

Western Technical College District

Financial Statements
and Supplemental Information

Years Ended June 30, 2025 and 2024



Western Technical College District
Financial Statements and Supplementary Financial Information
Years Ended June 30, 2025 and 2024

Table of Contents

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements	
Statements of Net Position.....	17
Statements of Revenues, Expenses, and Changes in Net Position.....	19
Statements of Cash Flows.....	20
Notes to Financial Statements.....	22
Required Supplementary Information	
Schedules of the Employer's Proportionate Share of the Net Pension Liability (Asset) and Employer Contributions - Wisconsin Retirement System.....	73
Schedules of the Employer's Proportionate Share of the Net OPEB Liability (Asset) and Employer Contributions - Local Retiree Life Insurance Fund.....	79
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios - District OPEB Plan.....	81
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	82
Supplementary Financial Information	
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	84
Special Revenue - Aidable Funds - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	86
Special Revenue - Non-Aidable Funds - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	87
Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	88
Debt Service Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis).....	90
Enterprise Fund - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis).....	91
Internal Service Funds - Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis).....	92
Schedule to Reconcile Budget Basis Financial Schedules to Basic Financial Statements - Schedule to Reconcile the Budget (Non-GAAP) Basis Financial Schedules to the Statements of Revenues, Expenses, and Changes in Net Position.....	93
Notes to Budgetary Comparison Schedules.....	95

Independent Auditor's Report

District Board
Western Technical College District
LaCrosse, WI

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 Western Technical College District (the "District") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, 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 Western Technical College District as of June 30, 2025 and 2024, and the respective changes in financial position and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

We did not audit the financial statements of Western Technical College Foundation, Inc. (the "Foundation"), which represent 100% of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2025 and 2024, and the respective changes in financial position for the years then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

We draw attention to Note 1 of the financial statements, in 2025, the District adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

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 Western Technical College District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Western Technical College District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP
Eau Claire, Wisconsin

December 22, 2025

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

Management's Discussion and Analysis

Management's Discussion and Analysis

Years Ended June 30, 2025 and 2024

Western Technical College District's (the "District") Management's Discussion and Analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial positions, and assists the reader of the financial statements in focusing on noteworthy financial issues for the year ended June 30, 2025.

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

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

Statement of Revenues, Expenses, and Changes in Net Position

The statement of revenues, expenses, and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. In general, a public college such as the District will report an overall operating deficit or loss, since the financial reporting model classifies state appropriations and property taxes as nonoperating revenues. The utilization of capital assets is reflected in the financial statements as depreciation and amortization, which amortizes the cost of an asset over its expected useful life.

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

	2025	Restated 2024	Net Position Increase (Decrease) 2025-2024	2023	Net Position Increase (Decrease) 2024-2023
Operating revenues	\$ 41,315,354	\$ 30,153,189	\$ 11,162,165	\$ 29,136,598	\$ 1,016,591
Operating expenses	(86,661,022)	(80,556,606)	(6,104,416)	(82,787,641)	2,231,035
Net nonoperating revenues	54,021,880	53,134,022	887,858	55,932,347	(2,798,325)
Change in net position	\$ 8,676,212	\$ 2,730,605	\$ 5,945,607	\$ 2,281,304	\$ 449,301

Some of the most noteworthy results of operations are reflected below:

- Operating revenues are the charges for services offered by Western Technical College District. During 2025, Western Technical College District generated more than \$41 million of operating revenue, which is an increase of approximately \$11.1 million or 37.0% compared to 2024. Significant items and revenue sources are as follows:
 - Total revenue from program, material, and other student fees was approximately \$8.8 million. This is a decrease of approximately \$122,000 or 1.4% from the prior year. This decrease was anticipated due to the change in delivery of courses to 7-week sessions in Summer 2024.
 - Over \$16.4 million in operating revenue from state and federal grants were received by the District during the year. This is an increase of approximately \$4.6 million or 38.9% from the prior year.
 - Contract revenue was approximately \$6.1 million for the year and represents revenue from instructional and technical assistance contracts with business and industry as well as local school districts. This is an increase of approximately \$502,000 or 9.0% from the prior year.
 - Auxiliary services revenue includes revenues generated by the campus shop, student residence hall, cafeteria, leased facilities, and other similar activities of the District. Revenue of approximately \$2.7 million was generated by these activities this year. This is comparable to total auxiliary revenue from the prior year.
 - Other revenue includes miscellaneous revenue not included in other categories. Revenue of approximately \$7.3 million was received from these sources in 2025. This is a \$6.2 million increase or 548% from prior year. This was attributable to contributions towards a large capital project received during the year.

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

- During 2024, the District generated more than \$30 million of operating revenue, which is an increase of approximately \$1.0 million or 3.5% compared to 2023. Significant items and revenue sources are as follows:
 - Total revenue from program, material, and other student fees was approximately \$9.0 million. This is an increase of approximately \$98,000 or 1.1% from 2023.
 - Over \$11.8 million in operating revenue from state and federal grants were received by the District during 2024. This is an increase of approximately \$1.8 million or 18.4% from 2023.
 - Contract revenue was approximately \$5.6 million for 2024 and represents revenue from instructional and technical assistance contracts with business and industry as well as local school districts. This is an increase of approximately \$88,000 or 1.6% from 2023.
 - Auxiliary services revenue includes revenues generated by the campus shop, the student residence hall, cafeteria, leased facilities, and other similar activities of the District. Revenue of approximately \$2.7 million was generated by these activities in 2024. This is a decrease of approximately \$995,000 or 27.3% from 2023. This was attributable to the shift of book sales from on campus to an online vendor.
 - The table below depicts Western Technical College District's operating revenue by source:

	2025	2024	2023
Program material and other student fees	\$ 8,833,315	\$ 8,955,150	\$ 8,857,162
State and Federal grants	16,427,653	11,831,162	9,991,615
Contracts	6,083,248	5,581,255	5,492,885
Auxiliary	2,641,702	2,653,749	3,648,150
Other	7,329,436	1,131,873	1,146,786

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

- Operating expenses are costs related to offering the programs of the District. During 2025, operating expenses totaled approximately \$86.7 million. This is an increase of about \$6.1 million or 7.6% from the prior year and is primarily a result of the increase in grant activity. The majority of the District's expenses, about 58.3%, are for personnel-related costs. Other major types of expenses include supplies – 1.9%, contracted services – 10.4%, student aid – 6.2%, and depreciation and amortization – 16.2%. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 7.0% of total operating expenses.
- During 2024, operating expenses totaled approximately \$80.6 million. This is a decrease of about \$2.2 million or 2.7% from 2023 and is primarily a result of change in the OPEB and pension liabilities. The majority of the District's expenses, about 57.9%, are for personnel-related costs. Other major types of expenses include supplies – 1.7%, contracted services – 10.2%, student aid – 5.2%, and depreciation and amortization – 16.4%. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 8.6% of total operating expenses.
- The table below depicts Western Technical College District's operating expenses by function:

	2025	2024	2023
Instruction	\$ 39,516,584	\$ 35,711,525	\$ 36,720,159
Instructional resources	1,514,329	1,191,268	1,275,511
Student services	8,979,681	8,150,846	10,308,503
General institutional	10,839,587	10,701,966	10,103,439
Physical plant	4,448,129	5,273,742	4,316,031
Auxiliary services	2,234,785	2,344,508	3,615,497
Depreciation and amortization	14,033,725	13,204,324	12,866,126
Student aid	5,094,202	3,978,427	3,582,375

- Nonoperating revenue and expenses are items not directly related to providing instruction. Net nonoperating revenue for the year ended June 30, 2025, was \$54.0 million. The most significant components of net nonoperating revenues include the following:
 - Property taxes levied by the District for the year were approximately \$30.8 million. This is an increase of approximately \$336,000 from the prior year.
 - State operating appropriations accounted for approximately \$24.5 million in revenue in 2025. This is an increase of approximately \$743,000 or 3.1% from the prior year.
 - Interest expense of approximately \$3.0 million was recorded by the District this year. This is an increase of \$182,000 or 6.4% from the prior year.
- Net nonoperating revenue for the year ended June 30, 2024, was \$53.1 million. The most significant components of net nonoperating revenues include the following:
 - Property taxes levied by the District for 2024 were approximately \$30.4 million. This is an increase of approximately \$390,000 from 2023.

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

- State operating appropriations accounted for approximately \$23.8 million in revenue in 2024. This is a decrease of approximately \$590,000 or 2.4% from 2023.
- Interest expense of approximately \$2.8 million was recorded by the District in 2024. This is comparable to the amount received in 2023.
- Net position at June 30, 2025, was \$100,582,568 as a result of the above activity. This is an increase of \$8.7 million from the prior year.

Statement of Cash Flows

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

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

	2025	Restated 2024	Net Position Increase (Decrease) 2025-2024	2023	Net Position Increase (Decrease) 2024-2023
Net cash used in operating activities	\$ (30,589,182)	\$ (37,599,436)	\$ 7,010,254	\$ (37,920,064)	\$ 320,628
Net cash provided by noncapital financing activities	55,000,776	54,097,402	903,374	58,903,703	(4,806,301)
Net cash used in capital and related financing activities	(22,081,889)	(13,173,237)	(8,908,652)	(26,059,626)	12,886,389
Net cash provided by (used in) investing activities	(5,498,080)	1,270,829	(6,768,909)	7,185,733	(5,914,904)
Net increase (decrease) in cash and cash equivalents	\$ (3,168,375)	\$ 4,595,558	\$ (7,763,933)	\$ 2,109,746	\$ 2,485,812

Specific items of interest related to the Statement of Cash Flows for 2025 include the following:

- The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits, which generally increase on a yearly basis. Almost \$49.2 million was paid in 2025 which is an increase of approximately \$2.5 million or 5.4% from the prior year.
- Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately \$21.7 million represents the costs of doing business. This is an increase of \$965,000 from the prior year.

Statement of Cash Flows (Continued)

- The largest cash inflows from operating activities included approximately \$9.2 million in tuition and fees, an increase of 3.2% from the prior year, and almost \$15.3 million in state and federal grants, an increase of 33.0% from the prior year. Cash inflows related to other receipts were significant in 2025 at approximately \$7.4 million, an increase of 4.8% from prior year, due to the donor contributions previously described.
- All property taxes received, approximately \$30.5 million this year, are categorized as cash flows from noncapital financing activities. This is an increase of approximately \$160,000 or 0.5% from the prior year. The other major item in this category is state appropriations, which accounted for \$24.5 million of positive cash flow. This is an increase of 3.1% from the prior year.
- The cash used in capital and related financing activities is primarily made up of two categories of cash flows: purchases of capital assets and capital-related debt activity (debt proceeds and principal and interest payments).
- Investment income is interest received on the District's investments, investments sold represent investments that have matured and been reinvested or used for debt retirement, and investments purchased represent cash transferred to sinking funds for the retirement of debt.

Specific items of interest related to the Statement of Cash Flows for 2024 include the following:

- The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits. Almost \$46.7 million was paid in 2024, which is an increase of approximately \$970,000 or 2.1% from 2023.
- Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately \$20.7 million represents the costs of doing business. This is a decrease of \$265,000 from 2023.
- The largest cash inflows from operating activities included approximately \$8.9 million in tuition and fees, an increase of 6.0% from 2023, and almost \$11.5 million in state and federal grants, an increase of 13.9% from 2023.
- All property taxes received, approximately \$30.3 million in 2024, are categorized as cash flows from noncapital financing activities. This is an increase of approximately \$450,000 or 1.5% from 2023. Also in this category is state appropriations, which accounted for \$23.8 million of positive cash flow. This is a decrease of 2.4% from 2023.

Statement of Net Position

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

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

	2025	Restated 2024	Net Position Increase (Decrease) 2025-2024	2023	Net Position Increase (Decrease) 2024-2023
Net capital assets	\$ 153,180,574	\$ 148,414,417	\$ 4,766,157	\$ 154,486,998	\$ (6,072,581)
Other assets	64,312,477	57,904,199	6,408,278	52,669,307	5,234,892
TOTAL ASSETS	\$ 217,493,051	\$ 206,318,616	\$ 11,174,435	\$ 207,156,305	\$ (837,689)
DEFERRED OUTFLOWS OF RESOURCES	\$ 16,541,797	\$ 24,492,487	\$ (7,950,690)	\$ 36,834,909	\$ (12,342,422)
Other liabilities	\$ 8,269,501	\$ 4,199,411	\$ 4,070,090	\$ 4,310,442	\$ (111,031)
Long-term liabilities	112,533,227	117,067,701	(4,534,474)	123,171,019	(6,103,318)
TOTAL LIABILITIES	\$ 120,802,728	\$ 121,267,112	\$ (464,384)	\$ 127,481,461	\$ (6,214,349)
DEFERRED INFLOWS OF RESOURCES	\$ 12,649,552	\$ 17,637,635	\$ (4,988,083)	\$ 24,250,824	\$ (6,613,189)
Net investment in capital assets	\$ 68,889,941	\$ 54,757,959	\$ 14,131,982	\$ 56,808,173	\$ (2,050,214)
Restricted for debt service	5,449,484	6,256,884	(807,400)	1,816,206	4,440,678
Restricted for student organizations	508,013	628,038	(120,025)	604,800	23,238
Unrestricted	25,735,130	30,263,475	(4,528,345)	33,029,750	(2,766,275)
TOTAL NET POSITION	\$ 100,582,568	\$ 91,906,356	\$ 8,676,212	\$ 92,258,929	\$ (352,573)

Statement of Net Position (Continued)

A more detailed analysis would reveal the following facts for 2025:

- As shown above, the largest component of the District's assets is capital assets. Total cost of capital assets net of accumulated depreciation and amortization at June 30, 2025 and 2024, was approximately \$153.2 million and \$148.4 million, respectively.
- The other assets category is primarily made up of various receivable and cash balances, including property taxes receivable of approximately \$8.8 million. This is an increase of 4.0% from the prior year.
- Other liabilities include accounts payable, various types of accruals, and accrued interest. At year-end, the other liabilities were \$8.3 million. This is an increase of \$4.1 million or 96.9% from the prior year.
- Long-term liabilities of \$112.5 million include long-term debt (\$98.2 million), subscription liability (\$3.1 million), compensated absences (\$3.0 million), total OPEB liability – District OPEB plan (\$137,000), net pension liability – Wisconsin Retirement System (WRS) (\$2.7 million), and net OPEB liability – Local Retiree Life Insurance Fund (LRLIF) (\$5.3 million). This is a decrease of approximately \$4.5 million or 3.9% from the prior year.

A more detailed analysis would reveal the following facts for 2024:

- Total cost of capital assets net of accumulated depreciation and amortization at June 30, 2024 and 2023, was approximately \$148.4 million and \$154.5 million, respectively.
- The other assets category is primarily made up of various receivable balances and cash balances, including property taxes receivable of approximately \$8.5 million which increased about 1.9% from 2023.
- Other liabilities include accounts payable, various types of accruals, and accrued interest. For 2024, the other liabilities were \$4.2 million. This is a decrease of \$111,000 or 2.6% from 2023.
- Long-term liabilities of \$117.1 million include long-term debt (\$101.4 million), subscription liability (\$3.7 million), compensated absences (\$2.7 million), total OPEB liability – District OPEB plan (\$161,000), net pension liability – Wisconsin Retirement System (WRS) (\$2.6 million), and net OPEB liability – Local Retiree Life Insurance Fund (LRLIF) (\$6.5 million). This is a decrease of approximately \$6.1 million or 5.0% from 2023.

Capital Assets and Debt Administration

The District's investment in capital assets (including lease and SBITA right of use assets) as of June 30, 2025, amounts to \$153,180,574 (net of accumulated depreciation and amortization). This includes land and land improvements, buildings and improvements, movable equipment, lease and SBITA right of use assets, and construction in progress. Information on the District's capital assets can be found in Note 6 in the accompanying financial statements.

At the end of the 2025 fiscal year, the District had total general obligation debt outstanding of \$83,076,000 and \$10,805,000 in revenue bonds. The District has continued to meet all of its debt service requirements. All general obligation debt for equipment is repaid in five years, while debt related to building and remodeling is repaid in 10 to 20 years. The debt, excluding revenue bonds, is secured by the full faith and credit of the unlimited taxing powers of the District. The current debt adequately replaces and expands the equipment and facility needs of the District. Additional information on the District's long-term debt can be found in Note 7 in the accompanying financial statements.

Financial Position

For the year ended June 30, 2025, the District's financial position improved with an increase in net position of \$8,676,212. The fund balance in the General Fund as of June 30, 2025, represented approximately 39.1% of General Fund expenditures. This has grown from a low of 2.5% as of June 30, 2003. Western Technical College District's fund balance policy directs the College to maintain a reserve for operations in the General Fund equal to 16-25% (60- 90 days cash flow) of the adopted General Fund and Special Revenue – Operating Fund expenditure budgets for the next year. As of June 30, 2025, the ratio was maintained within policy at 24.9%. Additionally, General Fund and Special Revenue - Aidable fund balances designated for operations as of June 30, 2025 represented 26.2% of the respective actual fund expenditures for fiscal year 2025.

For the year ended June 30, 2024, the District's financial position improved from 2023 with an increase in net position of \$2,730,605. Additionally, due to the implementation of GASB 101, an adjustment of (\$3,083,178) was applied to net position. The fund balance in the General Fund as of June 30, 2024, represented approximately 42.4% of General Fund expenditures. As of June 30, 2024, the ratio of General Fund reserve for operations to expenditure budget for the following year was maintained within policy at 24.8%. Additionally, General Fund and Special Revenue - Aidable fund balances designated for operations as of June 30, 2024 represented 27.0% of the respective actual fund expenditures for fiscal year 2024.

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

Economic Factors

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

- There continues to be a high demand for the District's graduates and other services the District provides to the community.
- For 2025, the District experienced a valuation factor of 1.3% for net new construction.
- With the beginning of the Summer 2024 term, the district launched 7 week sessions with the anticipation that future enrollments will grow and retention rates increase.
- On the expenditure side, the District has a proven history of implementing cost reduction strategies, when needed, to reallocate funds to the highest priority areas.

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

- Limited control over revenue growth.
- Challenges associated with maintaining a competitive salary and benefit structure.
- The high cost of many high demand academic programs.
- The need to provide affordable education while keeping tuition rates low.

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

1. Maintained budget actions that require the District to reduce expenditures within expected revenues to enable the designated for operations fund balance to remain at or above the fund balance policy goal of 16-25% of General Fund and Special Revenue – Aidable Fund expenditures.
2. Continued to right-size and reallocate within the District to ensure the budget expenditures are within expected revenues and other restrictions on current operations.
3. Gave careful scrutiny to new grant-funded initiatives to prevent starting activities that cannot be maintained when grant funding ends.
4. Focused district programs and services to high priority activities that are as cost-effective as possible.
5. Developed long-term plans to intentionally use fund balance to help sustain existing programs and services.

The fund financial statements of the District can be found on pages 84 through 94.

Summary

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

Contacting Western's Financial Management

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

Basic Financial Statements

Western Technical College District

Statements of Net Position

June 30, 2025 and 2024

<i>Assets and Deferred Outflows of Resources</i>	Primary Government		Component Unit	
	2025	Restated 2024	2025	2024
Current assets:				
Cash and investments	\$ 16,893,904	\$ 19,051,422	\$ 1,356,855	\$ 830,121
Receivables:				
Local taxes	8,839,275	8,502,761	-	-
Due from Western Technical College	-	-	-	8,776
Accounts and other receivables, net of allowance for uncollectible accounts	9,912,872	7,733,004	-	-
Pledge receivables, net of discounts and allowances	-	-	1,520	126,832
Lease receivable, current	-	14,540	-	-
Note receivable, current	145,000	140,000	-	-
Inventories	144,829	128,601	-	-
Prepaid expenses	334,642	347,575	-	-
Total current assets	36,270,522	35,917,903	1,358,375	965,729
Noncurrent assets:				
Restricted cash and cash equivalents	6,417,490	7,428,347	-	-
Restricted investments	20,579,931	13,362,208	-	-
Investments	-	-	9,676,303	8,817,236
Cash value of life insurance	-	-	7,724	7,381
Note receivable, noncurrent	950,000	1,095,000	-	-
Other noncurrent assets	94,534	100,741	-	-
Lease right of use assets, net	4,149	22,319	-	-
SBITA right of use assets, net	6,461,896	6,373,925	-	-
Capital assets, not being depreciated	14,812,344	7,571,927	-	-
Capital assets, being depreciated	308,118,658	298,524,050	-	-
Accumulated depreciation	(176,216,473)	(164,077,804)	-	-
Total noncurrent assets	181,222,529	170,400,713	9,684,027	8,824,617
Total assets	217,493,051	206,318,616	11,042,402	9,790,346
Deferred outflows of resources:				
Related to pensions - WRS	14,821,304	21,918,447	-	-
Related to OPEB - District OPEB plan	96,602	136,242	-	-
Related to OPEB - LRLIF	1,623,891	2,437,798	-	-
Total deferred outflows of resources	16,541,797	24,492,487	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 234,034,848	\$ 230,811,103	\$ 11,042,402	\$ 9,790,346

Western Technical College District

Statements of Net Position (Continued)

June 30, 2025 and 2024

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	Primary Government		Component Unit	
	2025	Restated 2024	2025	2024
Liabilities:				
Current liabilities:				
Accounts payable	\$ 5,129,435	\$ 1,225,790	\$ -	\$ 2,391
Accrued liabilities:				
Payroll, payroll taxes, and insurance	691,283	612,774	-	-
Accrued Interest	952,407	946,555	-	300
Accrued vacation	363,189	332,685	-	-
Unearned revenue	1,133,187	1,081,607	-	-
Due to Western	-	-	2,716	-
Current portion of long-term obligations	16,930,365	13,582,182	-	125,000
Total current liabilities	25,199,866	17,781,593	2,716	127,691
Noncurrent liabilities:				
Compensated absences	2,391,308	2,118,991	-	-
Lease liability	-	4,200	-	-
SBITA liability	2,530,668	3,136,275	-	-
Net pension liability - WRS	2,744,201	2,607,901	-	-
Long-term debt	82,499,151	88,995,582	-	-
Net OPEB liability - LRLIF	5,300,878	6,461,996	-	-
Total OPEB liability - District OPEB plan	136,656	160,574	-	-
Total noncurrent liabilities	95,602,862	103,485,519	-	-
Total liabilities	120,802,728	121,267,112	2,716	127,691
Deferred inflows of resources:				
Related to OPEB - LRLIF	3,902,318	3,350,555	-	-
Related to pensions - WRS	8,017,148	13,945,444	-	-
Related to OPEB - District OPEB plan	3,913	5,890	-	-
Related to leases	-	14,071	-	-
Deferred amount on refunding	726,173	321,675	-	-
Total deferred inflows of resources	12,649,552	17,637,635	-	-
Net position:				
Net investment in capital assets	68,889,941	54,757,959	-	-
Restricted - nonexpendable	-	-	5,823,883	5,729,280
Restricted for:				
Debt service	5,449,484	6,256,884	-	-
Student organizations	508,013	628,038	-	-
Scholarships and other activities	-	-	5,415,255	3,831,707
Unrestricted	25,735,130	30,263,475	(199,452)	101,668
Total net position	100,582,568	91,906,356	11,039,686	9,662,655
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 234,034,848	\$ 230,811,103	\$11,042,402	\$ 9,790,346

See accompanying notes to financial statements.

Western Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2025 and 2024

	Primary Government		Component Unit	
	2025	Restated 2024	2025	2024
Operating Revenues:				
Student program fees - Net of scholarship allowance of \$4,004,791 and \$3,989,092, respectively	\$ 7,088,419	\$ 7,229,170	\$ -	\$ -
Student material fees - Net of scholarship allowance of \$155,011 and \$159,155, respectively	274,470	289,386	-	-
Other student fees - Net of scholarship allowance of \$372,644 and \$342,878, respectively	1,470,426	1,436,594	-	-
Federal grants	11,610,139	8,852,206	-	-
State grants	4,817,514	2,978,956	-	-
Business and industry contract revenue	6,083,248	5,581,255	-	-
Auxiliary service revenue	2,641,702	2,653,749	-	-
Contributions and other support	-	-	8,048,604	1,767,841
Miscellaneous	7,329,436	1,131,873	-	-
Total operating revenues	41,315,354	30,153,189	8,048,604	1,767,841
Operating Expenses:				
Instruction	39,516,584	35,711,525	-	-
Instructional resources	1,514,329	1,191,268	-	-
Student services	8,979,681	8,150,846	-	-
General institutional	10,839,587	10,701,966	7,648,521	1,418,077
Physical plant	4,448,129	5,273,742	-	-
Auxiliary services	2,234,785	2,344,508	-	-
Depreciation and amortization	14,033,725	13,204,324	-	-
Student aid	5,094,202	3,978,427	-	-
Total operating expenses	86,661,022	80,556,606	7,648,521	1,418,077
Operating gain/(loss)	(45,345,668)	(50,403,417)	400,083	349,764
Nonoperating revenues (expenses):				
Property taxes	30,811,849	30,475,451	-	-
State operating appropriations	24,525,441	23,782,403	-	-
Investment income earned	1,719,643	1,723,484	976,947	885,999
Interest expense	(3,010,886)	(2,821,056)	-	-
Loss on disposal of capital assets	(24,167)	(26,260)	-	-
Net nonoperating revenues (expenses)	54,021,880	53,134,022	976,947	885,999
Change in net position	8,676,212	2,730,605	1,377,030	1,235,763
Net position - Beginning of year, as previously reported	91,906,356	92,258,929	9,662,655	8,426,893
Change in accounting principle	-	(3,083,178)	-	-
Net position - Beginning of year, as restated	91,906,356	89,175,751	9,662,656	8,426,892
Net position - End of year	\$ 100,582,568	\$ 91,906,356	\$ 11,039,686	\$ 9,662,655

See accompanying notes to financial statements.

Western Technical College District

Statements of Cash Flows

June 30, 2025 and 2024

	2025	Restated 2024
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 9,151,180	\$ 8,868,621
Federal and state grants received	15,252,166	11,469,863
Business, industry, and school district contract revenues received	5,880,272	5,533,864
Payments to employees	(49,204,819)	(46,682,931)
Payments for materials and services	(21,752,514)	(20,719,322)
Auxiliary enterprise revenues received	2,646,638	2,650,270
Other receipts	7,437,895	1,280,199
Net cash used in operating activities	(30,589,182)	(37,599,436)
Cash flows from noncapital financing activities:		
Local property taxes	30,475,335	30,314,999
State appropriations	24,525,441	23,782,403
Net cash provided by noncapital financing activities	55,000,776	54,097,402
Cash flows from capital and related financing activities:		
Purchases of capital assets	(15,673,585)	(6,779,828)
Proceeds from issuance of capital debt	24,720,000	9,410,000
Principal paid on leases	(18,125)	(18,192)
Interest paid on leases	(426)	(359)
Principal paid on SBITA's	(593,212)	(757,281)
Interest paid on SBITA's	(59,186)	(54,829)
Principal paid on capital debt	(28,244,000)	(11,834,000)
Interest and fiscal charges paid on capital debt	(2,213,355)	(3,138,748)
Net cash used in capital and related financing activities	(22,081,889)	(13,173,237)
Cash flows from investing activities:		
Purchase of investments	(24,720,000)	(9,410,000)
Sale of investments	17,502,277	8,957,345
Investment income received	1,719,643	1,723,484
Net cash provided by (used in) investing activities	(5,498,080)	1,270,829
Net increase (decrease) in cash and cash equivalents	(3,168,375)	4,595,558
Cash and cash equivalents - Beginning of year	26,479,769	21,884,211
Cash and cash equivalents - End of year	\$ 23,311,394	\$ 26,479,769
Reconciliation of cash and cash equivalents to statement of net position		
Cash and cash equivalents	\$ 16,893,904	\$ 19,051,422
Restricted cash and cash equivalents	6,417,490	7,428,347
Totals	\$ 23,311,394	\$ 26,479,769

Western Technical College District

Statements of Cash Flows (Continued)

June 30, 2025 and 2024

	2025	2024
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (45,345,668)	\$ (50,403,417)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	14,033,725	13,204,324
Changes in assets and liabilities:		
(Increase) decrease in assets/deferred outflows of resources:		
Accounts and other receivables	(2,025,328)	(198,684)
Inventories	(16,228)	(19,788)
Prepaid expenses	12,933	181,982
Other noncurrent assets	6,207	10,263
Deferred outflows related to pension/OPEB	7,950,690	12,342,422
(Increase) decrease in liabilities/deferred inflows of resources:		
Accounts payable	753,182	33,252
Accrued liabilities	78,509	13,154
Accrued vacation	30,504	13,293
Unearned revenue	37,509	(11,254)
Compensated absences	322,029	(376,388)
Net Pension liability - WRS	136,300	(6,868,431)
Total OPEB liability - District OPEB plan	(23,918)	(23,440)
Net OPEB liability - LRLIF	(1,161,118)	972,756
Deferred inflows related to pension/OPEB	(5,378,510)	(6,469,480)
Net cash used in operating activities	\$ (30,589,182)	\$ (37,599,436)
Noncash capital and related financing activities:		
Purchases of capital assets in accounts payable	\$ 3,570,761	\$ 420,293
Issuance of subscription and lease liabilities	-	537,473

See accompanying notes to financial statements.

Western Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

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

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

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

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

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

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

Western Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

New Accounting Pronouncement

Management has adopted new accounting guidance, GASB Statement No. 101, Compensated Absences, which guides how state and local governments should recognize, measure and disclose compensated absences. The District implemented this guidance as of July 1, 2023. As a result of the implementation of this guidance, beginning net position was restated as explained in Note 20.

Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less and shares in the local government investment pool.

State Statutes permit the District to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, U.S. Treasury obligations, U.S. agency issues, municipal obligations within Wisconsin, high-grade commercial paper that mature in less than seven years, and the local government pooled investment fund administered by the state investment board.

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

Western Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

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

Receivables

Accounts receivable and student tuition and fees receivable are stated at amounts due from students net of an allowance for doubtful accounts. Amounts outstanding longer than the agreed-upon payment terms are considered past due. 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. Payments of accounts receivable are applied to specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoice.

Inventories and Prepaid Expense

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

Capital Assets

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

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

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized.

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

Western Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Capital assets are reviewed for impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. Capital assets are considered impaired if both the decline in service utility of the capital asset is large in magnitude and the event or change in circumstance is outside the normal life cycle of the capital asset. Such events or changes in circumstances that may have indicative or impairment include evidence of physical damage, enactment or approval of laws or regulations or other changes in environmental factors, technological changes or evidence of obsolescence, changes in the manner or duration of use of a capital asset, and construction stoppage. The determination of the impairment loss is dependent upon the event or circumstance in which the impairment occurred. Impairment losses, if any, are recorded in the statement of revenues, expenses, and changes in net position. There were no impairment losses recorded in the years ended June 30, 2025 and 2024.

Subscription Based Information Technology Arrangements

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

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

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

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

Lease Accounting

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

Western Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Accounting (Continued)

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

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

Deferred Outflows/Inflows of Resources

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

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

Western Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

Vacation - District employees are granted vacation in varying amounts, based on length of service and staff classifications that can accumulate to a maximum of 120 hours. Liabilities for vacation are salary-related payments, including social security taxes, are recorded when incurred. The maximum payout of unused, earned vacation when an employee leaves the college is 40 hours.

Sick Leave -The District's policy allows employees to earn up to 10 days of sick pay for each year employed up to a maximum vested amount of 30 days. Except as indicated below in post employment benefits, accumulated sick leave is not paid out. Amounts have been recorded consistent with the compensated absences reporting standards of GASB Statement No. 101, *Compensated Absences*, including an accrual for accumulated sick leave in the year-end compensated absences liability.

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

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

District Pension Plan

District employees participate in the Wisconsin Retirement System (WRS). The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense. Information about the fiduciary net position of the 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.

Western Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Restricted Assets

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

Net Position

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

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

Property Tax Levy

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

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

Western Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

Under Section 38.16 of the Wisconsin Statutes, the District's Board may levy a tax not to exceed the prior year's levy by the District's valuation factor, which is equal to the percentage change in the District's equalized value from the prior year due to net new construction for purposes of making capital improvements, acquiring equipment, operating, and maintaining schools. The limitation is not applicable to taxes levied for the purpose of paying principal and interest on general obligation notes payable issued by the District. For the years ended June 30, 2025 and 2024, the District levied at the following mill rates:

	2025	2024
Operating purposes	0.394488	0.412024
Debt service requirements	0.568426	0.609452
Total	0.962914	1.021476

State and Federal Revenues

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

Tuition and Fees

Student tuition and fees are recorded, net of scholarships, as revenue in the period in which the related activity or instruction take place. Tuition and fees for the summer semester are prorated on the basis of student class days occurring before and after June 30.

Scholarship Allowances and Student Financial Aid

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

Western Technical College District

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Reclassifications

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

Subsequent Events

On September 25, 2025, District issued \$1,500,000 of general obligation promissory notes with an interest rate of 5.00%. The proceeds of the notes will be used for financing building remodeling and improvement projects.

Note 2: Cash and Investments

Deposits

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has the following deposit policy for custodial credit risk. The Vice President of Finance and Operations, or his/her designee, is authorized to make investments with the designated public depositories, the State of Wisconsin Local Government Pooled Investment Fund, or obligations of the United States Government or its agencies, as per applicable provisions of Wisconsin law plus the investment fundamentals of safety, liquidity, and yield. An amount not to exceed \$1,250,000 of the District's funds may be invested in each designated public depository without collateralization. Appropriate operating procedures and agreements for the collateralization of public deposits beyond insured amounts shall be developed as necessary by the Vice President of Finance and Operations. Funds to be invested will be placed in institutions that provide insurance and/or collateralization to the full amount of the investment, including principal and interest. The exception shall be those funds placed directly with the Local Government Pooled Investment Fund or obligations of the United States Government or its agencies. Collateralization requires pledging of obligations of the United States Government or its agencies.

As of June 30, 2025 and 2024, none of the District's bank balance was exposed to custodial credit risk.

Investments

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

Credit Risk: State Statute limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the Wisconsin Investment Series Cooperative. The District's investment policy does not further limit its investment choices.

Western Technical College District

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

Concentration of Credit Risk: For an investment, concentration of credit risk is the risk of loss that may be caused by the District's investment in a single issuer. The District does not have an investment policy for concentration of credit risk. At June 30, 2025 and 2024, 92% and 88% of Western's total investments are in short-term money market instruments with the Wisconsin Investment Series Cooperative.

The District's cash and investment balances at June 30, 2025 and 2024 , were as follows:

	Maturity	2025	2024
WISC Investment Series	< 1 Year	\$ 18,969,678	\$ 11,782,427
Money market funds	N/A	1,610,253	1,579,781
Total investments		20,579,931	13,362,208
Cash deposits with financial institutions carrying amount		23,302,773	26,470,349
Petty cash		8,621	9,420
Cash and investments reported on statement of net position		\$ 43,891,325	\$ 39,841,977

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

Western Technical College District

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

Cash and investments are classified as follows:

	2025	2024
Cash restricted for:		
Debt service	\$ 6,417,490	\$ 7,218,839
Capital projects	-	209,508
Investments restricted for:		
Debt service	1,610,253	1,579,781
Capital projects	18,969,678	11,782,427
Total restricted	26,997,421	20,790,555
Unrestricted	16,893,904	19,051,422
Total cash and investments	\$ 43,891,325	\$ 39,841,977

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

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

The District has the following recurring fair value measurements as of June 30, 2025 and 2024:

<i>Assets at Fair Value as of June 30, 2025</i>				
	Level 2	Level 3	Total	
Money market fund	\$ -	\$ 1,610,253	\$ -	\$ 1,610,253
<i>Assets at Fair Value as of June 30, 2024</i>				
	Level 2	Level 3	Total	
Money market fund	\$ -	\$ 1,579,781	\$ -	\$ 1,579,781

Western Technical College District

Notes to Financial Statements

Note 4: Accounts and Other Receivables

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

Due From:	2025	2024
Student tuition and fees:		
Student tuition and fees	\$ 1,708,636	\$ 2,042,378
Allowance for uncollectible accounts	(300,000)	(350,000)
Student tuition and fees, net	1,408,636	1,692,378
Intergovernmental	2,249,259	1,073,046
Contracted services	956,356	741,584
Receivable from WTCEBC	5,265,669	4,225,054
Related party	32,952	942
Totals	\$ 9,912,872	\$ 7,733,004

Note 5: Lease Receivable

On July 1, 2021, the District entered into a lease with the state of Wisconsin (lessee) for office space at the Viroqua location. Under the lease, the lessee will pay the District \$1,214 per month in 2025 and \$1,193 per month in 2024. The lease term runs through June 30, 2025, which includes extensions at the option of the lessee. For the year ended June 30, 2025, the District recognized lease revenue of \$14,071 and \$30 of interest revenue under the lease. For the year ended June 30, 2024, the District recognized lease revenue of \$14,071 and \$97 of interest revenue under the lease.

Western Technical College District

Notes to Financial Statements

Note 6: Capital Assets

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

	2025			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 6,656,694	\$ -	\$ -	6,656,694
Construction in progress	915,233	8,155,650	915,233	8,155,650
Total capital assets not being depreciated	7,571,927	8,155,650	915,233	14,812,344
Capital assets being depreciated:				
Site improvements	15,764,368	108,606	-	15,872,974
Leasehold improvements	674,723	-	-	674,723
Buildings and improvements	222,747,999	1,785,454	-	224,533,453
Equipment	59,336,960	8,247,390	546,842	67,037,508
Lease assets:				
Buildings and Improvements	53,199	-	53,199	-
Equipment	24,881	-	-	24,881
Subscription assets	8,157,156	1,442,181	547,961	9,051,376
Total capital assets being depreciated	306,759,286	11,583,631	1,148,002	317,194,915
Less accumulated depreciation for:				
Site improvements	11,633,775	990,266	-	12,624,041
Leasehold improvements	455,438	33,736	-	489,174
Buildings and improvements	104,777,741	7,927,802	-	112,705,543
Equipment	47,210,850	3,709,541	522,676	50,397,715
Lease assets:				
Buildings and improvements	40,007	13,192	53,199	-
Equipment	15,754	4,978	-	20,732
Subscription assets	1,783,231	1,354,210	547,961	2,589,480
Total accumulated depreciation	165,916,796	14,033,725	1,123,836	178,826,685
Net capital assets being depreciated	140,842,490	(2,450,094)	24,166	138,368,230
Net capital assets	\$ 148,414,417	\$ 5,705,556	\$ 939,399	153,180,574
Less outstanding debt related to capital assets				(93,881,000)
Less lease liabilities				(4,200)
Less subscription liabilities				(3,119,280)
Unamortized premium				(4,449,992)
Unamortized discount				132,841
Deferred amount on refunding				(726,173)
Plus unexpended debt proceeds				17,757,171
Net investment in capital assets				\$ 68,889,941

Western Technical College District

Notes to Financial Statements

Note 6: Capital Assets (Continued)

	2024			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 6,636,294	\$ 20,400	\$ -	\$ 6,656,694
Construction in progress	1,564,285	915,233	1,564,285	915,233
Total capital assets not being depreciated	8,200,579	935,633	1,564,285	7,571,927
Capital assets being depreciated:				
Site improvements	14,777,794	986,574	-	15,764,368
Leasehold improvements	674,723	-	-	674,723
Buildings and improvements	221,744,510	1,003,489	-	222,747,999
Equipment	55,787,379	3,733,344	183,763	59,336,960
Lease assets:				
Buildings and improvements	53,199	-	-	53,199
Equipment	24,881	-	-	24,881
Subscription assets	6,318,442	2,063,247	224,533	8,157,156
Total capital assets being depreciated	299,380,928	7,786,654	408,296	306,759,286
Less accumulated depreciation for:				
Site improvements	10,631,012	1,002,763	-	11,633,775
Leasehold improvements	421,702	33,736	-	455,438
Buildings and improvements	96,863,732	7,914,009	-	104,777,741
Equipment	44,067,016	3,301,339	157,505	47,210,850
Lease assets:				
Buildings and improvements	26,816	13,191	-	40,007
Equipment	10,775	4,979	-	15,754
Subscription assets	1,073,456	934,308	224,533	1,783,231
Total accumulated depreciation	153,094,509	13,204,325	382,038	165,916,796
Net capital assets being depreciated	146,286,419	(5,417,671)	26,258	140,842,490
Net capital assets	\$ 154,486,998	\$ (4,482,038)	\$ 1,590,543	148,414,417
Less outstanding debt related to capital assets				(97,405,000)
Less lease liabilities				(22,325)
Less subscription liabilities				(3,712,491)
Unamortized premium				(4,133,051)
Unamortized discount				143,468
Deferred amount on refunding				(321,675)
Plus unexpended debt proceeds				11,794,616
Net investment in capital assets				<u>\$ 54,757,959</u>

Western Technical College District

Notes to Financial Statements

Note 7: Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2025:

	Restated June 30, 2024	Additions	Reductions	June 30, 2025	Amounts Due Within One Year
General obligation debt	\$ 86,110,000	\$ 24,720,000	\$ 27,754,000	\$ 83,076,000	\$ 15,174,000
Revenue bonds	11,295,000	-	490,000	10,805,000	525,000
Plus Unamortized premium	4,133,051	1,722,186	1,405,245	4,449,992	-
Less Unamortized discount	(143,468)	-	(10,628)	(132,840)	-
Lease liability	22,325	-	18,125	4,200	4,200
Subscription liability	3,712,491	-	593,212	3,119,279	588,612
Compensated absences	2,707,831	322,030	-	3,029,861	638,553
Totals	\$ 107,837,230	\$ 26,764,216	\$ 30,249,954	\$ 104,351,492	\$ 16,930,365

The following is a summary of changes in long-term obligations for the year ended June 30, 2024:

	Restated June 30, 2023	Additions	Reductions	Restated June 30, 2024	Amounts Due Within One Year
General obligation debt	\$ 88,079,000	\$ 9,410,000	\$ 11,379,000	\$ 86,110,000	\$ 11,909,000
Revenue bonds	11,750,000	-	455,000	11,295,000	490,000
Plus Unamortized premium	4,372,673	577,934	817,556	4,133,051	-
Less Unamortized discount	(154,096)	-	(10,628)	(143,468)	-
Lease liability	40,516	-	18,191	22,325	18,125
Subscription liability	3,932,299	537,473	757,281	3,712,491	576,217
Compensated absences	3,084,219	-	376,388	2,707,831	588,840
Totals	\$ 111,104,611	\$ 10,525,407	\$ 13,792,788	\$ 107,837,230	\$ 13,582,182

Subscription Liabilities

The District has entered into several noncancelable subscription based information technology arrangements (SBITAs) for various types institutional software. The agreements mature in varying amounts through the year ended June 30, 2031. The related subscription liabilities have been discounted using the District's estimated incremental borrowing rates and range from 0.31%-3.05%.

Western Technical College District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

Long Term Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District while the bonds are secured by certain revenues as outlined in the bond document. Long-term debt at June 30, 2025 and 2024, is comprised of the following individual issues:

	2025	2024
Wisconsin Housing & Economic Authority Multifamily Housing Bonds in the amount of \$14,575,000 were issued on December 1, 2013, to Robert W. Baird & Co. to finance the purchase of a residence hall for student housing. Interest rate at 0.40 - 4.70 percent. Mature April 1, 2038.	\$ 10,805,000	\$ 11,295,000
Promissory notes in the amount of \$4,130,000 were issued March 1, 2016, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the acquisition of moveable equipment. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2025.	-	170,000
Promissory notes in the amount of \$1,500,000 were issued May 3, 2016, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 2.00 -3.00 percent. Mature April 1, 2026.	165,000	325,000
Promissory notes in the amount of \$3,100,000 were issued December 7, 2016, to Robert W. Baird & Co. to finance the acquisition of moveable equipment and the purchase of sites and buildings. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2026.	115,000	225,000
Refunding bonds in the amount of \$21,025,000 were issued February 2, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 4.00 percent. Mature April 1, 2033.	85,000	16,010,000
Promissory notes in the amount of \$3,020,000 were issued March 9, 2017, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the acquisition of moveable equipment. Interest rate at 2.00 - 4.00 percent. Mature April 1, 2026.	330,000	645,000
Promissory notes in the amount of \$3,000,000 were issued May 2, 2017, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the construction of buildings and building additions on the Sparta campus. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2027	530,000	780,000

Western Technical College District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

	2025	2024
Promissory notes in the amount of \$2,605,000 were issued July 10, 2017, to Robert W. Baird & Co. to finance building remodeling and improvement projects and refunding of debt. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2027.	\$ 345,000	\$ 510,000
Refunding bonds in the amount of \$16,975,000 were issued July 10, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 4.00 - 5.00 percent. Mature April 1, 2027.	8,490,000	12,840,000
Refunding bonds in the amount of \$20,265,000 were issued December 28, 2017, to Robert W. Baird & Co. for refunding of debt. Interest rate at 2.00 - 4.00 percent. Mature April 1, 2033.	13,555,000	13,555,000
Promissory notes in the amount of \$3,535,000 were issued March 13, 2018, to Robert W. Baird & Co. to finance building remodeling and improvement projects and the acquisition of moveable equipment. Interest rate at 3.00 percent. Mature April 1, 2027.	460,000	680,000
Promissory notes in the amount of \$1,660,000 were issued June 21, 2018, to Robert W. Baird & Co. to finance building remodeling and improvement projects, the acquisition of moveable equipment and the acquisition of sites on the La Crosse campus. Interest rate at 3.00 - 4.00 percent. Mature April 1, 2028.	390,000	510,000
Promissory notes in the amount of \$1,770,000 were issued March 4, 2019, to Robert W. Baird & Co. to finance building remodeling and improvement projects and property acquisition. Interest rate at 3.00 - 4.00 percent. Mature April 1, 2028.	510,000	665,000
Promissory notes in the amount of \$1,500,000 were issued May 28, 2019, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 3.00 - 4.00 percent. Mature April 1, 2029.	480,000	590,000
Promissory notes in the amount of \$1,500,000 were issued October 2, 2019, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 3.00 percent. Mature April 1, 2029.	480,000	590,000

Western Technical College District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

	2025	2024
Promissory notes in the amount of \$4,225,000 were issued November 20, 2019, to Robert W. Baird & Co. with \$1,500,000 to finance building remodeling and improvement projects and \$2,725,000 to finance the acquisition of moveable equipment. Interest rate at 3.00 percent. Mature April 1, 2029.	\$ 1,065,000	\$ 1,310,000
Promissory notes in the amount of \$4,345,000 were issued January 30, 2020, to Robert W. Baird & Co. with \$1,500,000 to finance building remodeling and improvement projects and \$2,845,000 for the refunding of debt. Interest rate at 3.00 percent. Mature April 1, 2029.	480,000	590,000
Promissory notes in the amount of \$1,500,000 were issued April 9, 2020, to Robert W. Baird & Co. to finance building remodeling and improvement projects. Interest rate at 3.00 percent. Mature April 1, 2030.	590,000	695,000
Promissory notes in the amount of \$4,710,000 were issued June 4, 2020 with \$1,500,000 to finance building remodeling and improvement projects and \$3,210,000 to finance the acquisition of movable equipment. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2030.	1,500,000	1,955,000
Promissory notes in the amount of \$1,500,000 were issued October 13, 2020 to finance building remodeling and improvement projects. Interest rate at 1.00 - 3.00 percent. Mature April 1, 2030.	695,000	825,000
Promissory notes in the amount of \$6,900,000 were issued February 25, 2021 with \$1,025,000 to finance building remodeling and improvement projects, \$2,695,000 to finance the acquisition of movable equipment, and \$3,180,000 for the refunding of debt. Interest at 1.00 - 2.00 percent. Mature April 1, 2030.	1,575,000	2,120,000
Promissory notes in the amount of \$2,995,000 were issued April 5, 2021 with \$1,500,000 to finance the construction of buildings and building additions on the Sparta campus and \$1,495,000 to finance building remodeling and improvement projects. Interest rate at 2.00 percent. Mature April 1, 2031.	2,485,000	2,615,000
Promissory notes in the amount of \$1,500,000 were issued May 27, 2021 to finance building remodeling and improvement projects. Interest rate at 2.00 - 3.00 percent. Mature April 1, 2031	955,000	1,105,000

Western Technical College District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

	2025	2024
Promissory notes in the amount of \$5,970,000 were issued February 10, 2022 with \$645,000 to finance building remodeling and improvement projects, \$270,000 to finance property acquisition, \$3,410,000 to finance the acquisition of movable equipment and \$1,645,000 for the refunding of debt. Interest rate at 2.00 - 4.00 percent. Mature April 1, 2031	\$ 2,345,000	\$ 3,580,000
Promissory notes in the amount of \$1,500,000 were issued April 4, 2022 to finance building remodeling and improvement projects at the La Crosse Medical Health Science Consortium facility. Interest rate at 2.55 - 4.00 percent. Mature April 1, 2032	1,095,000	1,235,000
Promissory notes in the amount of \$2,500,000 were issued April 25, 2022 with \$1,500,000 to finance building remodeling and improvement projects and \$1,000,000 to finance the construction of buildings on the La Crosse campus. Interest rate at 4.00 percent. Mature April 1, 2031	2,500,000	2,500,000
Promissory notes in the amount of \$3,000,000 were issued May 26, 2022 with \$1,500,000 to finance building remodeling and improvement projects and \$1,500,000 to finance the acquisition of moveable equipment. Interest rate at 4.00 percent. Mature April 1, 2032	1,775,000	2,215,000
Promissory notes in the amount of \$2,330,000 were issued June 23, 2022 with \$1,330,000 to finance building remodeling and improvement projects, \$800,000 to finance the acquisition of movable equipment, and \$200,000 to finance the construction of buildings on the La Crosse campus. Interest rate at 3.05 - 4.84 percent. Mature April 1, 2032	1,741,000	1,955,000
Promissory notes in the amount of \$6,505,000 were issued February 27, 2023 with \$1,340,000 to finance building remodeling and improvement projects and \$5,165,000 to finance the acquisition of moveable equipment. Interest rate at 3.00 - 5.00 percent. Mature April 1, 2031	5,765,000	6,125,000
Promissory notes in the amount of \$1,365,000 were issued August 17, 2023 to finance the acquisition of movable equipment and building remodeling and improvement projects. Interest rate at 4.00 percent. Mature April 1, 2032	1,165,000	1,365,000
Promissory notes in the amount of \$7,825,000 were issued February 22, 2024 to finance the purchase of movable equipment, new construction, and building remodeling and improvement projects. Interest rate at 4.00 - 5.00 percent. Mature April 1, 2033	6,690,000	7,825,000

Western Technical College District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

	2025	2024
Promissory notes in the amount of \$12,055,000 were issued February 18, 2025 with \$800,000 to finance building remodeling and improvement projects, \$1,060,000 to finance the acquisition of movable equipment, and \$10,195,000 for the refunding of debt. Interest rate at 5.00 percent. Mature April 1, 2034	\$ 12,055,000	\$ -
Promissory notes in the amount of \$6,995,000 were issued April 2, 2025 with \$1,250,000 to finance the construction of building additions at the La Crosse campus, \$1,315,000 to finance building remodeling and improvement projects, and \$4,430,000 to finance the acquisition of movable equipment. Interest rate at 4.00 - 5.00 percent. Mature April 1, 2035	6,995,000	-
Promissory notes in the amount of \$1,945,000 were issued April 28, 2025 with \$1,500,000 to finance building remodeling and improvement projects and \$445,000 to finance the acquisition of movable equipment. Interest rate at 4.00 - 5.00 percent. Mature April 1, 2035	1,945,000	-
Promissory notes in the amount of \$1,785,000 were issued May 22, 2025 with \$1,500,000 to finance building remodeling and improvement projects and \$285,000 to finance the acquisition of movable equipment. Interest rate at 4.00 - 5.00 percent. Mature April 1, 2035	1,785,000	-
Promissory notes in the amount of \$1,940,000 were issued June 26, 2025 with \$1,500,000 to finance building remodeling and improvement projects and \$440,000 to finance the acquisition of movable equipment. Interest rate at 5.00 percent. Mature April 1, 2035	1,940,000	-
Total long-term debt	\$ 93,881,000	\$ 97,405,000

Western Technical College District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

Western has the power to incur indebtedness for certain purposes specified by Section 67.03(1)(a), Wisconsin Statutes in an aggregate amount, not exceeding 5% of the equalized value of the taxable property within Western, as last determined by the Wisconsin Department of Revenue. The legal debt limit and the margin of indebtedness as of June 30, 2025, are calculated as follows:

Legal debt limit (5% of \$33,720,551,184)	\$ 1,686,027,559
Deduct - Long-term debt applicable to debt margin	(83,076,000)
Restricted net position available for debt services	5,449,484
Margin of indebtedness	\$ 1,608,401,043

Wisconsin Statutes 67.03(9) provides that the amount of bonded indebtedness for the purpose of purchasing school sites and the construction and equipping of school buildings may not exceed 2% of the equalized valuation of the taxable property, including tax incremental districts, of Western. This limit was \$674,411,024 at June 30, 2025. Western has bonded indebtedness of \$44,990,000 and \$53,700,000 as of June 30, 2025 and 2024, respectively.

On February 18, 2025, Western issued \$12,055,000 in general obligation notes, \$10,195,000 of which was used, along with existing resources, for the purpose of currently refunding \$15,845,000 in general obligation notes. The refunding resulted in an economic gain of \$316,691 and a decrease in cash flow requirements of \$1,030,154.

Western Technical College District

Notes to Financial Statements

Note 7: Long-Term Obligations (Continued)

Maturities of Long-Term Debt

Aggregate cash flow requirements for the retirement of long-term principal and interest on debt as of June 30, 2025, follows:

<i>Year Ended June 30:</i>	Principal	Interest	Totals
2026	\$ 15,699,000	\$ 3,737,921	\$ 19,436,921
2027	11,928,000	3,083,845	15,011,845
2028	11,541,000	12,603,000	24,144,000
2029	9,978,000	11,921,000	21,899,000
2030	7,011,000	10,373,000	17,384,000
2031-2035	34,309,000	32,680,000	66,989,000
2036-2038	3,415,000	4,405,000	7,820,000
Totals	\$ 93,881,000	\$ 78,803,766	\$ 172,684,766

Principal and interest maturities on the subscription liabilities at June 30, 2025, are as follows:

<i>Year Ended June 30:</i>	Principal	Interest	Totals
2026	\$ 588,612	\$ 49,556	\$ 638,168
2027	529,001	38,059	567,060
2028	467,161	29,024	496,185
2029	488,820	22,250	511,070
2030	511,240	15,162	526,402
2031-2035	534,445	7,749	542,194
Totals	\$ 3,119,279	\$ 161,800	\$ 3,281,079

Principal and interest maturities on the lease liabilities at June 30, 2025, are as follows:

<i>Year Ended June 30:</i>	Principal	Interest	Totals
2026	\$ 4,200	\$ 10	\$ 4,210
Totals	\$ 4,200	\$ 10	\$ 4,210

Western Technical College District

Notes to Financial Statements

Note 8: Leases

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

The first agreement, which was for printing equipment, commenced in May 2021 and requires 60 monthly payments of \$421. There are no variable components of the lease. The lease liability was measured at a discount rate of 0.61%, which is based on Western's estimated incremental borrowing rate. The lease liability was \$4,200 at June 30, 2025 and \$9,211 at June 30, 2024. Additionally, Western has recorded a right of use asset, net of amortization, of \$4,148 at June 30, 2025 and \$9,128 at June 30, 2024.

The second agreement, which was for gym space, commenced in July 2021 and originally required 3 annual payments of \$13,458. There are no variable components of the lease. The lease liability was originally measured at a discount rate of 0.31%, which is based on Western's estimated incremental borrowing rate. The lease was extended by an additional year during the year ended June 30, 2023. As a result, the lease was remeasured at a discount rate of 2.95%. The lease liability was \$0 at June 30, 2025 and \$13,114 at June 30, 2024. Additionally, Western has recorded a right of use asset, net of amortization, of \$0 at June 30, 2025 and \$13,191 at June 30, 2024.

Note 9: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

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

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

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

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.

Western Technical College District

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

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

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

Western Technical College District

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Contributions

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

During the reporting period, the WRS recognized \$2,407,702 in contributions from the employer.

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

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

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

At June 30, 2025 and 2024, the District reported a liability of \$2,744,201 and \$2,607,901 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31 within District's fiscal year, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. District's proportion share of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, and 2023, the District's proportion was 0.16700703% and 0.17540297% (a decrease of 0.00839594% from the prior year).

For the year ended June 30, 2025 and 2024, the District recognized pension expense of \$3,712,849 and \$1,799,819.

Western Technical College District

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

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

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,522,248	\$ 8,008,240	\$ 10,515,034	\$ 13,927,227
Net differences between projected and actual earnings on pension plan investments	4,169,960	-	9,088,114	-
Change in assumptions	814,257	-	1,136,709	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	85,242	8,908	37,879	18,217
Employer contributions subsequent to the measurement date	1,229,597	-	1,140,711	-
Totals	\$ 14,821,304	\$ 8,017,148	\$ 21,918,447	\$ 13,945,444

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

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2025	\$ 1,683,112
2026	5,711,148
2027	(1,390,726)
2028	(428,975)

Western Technical College District

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Actuarial Assumptions

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

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

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

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

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

Western Technical College District

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

Asset Allocation Targets and Expected Returns

As of December 31, 2024

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund asset class:			
Public equities	38.0%	7.0%	4.3%
Public fixed income	27.0%	6.1%	3.4%
Private equity/debt	20.0%	9.5%	6.7%
Inflation sensitive assets	19.0%	4.8%	2.1%
Real estate	8.0%	6.5%	3.8%
Leverage	(12.0)%	3.7%	1.1%
Total core fund	100.0%	7.5%	4.8%
Variable fund:			
U.S. equities	70.0%	6.5%	3.8%
International equities	30.0%	7.4%	4.7%
Total variable fund	100.0%	6.9%	4.2%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.60%

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

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

Western Technical College District

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Asset Allocation Targets and Expected Returns

As of December 31, 2023

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

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.70%

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 12% policy leverage is used, subject to an allowable range up to 20%.

Western Technical College District

Notes to Financial Statements

Note 9: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Single Discount Rate: A single discount rate of 6.8% was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: "20-Bond GO index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investor's Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	2025		2024	
	Decrease Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	5.8 %	\$ 25,744,197	5.8 %	\$ 25,206,631
Current discount rate	6.8 %	2,744,201	6.8 %	2,607,901
1% increase to discount rate	7.8 %	(13,596,634)	7.8 %	(13,205,385)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2025 and 2024, the District reported a payable of \$421,523 and \$383,545 for the outstanding amount of contributions to the pension plan required for the years then ended.

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

Western Technical College District

Notes to Financial Statements

Note 10: Postemployment Benefits Other Than Pension Benefits

Western Technical College District administers a single-employer defined benefit health care plan. The plan provides medical insurance benefits to eligible retirees and their spouses through Western's group medical insurance plan, which covers both active and retired members. Benefit provisions are established through board policy. The eligibility requirements are based on the retirees position, years of service, and age at retirement. If eligible, the retiree may receive medical insurance benefits until eligible for Medicare. There are no assets accumulated in a trust that meet the criteria of GASB No. 75, paragraph 4, and there is not a standalone report for the plan. There are 345 active plan members and 6 inactive plan members currently receiving benefits. The plan is closed to new entrants.

The contribution requirements of plan members are based on the employee handbook in effect on the date of retirement. Western Technical College District's contribution is established annually based on an amount to pay current premiums, less the retiree portion. For fiscal year 2025, Western Technical College District contributed \$23,090 to the plan for current premiums, while plan members receiving benefits contributed \$55,386 (approximately 71% of total premiums). For fiscal year 2024, Western Technical College District contributed \$43,040 to the plan for current premiums, while plan members receiving benefits contributed \$97,844 (approximately 69% of total premiums).

At June 30, 2025 and 2024, District reported a total OPEB liability of \$136,656 and \$160,574. The total pension liability was measured as of June 30, 2024 and 2023, and was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	2025	2024
Inflation	2.50%	2.50%
Salary increases:		
Inflation	3.00%	3.00%
Merit	0.1 %-3.0%	0.1%-3.0%
Healthcare cost	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter	7.00% decreasing to 6.50%, then decreasing by 0.10% per year down to 4.50%, and level thereafter
Discount rate	4.21%	4.13%
Mortality	Wisconsin 2020 Morality Table	Wisconsin 2020 Mortality Table
Actuarial assumptions	Based on an experience study conducted in 2021 using WRS experience from 2018-2020	Based on an experience study conducted in 2021 using WRS experience from 2018-2020

The 4.21% discount rate used to measure the total OPEB liability were determined by the actuary based on the S&P Municipal Bond 20 Year High grade Index as of June 30, 2024. The 4.13% discount rate used to measure the total OPEB liability was determined by the actuary at Bond Buyer Go for a 20-year AA municipal bond as of June 30, 2023.

Western Technical College District

Notes to Financial Statements

Note 10: Postemployment Benefits Other Than Pension Benefits (Continued)

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

	2025	2024
Balance at beginning of year	\$ 160,574	\$ 184,014
Changes for the year:		
Service cost	11,330	3,989
Interest	5,977	5,133
Differences between expected and actual experience	2,279	17,551
Changes of assumptions or other inputs	(464)	65,244
Benefit payments	(43,040)	(115,357)
Net changes	(23,918)	(23,440)
Balance at end of year	\$ 136,656	\$ 160,574

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

	2025	2024
	Discount Rate	Discount Rate
	Net Pension Liability (Asset)	Net Pension Liability (Asset)
1% decrease to discount rate	3.21 % \$ 142,483	3.13 % \$ 166,327
Current discount rate	4.21 % 136,656	4.13 % 160,574
1% increase to discount rate	5.21 % 130,943	5.13 % 154,912

The following represents District's total OPEB liability calculated using the healthcare cost trend rate of 7.0% decreasing to 4.5% for 2025 and 2024, as well as what District's total OPEB liability would be if it were calculated using the healthcare cost trend that is 1 percentage point lower (6.0% decreasing to 3.5% for 2025 and 2024) or 1 percentage point higher (8.0% decreasing to 5.5% for 2025 and 2024) than the current rate:

Healthcare Cost Trend Rates	2025	2024
1% decrease	\$ 125,659	\$ 151,164
Current	136,656	160,574
1% increase	149,193	171,231

Western Technical College District

Notes to Financial Statements

Note 10: Postemployment Benefits Other Than Pension Benefits (Continued)

For the years ended June 30, 2025 and 2024, Western recognized OPEB expense of \$36,835 and \$28,390. At June 30, 2025 and 2024, Western reported deferred outflows of resources related to OPEB from the following sources:

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,699	\$ 1,236	\$ 22,858	\$ 2,472
Changes of assumptions or other input	53,813	2,677	70,344	3,418
Western's contributions subsequent to the measurement date	23,090	-	43,040	-
Totals	<u>\$ 96,602</u>	<u>\$ 3,913</u>	<u>\$ 136,242</u>	<u>\$ 5,890</u>

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

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2025	\$ 19,529
2026	13,552
2027	12,088
2028	12,088
2029	12,087
Thereafter	255

Western Technical College District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund

Plan Description

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

OPEB Plan Fiduciary Net Position

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

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

Benefits Provided

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

Contributions

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

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

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

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

Western Technical College District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

Attained Age	Basic	Supplemental
Under 30	\$ 0.05	\$ 0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

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

During the reporting period, the LRLIF recognized \$28,972 in contributions from the employer.

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

At June 30, 2025 and 2024, the District reported a liability of \$5,300,878 and \$6,461,996 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31 within District's fiscal year, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024 and 2023, District's proportion was 1.354941% and 1.404582% (a decrease of (0.049641)% from the prior year).

For the year ended June 30, 2025 and 2024, the District recognized pension expense of \$233,524 and \$479,655.

Western Technical College District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

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

	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 551,479	\$ -	\$ 571,905
Net differences between projected and actual earnings on pension plan investments	72,795	-	87,298	-
Change in assumptions	1,300,686	2,973,151	2,021,367	2,544,595
Changes in proportion and differences between employer contributions and proportionate share of contributions	236,030	377,688	315,087	234,055
Employer contributions subsequent to the measurement date	14,380	-	14,046	-
Total	\$ 1,623,891	\$ 3,902,318	\$ 2,437,798	\$ 3,350,555

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

Year Ended June 30	Net Deferred Outflows (Inflows) of Resources
2026	\$ (190,004)
2027	(418,257)
2028	(623,176)
2029	(642,289)
2030	(205,351)
Thereafter	(213,730)

Western Technical College District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions

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

	2025	2024
Actuarial valuation date	January 1, 2024	January 1, 2023
Measurement date of net OPEB liability (asset)	December 31, 2024	December 31, 2023
Experience study	January 1, 2021- December 31, 2023 Published November 19, 2024	January 1, 2018- December 31, 2020 Published November 19, 2021
Actuarial cost method	Entry age normal	Entry age normal
20 year tax-exempt municipal bond yield	4.08%	3.26%
Long-term expected rate of return	4.25%	4.25%
Discount rate	4.09%	3.32%
Salary increases:		
Inflation	3.00%	3.00%
Seniority/Merit	0.1% - 5.7%	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table	2020 WRS Experience Mortality Table

* Based on the Bond Buyers GO Index

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

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

Western Technical College District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions (Continued)

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40.00 %	2.41 %
U.S. Mortgages	Bloomberg U.S. MBS	60.00 %	2.71 %
Inflation			2.30 %
Long-term expected rate of return			4.25 %

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

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40 %	2.32 %
U.S. Mortgages	Bloomberg U.S. MBS	60 %	2.52 %
Inflation			2.30 %
Long-term expected rate of return			4.25 %

Western Technical College District

Notes to Financial Statements

Note 11: Other Postemployment Benefits - Local Retiree Life Insurance Fund (Continued)

Actuarial Assumptions (Continued)

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

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

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

	2025		2024	
	Discount Rate	Net OPEB Liability	Discount Rate	Net OPEB Liability
1% decrease to discount rate	3.09 %	\$ 7,085,366	2.32 %	\$ 8,682,592
Current discount rate	4.09 %	5,300,878	3.32 %	6,461,996
1% increase to discount rate	5.09 %	3,925,770	4.32 %	4,766,962

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.html>.

Western Technical College District

Notes to Financial Statements

Note 12: Risk Management

Self-Insured Programs

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

Claims Liabilities

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

Unpaid Claims Liabilities

The following represents the change in approximate aggregate liabilities for District:

	Dental
Liability balance - June 30, 2022	\$ 20,301
Claims and changes in estimates	418,116
Claim payments	(416,623)
Liability balance - June 30, 2023	21,794
Claims and changes in estimates	392,078
Claim payments	(390,976)
Liability balance - June 30, 2024	22,896
Claims and changes in estimates	399,511
Claim payments	(406,205)
Liability balance - June 30, 2025	\$ 16,202

Western Technical College District

Notes to Financial Statements

Note 12: Risk Management (Continued)

Public Entity Risk Pool

As of July 1, 2015, the District joined together with other technical colleges in the state to form the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). WTCEBC is a public entity risk pool that 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. Each college maintains an individual reserve with WTCEBC. In the event a college were to leave the consortium, their reserve would be used to pay their remaining claims, and the balance would be refunded to the college.

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

For the year ended June 30, 2025 and 2024, the District paid a total premium of \$6,745,539 and \$6,098,809, respectively.

Audited financial statements for WTCEBC can be obtained by contacting the District.

Districts Mutual Insurance Company (DMI)

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

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

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

Western Technical College District

Notes to Financial Statements

Note 12: Risk Management (Continued)

Each member college was assessed an annual premium that included a capitalization component to establish reserves for the company. Since DMI is fully capitalized, member districts have not been assessed a capitalization amount for fiscal years 2025 and 2024. For the years ended June 30, 2025 and 2024, the District paid a premium of \$478,989 and \$523,250, respectively. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses are paid through the premiums collected for the insurance policies issued by the company.

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

Supplemental Insurance

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

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

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

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

Foreign Liability - \$5,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; \$1,000 deductible for employee benefits.

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

Other Insured Risk

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

Western Technical College District

Notes to Financial Statements

Note 13: Contingent Liability

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

Note 14: Transactions With Component Unit

The District paid Foundation expenses of approximately \$535,478 and \$544,814 for the fiscal years ended June 30, 2025 and 2024, respectively. The District has a receivable from the Foundation of \$32,952 and \$942 at June 30, 2025 and 2024, respectively. The District also has \$30,236 and \$31,549 due to the Foundation at June 30, 2025 and 2024, respectively. The District received payments of \$128,069 and \$120,259 for administration and professional development expenses during the fiscal years ended June 30, 2025 and 2024, respectively. In addition, the Foundation disbursed scholarships and awards of \$647,993 and \$578,752 on behalf of the District during the fiscal years ended June 30, 2025 and 2024, respectively.

Note 15: Joint Venture

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

To date, the District has borrowed \$3,650,000 for the Consortium, as authorized in the 1996 referendum. The bonds were paid off in October 2008. In addition, the District's dormitory and land, valued at \$1,110,000, was contributed to the Consortium. Along with the other participating entities, the District pays its share of the salaries, operations and maintenance costs based on their share of square foot usage. The District's share of these costs was \$292,393 and \$298,890 for June 30, 2025 and 2024, respectively.

In addition, as of June 30, 2025 and 2024, the District had a note receivable from the Consortium for \$1,095,000 and \$1,235,000, which relates to amounts that the District has borrowed for capital expenses of the Consortium. The note will be repaid in varying amounts with the final maturity on April 1, 2032.

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

Western Technical College District

Notes to Financial Statements

Note 16: Expense Classification

Expenses on the statements of revenue, expenses, and changes in net position are classified by function. Alternatively, the expenses could also be shown by type of expenses as follows for the years June 30, 2025 and 2024:

	2025	2024
Salaries and wages	\$ 37,794,753	\$ 35,822,802
Fringe benefits	12,702,216	10,818,770
Staff development	1,028,822	839,291
Supplies	1,666,475	1,383,194
Duplication/copy	157,048	143,759
Contracted services	9,007,255	8,238,870
Rentals - Facilities and equipment	-	7,100
Credit expenses	263,445	424,495
Insurance	531,632	490,577
Utilities	1,053,161	998,714
Depreciation and amortization	14,033,725	13,204,324
Student clubs	546,762	475,211
Student aid	5,372,468	4,171,907
Resale	549,342	537,705
Minor equipment	943,134	2,007,028
Other expenses	1,010,784	992,859
Total operating expenses	\$ 86,661,022	\$ 80,556,606

Western Technical College District

Notes to Financial Statements

Note 17: Outstanding Contractual Commitments

During the year, the District entered into various contracts with construction contractors related to capital projects. The following contracted amounts remain unspent as of June 30, 2025:

<i>Construction Contractors</i>	Amount Remaining
Wieser Brothers General Contractor Inc.	\$ 981,465
Schmidt Goodman Office Product	292,704
Winona Heating & Ventilating	171,290
Professional Audio Designs, Inc.	104,397
Market & Johnson, Inc.	3,467,995
Jackson & Associates LLC	613,640
J. F. Ahern Co	560,095
Fowler & Hammer, Inc.	798,429
Total	\$ 6,990,015

Note 18: Pledged Revenue

The District has pledged residence hall rent revenues and supplemental district revenues ("pledged revenues") to repay a \$14,575,000 multifamily housing bond issue. Proceeds from the bonds provided financing for Western's residence hall construction project. The bonds are payable solely from the pledged revenue and are payable through April 1, 2038. The total principal and interest remaining to be paid on the bonds is \$14,751,293. Principal and interest paid during the year ended June 30, 2025, was \$989,810 and pledged revenues were \$10,059,719. Principal and interest paid during the year ended June 30, 2024 was \$970,508 and pledged revenues were \$9,621,361.

Western Technical College District

Notes to Financial Statements

Note 19: Component Unit

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

A- Pledges Receivable

Unconditional pledges receivable at June 30, consist of:

	2025	2024
Receivable in less than one year	\$ 1,520	\$ 126,832
Less:		
Discount to net present value at 4.5%	-	-
	\$ 1,520	\$ 126,832

B - Investments

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

	2025	2024
Fair Value	\$ 9,676,303	\$ 8,817,236
Cost	\$ 8,267,865	\$ 7,991,869

The investments consisted of the following at June 30:

	2025	2024
Cash equivalents	\$ 493,644	\$ 574,654
Bonds and notes	2,758,447	2,639,964
Common stocks and mutual funds	6,424,212	5,602,618
	\$ 9,676,303	\$ 8,817,236

Western Technical College District

Notes to Financial Statements

Note 19: Component Unit (Continued)

Investment income included the following:

	2025	2024
Interest and dividends	\$ 337,641	\$ 209,198
Investment management fees	(48,523)	(44,068)
Net realized gains	125,437	866,762
Net unrealized gains (losses)	562,392	(145,893)
	<u>\$ 976,947</u>	<u>\$ 885,999</u>

C - Long-Term Debt

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

	2025	2024
Due to Coulee Bank, related to its commitment for construction of Veteran and Military Student Center on Western campus, due December 2024	\$ -	\$ 125,000
Subtotal	-	125,000
Less current maturities	-	(125,000)
	<u>\$ -</u>	<u>\$ -</u>

Western Technical College District

Notes to Financial Statements

Note 19: Component Unit (Continued)

D - Net Position

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

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

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

E - Endowment Funds

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

Western Technical College District

Notes to Financial Statements

Note 19: Component Unit (Continued)

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

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

Donor-Restricted Endowments

The Foundation's endowment consists of numerous individual funds established for a variety of purposes, primarily for student scholarship and staff development. A minimum of \$10,000 is required to establish an endowment. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to support the established purposes while seeking to maintain the purchasing power of these endowment assets over the long-term.

The current long-term return objective is to return 5%, which is to be provided through a total return strategy in which investment returns are achieved through a combination of capital appreciation and current income. The current spending policy is to distribute an amount at least equal to 5% of the fund's beginning market value.

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

	2025	2024
Balance at beginning of year	\$ 8,281,100	\$ 7,317,382
Contributions	22,253	159,506
Investment income, net	881,924	816,061
Reclassifications	(69,667)	77,700
Fees - Foundation	(124,393)	(114,615)
Awards distributed	(113,732)	25,066
	<u>\$ 8,877,485</u>	<u>\$ 8,281,100</u>

Western Technical College District

Notes to Financial Statements

Note 19: Component Unit (Continued)

F - Contributed Nonfinancial Assets

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

	2025	2024
Equipment	\$ 81,759	\$ 2,484
Food	-	1,120
Services	407,409	424,555
	<u>\$ 489,168</u>	<u>\$ 428,159</u>

G - Fair Value Measurements on a Recurring Basis

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

	Fair Value	Quoted Market Prices in Active Markets for Identical Assets (Level 1)
2025		
Investments	<u>\$ 9,676,303</u>	<u>\$ 9,676,303</u>
2024		
Investments	<u>\$ 8,817,236</u>	<u>\$ 8,817,236</u>

Western Technical College District

Notes to Financial Statements

Note 20: Adjustments to and Restatements of Beginning Balances

During 2025, a change in accounting principle, GASB Statement 101, *Compensated Absences*, resulted in an adjustments to and restatements of beginning net position, as follows:

	7/1/2023 As Previously Reported	Change in Accounting Principle	7/1/2023 As Restated
Government-Wide			
Governmental activities	\$ 92,258,929	\$ (3,083,178)	\$ 89,175,751
Total	\$ 92,258,929	\$ (3,083,178)	\$ 89,175,751

Required Supplementary Information

Western Technical College District

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

Last 10 Years

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System (WRS)

Last 10 Calendar Years

Measurement Date December 31,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered Payroll	Districts Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.16700703 %	\$ 2,744,201	\$ 33,606,026	8.17 %	98.79 %
2023	0.17540297 %	2,607,901	32,899,091	7.93 %	98.85 %
2022	0.17887623 %	9,476,332	31,798,753	29.80 %	95.72 %
2021	0.18140897 %	(14,621,896)	31,473,718	(46.46)%	106.02 %
2020	0.18148715 %	(11,330,494)	29,844,502	(37.97)%	105.26 %
2019	0.18553236 %	(5,982,410)	29,112,257	(20.55)%	102.96 %
2018	0.19040130 %	6,773,881	28,095,739	24.11 %	96.45 %
2017	0.19556431 %	(5,806,536)	28,187,778	(20.60)%	102.93 %
2016	0.19713787 %	1,624,887	28,557,093	5.69 %	99.12 %
2015	0.19707112 %	3,202,367	28,121,121	11.39 %	98.20 %

Schedule of the Employer Contributions Wisconsin Retirement System (WRS)

Last 10 Fiscal Years

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2025	\$ 2,407,702	\$ 2,407,702	\$ -	\$ 34,766,032	6.93 %
2024	2,282,649	2,282,649	-	33,325,245	6.85 %
2023	2,137,097	2,137,097	-	32,135,158	6.65 %
2022	2,109,695	2,109,695	-	31,838,493	6.63 %
2021	2,049,313	2,049,313	-	30,374,474	6.75 %
2020	1,971,138	1,971,138	-	29,639,642	6.65 %
2019	1,892,807	1,892,807	-	28,571,455	6.62 %
2018	1,872,529	1,872,529	-	27,740,817	6.75 %
2017	1,915,785	1,915,785	-	28,593,896	6.70 %
2016	1,895,802	1,895,802	-	28,298,774	6.70 %

Western Technical College District

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

Notes to the Schedules:

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

Changes of assumptions:

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

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

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

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

See Independent Auditor's Report.

Western Technical College District

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

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

	2024	2023	2022	2021	2020
Valuation Date:	December 31,2022	December 31,2021	December 31,2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
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 closedfrom date of participation inWRS	30 Year closedfrom date of participation inWRS	30 Year closedfrom date of participation inWRS	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)
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.4%
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.7%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.7%	1.9%	1.9%	1.9%

Western Technical College District

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

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

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

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

Western Technical College District

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

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

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

Western Technical College District

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

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

	2019	2018	2017	2016	2015
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality

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

Western Technical College District

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

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net OPEB Liability (Asset) Local Retiree Life Insurance Fund (LRLIF)

Measurement Date December 31,	District's Proportion of the Net OPEB Liability (Asset)	District's Proportionate Share of the Net OPEB Liability (Asset)	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	1.35494100 %	\$ 5,300,878	\$ 29,851,403	17.76 %	37.20 %
2023	1.40458200 %	6,461,996	29,141,083	22.17 %	33.90 %
2022	1.44081100 %	5,489,240	29,055,230	18.89 %	38.81 %
2021	1.41615200 %	8,369,982	27,092,890	30.89 %	29.57 %
2020	1.33234300 %	7,328,849	26,957,232	27.19 %	31.36 %
2019	1.29920200 %	5,532,255	26,214,989	21.10 %	37.58 %
2018	1.34206100 %	3,462,970	24,896,910	13.91 %	48.69 %
2017	1.42340700 %	4,282,434	25,217,250	16.98 %	44.81 %

Schedule of the Employer Contributions Local Retiree Life Insurance Fund (LRLIF)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
2025	\$ 28,972	\$ 28,972	\$ -	\$ 30,907,307	0.09 %
2024	28,348	28,348	-	29,359,718	0.10 %
2023	29,349	29,349	-	29,113,894	0.10 %
2022	28,869	28,869	-	27,439,584	0.11 %
2021	27,495	27,495	-	27,309,829	0.10 %
2020	26,015	26,015	-	26,745,495	0.10 %
2019	25,514	25,514	-	25,370,159	0.10 %
2018	26,463	26,463	-	24,789,359	0.11 %

Western Technical College District

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

Last 10 Fiscal Years*

Notes to the Schedules:

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

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

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

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

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

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

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

See Independent Auditor's Report.

Western Technical College District

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

Last 10 Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB liability:								
Service cost	\$ 11,330	\$ 3,989	\$ 4,676	\$ 1,820	\$ 1,488	\$ 11,188	\$ 11,608	\$ 11,608
Interest	5,977	5,133	6,836	12,763	30,989	53,069	64,949	85,009
Differences between expected and actual experience	2,279	17,551	13,024	(6,180)	-	(214,518)	-	-
Changes of assumptions or other input	(464)	65,244	(5,696)	36,051	12,196	28,215	(9,269)	-
Benefit payments	(43,040)	(115,357)	(272,582)	(346,099)	(379,847)	(425,898)	(589,281)	(750,272)
Net change in total OPEB liability	(23,918)	(23,440)	(253,742)	(301,645)	(335,174)	(547,944)	(521,993)	(653,655)
Total OPEB liability - Beginning	160,574	184,014	437,756	739,401	1,074,575	1,622,519	2,144,512	2,798,167
Total OPEB liability - Ending	\$ 136,656	\$ 160,574	\$ 184,014	\$ 437,756	\$ 739,401	\$ 1,074,575	\$ 1,622,519	\$ 2,144,512
Covered-employee payroll	\$ 32,037,586	\$ 32,037,586	\$ 30,788,221	\$ 30,788,221	\$ 677,786	\$ 677,786	\$ 2,165,627	\$ 2,165,627
District's total OPEB liability as a percentage of covered-employee payroll	0.43 %	0.50 %	0.60 %	1.42 %	109.09 %	158.54 %	74.92 %	99.02 %

Notes to Schedule

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

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

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

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

See Independent Auditor's Report.

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

District Board
Western Technical College District
La Crosse, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Western Technical College District (the "District") as of and for the years ended June 30, 2025 and June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2025. Our report includes a reference to other auditors who audited the financial statements of Western Technical College Foundation, Inc. (the "Foundation"), as described in our report on the District's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation or that are reported separately by those auditors who audited the financial statements of the Foundation.

Report on Internal Control Over Financial Reporting

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

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

Wipfli LLP
Eau Claire, Wisconsin

December 22, 2025

Supplementary Financial Information

Western Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues						
Local Government	\$ 12,510,658	\$ 12,510,658	\$ 12,368,195	\$ -	\$ 12,368,195	\$ (142,463)
Intergovernmental:						
State	25,001,500	25,001,500	26,237,551	-	26,237,551	1,236,051
Federal	2,302,016	2,302,016	2,533,843	-	2,533,843	231,827
Tuition and Fees						
Statutory program fees	11,392,800	11,392,800	11,095,864	-	11,095,864	(296,936)
Material fees	461,400	461,400	429,482	-	429,482	(31,918)
Other student fees	969,220	969,220	1,021,100	-	1,021,100	51,880
Institutional	774,200	774,200	1,344,133	-	1,344,133	569,933
Total revenues	53,411,794	53,411,794	55,030,168	-	55,030,168	1,618,374
Expenditures						
Instruction	33,507,308	33,445,355	32,873,090	53,335	32,926,425	518,930
Instructional resources	1,279,447	1,341,400	1,335,204	6,195	1,341,399	1
Student services	7,186,631	7,186,631	7,176,320	(1,678)	7,174,642	11,989
General institutional	9,658,432	9,658,432	9,440,469	(6,100)	9,434,369	224,063
Physical plant	4,713,390	4,713,390	4,564,602	(65,301)	4,499,301	214,089
Total Expenditures	56,345,208	56,345,208	55,389,685	(13,549)	55,376,136	969,072
Revenues over (under) expenditures	(2,933,414)	(2,933,414)	(359,517)	13,549	(345,968)	2,587,446

Western Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis)	Variance Favorable (Unfavorable)
Other financing sources (uses):						
Operating transfer in	\$ -	\$ -	\$ 487,665	\$ -	\$ 487,665	\$ 487,665
Operating transfer (out)	(22,000)	(22,000)	(515,609)	-	(515,609)	(493,609)
Total other financial sources (uses)	(22,000)	(22,000)	(27,944)	-	(27,944)	(5,944)
Revenues and other financing sources (uses) over (under) expenditures	(2,955,414)	(2,955,414)	(387,461)	13,549	(373,912)	2,581,502
Fund balance - Beginning of year	21,999,122	21,999,122	22,080,845	(81,723)	21,999,122	-
Fund balance - End of year	\$ 19,043,708	\$ 19,043,708	\$ 21,693,384	\$ (68,174)	\$ 21,625,210	\$ 2,581,502
Analysis of fund balance:						
Reserve for encumbrances	\$ -	\$ -	\$ 81,723	\$ (13,549)	\$ 68,174	\$ 68,174
Reserve for prepaid expenses	-	-	306,071	-	306,071	306,071
Reserve for postemployment benefits	74,337	74,337	74,337	-	74,337	-
Designated for subsequent year	4,378,000	4,378,000	4,378,000	-	4,378,000	-
Designated for subsequent years	-	-	1,311,000	-	1,311,000	1,311,000
Designated for state aid fluctuations	874,000	874,000	874,000	-	874,000	-
Designated for operations	13,717,371	13,717,371	14,668,253	(54,625)	14,613,628	896,257
Fund balance - End of year	\$ 19,043,708	\$ 19,043,708	\$ 21,693,384	\$ (68,174)	\$ 21,625,210	\$ 2,581,502

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental:						
State	\$ 652,520	\$ 652,520	\$ 381,222	\$ -	\$ 381,222	\$ (271,298)
Tuition and fees:						
Other student fees	15,000	15,000	11,365	-	11,365	(3,635)
Institutional	5,613,150	5,613,150	5,851,595	-	5,851,595	238,445
Total revenues	6,280,670	6,280,670	6,244,182	-	6,244,182	(36,488)
Expenditures						
Instruction	5,972,366	5,972,366	5,939,479	-	5,939,479	32,887
General institutional	308,304	308,304	304,703	-	304,703	3,601
Total expenditures	6,280,670	6,280,670	6,244,182	-	6,244,182	36,488
Revenues and other financing sources over (under) expenditures	-	-	-	-	-	-
Fund balance - Beginning of year	1,569,999	1,569,999	1,569,999	-	1,569,999	-
Fund balance - End of year	\$ 1,569,999	\$ 1,569,999	\$ 1,569,999	\$ -	\$ 1,569,999	\$ -
Analysis of fund balance:						
Designated for operations	\$ 1,569,999	\$ 1,569,999	\$ 1,527,999	\$ -	\$ 1,527,999	\$ (42,000)
Designated for subsequent year	-	-	42,000	-	42,000	42,000
Fund balance - End of year	\$ 1,569,999	\$ 1,569,999	\$ 1,569,999	\$ -	\$ 1,569,999	\$ -

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues						
Local government	\$ 224,963	\$ 224,963	\$ 247,603	\$ -	\$ 247,603	\$ 22,640
Intergovernmental:						
State	1,759,375	1,759,375	1,301,098	-	1,301,098	(458,277)
Federal	16,484,764	16,484,764	16,119,845	-	16,119,845	(364,919)
Tuition and fees:						
Other student fees	921,813	921,813	810,604	-	810,604	(111,209)
Institutional	826,537	826,537	762,942	-	762,942	(63,595)
Total revenues	20,217,452	20,217,452	19,242,092	-	19,242,092	(975,360)
Expenditures						
Instruction	21,900	57,375	57,371	-	57,371	4
Student services	20,159,353	20,078,190	19,214,608	468	19,215,076	863,114
General institutional	51,112	96,800	93,824	2,973	96,797	3
Total expenditures	20,232,365	20,232,365	19,365,803	3,441	19,369,244	863,121
Revenues over (under) expenditures	(14,913)	(14,913)	(123,711)	(3,441)	(127,152)	(112,239)
Other financing sources (uses):						
Operating transfer in	22,000	22,000	57,310	-	57,310	35,310
Operating transfer (out)	(15,000)	(15,000)	(77,021)	-	(77,021)	(62,021)
Total other financing sources (uses)	7,000	7,000	(19,711)	-	(19,711)	(26,711)
Revenues and other financing sources (uses) over (under) expenditures	(7,913)	(7,913)	(143,422)	(3,441)	(146,863)	(138,950)
Fund balance - Beginning of year	746,385	746,385	746,385	-	746,385	-
Fund balance - End of year	\$ 738,472	\$ 738,472	\$ 602,963	\$ (3,441)	\$ 599,522	\$ (138,950)
Analysis of fund balance:						
Reserve for student and other organizations	\$ 738,472	\$ 738,472	\$ 602,963	\$ (3,441)	\$ 599,522	\$ (138,950)

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental:						
State	\$ 216,866	\$ 1,423,085	\$ 1,423,084	\$ -	\$ 1,423,084	\$ (1)
Federal	742,911	742,911	455,641	-	455,641	(287,270)
Institutional	7,635,223	7,635,223	7,152,410	-	7,152,410	(482,813)
Total revenues	8,595,000	9,801,219	9,031,135	-	9,031,135	(770,084)
Expenditures						
Instruction	3,675,000	3,889,850	4,718,842	(829,010)	3,889,832	18
Instructional resources	237,000	287,150	282,662	4,478	287,140	10
Student services	32,000	300,365	265,834	34,530	300,364	1
General institutional	1,784,000	2,412,175	2,392,439	19,733	2,412,172	3
Physical plant	12,897,000	19,430,250	12,715,601	6,714,637	19,430,238	12
Total expenditures	18,625,000	26,319,790	20,375,378	5,944,368	26,319,746	44
Revenues over (under) expenditures	(10,030,000)	(16,518,571)	(11,344,243)	(5,944,368)	(17,288,611)	(770,040)
Other financing sources:						
Operating transfer in	15,000	15,000	289,884	-	289,884	274,884
Operating transfer (out)	-	-	(190,000)	-	(190,000)	(190,000)
Issuance of long-term debt	9,500,000	14,799,885	14,525,000	-	14,525,000	(274,885)
Total other financing sources	9,515,000	14,814,885	14,624,884	-	14,624,884	(190,001)

Western Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues and other financing sources over (under) expenditures	\$ (515,000)	\$ (1,703,686)	\$ 3,280,641	\$ (5,944,368)	\$ (2,663,727)	\$ (960,041)
Fund balance - Beginning of year	9,071,641	9,071,641	11,188,155	(2,116,514)	9,071,641	-
Fund balance - End of year	\$ 8,556,641	\$ 7,367,955	\$ 14,468,796	\$ (8,060,882)	\$ 6,407,914	\$ (960,041)
Analysis of fund balance:						
Reserve for encumbrances	\$ -	\$ -	\$ 2,116,514	\$ 5,944,368	\$ 8,060,882	\$ 8,060,882
Reserve for capital projects	8,556,641	7,367,955	12,352,282	(14,005,250)	(1,652,968)	(9,020,923)
Fund balance - End of year	\$ 8,556,641	\$ 7,367,955	\$ 14,468,796	\$ (8,060,882)	\$ 6,407,914	\$ (960,041)

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

Western Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues						
Local government	\$ 18,191,000	\$ 18,191,000	\$ 18,196,051	\$ -	\$ 18,196,051	\$ 5,051
Institutional	750,000	750,000	314,504	1,241,462	1,555,966	805,966
Total revenues	18,941,000	18,941,000	18,510,555	1,241,462	19,752,017	811,017
Expenditures						
Physical plant	15,457,000	15,457,000	15,384,289	(480,724)	14,903,565	553,435
Total expenditures	15,457,000	15,457,000	15,384,289	(480,724)	14,903,565	553,435
Revenues over expenditures	3,484,000	3,484,000	3,126,266	1,722,186	4,848,452	1,364,452
Other financing sources (uses):						
Premium on notes issued	-	-	1,722,186	(1,722,186)	-	-
Issuance of long-term debt	-	-	10,195,000	-	10,195,000	10,195,000
Refinancing debt payment	-	-	(15,845,000)	-	(15,845,000)	(15,845,000)
Total other financing sources (uses)	-	-	(3,927,814)	(1,722,186)	(5,650,000)	(5,650,000)
Revenues and other financing sources over (under) expenditures and other financing uses	3,484,000	3,484,000	(801,548)	-	(801,548)	(4,285,548)
Fund balance - Beginning of year	7,203,439	7,203,439	7,203,439	-	7,203,439	-
Fund balance - End of year	\$ 10,687,439	\$ 10,687,439	\$ 6,401,891	\$ -	\$ 6,401,891	\$ (4,285,548)
Analysis of fund balance:						
Reserve for debt service	\$ 10,687,439	\$ 10,687,439	\$ 6,401,891	\$ -	\$ 6,401,891	\$ (4,285,548)

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Operating revenues						
Institutional	\$ 2,740,460	\$ 2,740,460	\$ 2,863,991	\$ -	\$ 2,863,991	\$ 123,531
Total operating revenues	2,740,460	2,740,460	2,863,991	-	2,863,991	123,531
Operating expenses						
Auxiliary services	3,265,286	3,265,286	3,125,497	-	3,125,497	139,789
Total operating expenses	3,265,286	3,265,286	3,125,497	-	3,125,497	139,789
Loss before transfers	(524,826)	(524,826)	(261,506)	-	(261,506)	263,320
Transfers						
Transfer in	562,991	562,991	483,299	-	483,299	(79,692)
Operating transfer out	(562,991)	(562,991)	(531,162)	-	(531,162)	31,829
Total other financing uses	-	-	(47,863)	-	(47,863)	(47,863)
Change in net position	(524,826)	(524,826)	(309,369)	-	(309,369)	215,457
Net position - Beginning of year	5,177,362	5,177,362	5,177,362	-	5,177,362	-
Net position - End of year	\$ 4,652,536	\$ 4,652,536	\$ 4,867,993	\$ -	\$ 4,867,993	\$ 215,457
Analysis of net position:						
Unrestricted	\$ 4,652,536	\$ 4,652,536	\$ 4,867,993	\$ -	\$ 4,867,993	\$ 215,457

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

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

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Operating revenues						
Institutional	\$ 625,000	\$ 625,000	\$ 502,450	\$ -	\$ 502,450	\$ (122,550)
Total operating revenues	625,000	625,000	502,450	-	502,450	(122,550)
Operating expenses						
Auxiliary services	625,000	625,000	489,207	-	489,207	135,793
Total operating expenses	625,000	625,000	489,207	-	489,207	135,793
Income before transfers	-	-	13,243	-	13,243	13,243
Transfers						
Transfer out	-	-	(4,366)	-	(4,366)	(4,366)
Change in net position	-	-	8,877	-	8,877	8,877
Net position - Beginning of year	469,668	469,668	469,668	-	469,668	-
Net position - End of year	\$ 469,668	\$ 469,668	\$ 478,545	\$ -	\$ 478,545	\$ 8,877
Analysis of net position:						
Unrestricted	\$ 469,668	\$ 469,668	\$ 478,545	\$ -	\$ 478,545	\$ 8,877

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

Western Technical College District

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

Year Ended June 30, 2025

	General Fund	Special Revenue Aidable Funds	Special Revenue Non-Aidable Funds	Capital Projects	Debt Service	Enterprise Funds	Internal Service Funds	Totals	Reconciling Items	Statement of Revenues, Expenses, and Changes in Net Position
Revenues										
Local government	\$ 12,368,195	\$ -	\$ 247,603	\$ -	\$ 18,196,051	\$ -	\$ -	\$ 30,811,849	\$ -	\$ 30,811,849
Intergovernmental:										
State	26,237,551	381,222	1,301,098	1,423,084	-	-	-	29,342,955	-	29,342,955
Federal	2,533,843	-	16,119,845	455,641	-	-	-	19,109,329	(7,499,190)	11,610,139
Tuition and Fees										
Statutory program fees	11,095,864	-	-	-	-	-	-	11,095,864	(4,007,445)	7,088,419
Material fees	429,482	-	-	-	-	-	-	429,482	(155,012)	274,470
Other student fees	1,021,100	11,365	810,604	-	-	-	-	1,843,069	(372,643)	1,470,426
Institutional	1,344,133	5,851,595	762,942	7,152,410	1,555,966	2,863,991	502,450	20,033,487	(4,901,160)	15,132,327
Auxiliary services revenue	-	-	-	-	-	-	-	-	2,641,702	2,641,702
Total revenues	55,030,168	6,244,182	19,242,092	9,031,135	19,752,017	2,863,991	502,450	112,666,035	(14,293,748)	98,372,287
Expenditures/Expenses										
Instruction	32,926,425	5,939,479	57,371	3,889,832	-	-	-	42,813,107	(3,296,523)	39,516,584
Instructional resources	1,341,399	-	-	287,140	-	-	-	1,628,539	(114,210)	1,514,329
Student services	7,174,642	-	19,215,076	300,364	-	-	-	26,690,082	(17,710,401)	8,979,681
General institutional	9,434,369	304,703	96,797	2,412,172	-	-	-	12,248,041	(1,408,454)	10,839,587
Physical plant	4,499,301	-	-	19,430,238	14,903,565	-	-	38,833,104	(34,384,975)	4,448,129
Auxiliary services	-	-	-	-	-	3,125,497	489,207	3,614,704	(1,379,919)	2,234,785
Depreciation and amortization	-	-	-	-	-	-	-	-	14,033,725	14,033,725
Student aid	-	-	-	-	-	-	-	-	5,094,202	5,094,202
Interest expense	-	-	-	-	-	-	-	-	3,010,886	3,010,886
Total expenditures/expenses	55,376,136	6,244,182	19,369,244	26,319,746	14,903,565	3,125,497	489,207	125,827,577	(36,155,669)	89,671,908

Western Technical College District

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

Year Ended June 30, 2025

	General Fund	Special Revenue Aidable Funds	Special Revenue Non-Aidable Funds	Capital Projects	Debt Service	Enterprise Funds	Internal Service Funds	Totals	Reconciling Items	Statement of Revenues, Expenses, and Changes in Net Position
Revenues over (under) expenditures/expenses	\$ (345,968)	\$ -	\$ (127,152)	\$ 17,288,611	\$ 4,848,452	\$ (261,506)	\$ 13,243	\$ (13,161,542)	\$ 21,861,921	\$ 8,700,379
Other financing sources (uses):										
Operating transfer in	487,665	-	57,310	289,884	-	483,299	-	1,318,158	(1,318,158)	-
Operating transfer (out)	(515,609)	-	(77,021)	(190,000)	-	(531,162)	(4,366)	(1,318,158)	1,318,158	-
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	(24,167)	(24,167)
Issuance of long-term debt	-	-	-	14,525,000	10,195,000	-	-	24,720,000	(24,720,000)	-
Refinancing debt payment	-	-	-	-	(15,845,000)	-	-	(15,845,000)	15,845,000	-
Total other financing sources (uses)	(27,944)	-	(19,711)	14,624,884	(5,650,000)	(47,863)	(4,366)	\$ 8,875,000	\$ (8,899,167)	(24,167)
Revenues and other financing sources over (under) expenditures/expenses and other financing uses	(373,912)	-	(146,863)	(2,663,727)	(801,548)	(309,369)	8,877	\$ (4,286,542)	\$ 12,962,754	8,676,212
Fund balance/net position - Beginning of year, as restated	21,999,122	1,570,000	746,383	9,071,641	7,203,439	5,177,363	469,669	\$ 46,237,617	\$ 45,668,739	91,906,356
Fund balance/net position - End of year	\$ 21,625,210	\$ 1,570,000	\$ 599,520	\$ 6,407,914	\$ 6,401,891	\$ 4,867,994	\$ 478,546	\$ 41,951,075	\$ 58,631,493	\$ 100,582,568

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Western Technical College District

Notes to Budgetary Comparison Schedules

Year Ended June 30, 2025

Note 1: Explanation of Differences Between Revenues, Expenditures/Expenses, and Other Financing Sources (Uses) for Budgetary Funds on Budgetary Basis and the Statement of Revenues and Expenses on a GAAP Basis

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

- Property taxes are levied by the various taxing municipalities located in 11 West Central Wisconsin counties. The District records as revenue its share of the local tax when levied, since the District's share becomes available during its fiscal year to finance its operations.
- Public hearings are conducted on the proposed budget.
- Prior to July 1, the budget is legally enacted through approval by the Board.
- Budget amendments during the year are legally authorized. Budget transfers (between funds and functional areas within funds) and changes in budgeted revenues and expenditures (appropriations) require approval by a vote of two-thirds of the entire membership of the Board and require publishing a Class I public notice in the District's official newspaper within 10 days according to Wisconsin Statutes.
- Management exercises control over budgeted expenditures by fund and function (i.e., instruction, instructional resources), as presented in the required supplementary information. Expenditures may not exceed funds available or appropriated, unless authorized by a resolution adopted by a vote of two-thirds of the Board. Unused appropriations lapse at the end of each fiscal year.
- Formal budgetary integration is employed as a planning device for all funds. The annual operating budget is prepared primarily on the same basis as fund financial statements prior to the adoption of GASB Statement No. 34, except encumbrances are also included in the adopted budget. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process.

Western Technical College District

Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2025

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

Revenues

Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules:

General Fund	\$ 55,030,168
Special Revenue Aidable Funds	6,244,182
Special Revenue Non-Aidable Funds	19,242,092
Capital Projects Fund	9,031,135
Debt Service Fund	19,752,017
Enterprise Fund	2,863,991
Internal Service Funds	502,450

112,666,035

Adjustments

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(474,157)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(4,532,446)
Summer tuition is recognized on the cash basis rather than the accrual basis	(2,655)
Adjustment for notes receivable recognized as revenue for GAAP reporting	(140,000)
Student loans expended are eliminated for GAAP reporting	(7,903,028)
Premium on notes issued is recorded as a revenue for budgetary purposes only	(1,722,186)
Debt issuance costs are shown net for budgetary reporting	480,724

Reconciled revenues	\$ 98,372,287
---------------------	---------------

Revenues per the Statement of Revenues and Expenses on a GAAP basis

Operating revenues	\$ 41,315,354
Property taxes	30,811,849
State nonoperating appropriations	24,525,441
Investment income	1,719,643

Total	\$ 98,372,287
-------	---------------

Western Technical College District

Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2025

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

Expense

Actual amounts (budgetary basis) "expenditures/expenses" from the budgetary comparison schedules:

General Fund	\$ 55,376,136
Special Revenue Aidable Funds	6,244,182
Special Revenue Non-Aidable Funds	19,369,244
Capital Projects Fund	26,319,746
Debt Service Fund	14,903,565
Enterprise Funds	3,125,497
Internal Service Funds	489,207

125,827,577

Adjustments

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(474,157)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(4,532,446)
The following expenditures are recognized on the cash basis rather than the accrual basis:	
Amortization of deferred premiums	(1,000,747)
Bond issue costs	480,724
Claims payable to employee benefits consortium	(1,040,615)
Interest expense	10,503
Compensated absences	322,029
Other post employment and pension benefits	1,523,444
Premium on notes issued	-
The acquisition of capital assets is reported as an expenditure for budgetary purposes	(17,327,519)
SBITA and lease right of use assets are a budgetary expenditure	(1,442,181)
Student loans expended are eliminated for GAAP reporting	(7,903,028)
Repayment of principal on long-term debt is a budgetary expenditure	(11,891,000)
Payment of principal on lease and subscription liabilities is a budgetary expenditure	(611,337)
Encumbrances are recorded for budgetary purposes	(5,934,259)
Loss on disposal of capital assets recorded for GAAP purposes	24,167
Depreciation and amortization recorded for GAAP purposes	13,664,920

Reconciled expenses	\$ 89,696,075
---------------------	---------------

Western Technical College District

Notes to Budgetary Comparison Schedules (Continued)

Year Ended June 30, 2025

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

Expenses per the Statement of Revenues and Expenses on a GAAP Basis

Operating expenses	\$ 86,661,022
Interest expense	3,010,886
Loss on disposal of capital assets	24,167

Total	\$ 89,696,075
-------	---------------

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