

Mid-State Technical
College District

Wisconsin Rapids, Wisconsin

Financial Report

Year Ended 6/30/2022

Mid-State Technical College

Financial Statements and Supplementary Financial Information

Year Ended June 30, 2022

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Mid-State Technical College

Financial Statements and Supplementary Financial Information

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Independent Auditor's Report

Board of Directors
Mid-State Technical College
Wisconsin Rapids, Wisconsin

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the Mid-State Technical College (the "College"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College'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, the discretely presented component unit, and the aggregate remaining fund information of the Mid-State Technical College, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Required Supplementary Information

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

Supplementary Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The schedules of revenues, expenditures and changes in fund balance - budget (non-GAAP budgetary basis) and actual, schedules of revenues, expenses and changes in net position - budget (non-GAAP budgetary basis) and actual, and the schedule to reconcile budget (non-GAAP Budgetary) basis financial statements to the statement of revenues, expenses, and changes in net position are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration, and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Summarized Financial Information

We have previously audited the College's 2021 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 17, 2021. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2022, on our consideration of the Mid-State Technical College'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 College'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 College's internal control over financial reporting and compliance.



Wipfli LLP
Madison, Wisconsin
December 27, 2022

Management Discussion and Analysis

Management's Discussion and Analysis

Years Ended June 30, 2022

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

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

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

Statement of Revenues, Expenses, and Changes in Net Position

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

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

	2022	2021	Net Position Increase (Decrease) 2022-2021
Operating revenues	\$ 15,213,854	\$ 15,169,114	\$ 44,740
Operating expenses	(44,321,705)	(42,263,496)	(2,058,209)
Net nonoperating revenues	35,497,371	30,969,668	4,527,703
Change in net position	6,389,520	3,875,286	2,514,234
Net position - Beginning of year	27,257,008	23,381,722	3,875,286
Net position - End of year	\$ 33,646,528	\$ 27,257,008	\$ 6,389,520

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

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

- Operating revenues are the charges for services offered by the College. During 2022, the College generated more than \$15 million of operating revenue, which is an increase of approximately \$.3 million or 0.3% compared to 2021. Significant items and revenue sources are as follows:
 - Total revenue from program, material, and other student fees was approximately \$4.4 million. This is a decrease of approximately \$.5 million or 10.7% from the prior year.
 - Over \$7.4 million in operating revenue from state and federal grants was received by Mid-State Technical College during the year. This is an increase of approximately \$.3 million or 4.4% from the prior year.
 - Contract revenue was approximately \$1.4 million for the year and represents revenue from instructional and technical assistance contracts with business and industry as well as local school districts. This is an increase of approximately \$.4 million or 34.7% from the prior year.
 - Auxiliary services revenue includes revenues generated by the bookstore, cafeteria, leased facilities, and other similar activities of Mid-State Technical College. Revenue of approximately \$1.1 million was generated by these activities this year. This is an increase of approximately \$.1 million or 12.9% from the prior year.
 - The table below depicts the College's operating revenue by source:

	2022	2021
Tuition and fees	29.18 %	32.77 %
Federal and state grants	48.83	47.76
Contracts	9.34	6.96
Auxiliary	7.40	6.58
Other	5.25	5.93
Total operating revenues by source	100.00 %	100.00 %

- Operating expenses are costs related to offering the programs of Mid-State Technical College. During 2022, operating expenses totaled approximately \$44.6 million. This is an increase of about \$2.4 million or 5.6% from the prior year and is primarily a result of more student aid payments based on grants available from the federal government. The majority of Mid-State Technical College's expenses, about 60.9%, are for personnel-related costs. Other major types of expenses include supplies – 1.9%, contracted services – 5.5%, and depreciation – 9.4%. Expenses such as travel, rentals, insurance, utilities, and other expenses account for the remaining 22.3% of total operating expenses.

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

- The table below depicts the College's operating expenses by function:

	2022	2021
Instruction	42.14 %	42.12 %
Instructional resources	2.38	2.64
Student services	10.49	8.26
General institutional	14.16	14.68
Physical plant	2.57	3.43
Auxiliary services	2.72	2.19
Depreciation	9.40	11.69
Student aid	16.14	14.99
Total operating expenses by function	100.00 %	100.00 %

- Nonoperating revenues and expenses are items not directly related to providing instruction. Net nonoperating revenue for the year ended June 30, 2022, was \$35.5 million. The most significant components of net nonoperating revenues include the following:
 - Property taxes levied by Mid-State Technical College for the year were approximately \$13.9 million. This is an increase of approximately \$.04 million from the prior year.
 - Federal grants accounted for approximately \$5.9 million in revenue in 2022. This is an increase of approximately \$3.5 million or 153.5% percent from the prior year.
 - State nonoperating appropriations accounted for approximately \$16.3 million in revenue in 2022. This is a increase of approximately \$1.0 million or 6.2 percent from the prior year.
 - Interest expense of \$619,261 was recorded by Mid-State Technical College this year. This is a decrease of \$47,200 or 7.0% percent from the prior year.
 - Net position at June 30, 2022, was \$33,646,528 as a result of the above activity. This is an increase of \$6.4 million from the prior year.

Statement of Cash Flows

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

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

	2022	2021	Cash Increase (Decrease) 2022-2021
Net cash used in operating activities	\$ (27,355,071)	\$ (24,777,647)	\$ (2,577,424)
Net cash provided by non capital financing activities	36,209,747	31,705,956	4,503,791
Net cash used in capital and related financing activities	(7,874,201)	(11,285,935)	3,411,734
Net cash provided by investing activities	29,531	10,810	18,721
Net increase (decrease) in cash and cash equivalents	\$ 1,010,006	\$ (4,346,816)	\$ 5,356,822

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

- The largest component of cash used in operating activities was payments to employees for salaries/wages and benefits, which generally increase on a yearly basis. Over \$29.1 million was paid compared to \$29.3 million in the prior year.
- Another significant component of operating cash flows was payments to suppliers. This cash outflow of approximately \$13.7 million represents the costs of doing business compared to \$10.8 million in the prior year.

The largest cash inflows from operating activities included approximately \$4.5 million in tuition and fees, a decrease of 12.4% from the prior year, and over \$7.4 million in state and federal grants, an increase of 2.6% from the prior year.

- All property taxes received, approximately \$14.0 million this year, are categorized as cash flows from noncapital financing activities. This remained approximately the same as the prior year. The other major item in this category is state appropriations, which accounted for \$16.3 million of positive cash flow. This is a increase of 6.2% from the prior year.
- The cash used in capital and related financing activities is primarily made up of two categories of cash flows: purchases of capital assets and capital-related debt activity (debt proceeds and principal and interest payments).

Investment income is interest received on the College's investments.

Statement of Net Position

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

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

	2022	Restated 2021	Net Position Increase (Decrease) 2022-2021
ASSETS			
Cash and investments	\$ 12,141,285	\$ 11,969,389	\$ 171,896
Restricted cash and investments	2,327,174	1,489,064	838,110
Net capital assets	40,882,475	40,002,808	879,667
Restricted net pension asset	8,026,889	6,367,718	1,659,171
Net other post-employment benefits asset	2,290,620	3,126,816	(836,196)
Other assets	8,324,501	8,615,686	(291,185)
TOTAL ASSETS	\$ 73,992,944	\$ 71,571,481	\$ 2,421,463
DEFERRED OUTFLOWS OF RESOURCES			
Loss on advance refunding	\$ 120,731	\$ 148,067	\$ (27,336)
Pension plan - WRS	14,980,293	9,870,915	5,109,378
OPEB - College plan	569,548	910,124	(340,576)
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 15,670,572	\$ 10,929,106	\$ 4,741,466
LIABILITIES			
Other liabilities	\$ 5,920,623	\$ 6,484,514	\$ (563,891)
Long-term obligations	30,802,087	32,844,370	(2,042,283)
TOTAL LIABILITIES	\$ 36,722,710	\$ 39,328,884	\$ (2,606,174)
DEFERRED INFLOWS OF RESOURCES			
Pension plan - WRS	\$ 18,897,182	\$ 13,947,845	\$ 4,949,337
OPEB - College plan	397,096	1,966,850	(1,569,754)
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 19,294,278	\$ 15,914,695	\$ 3,379,583
NET POSITION			
Net investment in capital assets	\$ 17,197,987	\$ 15,641,342	\$ 1,556,645
Restricted for debt service	521,889	165,560	356,329
Restricted for capital projects	1,569,783	1,058,838	510,945
Restricted for pension benefits	10,317,509	9,494,534	822,975
Unrestricted	4,039,360	896,734	3,142,626
TOTAL NET POSITION	\$ 33,646,528	\$ 27,257,008	\$ 6,389,520

Statement of Net Position (Continued)

A more detailed analysis would reveal the following facts:

- As shown above, the largest component of Mid-State's assets is capital assets. Total cost of capital assets net of accumulated depreciation at June 30, 2022 and 2021, was approximately \$40.9 million and \$40.0 million, respectively.
- The other assets category is primarily made up of various receivable balances, the largest being property taxes and student fees receivable of approximately \$3.5 million and \$3.3 million, respectively. Property taxes decreased \$.1 million from the prior year and there was an decrease in student fees of 9.0% from the prior year.
- Other liabilities include accounts payable, various types of accruals and accrued interest. At year-end, the amount was \$5.9 million. This is a decrease of \$0.6 million or 8.7% from the prior year.
- Long-term liabilities of \$30.8 million include long-term debt (\$28.0 million), compensated absences (\$1.4 million), and debt premium (\$1.4 million). This is a decrease of approximately \$2.0 million or 6.2% from the prior year.

Capital Assets and Debt Administration

Mid-State's investment in capital assets as of June 30, 2022, amounts to \$40,882,475 (net of accumulated depreciation). This includes land and land improvements, buildings and improvements, and movable equipment. Information on Mid-State's capital assets can be found in Note 3.

At the end of the 2022 fiscal year, Mid-State Technical College had total general obligation debt outstanding of \$27,480,000 and \$527,407 in leases. Mid-State Technical College has continued to meet all of its debt service requirements. All general obligation debt for equipment is repaid in five years, while debt related to building and remodeling is repaid in 5 to 10 years. The debt is secured by the full faith and credit of the unlimited taxing powers of Mid-State Technical College. The current debt adequately replaces and expands the equipment and facility needs of Mid-State Technical College. Additional information on Mid-State Technical College's long-term debt can be found in Note 4.

Financial Position

For the year ended June 30, 2022, Mid-State Technical College's financial position improved with an increase in net position of \$6,389,520. Mid-State Technical College has diversified sources of revenue consisting of property taxes, state aid, student fees, federal and state grants, and other sources of revenue. With this diversity of revenues along with a strong commitment to operating efficiently, Mid-State Technical College will continue to have the resources available to adequately finance enrollment in the future.

Economic Factors

Mid-State Technical College, one of 16 colleges in the Wisconsin Technical College System, is a leading provider of higher education offering more than 100 associate degrees, technical diplomas, and certificates. Student-focused and community-based, Mid-State Technical College serves a resident population of approximately 172,421 in central Wisconsin with campuses in Marshfield, Stevens Point, Wisconsin Rapids, and Adams.

According to the most recent Graduate Employment Survey.

- 92% of alumni are employed within six months after graduation.
- 76% of graduates work in the Mid-State Technical College District comprising all or portions of Adams, Clark, Jackson, Juneau, Marathon, Portage, Waushara, and Wood Counties.

The College district has several known large business expansions underway. Here are a number of notable projects by campus community that represent a portion of the community development taking place in Mid-State's district:

Adams area:

- Sand Valley Golf Course Expansion and Housing Development was announced as part of the LIDO Conservancy project. The site is on 850 acres adjacent to Sand Valley is home to an estimated 13M in golf course expansion supported by 31M in housing development throughout the future to total a 44M investment in the Town of Rome in Adams County. The new 13 holes of preview play will be available next summer and full opening in 2023.
- YMCA has announced a Grand Opening of their new 6,600 sq.ft. facility in the town of Adams.
- Ace Hardware finalized expansion into the 40,000 sq.ft. vacant Shopko building.
- Property Works has announced a new workshop and storage yard in the city of Adams.

Marshfield area:

- Nelson Jameson - completed their expansion into the vacated Figi's headquarters adding 64,000 sq.ft. of office space
- Vandehey Waters Outdoor Aquatic Center opened to the community in July 2021.
- Marshfield Utilities Project-a 50,000 sq. ft. enhancement is under construction

Stevens Point /Plover area:

The Stevens Point and Plover area saw an increase in development with 1,495 permits issued with a total construction value of almost \$155 million and a corresponding permit fee revenue of \$370,000 in 2021. Projects included:

- Northside Yard Construction Apartments construction is finishing up for a 159-unit complex of studio apartments, one-bedroom and two-bedroom apartments renting in January 2022.
- Delta Dental is nearly complete with their 133,000 sq.ft. facility which will add potential employee capacity gain of 450.
- UWSP Student upscale student housing, The Reserve, was made available in Fall 2021 and was a renovation of the old Shopko building.
- The Berkshire Stevens Point, an 88-unit, 55+ affordable senior housing complex has been recently completed and is now leasing.
- The final steel was placed over the summer for the new 52,000 sq.ft. Marshfield Medical Center which estimates to be patient ready in the spring of 2022.

- The Shopko in Plover was sold and has been redeveloped into generational social experience called Artist and Fare. Tenants include Mission Coffee, Mikey's, and Oso Brewery.
- Expansions for local corporations: Ortho Molecular and Lineage Logistics have been completed (almost 300,000 sq.ft.)
- Marten Machining has recently moved into their new 53,000 sq.ft., 7M new facility to allow their company to grow.
- Stevens Point Area School District has completed some improvements made possible by their 2018 \$76M Bond Referendum, specifically: SPASH CTE Expansion, Jefferson Elementary Addition and Madison Elementary Addition

Wisconsin Rapids area:

The Wisconsin Rapids area continues to work with state legislators and Verso to attract a suitable buyer for the now vacated Verso Paper Mill. Community projects include:

- Starbucks opened a new location in Wisconsin Rapids and Caribou Coffee announced plans to open a 600 sq ft. coffee shop
- WR High School District in their referendums passed and include:
 - 2M for technology and curriculum updates
 - 34M for district wide school building and facility improvement project.
- Wood County approved a new 58M jail facility.
 - The Wood County Board approved to allow for the borrowing of \$61.5 million for the project.

Now, more than ever, local businesses, government and education institutions are collaborating in economic development partnerships, may supported by different forms of pandemic assistance dollars. Historically and consistently, Mid-State Technical College has served as a key player in the economy of central Wisconsin, and again the College is stepping forward to create value as the underlying nature of the region's economy transforms. The College district resides in the state's Centergy economic development region and has a presence on the board of directors. The college also has a strong presence in the Portage County Business Council, the Heart of the North Chamber of Commerce, the Marshfield Area Chamber of Commerce & Industry, and the Adams Chamber of Commerce. The College has been involved in rapid response teams both providing information and support to new and expanding businesses as well as services to dislocated employees.

The Mid-State Technical College District Board has remained committed to maintaining College programs and services. As a fiscal strategy, the college reallocates resources, and pursues opportunities that represent the greatest community need.

The following are some of the strategies deployed that have contributed to positive college outcomes and fiscal strength:

- Implementing new academic programs that meet employers' current and future needs.
- Accessing local, state, and federal grant monies to offset programming costs
- Exploring additional revenue streams such as facility rental opportunities
- Suspending and/or eliminating programs that experience consistently low enrollment and job placement
- Reassessing positions and changing responsibilities as vacancies arise, resulting in intermittent savings.
- Eliminating staff positions through attrition, when possible.
- Continuously exploring means of slowing the growth in health insurance costs.
- Continued management of faculty workloads, adjunct budgets, optimal class sizes, and student retention
- Exercising greater scrutiny over perceived needs and spending.
- Stressing tighter budgetary management and control with managers.
- Enhanced energy saving mechanisms throughout facilities, resulting in reduced heating and cooling costs, e.g., implemented four day work week during the summer session.

Mid-State Technical College has expanded its efforts to reverse the historic negative trend in enrollments and student fee revenue with an aggressive enrollment strategy. Early result showed a decrease in enrollment which was a continuation of the pandemic from Spring of 2020 which the college considers an anomaly. In addition to improving the enrollment strategy, the college implemented changes and software to assist advising services therefore increasing student success and retention. The 2021 academic year had a FTE decrease of less than 1%, from the previous year.

Many of the past funding and budgeting pressures will continue to have an impact on the College. These include:

- Tighter tax levy constraints.
- Maintaining affordable tuition and student fees.
- Proposed legislation to shift or eliminate federal and state grants.
- Need to maintain strong enrollments and demand for programs.
- Rising health insurance costs.
- Adequate funding for post-employment benefits.
- Need to keep salary and benefits competitive to maintain and attract professional staff.
- Need to keep up with technology.
- Need to maintain and improve aging facilities

Specific to this fiscal year, the Coronavirus continued significant financial implications to the College. In fiscal year 2020, the college advanced spring break through Friday March 27, 2020. This was a strategy used to provide “uninterrupted education” during the pandemic, approximately 80% of the classes, those that allowed for online or virtual programming. During this Phase 1 of the pandemic, expenditures were made in the areas of: 1.) critical virtual equipment and software, 2.) student simulation trainers and kits and 3.) communication software. In late May 2020, select face-to-face courses resumed in a small in-person environment allowing students to finish the spring semester courses, and many to graduate.

Phase II of the strategy began on June 1, 2020 with the summer term. Classes and services were offered in three modes: online, virtual, or small-in person. A comprehensive harm reduction protocol was implemented covering six essential elements: 1.) building readiness, 2.) staff & student readiness, 3.) control access readiness, 4.) social distancing readiness, 5.) campus hygiene readiness and 6.) communication readiness. The online and virtual education, as well as, the student service expenses continued and now include additional class sections following social distancing protocol. Additionally, the college absorbed additional expenses due to 1) significant cleaning and disinfecting costs and 2) lost production for employees with the safer at home order and their responsibilities not positioned for offsite work.

Phase III of the strategy began on August 2, 2020, by reengaging staff with in-person opportunities while providing social distancing standards. The fall term began in late August 2020, with modalities that best fit the student needs and the course requirements. The continued emphasis of the 6 comprehensive harm reduction protocols followed by staff and students assisted in providing a teaching and learning environment that continued the success of the students’ educational journey.

To help offset the operational expenses of uninterrupted education during a pandemic, the college was awarded the following federal, state, and miscellaneous grants and allocations:

HEERF Act Strengthening Institution Grant	\$ 470,420
Governor Emergency Education Relief	305,678
HEERF College Relief Aid	6,270,250
District Mutual Insurance Covid Assistance	50,000
Insurance Trust	11,775
Total	\$ 7,108,123

Additionally, students were supported by HEERF student emergency grant allocations of \$4,493,164. In summary, for FY2022, the College was able to cover all expenses due to the pandemic with pandemic related grant and allocation funding.

Despite the budgetary challenges, Mid-State Technical College deploys effective financial strategies that enable the College to meet its mission of transforming lives through the power of teaching and learning.

Summary

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

Contacting Mid-State's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of Mid-State's finances and to demonstrate Mid-State Technical College's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Vice President of Finance and Facilities, Mid-State Technical College, 500 32nd Street North, Wisconsin Rapids, Wisconsin 54494.

Basic Financial Statements

Mid-State Technical College

Statement of Net Position

June 30, 2022 with Comparative Amounts as of June 30, 2021

<i>Assets and Deferred Outflows of Resources</i>	College		Foundation	
	2022	Restated 2021	2022	2021
Current assets:				
Cash and investments	\$ 12,141,285	\$ 11,969,389	\$ 4,381,292	\$ 1,825,534
Receivables:				
Local Taxes	3,496,348	3,618,994	-	-
Accounts and other receivables, net of allowance for uncollectible accounts	977,670	851,145	479,394	395,700
Student fees, net of reserve	3,307,782	3,608,141	-	-
Inventories	521,728	493,904	-	-
Prepaid expenses	20,973	43,502	-	-
Total current assets	20,465,786	20,585,075	4,860,686	2,221,234
Noncurrent assets:				
Restricted cash and investments	2,327,174	1,489,064	-	-
Investments	-	-	3,525,188	4,297,580
Beneficial interest in assets held by community foundation	-	-	28,121	31,598
Pledges receivable, net of discounts and allowances	-	-	637,500	280,000
Restricted net pension asset - WRS	8,026,889	6,367,718	-	-
Restricted net OPEB asset- College plan	2,290,620	3,126,816	-	-
Capital assets, not being depreciated	469,036	896,420	569,000	-
Capital assets, being depreciated	94,302,776	88,868,062	-	-
Accumulated depreciation	(53,889,337)	(49,761,674)	-	-
Total noncurrent assets	53,527,158	50,986,406	4,759,809	4,609,178
Total assets	73,992,944	71,571,481	9,620,495	6,830,412
Deferred outflows of resources:				
Loss on advance refunding	120,731	148,067	-	-
Related to pensions - WRS	14,980,293	9,870,915	-	-
Related to OPEB - College plan	569,548	910,124	-	-
Total deferred outflows of resources	15,670,572	10,929,106	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 89,663,516	\$ 82,500,587	\$ 9,620,495	\$ 6,830,412

Mid-State Technical College

Statement of Net Position (Continued)

June 30, 2022 with Comparative Amounts as of June 30, 2021

<i>Liabilities, Deferred Inflows of Resources, and Net Position</i>	College		Foundation	
	2022	Restated 2021	2022	2021
Liabilities:				
Current liabilities:				
Accounts payable	\$ 545,569	\$ 1,072,867	\$ -	\$ -
Accrued payroll liabilities	1,976,083	1,740,311	-	-
Accrued interest	235,502	264,666	-	-
Unearned revenue	3,163,469	3,406,670	-	-
Current portion of long-term obligations	4,897,348	6,790,318	-	-
Total current liabilities	10,817,971	13,274,832	-	-
Noncurrent liabilities:				
Compensated absences	1,439,512	1,274,127	-	-
Lease obligation	395,059	527,407	-	-
Debt premium	1,355,168	1,202,518	-	-
General obligation debt	22,715,000	23,050,000	-	-
Total noncurrent liabilities	25,904,739	26,054,052	-	-
Total liabilities	36,722,710	39,328,884	-	-
Deferred inflows of resources:				
Related to OPEB - College plan	397,096	1,966,850	-	-
Related to pensions - WRS	18,897,182	13,947,845	-	-
Total deferred inflows of resources	19,294,278	15,914,695	-	-
Net position:				
Net investment in capital assets	17,197,987	15,641,342	-	-
Restricted - nonexpendable	-	-	2,425,632	2,325,471
Restricted for:				
Debt service	521,889	165,560	-	-
Capital projects	1,569,783	1,058,838	-	-
Scholarships and other activities	-	-	6,557,165	2,936,155
OPEB and pension benefits	10,317,509	9,494,534	-	-
Unrestricted	4,039,360	896,734	637,698	1,568,786
Total net position	33,646,528	27,257,008	9,620,495	6,830,412
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 89,663,516	\$ 82,500,587	\$ 9,620,495	\$ 6,830,412

See accompanying notes to financial statements

Mid-State Technical College

Statement of Revenues, Expenses, and Changes in Net Position

Year Ended June 30, 2022 with Comparative Amounts for the Year Ended June 30, 2021

	College		Foundation	
	2022	2021	2022	2021
Operating Revenues:				
Student program fees - Net of scholarship allowance of \$1,678,633 and \$1,426,654, respectively	\$ 3,865,033	\$ 4,235,088	\$ -	\$ -
Student material fees - Net of scholarship allowance of \$83,009 and \$70,161, respectively	191,128	214,421	-	-
Other student fees - Net of scholarship allowance of \$286,054 and \$264,282, respectively	382,399	523,090	-	-
Federal grants	6,009,338	6,304,103	-	-
State grants	1,419,916	940,753	-	-
Contract revenue	1,421,355	1,055,145	-	-
Auxiliary service revenue	1,126,043	997,407	-	-
Other miscellaneous revenues	798,642	899,107	4,080,272	2,661,197
Total operating revenues	15,213,854	15,169,114	4,080,272	2,661,197
Operating Expenses:				
Instruction	18,683,103	17,808,103	-	-
Instructional resources	1,053,225	1,114,588	-	-
Student services	4,648,641	3,490,324	-	-
General institutional	6,274,000	6,202,855	635,530	655,548
Physical plant	1,140,698	1,448,618	-	-
Auxiliary services	1,204,688	926,122	-	-
Depreciation	4,165,777	4,938,909	-	-
Student aid	7,151,573	6,333,977	-	-
Total operating expenses	44,321,705	42,263,496	635,530	655,548
Operating income (loss)	(29,107,851)	(27,094,382)	3,444,742	2,005,649
Nonoperating revenues (expenses):				
Property taxes	13,912,788	13,957,708	-	-
Federal grants	5,864,789	2,313,904	-	-
State nonoperating appropriations	16,309,524	15,353,707	-	-
Investment income earned (loss)	29,531	10,810	(654,659)	958,360
Interest expense	(619,261)	(666,461)	-	-
Net nonoperating revenue	35,497,371	30,969,668	(654,659)	958,360
Change in net position	6,389,520	3,875,286	2,790,083	2,964,009
Net position- Beginning of year	27,257,008	23,381,722	6,830,412	3,866,403
Net position - End of year	\$ 33,646,528	\$ 27,257,008	\$ 9,620,495	\$ 6,830,412

See accompanying notes to financial statements.

Mid-State Technical College

Statement of Cash Flows

Year Ended June 30, 2022 with Comparative Amounts for the Year Ended June 30, 2021

	2022	2021
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities:		
Tuition and fees received	\$ 4,495,718	\$ 5,130,174
Federal and state grants received	7,429,254	7,244,856
Contract revenue received	1,294,830	1,058,435
Payments to employees	(28,807,872)	(29,268,045)
Payments for materials and services	(13,691,686)	(10,839,581)
Auxiliary enterprise revenues received	1,126,043	997,407
Other receipts	798,642	899,107
Net cash from operating activities	(27,355,071)	(24,777,647)
Cash flows from noncapital financing activities:		
Local property taxes	14,035,434	14,038,345
Federal grants received	5,864,789	2,313,904
State appropriations	16,309,524	15,353,707
Net cash from noncapital financing activities	36,209,747	31,705,956
Cash flows from capital and related financing activities:		
Purchases of capital assets	(5,045,444)	(4,834,411)
Proceeds from issuance of capital debt	9,075,000	1,000,000
Premium received on debt issuance	369,931	64,196
Principal paid on lease obligation	(53,648)	-
Principal paid on financed purchase obligation	(1,061,670)	(900,000)
Principal paid on capital debt	(10,320,000)	(5,750,000)
Interest and fiscal charges paid on capital debt	(838,370)	(865,720)
Net cash from capital and related financing activities	(7,874,201)	(11,285,935)
Cash flows from investing activities:		
Investment income received	29,531	10,810
Net cash from investing activities	29,531	10,810
Net increase (decrease) in cash and cash equivalents	1,010,006	(4,346,816)
Cash and cash equivalents - Beginning of year	13,458,453	17,805,269
Cash and cash equivalents - End of year	\$ 14,468,459	\$ 13,458,453

Mid-State Technical College

Statement of Cash Flows (Continued)

Year Ended June 30, 2022 with Comparative Amounts for the Year Ended June 30, 2021

	2022	2021
Reconciliation of cash and cash equivalents to statement of net position		
Cash and cash equivalents	\$ 12,141,285	\$ 11,969,389
Restricted cash and cash equivalents	2,327,174	1,489,064
Total	\$ 14,468,459	\$ 13,458,453
Reconciliation of operating loss to net cash from operating activities:		
Operating loss	\$ (29,107,851)	\$ (27,094,382)
Adjustments to reconcile operating loss to net cash from operating activities:		
Depreciation	4,165,777	4,938,909
Change in assets, liabilities, deferred outflows and inflows of resources:		
Accounts and other receivables	(126,525)	3,290
Student fees	300,359	(453,134)
Inventories	(27,824)	(73,083)
Prepaid expenses	22,529	69,409
Net pension asset - WRS	(1,659,171)	(3,070,210)
Net OPEB asset	836,196	(2,867,766)
Deferred outflows related to pension/OPEB	(4,768,802)	(2,394,691)
Accounts payable	(527,298)	344,126
Accrued payroll liabilities	235,772	(177,834)
Unearned revenue	(243,201)	610,709
Compensated absences	165,385	(254,721)
Deferred inflows related to pension/OPEB	3,379,583	5,641,731
Net cash from operating activities	\$ (27,355,071)	\$ (24,777,647)

See accompanying notes to financial statements.

Mid-State Technical College

Statement of Fiduciary Net Position

June 30, 2022 with Comparative Amounts as of June 30, 2021

	2022	2021
Assets		
Investments	\$ 6,438,052	\$ 7,837,280
Net position available for benefits	\$ 6,438,052	\$ 7,837,280

See accompanying notes to financial statements

Mid-State Technical College

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022 with Comparative Amounts for the Year Ended June 30, 2021

	2022	2021
Additions		
Investment income	\$ (1,099,228)	\$ 1,602,391
Contributions - employer	588,798	1,034,806
Total additions	(510,430)	2,637,197
Deductions		
Benefit payments	888,798	1,034,806
Change in net position	(1,399,228)	1,602,391
Net position, beginning of year	7,837,280	6,234,889
Net position, end of year	\$ 6,438,052	\$ 7,837,280

See accompanying notes to financial statements

Mid-State Technical College

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Introduction

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

Reporting Entity

The Mid-State Technical College (commonly known as the College) was organized in 1911 under state legislation. The College is fully accredited by the Higher Learning Commission of the North Central Association Commission on Accreditation and School Improvement. The geographic area of the College is comprised of all or part of 8 counties.

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

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

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

The Mid-State 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 College and its students. Since the Foundation's resources are entirely for the benefit of College and its students, the Foundation has a history of supporting the College with its economic resources, and the financial resources of the Foundation are significant to the College as a whole, the Foundation is presented as a discretely presented component unit of the College.

Separately issued financial statements of the Foundation may be obtained from the Mid-State Technical Foundation, Inc., 500 32nd Street North, Wisconsin Rapids, Wisconsin 54494-5599.

Mid-State Technical College

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

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

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

Deposits and Investments

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

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

All investments are stated at fair market value. Investment income includes changes in fair value of investments, interest, and realized gains and losses.

Restricted Assets

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

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.

Mid-State Technical College

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables

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

Inventories and Prepaid Expense

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

Capital Assets

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

Capital assets are depreciated using the straight-line method mid-year convention over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared no longer needed by the College, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 4 to 10 years for equipment, 40 to 50 years for site improvements, and 40 to 50 years for buildings.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend the asset's life is not capitalized. Major outlays for capital assets and improvements are capitalized as the projects are constructed.

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

Mid-State Technical College

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the district-wide financial statements. The College also has deferred outflows related to pension and other postemployment benefit activity.

In addition to liabilities, the statement 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College has deferred inflows related to pension and other postemployment benefit activity.

Accumulated Unpaid Sick Pay and Other Employee Benefit Amounts

Vacation - College employees are granted vacation in varying amounts, based on length of service and staff classifications that can accumulate. Liabilities for vacation are salary-related payments, including social security taxes, are recorded when incurred. When an employee leaves the College, that employee is entitled to 100% of accumulated vacation days.

Sick Leave - Exempt and faculty employees who are age 55 as of June 30th, may retire early subject to fulfilling a years of service requirement. College employees hired before July 1, 2016, may opt to utilize their unused sick leave for payment of their group health and dental insurance premiums at early or normal retirement age. The College accounts for the sick pay expense as it is earned.

Mid-State Technical College

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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

Postemployment Benefits - College employees hired before July 1, 2016 who have at least 10 to 15 years of service at the College and have applied for a Wisconsin Retirement System annuity are eligible to receive group health insurance benefits funded by the College in an amount based on the number of full years of service to the College. Coverage does not extend beyond the retiree's eligibility for Medicare.

College Pension Plan

College employees participate in the Wisconsin Retirement System (WRS). For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

Net Position

Net position is classified according to restrictions or availability of assets for the College's obligations. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Unspent portions of capital-related debt proceeds are not included in this category. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the College's policy to use externally restricted resources first.

Property Tax Levy

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

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

Mid-State Technical College

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property Tax Levy (Continued)

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

Operating purposes	\$ 0.50904
Debt service requirements	0.44822
<hr/>	
Total	\$ 0.95726

State and Federal Revenues

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

Tuition and Fees

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

Scholarship Allowances and Student Financial Aid

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

Mid-State Technical College

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

GASB 87 Lease Accounting

The College is a lessee in multiple noncancelable operating and financing leases. If the contract provides the College the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the 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 lease liability is initially and subsequently recognized based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or a rate. Increases (decreases) to variable lease payments due to subsequent changes in an index or rate are recorded as variable lease expense (income) in the future period in which they are incurred.

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

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. Operating leases with fluctuating lease payments: For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, the College has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the College is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. The College recognizes short-term lease cost on a straight-line basis over the lease term.

New Accounting Pronouncement

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. The statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. There was no impact on beginning net position or fund balance as a result of this statement.

Mid-State Technical College

Notes to Financial Statements

Note 2: Cash and Investments

The College's cash and investment balances at June 30, 2022 were as follows:

	Amount	Fair Value Level	Average Maturity
Deposits with financial institutions	\$ 2,024,542	N/A	N/A
Cash on hand	12,750	N/A	N/A
Investments:			
Wisconsin Local Government Investment Pool	12,431,167	N/A	<30 days average
Money market funds	444,711	Level 2	<30 days average
Mutual funds - equity	4,211,749	Level 1	N/A
Mutual funds - fixed income	1,781,592	Level 1	6.38 years
Total	\$ 20,906,511		

The College's cash and investment balances as shown in the basic financial statements are as follows:

Government-wide statement of net position	
Cash and investments - unrestricted	\$ 12,141,285
Restricted cash and investments for:	
Debt service	757,391
Capital projects	1,569,783
Fiduciary fund statement of net position	
Investments	6,438,052
Total	\$ 20,906,511

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a deposit policy for custodial credit risk. As of June 30, 2022, \$1,059,159 of the College's bank balance of \$2,149,164 was exposed to custodial credit risk as uninsured and uncollateralized.

Investments

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

Mid-State Technical College

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The College's investment policy limits the maturity of any security to not extend beyond any recognized unfunded cash needs of the College.

Credit Risk: State Statute limits investments in fixed income securities to the top two ratings issued by nationally recognized statistical rating organizations. Ratings are not required, or available, for the money market funds, mutual funds - equity, and mutual funds - fixed income. The College has no investment policy that would further limit its investment choices.

Credit Risk: The College has 66% of investments held in Wisconsin Local Government Investment Pool.

Mid-State Technical College

Notes to Financial Statements

Note 3: Capital Assets

Capital asset balances and activity for the year ended June 30, 2022, were as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	\$ 291,312	\$ -	\$ -	\$ 291,312
Construction in progress	605,108	177,724	(605,108)	177,724
Total capital assets not being depreciated	896,420	177,724	(605,108)	469,036
Capital assets being depreciated:				
Land Improvements	4,337,759	616,400	-	4,954,159
Buildings and Building Improvements	51,354,020	2,448,550	-	53,802,570
Equipment	32,595,228	2,407,376	(37,612)	34,964,992
Right of Use Assets	581,055	-	-	581,055
Total capital assets being depreciated	88,868,062	5,472,326	(37,612)	94,302,776
Less accumulated depreciation/amortization for:				
Land Improvements	1,144,556	98,134	-	1,242,690
Buildings and Building Improvements	22,811,084	1,266,423	-	24,077,507
Equipment	25,806,034	2,684,507	(37,612)	28,452,929
Right of Use Assets	-	116,211	-	116,211
Total accumulated depreciation/amortization	49,761,674	4,165,275	(37,612)	53,889,337
Total capital assets, being depreciated - Net of accumulated depreciation/amortization	39,106,388	1,307,051	-	40,413,439
Capital assets - Net	\$ 40,002,808	\$ 1,484,775	\$ (605,108)	40,882,475
Less: Outstanding debt related to capital assets				(22,977,760)
Less: Capital related premiums				(827,459)
Add: Loss on advance refunding				120,731
Net investment in capital assets				\$ 17,197,987

Mid-State Technical College

Notes to Financial Statements

Note 4: Long-Term Obligations

Long-term obligations of the College are as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds	\$ 990,000	\$ 4,075,000	\$ 190,000	\$ 4,875,000	\$ 1,985,000
Notes	27,735,000	5,000,000	10,130,000	22,605,000	2,780,000
Plus deferred amounts:					
Premium	1,202,518	369,931	217,280	1,355,169	-
Subtotals	29,927,518	9,444,931	10,537,280	28,835,169	4,765,000
Lease obligation	581,055	-	53,648	527,407	132,348
Financed purchase obligation	1,061,670	-	1,061,670	-	-
Compensated absences	1,274,127	165,385	-	1,439,512	-
Totals	\$ 32,844,370	\$ 9,444,931	\$ 10,590,928	\$ 30,802,088	\$ 4,897,348

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the College. General obligation debt at June 30, 2022, is comprised of the following individual issues:

	Governmental Activities			
	Issue Dates	Interest Rates %	Dates of Maturity	Balance 06/30/22
2012 General Obligation Bonds	12/05/12	1.53-2.95%	03/01/26	\$ 800,000
2013B GO Promissory Notes	12/09/13	2.00-3.00%	03/01/23	300,000
2016B GO Promissory Notes	09/01/16	2.00%	03/01/26	2,615,000
2017A GO Promissory Notes	03/06/17	2.00-3.00%	03/01/27	1,035,000
2017B GO Promissory Notes	09/13/17	2.00-3.00%	03/01/27	2,015,000
2018A GO Promissory Notes	02/05/18	2.00-4.00%	03/01/27	780,000
2018B GO Promissory Notes	09/10/18	3.00%	03/01/28	3,105,000
2019A GO Promissory Notes	09/16/19	2.00-3.00%	03/01/29	3,480,000
2020A GO Promissory Notes	06/30/20	3.00-4.00%	03/01/30	4,120,000
2020B GO Promissory Notes	10/13/20	3.00-3.20%	03/01/24	675,000
2021A GO Promissory Notes	07/22/21	2.00%	03/01/31	4,000,000
2021B GO Promissory Notes	11/08/21	3.00-4.00%	03/01/24	480,000
2022A GO Refunding Bonds	02/07/22	2.00%	03/01/25	4,075,000
Total general obligation debt				\$ 27,480,000

Mid-State Technical College

Notes to Financial Statements

Note 4: Long-Term Obligations (Continued)

The 2021 equalized valuation of the College as certified by the Wisconsin Department of Revenue is \$16,397,123,196. The legal debt limit and margin of indebtedness as of June 30, 2022, in accordance with Section 67.03 of the Wisconsin Statutes, are as follows:

	Aggregate	Bonded
Equalized valuation of the College	\$ 16,397,123,196	\$ 16,397,123,196
Statutory limitation percentage	(x) 5%	(x) 2%
General obligation debt limitation	\$ 819,856,160	\$ 327,942,464
General obligation debt	\$ 27,480,000	\$ 4,875,000
Less: Amounts available for financing general obligation debt		
Restricted for debt service	757,391	757,391
Net outstanding general obligation debt applicable to debt limitation	\$ 26,722,609	\$ 4,117,609

The District has one space lease with an interest rate of .35% with a final maturity of December 31, 2025.

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

Year Ended June 30:	General Obligation Debt			Lease Obligation		
	Principal	Interest	Totals	Principal	Interest	Totals
2023	\$ 4,765,000	\$ 674,923	\$ 5,439,923	\$ 132,348	\$ 1,652	\$ 134,000
2024	4,835,000	566,663	5,401,663	155,415	1,135	156,550
2025	4,535,000	440,245	4,975,245	159,096	585	159,681
2026	3,840,000	319,995	4,159,995	80,548	82	80,630
2027	3,035,000	212,200	3,247,200	-	-	-
2028-2031	6,470,000	259,700	6,729,700	-	-	-
Totals	\$ 27,480,000	\$ 2,473,726	\$ 29,953,726	\$ 527,407	\$ 3,454	\$ 530,861

The College issued \$4,075,000 in general obligation refunding bonds with an interest rate of 2.00%. The proceeds were used for a current refunding of \$385,000 of the 2013A GO Promissory Notes, \$1,125,000 of the 2014A GO Promissory Notes, \$465,000 of the 2015A GO Promissory Notes, and \$2,150,000 of the 2015B GO Promissory Notes which had interest rates of 2.00 - 3.0%. The College did the current refunding of the notes to reduce its total debt service payments over 3 years by \$113,767 and to obtain an economic gain (difference between the present values of the debt service payment on the old and new debt) of \$111,819.

Subsequent to year end on July 19, 2022, the College issued \$6,000,000 in General Obligation Promissory Notes, Series 2022B for the purpose of capital improvements.

Mid-State Technical College

Notes to Financial Statements

Note 5: Employee Retirement Plans - Wisconsin Retirement System

Plan Description

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

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

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. 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.

Mid-State Technical College

Notes to Financial Statements

Note 5: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Postretirement Adjustments

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

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

Contributions

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

During the reporting period, the WRS recognized \$1,127,275 in contributions from the employer.

Mid-State Technical College

Notes to Financial Statements

Note 5: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

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

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

At June 30, 2022, the College reported an asset of \$8,026,889 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020, rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The College's proportion of the net pension asset was based on the College's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2021, the College's proportion was 0.09958693%, which was a decrease of 0.00240854% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the College recognized pension expense of \$(690,486).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,967,034	\$ 935,063
Net differences between projected and actual earnings on pension plan investments	-	17,956,820
Change in assumptions	1,497,543	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,133	5,299
Employer contributions subsequent to the measurement date	511,583	-
Total	\$ 14,980,293	\$ 18,897,182

Mid-State Technical College

Notes to Financial Statements

Note 5: Employee Retirement Plans - Wisconsin Retirement System (Continued)

\$511,583 reported as deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended June 30, 2023. 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	\$ (373,575)
2024	(2,178,694)
2025	(958,071)
2026	(918,132)

Actuarial Assumptions

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

Actuarial valuation date	December 31, 2020
Measurement date of net pension liability (asset)	December 31, 2021
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Long-term expected rate of return	6.8%
Discount rate	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality	2020 WRS Experience Mortality Table
Postretirement adjustments*	1.7%

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

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

Mid-State Technical College

Notes to Financial Statements

Note 5: Employee Retirement Plans - Wisconsin Retirement System (Continued)

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

Asset Allocation Targets and Expected Returns
As of December 31, 2021

Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core fund asset class:			
Global equities	52.0%	6.8%	4.2%
Fixed income	25.0%	4.3%	1.8%
Inflation sensitive assets	19.0%	2.7%	0.2%
Real estate	7.0%	5.6%	3.0%
Private equity/debt	12.0%	9.7%	7.0%
Total core fund	115.0%	6.6%	4.0%
Variable fund asset class:			
U.S. equities	70.0%	6.3%	3.7%
International equities	30.0%	7.2%	4.6%
Total variable fund	100.0%	6.8%	4.2%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.50%

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

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

Mid-State Technical College

Notes to Financial Statements

Note 5: Employee Retirement Plans - Wisconsin Retirement System (Continued)

Single Discount Rate: A single discount rate of 6.80% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate: The following presents the College's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the College's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.80%) or 1 percentage point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
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College's proportionate share of the net pension liability (asset)	\$ 5,695,647	\$ (8,026,889)	\$ (17,904,563)
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Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2022, the College reported a payable of \$85,708 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

Mid-State Technical College

Notes to Financial Statements

Note 6: Other Postemployment Benefits

Plan description - In addition to providing pension benefits, the College as authorized by the Board of Directors provides medical, dental and insurance benefits for eligible retirees (and spouses) in accordance with employee contracts. Eligible retired employees have access to group coverage through the College's group plans. College paid medical, dental and life insurance benefits last until the retiree reaches age 65 while coverage for the spouse lasts until the retiree would have reached 65. All employees of the College are eligible for the Plan if they are age 55 with 10 years of service.

Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of insurance premiums based on the employee group and their retirement date.

The Plan is a single-employer defined postemployment benefit plan. The Plan does not issue separate financial statements.

Employees covered by benefit terms - At June 30, 2020, the date of the latest actuarial valuation, there were 199 active employees, 48 inactive employees or beneficiaries currently receiving OPEB benefits and 73 inactive plan employees entitled to but not yet receiving OPEB benefits.

Contributions - Certain retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly towards the cost of insurance premiums based on the employee group and their retirement date. College paid medical and dental benefits are paid until the retiree or surviving spouse becomes eligible for Medicare.

Investments - The Plan does not have a separate investment policy from the College. For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (3.33)%. At June 30, 2022, the Plan had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Plan investments.

Actuarial assumptions - The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2020
Measurement date	June 30, 2022
Actuarial Cost Method	Entry Age Normal (level percent of salary)
Inflation	2.50%
Discount Rate	5.0%
Healthcare cost trend rates	6.50% decreasing by 0.1% per year down to 5.0%, then level thereafter
Actuarial Assumptions	Based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-17
Mortality Assumptions	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generated improvement scale (multiplied 60%)

Mid-State Technical College

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

Discount rate - The discount rate used to measure the total OPEB liability was 5.0%. This rate is based upon the College's asset allocation and expected nominal returns as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that College contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
<i>Changes in Net OPEB Liability</i>			
Balances at June 30, 2021	\$ 4,710,464	\$ 7,837,280	\$ (3,126,816)
Changes for the year:			
Service cost	109,719	-	109,719
Interest	216,046	-	216,046
Contributions - Employer	-	588,798	(588,798)
Net investment income	-	(951,053)	951,053
Benefit payments	(888,798)	(888,798)	-
Administrative expense	-	(148,176)	148,176
Net changes	(563,033)	(1,399,229)	836,196
Balances at June 30, 2022	\$ 4,147,431	\$ 6,438,051	\$ (2,290,620)

The following presents the net OPEB liability (asset) of the College, as well as what the College's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (4.0%) or 1 percentage point higher (6.0%) than the current rate:

	1% Decrease (4.0%)	Current Discount Rate (5.0%)	1% Increase (6.0%)
Net OPEB liability (asset)	\$ (2,050,243)	\$ (2,290,620)	\$ (2,504,360)

Mid-State Technical College

Notes to Financial Statements

Note 6: Other Postemployment Benefits (Continued)

The following presents the College's net OPEB liability (asset) calculated using the health care cost trend rate of 6.5% decreasing to 5.0%, as well as what the College's net OPEB liability (asset) would be if it were calculated using the health care cost trend rate that is 1 percentage point lower (5.5% decreasing to 4.0%) or 1 percentage point higher (7.5% decreasing to 6.0%) than the current rate:

	1% Decrease (5.5% decreasing to 4.0%)	Health Care Cost Trend Rates (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
Net OPEB liability (asset)	\$ (2,494,006)	\$ (2,290,620)	\$ (2,064,433)

For the year ended June 30, 2022, the College recognized OPEB expense of \$195,816.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 325,305	\$ -
Changes in assumptions	180,069	397,096
Net difference between projected and actual earnings on OPEB plan investments	64,174	-
Total	\$ 569,548	\$ 397,096

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Deferred Inflows of Resources
2023	\$ 159,144
2024	(100,539)
2025	(153,994)
2026	267,841

Note 7: Contingent Liability

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

Mid-State Technical College

Notes to Financial Statements

Note 8: Expense Classification

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

Salaries and wages	\$ 19,018,819
Fringe benefits	7,978,016
Staff development	459,616
Supplies	847,886
Contracted services	2,453,287
Rentals - Facilities and equipment	10,403
Insurance	706,521
Utilities	727,614
Depreciation	4,165,777
Student aid	7,151,573
Other expenses	802,193
<hr/>	
Total operating expenses	\$ 44,321,705

Note 9: Component Unit

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

Cash and Investments

Cash and investments at June 30, 2022, consist of:

	Amount	Fair Value Level
Bank deposits	\$ 4,381,292	N/A
Money market funds	17,263	Level 2
Fixed income - Mutual funds	1,132,384	Level 1
Equities- Mutual funds	2,375,541	Level 1
<hr/>		
Total cash and investments	\$ 7,906,480	

As of June 30, 2022, \$4,131,292 of the Foundation's deposits with financial institutions were in excess of federal depository insurance limits and uncollateralized (or collateralized with securities held by the pledging financial institution or its trust department or agent not in the Foundation's name).

Mid-State Technical College

Notes to Financial Statements

Note 9: Component Unit (Continued)

Investment income included the following:

Interest and dividends	\$	60,031
Net unrealized gains (losses)		(962,331)
Net realized gains		271,095
Investment fees		(23,454)
		<hr/>
		\$ (654,659)

Promises to Give

Unconditional promises to give at June 30, 2022, consist of:

Receivable in less than one year	\$	479,394
Receivable in one to five years		637,500
		<hr/>
		\$ 1,116,894

Beneficial Interest in Investments Held by Community Foundation

Beneficial interest in assets held by Community Foundation represents amounts held at the Incourage Community Foundation. The Foundation entered into an agreement with the Incourage Community Foundation whereby they transfer donor restricted and board designated endowment funds to the Incourage Community Foundation with the restriction that the Incourage Community Foundation make annual distributions to the Foundation as requested. The agreement governing the assets includes a variance power allowing the Incourage Community Foundation to modify the restrictions on distributions from the funds.

Note 10: Risk Management

The College is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The College completes an annual review of its insurance coverage to ensure adequate coverage. A description of the College's risk management programs is presented below:

Commercial Insurance

The College purchases commercial insurance policies for various property and other liability risks. Payments of premiums for these policies are recorded as expenditures in the general fund of the College.

In addition to the above, the College has established separate internal service funds for the following risk management programs:

Mid-State Technical College

Notes to Financial Statements

Note 10: Risk Management (Continued)

Self-funded Insurance Program

College employees, retirees and employee dependents are eligible for medical, dental and vision benefits with funding provided by charges to the College, employees and retirees. On June 30, 2022, the College had a reserve of \$2,418,135 for future unreported claims. The claims liability of \$264,485 reported as of June 30, 2022, is based on the requirements of GASB Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the College's claims liability amount is as follows:

	2022	2021
Liability July 1	\$ 291,831	\$ 397,187
Current year claims and changes in estimates	5,527,817	5,306,736
Claim payments	(5,555,163)	(5,412,092)
Liability balance - June 30	\$ 264,485	\$ 291,831

The College also participates in the following risk management programs:

Districts Mutual Insurance Company

In July 2004 all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). DMI is a fully-accessible 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 \$500,225,000 per occurrence; general liability and auto 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 College's exposure in its layer of insurance is limited to \$2,500 to \$100,000 per occurrence depending on the type of coverage and DMI purchases reinsurance for losses in excess of its retained layer of coverage. DMI operations are governed by a five-member board of directors. Member colleges do not exercise any control over the activities of DMI beyond election of the board of directors at the annual meeting. The board has the authority to adopt its own budget, set policy matters, and control the financial affairs of the company. Each member college was assessed an annual premium that included a capitalization component, a premium component and an operational expense component. Future premiums will be based on relevant rating exposure bases as well as historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company. For the year ended June 30, 2022, the College paid total insurance premiums of \$261,728. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members.

Audited financial statements for DMI can be obtained from Districts Mutual Insurance Company, 212 West Pinehurst Trail, Dakota Dunes, SD 57049.

Mid-State Technical College

Notes to Financial Statements

Note 10: Risk Management (Continued)

Supplemental Insurance

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

The WTCS insurance Trust has purchased the following levels of coverage from DMI for its participating members:

- Foreign liability: \$5,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; \$1,000 deductible for employee benefits.
- Crime: \$750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; \$750,000 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.

The WTCS Insurance Trust statements can be obtained through Lakeshore Technical College District, 2190 North Avenue, Cleveland, WI 53015.

Insurance settlements have not exceeded insurance coverage in any of the past three years nor has there been any significant reduction in coverage compared to the prior year.

Required Supplementary Information

Mid-State Technical College

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

Last 10 Years*

Schedule of the Employer's Proportionate Share of the Net Pension Liability (Asset)

Wisconsin Retirement System (WRS)

Last 10 Calendar Years*

Measurement Date	College's Proportion of the Net Pension Liability (Asset)	College's Proportionate Share of the Net Pension Liability (Asset)	College's Covered Payroll	College's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of it's Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
December 31,					
2021	0.09958693 %	\$ (8,026,889)	\$ 16,543,843	(48.52)%	106.02 %
2020	0.10199547	(6,367,718)	17,027,188	(37.40)	105.26
2019	0.10226556	(3,297,508)	16,191,475	(20.37)	102.96
2018	0.10320981	3,671,881	15,813,237	23.22	96.45
2017	0.10452044	(3,103,335)	15,266,811	(20.33)	102.93
2016	0.10615351	874,958	15,031,364	5.82	99.12
2015	0.10862389	1,765,117	15,180,292	11.63	98.20
2014	0.11052010	(2,727,741)	15,057,878	(18.12)	102.74

Schedule of the Employer Contributions

Wisconsin Retirement System (WRS)

Last 10 Fiscal Years*

Year Ended June 30,	Contractually Required Contributions for the Fiscal Period	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	College's Covered Payroll for the Fiscal Year	Contributions as a Percentage of Covered Payroll
2022	\$ 1,127,275	\$ 1,127,275	\$ -	\$ 16,991,870	6.63 %
2021	1,096,769	1,096,769	-	16,369,691	6.70
2020	1,097,941	1,097,941	-	16,470,950	6.67
2019	1,102,331	1,102,331	-	15,816,021	6.97
2018	1,038,143	1,038,143	-	15,266,811	6.80
2017	992,070	992,070	-	15,031,364	6.60
2016	1,032,226	1,032,226	-	15,180,292	6.80
2015	1,054,051	1,054,051	-	15,057,878	7.00

Mid-State Technical College

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

Last 10 Years*

Notes to the Schedules:

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

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

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

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

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

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

See Independent Auditor's Report.

Mid-State Technical College

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

<i>Year Ended June 30, 2022</i>	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 AgeLevel	Frozen Entry AgeLevel	Frozen Entry	Frozen Entry	Frozen Entry AgeLevel
	Percent of Payroll-Closed	Percent of Payroll-Closed	AgeLevel Percent of Payroll-Closed	AgeLevel Percent of Payroll-Closed	Percent of Payroll-Closed
Amortization Method:	Amortization Period	Period	Amortization Period	Amortization Period	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
Amortization Period:	Five Year Smoothed				
Asset Valuation Method:	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%

Mid-State Technical College

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

<i>Year Ended June 30, 2022</i>	2021	2020	2019	2018	2017
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%).	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%).	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%).	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.

Mid-State Technical College

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

<i>Year Ended June 30, 2022</i>	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2021
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	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)			
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*:	2.1%	2.1%	2.1%	2.1%

Mid-State Technical College

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

<i>Year Ended June 30, 2022</i>	2016	2015	2014	2013
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.	Experiencebased 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.

Mid-State Technical College
Schedule of Changes in Net OPEB Liability and Related Ratios
Other Post-Employment Benefits

Last Six Fiscal Years

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 109,719	\$ 251,783	\$ 197,129	\$ 216,892	\$ 226,033
Interest	216,046	125,647	197,500	162,783	178,077
Differences between expected and actual experience	-	26,475	-	1,547,104	-
Changes of assumption	-	(634,474)	450,171	(82,064)	(70,318)
Benefit payments	(1,188,798)	(1,034,806)	(826,530)	(859,312)	(673,057)
Net change in total OPEB liability	(863,033)	(1,265,375)	18,270	985,403	(339,265)
Total OPEB liability, beginning	4,710,464	5,975,839	5,957,569	4,972,166	5,311,431
Total OPEB liability - ending	\$ 3,847,431	\$ 4,710,464	\$ 5,975,839	\$ 5,957,569	\$ 4,972,166
Plan Fiduciary Net Position					
Contributions - employer	\$ 588,798	\$ 1,034,806	\$ 826,530	\$ 859,312	\$ 1,000,357
Net investment income	(951,053)	1,641,040	388,117	360,349	364,161
Benefit payments	(1,188,798)	(1,034,806)	(826,530)	(859,312)	(673,057)
Administrative expense	(148,176)	(38,649)	(33,403)	(30,814)	(30,541)
Net change in plan fiduciary net position	(1,699,229)	1,602,391	354,714	329,535	660,920
Plan net position, beginning	7,837,280	6,234,889	5,880,175	5,550,640	4,889,720
Plan net position, ending	6,138,051	\$ 7,837,280	\$ 6,234,889	\$ 5,880,175	\$ 5,550,640
College's net OPEB liability (asset)	\$ (2,290,620)	\$ (3,126,816)	\$ (259,050)	\$ 77,394	\$ (578,474)
Plan fiduciary net position as a percentage of the total OPEB liability	159.54 %	166.38 %	104.33 %	98.70 %	111.63 %
Covered-employee payroll	\$ 14,314,021	\$ 14,314,021	\$ 14,271,315	\$ 14,271,315	\$ 12,221,249
College's net OPEB liability (asset) as a percentage of covered-employee payroll	(16.00)%	(21.84)%	(1.82)%	0.54 %	(4.73)%
Annual money-weighted rate of return net of investment expense	(3.40)%	22.77 %	6.41 %	6.30 %	6.28 %

Mid-State Technical College
Schedule of Changes in Net OPEB Liability and Related Ratios
Other Post-Employment Benefits
Last Six Fiscal Years

	2017
Total OPEB Liability	
Service cost	\$ 226,033
Interest	186,527
Benefit payments	(634,923)
Net change in total OPEB liability	<u>(222,363)</u>
 Total OPEB liability, beginning	 <u>5,533,794</u>
 Total OPEB liability - ending	 <u>\$ 5,311,431</u>
 Plan Fiduciary Net Position	
Contributions - employer	\$ 5,229,262
Net investment income	317,731
Benefit payments	(634,923)
Administrative expense	(22,350)
Net change in plan fiduciary net position	<u>4,889,720</u>
 Plan net position, beginning	 <u>-</u>
 Plan net position, ending	 <u>4,889,720</u>
 College's net OPEB liability (asset)	 <u>\$ 421,711</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 92.06 %
 Covered-employee payroll	 \$ 12,221,249
 College's net OPEB liability as a percentage of covered-employee payroll	 3.45 %
 Annual money-weighted rate of return net of investment expense	 6.28 %

The College implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

See Independent Auditor's Report.

Mid-State Technical College
Schedule of Employer Contributions
Other Post-Employment Benefits
Last Six Calendar Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2022	\$ 57,291	\$ 888,798	\$ (831,507)	\$ 14,314,021	6.21 %
2021	57,291	1,034,806	(977,515)	14,314,021	7.23 %
2020	438,847	826,530	(387,683)	14,271,315	5.79 %
2019	438,847	859,312	(420,465)	14,271,315	6.02 %
2018	534,824	1,000,357	(465,533)	12,221,249	8.19 %
2017	534,824	5,229,262	(4,694,438)	12,221,249	42.79 %

The College implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

See Independent Auditor's Report.

Supplementary Financial Information

Mid-State Technical College

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local Government	\$ 7,551,926	\$ 6,790,876	\$ 6,915,819	-	\$ 6,915,819	\$ 124,943
Intergovernmental:						
State	15,474,212	16,977,874	16,869,962	-	16,869,962	(107,912)
Federal	682,632	748,091	689,483	-	689,483	(58,608)
Tuition and Fees						
Statutory program fees	5,989,075	5,989,075	5,532,616	-	5,532,616	(456,459)
Material fees	305,326	305,326	270,640	-	270,640	(34,686)
Other student fees	286,354	292,784	300,213	-	300,213	7,429
Institutional	397,000	710,335	492,032	-	492,032	(218,303)
Total revenues	30,686,525	31,814,361	31,070,765	-	31,070,765	(743,596)
Expenditures:						
Instruction	18,488,468	19,149,572	17,632,777	-	17,632,777	1,516,795
Instructional resources	1,192,854	1,204,206	1,170,692	-	1,170,692	33,514
Student services	4,237,312	4,506,020	4,044,948	-	4,044,948	461,072
General institutional	5,417,290	5,599,349	6,426,379	-	6,426,379	(827,030)
Physical plant	2,210,601	2,223,360	2,113,824	(22,777)	2,091,047	132,313
Total expenditures	31,546,525	32,682,507	31,388,620	(22,777)	31,365,843	1,316,664
Revenues over (under) expenditures	(860,000)	(868,146)	(317,855)	22,777	(295,078)	573,068

Mid-State Technical College

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis)	Variance Positive (Negative)
Other financing sources (uses):						
Operating transfer in	\$ 860,000	\$ 860,000	\$ 475,087	\$ -	\$ 475,087	\$ (384,913)
Total other financing sources (uses)	860,000	860,000	475,087	-	475,087	(384,913)
Net change in fund balance	-	(8,146)	157,232	22,777	180,009	188,155
Fund balance - Beginning of year	10,554,227	10,554,227	10,602,309	(48,082)	10,554,227	-
Fund balance - End of year	\$ 10,554,227	\$ 10,546,081	\$ 10,759,541	\$ (25,305)	\$ 10,734,236	\$ 188,155
Analysis of fund balance:						
Reserve for encumbrances			\$ 25,305			
Reserve for prepaid items			30,801			
Reserve for postemployment benefits			482,274			
Designated for subsequent year expenditures			2,311,970			
Designated for state aid fluctuations			443,997			
Designated for operations			7,465,194			
Fund balance - End of year			\$ 10,759,541			

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

Mid-State Technical College

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Intergovernmental:						
Federal	\$ 588,731	\$ 3,130,721	\$ 2,981,989	\$ -	\$ 2,981,989	\$ (148,732)
Tuition and fees:						
Statutory program fees	16,000	16,000	15,943	-	15,943	(57)
Material fees	3,900	3,900	3,497	-	3,497	(403)
Other student fees	22,500	22,500	29,613	-	29,613	7,113
Institutional	770,000	1,220,877	1,295,033	-	1,295,033	74,156
Total revenues	1,401,131	4,393,998	4,326,075	-	4,326,075	(67,923)
Expenditures:						
Instruction	1,025,539	1,351,663	1,792,255	-	1,792,255	(440,592)
Instructional resources	-	-	642,887	-	642,887	(642,887)
Student services	-	-	770,580	-	770,580	(770,580)
General institutional	-	2,284,914	257,504	-	257,504	2,027,410
Physical plant	25,463	1,485	210,500	-	210,500	(209,015)
Total expenditures	1,051,002	3,638,062	3,673,726	-	3,673,726	(35,664)
Revenues over (under) expenditures	350,129	755,936	652,349	-	652,349	(103,587)

Mid-State Technical College

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Other financing sources (uses):						
Operating transfers in	\$ -	\$ -	\$ 136,029	-	\$ 136,029	\$ 136,029
Operating transfers (out)	(440,000)	(697,076)	(697,076)	-	(697,076)	-
Total other financing sources (uses)	(440,000)	(697,076)	(561,047)	-	(561,047)	136,029
Net change in fund balance	(89,871)	58,860	91,302	-	91,302	32,442
Fund balance - Beginning of year	85,603	85,603	85,603	-	85,603	-
Fund balance - End of year	\$ (4,268)	\$ 144,463	\$ 176,905	-	\$ 176,905	\$ 32,442
Analysis of fund balance:						
Designated for subsequent year expenditures			\$ 49,267			
Designated for operations			127,638			
Fund balance - End of year			\$ 176,905			

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Mid-State Technical College

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Intergovernmental:						
Federal	\$ 4,371,200	\$ 7,254,000	\$ 8,198,046	\$ -	\$ 8,198,046	\$ 944,046
State	-	-	709,478	-	709,478	709,478
Tuition and fees:						
Other student fees	383,210	383,210	338,627	-	338,627	(44,583)
Institutional	677,900	677,900	404,889	-	404,889	(273,011)
Total revenues	5,432,310	8,315,110	9,651,040	-	9,651,040	1,335,930
Expenditures:						
Student Aid	4,623,700	7,506,500	9,199,269	-	9,199,269	(1,692,769)
Student services	523,289	523,289	423,360	-	423,360	99,929
General institutional	289,171	289,171	33,337	-	33,337	255,834
Total expenditures	5,436,160	8,318,960	9,655,966	-	9,655,966	(1,337,006)
Revenue over (under) expenditures	(3,850)	(3,850)	(4,926)	-	(4,926)	(1,076)
Other financing uses:						
Operating transfer out	(300,000)	(300,000)	-	-	-	300,000
Net change in fund balance	(303,850)	(303,850)	(4,926)	-	(4,926)	298,924
Fund balance - Beginning of year	226,601	226,601	226,601	-	226,601	-
Fund balance - End of year	\$ 222,751	\$ 222,751	\$ 221,675	\$ -	\$ 221,675	\$ (1,076)

Mid-State Technical College

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Analysis of fund balance:						
Reserved for student financial assistance			\$ 121,568			
Reserved for student government and organizations			99,942			
Assigned			165			
Fund balance - End of year			\$ 221,675			

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Intergovernmental:						
State	\$ 60,945	\$ 130,000	\$ 150,000	\$ -	\$ 150,000	\$ 20,000
Federal	-	16,674	4,609	-	4,609	(12,065)
Institutional	30,000	30,000	51,801	-	51,801	21,801
Total revenues	90,945	176,674	206,410	-	206,410	29,736
Expenditures:						
Instruction	1,858,323	1,549,760	1,383,272	-	1,383,272	166,488
Instructional resources	106,350	206,285	216,890	-	216,890	(10,605)
Student services	95,080	91,818	86,939	-	86,939	4,879
General institutional	1,031,717	720,376	380,555	-	380,555	339,821
Physical plant	1,976,475	1,868,588	2,337,374	(481,655)	1,855,719	12,869
Total expenditures	5,067,945	4,436,827	4,405,030	(481,655)	3,923,375	513,452
Revenues over (under) expenditures	(4,977,000)	(4,260,153)	(4,198,620)	481,655	(3,716,965)	543,188
Other financing sources:						
Issuance of long-term debt	5,000,000	5,000,000	5,000,000	-	5,000,000	-
Total other financing sources	5,000,000	5,000,000	5,000,000	-	5,000,000	-

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Net change in fund balance	\$ 23,000	\$ 739,847	\$ 801,380	\$ 481,655	\$ 1,283,035	\$ 543,188
Fund balance - Beginning of year	(91,636)	(91,636)	570,592	(662,228)	(91,636)	-
Fund balance - End of year	\$ (68,636)	\$ 648,211	\$ 1,371,972	\$ (180,573)	\$ 1,191,399	\$ 543,188
Analysis of fund balance:						
Reserved for encumbrances			\$ 662,228			
Reserved for capital projects			709,744			
Fund balance - End of year			\$ 1,371,972			

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

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues:						
Local government	\$ 6,649,653	\$ 6,996,969	\$ 6,996,969	\$ -	\$ 6,996,969	-
Institutional	1,000	1,000	236	-	236	(764)
Total revenues	6,650,653	6,997,969	6,997,205	-	6,997,205	(764)
Expenditures:						
Physical plant	6,723,465	11,271,407	11,328,156	-	11,328,156	(56,749)
Total expenditures	6,723,465	11,271,407	11,328,156	-	11,328,156	(56,749)
Revenues over (under) expenditures	(72,812)	(4,273,438)	(4,330,951)	-	(4,330,951)	(57,513)
Other financing sources:						
Premium on notes issued	75,000	4,200,000	4,444,930	-	4,444,930	244,930
Total other financing sources	75,000	4,200,000	4,444,930	-	4,444,930	244,930
Net change in fund balance	2,188	(73,438)	113,979	-	113,979	187,417
Fund balance - Beginning of year	643,412	643,412	643,412	-	643,412	-
Fund balance - End of year	\$ 645,600	\$ 569,974	\$ 757,391	\$ -	\$ 757,391	\$ 187,417
Analysis of fund balance:						
Reserved for debt service			\$ 757,391			

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

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues:						
Auxiliary revenue	\$ 1,157,786	\$ 1,157,786	\$ 1,126,043	\$ -	\$ 1,126,043	\$ (31,743)
Total operating revenues	1,157,786	1,157,786	1,126,043	-	1,126,043	(31,743)
Operating expenses:						
Auxiliary services	1,253,694	1,253,694	1,259,742	-	1,259,742	(6,048)
Total operating expenses	1,253,694	1,253,694	1,259,742	-	1,259,742	(6,048)
Operating income (loss)	(95,908)	(95,908)	(133,699)	-	(133,699)	(37,791)
Operating transfers:						
Operating transfer in	-	-	85,960	-	85,960	85,960
Operating transfer (out)	(120,000)	(120,000)	-	-	-	120,000
Total operating transfers	(120,000)	(120,000)	85,960	-	85,960	205,960
Change in net position	(215,908)	(215,908)	(47,739)	-	(47,739)	168,169
Net position - Beginning of year	1,123,109	1,123,109	1,123,109	-	1,123,109	-
Net position - End of year	\$ 907,201	\$ 907,201	\$ 1,075,370	\$ -	\$ 1,075,370	\$ 168,169
Analysis of net position:						
Unrestricted			\$ 1,075,370			

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

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

Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Operating revenues:						
Institutional	\$ 10,000	\$ 10,000	\$ 5,537	-	\$ 5,537	\$ (4,463)
Auxiliary revenue	6,520,637	6,530,637	6,102,934	-	6,102,934	(427,703)
Total operating revenues	6,530,637	6,540,637	6,108,471	-	6,108,471	(432,166)
Operating expenses:						
Auxiliary services	6,461,500	6,461,500	5,939,627	-	5,939,627	521,873
Total operating expenses	6,461,500	6,461,500	5,939,627	-	5,939,627	521,873
Change in net position	69,137	79,137	168,844	-	168,844	89,707
Net position - Beginning of year	2,771,130	2,771,130	2,771,130	-	2,771,130	-
Net position - End of year	\$ 2,840,267	\$ 2,850,267	\$ 2,939,974	\$ -	\$ 2,939,974	\$ 89,707
Analysis of net position:						
Unrestricted			\$ 2,939,974			

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Mid-State Technical College

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

Year Ended June 30, 2022

	General Fund	Special Revenue Aidable Funds	Special Revenue Non-Aidable Funds	Capital Projects	Debt Service	Enterprise Funds	Internal Service Funds	Totals	Reconciling Items	Statement of Revenues, Expenses, and Changes in Net Position
Revenues:										
Local Government	\$ 6,915,819	\$ -	\$ -	\$ -	6,996,969	\$ -	-	\$ 13,912,788	\$ -	\$ 13,912,788
Intergovernmental:										
State	16,869,962	-	709,478	150,000	-	-	-	17,729,440	-	17,729,440
Federal	689,483	2,981,989	8,198,046	4,609	-	-	-	11,874,127	-	11,874,127
Tuition and Fees:										
Statutory program fees	5,532,616	15,943	-	-	-	-	-	5,548,559	(1,683,526)	3,865,033
Material fees	270,640	3,497	-	-	-	-	-	274,137	(83,009)	191,128
Other student fees	300,213	29,613	338,627	-	-	-	-	668,453	(286,054)	382,399
Institutional	492,032	1,295,033	404,889	51,801	236	-	5,537	2,249,528	-	2,249,528
Auxiliary services revenue	-	-	-	-	-	1,126,043	6,102,934	7,228,977	(6,102,934)	1,126,043
Total revenues	31,070,765	4,326,075	9,651,040	206,410	6,997,205	1,126,043	6,108,471	59,486,009	(8,155,523)	51,330,486
Expenditures/Expenses:										
Instruction	17,632,777	1,792,255	-	1,383,272	-	-	-	20,808,304	(2,125,201)	18,683,103
Instructional resources	1,170,692	642,887	-	216,890	-	-	-	2,030,469	(977,244)	1,053,225
Student services	4,044,948	770,580	423,360	86,939	-	-	-	5,325,827	(677,186)	4,648,641
General institutional	6,426,379	257,504	33,337	380,555	-	-	-	7,097,775	(823,775)	6,274,000
Physical plant	2,091,047	210,500	-	1,855,719	11,328,156	-	-	15,485,422	(14,344,724)	1,140,698
Auxiliary services	-	-	-	-	-	1,259,742	5,939,627	7,199,369	(5,994,681)	1,204,688
Depreciation	-	-	-	-	-	-	-	-	4,165,777	4,165,777
Student aid	-	-	9,199,269	-	-	-	-	9,199,269	(2,047,696)	7,151,573
Interest expense	-	-	-	-	-	-	-	-	619,261	619,261
Total expenditures/expenses	31,365,843	3,673,726	9,655,966	3,923,375	11,328,156	1,259,742	5,939,627	67,146,435	(22,205,469)	44,940,966

Mid-State Technical College

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

Year Ended June 30, 2022

	General Fund	Special Revenue Aidable Funds	Special Revenue Non-Aidable Funds	Capital Projects	Debt Service	Enterprise Funds	Internal Service Funds	Totals	Reconciling Items	Statement of Revenues, Expenses, and Changes in Net Position
Revenues over (under) expenditures/expenses	\$ (295,078)	\$ 652,349	\$ (4,926)	\$ (3,716,965)	\$ (4,330,951)	\$ (133,699)	\$ 168,844	\$ (7,660,426)	\$ 14,049,946	\$ 6,389,520
Other financing (uses) sources:										
Operating transfer in	475,087	136,029	-	-	-	85,960	-	697,076	(697,076)	-
Operating transfer (out)	-	(697,076)	-	-	-	-	-	(697,076)	697,076	-
Issuance of long-term debt	-	-	-	5,000,000	-	-	-	5,000,000	(5,000,000)	-
Premium on notes issued	-	-	-	-	4,444,930	-	-	4,444,930	(4,444,930)	-
Total other financing (uses) sources	475,087	(561,047)	-	5,000,000	4,444,930	85,960	-	9,444,930	(9,444,930)	-
Net change in fund balance/net position	180,009	91,302	(4,926)	1,283,035	113,979	(47,739)	168,844	1,784,504	4,605,016	6,389,520
Fund balance/net position - Beginning of year	10,554,227	85,603	226,601	(91,636)	643,412	1,123,109	2,771,130	15,312,446	11,944,562	27,257,008
Fund balance/net position - End of year	\$ 10,734,236	\$ 176,905	\$ 221,675	\$ 1,191,399	\$ 757,391	\$ 1,075,370	\$ 2,939,974	\$ 17,096,950	\$ 16,549,578	\$ 33,646,528

See Independent Auditor's Report.

See accompanying notes to Budgetary Comparison Schedules.

Mid-State Technical College

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

Year Ended June 30, 2022

Note 1: Summary of Significant Accounting Policies

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

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

Mid-State Technical College

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

Year Ended June 30, 2022

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

Revenues

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

General Fund	\$ 31,070,765
Special Revenue Aidable Funds	4,326,075
Special Revenue Non-Aidable Funds	9,651,040
Capital Projects Fund	206,410
Debt Service Fund	6,997,205
Enterprise Funds	1,126,043
Internal Service Funds	6,108,471

59,486,009

Adjustments:

Interfund charges from internal service are eliminated for GAAP reporting	(6,102,934)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(2,047,696)
Summer tuition is recognized on the cash basis rather than the accrual basis	(4,893)

Reconciled revenues \$ 51,330,486

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

Operating revenues	\$ 15,213,854
Property taxes	13,912,788
Federal grants	5,864,789
State nonoperating appropriations	16,309,524
Investment income	29,531

Total \$ 51,330,486

Mid-State Technical College

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

Year Ended June 30, 2022

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

Expense

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

General Fund	\$ 31,365,843
Special Revenue Aidable Funds	3,673,726
Special Revenue Non-Aidable Funds	9,655,966
Capital Projects Fund	3,923,375
Debt Service Fund	11,328,156
Enterprise Funds	1,259,742
Internal Service Funds	5,939,627

67,146,435

Adjustments:

Interfund charges from internal service and fiduciary funds are eliminated for GAAP reporting	(6,102,934)
Scholarship allowances are included in expenditures for budgetary purposes but offset revenue for GAAP reporting	(2,047,696)
Summer tuition is recognized on the cash basis rather than the accrual basis	(4,893)
Budgetary basis expenditures adjusted to accrual basis for GAAP reporting:	
Amortization of deferred premiums	(217,280)
Amortization of loss on advance refunding	27,336
Interest expense	(57,676)
Compensated absences	165,385
Other post employment and pension benefits	(2,212,194)
The acquisition of capital assets is reported as an expenditure for budgetary purposes	(5,045,444)
Repayment of principal on long-term debt is a budgetary expenditure	(11,381,670)
Repayment of principal on lease obligations is a budgetary expenditure	(53,648)
Eliminate accrued encumbrance activity	559,468
Depreciation recorded for GAAP purposes	4,165,777

Reconciled expenditures \$ 44,940,966

Mid-State Technical College

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

(Continued)

Year Ended June 30, 2022

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

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

Operating expenses	\$ 44,321,705
Interest expense	619,261

Total	\$ 44,940,966
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Other financing sources and uses such as operating transfers in (out) and issuance of long-term debt are not recognized as revenues or expenses for GAAP reporting.

Other Reports

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

Board of Directors
Mid-State Technical College
Wisconsin Rapids, 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, the discretely presented component unit, and the aggregate remaining fund information of the Mid-State Technical College (the "College") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 27, 2022. The financial statements of the Mid-State 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 College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Wipfli LLP".

Wipfli LLP

December 27, 2022
Madison, Wisconsin

Independent Auditor's Report on Compliance for Each Federal and State Program and on Internal Control Over Compliance Required by the Uniform Guidance and the State of Wisconsin Single Audit Guidelines

Board of Directors
Mid-State Technical College
Wisconsin Rapids, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Mid-State Technical College's (the "College") compliance with the types of compliance requirements described identified as subject to audit in the *OMB Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022. The College's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"); and *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Wisconsin Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Wisconsin Single Audit Guidelines* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit the attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the *State of Wisconsin Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP
December 27, 2022
Madison, Wisconsin

Mid-State Technical College
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Grantor Agency/Pass-through Agency/ Grant Title	Federal AL Number	Grant Number	Grant Period	Federal Grant Amount	Revenues		Total Expenditures	Subrecipient Payments
					Federal	Match		
<u>U.S. Department of Interior</u>								
Direct Program								
Indian Education - Higher Education Grant Program	15.114	N/A	7/01/2021-6/30/2022	\$ 10,723	\$ 10,723	\$ -	\$ 10,723	\$ -
<u>U.S. Department of Transportation</u>								
Direct Program								
Interagency Hazardous Materials Public Sector Training and Planning Grants Hazardous Materials Training	20.703	N/A	7/01/2021-6/30/2022	23,168	2,315	-	2,315	-
<u>U.S. Department of Treasury</u>								
Wisconsin Department of Administration								
COVID-19 State and Local Fiscal Recovery Funds	21.027	141970	12/14/2021-6/30/2025	22,410	22,107	-	22,107	-
<u>U.S. Department of Education</u>								
Wisconsin Technical College System								
Adult Education - Basic Grants to States	84.002							
Adult Basic Education - Comprehensive Services		14-052-146-122	7/01/2021-6/30/2022	120,562	120,562	139,525	260,087	-
Re-entry Jail grant		14-352-146-112	7/01/2021-6/30/2022	45,400	45,400	12,251	57,651	-
Target Focus Disabilities		14-452-146-172	7/01/2021-6/30/2022	25,000	25,000	6,750	31,750	-
Integrated English Literacy and Civics Education		14-031-146-161	7/01/2021-6/30/2022	26,250	13,035	3,484	16,519	-
				217,212	203,997	162,010	366,007	-
Career and Technical Education - Basic Grants to States	84.048							
Student Success		14-252-150-232	7/01/2021-6/30/2022	279,398	279,398	192,798	472,196	-
Nontraditional Occupations		14-292-150-262	7/01/2021-6/30/2022	17,576	10,907	-	10,907	-
Strengthening Programs		14-282-150-252	7/01/2021-6/30/2022	70,304	70,304	-	70,304	-
Career Prep		14-361-150-211	7/01/2021-9/30/2021	17,353	17,352	-	17,352	-
Career Prep		14-362-150-212	7/01/2021-6/30/2022	39,041	36,392	-	36,392	16,800
Equity and Inclusion		14-781-150-221	7/01/2020-6/30/2021	29,129	14,854	-	14,854	-
Equity and Inclusion		14-782-150-222	7/01/2021-9/30/2022	34,013	8,976	-	8,976	-
				486,814	438,183	192,798	630,981	16,800

Mid-State Technical College
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Grantor Agency/Pass-through Agency/ Grant Title	Federal AL Number	Grant Number	Grant Period	Federal Grant Amount	Revenues		Total Expenditures	Subrecipient Payments
					Federal	Match		
Direct Programs								
Student Financial Assistance Cluster:								
Federal Supplemental Educational Opportunity Grants								
Grants to Students	84.007	P007A214517	7/01/2021-6/30/2022	\$ 88,044	\$ 86,844	\$ 20,156	\$ 107,000	\$ -
				88,044	86,844	20,156	107,000	-
Federal Work - Study Program								
Payments to Students	84.033	P033A214517	7/01/2021-6/30/2022	81,207	81,207	-	81,207	-
Administrative Cost Allowance		P033A214517	7/01/2021-6/30/2022	-	8,487	-	8,487	-
				81,207	89,694	-	89,694	-
Federal Pell Grant Program								
Grants to Students	84.063	P063P212668	7/01/2021-6/30/2022	2,807,760	2,803,500	-	2,803,500	-
Administration		P063Q212668	7/01/2021-6/30/2022	4,400	4,400	-	4,400	-
				2,812,160	2,807,900	-	2,807,900	-
Federal Direct Student Loans								
Stafford Loans - Subsidized	84.268	P268K222668	7/01/2021-6/30/2022	1,780,766	1,562,070	-	1,562,070	-
Stafford Loans - Unsubsidized		P268K222668	7/01/2021-6/30/2022	743,145	743,145	-	743,145	-
PLUS Loans		P268K222668	7/01/2021-6/30/2022	19,270	19,270	-	19,270	-
				2,543,181	2,324,485	-	2,324,485	-
Total Student Financial Aid Program Cluster				5,524,592	5,308,923	20,156	5,329,079	-
COVID-19 Education Stabilization Fund:								
HEERF Student Aid Portion	84.425E	P425E200966	04/22/2020-06/30/2023	4,493,164	2,882,800	-	2,882,800	-
HEERF Institutional Portion	84.425F	P425F201181	05/05/2020-06/30/2023	6,270,250	2,981,989	-	2,981,989	-
Total COVID-19 Education Stabilization Fund				10,763,414	5,864,789	-	5,864,789	-
Total Department of Education				16,992,032	11,815,892	374,964	12,190,856	16,800
<u>U.S. Department of Homeland Security</u>								
Direct Program								
FEMA Assistance to Firefighters	97.044	14-522-153-112	12/01/2021-11/30/2022	27,001	23,090	-	23,090	-
Total Expenditures of Federal Awards				\$ 17,075,334	\$ 11,874,127	\$ 374,964	\$ 12,249,091	\$ 16,800

The Notes to the Schedule of Expenditures of Federal Awards are an integral part of this Schedule.

Mid-State Technical College
Schedule of Expenditures of State Awards
Year Ended June 30, 2022

Grantor Agency/Pass-through Agency/ Grant Title	State ID Number	Grant Number	Grant Period	State Grant Amount	Revenue		Total Expenditures
					State	Match	
<u>Wisconsin Department of Transportation</u>							
Driver Education	20.395(4)						
Motorcycle Safety		0094-20-12	7/01/2021-6/30/2022	\$ 36,000	\$ 7,435	\$ 22,655	\$ 30,090
<u>Wisconsin Higher Educational Aids Board</u>							
Remission of Fees for Veterans & Dependents	235.102	N/A	7/01/2021-6/30/2022	25,546	25,546	107,329	132,875
Wisconsin Higher Education Grants	235.105	N/A	7/01/2021-6/30/2022	653,558	653,558	-	653,558
Minority Retention Grant	235.107	N/A	7/01/2021-6/30/2022	3,055	3,055	-	3,055
Academic Excellence Scholarship	235.109	N/A	7/01/2021-6/30/2022	1,125	1,125	-	1,125
Technical Excellence Scholarship	235.119	N/A	7/01/2021-6/30/2022	33,190	33,190	-	33,190
Talent Incentive Program	235.114	N/A	7/01/2021-6/30/2022	9,000	9,000	-	9,000
Nursing Student Loan	235.117	N/A	7/01/2021-6/30/2022	9,000	9,000	-	9,000
Wisconsin Indian Grant	235.132	N/A	7/01/2021-6/30/2022	550	550	-	550
Total Wisconsin Higher Educational Aids Board				<u>735,024</u>	<u>735,024</u>	<u>107,329</u>	<u>842,353</u>
<u>Wisconsin Technical College System Board</u>							
Student Emergency Fund	292.104	14-221-104-111	7/01/2021-6/30/2022	15,610	15,610	-	15,610
State Aids for Technical Colleges	292.105	N/A	7/01/2021-6/30/2022	3,974,901	3,974,901	-	3,974,901
Grants to District Boards	292.124						
Career Pathways							
Agribusiness Career Pathways		14-712-124-122	7/01/2021-6/30/2022	133,003	111,385	21,216	132,601
Core Industry Program							
Business Management		14-422-124-132	7/01/2021-6/30/2023	138,033	97,104	-	97,104
Nursing		14-442-124-132	7/01/2021-6/30/2023	73,591	32,263	-	32,263
Completion							
Enhancing Student Persistence and Completion		14-372-124-162	7/01/2021-9/30/2022	225,000	204,145	55,077	259,222

Mid-State Technical College
Schedule of Expenditures of State Awards
Year Ended June 30, 2022

Grantor Agency/Pass-through Agency/ Grant Title	State ID Number	Grant Number	Grant Period	State Grant Amount	Revenue		Total Expenditures
					State	Match	
Developing Markets Program							
Culinary		14-462-124-142	7/01/2021-6/30/2023	\$ 130,062	\$ 104,312	\$ -	\$ 104,312
Manufacturing Operations Management YR1		14-441-124-141	7/01/2021-9/30/2022	164,399	100,852	-	100,852
Integrated Education and Training - Programming for Customer Relationship Professionals		14-532-124-202	01/1/2022-6/30/2022	59,400	31,541	-	31,541
Instructional Transformaton		14-932-124-182	10/1/2021-6/30/2022	150,000	150,000	-	150,000
Professional Growth							
Supporting Students by Supporting Faculty		14-392-124-152	7/1/2021-6/30/2022	43,658	43,658	19,036	62,694
Supporting Students by Supporting Faculty		14-391-124-151	7/1/2020-9/30/2021	4,274	2,849	1,221	4,070
Professional Growth - Occupational							
Supporting Faculty Through Workplace Learning Exp		14-482-124-152	7/1/2021-9/30/2022	8,000	8,000	8,000	16,000
Supporting Faculty Through Workplace Learning Exp		14-481-124-151	7/1/2020-9/30/2021	8,000	3,052	3,053	6,105
Apprentice-Related Instruction							
Metering Technician Apprenticeship		14-512-124-112	7/1/2021-6/30/2022	14,217	14,217	-	14,217
Machinist Apprenticeship		14-622-155-232	7/1/2021-6/30/2022	18,576	18,576	-	18,576
Maintenance Tech Apprenticeship		14-652-155-232	7/1/2021-6/30/2022	9,387	9,387	-	9,387
Electrical and Instrumentation Apprenticeship		14-662-124-112	7/1/2021-6/30/2022	43,251	43,251	-	43,251
Arborist Apprenticeship		14-702-155-272	7/1/2021-6/30/2022	9,756	9,756	-	9,756
Millwright Apprenticeship		14-762-155-232	7/1/2021-6/30/2022	3,323	3,323	-	3,323
Workforce Advancement Training							
WAT Erco -improving leadership skills and safety		14-022-124-172	6/24/2021-11/30/2022	28,756	15,907	-	15,907
WAT Americold Skills		14-032-124-172	7/1/2021-8/31/2022	9,070	7,199	-	7,199
WAT NA Medication Aide		14-062-124-172	7/1/2021-8/31/2022	11,873	11,434	-	11,434
WAT WI State Cranberry Growers Assn		14-112-124-172	7/1/2021-8/31/2022	7,545	6,679	-	6,679
Statewide Program							
Systemwide Apprenticeship Curricula		14-912-124-112	7/1/2021-6/30/2022	27,300	27,300	-	27,300
WIDS Curriculum Project		14-922-124-182	10/1/2021-9/30/2022	168,000	168,000	-	168,000
Total Grants to District Boards				1,488,474	1,224,190	107,603	1,331,793

Mid-State Technical College
Schedule of Expenditures of State Awards
Year Ended June 30, 2022

Grantor Agency/Pass-through Agency/ Grant Title	State ID Number	Grant Number	Grant Period	State Grant Amount	Revenue		Total Expenditures
					State	Match	
Property Tax Relief Aid	292.162	N/A	7/1/2021-6/30/2022	\$ 11,415,757	\$ 11,415,757	\$ -	\$ 11,415,757
Fire Fighter Training 2%	292.137	N/A	7/1/2021-6/30/2022	26,375	26,375	-	26,375
Total Wisconsin Technical College System Board				16,921,117	16,656,833	107,603	16,764,436
<u>Wisconsin Department of Natural Resources</u>							
Aid in Lieu of Property Taxes on DNR Exempt Land	370.503	N/A	7/1/2021-6/30/2022	27,725	27,725	-	27,725
<u>Wisconsin Department of Workforce Development</u>							
Local Youth Apprenticeship Grants	445.107	N/A	7/1/2021-6/30/2022	104,500	101,966	-	101,966
WI Fastforward Training Teachers to Teach	445.109	N/A	7/1/2021-6/30/2022	167,378	44,341	-	44,341
Total Wisconsin Department of Workforce Development				271,878	146,307	-	146,307
<u>Wisconsin Department of Revenue</u>							
State Aid Personal Property Tax	835.103	N/A	7/1/2021-6/30/2022	80,636	80,636	-	80,636
State Aid for Computers	835.109	N/A	7/1/2021-6/30/2022	75,481	75,481	-	75,481
Total Wisconsin Department of Revenue				156,117	156,117	-	156,117
Total Expenditures of State Awards				\$ 18,147,861	\$ 17,729,441	\$ 237,587	\$ 17,967,028

The Notes to the Schedule of Expenditures of State Awards are an integral part of this Schedule.

Mid-State Technical College

Notes to the Schedules of Expenditures of Federal and State Awards

Year Ended June 30, 2022

Note 1: Basis of Presentation

The accompanying Schedules of Expenditures of Federal and State Awards include the federal grant and state grant activity of Mid-State Technical College District (the "College") and are presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *State of Wisconsin State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

The Schedules of Expenditures of Federal and State Awards include all federal and state awards of the College. Because the schedules present only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Note 2: Significant Accounting Policies

Revenues and expenditures in the schedules are presented in accordance with the accrual basis of accounting and are generally in agreement with revenues and expenditures reported in the College's fund financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and the *State of Wisconsin State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end consists of federal and state programs that exceed recorded expenditures. Because of subsequent program adjustments, these amounts may differ from the prior year's ending balances.

Note 3: Oversight and Cognizant Agencies

The College's federal oversight agency for audit is the U.S. Department of Education. The College's state cognizant agency is the Wisconsin Technical College System.

Grant monies received and disbursed by the College are for specific purposes and are subject to review and audit by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon prior experience, the College does not believe that such disallowances, if any, would have a material effect on the financial position of the College. Management was not aware of any material questioned or disallowed costs as a result of grant audits in process or completed.

Note 4: Indirect Cost Rate

The College has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Mid-State Technical College

Schedule of Findings and Questioned Costs

Year Ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	No
Identification of major federal programs:	

Assistance Listing Number	Name of Federal Program or Cluster
84.425	COVID-19 - Education Stabilization Fund
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as a low-risk auditee?	Yes

Mid-State Technical College

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2022

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the *State of Wisconsin Single Audit Guidelines*? No

Identification of major state programs:

State ID Number	Name of State Program
292.105	State Aids for Technical Colleges
292.162	Property Tax Relief Aid
Dollar threshold used to distinguish between Type A and Type B programs	\$250,000
Auditee qualified as a low-risk auditee?	Yes

Section II - Financial Statement Findings

None.

Section III - Federal and State Findings and Questioned Costs

None

Mid-State Technical College

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2022

Section IV - Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

Does the audit report show audit issues (i.e., material noncompliance, nonmaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue, or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State of Wisconsin Single Audit Guidelines*:

Department of Transportation	No
Higher Educational Aids Board	No
Technical College System Board	No
Department of Natural Resources	No
Department of Workforce Development	No
Department of Revenue	No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes



Name of Partner

Brian Anderson

Date

December 27, 2022