mutual Insurance) and is viewed as a strength.
3. The College's security camera system consists of current technology and can use facial technology to track people of interest.
4. Internal alignment has been improved with the creation of councils, health indicators, and strategic initiatives.

WEAKNESSES

1. Although served by local law enforcement, the college lacks constant security on campus.
2. The college lacks the ability to do an instantaneous lock down of all college exterior doors.
3. Although the technology provided by the college security camera system is viewed as a strength there are still areas of the campus that are not covered.
4. Cyber threat actors have a much larger attack surface with the ever-changing risk landscape. Attack surfaces are growing more complex and decentralized. The move to remote work widened the attack surface with faculty, staff and students no longer at SWTC under a secure network.

STRATEGIC INITIATIVES DESIGNED TO IMPROVE OUR PERFORMANCE

1. The College has continued an employee safety training program. Past training sessions included cyber security, situational awareness, and classroom management.
2. Future training includes Run Hide Fight and evacuation.
3. The college is upgrading the lock system to assist in the lockdown time and improve building access monitoring.
4. Information Technology Services (ITS) developed and implemented an Acceptable Use Policy to ensure users know the appropriate usage of the College's resources. ITS continues to put in place measures to protect Southwest Tech data and network resources.
5. ITS is continuing Cybersecurity Awareness training and communication to campus. This offer includes access for faculty, staff, and students. These online training modules will assist in educating the Southwest Tech community members and are a critical component for the security of the College's infrastructure. The training will include routine and ongoing training for the Southwest Tech community members on how to detect and take measures to protect the organization. This program's inception was in October 2017 as part of Cybersecurity Awareness Month. The annual training is now a yearly, mandatory training. ITS continues to expand training by offering departmental and work unit training sessions in 2023.
6. ITS implemented a high availability virtual private network (VPN) to allow secure remote access to Southwest Tech resources, software patch deployment and security scanning for Southwest Tech's workforce when working remotely.
7. ITS has completed the Next-Generation Endpoint Security implementation and continues to refine to meet the changing security landscape. By implementing, Southwest Tech has minimized threats and upholds industry standards in threat detection and prevention on campus administered devices.
8. ITS has been the recipient of a grant from District Mutual Insurance (DMI) to begin the development of a security operations center. In conjunction with Higher Education Emergency Relief Funds, this allowed a partnership with a vendor to augment security monitoring and response 24 hours, seven days a week of the Southwest Tech computing environment.
9. ITS implemented multi-factor authentication (MFA) to protect credentials for all faculty, staff, and students. Requires users authenticate with at least two factors, which can reduce the risk of identity compromise over passwords alone.
10. ITS has been the recipient of a grant from District Mutual Insurance to conduct a cybersecurity risk assessment. The college will work with a third-party vendor to provide a complete security assessment across various domains of best practices. The assessment will include a holistic approach and provide deliverables in the following areas: Internet-based threats assessment and penetration testing, network infrastructure assessment, critical network and computing assets assessment, user computing environment assessment, physical and environmental security assessment, wireless network security assessment and policy/procedure review.

C. Staffing Update

1. Staffing Summary

Krista Weber, Chief Human Resources Officer, will provide an update on College staffing. A summary is included below.

	Name	Title	Status and/or Additional Info	Effective Date	Funding Source &/or Estimated Wage Range/Hired Salary
1	New	Institutional Research Analyst	Leonor Chivas	7/11/2022	D63-Salary Band: \$66,953 - \$97,083 Hired at \$83,000
2	Replacement	Medical Lab Tech Instructor-50%	Shannon Cathman	7/1/2022	BS: \$48,898 - \$77,750 AS: \$51,434 - \$81,781 MS: \$53,969 - \$85,811 Hired at \$62,000
3	Replacement	Electromechanical Technician Instructor	Stephen Goss	7/1/2022	BS: \$48,898 - \$77,750 AS: \$51,434 - \$81,781 MS: \$53,969 - \$85,811 Hired at \$69,027.13
4	Replacement	Administrative Assistant	Nanette Hubbard	6/27/2022	B22 - Hourly Range: \$18.48 - \$24.03 Hired at \$19.23/hour
5	New	Administrative Assistant	Tina Lies	7/1/2022	B22: \$18.48 - \$24.03 Hired at \$19.23/hour
6	Replacement	Carpentry Instructor	Andy Reynolds	7/15/2022	BS: \$48,898 - \$77,750 AS: \$51,434 - \$81,781 MS: \$53,969 - \$85,811 Hired at \$55,000
7	Replacement	Child Care Aide (Part-time)	Anna Schmitz	8/29/2022	A12: \$19.23/hour Hired at \$19.23/hour
8	New	Associate Degree Nursing Instructor	Heather Norsby	8/1/2022	BS: \$48,898 - \$77,750 AS: \$51,434 - \$81,781 MS: \$53,969 - \$85,811 Hired at \$69,000
9	Replacement	Associate Degree Nursing Instructor	Brianna Spehle	8/3/2022	BS: \$48,898 - \$77,750 AS: \$51,434 - \$81,781 MS: \$53,969 - \$85,811 Hired at \$68,000
10	Replacement	Multicultural Success Coach	Akshay Sukhwal	10/19/2022	C42: \$48,795 - \$68,313 Hired at \$58,000
11	Replacement	Carpenter	Timothy Hoffman	8/30/2022	B24: \$21.64 - \$28.13 Hired at \$25.50/hour
12	Replacement	Reference & Instruction Librarian	Margaret Gardner	11/1/2022	C42: \$54,876-\$71,227 Hired at \$64,000

	Name	Title	Status and/or Additional Info	Effective Date	Funding Source &/or Estimated Wage Range/Hired Salary
13	Replacement	Associate Degree Nursing Instructor	Holly Muench	12/7/2022	BS: \$50,365 - \$80,083 AS: \$52,977 - \$84,234 MS: \$55,588 - \$88,385 Hired at \$71,000
14	Replacement	IT Systems Analyst (Finance, HR & Payroll)	Simon Chappell	12/13/2022	C42: \$24.46 - \$34.24 Hired at \$32.00
15	Replacement	Student Services Specialist	Ramona Hach	1/3/2023	A13: \$19.23-\$22.73 Hired \$19.23
16	New	Programmer/Analyst	Dan Rogers	2/27/2023	C44 : \$57,152 - \$80,013 Hired at \$75,000
17	New	Administrative Assistant - Business & Industry Services	Gabby Snider	1/3/2023	B22: \$19.23 - \$24.94 Hired \$19.23
18	Replacement	Associate Degree Nursing Instructor	Offer Pending	3/15/2023	BS: \$50,365 - \$80,083 AS: \$52,977 - \$84,234 MS: \$55,588 - \$88,385
19	Replacement	Mental Health Counselor	Interviews scheduled	3/15/2023	C44 : \$57,152 - \$80,013
20	Replacement	Emergency Medical Services (EMS) Instructor	Reposted	3/1/2023	BS: \$50,365 - \$80,083 AS: \$52,977 - \$84,234 MS: \$55,588 - \$88,385
21	New	Foundation Development Officer	Nikki Nemitz	2/16/2023	C43 \$53,663 - \$75,129
22	New	Electromechanical Technician Trainer	Offer Pending	3/1/2023	C44 : \$57,152 - \$80,013
23	Replacement	Electrical Power Distribution (EPD) Lab Assistant	Reposted	3/15/2023	B21 : \$19.23 - \$24.60
24	New	Sustainable Energy Management Instructor/Energy Coordinator	On Hold	3/15/2023	BS: \$50,365 - \$80,083 AS: \$52,977 - \$84,234 MS: \$55,588 - \$88,385
25	Replacement	IT Support Specialist	Posted	3/15/2023	C42: \$24.46 - \$34.24

2. Recruitment, Retention, Compensation, Benefits, and Culture: Trends and Opportunities

Krista Weber will present a summary outlining recruitment and retention data, as well as current College Council projects. Below you will find a report summarizing the topics.

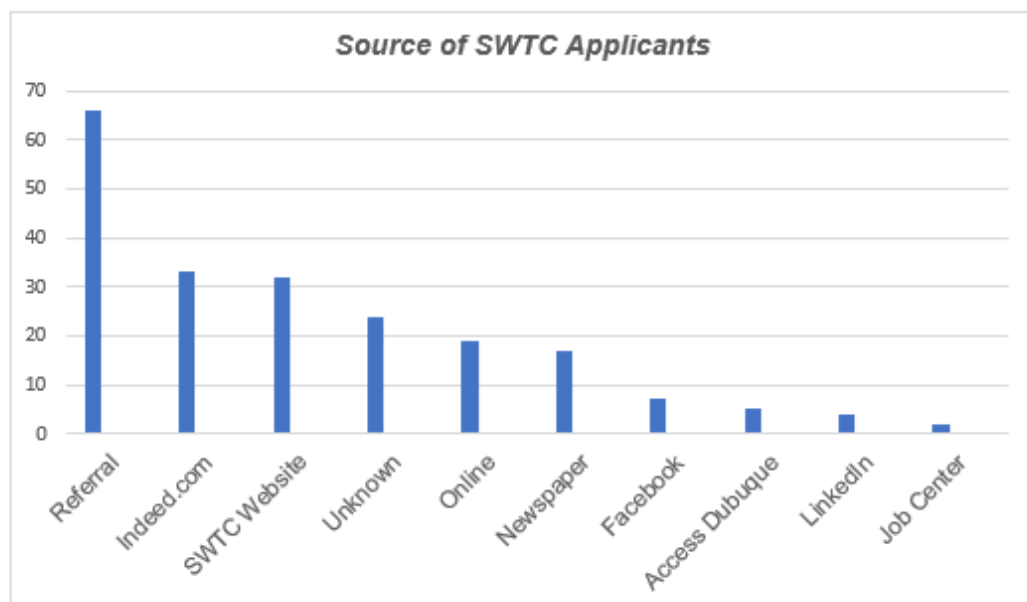
Recruiting and Retention at Southwest Tech

RECRUITING

Total Number of Applicants

Southwest Tech has received 209 total applicants since July 1, 2022.

General Applications	46
Basic Education Instructors	5
Child Care Aide	5
Multicultural Success Coach	17
Carpenter	9
Librarian	5
IT Systems Analyst	7
Nursing Instructor	7
Student Services Specialist	42
Adjunct Instructors	16
Programmer/Analyst	7
Administrative Assistant	22
Foundation Development	4
Child Care Aide (Sub)	2
Electromechanical Tech Trainer	3
Mental Health Counselor	6
EMS Instructor	6



Expanding Our Reach

The HR Team Action Plan (TAP) for 2022-2023 includes expanding our recruiting efforts to additional resources in conjunction with other WTCS colleges. Collaboration with the WTCS colleges provides increased exposure for our postings and allows us to receive cost discounts. Promoting our positions to a broader audience allows us to reach diverse populations. Offering remote or hybrid positions also expands our reach, especially when we are looking for specific skillsets.

The HR Team has also updated the Southwest Tech Job Opportunity web site and our position postings to add inclusive language. They are also working with marketing to better promote college benefits.

RETENTION

Fiscal Year Term/Retention Numbers for 2022-2023 (through February)

Terms due to Resignation/Termination	15
Terms due to Layoffs/LTE position ending	2
Terms due to Retirement	0
Total Terms (including all)	17
Turnover Rate (including all)	9.44%
Turnover Rate (not including Layoffs or Retirements)	8.33%
Retention Rate	91.67%

For comparison, the Retention Rate for 2021-2022 was 92.97% (7.03% Turnover Rate). The Turnover Rate from 2020-2021 was 5.21%.

Monthly Term Numbers 2022-2023 (Any Reason)

July	1
August	2
September	0
October	1
November	4
December	5 (including 2 LTE)
January	2
February	2

*Please note that 4 exiting employees included above have transitioned to adjunct status. There are 2 employees not listed above that have submitted retirements for May 2023.


COLLEGE COUNCIL PROJECTS 2022-2023

- Enhance Employee Engagement through Diversity, Equity, and Inclusion
 - Increase engagement, participation at events.
 - Finalize DEI Progress Report metrics.
 - Additional collaboration between DEI workgroup and faculty
 - Working with consulting company to implement DEI Action Plan
- Develop Leaders/Succession Planning
 - Provide leadership training to supervisors on coaching 3-4 times this year.
 - Create a leadership cohort with Dr. Audrey Reille
 - Finalize individual professional development plans for cohort members.
- Campus-Wide Universal Design – Phase 2
 - Development of a UD Resource guide on the HUB intranet for staff and faculty.
 - Train-the-trainers will be mentoring other employees.
 - Staff and faculty will incorporate a Universal Design project into their Team Action Plans for the 2022-2023 academic year.
- Benefits Enhancements for Employee Recruitment and Retention
 - Research and recommend additional mental health benefits and resources.
 - Review of potential leave options such as maternity leave, paternity leave, and additional spring break.
 - Review additional benefits options for all demographics.
 - Improve online accessibility for HR benefits, reports, and forms.

Information and Correspondence

A. Enrollment Report

1. FY 2023 FTE Comparison Report

		February 13 2023: School Years 2020-21, 2021-22, and 2022-23 FTE Comparison									
Program Code	Program Title	SY 20-21 02/15/21 Students	SY 21-22 02/14/22 Students	SY 22-23 02/13/23 Students	21 to '23 Student Change	22 to '23 Student Change	SY 20-21 02/15/21 FTE	SY 21-22 02/14/22 FTE	SY 22-23 02/13/23 FTE	21 to '23 FTE Change	22 to '23 FTE Change
10-101-1	Accounting	69	60	59	(10)	(1)	45.30	39.83	34.70	(10.60)	(5.13)
10-006-7	Agribusiness Science & Technology - AgBus Mgmt	9	14	16	7	2	4.47	13.93	16.63	12.17	2.70
10-006-5	Agribusiness Science & Technology - Agronomy	19	12	11	(8)	(1)	18.27	9.77	10.67	(7.60)	0.90
10-006-6	Agribusiness Science & Technology - Animal Science	20	29	36	16	7	16.57	23.57	32.13	15.57	8.57
10-102-3	Business Management	132	114	101	(31)	(13)	83.30	71.40	65.87	(17.43)	(5.53)
10-530-5	Cancer Information Management	109	85	66	(43)	(19)	55.47	52.23	37.13	(18.33)	(15.10)
10-504-X	Criminal Justice	49	44	32	(17)	(12)	33.40	31.97	26.53	(6.87)	(5.43)
10-316-1	Culinary Arts	6	5		(6)	(5)	5.10	5.60		(5.10)	(5.60)
10-317-1	Culinary Management	2			(2)	-	1.53			(1.53)	-
10-102-1	Data Analytics		5	5	5	-		2.27	3.23	3.23	0.97
10-510-6	Direct Entry Midwife	122	137	147	25	10	48.47	65.23	71.97	23.50	6.73
10-307-1	Early Childhood Education	63	49	51	(12)	2	43.57	31.83	31.20	(12.37)	(0.63)
10-620-1	Electro-Mechanical Technology	34	27	23	(11)	(4)	31.17	23.13	21.17	(10.00)	(1.97)
10-325-1	Golf Course Management	10	13	15	5	2	9.37	12.17	14.83	5.47	2.67
10-201-2	Graphic And Web Design	19	23	27	8	4	15.00	17.97	25.20	10.20	7.23
10-530-1	Health Information Technology	56	52	46	(10)	(6)	25.93	27.03	23.87	(2.07)	(3.17)
10-520-3	Human Services Associate	32	39	34	2	(5)	26.07	29.27	28.27	2.20	(1.00)
10-825-1	Individualized Technical Studies	3			(3)	-	1.40			(1.40)	-
10-620-3	Instrumentation and Controls Technology	4		2	(2)	2	0.90		2.20	1.30	2.20
10-150-2	IT-Network Specialist	32	30	22	(10)	(8)	18.70	18.00	16.90	(1.80)	(1.10)
10-196-1	Leadership Development	11	12	12	1	-	3.47	6.33	6.20	2.73	(0.13)
10-513-1	Medical Laboratory Technician	21	20	14	(7)	(6)	14.57	14.93	10.10	(4.47)	(4.83)
10-196-6	Nonprofit Leadership	1	9	12	11	3	0.40	5.10	6.77	6.37	1.67
10-543-1	Nursing-Associate Degree	226	205	212	(14)	7	126.97	104.83	116.23	(10.73)	11.40
10-524-1	Physical Therapist Assistant	31	22	19	(12)	(3)	18.87	14.07	11.90	(6.97)	(2.17)
10-182-1	Supply Chain Management	26	35	32	6	(3)	11.70	16.90	18.27	6.57	1.37
10-512-1	Surgical Technology			9	9	9			6.77	6.77	6.77
10-499-5	Technical Studies-Journeyworker		1	2	2	1		0.30	0.30	0.30	-
Total Associate Degree		1,106	1,042	1,005	(101)	(37)	659.93	637.67	639.03	(20.90)	1.37

February 13 2023: School Years 2020-21, 2021-22, and 2022-23 FTE Comparison

Program Code	Program Title	SY 20-21 02/15/21 Students	SY 21-22 02/14/22 Students	SY 22-23 02/13/23 Students	21 to '23 Student Change	22 to '23 Student Change	SY 20-21 02/15/21 FTE	SY 21-22 02/14/22 FTE	SY 22-23 02/13/23 FTE	21 to '23 FTE Change	22 to '23 FTE Change
31-101-1	Accounting Assistant	13	9	11	(2)	2	5.83	3.77	5.30	(0.53)	1.53
30-531-6	EMT-IV (Advanced EMT)		12	8	8	(4)		2.03	2.00	2.00	(0.03)
31-006-3	Agribusiness Science & Technology - Agronomy Tech	1	1	1	-	-	1.13	0.10	0.60	(0.53)	0.50
32-070-1	Agricultural Power & Equipment Technician	35	36	29	(6)	(7)	33.10	34.47	28.43	(4.67)	(6.03)
31-405-1	Auto Collision Repair & Refinish Technician	11	9	9	(2)	-	8.07	9.07	8.17	0.10	(0.90)
32-404-2	Automotive Technician	34	19	19	(15)	-	23.17	15.07	17.73	(5.43)	2.67
31-408-1	Bricklaying & Masonry	1	4	4	3	-	0.07	2.23	3.57	3.50	1.33
30-443-1	Building Maintenance & Construction		1	1	1	-		0.07	0.07	0.07	-
31-475-1	Building Trades-Carpentry	9	9	7	(2)	(2)	8.13	7.90	5.33	(2.80)	(2.57)
31-307-1	Child Care Services	4	4	5	1	1	2.70	2.10	2.70	-	0.60
30-420-2	CNC Machine Operator/Programmer	2	6	4	2	(2)	1.30	4.30	3.20	1.90	(1.10)
31-502-1	Cosmetology	19	26	31	12	5	13.60	19.23	22.83	9.23	3.60
30-504-2	Criminal Justice-Law Enforcement 720 Academy	14	7	10	(4)	3	9.33	5.13	8.00	(1.33)	2.87
30-508-2	Dental Assistant	11	18	18	7	-	5.57	9.47	9.20	3.63	(0.27)
30-812-1	Driver and Safety Education Certification	21	13	17	(4)	4	4.80	2.00	3.70	(1.10)	1.70
31-413-2	Electrical Power Distribution	44	44	44	-	-	40.60	37.00	41.17	0.57	4.17
50-413-2	Electricity (Construction) Apprentice	20	23	23	3	-	3.03	3.07	2.93	(0.10)	(0.13)
30-531-3	Emergency Medical Technician	90	58	75	(15)	17	14.90	7.80	12.63	(2.27)	4.83
32-080-4	Farm Operations & Management - Ag Mechanics	9	11	6	(3)	(5)	7.47	10.10	4.73	(2.73)	(5.37)
31-080-6	Farm Operations & Management - Crop Operations	1			(1)	-	0.07			(0.07)	-
32-080-3	Farm Operations & Management - Dairy	8	7	6	(2)	(1)	5.97	6.10	5.87	(0.10)	(0.23)
31-080-3	Farm Operations & Management - Dairy Technician	3	2	3	-	1	0.67	1.50	1.93	1.27	0.43
31-080-2	Farm Operations & Management - Farm Ag Maintenance	4	2	3	(1)	1	2.40	0.20	2.07	(0.33)	1.87
32-080-6	Farm Operations & Management - Livestock	1	3	5	4	2	1.03	2.73	4.70	3.67	1.97
31-080-7	Farm Operations & Management - Livestock Tech		1		-	(1)		0.77		-	(0.77)
50-413-1	Industrial Electrician Apprentice	10	6	11	1	5	1.67	0.80	2.27	0.60	1.47
31-620-1	Industrial Mechanic	3	2	2	(1)	-	2.83	1.23	1.33	(1.50)	0.10
31-154-6	IT-Computer Support Technician	10	6	4	(6)	(2)	7.30	3.37	2.00	(5.30)	(1.37)
31-513-1	Laboratory Science Technician	5	11	7	2	(4)	2.53	5.03	1.00	(1.53)	(4.03)
50-620-1	Mechatronics Technician Apprentice	5			(5)	-	1.27			(1.27)	-
31-509-1	Medical Assistant	43	31	26	(17)	(5)	34.33	22.43	20.20	(14.13)	(2.23)

February 13 2023: School Years 2020-21, 2021-22, and 2022-23 FTE Comparison

Program Code	Program Title	SY 20-21 02/15/21 Students	SY 21-22 02/14/22 Students	SY 22-23 02/13/23 Students	21 to '23 Student Change	22 to '23 Student Change	SY 20-21 02/15/21 FTE	SY 21-22 02/14/22 FTE	SY 22-23 02/13/23 FTE	21 to '23 FTE Change	22 to '23 FTE Change
31-530-2	Medical Coding Specialist	92	95	68	(24)	(27)	35.07	51.90	30.17	(4.90)	(21.73)
30-504-4	Nail Technician	2	2	7	5	5	0.87	1.00	2.63	1.77	1.63
30-543-1	Nursing Assistant	203	165	178	(25)	13	27.00	20.20	24.80	(2.20)	4.60
50-427-5	Plumbing Apprentice	18	21	23	5	2	2.52	4.17	3.59	1.08	(0.58)
31-504-5	Security Operations	1			(1)	-	0.70			(0.70)	-
31-182-1	Supply Chain Assistant	5	3	3	(2)	-	2.90	0.73	1.70	(1.20)	0.97
31-442-1	Welding	53	46	48	(5)	2	41.10	30.60	38.70	(2.40)	8.10
	Total Technical Diploma	805	713	716	(89)	3	353.02	327.67	325.26	(27.76)	(2.41)
20-800-1	Liberal Arts - Associate of Arts	32	51	38	6	(13)	9.97	18.67	10.93	0.97	(7.73)
20-800-2	Liberal Arts - Associate of Science	12	9	12	-	3	3.27	3.60	4.57	1.30	0.97
	Undeclared Majors	494	607	797	303	190	85.47	106.17	145.00	59.53	38.83
	Total Liberal Arts & Undeclared Majors	538	667	847	309	180	98.70	128.43	160.50	61.80	32.07
	Total	2,449	2,422	2,568	119	146	1,111.65	1,093.77	1,124.79	13.14	31.03
	Percent of Change									1.18%	2.84%
	Vocational Adult (Aid Codes 42-47)	2,507	2,705	2,967	460	262	53.62	55.23	55.17	1.55	(0.06)
	Community Services (Aid Code 60)	48	-	13	(35)	13	0.16	-	0.04	(0.12)	0.04
	Basic Skills (Aid Codes 73,74,75,76)	167	251	336	169	85	28.93	44.17	49.53	20.60	5.37
	Basic Skills (Aid Codes 77 & 78)	303	145	214	(89)	69	11.40	6.60	8.40	(3.00)	1.80
	Grand Total	5,474	5,523	6,098	624	575	1,205.76	1,199.76	1,237.94	32.18	38.18
	Total Percent of Change									2.67%	3.18%
						Budgeted/Goal FTEs	1,275	1,250	1,250		
						% of Budgeted/Goal FTEs Achieved to date	94.6%	96.0%	99.0%		
						Final Actual FTEs Achieved	1,256	1,253			
						% of Final Actual FTEs Achieved to date	96.0%	95.8%			
						21/22 Projected Ending FTEs using historical trend	1,290	1,293			
						Will budget be met	YES	YES			

2. FY 2024 Application Comparison Report

Program Application Comparison 2022/23 vs. 2023/24								
PROGRAM	CAP	02/17/22			02/13/23			YOY
		IP	ACCEPT	TOTAL	IP	ACCEPT	TOTAL	
Accounting		5	5	10	8	2	10	0
Accounting Assistant		3	1	4	3	0	3	-1
Agribusiness Science & Technology - Agbus Mgmt	20		10	10		19	19	9
Agribusiness Science & Technology - Agronomy	20		5	5		9	9	4
Agribusiness Science & Technology - Agronomy Tech	20		0	0		4	4	4
Agribusiness Science & Technology - Animal Science	20		23	23		25	25	2
Agricultural Power & Equipment Technician	22		16	16		25	25	9
Auto Collision Repair & Refinish Technician	22		8	8		13	13	5
Automotive Technician	22		23	23		29	29	6
Building Trades-Carpentry	20		7	7		18	18	11
Business Management		30	14	44	27	12	39	-5
Cancer Information Management	30	13	19	32	16	27	43	11
Child Care Services	13	3	2	5	5	3	8	3
CNC Machine Operator/Programmer	5		0	0		0	0	0
Cosmetology	24		38	38		44	44	6
Criminal Justice Studies	70	9	5	14	9	4	13	-1
Criminal Justice-Law Enforcement 2		2	15	17	10	18	28	11
Data Analytics			0	0	7	0	7	7
Dental Assistant	18	1	20	21	3	8	11	-10
Driver and Safety Education Certification		1	0	1	6	0	6	5
Early Childhood Education	28	16	15	31	24	16	40	9
Electrical Power Distribution	44		84	84		89	89	5
Electro-Mechanical Technology	24		19	19		16	16	-3
Farm Operations & Management - Ag Mechanics	20		6	6				-6
Farm Operations & Management - Dairy	20		4	4				-4
Farm Operations & Management - Dairy Technician	20		0	0				0
Farm Operations & Management - Farm Ag Maintenance	20		1	1				-1
Farm Operations & Management - Livestock	20		5	5				-5
Farm Operations & Management - Livestock Tech	20		2	2				-2
Golf Course Management			9	9		8	8	-1
Graphic and Web Design	25		19	19		23	23	4
Health Information Technology	22	2	5	7	2	10	12	5
Human Services Associate	31		27	27		18	18	-9
Industrial Mechanic	6		3	3		3	3	0
Instrumentation and Controls Technology	6		2	2		0	0	-2
IT-Computer Support Technician			4	4		6	6	2
IT-Network Specialist			14	14		6	6	-8
Laboratory Science Technician	15		1	1		0	0	-1
Leadership Development			0	0		0	0	0
Liberal Arts - Associate of Arts		14	4	18	14	5	19	1
Liberal Arts - Associate of Science		12	0	12	14	1	15	3
Medical Assistant	32		20	20		19	19	-1

Program Application Comparison 2022/23 vs. 2023/24

PROGRAM	CAP	02/17/22			02/13/23			YOY
		IP	ACCEPT	TOTAL	IP	ACCEPT	TOTAL	
Medical Coding Specialist	23	10	22	32	14	18	32	0
Medical Laboratory Technician	16	5	1	6	7	3	10	4
Nail Technician			8	8		10	10	2
Nonprofit Leadership			1	1	1	0	1	0
Nursing-Associate Degree	54	95	34	129	111	37	148	19
Nursing-Associate Degree-Part-time	28		19	19		4	4	-15
Pharmacy Tech			0	0		0	0	0
Physical Therapist Assistant	18	5	5	10	7	9	16	6
Supply Chain Assistant			0	0	2	0	2	2
Supply Chain Management		1	1	2	4	1	5	3
Surgical Technology		9	2	11	9	7	16	5
TechnicalStudies-Journeyworker			0	0	1	0	1	1
Undecided		44	0	44	28	0	28	-16
Welding	40		35	35		39	39	4
TOTAL		280	583	863	332	608	940	77
PROGRAM	CAP	IP	ACCEPT	TOTAL	IP	ACCEPT	TOTAL	YOY
Direct Entry Midwife	32	29	54	83	25	34	59	-24
Medical Coding Specialist			0	0		1	1	1
Welding (January Start)	20		0	0				0
TOTAL		29	54	83	25	35	60	-23

B. Chairperson's Report

C. College President's Report

- 1. Higher Learning Commission**
- 2. Unlocking Opportunity: The Post-Graduation Success & Equity Network**
- 3. Dodgeville Outreach Update**
- 4. College Happenings**

D. Other Information Items

Establish Board Agenda Items for Next Meeting

A. Agenda

- 1. Quality Teaching & Learning Monitoring Report**

B. Time and Place

Thursday, March 23, 2023, 7:00 p.m., Southwest Tech, Room 430

Adjourn to Closed Session

A. Consideration of adjourning to closed session for the purpose of

- 1. 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.}
- 2. Discussing preliminary notices of non-renewal 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.}

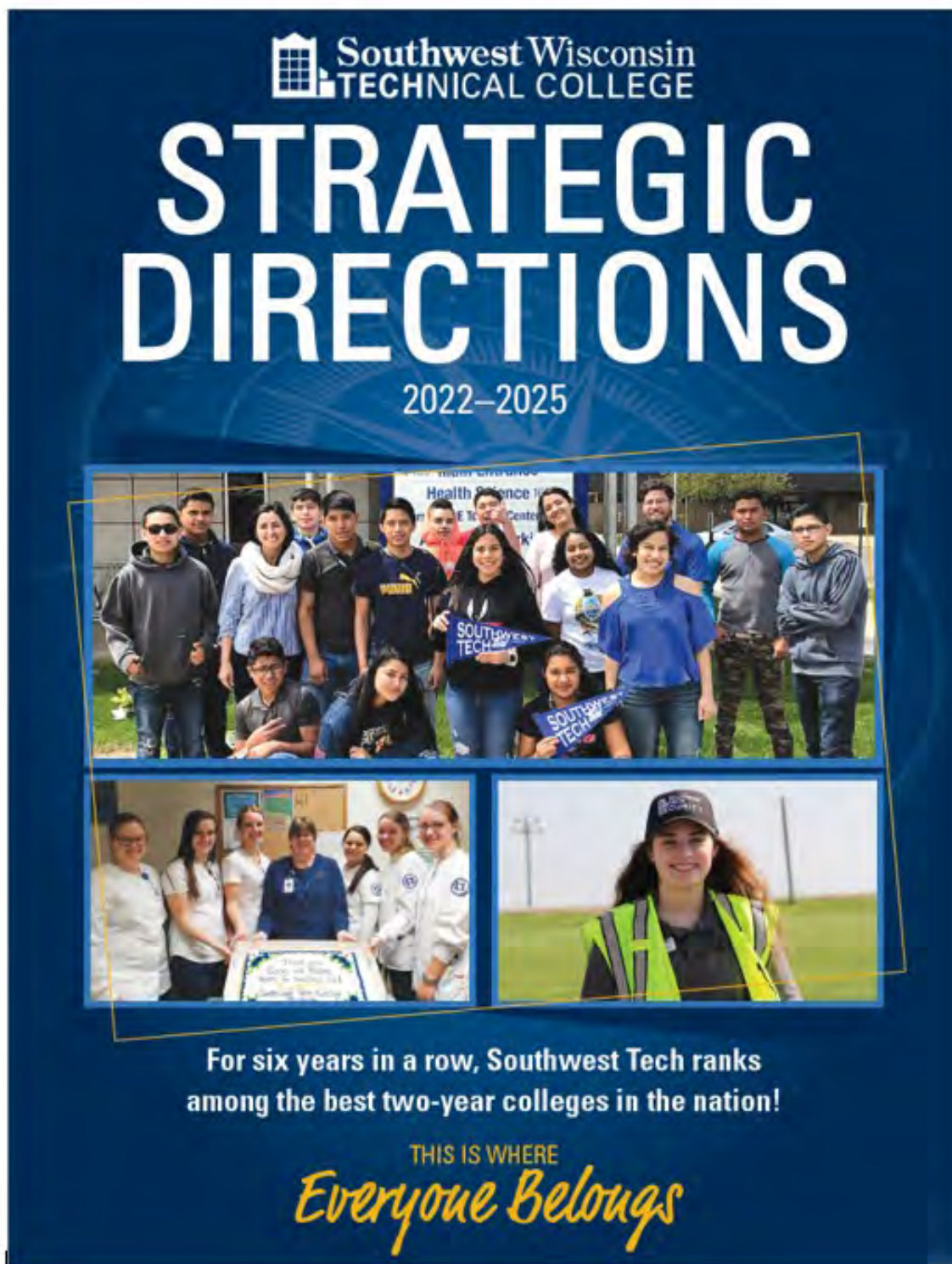
B. Approval of Closed Session Minutes from January 26, 2023

Reconvene to Open Session

A. Action, if necessary, on Closed Session Items

Adjournment

Appendix ~ Southwest Wisconsin Technical College Strategic Directions (2022-2025)



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.



Joe Randall, Electrical Power Distribution program instructor, teaches his students integrity by volunteering in Richland Center to hang holiday lights in the park for the southwest Wisconsin community to enjoy.

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.

Tom Kretschman, Criminal Justice Instructor, prepares students to take a leadership role in campus safety.



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.

Tonia Breuer, Medical Assistant program instructor, assists a student with essential hands-on education that helps them succeed in the workplace.



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.

Christina Bowers, disability and support services manager, took students to a conference in Wisconsin Dells. They presented to



high school educators on their experiences transitioning from high school to college and how teachers can better prepare their students for that transition.

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.

Jake Mootz, IT support specialist, assists students with enrolling in Charger Tech 360 at New Student Orientation. Charger Tech 360 is more than just a laptop, it's

support, software, and service when you need it providing a successful learning experience.



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, Nursing-Associate Degree students celebrating their last day of clinical at Boscobel Care and Rehab, and State Student Ambassador and Criminal Justice Studies student Hannah Masters serving in her campus security role.

What We Do

We Provide AFFORDABLE EDUCATION

Jenna graduated with zero debt. Average debt is \$3,815 and many students receive scholarships to further reduce costs.



ANNUAL COST OF COLLEGE TUITION



Sources: U.S. Department of Education—Net Price Calculator Center; UW HELP System Tuition Chart; The College Board 2021, College Costs Calculator

We Help OUR STUDENTS GET GOOD JOBS

Victoria was hired locally in the law enforcement field before graduation.



90%

Were Employed
Within the First
Year of Graduation.



\$42,820

Median Salary
6 Months After
Graduating
With an Associate
Degree.

Source: 2020 Graduate Outcomes Report

We Promote LIFELONG LEARNING

Transfer credits helped Tory build his career.

- Benton High School, 2008
- UW-Platteville, Biology, 2012
- Southwest Tech, Nursing-Associate Degree, 2015
- UW-Madison, Bachelor of Science-Nursing, 2017
- Clarke University, Doctor of Nursing Practice, 2021



Transfer Credits to Southwest Tech

You may be able to transfer credits, utilize existing credits, or earn new credits for skills and knowledge you gained at another college, in the military, or on the job.



Transfer Credits from Southwest Tech

Southwest Tech has transfer agreements with private colleges, universities, and the University of Wisconsin System.

College Health Indicators

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.

GOAL

To achieve after implementing activities/initiatives. Targets are determined and approved by the Executive Team.

ACTUAL

Current or most recent measure available.

STRATEGIC DIRECTION

Engage Students in High Quality Experiential Learning

COLLEGE HEALTH INDICATOR (CHI)	ACTUAL	GOAL
1. Equity in Student Learning	51%	75%
2. Enrollment Headcount	6805	6900
3. Retention Rate	71%	74%
4. Graduation Rate	55%	65%
5. Job Placement	90%	97%
6. Student Satisfaction (7-point scale)	5.79	6.00
7. Employer Satisfaction	100%	100%

STRATEGIC DIRECTION

Strengthen a Culture of Caring and Success

8. Employee Satisfaction (5-point scale)	4.07	4.50
9. Employee Retention	94.79%	95%

STRATEGIC DIRECTION

Enhance the College's Economic Impact

10. Full Time Equivalent (FTE) Count	1253.01	1300.00
11. Economic Impact:		
11 a. Job Placement In-District	44%	56%
11 b. Five-Year Graduate Wage Growth	47%	57%
11 c. Job Placement in Industry	83%	90%

College Governance



Executive Team

Leads the college to achieve excellence with integrity through learning and service.

Krista Weber, chief human resources officer, works closely with the president to lead the Executive Team. Her efforts are part of our commitment to succession planning and leadership development.



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*.

Kim Maier, Ph.D., 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.



Leadership Council

Creates mutual understanding among all supervisors to consistently communicate with and engage all faculty and staff.

Kris Wubben, director of student success, and Chantel Hampton, diversity, equity, and inclusion coordinator, co-lead the Leadership Council.

*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.

10.07.22

**PRIORITY
PROJECT
1**

This Is Where You Succeed

Access to high-quality academic programming helps students succeed in the workforce. The Academic Plan focuses on emerging industries and revitalizing existing programs.



Karen Bricco, lab science adjunct instructor, brought her Laboratory Science Technician program students from Boscobel, Richland Center, and Platteville high schools to visit Southwest Tech's campus. We offer these courses in the high schools through Southwest Tech's COLLEGE Up program.

GOOD ★

More students in relevant programs.

BETTER ★★

Recruit and graduate students into high-wage/high-demand jobs.

BEST ★★★

Dynamic programming provides life-long learning opportunities responsive to the workforce and individuals.

■ PERFORMANCE

We know we will be successful when all academic programs achieve high-wage/high-demand status. We also start new programs when an industry sector aligns with our mission as a technical college.

■ ACADEMIC COUNCIL
GOALS

1. Start five new programs that lead to high-wage/high-demand careers by 2025.
2. Revitalize at least three existing programs per year to increase enrollments leading to high-wage/high-demand careers.
3. Increase dual credit enrollments in each of our thirty school districts by 5% per year through 2025.
4. Offer two Spanish-speaker-supported degree programs by 2025.
5. 100% of Associate of Arts and Associate of Science Degree students will have transferability to a four-year college with junior status by 2024.
6. Expand services and programming to increase the number of students served in Prairie du Chien from 81 in FY2022 to 200 students by FY2025. Also increase the number of students served in Dodgeville from 31 in FY2022 to 100 by FY2025.
7. Increase the rate students in High School Equivalency Diploma (HSED) programs enroll in college-level programming from 20% to 40% by 2025.
8. Identify and begin at least one new academic program per year through 2025 to offer at the Prairie du Chien and Dodgeville outreach centers.

**PRIORITY
PROJECT
2**

This Is Where Innovation Is Valued

Using one-time funding sources, we will reduce our operating expenses through investments in renewable energies. We will create student learning opportunities through partnerships between academics and operations.



Dan Imhoff, executive director of facilities, safety, and security, reviews designs that utilize renewable energies to save money the college can invest in supporting students.

GOOD ★

One-time capital dollars reduce operational costs in the long run.

BETTER ★★

Financial savings invested in student success.

BEST ★★★

Students engage in renewable energy trainings and programs leading to high-wage, high-demand employment opportunities

■ PERFORMANCE

We know we will be successful when sustainable projects in renewable energies save money to invest in supporting students.

■ EXECUTIVE TEAM
GOALS

1. Reduce our greenhouse gas emissions 20% by 2025.
2. Reduce our heat and electric costs 20% by 2025.
3. Graduate at least 20 students to serve renewable energy and energy efficiency needs of our region by 2025 through our new Sustainable Energy Management Associate Degree.

**PRIORITY
PROJECT
3**

This Is Where People Care

At Southwest Tech we want every student to know we care about their success. We also want our faculty, staff, and leadership to be representative of our district population and student body.



Southwest Tech Midwifery students and faculty members were able to attend the Art and Science of Birth (Integrando la Ciencia y el Arte del Nacimiento) in Puerto Rico. These connections last a lifetime.

GOOD ★

Student and employee recruitment, retention, and promotion result in improved outcomes for everyone.

BETTER ★★

Everyone at Southwest Tech demonstrates fairness, trust, and respect for all people.

BEST ★★★

All students are more successful throughout their lives because of the efforts of our faculty and staff.

PERFORMANCE

We know we will be successful when student learning improves inside and outside of the classroom, focusing on achievement gaps between our special and non-special populations.

COLLEGE COUNCIL

GOALS

1. Increase the percent of racially diverse employees at the College to better reflect our student population.
2. Help all students be more successful by 3% each year AND ensure our special populations* achieve at the same success rates as the general student body in:
 - a. Enrollment headcount
 - b. Graduation rate
 - c. Job placement
 - d. University transfer rate
 - e. Salary growth over 5 years
3. Provide technical assistance and guidance to at least three other organizations who decide to implement Universal Design by 2025.



This Is Where Students Succeed

Southwest Wisconsin Technical College is one of the 10 finalists out of nearly 1,200 two-year colleges for the Aspen Prize for Community College Excellence.

The Aspen Prize honors colleges with outstanding achievement in five critical areas: teaching and learning, certificate and degree completion, transfer and bachelor's attainment, workforce success, and equity for students of color and students from low-income backgrounds. By focusing on student success and lifting up models that work, the Aspen Prize aims to celebrate excellence, advance a focus on equitable student success, and stimulate replication of effective culture and practice.



*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.