

Chippewa Valley Technical College District

Financial Statements
With Supplementary Information

Years Ended June 30, 2022 and 2021



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Chippewa Valley Technical College District

Financial Statements With Supplementary Financial Information

Years Ended June 30, 2022 and 2021

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Chippewa Valley Technical College District

Financial Statements With Supplementary Financial Information

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Independent Auditor's Report

District Board
Chippewa Valley Technical College District
Eau Claire, Wisconsin

Report on the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Chippewa Valley Technical College District as of June 30, 2022 and 2021, and respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 Chippewa Valley Technical College District 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 Chippewa Valley Technical College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

Change in Accounting Principle

We draw attention to Note 1 of the financial statements, in 2022, the District adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

GAAP requires that the management's discussion and analysis, the schedules of employer's proportionate share of the net pension liability and employer contributions – Wisconsin Retirement System, the schedule of changes in the employer's total pension liability and related ratios – District pension plan (supplemental stipend), the schedules of the employer's proportionate share of the net OPEB liability 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 be presented to supplement the basic financial statements. Such information, 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, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Financial Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 1, 2022
Eau Claire, Wisconsin

Management's Discussion and Analysis

Chippewa Valley Technical College District

Management's Discussion and Analysis

Years Ended June 30, 2022 and 2021

Introduction

Chippewa Valley Technical College District (CVTC, the "College" or the "District") Management's Discussion and Analysis of its financial condition provides an overview of financial activity, identifies changes in financial positions, and assists the reader of these basic financial statements to focus on noteworthy financial issues for the years ended June 30, 2022 and 2021.

CVTC is a public institution of higher education whose mission is to deliver innovative and applied education that supports the workforce needs of the region, improves the lives of students, and adds value to the communities it serves. In order to accomplish this mission, it is crucial for CVTC to maintain its financial health for the long term. It is necessary to accumulate sufficient net position to ensure reserves are available to implement new programs and to expand existing programs as the need arises.

Management's discussion and analysis provides summary financial information to assist readers in understanding and interpreting the financial statements.

Statement of Net Position

The Statement of Net Position presents the financial position of the District at the end of the fiscal year and includes all assets (items that the District owns and amounts owed to the District by others), liabilities (what the District owes to others and what has been collected from others before we have provided the services) and deferred inflows and outflows as applicable. 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.

Total assets and deferred outflows increased by \$25,861,377 in 2022 or 13.4% compared to an increase of \$59,471,768 or 44.7% in 2021. Cash decreased by approximately \$22.1 million in 2022 and increased by approximately \$33.5 million in 2021.

The net increase of \$25.9 million is driven by net capital assets of \$115.5 million that was an increase of \$36.1 million from last year. This increase was related to construction projects related to the 2020 referendum.

Total liabilities and deferred inflows increased by \$15.6 million or 11.1% from 2021. Current and long-term general obligation debt increased \$4.7 million in 2022. Refer to Note 5 long-term debt for a breakdown of the general obligation debt changes.

Net Position for 2022 increased \$10,274,358 or 19.7% from 2021 to \$62,510,581. \$11.3 million of the increase was due to an increase in grant funding received.

Statement of Net Position

	2022	Restated 2021	2020	Increase (Decrease) 2022-2021		Increase (Decrease) 2021-2020	
Assets and deferred outflows:							
Cash and restricted cash and equivalents	\$ 35,653,586	\$ 57,772,988	\$ 24,229,861	\$ (22,119,402)	(38.3%)	\$ 33,543,127	138.4%
Net capital assets	115,504,413	79,400,959	67,755,395	36,103,454	45.5%	11,645,564	17.2%
Other assets	31,292,107	28,416,334	19,978,470	2,875,773	10.1%	8,437,864	42.2%
Deferred outflows of resources	35,815,850	26,814,298	20,969,085	9,001,552	33.6%	5,845,213	27.9%
Total assets and deferred outflows	\$ 218,265,956	\$ 192,404,579	\$ 132,932,811	\$ 25,861,377	13.4%	\$ 59,471,768	44.7%
Liabilities and deferred inflows:							
Current liabilities	\$ 22,544,247	\$ 21,355,782	\$ 13,712,151	\$ 1,188,465	5.6%	\$ 7,643,631	55.7%
Noncurrent liabilities	91,648,051	86,216,841	53,793,568	5,431,210	6.3%	32,423,273	60.3%
Deferred inflows of resources	41,563,077	32,595,733	22,955,550	8,967,344	27.5%	9,640,183	42.0%
Total liabilities and deferred inflows	\$ 155,755,375	\$ 140,168,356	\$ 90,461,269	\$ 15,587,019	11.1%	\$ 49,707,087	54.9%
Net position:							
Net investment in capital assets	\$ 47,818,776	\$ 42,956,005	\$ 42,149,950	\$ 4,862,771	11.3%	\$ 806,055	1.9%
Restricted for debt service	3,047,506	4,824,770	1,573,041	(1,777,264)	(36.8%)	3,251,729	206.7%
Restricted for student organizations	154,176	130,898	139,307	23,278	17.8%	(8,409)	(6.0%)
Restricted for net pension asset	16,075,453	12,820,789	6,884,411	3,254,664	100.0%	5,936,378	0.0%
Unrestricted	(4,585,330)	(8,496,239)	(8,275,167)	3,910,909	(46.0%)	(221,072)	2.7%
Total net position	\$ 62,510,581	\$ 52,236,223	\$ 42,471,542	\$ 10,274,358	19.7%	\$ 9,764,681	23.0%

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position present the results of operating and non-operating activities for the fiscal year. The District receives the majority of its revenues from the taxpayers and other governmental entities, thus the District will always report an operating deficit or loss. The utilization of capital assets is reflected in the basic financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

Total operating revenues are the charges for services offered by the college. During 2022, the District generated \$32.2 million of operating revenue, a 11.9% increase from 2021. Federal and state grant revenue increased by \$2.7 million in 2022 from 2021 due to the Workforce Innovation Grant Program received of \$1.9 million.

Operating expenses are costs related to offering the programs of the District. During 2022, total operating expenses were \$87.2 million, an increase of \$13.5 million or 18.3% from 2021. The increase relates to \$4.8 million increase in CARES relief payments made to students, as well as spending related to over COVID-19 federal funding. Expenses are categorized by functional groupings with approximately 47% of the total related to direct instruction and instructional resources. Refer to Note 12 in the financial statements for a detailed breakdown of the operating expenses.

Non-operating revenue and expenses are items not related directly to providing instruction. Total non-operating revenues and expenses increased overall by \$10.6 million or 19.4% to \$65,330,245 for the year. Property taxes showed a decrease of revenue of \$1.1 million compared to prior year due to a decrease in the debt service mill rate. COVID-19 federal funding increased by of \$8.6 million compared to 2021.

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

Statement of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30

	2022	Restated 2021	2020	Net Position Increase (Decrease) 2022-2021		Net Position Increase (Decrease) 2021-2020		
Operating revenues:								
Tuition and fees	\$ 12,779,170	\$ 12,800,306	\$ 14,054,110	\$ (21,136)	(0.2%)	\$ (1,253,804)	(8.9%)	
State and federal grants	14,416,536	11,698,223	13,027,728	2,718,313	23.2%	(1,329,505)	(10.2%)	
Contract revenue	1,286,002	1,004,554	858,644	281,448	28.0%	145,910	17.0%	
Auxiliary revenue	2,786,471	2,791,683	3,910,395	(5,212)	(0.2%)	(1,118,712)	(28.6%)	
Other operating revenues	918,788	460,557	662,820	458,231	99.5%	(202,263)	(30.5%)	
Total operating revenues	\$ 32,186,967	\$ 28,755,323	\$ 32,513,697	\$ 3,431,644	11.9%	\$ (3,758,374)	(11.6%)	
Operating expenses:								
Instruction	\$ 40,162,072	\$ 35,244,787	\$ 38,213,554	\$ 4,917,285	14.0%	\$ (2,968,767)	(7.8%)	
Instructional resources	843,747	715,719	889,611	128,028	17.9%	(173,892)	(19.5%)	
Student services	13,369,750	7,348,450	7,433,004	6,021,300	81.9%	(84,554)	(1.1%)	
General institutional	12,658,787	12,272,707	12,493,938	386,080	3.1%	(221,231)	(1.8%)	
Physical plant	5,180,504	4,437,361	6,212,355	743,143	16.7%	(1,774,994)	(28.6%)	
Auxiliary services	3,436,810	2,547,813	4,323,404	888,997	34.9%	(1,775,591)	(41.1%)	
Depreciation	8,237,452	7,646,716	6,882,473	590,736	7.7%	764,243	11.1%	
Student aid	3,353,732	3,508,521	4,479,689	(154,789)	(4.4%)	(971,168)	(21.7%)	
Total operating expenses	\$ 87,242,854	\$ 73,722,074	\$ 80,928,028	\$ 13,520,780	18.3%	\$ (7,205,954)	(8.9%)	
Nonoperating revenue (expenses):								
Property taxes	\$ 24,262,951	\$ 25,367,328	\$ 21,562,625	\$ (1,104,377)	(4.4%)	\$ 3,804,703	17.6%	
State operating appropriations	27,792,487	24,753,883	24,893,405	3,038,604	12.3%	(139,522)	(0.6%)	
COVID-19 federal funding	14,489,474	5,895,924	1,458,048	8,593,550	145.8%	4,437,876	304.4%	
Other nonoperating revenues	378,385	336,546	467,655	41,839	12.4%	(131,109)	(28.0%)	
Investment income earned	278,785	112,253	547,672	166,532	148.4%	(435,419)	(79.5%)	
Interest expense	(1,871,837)	(1,734,502)	(747,463)	(137,335)	7.9%	(987,039)	132.1%	
Total nonoperating revenue (expense)	\$ 65,330,245	\$ 54,731,432	\$ 48,181,942	\$ 10,598,813	19.4%	\$ 6,549,490	13.6%	
Net increase (decrease) in position	\$ 10,274,358	\$ 9,764,681	\$ (232,389)	\$ 509,677	5.2%	\$ 9,997,070	(4301.9%)	
Net position:								
Beginning of year	52,236,223	42,471,542	41,503,521	9,764,681				
Change in accounting principle	-	-	1,200,410	-				
End of year	\$ 62,510,581	\$ 52,236,223	\$ 42,471,542	\$ 10,274,358				

Statement of Cash Flows

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, 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:

Statement of Cash Flows							
For the Years Ended June 30							
	2022	Restated 2021	2020	Increase (Decrease) 2022-2021		Increase (Decrease) 2021-2020	
Cash provided by (used in):							
Operating activities	\$ (50,614,988)	\$ (37,610,126)	\$ (39,560,712)	\$ (13,004,862)	34.6%	\$ 1,950,586	(4.9%)
Noncapital financing activities	68,724,346	53,086,834	47,718,617	15,637,512	29.5%	5,368,217	11.2%
Capital and related financing activities	(40,321,091)	18,056,190	3,799,476	(58,377,281)	(323.3%)	14,256,714	375.2%
Investing activities	92,331	10,229	541,939	82,102	802.6%	(531,710)	(98.1%)
Net increase (decrease) in cash and cash equivalents	\$ (22,119,402)	\$ 33,543,127	\$ 12,499,320	\$ (55,662,529)		\$ 21,043,807	

Cash used in operating activities increased by \$13.0 million or 34.6% compared to 2021. The largest component is payments to employees for salaries. \$54,655,060 was paid in 2022, which was an increase from 2021 of \$7,024,606 or 14.8%.

Noncapital financing sources increased by \$15.6 million or 29.5% in 2022 from 2021. All property taxes and state aid received, \$52,733,349 are categorized as cash flows from noncapital financing activities. Property taxes increased by \$448,000 or 1.8% this year and federal funding for COVID-19 increased by \$12,151,000 compared to 2021.

The cash provided by (used in) capital and related financing activities is primarily for purchases of capital assets and capital related debt activity (debt proceeds and principal and interest payments). Net cash received decreased \$58,377,281 due to expenses incurred related to capital projects related to the referendum.

Capital Asset and Debt Activities

The District's net capital assets increased by \$36.1 million to \$115,504,413 as of June 30, 2022, with the current year amount spent on capital improvements exceeding depreciation expense. Additional information on the District's capital assets can be found in Note 3.

Capital Asset and Debt Activities (Continued)

For 2022, the District had total general obligation promissory notes outstanding of \$76,810,000 compared to \$72,130,000 as of June 30, 2021. Outstanding general obligation note issues maintain a Moody's Investors Service Aa1 rating, and the District has continued to meet all of its debt service requirements. General obligation promissory notes are repaid in as few as one year and as long as ten years depending upon the underlying assets and other debt management criteria. The current debt adequately replaces and expands the equipment and facility needs of the District. Additional information on the District's noncurrent liabilities can be found in Note 5.

In April 2020, the District voters approved a \$48.8 million capital referendum to upgrade the College's programs and facilities. It will fund construction of a new Transportation Education Center, expansion and remodeling of the Emergency Services Center, addition to Manufacturing Education Center and further enhancements to current facilities to serve the District's growing student enrollment. The debt to fund the campus improvements projects are proposed for a twenty-year amortization from date of issuance.

Financial Position

CVTC's net position increased during the year ended June 30, 2022, by \$10,274,358. \$3.7 million of the increase is due to the positive net changes in the WRS net pension liability (asset) and the related deferred outflows and inflows of resources. CVTC continues to maintain a strong financial position with adequate operating reserves within board policy guidelines.

The fund balance in the General Fund as of June 30, 2022, represented 36 percent of General Fund expenditures. CVTC's fund balance policy directs the District to maintain a reserve for operations in the General Fund equal to 16.6 - 25 percent of the adopted General Fund expenditure budget for the next year.

The District has diversified sources of revenues consisting of property taxes, state aid, student fees, federal and state grants, and other sources to meet the expenses of the District. The District uses property tax levy to repay its debt and manages capital assets on replacement or refresh cycle when the assets' useful lives have expired allowing the District the use of current technology and well-maintained facilities.

The District maintains an Aa1 rating from Moody's Investors Service for its general obligation debt. This rating confirms the healthy financial condition of the District. As quoted from Moody's Investors Service last report:

"The Aa1 rating reflects the district's large tax base, modest debt and pension liabilities, recent growth in enrollment, and healthy financial position despite projected draws."

Economic Factors

The slowdown of the US economy had a major impact on businesses and industries in the District's eleven counties. Eau Claire County, the largest county in the District, has healthcare and retail industries but also have less hard hit such as education and technology. Unemployment in the District's largest county, has returned back down from a pandemic high rate from 12.7% in April 2020 to 2.6% in September 2022. (U.S. DOL Bureau of Labor Statistics).

For the 2022 tax levy year, the College's Board of Trustees certified a property tax levy that will result in an average increase in the property taxes on \$100,000 of equalized property value of \$7.12, 6.0% lower than projected in the budget. The District experienced an increase in equalized values of 13.38% for a total of \$33.9 billion amongst the eleven counties. This is the ninth year of equalized value increases as a result of the economic resiliency in the District's size and diverse tax base.

The District's overall financial position is strong, and the District is committed to remaining financially stable in the future. The District is confident about its future for the following reasons:

- For 2022 tax levy year, property valuations affect the District's primary source of revenues and continue to remain strong.
- Consistently low mill rates allowing the District to address educational needs of the District residents.
- Strength in college technology, student engagement and facility improvements from the federal higher education emergency relief funds. It allowed the District to invest in learning technology, engagement initiatives, and student success support the District could not otherwise financially provide.

The District is confident that its long-term financial planning will allow it to effectively meet the financial needs of its future operations. The current financial position is positive and positive to maintain this positive status into the future.

Request for Information

This financial report is designed to provide a general overview of Chippewa Valley Technical College's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Vice President Finance, Chippewa Valley Technical College, 620 W. Clairemont Avenue, Eau Claire, WI 54701.

Basic Financial Statements

Chippewa Valley Technical College District

Statements of Net Position

June 30, 2022 and 2021

<i>Assets and Deferred Outflows of Resources</i>	Primary Government		Component Unit	
	2022	Restated 2021	2022	2021
Assets:				
Current assets:				
Cash and cash equivalents	\$ 18,295,921	\$ 15,819,559	\$ 785,238	\$ 873,100
Accounts receivable, net	1,461,797	1,520,677	-	-
Property taxes receivable	7,197,606	7,875,517	-	-
Federal and state aid receivable	4,512,799	3,696,876	-	-
Program and material fees receivable, net	854,651	1,237,444	-	-
Fee arrangements receivable	130,429	93,803	-	-
Unconditional promises to give, net	-	-	35,258	22,280
Lease receivable	61,786	58,075	-	-
Inventories	24,123	27,284	-	-
Prepaid items	795,291	771,700	-	-
Total current assets	33,334,403	31,100,935	820,496	895,380
Noncurrent assets:				
Restricted cash and cash equivalents	17,357,665	41,953,429	-	-
Investments	-	-	4,642,787	4,326,402
Unconditional promises to give, net	-	-	77,410	16,263
Lease receivable	100,469	162,255	-	-
Restricted net pension asset - WRS	16,075,453	12,820,789	-	-
Right of use asset, net of amortization	77,703	151,914	-	-
Capital assets, not being depreciated	45,688,070	15,425,676	-	50,000
Capital assets, being depreciated	169,695,018	158,221,187	-	1,822,538
Less accumulated depreciation	(99,878,675)	(94,245,904)	-	(751,797)
Total noncurrent assets	149,115,703	134,489,346	4,720,197	5,463,406
Total assets	182,450,106	165,590,281	5,540,693	6,358,786
Deferred outflows of resources:				
Related to pensions - WRS	30,075,339	19,867,541	-	-
Related to pensions - District pension plan	576,840	652,618	-	-
Related to OPEB - District OPEB plan	2,446,650	2,998,963	-	-
Related to OPEB - LRLIF	2,717,021	3,295,176	-	-
Total deferred outflows of resources	35,815,850	26,814,298	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 218,265,956	\$ 192,404,579	\$ 5,540,693	\$ 6,358,786

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	Primary Government		Component Unit	
	2022	Restated 2021	2022	2021
Liabilities:				
Current liabilities:				
Accounts payable	\$ 6,877,635	\$ 3,531,583	\$ -	\$ -
Accrued payroll	4,266,927	5,465,819	-	-
Accrued compensated absences	371,861	423,481	-	-
Accrued interest	393,735	524,975	-	-
Unearned program and material fees	1,096,780	1,289,924	-	-
Current portion of long-term obligations	9,537,309	10,193,950	-	-
Total current liabilities	22,544,247	21,429,732	-	-
Noncurrent liabilities:				
General obligation promissory notes	69,745,554	64,107,326	-	-
Lease liability	9,329	81,638	-	-
Net OPEB liability - LRLIF	8,444,712	7,988,473	-	-
Total OPEB liability - District OPEB plan	11,172,992	11,545,516	-	-
Total pension liability - District pension plan	2,275,464	2,419,938	-	-
Total noncurrent liabilities	91,648,051	86,142,891	-	-
Total liabilities	114,192,298	107,572,623	-	-
Deferred inflows of resources:				
Related to leases	152,705	213,787	-	-
Related to pensions - WRS	37,926,716	28,202,380	-	-
Related to pensions - District pension plan	655,412	741,796	-	-
Related to OPEB - District OPEB plan	1,729,933	2,285,414	-	-
Related to OPEB - LRLIF	1,098,311	1,152,356	-	-
Total deferred inflows of resources	41,563,077	32,595,733	-	-
Net position:				
Net investment in capital assets	47,818,776	42,956,005	-	1,120,741
Restricted - Nonexpendable	-	-	2,124,623	1,838,345
Restricted for:				
Debt service	3,047,506	4,824,770	-	-
Student organizations	154,176	130,898	-	-
Net pension asset	16,075,453	12,820,789	-	-
Scholarships and other activities	-	-	2,033,737	2,279,211
Unrestricted	(4,585,330)	(8,496,239)	1,382,333	1,120,489
Total net position	62,510,581	52,236,223	5,540,693	6,358,786
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 218,265,956	\$ 192,404,579	\$ 5,540,693	\$ 6,358,786

See accompanying notes to the basic financial statements.

Chippewa Valley Technical College District

Statements of Revenues, Expenses, and Changes in Net Position

Years Ended June 30, 2022 and 2021

	Primary Government		Component Unit	
	2022	Restated 2021	2022	2021
Operating revenues:				
Tuition and fees:				
Program fees, net of scholarship allowances of \$3,087,567 and \$2,909,857	\$ 10,686,604	\$ 10,782,498	\$ -	\$ -
Material fees, net of scholarship allowances of \$156,442 and \$151,830	541,018	562,971	-	-
Other student fees, net of scholarship allowances of \$224,777 and \$196,466	1,551,548	1,454,837	-	-
Federal grants	11,571,790	9,201,767	-	-
State grants	2,844,746	2,496,456	-	-
Business and industry contract revenue	1,286,002	1,004,554	-	-
Auxiliary	2,786,471	2,791,683	-	-
Other operating revenues	918,788	460,557	1,426,689	1,024,866
Total operating revenues	32,186,967	28,755,323	1,426,689	1,024,866
Operating expenses:				
Instruction	40,162,072	35,244,787	-	-
Instructional resources	843,747	715,719	-	-
Student services	13,369,750	7,348,450	-	-
General institutional	12,658,787	12,272,707	1,902,004	926,323
Physical plant	5,180,504	4,437,361	-	-
Auxiliary services	3,436,810	2,547,813	-	-
Depreciation and amortization	8,237,452	7,646,716	11,391	49,110
Student aid	3,353,732	3,508,521	-	-
Total operating expenses	87,242,854	73,722,074	1,913,395	975,433
Operating income (loss)	(55,055,887)	(44,966,751)	(486,706)	49,433
Nonoperating revenues (expenses):				
Property taxes	24,262,951	25,367,328	-	-
State operating appropriations	27,792,487	24,753,883	-	-
COVID-19 federal funding	14,489,474	5,895,924	-	-
Other non-operating revenues	378,385	336,546	-	-
Investment income earned	278,785	112,253	(331,387)	690,676
Interest expense	(1,871,837)	(1,734,502)	-	(7,629)
Total nonoperating revenues (expenses)	65,330,245	54,731,432	(331,387)	683,047
Increase (decrease) in net position	10,274,358	9,764,681	(818,093)	732,480
Net position - Beginning of year, as restated	52,236,223	42,471,542	6,358,786	5,626,306
Net position - End of year	\$ 62,510,581	\$ 52,236,223	\$ 5,540,693	\$ 6,358,786

See accompanying notes to the basic financial statements.

Chippewa Valley Technical College District

Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	2022	Restated 2021
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 12,932,193	\$ 12,607,682
Federal and state grants received	12,099,090	12,174,826
Business and industry contract revenues received	1,344,882	1,228,001
Payments to employees	(54,655,060)	(47,630,454)
Payments to suppliers	(26,038,345)	(19,235,878)
Auxiliary enterprise revenues received	2,786,471	2,791,683
Other receipts	915,781	454,014
Net cash used in operating activities	(50,614,988)	(37,610,126)
Cash flows from noncapital financing activities:		
Local property taxes received	24,940,862	24,492,644
COVID-19 federal funding	15,990,997	3,840,307
State appropriations received	27,792,487	24,753,883
Net cash provided by noncapital financing activities	68,724,346	53,086,834
Cash flows from capital and related financing activities:		
Purchases of capital assets	(43,792,161)	(17,221,607)
Other non-operating revenues	378,385	336,546
Principal paid on leases	(73,920)	(70,537)
Interest paid on leases	(4,352)	(6,749)
Proceeds from issuance of capital debt	15,289,682	42,928,612
Principal paid on capital debt	(10,120,000)	(6,550,000)
Interest paid on capital debt	(1,797,575)	(793,339)
Debt issuance costs	(201,150)	(566,736)
Net cash provided by (used in) capital and related financing activities	(40,321,091)	18,056,190
Cash flows from investing activities:		
Investment income received	92,331	10,229
Net increase (decrease) in cash and cash equivalents	(22,119,402)	33,543,127
Cash and cash equivalents - Beginning of year	57,772,988	24,229,861
Cash and cash equivalents - End of year	\$ 35,653,586	\$ 57,772,988

Chippewa Valley Technical College District

Statements of Cash Flows (Continued)

Years Ended June 30, 2022 and 2021

	2022	Restated 2021
Reconciliation of cash and cash equivalents to statements of net position:		
Cash and cash equivalents	\$ 18,295,921	\$ 15,819,559
Restricted cash and cash equivalents	17,357,665	41,953,429
Total	\$ 35,653,586	\$ 57,772,988
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (55,055,887)	\$ (44,966,751)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	8,237,452	7,646,716
Changes in assets, deferred outflows, liabilities, and deferred inflows:		
Accounts receivable	58,880	223,447
Lease receivable	58,075	(220,330)
Federal and state grant receivable	(2,317,446)	476,603
Program and material fees receivable	382,793	(19,077)
Fee arrangements receivable	(36,626)	(18,003)
Inventories	3,161	63,412
Prepaid items	(23,591)	74,677
Accounts payable	2,871,488	(617,590)
Accrued payroll	(1,198,892)	2,546,957
Unearned program and material fees	(193,144)	(155,544)
Accrued compensated absences	(51,620)	(64,333)
Net OPEB liability - LRLIF	456,239	1,736,046
Total OPEB liability - District OPEB plan	(372,524)	(1,379,649)
Total pension liability - District pension plan	(144,474)	(795,299)
Net pension asset/liability - WRS	(3,254,664)	(5,936,378)
Deferred outflows related to pension and OPEB benefits	(9,001,552)	(5,845,213)
Deferred inflows related to pension and OPEB benefits	9,028,426	9,426,396
Deferred inflows related to leases	(61,082)	213,787
Net cash used in operating activities	\$ (50,614,988)	\$ (37,610,126)
Noncash capital and related financing activities:		
Purchases of capital assets in accounts payable	\$ 3,180,933	\$ 2,706,369

See accompanying notes to the basic financial statements.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies**

Reporting Entity

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

The geographic area of the District is comprised of all or part of 11 counties in west central Wisconsin. There are 205 municipalities with an estimated population of over 305,000 and 34 public school districts within the District's boundaries. The District contains 5,500 square miles and operates campuses in five cities: Chippewa Falls, Eau Claire, Menomonie, Neillsville, and River Falls. The Eau Claire educational complex includes the Clairemont Campus Business Education Center and Health Education Center; the West Campus Emergency Service Education Center, Energy Education Center, Fire Safety Center, and Transportation Education Center; and the Gateway Campus, Applied Technology Center, and Manufacturing Education Center. In addition, educational offerings are also provided at approximately 33 locations throughout the District.

The governing body of the District is the District Board, which consists of nine members. The members are appointed to staggered three-year terms by 11 county board chairpersons (one from each county served by the District), who meet once a year to appoint members to the three open seats. The District Board membership includes two employers, two employees, three additional members, one school district administrator, and one elected official who hold a state or local office. The District Board powers are established under the provisions of Chapter 38 of the Wisconsin Statutes and include:

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Reporting Entity (Continued)

The District offers 120 one- or two-year degree programs, 37 technical training certificates, and 15 apprenticeships. In addition, various program courses are offered online and at different locations throughout the District. Professional customized training and technical assistance is provided to the District's businesses.

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

The accompanying financial statements present the activities of the Chippewa Valley Technical College District. GAAP requires that these financial statements include the primary government and its component units. Component units are separate organizations that are 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.

Chippewa Valley Technical College Foundation, Inc. (the "Foundation") is a not-for-profit corporation whose purpose is to solicit, hold, manage, invest, and expend endowment funds and other gifts, grants, and bequests exclusively for the maintenance and benefit of the District and its students. 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 administration office.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Measurement Focus and Basis of Accounting

The District financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, assets, and liabilities resulting from exchange and exchange-type transactions are recognized when the exchange takes place. Non-exchange 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 activities plus administration, operations, and maintenance of capital assets and depreciation of capital assets. Included in non-operating revenues are property taxes, state appropriations, investment income, and revenues for capital construction projects. Interest on debt is a non-operating expense.

New Accounting Pronouncements

Management has adopted new accounting guidance GASB Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The implementation of this statement resulted in a restatement of the beginning net position of the District. See Note 18 for more information.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Budgets and Budgetary Accounting

The District follows the procedures listed below in adopting the annual budgets for all governmental fund types that are legally required and are reflected in the financial statements.

- a. Public hearings are conducted on the proposed budget prior to District Board approval.
- b. Prior to July 1, the budget is legally enacted through approval by the District Board.
- c. The District Board establishes the District's tax levy based on the adopted budget. Property taxes are then levied on the various taxing municipalities. The District records as revenue its share of the local tax in the year levied that is considered available during its fiscal year to finance its operations.
- d. Budget amendments during the year are legally authorized. According to Wisconsin Statutes, budget transfers (between funds and functional areas within funds) and changes in budgeted expenditures (appropriations) require approval by a vote of two-thirds of the entire membership of the District's Board and require publishing a Class 1 public notice in the District's official newspaper within 10 days. Management exercises control over budgeted expenditures by fund and function. Expenditures may not legally exceed funds available or appropriated unless authorized by a resolution adopted by a vote of two-thirds of the District Board. Unused appropriations lapse at the end of each fiscal year.
- e. Formal budgetary integration is employed as a planning device for all funds. The District adopts an annual operating budget that is prepared on a different basis from the basic financial statements, which are prepared in accordance with GAAP. The budget differs from GAAP by recognizing encumbrances as expenditures. Also, the budget does not incorporate changes related to other GASB statements.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Use of Estimates

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

Cash and Cash Equivalents

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 from date of acquisition.

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

Investments

All investments are reported at fair market value, except for the investment in the Local Government Investment Pool, which is reported on the amortized cost basis. Investment income includes changes in fair value of investments, interest, and realized gains and losses.

Fair Value Measurements

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Receivables and Credit Policies

Accounts receivable and program and material 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. Accounts receivable and program and material fees receivable are stated at amounts due from students net of an allowance for doubtful accounts of \$635,000 at June 30, 2022 and June 30, 2021. The District writes off receivables when they become uncollectible. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices.

Prepays

Prepaid balances are for payments made by the District for which benefits extend beyond June 30.

Inventories

Inventories are stated at the lower of cost or market; cost is determined primarily by the first-in, first-out (FIFO) method. Instructional and administrative inventories are accounted for as expenses when purchased.

Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition cost at the time of receipt. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets useful life are not capitalized. Equipment assets having a cost of \$5,000 or more per unit and building or remodeling projects of \$15,000 or more are capitalized. Depreciation on buildings and equipment is provided in amounts sufficient to relate the cost of the depreciable assets to operations on the straight-line basis over the estimated service lives, which range from 3 to 7 years for equipment, 15 years for site improvements, 20 years for remodeling, and 40 years for buildings.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

GASB 87 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.

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statements of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to lease, the District pension and OPEB plans, the LRLIF, and the WRS. The deferred inflows 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 related to the District pension and OPEB plans represent changes in assumptions used in the calculation of the total pension and OPEB liabilities. The deferred inflows of resources related to the LRLIF and WRS represent its proportionate shares of the collective deferred inflows of resources of the plans.

Property Taxes

The District Board's allowable tax levy increase, under Section 38.16 of the Wisconsin Statutes, is based on the total revenue. It is defined in statute as the total tax levy (net of debt service) from the previous year plus the property tax relief aid received in the previous year. The amount is multiplied by the District's tax valuation factor to calculate the amount of additional levy allowable from the previous year.

The mill rate limitation is not applicable to taxes levied for the purposes of paying principal and interest on general obligation promissory notes issued by the District that are used for capital improvements and equipment acquisitions.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Property Taxes (Continued)

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

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

The District recognizes its total levy as revenue in the fiscal year for which taxes are levied. The 2021 tax levy used to finance the fiscal year ended June 30, 2022, and the 2020 tax levy used to finance the fiscal year ended June 30, 2021, were \$24,242,787 and \$25,274,982, respectively. Mill rates for the 2021 and 2020 levies were 0.48641 and 0.54707, respectively, for operations and 0.32444 and 0.35816, respectively, for debt service.

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

District employees are granted vacation in varying amounts, based on length of service. Vacation earned is forfeited if not taken within the allowable time period. The expense for vacation pay is recorded on the accrual basis. The value of vested vacation pay was \$371,861 and \$423,481 based on current wage rates in effect at June 30, 2022, and June 30, 2021, respectively.

Sick Leave – The District’s policy allows employees to earn up to 15 sick days for each year employed that can accumulate to a maximum of 135 days. The accumulated sick leave does not vest; therefore, no liability has been accrued.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts (Continued)

Postemployment Benefits Other Than Pensions – The District provides postemployment healthcare benefits to teachers, support staff, and administrators. Expenditures are recognized as they are incurred for eligible retirees. For eligible employees who have not yet elected to retire, potential health insurance has been accrued based on the provisions of GASB Statement No. 75.

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, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions – The District offers a retirement incentive to eligible teachers and administrators who elect to retire on or after the age of 55. Benefit payments are recognized when due and payable in accordance with the benefit terms. The total pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense for the plan have been accounted for based on the provisions of GASB Statement No. 73.

The District has a pension plan covering substantially all of its employees, which is funded through contributions to the Wisconsin Retirement System. 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.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Self-Insurance

The District is exposed to various risks of loss related to dental insurance. Under the program, the self-insurance fund provides dental coverage up to a maximum reimbursement per claimant of \$1,500 per year. The District makes payments for actual claims and administrative fees needed to pay prior and current year's claims. Changes in the claims liability amount for the years ended June 30 are below.

	2022	2021	2020
Unpaid claims and claim adjustment expenses at the beginning of the year	\$ 16,633	\$ 29,128	\$ 34,354
Incurred claims and claim adjustment expenses:			
Provision for insured events of the current fiscal year	558,899	532,026	465,755
Total incurred claims	575,532	561,154	500,109
Payments:			
Claims and claim adjustment expenses attributable to:			
Insured events of the current fiscal year	535,685	515,393	436,627
Claims and claim adjustment expenses attributable to:			
Insured events of prior fiscal years	16,633	29,128	34,354
Total payments	552,318	544,521	470,981
Total unpaid claims and claim adjustment expenses at the end of the fiscal year	\$ 23,214	\$ 16,633	\$ 29,128

The claims liabilities of \$23,214 and \$16,633 reported above at June 30, 2022 and 2021, respectively, are based upon the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicated that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Fees and Tuition

Fees and tuition are recorded as revenue in the period in which the related activity or instruction takes place.

State and Federal Revenues

The District receives funding from various federal and state grants. Some of these revenues are earned over fiscal periods different from that of the District and are subject to Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and *State of Wisconsin Single Audit Guidelines*.

State operating appropriations are recognized as revenue in the entitlement year. Federal and state grants for reimbursable programs are recognized as revenue in the year that related program expenditures are incurred or eligibility requirements are met. Grants received prior to meeting revenue recognition criteria are recorded as unearned revenues.

Scholarship Allowances and Student Aid

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 1 **Summary of Significant Accounting Policies** (Continued)

Net Position

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

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

Unearned Revenues

Unearned revenues include amounts recorded as tuition and fees prior to the end of the fiscal year but related to the subsequent accounting period. Tuition and fees attributable to the upcoming fall school term are recorded as unearned revenue for students who have paid before June 30.

Reclassifications

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

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 does not have a deposit policy for custodial credit risk. As of June 30, 2022 and 2021, none of the District's bank balance was exposed to custodial credit risk.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash on hand, demand deposits with financial institutions, investments in the Wisconsin Investment Series Cooperative, and investments in the Wisconsin Investment Pool are considered cash and cash equivalents.

The District's cash and cash equivalents consist of the following amounts at June 30, 2022 and 2021:

	2022	2021
Cash:		
Petty cash funds	\$ 6,319	\$ 6,468
Operating funds in U.S. Bank	2,602,889	1,087,249
Operating funds in BMO Harris Bank	1,500	1,500
Operating funds in First National Bank	1,500	1,500
Investments:		
WISC Investment Series	13,074,990	39,572,703
Wisconsin Local Government Investment Pool	19,966,387	17,103,568
Total cash and cash equivalents	\$ 35,653,586	\$ 57,772,988

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 2 Cash and Investments (Continued)

The District's cash and cash equivalents are classified as follows at June 30, 2022 and 2021:

	2022	2021
Restricted for:		
Debt service	\$ 2,143,621	\$ 2,412,768
Capital projects	15,214,045	39,540,661
Total restricted	17,357,665	41,953,429
Unrestricted	18,295,921	15,819,559
Total cash and cash equivalents	\$ 35,653,586	\$ 57,772,988

The portion of cash and cash equivalents restricted is for compliance with legal requirements and cannot be used for general purposes of the District.

Investments

The District is authorized by Wisconsin Statute 66.0603(1m) to invest in the following instruments:

- Obligations of the U.S. Treasury and U.S. Agencies
- Obligations of any Wisconsin county, city, drainage district, technical college district, village, town, or school district
- Time deposits in any bank, trust company, or savings and loan association that is authorized to transact business in Wisconsin, if the time deposits mature in not more than three years
- The state's local government pooled investment fund
- Any security maturing in seven years or less with either the highest or second rating category of a nationally recognized rating agency

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 2 Cash and Investments (Continued)

Investments (Continued)

- Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities
- Securities of open-end management investment companies or investment trusts, if the portfolio is limited to obligations of the U.S. Treasury and U.S. Agencies
- Bonds issued by a local exposition district, local professional baseball park district, local cultural arts district, the Wisconsin Aerospace Authority, or the University of Wisconsin Hospitals and Clinics Authority

The District is a participant in the Local Government Investment Pool (LGIP), which is authorized in Wisconsin Statutes 25.14 and 25.17 under the State of Wisconsin Investment Board. The LGIP is not registered with the Securities Exchange Commission as an investment company. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. The investment in LGIP is not subject to the fair value hierarchy disclosures.

The District is a participant in the 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.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 2 **Cash and Investments** (Continued)

Investments (Continued)

As of June 30, 2022 and 2021, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities Less Than 1 Year</u>
Wisconsin Local Government Investment Pool:	
June 30, 2022	\$ 19,966,387
June 30, 2021	17,103,568
WISC - Investment Series	
June 30, 2022	13,074,990
June 30, 2021	39,572,703

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy states that funds shall be invested only in investments permitted by Wisconsin Statutes and in such a manner as to maximize the investment income within these options.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The District’s investment policy minimizes credit risk by limiting investments to the safest type of securities. The investment in the LGIP is unrated.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 3 Capital Assets

Capital asset activity was as follows for the fiscal year ended June 30, 2022:

	2022				Ending Balance
	Beginning Balance	Increases	Decreases	Adjustment	
Capital assets not being depreciated:					
Land	\$ 5,761,928	\$ -	\$ -	\$ -	\$ 5,761,928
Construction in progress	9,663,748	33,230,621	2,968,227	-	39,926,142
Total capital assets not being depreciated	15,425,676	33,230,621	2,968,227	-	45,688,070
Capital assets being depreciated:					
Land improvements	4,653,544	4,852,212	-	-	9,505,756
Buildings and improvements	87,929,260	8,807,493	-	1,580,364	98,317,117
Equipment	65,638,383	344,596	2,530,470	(1,580,364)	61,872,145
Total capital assets being depreciated	158,221,187	14,004,301	2,530,470	-	169,695,018
Less accumulated depreciation for:					
Land improvements	3,903,186	80,757	-	-	3,983,943
Buildings and improvements	39,540,991	3,453,295	-	1,580,364	44,574,650
Equipment	50,801,727	4,629,189	2,530,470	(1,580,364)	51,320,082
Total accumulated depreciation	94,245,904	8,163,241	2,530,470	-	99,878,675
Net capital assets being depreciated	63,975,283	5,841,060	-	-	69,816,343
Net capital assets	79,400,959	\$ 39,071,681	\$ 2,968,227	\$ -	115,504,413
Less outstanding debt related to capital assets	(72,130,000)				(76,810,000)
Unamortized premium	(2,097,326)				(2,400,554)
Plus unexpended debt proceeds	37,782,372				11,524,918
Net investment in capital assets	\$ 42,956,005				\$ 47,818,776

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 3 Capital Assets (Continued)

Capital asset activity was as follows for the fiscal year ended June 30, 2021:

	2021			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 2,667,208	\$ 3,094,720	\$ -	\$ 5,761,928
Construction in progress	577,674	9,278,647	192,573	9,663,748
Total capital assets not being depreciated	3,244,882	12,373,367	192,573	15,425,676
Capital assets being depreciated:				
Land improvements	4,436,091	217,453	-	4,653,544
Buildings and improvements	88,241,396	1,268,229	1,580,365	87,929,260
Equipment	60,086,790	5,551,593	-	65,638,383
Total capital assets being depreciated	152,764,277	7,037,275	1,580,365	158,221,187
Less accumulated depreciation for:				
Land improvements	3,819,441	83,745	-	3,903,186
Buildings and improvements	37,838,367	3,282,989	1,580,365	39,540,991
Equipment	46,595,956	4,205,771	-	50,801,727
Total accumulated depreciation	88,253,764	7,572,505	1,580,365	94,245,904
Net capital assets being depreciated	64,510,513	(535,230)	-	63,975,283
Net capital assets	67,755,395	\$ 11,838,137	\$ 192,573	79,400,959
Less outstanding debt related to capital assets	(37,280,000)			(72,130,000)
Unamortized premium	(670,739)			(2,097,326)
Plus unexpended debt proceeds	12,345,294			37,782,372
Net investment in capital assets	\$ 42,149,950			\$ 42,956,005

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 4 Short-Term Debt

The District did not engage in any short-term debt activity during the year.

Note 5 Long-Term Obligations

Long-term obligations of the District consists of general obligation promissory notes and lease liabilities.

The changes in long-term obligations are as follows:

	Restated Balance June 30, 2021	Additions	Reductions	Restated Balance June 30, 2022	Due Within One Year
General obligation promissory notes	\$ 72,130,000	\$ 14,800,000	\$ 10,120,000	\$ 76,810,000	\$ 9,465,000
Lease liability	155,588	-	73,950	81,638	72,309
Plus unamortized premium	2,097,326	489,682	186,454	2,400,554	-
Total	\$ 74,382,914	\$ 15,289,682	\$ 10,380,404	\$ 79,292,191	\$ 9,537,309

	Restated Balance June 30, 2020	Additions	Reductions	Restated Balance June 30, 2021	Due Within One Year
General obligation promissory notes	\$ 37,280,000	\$ 41,400,000	\$ 6,550,000	\$ 72,130,000	\$ 10,120,000
Lease liability	226,125	-	70,537	155,588	73,950
Plus unamortized premium	670,739	1,528,612	102,025	2,097,326	-
Total	\$ 38,176,864	\$ 42,928,612	\$ 6,722,562	\$ 74,382,914	\$ 10,193,950

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 5 Long-Term Obligations (Continued)

The District pledges full faith, credit, and resources of the District to pay all outstanding general obligation promissory notes. The District levies taxes annually to pay the amount of principal and interest due for the debt. General obligation debt of the District at June 30, 2022 and 2021, is as follows:

	Principal		Interest	
	2022	2021	2022	2021
July 2014 - \$4,425,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.0% to 2.125%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2022. Proceeds used for acquiring moveable equipment and building remodeling and improvements.	\$ -	\$ 205,000	\$ -	\$ 4,356
August 2014 - \$4,395,000 general obligation promissory notes payable at Cede and Co., New York, New York, with interest at 2.0% to 2.5%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for acquiring movable equipment and building remodeling and improvements.	400,000	765,000	15,000	32,300
September 2014 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at .05% to 2.05%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2022. Proceeds used for acquiring movable equipment and building remodeling and improvements.	-	210,000	-	4,305
October 2014 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at .05% and 2.125%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2022. Proceeds used for acquiring movable equipment and building remodeling and improvements.	-	100,000	-	2,125
November 2014 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.0% to 2.0%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2022. Proceeds used for acquiring movable equipment and building remodeling and improvements.	-	190,000	-	3,800
July 2015 - \$4,000,000 general obligation promissory note payable at Cede and Co, New York, New York, with interest at 1.0% to 2.0%, payable semiannually in April and October; varying principal payments are due annually on April 1 until maturity on April 1, 2023. Proceeds used for acquiring instructional equipment and building remodeling and improvements.	200,000	780,000	4,000	19,600

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 5 Long-Term Obligations (Continued)

	Principal		Interest	
	2022	2021	2022	2021
payable at Cede and Co., New York, New York, with interest at 1.25% to 2.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2024. Proceeds used for acquiring equipment and building remodeling.	\$ 905,000	\$ 1,600,000	\$ 18,575	\$ 41,837
August 2016 - \$2,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at .75% to 2.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2026. Proceeds used for acquiring movable equipment and building additions or enlargements.	795,000	1,135,000	25,663	41,588
July 2017 - \$5,000,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.0% to 2.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2025. Proceeds used for acquiring equipment and facility and non-facility remodeling and improvements.	2,095,000	2,970,000	71,000	130,400
August 2017 - \$3,000,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.5% to 2.25%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for acquiring equipment, facility and non-facility remodeling and improvements, and new facilities.	1,395,000	1,760,000	75,888	112,675
June 2018 - \$6,400,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 0.1% to 3.5%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2026. Proceeds used for acquiring equipment, facility and non-facility remodeling and improvements, and new facilities.	3,355,000	4,340,000	243,475	375,425
March 2019 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 0.05% to 3.25%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for facility and non-facility remodeling and improvements	975,000	1,155,000	85,188	111,265
April 2019 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 0.05% to 2.5%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2027. Proceeds used for facility and non-facility remodeling and improvements	1,000,000	1,180,000	74,800	102,888
July 2019 - \$3,840,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0% to 4.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2026. Proceeds used for acquiring equipment	2,730,000	3,365,000	277,400	412,000

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 5 Long-Term Obligations (Continued)

	Principal		Interest	
	2022	2021	2022	2021
June 2020 - \$11,525,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0% to 3.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2030. Proceeds used for acquiring site, building addition, remodeling, and equipment.	\$ 10,315,000	\$10,975,000	\$ 1,311,500	\$ 1,552,150
February 2021 - \$41,400,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.0% to 5.0%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2040. Proceeds used for acquiring referendum site, building addition, remodeling, and equipment.	37,845,000	41,400,000	7,126,850	8,097,657
July 2021 - \$9,100,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.0% to 1.5%, payable semiannually in April and October, varying principal payments are due annually on April 1 until maturity on April 1, 2028. Proceeds used for public purpose of paying the cost of acquiring movable equipment	9,100,000	-	503,350	-
February 2021 - \$5,700,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0% to 4.0%, payable semiannually in April and October, varying principal payments are due on October 1, 2022 and then annually on April 1 until maturity on April 1, 2030. Proceeds used for paying the cost of building remodel, improvement projects, and movable equipment	5,700,000	-	777,320	-
Total general obligation debt	\$ 76,810,000	\$72,130,000	\$ 10,610,008	\$ 11,044,371

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 5 Long-Term Obligations (Continued)

Principal and interest maturities on general obligation promissory notes at June 30, 2022:

Fiscal Year	Principal	Interest	Total
2023	\$ 9,465,000	\$ 1,608,133	\$ 11,073,133
2024	7,825,000	1,442,150	9,267,150
2025	7,705,000	1,260,538	8,965,538
2026	6,590,000	1,081,975	7,671,975
2027	6,315,000	881,200	7,196,200
2028-2032	16,715,000	2,569,388	19,284,388
2033-2037	13,415,000	1,423,450	14,838,450
2038-2040	8,780,000	343,175	9,123,175
Total	\$ 76,810,000	\$ 10,610,008	\$ 87,420,008

The Wisconsin State Statutes Chapter 67.03(1) limits general obligation debt of the District to 5% of the equalized value of the taxable property located in the District. As of June 30, 2022, the 5% limitation was \$1,559,422,962 and the District's outstanding general obligation debt was \$76,810,000. The District's outstanding general obligation debt (net of resources available to pay principal and interest) at June 30, 2022, was \$73,762,494. Wisconsin State Statutes Chapter 67.03(9) limits bonded indebtedness of the District to 2% of the equalized value of the taxable property located in the District. As of June 30, 2022, the 2% limitation was \$623,769,185. The District had no bonded indebtedness for the period.

Note 6 Lease Receivable

On July 1, 2021, the District entered into a lease with the Lakeland College (lessee) for office space. Under the lease, the lessee will pay the District \$65,838, annually. The lease term runs through December 31, 2024. For the year ended June 30, 2022, the District recognized lease revenue of \$58,075 and \$7,763 of interest revenue under the lease.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 7 Leases

The District, as a lessee, has entered into lease agreements with MEP Properties and Neighbors of Dunn County. The lease with MEP Properties is for buildings and commenced in July 2021. The lease term is for five years, expiring in May 2023. Monthly payments are \$5,467 and increase by 1.5% each year of the lease term. The lease liability was measured at a discount rate of 3.5%. The lease liability was \$63,249 at June 30, 2022 and \$128,402 at June 30, 2021.

The lease with Neighbors of Dunn County is for land and commenced in January 2020. The lease term is for five years, expiring in December 2024. Annual payments are \$9,612. The lease liability was measured at a discount rate of 3%. The lease liability was \$18,389 at June 30, 2022 and \$27,186 at June 30, 2021.

Right of use asset balances and activity were as follows for the years ended June 30, 2022 and 2021:

	2022			
	Beginning Balance	Additions	Deletions	Ending Balance
Right of use assets:				
MEP Properties	\$ 190,399	\$ -	\$ -	\$ 190,399
Neighbors of Dunn County	35,726	-	-	35,726
Total right of use assets being amortized	226,125	-	-	226,125
Less accumulated amortization:				
MEP Properties	65,280	65,280	-	130,560
Neighbors of Dunn County	8,931	8,931	-	17,862
Total accumulated amortization	74,211	74,211	-	148,422
Net right of use assets	\$ 151,914	\$ (74,211)	\$ -	\$ 77,703

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 7 Leases (Continued)

	2021			Ending Balance
	Beginning Balance	Additions	Deletions	
Right of use assets:				
MEP Properties	\$ 190,399	\$ -	\$ -	\$ 190,399
Neighbors of Dunn County	35,726	-	-	35,726
Total right of use assets being amortized	226,125	-	-	226,125
Less accumulated amortization:				
MEP Properties	-	65,280	-	65,280
Neighbors of Dunn County	-	8,931	-	8,931
Total accumulated amortization	-	74,211	-	74,211
Net right of use assets	\$ 226,125	\$ (74,211)	\$ -	\$ 151,914

Expected future minimum lease payments as of the year ended June 30, 2022 are as follows:

Fiscal year	Principal	Interest	Total
2023	\$ 72,309	\$ 1,133	\$ 73,442
2024	9,329	283	9,612
Total	\$ 81,638	\$ 1,416	\$ 83,054

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 8 Employee Retirement Plans – Wisconsin Retirement System

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

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

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

Vesting

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

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.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 8 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Benefits Provided (Continued)

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:

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 8 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 \$2,323,902 in contributions from the employer.

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

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

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

At June 30, 2022 and 2021, the District reported an asset of \$16,075,453 and \$12,820,789 for its proportionate share of the net pension liability. The net pension asset was measured as of December 31 within the District's fiscal year and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021 and 2020, the District's proportion was 0.19944276% and 0.20535808% (a decrease of 0.00591532 from the prior year).

For the year ended June 30, 2022 and 2021, the District recognized pension expense of (\$1,414,227) and (\$1,419,999).

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 8 Employee Retirement Plans – Wisconsin Retirement System (Continued)

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

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

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,969,082	\$ 1,872,651	\$ 18,555,619	\$ 3,996,847
Changes in assumptions	2,999,129	-	290,800	-
Net differences between projected and actual earnings on pension plan investments	-	35,962,126	-	24,069,988
Changes in proportion and differences between employer contributions and proportionate share of contributions	71,122	91,939	6,431	135,545
Employer contributions subsequent to the measurement date	1,036,006	-	1,014,691	-
Total	\$ 30,075,339	\$ 37,926,716	\$ 19,867,541	\$ 28,202,380

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 (asset) in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (770,243)
2024	(4,376,170)
2025	(1,914,086)
2026	(1,826,884)

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 8 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Actuarial Assumptions

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

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

** No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions for 2022 are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018, through December 31, 2020. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment wage inflation rate, mortality and separation rates. Actuarial assumptions for 2021 are based upon an experience study conducted in 2018 that covered a three-year period from 2015-2017. The total pension liability for December 31, 2021 and 2020, is based upon a rollforward of the liability calculated from the December 31, 2020 and 2019, actuarial valuations.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 8 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Actuarial Assumptions (Continued)

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

Asset Allocation Targets and Expected Returns

As of December 31, 2021

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund:</u>			
Global equities	52.0%	6.8%	4.2%
Fixed income	25.0%	4.3%	1.8%
Inflation sensitive assets	19.0%	2.7%	22.0%
Real estate	7.0%	5.6%	3.0%
Private equity/debt	12.0%	9.7%	7.0%
Multi-asset	0.0%	0.0%	4.0%
Total core fund	115.0%	6.6%	4.0%
<u>Variable Fund:</u>			
U.S. equities	70%	6.3%	3.7%
International equities	30%	7.2%	4.6%
Total variable fund	100%	6.8%	4.2%

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

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

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 8 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Actuarial Assumptions (Continued)

Asset Allocation Targets and Expected Returns

As of December 31, 2020

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund:</u>			
Global equities	51.0%	7.2%	4.7%
Fixed income	25.0%	3.2%	80.0%
Inflation sensitive assets	16.0%	2.0%	(0.4%)
Real estate	8.0%	5.6%	3.1%
Private equity/debt	11.0%	10.2%	7.6%
Multi-asset	4.0%	5.8%	3.3%
Total core fund	115.0%	6.6%	4.1%
<u>Variable Fund:</u>			
U.S. equities	70%	6.6%	4.1%
International equities	30%	7.4%	4.9%
Total variable fund	100%	7.1%	4.6%

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

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 8 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Actuarial Assumptions (Continued)

Single Discount Rate: A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. The single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (2021) and 2.00% (2020). (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index: as of December 31, 2021 and 2020, respectively.” In describing this index, Fidelity notes that the Municipality Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities). Because of the unique structure of the 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 the 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:

	2022		2021	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to discount rate	5.8%	\$ 11,406,674	6.0%	\$ 12,203,615
Current discount rate	6.8%	(16,075,453)	7.0%	(12,820,789)
1% increase to discount rate	7.8%	(35,857,471)	8.0%	(31,201,028)

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 8 Employee Retirement Plans – Wisconsin Retirement System (Continued)

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2022 and 2021, the District reported payables to the defined pension plan of \$354,512 and \$340,701.

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.

Note 9 District Pension Plan and Benefits (Supplemental Stipend)

The District administers a single-employer defined benefit plan for eligible management and professional employees hired prior to June 30, 2009, and faculty hired prior to June 30, 2012, that provides a one-time contribution equal to 36% of an employee's final contracted salary into a TSA account. The pension plan is closed to new entrants. There are no assets accumulated in a trust that meets the criteria in GASBS No. 73, paragraph 4, and there is no standalone report for the plan. There are 112 active plan members and 10 inactive plan members currently receiving benefits. The District Board has the authority to establish and amend the types of benefits provided through the pension plan.

The total pension liability as of June 30, 2022 and 2021, was measured as of June 30, 2021 and 2020, and was determined by actuarial valuations as of June 30, 2020. There have been no changes of assumptions or other inputs and no changes of benefit terms that affected measurement of the total pension liability since the prior measurement date. There have been no changes that are expected to have a significant effect on the total pension liability since the measurement date. The actuarial assumptions included an inflation rate of 2.0% at June 30, 2021 and 2.0% at June 30, 2020 and projected salary increases of 3.0%, average, including inflation. The discount rate used in the measurement of the total pension liability was 2.25% at June 30, 2021 and 2.25% at June 30, 2020, as determined by the actuary at Bond Buyer Go for a 20-year AA municipal bond. Mortality, disability, and retirement rates are from the Wisconsin Retirement System experience for public schools.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 9 District Pension Plan and Benefits (Supplemental Stipend) (Continued)

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study conducted in 2018 using experience from 2015-2017.

Changes in the total pension liability for the years ended June 30, 2022 and 2021, are as follows:

	<u>Total Pension Liability</u>	
	2022	2021
Balance, beginning of year	\$ 2,419,938	\$ 3,215,237
Changes for the year:		
Service cost	109,101	161,535
Interest on the total pension liability	52,236	109,361
Differences between expected and actual experience	-	(650,374)
Changes of assumptions or other inputs	-	(72,986)
Benefit payments	(305,811)	(342,835)
Net changes	(144,474)	(795,299)
Balance, end of year	\$ 2,275,464	\$ 2,419,938

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

	<u>2022</u>		<u>2021</u>	
	Discount Rate	District's Total Pension Liability	Discount Rate	District's Total Pension Liability
1% decrease to discount rate	1.25%	\$ 2,383,696	1.25%	\$ 2,532,856
Current discount rate	2.25%	2,275,464	2.25%	2,419,938
1% increase to discount rate	3.25%	2,167,181	3.25%	2,307,400

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 9 District Pension Plan and Benefits (Supplemental Stipend) (Continued)

For the years ended June 30, 2022 and 2021, the District recognized pension expense of \$132,080 and \$241,639. At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 265,424	\$ 520,300	\$ 318,509	\$ 585,337
Changes of assumptions or other input	24,256	135,112	28,298	156,459
Benefit payments subsequent to the measurement date	287,160	-	305,811	-
Total	\$ 576,840	\$ 655,412	\$ 652,618	\$ 741,796

Deferred outflows related to pensions resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Net Deferred Outflows (Inflows) of Resources
2023	\$ (29,257)
2024	(29,257)
2025	(29,257)
2026	(29,257)
2027	(29,257)
Thereafter	(219,447)

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 10 Postemployment Benefits Other Than Pension Benefits

The District administers a single-employer defined benefit healthcare plan. The plan provides medical insurance benefits to eligible retirees and their spouses through the District's group medical insurance plan, which covers both active and retired members. 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 413 active plan members and 76 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. In the year of retirement, the District pays 100% of the medical insurance premium for eligible members. In years subsequent to the retirement year, the retiree pays the difference between the current premium and the amount of the premium in effect at the date of retirement. The District's contribution is established annually based on an amount to pay current premiums, less the retiree portion. For fiscal years 2022 and 2021, the District contributed \$1,001,212 and \$953,784 to the plan for current premiums, while plan members receiving benefits contributed \$143,167 and \$123,390 (approximately 13% and 13% of total premiums).

At June 30, 2022 and 2021, the District reported a total OPEB liability of \$11,172,992 and \$11,545,516. The total pension liability was measured as of June 30, 2021 and 2020, and was determined by and actuarial valuation as of June 30, 2020. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 10 Postemployment Benefits Other Than Pension Benefits (Continued)

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

Changes in the total OPEB liability for the years ended June 30, 2022 and 2021, are as follows:

	2022	2021
Balance at beginning of year	\$ 11,545,516	\$ 12,925,165
Changes for the year:		
Service cost	328,520	412,176
Interest	252,740	441,356
Differences between expected and actual experience	-	(1,856,919)
Changes of assumptions or other inputs	-	665,884
Benefit payments	(953,784)	(1,042,146)
Net changes	(372,524)	(1,379,649)
Balance at end of year	\$ 11,172,992	\$ 11,545,516

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

	2022		2021	
	Discount Rate	Total OPEB Liability	Discount Rate	Total OPEB Liability
1% decrease to discount rate	1.25%	\$11,661,613	1.25%	\$12,084,567
Current discount rate	2.25%	11,172,992	2.25%	11,545,516
1% increase to discount rate	3.25%	10,692,055	3.25%	11,018,373

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 10 Postemployment Benefits Other Than Pension Benefits (Continued)

The following represents the District's total OPEB liability calculated using the healthcare cost trend rate from the study, as well as what the District's total OPEB liability would be if it were calculated using the healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	2022		2021	
	Healthcare Cost Trend Rates	Total OPEB Liability	Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease	5.5% decreasing to 4.0%	\$ 10,393,059	5.5% decreasing to 4.0%	\$ 10,816,028
Current	6.5% decreasing to 5.0%	11,172,992	6.5% decreasing to 5.0%	11,545,516
1% increase	7.5% decreasing to 6.0%	12,062,898	7.5% decreasing to 6.0%	12,376,792

For the year ended June 30, 2022 and 2021, the District recognized OPEB expense of \$625,520 and \$897,792. At June 30, 2022 and 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 929,519	\$ 1,237,945	\$ 1,394,280	\$ 1,547,432
Changes of assumptions or other input	515,919	491,988	650,899	737,982
District's contributions subsequent to the measurement date	1,001,212	-	953,784	-
Total	\$ 2,446,650	\$ 1,729,933	\$ 2,998,963	\$ 2,285,414

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 10 Postemployment Benefits Other Than Pension Benefits (Continued)

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

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 44,260
2024	44,257
2025	(174,507)
2026	(198,505)

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 (CAFR), which can be found online at <http://etf.wi.gov/publications/cafr.htm>.

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 members and pre-65 retirees who pay for their coverage.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

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

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 member 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 member premiums until age 65 in order to be eligible for the benefit after age 65.

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

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% postretirement coverage	40% of member contribution

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

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

Contributions (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 member contribution rates in effect for the year ended December 31, 2021 and 2020, are as listed below:

Life Insurance Member Contribution Rates For the Year Ended December 31, 2022 and 2021

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 \$27,895 in contributions from the employer.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

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

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

At June 30, 2022 and 2021, the District reported a liability of \$8,444,712 and \$7,988,473 for its proportionate share of the net OPEB liability. The net OPEB liability was measured at December 31 within the District's fiscal year, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation one year prior to and rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2021 and 2020, the District's proportion was 1.428796% and 1.452259% (a decrease of 0.0234630% from the prior year).

For the year ended June 30, 2021 and 2021, the District recognized OPEB expense of \$1,008,244 and \$951,927.

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

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 429,580	\$ -	\$ 381,182
Net differences between projected and actual earnings on OPEB plan investments	109,872	-	116,306	-
Changes in assumptions	2,551,439	409,319	3,107,629	548,117
Changes in proportion and differences between employer contributions and proportionate share of contributions	42,126	259,412	56,957	223,057
Employer contributions subsequent to the measurement date	13,584	-	14,284	-
Total	\$ 2,717,021	\$ 1,098,311	\$ 3,295,176	\$ 1,152,356

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

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

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

The amounts reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the 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:

<u>Year Ended June 30:</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ 373,127
2024	360,381
2025	318,419
2026	399,163
2027	167,088
Thereafter	(13,052)

Actuarial Assumptions

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

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

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

Actuarial Assumptions (Continued)

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

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

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. credit bonds	Barclays credit	45%	1.68%
U.S. long credit bonds	Barclays long credit	5%	1.82%
U.S. mortgages	Barclays MBS	50%	1.94%
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 increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Chippewa Valley Technical College District

Notes to the Basic 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, 2020

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. credit bonds	Barclays credit	45%	1.47%
U.S. mortgages	Barclays MBS	50%	82.00%
Inflation			2.20%
Long-term expected rate of return			4.25%

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

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

Actuarial Assumptions (Continued)

Single Discount Rate: A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive 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, 2036.

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

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 (1.17%) or 1 percentage point higher (3.17%) than the current rate:

	2022		2021	
	Discount Rate	Net OPEB Liability	Discount Rate	Net OPEB Liability
1% decrease to discount rate	1.17%	\$11,456,431	1.25%	\$10,866,607
Current discount rate	2.17%	8,444,712	2.25%	7,988,473
1% increase to discount rate	3.17%	6,178,519	3.25%	5,811,823

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 12 Expense Classification

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

	2022	Restated 2021
Salaries and wages	\$ 37,456,906	\$ 35,157,358
Employee benefits	12,659,093	12,161,623
Travel, memberships, and subscriptions	587,094	265,923
Supplies	13,899,395	8,223,117
Contracted services	8,595,017	4,890,515
Rentals	146,942	145,079
Credit	1,029,957	238,439
Insurance	546,523	568,338
Utilities	730,743	916,445
Depreciation	8,237,452	7,646,716
Student aid	3,353,732	3,508,521
Total operating expenses	\$ 87,242,854	\$ 73,722,074

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 13 Transactions With Component Unit

The District has the following transactions and balances with Chippewa Valley Technical College Foundation, Inc., a discretely presented component unit:

	2022	2021
Rental expense paid to the Foundation for the Chippewa Falls Job Center	\$ 51,571	\$ 103,142
Rental expense paid to the Foundation for an electronic messaging sign	-	21,800
Cash donations from the Foundation to the District for capital projects and support services	157,341	146,672
Payment for services from the Foundation based on memorandum of understanding	70,000	70,000

Note 14 Contingencies

The District receives regular program aids from the Wisconsin Technical College System Board based on aidable expenditures. This amount is subject to adjustment based on a state audit of the full-time equivalent students and cost allocation reports of the District and other districts of the state. The audit for the fiscal year ended June 30, 2022 and 2021, has not been completed. It is the belief of management of the District that audit adjustments, if any, will not materially affect the District's financial position.

From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and 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.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 15 Risk Management

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 its deductible amounts, which vary by coverage from \$2,500 to \$100,000 per occurrence. DMI purchases reinsurance for its losses in excess of the retained layer of coverage above \$250,000 per occurrence.

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 DMI.

Each member college was assessed an annual premium. Since DMI is fully capitalized, member colleges have not been assessed a capitalization amount for fiscal years 2022 and 2021. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in DMI.

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 15 Risk Management (Continued)

Supplemental Insurance

In July 1997, 11 of the 16 WTCS technical colleges formed the WTCS Insurance Trust to jointly purchase commercial insurance to provide coverage for losses from theft of, damages to, or destruction of assets. This trust grew to include 16 WTCS technical colleges. In order to achieve additional cost savings, the technical colleges made a decision to form their own insurance company. The Trust financial statements can be obtained through Lakeshore Technical College, 1290 North Avenue, Cleveland, WI 53015.

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

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

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 16 Component Unit

This report contains the Chippewa Valley Technical College Foundation, Inc., 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 – Cash and Investments

Pooled investments at June 30 are summarized as follows:

	2022		2021	
	Cost	Market Value	Cost	Market Value
Institutional/CMA Money Fund	\$ 1,945,415	\$ 1,945,415	\$ 1,572,361	\$ 1,572,361
AMCAP Fund	461,672	463,190	362,456	542,870
Capital World Growth and Income Fund	255,252	277,126	204,091	305,006
Fundamental Investors	359,197	371,901	280,330	395,476
Capital Income Builder Fund	708,118	797,402	604,032	765,192
Income Fund of America	680,380	787,753	551,103	745,497
Totals	\$ 4,410,034	\$ 4,642,787	\$ 3,574,373	\$ 4,326,402

Return on investment consists of the following at June 30:

	2022	2021
Unrealized gains (losses)	\$ (400,477)	\$ 506,250
Realized gains (losses)	-	127,146
Interest and dividend income	69,090	57,280
	\$ (331,387)	\$ 690,676

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 16 Component Unit (Continued)

B – Fair Value Measurements

Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 16 Component Unit (Continued)

B – Fair Value Measurements (Continued)

Information regarding assets measured at fair value on a recurring basis as of June 30, 2022 and 2021, are as follows:

	2022			Total Fair Value
	Measurements Using			
	Level 1	Level 2	Level 3	
Assets at fair value:				
Mutual funds - Equity securities	\$2,697,372	\$ -	\$ -	\$2,697,372
Total assets at fair value	\$2,697,372	\$ -	\$ -	\$2,697,372

	2021			Total Fair Value
	Measurements Using			
	Level 1	Level 2	Level 3	
Assets at fair value:				
Mutual funds - Equity securities	\$2,754,041	\$ -	\$ -	\$2,754,041
Total assets at fair value	\$2,754,041	\$ -	\$ -	\$2,754,041

The methods described above and shown above for fair value calculations may produce a fair value calculation that may be different from the net realizable value or not reflective of future values expected to be received. The Foundation believes that its valuation methods are appropriate and consistent with other market participants; however, the use of these various methodologies and assumptions may produce results that differ in the estimates of fair value at the financial reporting date.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 16 Component Unit (Continued)

C – Land and Buildings

The following is a summary of land and buildings:

	June 30,	
	2022	2021
Land	-	\$ 50,000
Land improvements	-	-
Buildings	-	1,822,538
Total land and buildings	-	1,872,538
Less: Accumulated depreciation	-	751,797
Land and buildings, net	\$ -	\$ 1,120,741

Depreciation expense was \$11,391 and \$49,110 for the years ended June 30, 2022 and 2021, respectively. Land and buildings are related to the Chippewa Falls Job Center and the land, and land improvements are related to the electronic messaging sign.

D – Restricted Net Position and Endowments

Net position restricted for scholarships and other activities includes assets set aside in accordance with donor restrictions as to time or use. Net position restricted for scholarships and other activities is available for the following purposes or periods at June 30:

	2022	2021
Endowments	\$ 2,853,619	\$ 3,175,193
Scholarships	474,111	341,851
Equipment	64,331	64,331
Programs	212,887	223,265
Professional development	8,084	8,584
Other	545,328	304,332
Totals	\$ 4,158,360	\$ 4,117,556

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 16 Component Unit (Continued)

D – Restricted Net Position and Endowments (Continued)

Restricted-nonexpendable net position has been restricted by donors to be maintained in perpetuity, the income of which is expendable to support scholarship programs of the Foundation.

The Foundation's endowments consist of funds that are invested in money market accounts, corporate and government bonds, and mutual funds. These endowments include donor-restricted endowment funds and unrestricted board-designated endowment funds. Net position associated with the endowment funds is classified and reported on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted 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 restricted-nonexpendable net position (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in restricted-nonexpendable net position (primarily investment returns available for grants net of administrative fees) is classified as restricted for scholarships and other activities until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. 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 investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 16 Component Unit (Continued)

D – Restricted Net Position and Endowments (Continued)

Investment Return Objectives, Risk Parameters, and Strategies. 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 programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to provide a market-competitive total return on assets to increase the asset base over the long-term and meet potential partial disbursement requirements of its restricted funds. Endowment assets are invested in a well-diversified asset mix, which includes equity and fixed income securities. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The spending policy for the Foundation is directed by the Board of Directors. Endowment scholarship payments may not exceed 5% of total endowment fund balances as determined at June 30 of each year. Administrative expenses, legal, tax, accounting, and investment advisory fees will be paid from the operating fund and are not included in the amount designated for disbursement. It is the responsibility of the Board of Directors to annually review the spending policy and make adjustments as necessary to preserve the purchasing power of the Foundation. Further, it shall be the responsibility of the Board of Directors to promptly communicate any changes in the spending policy to its investment manager.

Endowments that are donor restricted or board designated consisted of the following at June 30:

	Donor Restricted	
	2022	2021
Unrestricted - Board designated	\$ 563,884	\$ 527,052
With donor restrictions	2,853,619	3,175,193
Totals	\$ 3,417,503	\$ 3,702,245

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 16 Component Unit (Continued)

D – Restricted Net Position and Endowments (Continued)

Changes in endowment net position for the years ended June 30, 2022 and 2021, consisted of the following:

	2022		
	Unrestricted		Total
	Board Designated	Donor Restricted	
Endowment net position at beginning of year	\$ 527,052	\$ 3,175,193	\$ 3,702,245
Investment return	(43,323)	(288,064)	(331,387)
Contributions	101,347	113,841	215,188
Appropriation of endowment assets for expenditures	(21,192)	(147,351)	(168,543)
Endowment net position at end of year	\$ 563,884	\$ 2,853,619	\$ 3,417,503

	2021		
	Unrestricted		Total
	Board Designated	Donor Restricted	
Endowment net position at beginning of year	\$ 524,138	\$ 2,520,676	\$ 3,044,814
Investment return	90,354	600,322	690,676
Contributions	5,455	99,894	105,349
Appropriation of endowment assets for expenditures	(92,895)	(45,699)	(138,594)
Endowment net position at end of year	\$ 527,052	\$ 3,175,193	\$ 3,702,245

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 16 Component Unit (Continued)

E – Unconditional Promises to Give

Unconditional promises to give consist of the following at June 30:

	2022	2021
Restricted for Naming Opportunities	\$ 9,500	\$ 24,000
Restricted for River Falls campus improvements	5,700	11,400
Restricted for High School Academies	503	-
Restricted for United Way microgrant program	76,000	-
Restricted for Sodexo fund	15,200	-
Restricted for capital building	36	986
Restricted for administrative fees	5,634	1,677
Other	95	480
	<hr/>	<hr/>
Total unconditional promises to give	\$ 112,668	\$ 38,543
	<hr/>	<hr/>
Amounts due in:		
Less than one year	\$ 35,258	\$ 22,280
One to five years	77,410	16,263
	<hr/>	<hr/>
	\$ 112,668	\$ 38,543
	<hr/>	<hr/>

Unconditional promises to give due in more than one year are to be reflected at the present value of estimated future cash flows. At June 30, 2022 and 2021, future unconditional promises to give were not discounted.

Chippewa Valley Technical College District

Notes to the Basic Financial Statements

Note 17 Outstanding Contractual Commitments

During the year, the District entered into various contracts with a general contractor related to capital projects. The total amount that remained unspent on these contracts as of June 30, 2022 was \$329,202.

Note 18 Restatement of Net Position

As a result of implementing GASB Statement No. 87, beginning net position at June 30, 2021, was restated from \$42,471,542 to \$42,474,411, which is an increase of \$2,869 due to the recording of lease receivables, deferred inflows of resources, right of use assets, and lease liabilities.

Required Supplementary Information

Chippewa Valley Technical College District

Schedule of Changes in the Employer's Total Pension Liability and Related Ratios – District Pension Plan (Supplemental Stipend)

Last 10 Fiscal Years*

Schedule of Changes in the Employer's Total Pension Liability and Related Ratios - District Pension Plan Last 10 Fiscal Years*

	2022	2021	2020	2019	2018
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total pension liability:					
Service cost	\$ 109,101	\$ 161,535	\$ 150,725	\$ 167,571	\$ 178,844
Interest on the total pension liability	52,236	109,361	118,177	95,949	82,693
Differences between expected and actual experience	-	(650,374)	-	477,764	-
Changes of assumptions or other inputs	-	(72,986)	36,382	(68,104)	(71,293)
Benefit payments	(305,811)	(342,835)	(332,149)	(177,410)	(221,822)
Net change in total pension liability	(144,474)	(795,299)	(26,865)	495,770	(31,578)
Total pension liability - Beginning	2,419,938	3,215,237	3,242,102	2,746,332	2,777,910
Total pension liability - Ending	\$ 2,275,464	\$ 2,419,938	\$ 3,215,237	\$ 3,242,102	\$ 2,746,332
Covered-employee payroll	\$ 9,734,565	\$ 9,734,565	\$ 14,135,517	\$ 14,135,517	\$ 13,867,156
District's total pension liability as a percentage of covered-employee payroll	23.38%	24.86%	22.75%	22.94%	19.80%

Notes to Schedule:

There are no assets accumulated in a trust that meets the criteria in GASBS No. 73, paragraph 4, to pay related benefits.

Benefit changes: In 2022 and 2021, there were no changes in benefit terms.

Changes of assumptions: The discount rate was changed to 2.25% in 2021 and 2022, 3.5% in 2020, 3.75% in 2019, and 3.5% in 2018 to be reflective of the 20-year AA municipal bond rates.

*This schedule is presented to illustrate the requirement to show information for 10 years. Additional information will be presented as it becomes available.

Chippewa Valley Technical College District

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

Last 10 Fiscal Years*

OF THE NET PENSION LIABILITY
WISCONSIN RETIREMENT SYSTEM (WRS)
Last 10 Calendar Years*

Measurement Date	District's Proportion of Net Pension Liability (Asset)	District's Share of the Net Pension Liability (Asset)	District's Covered Payroll	District's	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	
				Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll		
2022	12/31/2021	0.19944276%	\$ (16,075,453)	\$ 34,112,355	(47.13%)	106.02%
2021	12/31/2020	0.20535808%	(12,820,789)	32,898,151	(38.97%)	105.26%
2020	12/31/2019	0.21350609%	(6,884,411)	32,648,063	(21.09%)	102.96%
2019	12/31/2018	0.21940654%	7,805,796	33,039,626	23.63%	96.45%
2018	12/31/2017	0.22257400%	(6,608,486)	32,803,779	(20.15%)	102.93%
2017	12/31/2016	0.22342502%	1,841,556	31,953,766	5.76%	99.12%
2016	12/31/2015	0.22691790%	3,687,372	31,928,079	11.55%	98.20%
2015	12/31/2014	0.22822948%	(5,605,940)	31,248,811	(17.94%)	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM (WRS)

Last 10 Fiscal Years*

	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions		District's Covered Payroll for the Fiscal Period	Contributions as a Percentage of Covered Payroll
		Contractually Required Contributions	Contribution Deficiency (Excess)		
2022	\$ 2,323,902	\$ (2,323,902)	\$ -	\$ 35,018,452	6.64%
2021	2,176,210	(2,176,210)	-	32,240,141	6.75%
2020	2,172,704	(2,172,704)	-	32,234,059	6.74%
2019	2,162,285	(2,162,285)	-	32,633,376	6.63%
2018	2,249,431	(2,249,431)	-	33,322,622	6.75%
2017	2,159,708	(2,159,708)	-	32,238,375	6.70%
2016	2,133,414	(2,133,414)	-	31,835,599	6.70%
2015	2,196,311	(2,196,311)	-	31,827,173	6.90%

Notes to the Schedules:

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

Chippewa Valley Technical College District

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

Last 10 Fiscal Years*

Notes to the Schedules (continued):

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

Changes of assumptions:

adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021,

- 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.

adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018,

- 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.

Chippewa Valley Technical College District

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

Last 10 Fiscal Years*

Notes to the Schedules (continued):

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

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

Chippewa Valley Technical College District

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

Last 10 Fiscal Years*

Notes to the Schedules (continued):

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions				
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	2.1%	2.1%
Retirement Age:	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011.	Experience based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006-2008.
Mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table- 2005 for men.

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

Chippewa Valley Technical College District

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

Last 10 Fiscal Years*

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

Last 10 Calendar Years*

		District's Proportion of the Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	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
2022	12/31/2021	1.42879600%	\$ 8,444,712	\$ 33,990,798	24.84%	29.57%
2021	12/31/2020	1.45225900%	7,988,473	31,740,539	25.17%	31.36%
2020	12/31/2019	1.46832800%	6,252,427	31,436,146	19.89%	37.58%
2019	12/31/2018	1.55202500%	4,004,748	31,575,027	12.68%	48.69%
2018	12/31/2017	1.53253500%	4,610,754	29,965,980	15.39%	44.81%

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

Last 10 Fiscal Years*

	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
2022	\$ 27,895	\$ (27,895)	\$ -	\$ 33,099,115	0.08%
2021	29,235	(29,235)	-	31,081,234	0.09%
2020	28,630	(28,630)	-	31,012,456	0.09%
2019	29,243	(29,243)	-	31,111,605	0.09%
2018	29,794	(29,794)	-	31,945,515	0.09%

Notes to the Schedules:

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

Chippewa Valley Technical College District

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

Last 10 Fiscal Years*

Notes to the Schedules (continued):

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.

Chippewa Valley Technical College District

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

Last 10 Fiscal Years*

Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios - District OPEB Plan Last 10 Fiscal Years*

	2022	2021	2020	2019
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB liability:				
Service cost	\$ 328,520	\$ 412,176	\$ 383,453	\$ 418,982
Interest on the total OPEB liability	252,740	441,356	475,212	376,624
Changes of benefit terms	-	-	-	986,526
Differences between expected and actual experience	-	(1,856,919)	-	2,788,563
Changes of assumptions or other input	-	665,884	143,994	(1,475,964)
Benefit payments	(953,784)	(1,042,146)	(1,116,172)	(1,214,502)
Net change in total OPEB liability	(372,524)	(1,379,649)	(113,513)	1,880,229
Total OPEB liability - Beginning	11,545,516	12,925,165	13,038,678	11,158,449
Total OPEB liability - Ending	\$ 11,172,992	\$ 11,545,516	\$ 12,925,165	\$ 13,038,678
Covered-employee payroll	\$ 31,240,619	\$ 31,240,619	\$ 33,458,415	\$ 33,458,415
District's total OPEB liability as a percentage of covered-employee payroll	35.76%	36.96%	38.63%	38.97%

Notes to Schedule:

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

Benefit changes: 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 the contribution being frozen in the first year of retirement.

Changes of assumptions: The discount rate was changed to 2.25% in 2021 and 2022, 3.5% in 2020, 3.75% in 2019, and 3.5% in 2018 to be reflective of the 20-year AA municipal bond rates.

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

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

Board of Education
Chippewa Valley Technical College District
Eau Claire, 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 Chippewa Valley Technical College District (the "District") as of and for the years ended June 30, 2022 and 2021, 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 1, 2022. The financial statements of the Chippewa Valley Technical College Foundation, Inc. (the "Foundation"), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

December 1, 2022
Eau Claire, Wisconsin

Supplementary Financial Information

Chippewa Valley Technical College District

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Local government - Property taxes	\$ 14,660,477	\$ 14,660,477	\$ 13,412,951	\$ -	\$ 13,412,951	\$ (1,247,526)
Intergovernmental:						
State	25,647,171	25,647,171	27,792,487	-	27,792,487	2,145,316
Federal	25,000	25,000	24,941	-	24,941	(59)
Tuition and fees:						
Statutory program fees	13,971,710	13,971,710	13,774,171	-	13,774,171	(197,539)
Material fees	800,000	800,000	697,460	-	697,460	(102,540)
Other student fees	1,200,000	1,200,000	1,003,241	-	1,003,241	(196,759)
Institutional	1,400,000	1,400,000	2,097,226	-	2,097,226	697,226
Total revenues	57,704,358	57,704,358	58,802,477	-	58,802,477	1,098,119
Expenditures:						
Instruction	35,935,034	35,935,034	35,103,792	30,904	35,134,696	800,338
Instructional resources	801,011	801,011	668,849	(1,070)	667,779	133,232
Student services	4,342,956	4,342,956	3,903,333	(3,276)	3,900,057	442,899
General institutional	12,719,531	12,976,026	12,909,177	66,849	12,976,026	-
Physical plant	4,779,010	4,522,515	4,096,084	60,519	4,156,603	365,912
Total expenditures	58,577,542	58,577,542	56,681,235	153,926	56,835,161	1,742,381
Excess (deficiency) of revenues over expenditures	(873,184)	(873,184)	2,121,242	(153,926)	1,967,316	2,840,500
Other financing sources (uses):						
Operating transfer in	1,930,000	1,930,000	1,861,816	-	1,861,816	(68,184)
Operating transfer (out)	-	-	(633,747)	-	(633,747)	(633,747)
Total other financing sources (uses)	1,930,000	1,930,000	1,228,069	-	1,228,069	(701,931)
Excess of revenues and other financing sources (uses) over expenditures	1,056,816	1,056,816	3,349,311	(153,926)	3,195,385	2,138,569
Fund balance - Beginning of year	16,037,667	17,437,997	17,802,773	(364,776)	17,437,997	-
Fund balance - End of year	\$ 17,094,483	\$ 18,494,813	\$ 21,152,084	\$ (518,702)	\$ 20,633,382	\$ 2,138,569

Chippewa Valley Technical College District

Special Revenue Aidable Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Local government - Property taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ -	\$ 1,100,000	\$ -
Intergovernmental:						
State	2,094,945	2,094,945	2,413,331	-	2,413,331	318,386
Federal	8,743,604	8,866,474	10,594,312	-	10,594,312	1,727,838
Other student fees	700,000	700,000	773,084	-	773,084	73,084
Institutional	-	-	92,402	-	92,402	92,402
Total revenues	12,638,549	12,761,419	14,973,129	-	14,973,129	2,211,710
Expenditures:						
Instruction	5,768,932	6,341,220	6,840,103	(498,883)	6,341,220	-
Instructional resources	3,426	75,664	72,321	3,343	75,664	-
Student services	1,937,829	3,341,759	3,341,759	-	3,341,759	-
General institutional	3,569,171	1,203,427	1,300,962	(97,535)	1,203,427	-
Physical plant	647,764	1,127,922	1,127,922	-	1,127,922	-
Auxiliary services	40,000	-	-	-	-	-
Total expenditures	11,967,122	12,089,992	12,683,067	(593,075)	12,089,992	-
Excess of revenues over expenditures	671,427	671,427	2,290,062	593,075	2,883,137	2,211,710
Other financing sources (uses):						
Operating transfer in	-	-	81,260	-	81,260	81,260
Operating transfer (out)	(2,690,000)	(2,690,000)	(1,943,660)	-	(1,943,660)	746,340
Total other financing sources (uses)	(2,690,000)	(2,690,000)	(1,862,400)	-	(1,862,400)	827,600
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(2,018,573)	(2,018,573)	427,662	593,075	1,020,737	3,039,310
Fund balance - Beginning of year	3,010,562	(303,104)	354,304	(657,408)	(303,104)	-
Fund balance - End of year	\$ 991,989	\$ (2,321,677)	\$ 781,966	\$ (64,333)	\$ 717,633	\$ 3,039,310

Chippewa Valley Technical College District

Special Revenue Non-Aidable Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Local government - Property taxes	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ 50,000	\$ -
Intergovernmental:						
Federal	8,500,000	13,600,000	13,031,798	-	13,031,798	(568,202)
Institutional	220,000	170,000	297,004	-	297,004	127,004
Total revenues	8,770,000	13,820,000	13,378,802	-	13,378,802	(441,198)
Expenditures:						
Instruction	100,000	95,000	68,333	-	68,333	26,667
Student services	8,600,000	13,655,000	13,287,716	-	13,287,716	367,284
General institutional	-	-	-	-	-	-
Total expenditures	8,700,000	13,750,000	13,356,049	-	13,356,049	393,951
Excess of revenues over expenditures	70,000	70,000	22,753	-	22,753	(47,247)
Fund balance - Beginning of year	231,951	15,060	15,060	-	15,060	-
Fund balance - End of year	\$ 301,951	\$ 85,060	\$ 37,813	\$ -	\$ 37,813	\$ (47,247)

Chippewa Valley Technical College District

Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental:						
State	\$ 192,500	\$ 192,500	\$ 263,735	\$ -	\$ 263,735	\$ 71,235
Federal	623,750	623,750	2,410,213	-	2,410,213	1,786,463
Institutional	300,000	300,000	165,330	-	165,330	(134,670)
Total revenues	1,116,250	1,116,250	2,839,278	-	2,839,278	1,723,028
Expenditures:						
Instruction	1,904,558	5,844,473	5,863,532	(19,059)	5,844,473	-
Instructional resources	600,000	1,198,870	1,003,739	195,131	1,198,870	-
Student services	-	-	-	-	-	-
General institutional	1,900,000	1,920,773	1,692,459	228,314	1,920,773	-
Physical plant	35,370,000	30,810,442	35,337,002	(28,788,858)	6,548,144	24,262,298
Auxiliary services	150,000	150,000	-	-	-	150,000
Total expenditures	39,924,558	39,924,558	43,896,732	(28,384,472)	15,512,260	24,412,298
Excess (deficiency) of revenues over expenditures	(38,808,308)	(38,808,308)	(41,057,454)	28,384,472	(12,672,982)	26,135,326
Other financing sources:						
Proceeds from promissory notes	9,100,000	9,100,000	14,800,000	-	14,800,000	5,700,000
Excess (deficiency) of revenues and other financing sources over expenditures	(29,708,308)	(29,708,308)	(26,257,454)	28,384,472	2,127,018	31,835,326
Fund balance - Beginning of year	32,270,511	3,576,183	37,782,372	(34,206,189)	3,576,183	-
Fund balance - End of year	\$ 2,562,203	\$ (26,132,125)	\$ 11,524,918	\$ (5,821,717)	\$ 5,703,201	\$ 31,835,326

Chippewa Valley Technical College District

Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Local government - Property taxes	\$ 9,700,000	\$ 9,700,000	\$ 9,700,000	\$ -	\$ 9,700,000	\$ -
Institutional	350,800	350,800	404,086	-	404,086	53,286
Total revenues	10,050,800	10,050,800	10,104,086	-	10,104,086	53,286
Expenditures:						
Physical plant	12,540,135	12,540,135	12,012,590	-	12,012,590	527,545
Total expenditures	12,540,135	12,540,135	12,012,590	-	12,012,590	527,545
Excess (deficiency) of revenues over expenditures	(2,489,335)	(2,489,335)	(1,908,504)	-	(1,908,504)	580,831
Fund balance - Beginning of year	5,349,554	5,349,745	5,349,745	-	5,349,745	-
Fund balance - End of year	\$ 2,860,219	\$ 2,860,410	\$ 3,441,241	\$ -	\$ 3,441,241	\$ 580,831

Chippewa Valley Technical College District

Enterprise Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenues:						
Intergovernmental:						
State	\$ 135,000	\$ 167,680	\$ 167,680	\$ -	\$ 167,680	\$ -
Institutional	2,440,998	2,786,471	2,786,471	-	2,786,471	-
Total revenues	2,575,998	2,954,151	2,954,151	-	2,954,151	-
Expenditures:						
Auxiliary services	2,538,354	3,526,781	3,526,778	-	3,526,778	3
Total expenditures	2,538,354	3,526,781	3,526,778	-	3,526,778	3
Excess (deficiency) of revenues over expenditures	37,644	(572,630)	(572,627)	-	(572,627)	3
Other financing sources (uses):						
Operating transfer in	760,000	1,370,274	1,720,800	-	1,720,800	350,526
Operating transfer out	-	-	(1,086,469)	-	(1,086,469)	(1,086,469)
Total other financing sources (uses)	760,000	1,370,274	634,331	-	634,331	(735,943)
Excess of revenues and other financing sources (uses) over expenditures	797,644	797,644	61,704	-	61,704	(735,940)
Net position - Beginning of year	1,137,600	1,300,650	1,300,650	-	1,300,650	-
Net position - End of year	\$ 1,935,244	\$ 2,098,294	\$ 1,362,354	\$ -	\$ 1,362,354	\$ (735,940)

Chippewa Valley Technical College District

Internal Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Favorable (Unfavorable)
Revenue:						
Institutional	\$ 795,000	\$ 795,000	\$ 694,611	\$ -	\$ 694,611	\$ (100,389)
Total revenue	795,000	795,000	694,611	-	694,611	(100,389)
Expenditures:						
Auxiliary services	795,000	795,000	695,336	-	695,336	99,664
Total expenditures	795,000	795,000	695,336	-	695,336	99,664
Excess (deficiency) of revenue over expenditures	-	-	(725)	-	(725)	(725)
Net position - Beginning of year	31,518	(55,689)	(55,689)	-	(55,689)	-
Net position - End of year	\$ 31,518	\$ (55,689)	\$ (56,414)	\$ -	\$ (56,414)	\$ (725)

Chippewa Valley Technical College District

Schedule to Reconcile Budget (Non-GAAP Budgetary Basis) Financial Statements to Basic Financial Statements

Year Ended June 30, 2022

	General Fund	Special Revenue Aidable Funds	Special Revenue Non-Aidable Funds	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Funds	Totals	Reconciling Items	Statement of Revenue, Expenses, and Changes in Net Position
Revenues:										
Local government - Property taxes	\$ 13,412,951	\$ 1,100,000	\$ 50,000	\$ -	\$ 9,700,000	\$ -	\$ -	\$ 24,262,951	\$ -	\$ 24,262,951
Intergovernmental revenue:										
State	27,792,487	2,413,331	-	263,735	-	167,680	-	30,637,233	-	30,637,233 (1)
Federal	24,941	10,594,312	13,031,798	2,410,213	-	-	-	26,061,264	-	26,061,264 (3)
Tuition and fees:										
Program fees	13,774,171	-	-	-	-	-	-	13,774,171	(3,087,567)	10,686,604
Material fees	697,460	-	-	-	-	-	-	697,460	(156,442)	541,018
Other student fees	1,003,241	773,084	-	-	-	-	-	1,776,325	(224,777)	1,551,548
Institutional	2,097,226	92,402	297,004	165,330	404,086	-	-	3,056,048	(194,088)	2,861,960 (2)
Auxiliary services revenue	-	-	-	-	-	2,786,471	694,611	3,481,082	(694,611)	2,786,471
Total revenues	58,802,477	14,973,129	13,378,802	2,839,278	10,104,086	2,954,151	694,611	103,746,534	(4,357,485)	99,389,049
Expenditures:										
Instruction	35,134,696	6,341,220	68,333	5,844,473	-	-	-	47,388,722	(7,226,650)	40,162,072
Instructional resources	667,779	75,664	-	1,198,870	-	-	-	1,942,313	(1,098,566)	843,747
Student services	3,900,057	3,341,759	13,287,716	-	-	-	-	20,529,532	(7,159,782)	13,369,750
General institutional	12,976,026	1,203,427	-	1,920,773	-	-	-	16,100,226	(3,441,439)	12,658,787
Physical plant	4,156,603	1,127,922	-	6,548,144	12,012,590	-	-	23,845,259	(18,664,755)	5,180,504
Auxiliary services	-	-	-	-	-	3,526,778	695,336	4,222,114	(785,304)	3,436,810
Depreciation and amortization	-	-	-	-	-	-	-	-	8,237,452	8,237,452
Student aid	-	-	-	-	-	-	-	-	3,353,732	3,353,732
Interest expense	-	-	-	-	-	-	-	-	1,871,837	1,871,837
Total expenditures	56,835,161	12,089,992	13,356,049	15,512,260	12,012,590	3,526,778	695,336	114,028,166	(24,913,475)	89,114,691
Excess (deficiency) of revenue over expenditures	1,967,316	2,883,137	22,753	(12,672,982)	(1,908,504)	(572,627)	(725)	(10,281,632)	20,555,990	10,274,358
Other financing sources (uses):										
Operating transfers in	1,861,816	81,260	-	-	-	1,720,800	-	3,663,876	(3,663,876)	-
Operating transfers (out)	(633,747)	(1,943,660)	-	-	-	(1,086,469)	-	(3,663,876)	3,663,876	-
Issuance of long-term debt	-	-	-	14,800,000	-	-	-	14,800,000	(14,800,000)	-
Total other financing sources (uses)	1,228,069	(1,862,400)	-	14,800,000	-	634,331	-	14,800,000	(14,800,000)	-
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	3,195,385	1,020,737	22,753	2,127,018	(1,908,504)	61,704	(725)	4,518,368	5,755,990	10,274,358
Fund balance/net position - Beginning of year, as restated	17,437,997	(303,104)	15,060	3,576,183	5,349,745	1,300,650	(55,689)	27,320,842	24,915,381	52,236,223
Fund balance/net position - End of year	\$ 20,633,382	\$ 717,633	\$ 37,813	\$ 5,703,201	\$ 3,441,241	\$ 1,362,354	\$ (56,414)	\$ 31,839,210	\$ 30,671,371	\$ 62,510,581

Chippewa Valley Technical College District

Schedule to Reconcile Budget (Non-GAAP Budgetary Basis) Financial Statements to Basic Financial Statements (Continued)

Year Ended June 30, 2022

- (1) Intergovernmental revenue – State is reported as two separate line items on the basic financial statements:

State grants	\$ 2,844,746
State operating appropriations	<u>27,792,487</u>
	<u>\$ 30,637,233</u>

- (2) Institutional revenue is reported as four separate line items on the basic financial statements:

Business and industry contract revenue	\$ 1,286,002
Other operating revenues	918,788
Other non-operating revenues	378,385
Investment income earned	<u>278,785</u>
	<u>\$ 2,861,960</u>

- (3) Intergovernmental revenue - Federal is reported as two separate line items on the basic financial statements:

Federal Grants	\$ 11,571,790
COVID-19 federal funding	<u>14,489,474</u>
	<u>\$ 26,061,264</u>