



# Annual Comprehensive Financial Report

For the Fiscal Years Ended June 30, 2021 & 2020



**LAKESHORE**  
TECHNICAL COLLEGE  
Cleveland, WI

**LAKESHORE TECHNICAL COLLEGE DISTRICT**

1290 North Avenue  
Cleveland, WI 53015  
920.693.1000

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the fiscal years ended June 30, 2021 and 2020

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**Members of the Board  
as of 07/01/2021**

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Mr. John D. Wyatt ..... Vice-Chairperson  
Ms. Kim Rooney ..... Secretary/Treasurer  
Mr. Curt Brauer ..... Member  
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**Current Administrators**

Dr. Paul Carlsen ..... President  
Ms. Polly Abts ..... Vice-President of Student Success  
Mr. James Lemerond ..... Vice-President of Instruction  
Ms. Kristin Liphart ..... Vice-President of Advancement  
Ms. Brenda Riesterer ..... Vice President of Administration  
Ms. Heidi Soodsma ..... Executive Assistant  
Ms. Tanya Wasmer ..... Vice President of Strategy & Outreach

**Official Issuing Report**

Ms. Molly O’Connell..... Chief Financial Officer

**Report Prepared by**

Ms. Molly O’Connell..... Chief Financial Officer  
Ms. Lisa Friedl ..... Controller

Assisted by:

Financial Services staff  
Research and Planning staff

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# LAKESHORE TECHNICAL COLLEGE DISTRICT

## ANNUAL COMPREHENSIVE FINANCIAL REPORT For the fiscal years ended June 30, 2021 and 2020

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December 8, 2021

To the Citizens and Board of Directors of the Lakeshore Technical College District

The Annual Comprehensive Financial Report (ACFR) of Lakeshore Technical College District (District, College or LTC) for the fiscal years ended June 30, 2021 and 2020, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate and reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This report is consistent with legal reporting requirements of the State of Wisconsin, and in our opinion was prepared in conformity with accounting principles generally accepted in the United States of America. In addition to meeting legal reporting requirements, this report is intended to present a comprehensive summary of the significant financial data of the District in a readable format to meet the varying needs of the District's citizens, taxpayers, students, employees, financial institutions, intergovernmental agencies and the Wisconsin Technical College System.

The District maintains internal controls designed to provide reasonable assurance that the District's assets are safeguarded from loss, unauthorized use or disposition and to ensure compliance with established governmental laws, regulations and policies, College policies, and other requirements of those to whom the District is accountable. The internal accounting control structure is designed to provide reasonable, not absolute, assurance that these objectives are met.

State law and federal guidelines require an annual audit of the District's financial records. The District has contracted with the independent certified public accounting firm of CliftonLarsonAllen LLP to perform the annual audit of its financial statements and state and federal assistance programs. The Independent Auditors' Report is included in the financial section of this ACFR and reflects an unmodified opinion on the basic financial statements. As a recipient of state and federal awards, the District complies with the requirements of the Single Audit Act, and separate single-audit reports have been issued, which are included in the Single Audit section.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Paul Carlsen, Ph.D., President

## PROFILE OF THE LAKESHORE TECHNICAL COLLEGE DISTRICT

Lakeshore Technical College is a public, two-year post-secondary educational institution focused on technical education. It is one of 16 comprehensive technical colleges in Wisconsin that operates under the coordination of the Wisconsin Technical College System (WTCS). The District is locally-governed by a nine-member District Board (LTC Board) whose representation is determined by State Statute.

Located in east central Wisconsin, LTC serves a district that measures approximately 1,200 square miles, covering Manitowoc and Sheboygan counties and small portions of Calumet and Ozaukee counties. The main campus, consisting of five instructional buildings and one facilities building on a 154-acre site, is in the Village of Cleveland, Wisconsin, centrally located between the District's two primary city centers, Manitowoc and Sheboygan. In addition to the main campus, the College operates learning sites located within the cities of Sheboygan and Manitowoc, the Plymouth Science and Technology Center, and the School of Agriculture located adjacent to the Farm Wisconsin Discovery Center in Newton in Manitowoc County.

LTC demonstrates a commitment to excellence through its focus on workforce preparation, access and affordability, institutional effectiveness and responsiveness to community needs. Partnerships in the community, with businesses and with education, both K-12 and post-secondary, are key to building career pathways that help keep the economy strong. The Higher Learning Commission reaffirmed LTC's accreditation in 2015 for another ten years. Due to its history of continuous improvement and practices, the college is now in the Open Pathway track. The mode is unique in that its improvement component, the Quality Initiative, gives institutions the independence to pursue improvement projects that are geared toward their current needs and aspirations.

LTC completed a five-year, comprehensive strategic plan during 2017-18 under the direction of a new President. Of 419 staff, 300 staff actively participated in providing input into the strategic goals and initiatives. In addition, students, businesses, and community members provided input and feedback in developing the strategic goals. Derived from the strategic planning process, the college goals include:

- The LTC Team is empowered to be "Dealers in Hope"
- LTC will be the college of 1st choice for graduating high school seniors
- All LTC programs and credentials add value to students and employers

Based upon input from the staff, students, businesses, and community members, a cross-functional strategic planning team representing multiple staff levels and areas of organization conducted a root cause analysis leveraging an interdependency diagram to prescribe the initiatives for the next five years. Resulting from this exercise, the team identified six initiatives designated as the Hope Movement for the next five years. These six goals are:

- Fuel Success: We will foster collaborative accomplishments of the LTC Team.
- Integrate and Accelerate: We will advance student progression by ensuring 100 percent of offerings will have a pathway to a credential.
- Raise Attainment: We will make it possible for all high school seniors in LTC's service region to graduate with 9 college credits or an industry-based certification (IBC).
- Diversify Our Portfolio: We will adapt to an ever-changing marketplace by transforming our offerings such that 90 percent of our students will be served through non-traditional instruction.
- Be Analytical: We will understand and utilize data to make decisions.
- Share the LTC Story: 100 percent of the LTC Team will inform and encourage people to learn at LTC.

An integrated planning process follows the framework of the plan, do, check, act cycle framework for the annual plan and budget. Resources align with the college initiatives. The key measure to assess the overall progress of the college's goals is measuring students served with a goal to serve 20,000 students in one academic year by 2022-23. The Leadership Team manages and monitors progress for the initiatives.



LTC staff stay informed on strategic initiatives and key grants and projects through quarterly all-staff updates. Staff receive a monthly online newsletter, *Inside LTC*, which shares highlights, events, an enrollment dashboard, and information from members of the college community.

Related to transparency and collaboration, staff may electronically submit new ideas related to programs, courses, budget efficiencies, and process improvement that he or she feels would make a positive difference to attain the strategic goals or improve operations. Each idea is important and requires evaluation for next steps. An Improvement and Innovation Team determines next steps and a designated team executes the implementation and evaluates outcomes.

In 2020, the college was recognized as the #2 Best Community College in Wisconsin and #20 Best Community College in the nation for education outcomes by *WalletHub*, an online financial advising website. In addition, the college continues to be named in the military friendly schools list, which recognizes the colleges doing the most to embrace military service members, vets, and spouses as students.

### **Scope of Educational Offerings**

LTC's mission is realized with each graduation as students enter the workforce equipped with critical skills and core abilities (common learning objectives) to meet employer needs. The College's educational offerings include degree and diploma programs, apprenticeships, incumbent worker training, and pre-college instruction. Additional student learning opportunities include internships, clinicals, and participation in student clubs, student life activities, and service learning. Thirty-seven associate of applied science degrees, 18 technical diploma programs, 37 LTC district certificates, 16 embedded technical diplomas, 18 embedded pathway certificates, and 13 state-indentured apprenticeships are offered through six instructional divisions. LTC's programs incorporate industry-leading technologies to reflect the employment needs and provide a base for lifetime learning. Students access these technologies through hands-on learning. To increase student accessibility, programs are shared with other colleges and courses are offered through flexible learning options. Sixteen programs hold professional certification or specialized accreditation from 12 entities.

In addition to meeting the needs of District residents through programs and course offerings, LTC offers courses, workshops, and seminars to meet the needs of business and industry. LTC's Workforce Solutions provides customized training to employers to update employee skills and improve workplace performance. In addition, Workforce Solutions provides comprehensive assessment services to assist employers to develop training plans for employees. In 2019-20, Workforce Solutions served 96 companies and 176 contracts.

Community Education and Pre-College instruction is available through LTC's Manitowoc and Sheboygan locations. Pre-College focuses on academic preparation and includes Adult Basic and Secondary Education (ABE/ASE), English Language Learner (ELL), General Educational Development (GED), and High School Equivalency Diploma (HSED). Community Education focuses on personal and professional enrichment, as well as career exploration.

### **Student Base, Needs, Requirements**

Annually at the close of the fiscal year, for the input phase of the Plan and Budget process, the Strategy department compiles demographic data for review by the Leadership Team. Additionally in the fall, a Year End Report is published with a variety of key data points. The student demographics, their needs and requirements are reviewed to influence any changes to the strategic plan and initiatives.

LTC's population by age groupings is fairly consistent with WTCS's population except for students 24 years old and younger. Thirty-one percent of LTC's students are 24 years old and younger, compared to 46% of



WTCS students. LTC makes up the difference with students over the age of 35. Also comparatively, LTC serves a lower percentage of minority student (16%) compared to the WTCS District (22%).

## **Collaboration**

LTC collaborates with many partners to address the needs of students and industry within the Lakeshore District. Some key partnerships include: four-year colleges; the Wisconsin Indianhead, Lakeshore, and Mid-State Consortium (WILM); the Bay Area Workforce Development Board (BAWDB); the LTC Foundation; Farm Wisconsin Discovery Center; Jake's Café; district employers; and area school districts.

Collaborative relationships with four-year colleges and universities are considered based on their benefits to students including geographical location, course-to-course crosswalks, and transfer maximization. A key agreement is the Lake to Lake collaborative partnership between LTC and nearby Lakeland University. Students who participate in the Lake to Lake partnership complete their associate degree at LTC and continue their education at Lakeland University by entering as a college junior to complete a related bachelor's degree. This partnership now offers 26 programs included in the Lake to Lake initiative. Career areas range from Business to Health related programs. The LTC/Lakeland collaborative team is working on pathways for students not admitted or unsuccessful at Lakeland to take coursework at LTC. The college has articulation agreements with other area four year colleges and universities, such as a newly signed agreement to articulate LTC's Graphic and Web Design degree to UW-Green Bay's Design Arts bachelor program. The college also collaborates with WTCS for statewide articulation agreements across the state, such as inclusion in 2020 with WTCS agreements to articulate LTC's Nursing degree to Chamberlain University's BS Nursing program and LTC's Automotive, Electromechanical, and Welding programs to Marian University's related 4-year programs. Lakeshore Technical College and UW-Green Bay have created a 2-2-1 nursing pathway opportunity. This agreement incorporates courses from both institutions and the existing statewide articulation agreement between WTCS associate degree and UW baccalaureate degree programs, allowing students to move through their nursing education faster and at a lower cost.

WILM provides oversight and leadership for the information systems and data needs for the three collaborating colleges. WILM was formed for the purpose of sharing IT costs and resources, providing significant savings to all three technical colleges. LTC saves close to \$400,000 a year as a member of the consortium. That savings is then funneled back into additional efforts to advance student success. For example, a new student portal, which is also mobile friendly, will give students easier access to the information and services that they need on any device that they are using. This portal will include an automated process providing student's earlier notification of their financial aid award.

The BAWDB provides a network of state, regional, and local resources to support the workforce and companies. Part of the network is the Manitowoc and Sheboygan Job Centers, as well as partnerships with the counties and the Department of Vocational Rehabilitation. LTC's President serves on the BAWDB board.

The LTC Foundation provides resources to support students, activities, and current and innovative learning environments that help students succeed. The LTC Foundation works with the College to ensure that private resources are available for student scholarships as well as for initiatives that help achieve College-wide goals. The college leases space at Jake's Café in Sheboygan. Jake's Café is a business incubator that houses small companies and inventors in a community that encourages creativity and collaboration.

LTC partnered with the Farm Wisconsin Discovery Center in order to expand educational opportunities in agriculture. LTC provided support services for Farm Wisconsin Discovery staff prior to the opening of the facility in May of 2018. LTC opened its new School of Agriculture in January, 2018 at the Farm Wisconsin Discovery Center property and is connected to the facility through a birthing barn.

LTC works with area businesses and industries in developing programs and facilities to create a pipeline of skilled workers. Lab time is set aside for industry employees to complete their education and exclusive courses are offered for industry partners to provide flexible training options. LTC maintains strong relationships with major employers through the Board, the Foundation Board, advisory committees, manufacturing roundtables, chambers, economic development corporations, workforce boards, Northeast

Wisconsin Educational Resource Alliance (NEW ERA), New North and Red Raider Manufacturing—a partnership between the Sheboygan Area School District, local manufacturers, and LTC.

The College values the importance of strong relationships with K-12 partners as evidenced by the number of high school students that earn both high school and LTC credit through one of our dual-credit offerings. In fall 2020, College Here & Now expanded into Kiel Area School District. College Here & Now, a college/career pathway that makes it possible for participating school district students to earn their LTC technical diploma at the same time they graduate from high school. Students take courses at their high schools with LTC faculty teaching in designated College Here & Now classrooms. Students are able to enter LTC in their second year of the associate degree program and complete within the same year. The LTC technical diploma is available at no cost to students and their families. College Here & Now is expanding to the Mishicot High School, Manitowoc Lincoln High School, and McKinley Academy in Fall 2021.

The College employs an Executive Director of Admissions and High School Relations to oversee the college's recruitment and admissions efforts, which includes building and strengthening relationships with our local high schools, enhancing dual credit opportunities, and increasing transition rates. This position oversees the college's Youth Apprenticeship program, responsible for providing work-based learning opportunities for high school juniors and seniors to explore a future career area of interest with local employers. This position also oversees several Admissions Advisors, responsible for assisting high school students with career exploration and their transition to college. Collaborating with district high schools to create Career Pathways is a key component of this transition process. Career Pathways offer high school students the opportunity to take dual credit courses that lead to industry recognized credentials, expanding employment opportunities upon completion. Certificate courses in Welding, Healthcare, Information Technology, Manufacturing, Business, Public Safety, and Culinary Arts are among the many offered, which help high school students transition to postsecondary programs and into the workforce. With offerings in high-demand occupations, this partnership includes local Chambers of Commerce and leading employers to award employer-recognized certificates that expand new employment opportunities and career advancement possibilities.

### **Distinctive/Critical Facilities, Equipment, Technologies, Regulatory Environment**

LTC plans for facilities growth as well as technology expansion as it advances its mission, vision, and strategic plan. LTC allocates resources annually for equipment and remodeling projects to systematically upgrade classroom learning environments that enhance student learning.

In 2020-2021, LTC completed the consolidation of the General Education division and Business and Technology division offices, remodeled space for a new HVAC lab in the Agriculture & Energy Building, and completed the relocation of the Testing Center. In 2021-22 we will be putting an addition on the Public Safety Storage building, and remodeling the L7 entrance, including an addition to the Technology Services area.

Within its broad range of technical education, the College has many distinctive teaching/learning facilities that use technology to enhance the students' hands-on learning experiences. The Clinical Skills Lab has intravenous (IV) arms, human patient simulators, a radiography lab, and other hands-on learning equipment for healthcare students to practice and check off skills before placement in a clinical site externship. The Pharmacy Technician program has several new pieces of equipment as a result of a federal grant. The Dental Clinic provides students an opportunity to work in a multi-chair dental clinic. Local dentists, hygienists, and assistants volunteer their time to work with students and provide community dental care.

The Public Safety Training Center offers programs and training ranging from basic first aid to Critical Care Flight Paramedic to a Law Enforcement Academy. A computerized firefighter burn training building allows for volunteer and career firefighters to refine skills in a controlled and safe environment. A state-of-the-art driving skills course offers training to emergency vehicle operators and motorcyclists. This course provides local agencies opportunities to train with the desired outcome of less traffic injuries or fatalities. A high angle rescue tower was erected to teach proper climbing and fall rescue techniques and an outdoor shooting range allow law enforcement professionals to learn and demonstrate firearms proficiency. In 2020, Scenario

City, was built to offer simulated environments, including a motel, convenience store and residential home where students encounter real-world challenges while practicing skills to become Emergency Medical Technicians (EMTs), Paramedics, and police officers.

LTC collaborated with Plymouth High School to create a LTC Plymouth Science and Technology Center. High school students use the labs and classrooms during the day and LTC students use them in the evenings.

The School of Agriculture opened in January 2018 as a part of the Farm Wisconsin development. This center has two classrooms and a state of the art agriculture lab with the capability to deliver instruction to remote sites via video conferencing. LTC's renewable energy demonstrations include three grid-tied wind turbines and two photovoltaic panels. The College utilizes light tubes to light spaces in place of fluorescent fixtures and lighting controls to turn-off lights in spaces not in use.

The Kohler Center for Manufacturing Excellence includes the Nierode Building and Plastics Engineering Manufacturing Building which is a simulated modern manufacturing site that provides welding, industrial maintenance, and sheet metal trades instruction. LTC expanded in 2013-14, to combine and increase the welding labs, provide space for the fabrication program and add lab space for Industrial Maintenance and other programs. The Nierode building showcases robotics, programmable logic controllers, computer aided drafting, computer numerical controlled machine tools, and other hands-on learning equipment used in modern manufacturing facilities. Space in the Nierode building was remodeled in 2014 to expand the Machine Tool and CNC, Automation and Engineering programs. The Plastics Engineering Manufacturing building houses a state of the art Fabrication cell featuring a Fiber Laser with the capability to laser parts up to 4' x 4' as well as two Robotic Welders and a metal forming press.

LTC takes training on the road with its state-of-the-art mobile simulation labs. The labs offer students the latest in high-tech training in various life-like scenarios. The Advanced Manufacturing Mobile Lab is a self-contained training lab which provides hands-on experiences for K-12 students. This climate controlled unit equipped with wireless technology provides instruction in Industrial Maintenance and Programmable Logic Controls (PLCs). The Human Patient Simulator Mobile lab offers emergency response and healthcare providers the latest, high-tech training. The EMS Mobile Lab was built in partnership with the Wisconsin Department of Workforce Development through a Blueprint for Prosperity grant in the Wisconsin Fast Forward program. The Z Lab is has a virtual server, six computer workstations and 24 laptops. The lab also has software including Solidworks, Microsoft Office Suite and MasterCam.

In Fall 2020, the Culinary Arts program began utilizing the new state-of-the-art culinary and baking lab located on the Cleveland campus. All program courses are available in a single location, and students have easy access to student success services available on campus. The instructional kitchen was designed with the sole purpose of education and we are able to seamlessly integrate a dedicated baking area into the space which will expand and enhance our culinary arts curriculum.

The campus-wide learning college classroom and technology refresh plans ensure every classroom and conference room has current and similar equipment and room arrangements to increase use and functionality. The technology refresh plan ensures computer, network and media equipment is updated on regular cycles. Wireless networking is available throughout the campus. LTC received a federal grant under the 2016 Distance Learning and Telemedicine Program. The distance learning portion of the grant provided resources to cover a portion of the cost of a videoconferencing standardization project, which upgrades the equipment necessary to deliver these services.

The Advanced Automotive Technology Training Center consists of two areas recently enhanced and renovated housing the Automotive Maintenance and Auto Collision shops. The center comprises 32,000 square feet of lab space with state of the art equipment and facilities. Both shops are designated as a Snap-On Center of Excellence. Both areas include new equipment like metal shaping, frame aligners, scanners, and wheel aligners.

## **Faculty and Staff Base**

LTC employs 750 full and part-time people within three organizational groups. Full time employees include 89 support staff, 61 management staff and 107 faculty. The Lakeshore Educational Association (Local 3201 of the National Educational Association) represents bargaining unit faculty. Support and management staff are not represented by a union. LTC also employs approximately 400 part time staff made up of adjunct faculty, students, part time support staff and temporary help. LTC's staff are aligned to functional areas which make up the systems of the college.

## **ECONOMIC CONDITIONS**

### **Competitive Environment**

There are four Wisconsin Technical Colleges, two University of Wisconsin two-year institutions, and two four-year institutions that offer educational opportunities in the local area. Additionally, there are six established private colleges within fifty miles of LTC. While these institutions offer educational opportunities, our missions are unique allowing for partnerships to form.

LTC must continue to remain competitive. For-profit institutions continue to market through information nights, newspaper, radio, and television advertisements. In addition, some have invested in facilities within the region offering niche programs that are in direct competition with LTC. Some local employers have on-site training facilities as well as UW-Green Bay offering continuing education programs that compete with LTC's Workforce Solutions offerings.

## **STRATEGIC PLANNING PROCESS**

Lakeshore Technical College uses a rigorous process, involving staff and the community, to develop its 5-year strategic plan. The process identifies the means to direct students to appropriate and innovative resources, enhance their growth, and guide them to obtain their goals. The ability of LTC to perform effectively provides hope to students and strength to the community that needs will be met within an increasingly demanding society.

The process contains iterative steps of development, review, and implementation to facilitate optimal execution. Review and improvement stages ensure that actions meet expectations as determined by the defined feedback mechanism and the established plan metrics. LTC's strategic plan demonstrates the "Hope Movement" that pervades the entire college and will give greater life to the community.

The development phase involves meetings with college staff and the community to develop ten strategic initiatives. First, the college president meets with college staff during "Chart the Course" meetings to gather which college activities are working well and perceived as needed. Previous "Chart the Course" meetings averaged more than 200 college staff member participants. In addition, the President conducts Team Input sessions that have included approximately 100 staff participants. Community involvement consists of town hall meetings where participants indicate where the college performed well and where improvement was desired. The Leadership Team transforms this feedback into ten strategic initiatives to review, analyze, and prioritize by reducing the listing by respective root causes and where necessary, the importance of any potential interaction between their possible indirect dependencies.

In the review phase, multiple groups evaluate the strategic initiatives, determining gaps between the current state and the objective state, the root causes for the variances, and the required tactics to achieve the new state. Staff sessions provide valuable input as to their relevance and their tactical execution. Select college representatives categorize the tactics to focus on determining the interrelationships of the tactics and strategic initiatives, and to eliminate gaps through root-causes discovery. These findings are presented at town hall meetings to college staff and community members, soliciting feedback and support as to the prioritization of initiatives and the tactics supporting their respective execution.

For the implementation phase, the initiatives are assessed to ensure that each tactic achieves the desired result and is valid. The Leadership Team may then refine each initiative, then respective LTC staff will execute the tactics to achieve the desired result of each initiative. In addition, a cross-functional team consisting of members from the initial strategic planning cross-functional team and members of the Improvement and Innovation Steering Team derive the strategic initiatives.

## **VISION, MISSION AND ENDS POLICY**

### **Vision**

The vision provides the focus for the College and its staff and supports all efforts related to performance excellence.

The community's driver for individual, social, cultural, and economic vitality.

### **Mission**

The mission serves as the nexus for the continued success of the College. Whether the focus is on new technology, alternative delivery, training to help address health care worker shortage, or implementing a new program, the District strives to fulfill the College mission with every endeavor. The District develops individuals who apply knowledge and skills to enhance quality of life and boost economic vitality. In addition, the District is committed to extending learning beyond the classroom and throughout life.

Transform individuals to strengthen our communities through innovative and accessible learning.

### **District Board Ends Policies**

The Board's ends policies focus the College on what benefits the community should derive from the District's existence.

#### **Community**

Lakeshore Technical College exists so the community workforce will be well trained, diverse, and flexible, and will meet the needs of a changing marketplace.

#### **Learning Opportunities**

Learning opportunities are affordable and accessible, within available resources.

## **MANAGEMENT SYSTEMS AND CONTROLS**

LTC is committed to the development of good management systems and controls. Systems are conscientiously developed within which LTC employees can function effectively which provides appropriate levels of supervision and segregation of duties.

### **Internal Controls**

The management of LTC is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the College are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state and local financial assistance, LTC is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws, regulations, contracts and grants related to these programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the government.

## Budgetary System

LTC's annual budget is prepared in accordance with the requirements of the Wisconsin Technical College System Board. These budget requirements include administrative review, public hearings, and passage by the District board prior to June 30 of each year. Budgeted amounts are controlled by function within funds, with modification or changes of the approved budget possible upon approval by two-thirds vote of the District board.

Based on strategic priorities, objectives, plans and budgets are developed. These budgets are then reviewed by budget managers and subsequently submitted in detail to the budget staff. The information is then summarized and analyzed by administration prior to being submitted to the District board for approval. Budget forums are held throughout the budget process to allow staff to learn more and provide feedback. As expenditures occur throughout the year, they are recorded against budgeted amounts. Individual budget managers are responsible for monitoring the budgets along with the budget staff. The District's decentralized approach allows for the reallocation of budgets to meet the needs of the public and still maintain proper stewardship.

## Independent Audit

The College's board policy and state law requires an annual audit of LTC's financial statements by an independent certified public accountant. This requirement has been complied with and the independent auditors' opinion is included in this report.

## Certificate

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Lakeshore Technical College for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

## Acknowledgment

The preparation of this report on a timely basis was accomplished through the cooperative efforts of the Financial Services Department and other staff, with the assistance of the College's independent auditors, CliftonLarsonAllen LLP. We express our appreciation to our staff for their hours in preparing this report.

Respectfully submitted,



Paul Carlsen, Ph.D.  
President



Molly O'Connell  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Lakeshore Technical College  
Wisconsin**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

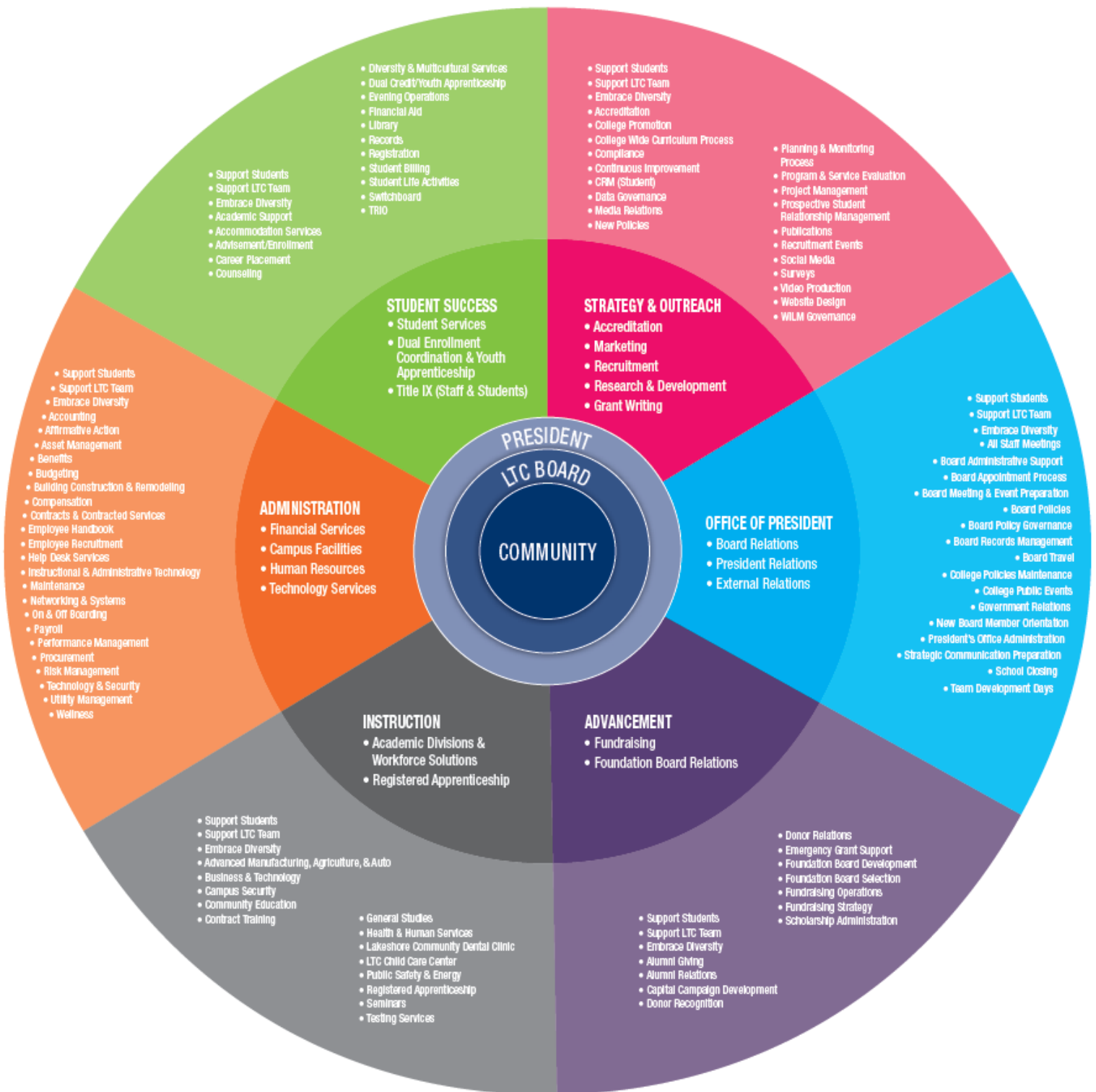
June 30, 2020

*Christopher P. Morrill*

Executive Director/CEO



# Lakeshore Technical College Organizational Chart

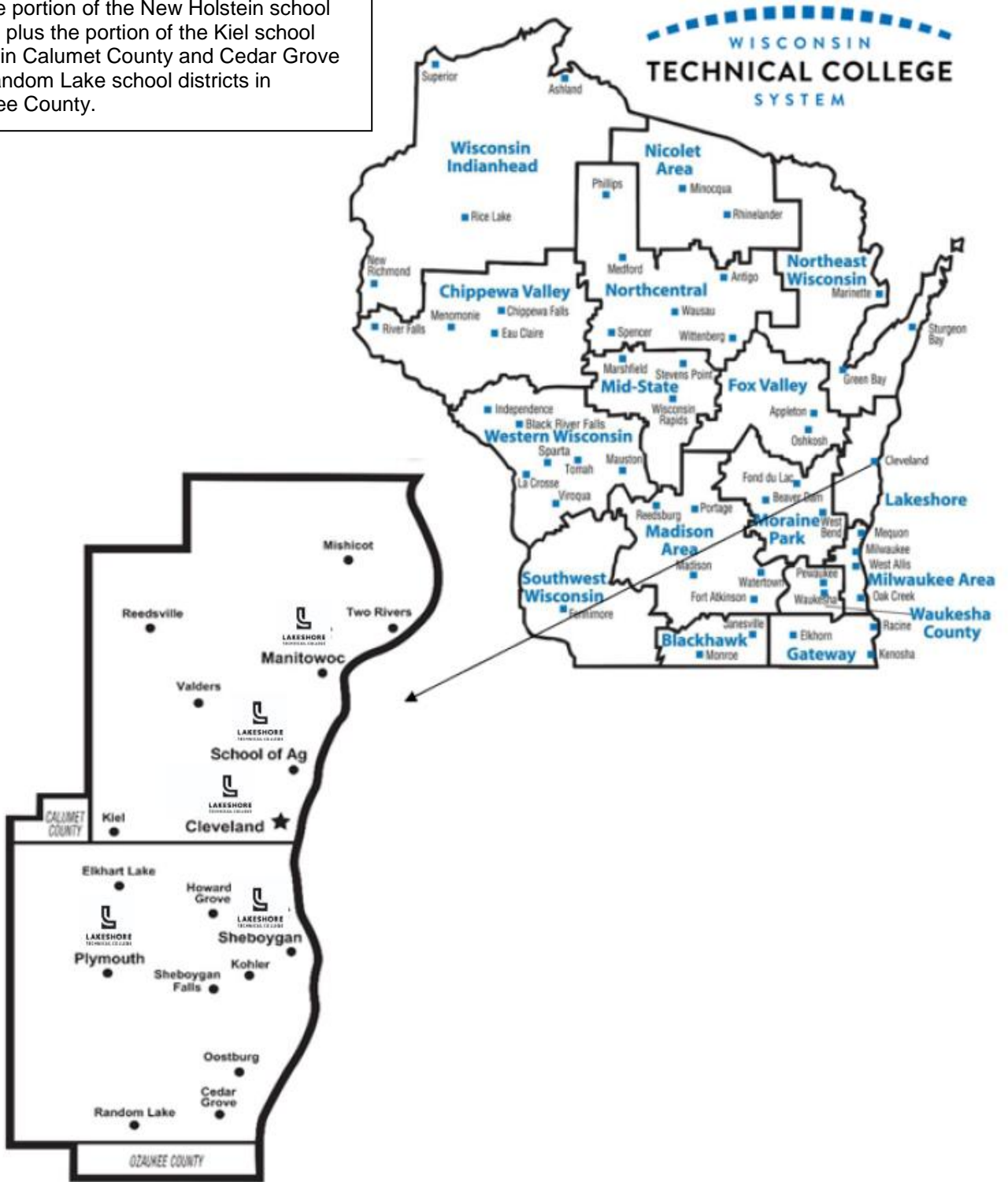


## Lakeshore Technical College District Board

<b>Officers</b>	<b>Name</b>	<b>Membership Type</b>
Chairperson	Donald Pohlman	Elected Official Member
Vice-Chairperson	John Wyatt	Additional Member
Secretary/Treasurer	Kim Rooney	Additional Member
Member	Curt Brauer	Employee Member
Member	Belinda Esquinas	Employer Member
Member	Roy Kluss	Employee Member
Member	John Lukas	Employer Member
Member	Monica Nichter	Additional Member
Member	Dr. Mike Trimberger	School District Administrator Member

**District Map**

The district includes Manitowoc County less the portion of the Chilton, Brillion, and Denmark school districts; Sheboygan County less the portion of the New Holstein school district; plus the portion of the Kiel school district in Calumet County and Cedar Grove and Random Lake school districts in Ozaukee County.



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## Independent auditors' report

To the District Board  
Lakeshore Technical College District  
Cleveland, Wisconsin

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Lakeshore Technical College District, Cleveland, Wisconsin (the "District") as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### MANAGEMENT'S RESPONSIBILITY 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 of America; 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.

#### AUDITORS' RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Lakeshore Technical College Foundation, Inc., a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **OPINION**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the District as of June 30, 2021 and 2020, and the respective changes in financial position and cash flows, where applicable thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **OTHER MATTERS**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions and other postemployment benefits be presented to supplement the basic financial statements. Such information, although not 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 of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**


Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of expenditures of state awards 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, are also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards and schedule of expenditures of state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
December 8, 2021



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## Lakeshore Technical College District Management's Discussion and Analysis

Lakeshore Technical College District's (District, College or LTC) 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.

While maintaining its financial health is crucial to the long-term viability of LTC, 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.

Lakeshore Technical College Foundation, Inc. (Foundation) is a separate and independent, not-for-profit corporation whose purpose is to solicit, hold, manage, invest and expend endowment funds and other gifts, grants, and bequests for the maintenance and benefit of LTC and its students. The Foundation is managed by an independent board of directors, and is not fiscally accountable to the College. The financial resources of the Foundation are significant to the College as a whole and accordingly, the Foundation is reported as a discretely presented component unit in the College's basic financial statements.

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

### **Statement of Revenues, Expenses, and Changes in Net Position**

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenue earned and the expenses incurred during the year. Activities performed by the College are reported as either operating or non-operating activities. In general, a public college such as LTC will report an operating deficit or loss, as the financial reporting model classifies state appropriations and property taxes, the College's main sources of revenue, as non-operating 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 reformatted version of the Statement of Revenues, Expenses, and Changes in Net Position:

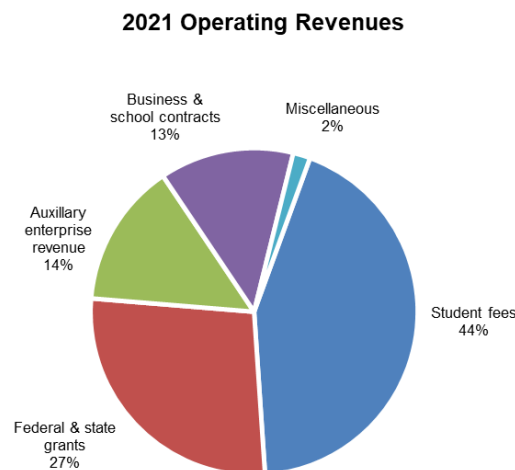
	2021	2020	Increase/(Decrease)		2019
			\$	%	
<b>Operating Revenues</b>					
Program fees	\$ 4,042,195	\$ 4,367,358	\$ (325,163)	-7.4%	\$ 4,526,132
Material fees	239,333	279,238	(39,905)	-14.3%	287,754
Other student fees	500,463	441,891	58,572	13.3%	624,117
Federal grants	1,708,927	1,491,357	217,570	14.6%	1,301,883
State grants	1,294,957	1,338,339	(43,382)	-3.2%	1,391,242
Business & school contracts	1,462,476	1,457,771	4,705	0.3%	1,332,298
Auxiliary enterprise revenue	1,574,924	1,275,009	299,915	23.5%	1,448,237
Miscellaneous revenue	187,379	460,758	(273,379)	-59.3%	427,244
Total operating revenues	<u>11,010,654</u>	<u>11,111,721</u>	<u>(101,067)</u>	<u>-0.9%</u>	<u>11,338,907</u>
<b>Non-operating Revenues</b>					
Property taxes	12,932,675	12,378,955	553,720	4.5%	11,874,205
State operating appropriations	15,130,329	15,187,381	(57,052)	-0.4%	14,887,923
Other federal financial assistance	4,967,575	3,725,435	1,242,140	33.3%	3,259,077
Gain on sale of capital assets	0	31,334	(31,334)	-100.0%	15,518
Interest income	144,973	288,182	(143,209)	-49.7%	333,948
Realized and unrealized gain (loss) on investments	(133,355)	155,039	(288,394)	-186.0%	139,304
Total non-operating revenues	<u>33,042,197</u>	<u>31,766,326</u>	<u>1,275,871</u>	<u>4.0%</u>	<u>30,509,975</u>
Total revenues	<u>44,052,851</u>	<u>42,878,047</u>	<u>1,174,804</u>	<u>2.7%</u>	<u>41,848,882</u>
<b>Operating Expenses</b>					
Instruction	16,583,747	18,380,809	(1,797,062)	-9.8%	20,369,428
Instructional resources	1,433,942	1,233,304	200,638	16.3%	1,448,087
Student services	5,670,626	5,581,487	89,139	1.6%	5,268,252
General institutional	4,415,685	4,409,550	6,135	0.1%	5,285,721
Physical plant	2,475,795	2,495,709	(19,914)	-0.8%	2,878,505
Auxiliary enterprise services	1,079,782	991,547	88,235	8.9%	1,198,520
Depreciation	4,896,598	4,419,003	477,595	10.8%	4,365,529
Student aid	1,466,049	1,605,626	(139,577)	-8.7%	1,843,399
Total operating expenses	<u>38,022,224</u>	<u>39,117,035</u>	<u>(1,094,811)</u>	<u>-2.8%</u>	<u>42,657,441</u>
<b>Non-operating Expenses</b>					
Loss on sale of capital assets	84,006	0	84,006	n/a	0
Interest expense	695,361	703,742	(8,381)	-1.2%	690,234
Total non-operating expenses	<u>779,367</u>	<u>703,742</u>	<u>75,625</u>	<u>10.7%</u>	<u>690,234</u>
Total expenses	<u>38,801,591</u>	<u>39,820,777</u>	<u>(1,019,186)</u>	<u>-2.6%</u>	<u>43,347,675</u>
Change in net position before capital contributions	5,251,260	3,057,270	2,193,990	71.8%	(1,498,793)
Contributions	0	30,957	(30,957)	-100.0%	343,661
Federal and state capital grants	238,415	252,301	(13,886)	-5.5%	423,620
Change in net position after capital contributions	<u>5,489,675</u>	<u>3,340,528</u>	<u>\$ 2,149,147</u>	<u>64.3%</u>	<u>(731,512)</u>
Net position - beginning of the year	<u>22,623,037</u>	<u>19,282,509</u>			<u>20,014,021</u>
Net position - end of the year	<u>\$ 28,112,712</u>	<u>\$ 22,623,037</u>			<u>\$ 19,282,509</u>

**Operating revenues** are the charges for services offered by the College. During 2021, the College generated \$11.0 million of operating revenue. This is a decrease of \$101,000 from 2020, or 0.9%, compared with a decrease of \$227,000 or 2% in 2020.

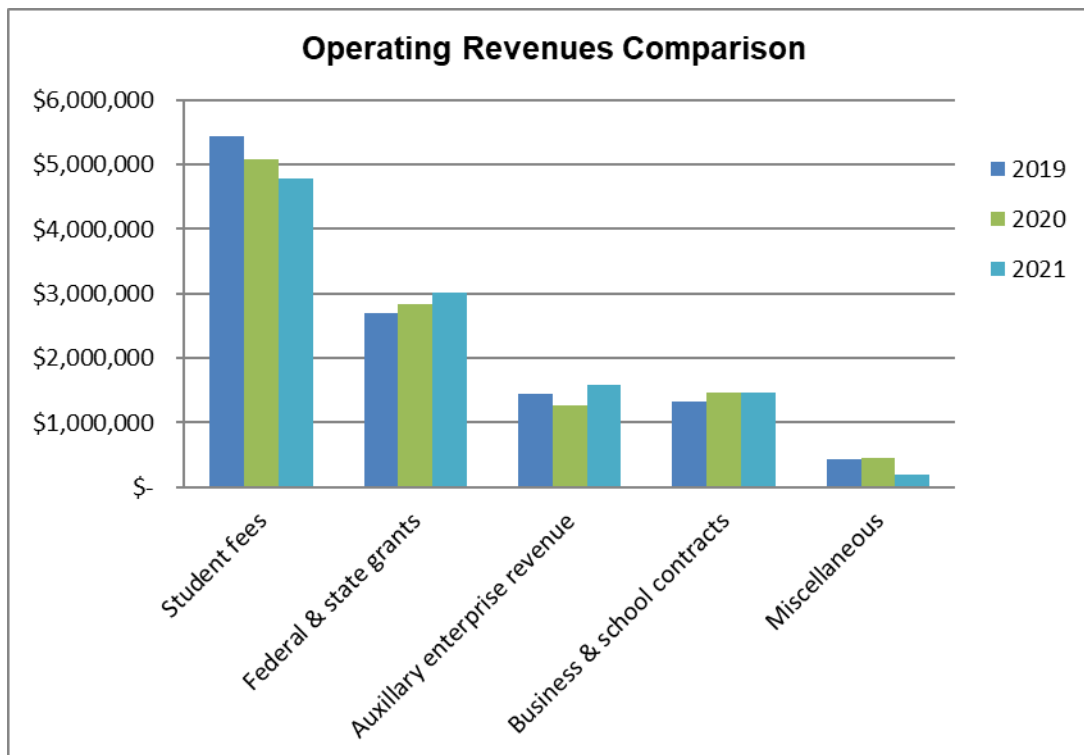
Significant changes in operating revenue for the years ended June 30, 2021 and 2020 are as follows:

- Program, material and other fees charged to students for attending courses decreased by \$306,000 or 6% in 2021, compared to a decrease of \$350,000, or 6% in 2020. Fiscal 2020 student fees were reduced by \$182,000 due to refunds made to students as the college transitioned all face-to-face courses to online instruction in response to the Governor's Safer at Home order in March 2021 due to the COVID-19 pandemic (see *Impact of the Spread of COVID-19* on page 29 for additional information). LTC experienced a 12.7% decrease in student FTEs (full-time equivalents) for 2021 and a 3.1% decrease in 2020. Increased program fee rates, which are set by the state, offset the decrease in enrollments. Program fee rates for the 2021 and 2020 school years increased by 1.5% and 1.7%, respectively.
- Federal and state grant operating revenue for specific purposes, including financial aid payments to students, totaled \$3.0 million for 2021, saw an increase of \$174,000, or 6%. State grant revenue decreased \$43,000 in 2021 due to a decrease in the Wisconsin Department of Workforce Development Youth Apprenticeship grant activity, while federal grant revenue increased \$218,000 mainly due to increased Title III Strengthening Institutions grant activity. In 2020, federal and state grant operating revenue was \$2.8 million, an increase of \$137,000 or 5% from 2019. State grant revenue decreased \$53,000 in 2021 due to a decrease in general purpose revenue (GPR) competitive grant awards, while federal grant revenue increased \$189,000 due to the Title III Strengthening Institutions grant award.
- Auxiliary enterprise revenues, including revenues generated by the bookstore, food service, childcare, culinary restaurant and other instructional related activities, increased \$300,000, or 24%, in 2021 while 2020 had a decrease of \$173,000 or 12%. The increase in 2021 is due to increases in WILM consortium activity, institutional revenue for funding the college's health insurance reserves within the Wisconsin Technical College Employee Benefits Consortium (WTCEBC), and funding for and eSports program, offset by decreases in child care, foodservice, and shuttle revenue. The decrease in 2020 is due to a decrease in instruction related revenue.
- Contract revenues result from customized training to business and industry as well as local school districts. Contract revenues increased by \$5,000 or 0.3% in 2021 and increased \$125,000 or 9% in 2020. Contract revenue in both years was impacted by a reduction in corporate training due to COVID-19. The increase seen in 2020 was due to increased high school contract revenue.

The following is a graphical illustration of operating revenues by source for the fiscal year ended June 30, 2021.



The graph below depicts the comparison between 3 years of operating revenues:



**Non-operating revenues** are revenue items not directly related to providing instruction. Non-operating revenues were \$33.0 million for 2021, \$31.8 million for 2020 and \$30.5 million for 2019.

The most significant components of non-operating revenues for the years ended June 30, 2021 and 2020 include the following:

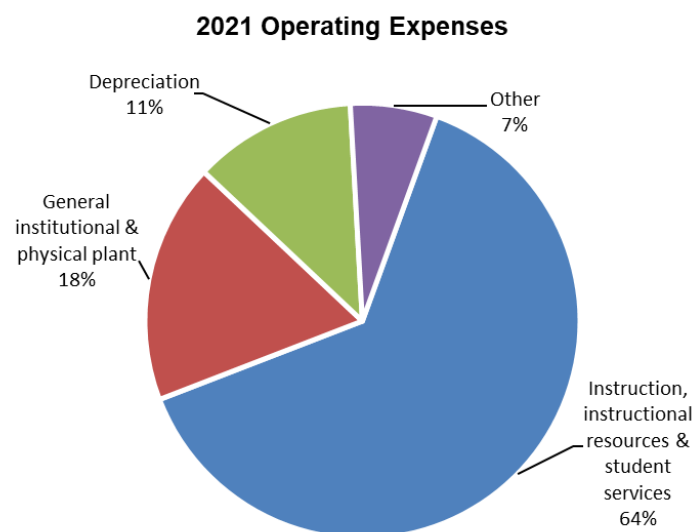
- Property tax revenue for 2021 increased \$554,000 or 5%, compared to an increase of \$505,000 or 4%, in 2020. Equalized values of property in the District increased by 6.03% for 2021 and 4.82% for 2020.
- State operating appropriations for the College decreased \$57,000 or 0.4% in 2021, compared to an increase of \$299,000 or 2% in 2020. General state aids decreased \$32,000 or 2% in 2021 and increased \$179,000 or 10% in 2020. The outcomes based funding portion of general state aids decreased by \$20,000 or 2% in 2021 and increased by \$157,000 or 14% in 2020.
- Other federal financial assistance for 2021 in the amount of \$5.0 million increased \$1.2 million or 33% over 2020 due to funding the College received from the Higher Education Emergency Relief Fund (HEERF) (see *Impact of the Spread of COVID-19* on page 29 for additional information). Other federal financial assistance for 2020 increased \$466,000 or 2% over 2019 due to HEERF funding.
- Interest income, net of fees decreased \$143,000 or 50% in 2021 and decreased \$46,000 or 14% in 2020. The weighted average interest rate on investments dropped from 1.43% to 0.25%. For 2021, the realized and unrealized loss on investments was \$133,000. This compares to the realized and unrealized gain on investments of \$155,000 for 2020 and a gain of \$139,000 for 2019. It is the intention of the College to hold its investments until maturity or until the fair value improves.

**Operating expenses** are costs related to offering the programs of the College. During 2021, operating expenses totaled approximately \$38.0 million. This represents a decrease of \$1.1 million or 3%, compared to a decrease of \$3.5 million or 8% in 2020. The decrease in 2021 and 2020 is largely due to a decrease in benefit expenses, with some of the decrease in 2020 is the result of the College putting a hold on most non-pandemic related spending as the campus closed in response to the Governor’s Safer at Home order in March 2020 due to the COVID-19 pandemic (see *Impact of the Spread of COVID-19* on page 29 for additional information). The majority of the operating expenses, about 64%, are for salary and benefits. Other major types of expenses include supplies, printing and minor equipment (4%), contract services (7%), student aid (4%) and depreciation (13%). Expenses such as travel, insurance, utilities and other expenses account for the remaining 8% of total operating expenses.

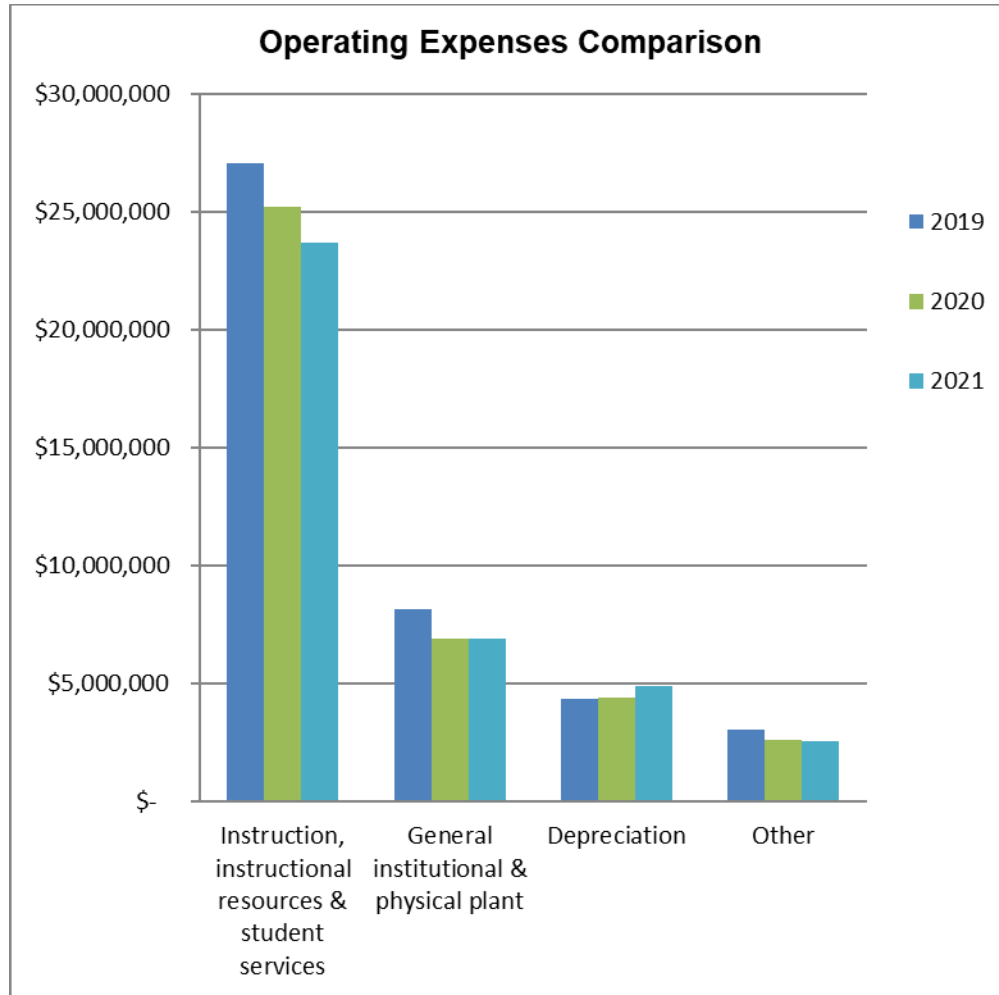
Significant changes in operating expenses for the years ended June 30, 2021 and 2020 are as follows:

- Direct costs (instruction, instructional resources and student services) decreased \$1.5 million or 6% in 2021 due to a decrease in benefits expenses offset by increases in supplies, printing and minor equipment purchases and contracted services. Direct costs for 2020 decreased \$1.9 million or 7% due to a decrease in benefit expense and decreases in supplies, printing and minor equipment purchases.
- General institutional and physical plant expenses were \$6.9 million for 2021 and 2020 and \$8.2 million for 2019. The decrease in 2020 is due to decreased benefit expenses.
- Auxiliary enterprise services expenses increased \$88,000 or 9% in 2021 due to an increase in WILM staff expenses and decreased \$207,000 or 17% in 2020 due to instructional-related expenses.
- Student aid decreased by \$140,000 or 9% in 2021 and decreased by \$238,000 or 13% in 2020. The decrease in 2021 and 2020 is due to a decrease in Pell grants.

The following is a graphical illustration of operating expenses by function for the fiscal year ended June 30, 2021.



The graph below shows the comparison of operating expenses for the last three fiscal years.



**Non-operating expenses** are expense items not directly related to providing instruction. Non-operating expenses increased \$76,000 or 11% in 2021, compared to an increase of \$14,000 or 2% in 2020. Interest expense of \$695,000, \$704,000 and \$690,000 was the main component of non-operating expenses for 2021, 2020 and 2019, respectively.

### Statement of Cash Flows

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



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

	2021	2020	Increase/(Decrease)		2019
			\$	%	
Cash flows from operating activities	\$ (24,772,649)	\$ (23,915,070)	\$ (857,579)	-3.6%	\$ (25,511,064)
Cash flows from non-capital financing activities	33,059,004	31,174,976	1,884,028	6.0%	29,980,028
Cash flows from capital & related financing activities	(5,557,107)	(4,945,785)	(611,322)	-12.4%	(3,362,959)
Cash flows from investing activities	1,643,282	(971,701)	2,614,983	269.1%	(150,763)
Net increase in cash & cash equivalents	\$ 4,372,530	\$ 1,342,420	\$ 3,030,110	225.7%	\$ 955,242

- **Cash flows from operating activities** decreased \$858,000 or 4% in 2021, compared to an increase of \$1.6 million or 6% in 2020, due to the following:
  - ✓ Payments to employees of \$26.4 million in 2021, \$26.6 million in 2020, and \$27.5 million in 2019 made up the largest portion of the cash flows from operating activities.
  - ✓ Payments to suppliers for 2021 increased \$687,000 or 8%, compared to a decrease of \$1.2 million or 13% in 2020.
  - ✓ Tuition and fees received from students for services were approximately \$4.7 million in 2021, \$5.3 million in 2020, and \$5.4 million in 2019.
  - ✓ Federal and state grants received decreased \$64,000 or 3% in 2021 compared to a decrease of \$177,000 or 6% in 2020.
  - ✓ Business, industry and school district contract revenues received increased \$32,000 or 2% for 2021 and increased \$47,000 or 14% in 2020.
- **Cash flows from non-capital financing activities** consist primarily of property taxes, state appropriations received, and other federal financial assistance and increased \$1.9 million or 6% in 2021 and increased \$1.2 million or 4% in 2020.
- **Cash flows from capital and related financing activities** is primarily made up purchases of capital assets and capital related debt activity (debt proceeds and principal and interest payments). For 2021, there were cash outflows of \$5.6 million and for 2020 and 2019 there were cash outflows of \$4.9 million and \$3.4 million, respectively.
  - ✓ Debt proceeds were \$9.6 million in 2021 and \$5.6 million and \$3.3 million in 2020 and 2019, respectively. Principal payments on capital debt were \$8.3 million in 2021 and were \$4.6 million and \$4.3 million in 2020 and 2019, respectively. The College issued \$3.4 million in refunding bonds in 2021 to refinance prior debt.
  - ✓ Purchases of capital assets for 2021 amounted to \$6.0 million, compared to \$5.9 million in 2020 and \$2.5 million in 2019. Major projects for 2021 include relocation of division offices (\$562,000), remodel of testing center, academic support, Centennial Hall and fitness center (\$754,000), technology to convert classrooms for in-person and virtual instruction (\$439,000), HVAC lab remodel (\$179,000), completion of the culinary kitchen relocation (\$158,000), Public Safety storage addition (\$86,000), Lakeshore building addition and remodel (\$86,000), Health and Human Services skills lab remodel (\$14,000), general remodeling and infrastructure improvements (\$303,000), and equipment purchases (\$3.5 million). Expenditures for 2020 include remodeling space on the main campus for the culinary program (\$1.2 million), phase 2 of Scenario City construction (\$1.0 million), relocation of the bookstore (\$139,000), HVAC lab remodel (\$22,000), relocation of division offices (\$44,000), general remodeling and infrastructure improvements (\$223,000), and equipment purchases (\$3.3 million).

LTC had a net increase in total cash & investments of approximately \$4.4 million for 2021 compared to a net increase of \$1.3 million for 2020 and a net increase of \$955,000 in 2019.

### Statement of Net Position

The Statement of Net Position presents information on all of the College's assets, liabilities, and its deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position is improving or deteriorating.

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

	2021	2020	Increase/(Decrease)		2019
			\$	%	
<b>Assets</b>					
Cash and investments	\$ 26,869,730	\$ 24,128,865	\$ 2,740,865	11.4%	\$ 21,371,523
Receivables	7,933,961	6,596,957	1,337,004	20.3%	6,975,813
Net capital assets	28,767,673	27,410,184	1,357,489	5.0%	26,256,172
Other	8,360,829	4,505,371	3,855,458	85.6%	156,087
<b>Total assets</b>	<b>71,932,193</b>	<b>62,641,377</b>	<b>9,290,816</b>	<b>14.8%</b>	<b>54,759,595</b>
<b>Deferred Outflows of Resources</b>	<b>12,270,803</b>	<b>9,278,007</b>	<b>2,992,796</b>	<b>32.3%</b>	<b>12,033,596</b>
<b>Liabilities</b>					
Current liabilities	10,925,188	9,138,990	1,786,198	19.5%	9,299,286
Non-current liabilities	29,124,977	28,336,658	788,319	2.8%	31,987,898
<b>Total liabilities</b>	<b>40,050,165</b>	<b>37,475,648</b>	<b>2,574,517</b>	<b>6.9%</b>	<b>41,287,184</b>
<b>Deferred Inflows of Resources</b>	<b>16,040,119</b>	<b>11,820,699</b>	<b>4,219,420</b>	<b>35.7%</b>	<b>6,223,498</b>
<b>Net Position</b>					
Net investment in capital assets	7,896,348	6,490,653	1,405,695	21.7%	5,817,617
Restricted for pension asset	7,286,851	3,929,924	3,356,927	n/a	0
Restricted for debt service	1,427,095	1,444,726	(17,631)	-1.2%	1,271,707
Unrestricted	11,502,418	10,757,734	744,684	6.9%	12,193,185
<b>Total net position</b>	<b>\$ 28,112,712</b>	<b>\$ 22,623,037</b>	<b>\$ 5,489,675</b>	<b>24.3%</b>	<b>\$ 19,282,509</b>

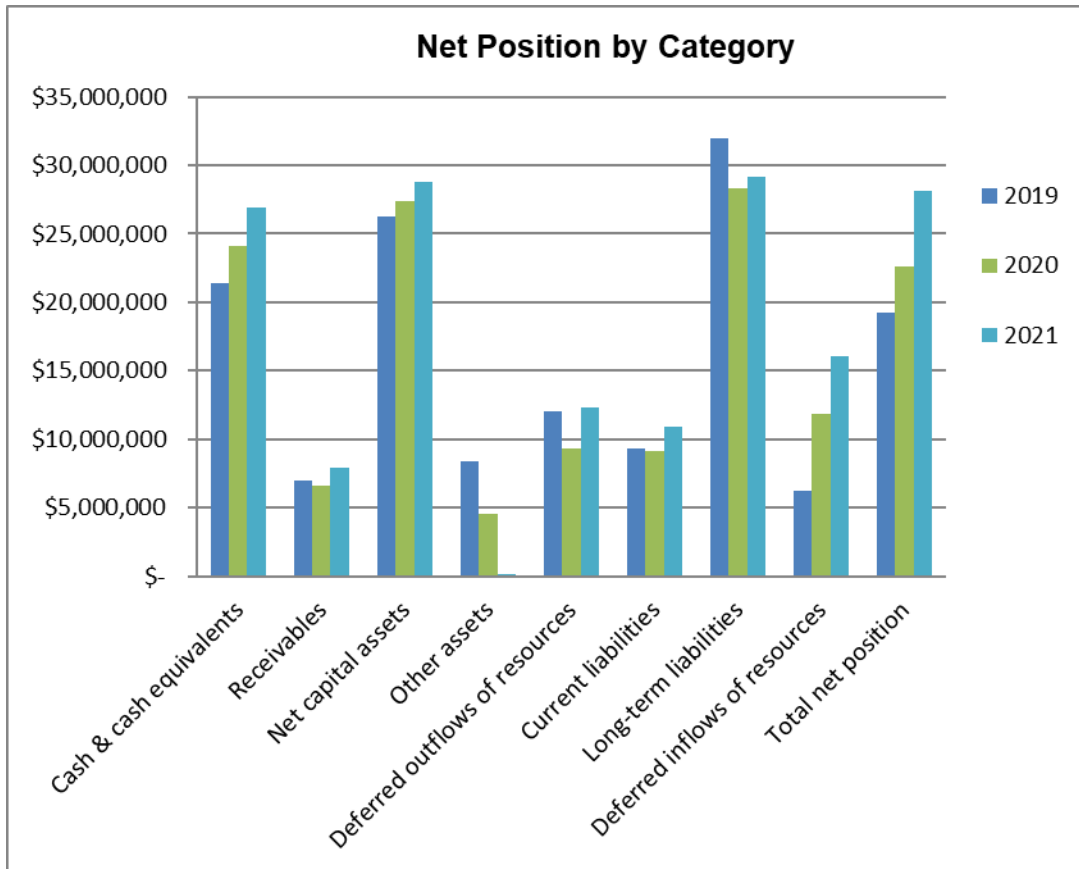
Total assets increased \$9.3 million or 15% in 2021 and increased \$7.9 million or 14% in 2020.

- Capital assets are the largest component of the College's assets. For 2021, net capital assets increased \$1.4 million or 5%, compared to an increase of \$1.2 million or 4% in 2020. In 2021, the College completed remodeling projects related to the culinary kitchen, testing center, fitness center, instructional division and academic support offices, Centennial Hall, and HVAC lab and also purchased instructional technology to allow for simultaneous in-person and virtual instruction.
- Receivables include property taxes, student accounts, and federal and state aids. Property tax receivable amounted to \$3.1 million in 2021 and 2020 and \$3.0 million in 2019. Payment on the balance of property tax receivable is typically received by the end of August for that year. Student accounts receivable (net of bad debt reserve) increased during 2021 by approximately \$318,000, or 13%, and decreased by \$670,000, or 21%, in 2020. The decrease in 2020 is due to students not enrolling in summer and fall term courses prior to June 30 because of the uncertainty caused by the pandemic (see *Impact of the Spread of COVID-19* on page 29 for additional information). Federal and state aid receivable is up \$1.2 million, or 141%, for 2021, and increased by \$183,000, or 29%, in 2020. The increase in 2021 and 2020 is due to HEERF assistance receivable (see *Impact of the Spread of COVID-19* on page 29 for additional information).

- Cash and investments increased \$2.7 million, or 11%, in 2021 and increased \$2.8 million, or 13%, in 2020. The timing and amount of borrowings and expenditures for capital projects has a big impact on the change in cash and investment balances each year.
- Other assets for 2021 and 2020 include a net pension asset of \$7.3 million and \$3.9 million, respectively. The college recognized a net pension liability in 2019.
- Deferred outflows related to pensions were \$11.4 million for 2021, \$8.5 million for 2020 and \$11.5 million for 2019. Deferred outflows related to OPEB were \$843,000 for 2021 compared to \$819,000 for 2020 and \$513,000 for 2019.
- Current liabilities include accounts payable, payroll and related liabilities, unearned revenue, the current portion of other postemployment benefits and the current portion of long-term debt.
  - ✓ The current portion of general obligations and notes payable makes up the largest portion of current liabilities and increased \$460,000 or 10% in 2021 and increased \$325,000 or 7% in 2020.
  - ✓ Unearned student fees increased \$290,000 or 15% in 2021. This compares to a decrease of \$528,000, or 22%, in 2020. The decrease in 2020 is due to decreased enrollments for summer and fall courses due to the uncertainty surrounding the pandemic (*see Impact of the Spread of COVID-19* on page 29 for additional information). Other unearned revenue amounted to \$25,000 in 2021, compared to \$62,000 for 2020 and \$16,000 for 2019.
  - ✓ Accounts payable increased \$457,000 or 218% in 2021 and decreased \$326,000 or 61% in 2020. The year-over-year changes fluctuate with the scope and timing of construction projects that are in process as of year-end.
  - ✓ Accrued payroll increased \$27,000 or 6% in 2021 and increased \$34,000 or 9% in 2020. Accrued payroll will fluctuate based on changes in wages and teacher hours for summer school and the timing of payments for spring term instruction.
- Non-current liabilities of \$29.1 million for 2021, \$28.3 million for 2020, and \$32.0 million for 2019 consist mainly of the long-term debt due after the next fiscal year. The College issued \$6.2 million, \$5.6 million and \$3.3 million in debt in 2021, 2020 and 2019, respectively, to finance equipment, general remodeling, additions and site improvements as laid out in its master facility plan. Payments on this debt were \$4.8 million in 2021 and \$4.6 million in 2020 and \$4.3 million in 2019. In addition, the College issued \$3.4 million in refunding bonds in 2021 to refinance prior debt. Long-term liabilities also includes an OPEB liability of \$2.1 million for 2021 and \$2.4 million for both 2020 and 2019. For 2019, the college recognized a net pension liability of \$4.5 million. The college recognized a net pension asset for both 2021 and 2020.
- Deferred inflows related to pensions were \$16.0 million for 2021, \$11.8 million for 2020 and \$6.2 million for 2019. Deferred inflows related to OPEB were \$8,000 for 2021, \$11,000 for 2020 and \$15,000 for 2019.
- In 2021, net position increased \$5.5 million or 24% largely due to decreased benefit expenses. During 2020, net position increased \$3.3 million or 17%.
  - ✓ Net investment in capital assets increased \$1.4 million or 22% in 2021. This compares to an increase of \$673,000 or 12% in 2020. Unexpended debt proceeds were \$11.4 million in 2021 and \$9.8 million in 2020. Purchase orders outstanding to be financed from unexpended debt proceeds amount to \$432,000 in 2021 and \$390,000 in 2020.
  - ✓ The College recognized a net pension asset of \$7.3 million in 2021 and \$3.9 million in 2020. For 2019 the College had a net pension liability.

- ✓ Net position restricted for debt service decreased \$18,000 or 1% in 2021 and increased \$173,000 or 14% in 2020.

The following graph shows a comparison of the College's statement of net position by the major category for the last three fiscal years.



### Capital Assets and Debt Administration

LTC's investment in capital assets, net of depreciation, as of June 30, 2021 was \$28,768,000 and as of June 30, 2020 and 2019 amounted to \$27,410,000 and \$26,256,000, respectively. This investment includes land, land improvements, buildings, building improvements, leasehold improvements and fixed and moveable equipment. In order to better meet today's educational needs, the College is continually replacing and updating assets when their useful lives have expired in order to keep current with technology and to have well-maintained facilities. Additional information about the College's capital assets can be found in Note 3 of the Notes to Financial Statements.

As of June 30, 2021, LTC had total general obligation debt outstanding of \$31,140,000, compared to \$28,780,000 at the end of 2020 and \$28,735,000 at the end of 2019. The College's notes are assigned Moody's Investor Service Aa1 rating and the College continues to meet all of its debt service requirements, including timely repayment of its debt. All debt issuances for equipment, building and land improvements are repaid in seven to ten years. Additional information about the District's debt can be found in Note 4 of the Notes to Financial Statements.

## **Financial Position**

LTC saw an increase of \$5.5 million in its net position during the year ended June 30, 2021. Cash and investments as of June 30, 2021 remained strong at \$26.9 million compared to \$24.1 million as of June 30, 2020 and \$21.4 million as of June 30, 2019. Total liabilities were \$40.1 million in 2021, \$37.5 million in 2020, and \$41.3 million in 2019.

LTC has diversified sources of revenues consisting of property taxes, state aid, student fees, federal and state grants, and other sources to meet the expenses of the College. With a diversity of revenues, a stable tax base, and a strong net position, LTC will continue to have the resources to adequately finance normal enrollment in the future.

## **Economic Factors**

### ***Impact of the Spread of COVID-19***

In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and former President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. On March 25, 2020, Wisconsin's "safer-at-home" order (the "Order") went into effect, which ordered the closure of all non-essential business and operations until April 24, 2020 and was subsequently extended until May 26, 2020 (with certain exceptions as provided in the Order). In addition, the deadline for payment of State income taxes was extended to match the federal deadline of July 15, 2020.

On April 16, 2020, former President Trump outlined a "Guidelines for Opening America Again" plan that included a phased approach to re-opening economic activity and easing social distancing guidelines. On April 20, 2020, Governor Evers released his "Badger Bounce Back" plan that included a similar phased approach based on the federal guidelines. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court struck down the Safer at Home extension. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic. In addition, the ruling did not change the mandated closure of school buildings through June 30, 2020. On October 6, 2020, Emergency Order #3 was issued, which limited public gatherings to no more than 25% of the total occupancy limits for the room or building (or no more than 10 people for indoor spaces without an occupancy limit), with certain exceptions including for schools. Emergency Order #3 is expired November 6, 2020.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Higher Education Emergency Relief Fund to higher education institutions to defray the institutions' expenses, including lost revenue and payroll for employees and to make emergency financial aid grants to students for expenses related to the disruption of campus operations due to the COVID-19 pandemic. The District received an allocation of \$977,816 from the Higher Education Emergency Relief Fund (HEERF) in the CARES Act. Half of this amount, \$488,908, is available to the District and the other half is required to be used to provide emergency aid to students enrolled. The District also received \$48,547 from HEERF's Title III SIP funding. In addition, on June 17, 2021, Governor Evers announced allocations to higher education institutions in the State from the Governor's Emergency Education Relief Fund ("GEER Fund") established under the CARES Act. The District received an allocation from the GEER Fund of \$195,739, which can be used to reimburse necessary, unbudgeted expenses made in response to COVID-19. On December 27, 2020, former President Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act (the "Supplemental Appropriations Act"), which includes an additional \$22.7 billion to be allocated to higher education to address costs related to the COVID-19 pandemic. The District's allocation under the Supplemental Appropriations Act is \$2,597,047, including an institutional allocation of \$2,108,139 and a student aid component of \$488,908. On March 11, 2021, President Biden signed the American

Rescue Plan Act of 2021 (“ARPA”). The District's allocation under ARPA is \$4,514,255, including an institutional allocation of \$2,208,989 and a student aid component of \$2,305,266.

The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The effects of the spread of COVID-19 and the government and private responses to the spread continue to rapidly evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus impacts the District and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the District, including the duration of the outbreak and measures taken to address the outbreak.

In addition, the District cannot predict all continued costs associated with the outbreak of COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to hire substitute employees, or costs to operate remotely and support students, faculty, and staff during the outbreak, or any resulting impact those costs could have on the District' operations. The extent to which the coronavirus impacts the District and its financial condition will depend on future developments, which are highly uncertain and cannot be predicted by the District, including the duration of the outbreak and measures taken to address the outbreak. Further, the spread of COVID-19 could have an adverse effect on future enrollment. The District views the pandemic's disproportionate economic impact on students who traditionally attend the college and uncertainty around the safety of returning to college as the biggest adverse impacts. However, the District is monitoring scenarios under which enrollment may increase, due to the college's ability to serve students locally and at a lower cost than other institutions of higher education.

### ***Other Economic Factors***

Although LTC has a strong financial position, there are some financial realities that do have the potential to negatively affect the College:

- Declining enrollments continue to be a concern for the College. The College saw enrollment decreases of 12.7% and 3.1% in 2021 and 2020, respectively, based on full-time equivalents. While enrollments in 2021 were impacted by the uncertainty surrounding the pandemic, the College is also aware that we are entering a time where enrollments will decline due to fewer K-12 students, competition from businesses as workers become harder to replace, and other demographic changes. The college is continues to strive to grow enrollments and has implemented strategic initiatives to improve retention and grow enrollments.
- The College continues to work to navigate its way through changes based on legislation passed in Wisconsin that impact the college's ability to levy taxes and receive state aids. Changing funding levels, state aid amounts that will never increase and unfunded mandates of the state and federal government continue to make it challenging for the college to balance its budget.
- While the legislation enacted in fiscal 2021 and 2015 that shifted a large portion of the College's funding from local tax levy to state aid included a mechanism to restore the levy if state funding was ever reduced, the College is aware of the negative impact a subsequent levy increase could have.
- In order to reduce the impact of recognizing and funding the other post-employment benefits liability, the College modified its benefit package for new hires. This change to the benefit package could result in increased competition for new hires.
- The continued rising cost of healthcare in the U.S. and a higher than normal number of high cost claims experienced by the College during 2021 and 2020 has affected the College's ability to keep healthcare premiums down. The College continues to educate staff and to promote a culture of healthy living to help keep healthcare costs down for both the College and staff. To help offset increasing healthcare costs, the college made changes to its health insurance benefit plan, increasing both the employee's share of the premium expense and deductibles. This change to the benefit package could result in increased competition for new hires.

Even with these challenges in mind, LTC is confident that its long-term financial planning will allow it to effectively meet the financial needs of future operations. LTC's current financial position is positive and it is positioned to maintain this positive status into the future.

- As employers continually change technology and processes to remain competitive, the College responds with new programs and customized training options that are essential in preparing the local workforce.
- The College's main campus includes state-of-art facilities for all instructional divisions.
- The College is striving to be the #1 school of choice for graduating high school seniors, serving as a cost-effective choice for more students as the cost of higher education rises and student debt levels increase. During 2019, the College launched its College Here and Now program, a college/career pathway that makes it possible for Sheboygan Area school district students to have the ability to earn their LTC associates degree at the same time they receive their high school diploma. Since then the College Here and Now program has expanded to four additional K-12 school districts with plans to include another two districts for the 2022-23 school year.
- The recent relocations of LTC Manitowoc, LTC Sheboygan and the culinary and horticulture programs allow for the placement of services in areas that are easier for students to access. In addition, the moves allow for right-sizing of facilities, upgrades to interiors and equipment, and long-term cost savings.
- In staying true to its mission and values, the College continues to focus on student success through increased access to services and education, coordinated services, and continued efforts to implement strategies to improve retention and transition.
- LTC has a beautiful campus that is located centrally within its district. The College is well respected in the community for its educational offering. As a result, it is attractive as an educational resource for people looking for training.

### **Contacting the District's Financial Management**

The financial report is designed to provide a general overview of the District's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to Lakeshore Technical College, Chief Financial Officer, 1290 North Avenue, Cleveland, WI 53015.



# LAKESHORE TECHNICAL COLLEGE DISTRICT

## STATEMENTS OF NET POSITION June 30, 2021 and 2020

	2021		2020	
	District	Foundation	District	Foundation
<b>Assets</b>				
<b>Current Assets</b>				
Cash & investments	\$14,450,099	\$725,925	\$13,010,598	\$508,957
Property taxes receivable	3,102,192	0	3,130,617	0
Accounts receivable, net of allowance of \$250,000 and \$225,000	2,877,657	0	2,645,627	0
State aid receivable	340,673	0	305,159	0
Federal aid receivable	1,613,439	0	515,554	0
Unconditional promises to give	0	66,204	0	76,100
Other receivables	0	0	0	0
Inventories	42,163	9,755	30,881	15,125
Prepaid expenses	1,031,815	4,345	544,566	3,177
Total current assets	<u>23,458,038</u>	<u>806,229</u>	<u>20,183,002</u>	<u>603,359</u>
<b>Non-current Assets</b>				
Restricted cash & investments	12,419,631	0	11,118,267	116,233
Net pension asset	7,286,851	0	3,929,924	0
Unconditional promises to give	0	73,000	0	55,434
Investments	0	3,416,571	0	2,689,775
Property held for sale	0	299,901	0	0
Land	50,000	0	50,000	71,000
Construction in progress	219,526	0	1,573,358	0
Other capital assets, net of depreciation	28,498,147	0	25,786,826	335,394
Total non-current assets	<u>48,474,155</u>	<u>3,789,472</u>	<u>42,458,375</u>	<u>3,267,836</u>
<b>Total Assets</b>	<u>71,932,193</u>	<u>4,595,701</u>	<u>62,641,377</u>	<u>3,871,195</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows related to OPEB	843,038	0	818,665	0
Deferred outflows related to pension	11,427,765	0	8,459,342	0
<b>Total Deferred Outflows</b>	<u>12,270,803</u>	<u>0</u>	<u>9,278,007</u>	<u>0</u>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	666,151	6,962	209,303	1,156
Accrued payroll	458,970	0	432,010	0
Payroll related liabilities	1,700,386	0	1,132,685	0
Accrued interest	228,109	0	206,200	353
Unearned student fees	2,196,724	0	1,906,508	0
Other unearned revenue	24,848	0	62,284	18,750
<b>Current portion</b>				
General obligation notes payable	5,240,000	0	4,780,000	14,252
Other postemployment benefits liability	410,000	0	410,000	0
Total current liabilities	<u>10,925,188</u>	<u>6,962</u>	<u>9,138,990</u>	<u>34,511</u>
<b>Non-current liabilities</b>				
Other postemployment benefits liability	2,138,611	0	2,383,140	0
Net pension liability	0	0	0	0
General obligation notes payable	26,986,366	0	25,953,518	0
Total non-current liabilities	<u>29,124,977</u>	<u>0</u>	<u>28,336,658</u>	<u>0</u>
<b>Total Liabilities</b>	<u>40,050,165</u>	<u>6,962</u>	<u>37,475,648</u>	<u>34,511</u>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to OPEB	7,690	0	11,534	0
Deferred inflows related to pension	16,032,429	0	11,809,165	0
<b>Total Deferred Inflows</b>	<u>16,040,119</u>	<u>0</u>	<u>11,820,699</u>	<u>0</u>
<b>Net Position</b>				
Net investment in capital assets	7,896,348	299,901	6,490,653	392,142
<b>Restricted for:</b>				
<b>Nonexpendable:</b>				
Endowment	0	1,041,208	0	960,128
<b>Expendable:</b>				
Net Pension Asset	7,286,851	0	3,929,924	0
Debt service	1,427,095	0	1,444,726	0
Support of student scholarships	0	1,941,476	0	1,589,944
College program support	0	494,199	0	335,459
Unrestricted	11,502,418	811,955	10,757,734	559,011
<b>Total Net Position</b>	<u>\$28,112,712</u>	<u>\$4,588,739</u>	<u>\$22,623,037</u>	<u>\$3,836,684</u>

The accompanying notes are an integral part of these financial statements.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION For the Years Ended June 30, 2021 and 2020

	2021		2020	
	District	Foundation	District	Foundation
<b>Operating Revenues</b>				
Student program fees, net of scholarship allowances of \$1,008,397 and \$1,185,956	\$4,042,195	\$0	\$4,367,358	\$0
Student material fees, net of scholarship allowances of \$59,128 and \$76,473	239,333	0	279,238	0
Other student fees, net of scholarship allowances of \$122,082 and \$120,117	500,463	0	441,891	0
Federal grants	1,708,927	0	1,491,357	0
State grants	1,294,957	0	1,338,339	0
Business and industry contract revenue	1,462,476	0	1,454,784	0
School district contract revenue	0	0	2,987	0
Auxiliary enterprise revenues	1,574,924	0	1,275,009	0
Miscellaneous	187,379	0	460,758	0
<b>Total operating revenues</b>	<b>11,010,654</b>	<b>0</b>	<b>11,111,721</b>	<b>0</b>
<b>Operating Expenses</b>				
Instruction	16,583,747	0	18,380,809	0
Instructional resources	1,433,942	0	1,233,304	0
Student services	5,670,626	0	5,581,487	0
General institutional	4,415,685	166,430	4,409,550	102,416
Physical plant	2,475,795	0	2,495,709	0
Auxiliary enterprise services	1,079,782	0	991,547	0
Depreciation - unallocated	4,896,598	0	4,419,003	0
Student aid	1,466,049	0	1,605,626	0
College and student support	0	371,532	0	454,868
<b>Total operating expenses</b>	<b>38,022,224</b>	<b>537,962</b>	<b>39,117,035</b>	<b>557,284</b>
<b>Operating loss</b>	<b>(27,011,570)</b>	<b>(537,962)</b>	<b>(28,005,314)</b>	<b>(557,284)</b>
<b>Non-operating Revenues (Expenses)</b>				
Property taxes	12,932,675	0	12,378,955	0
State operating appropriations	15,130,329	0	15,187,381	0
Other federal financial assistance	4,967,575	0	3,725,435	0
Contributions	0	596,720	0	542,121
Rental income	0	28,200	0	45,000
Loss on property held for sale	0	(95,417)	0	0
Gain (loss) on sale of capital assets	(84,006)	0	31,334	0
Interest income, net of fees	144,973	67,576	288,182	73,847
Realized and unrealized gain (loss) on investments	(133,355)	692,938	155,039	(39,349)
Interest expense	(695,361)	0	(703,742)	0
<b>Total non-operating revenues (expenses)</b>	<b>32,262,830</b>	<b>1,290,017</b>	<b>31,062,584</b>	<b>621,619</b>
<b>Change in net position before capital contributions</b>	<b>5,251,260</b>	<b>752,055</b>	<b>3,057,270</b>	<b>64,335</b>
Contributions	0	0	30,957	0
State capital grant contributions	238,415	0	230,380	0
Federal capital grant contributions	0	0	21,921	0
<b>Change in net position</b>	<b>5,489,675</b>	<b>752,055</b>	<b>3,340,528</b>	<b>64,335</b>
<b>Net position - beginning of the year</b>	<b>22,623,037</b>	<b>3,836,684</b>	<b>19,282,509</b>	<b>3,772,349</b>
<b>Net position - end of the year</b>	<b>\$28,112,712</b>	<b>\$4,588,739</b>	<b>\$22,623,037</b>	<b>\$3,836,684</b>

The accompanying notes are an integral part of these financial statements.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Tuition and fees received	\$4,742,874	\$5,335,417
Federal and state grants received	2,530,856	2,595,256
Business, industry & school district contract revenues received	1,456,902	1,424,870
Payments to employees	(26,445,378)	(26,619,757)
Payments to suppliers	(8,885,647)	(8,368,506)
Auxiliary enterprise revenues received	1,602,365	1,289,030
Other receipts	<u>225,379</u>	<u>428,620</u>
Net cash used for operating activities	<u>(24,772,649)</u>	<u>(23,915,070)</u>
Cash flows from noncapital financing activities:		
Local property taxes received	12,961,100	12,262,160
State appropriations received	15,130,329	15,187,381
Federal financial assistance	<u>4,967,575</u>	<u>3,725,435</u>
Net cash provided by noncapital financing activities	<u>33,059,004</u>	<u>31,174,976</u>
Cash flows from capital and related financing activities:		
State and federal appropriations received for capital assets	(421,955)	303,942
Contributions received for capital assets	0	30,957
Purchase of capital assets	(5,986,980)	(5,883,808)
Proceeds from sale of capital assets	32,433	113,885
Proceeds from issuance of capital debt	9,620,000	5,600,000
Premium on debt issued	437,301	315,285
Principal paid on capital debt	(8,260,000)	(4,555,000)
Interest paid on capital debt	<u>(977,906)</u>	<u>(871,046)</u>
Net cash used for capital and related financing activities	<u>(5,557,107)</u>	<u>(4,945,785)</u>
Cash flows from investing activities		
Investment income received	11,618	443,221
Purchase of long-term investments	(3,999,180)	(6,016,862)
Proceeds from sale and maturities of long-term investments	<u>5,630,844</u>	<u>4,601,940</u>
Net cash used for investing activities	<u>1,643,282</u>	<u>(971,701)</u>
Net increase in cash and cash equivalents	4,372,530	1,342,420
Cash and cash equivalents at beginning of year	<u>17,987,401</u>	<u>16,644,981</u>
Cash and cash equivalents at end of year	<u>\$22,359,931</u>	<u>\$17,987,401</u>
Reconciliation of cash and cash equivalents to the statements of net position:		
Cash and investments in current assets	\$12,419,631	\$13,010,598
Cash and investments in restricted assets	14,450,099	11,118,267
Less: Long-term investments	<u>(4,509,799)</u>	<u>(6,141,464)</u>
Cash and cash equivalents at end of year	<u>\$22,359,931</u>	<u>\$17,987,401</u>

(continued on following page)

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### STATEMENTS OF CASH FLOWS (continued) For the Years Ended June 30, 2021 and 2020

	2021	2020
Reconciliation of operating loss to net cash used for operating activities		
Operating loss	(\$27,011,570)	(\$28,005,314)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	4,896,598	4,419,003
Changes in assets, deferred outflows, liabilities and deferred inflows:		
Decrease (increase):		
Accounts receivable	(232,030)	678,449
Federal and state aid receivable	(473,028)	(234,440)
Inventories	(11,281)	11,430
Prepaid expenses	(487,249)	(430,790)
Increase (decrease):		
Accounts payable	73,302	(97,269)
Accrued payroll	26,960	34,023
Payroll related liabilities	567,701	311,055
Unearned student fees	252,780	(482,537)
OPEB liability	(244,529)	(40,558)
OPEB related deferred outflows	(24,373)	(305,947)
OPEB related deferred inflows	(3,844)	(3,844)
Pension related asset/liability	(3,356,927)	(8,430,912)
Pension related deferred outflows	(2,968,423)	3,061,536
Pension related deferred inflows	4,223,264	5,601,045
	<u>(\$24,772,649)</u>	<u>(\$23,915,070)</u>
Net cash used for operating activities		
Schedule of non-cash investing and financing activities:		
Unrealized gain on long-term investments	(\$11,301)	\$111,091
Purchase of fixed assets in accounts payable	\$437,955	\$54,409

The accompanying notes are an integral part of these financial statements.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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Lakeshore Technical College is organized under state legislation enacted in 1911 establishing vocational, technical and adult education. Lakeshore Technical College District (District, College or LTC) was legally organized on July 1, 1967, under the provisions of Chapter 292, Laws of Wisconsin 1965. Upon the time of reorganization on July 1, 1967, the major schools in Manitowoc, Sheboygan and Two Rivers were merged into the Lakeshore District. The original boundaries of the District were composed of Manitowoc County less the portion of Chilton, Brillion, and Denmark school districts that lie in Manitowoc County; Sheboygan County less the portion of the New Holstein school district that lies in Sheboygan County; plus the portion of the Cato school district that lies in Calumet County; and on July 1, 1970, the Cedar Grove and Random Lake school districts in Ozaukee County were attached to the District.

Lakeshore Technical College is one of 16 districts in the Wisconsin Technical College System. The governance of the College is shared between the Lakeshore Technical College Board of Trustees (District Board or Board) and the Wisconsin Technical College System Board.

The District Board consists of nine members, of whom two are employers; two are employees, one district school administrator, one elected official, and three additional members. By state statute, the county board chairpersons of the respective counties within the district appoint District board members. The Board powers are established under the provisions of Chapter 38 of the Wisconsin Statutes and include:

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

The accounting policies of the District conform to generally accepted accounting principles as applicable to public colleges and universities as well as those prescribed by the Wisconsin Technical College System Board (WTCSB).

#### A. REPORTING ENTITY

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit.

Lakeshore Technical College Foundation, Inc. (Foundation) is a separate and independent, not-for-profit corporation whose purpose is to solicit, hold, manage, invest and expend endowment funds and other gifts, grants, and bequests for the maintenance and benefit of LTC and its students. The Foundation is managed by an independent board of directors, and is not fiscally accountable to the College. The financial resources of the Foundation are significant to the College as a whole and accordingly, the Foundation is reported as a discretely presented component unit in the College's basic financial statements.

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

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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#### B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

For financial reporting purposes, the District is considered a special purpose government engaged only in business-type activities. Accordingly, the District's basic 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the years for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant inter-district transactions have been eliminated.

#### C. ACCOUNTING ESTIMATES

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

#### D. CASH AND INVESTMENTS

Cash and investments of the District are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with an initial maturity of three months or less from date of acquisition are considered to be cash equivalents.

#### E. PROPERTY TAX LEVY AND TAXES RECEIVABLE

The District's property taxes are levied on or before October 31 on the equalized valuation as of the prior January 1. Property taxes are recognized as revenue in the year they are levied. Under Wisconsin law, personal property taxes and certain installment real estate taxes are collected by city, village, and town treasurers or clerks who then make settlements with other taxing units, such as the county, the technical college districts and local schools. Settlements are due from the municipality by the 15<sup>th</sup> of the month following the due date based upon the municipality's payment plan. Certain installment real estate taxes and delinquent taxes are collected by the county treasurer who then make settlement with the city, village, and town treasurers and other taxing units before retaining any for county purposes. In practice, delinquent real estate taxes are withheld from the counties share. The first settlement is due January 15 and the last settlement is due August 15.

The District receives the majority of its property tax levy from municipalities by June 30 of the fiscal year for which the property taxes were levied. However, a portion of property tax revenue is received after year-end because the final installments of real estate taxes and delinquent taxes can be paid by taxpayers after June 30. The county treasurers, acting as collection agents for the District, are required by law to settle all tax amounts due to the District on or before August 20, the final tax settlement date, following the District's year end. Such settlement represents 100% of the tax levy and the counties assume responsibility for any delinquent property real estate taxes.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. PROPERTY TAX LEVY AND TAXES RECEIVABLE (continued)

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

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

State legislation restricts increases to operating levies to the amount of district-wide valuation changes due to net new construction in the previous calendar year. Net new construction can be a positive number even when overall district values decline. For the taxes levied and collected in 2021, the increase in operating levy allowed due to net new construction for the District was 1.6606%. For the taxes levied and collected in 2020 the allowed increase was 1.1643%. In addition, levies can be increased for operations by any amount subject to district-wide referendum approval. There is no legislative restriction for the amount levied for debt service. During the fiscal years ended June 30, 2021 and 2020, the District levied and collected taxes as follows:

	2021			2020		
	Mill Rate	Levy Amount	% Change in Levy	Mill Rate	Levy Amount	% Change in Levy
Operating levy	\$0.45058	\$ 7,453,854	4.51%	\$0.45713	\$ 7,131,912	3.25%
Debt service levy	0.32546	5,384,000	2.96%	0.33516	5,229,000	5.30%
Total property tax levy	<u>\$0.77604</u>	<u>\$12,837,854</u>	<u>8.12%</u>	<u>\$0.79229</u>	<u>\$12,360,912</u>	<u>5.32%</u>

#### F. RECEIVABLES

Student receivables, covering tuition and fees, textbooks, and other receivables for services provided, are valued at net of the estimated uncollectible amounts.

#### G. INVENTORIES

Inventories include items held for resale and are valued at the lower of cost or market with cost determined on the first in, first out basis. The cost of inventory items is recorded as an expense at the time of consumption.

#### H. PREPAID EXPENSES

Prepaid expenses represent payments made by the District for which benefits extend beyond the end of the current fiscal year end and are expensed in the periods benefitted.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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#### I. CAPITAL ASSETS

Capital assets include land, buildings, and equipment. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. The costs of maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operations as incurred. Equipment assets having a cost of \$5,000 or more per unit and building and remodeling projects of \$15,000 or more are capitalized. Depreciation on buildings and equipment is provided in amounts sufficient to align the cost of the depreciable assets to operations on the straight-line basis over the estimated service lives, which range from five to twenty years for equipment and remodeling and fifty years for buildings. Leasehold improvements are depreciated on a straight-line basis over the remaining life of the lease.

#### J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses and revenues are deferred until the future periods to which the outflows and inflows are applicable.

#### K. COMPENSATED ABSENCES

District employees are granted vacation in varying amounts, based on length of service. Vacation pay and related social security taxes are accrued when earned. District employees are allowed to accumulate only the amount of vacation they earn in a year. In the event of retirement, resignation or termination, payout of vacation earned is limited to two weeks for employees with less than 15 years of services and two weeks plus four days for employees with more than 15 years of service. The District's accrued vacation liability as of June 30, 2021 was \$299,000 compared with \$335,000 as of June 30, 2020.

The costs related to District employees' sick pay is charged to the period in which they are paid. The unused portion of sick leave is allowed to accumulate to a maximum of 110 days for instructors and 120 days for management and support staff but is lost upon retirement, resignation or termination. Accumulated unpaid amounts are not accrued.

#### L. PENSION AND POST-EMPLOYMENT BENEFITS

*Pension.* 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 the 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.

*Other Postemployment Benefits Other Than Pensions.* Qualifying faculty and administrative staff are provided with other postemployment benefits. The OPEB is a single employer defined benefit plan administered by the District. For purposes of measuring the OPEB liability, related deferred outflows and inflows and OPEB expense, the District has used values provided by their actuary as the OPEB plan does not prepare separate financial statements. Benefit payments are recognized when due and payable in accordance with the benefit terms.



# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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#### M. RISK MANAGEMENT

##### District Mutual Insurance Company (DMI)

The sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). DMI is a fully-assessable mutual company authorized under Wisconsin Statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$500,225,000 per occurrence; general liability, auto, educators' legal liability, and incidental medical malpractice (students in practicum) at \$5,000,000 per occurrence, cyber risk at \$3,000,000 aggregate, equipment breakdown at \$100,000,000 aggregate, and workers' compensation at the statutorily required limits.

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

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

Each member college was originally assessed an annual premium that included a contribution component to establish reserves for the company. Current premiums are based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are apportioned pro rata to each participant based on equity interest in the company.

For the years ended June 30, 2021 and 2020, the District paid insurance premiums of \$181,703 and \$193,517 respectively, to DMI.

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

##### Supplemental Insurance

The Wisconsin Technical College Insurance Trust (Trust) is an organization formed under Section 66.0301 of the Wisconsin Statutes and governed by a board of trustees consisting of one trustee from each technical college. The purpose of this Trust is to make available to the 16 districts a collaborative group insurance program. The benefits include savings in insurance premium costs and broader coverage.

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

*Crime/employee dishonesty:* \$750,000 coverage, with a \$10,000 deductible, for employee dishonesty, theft, forgery, computer fraud and funds transfer fraud; theft, robbery, burglary, disappearance and destruction of money and securities; computer program and electronic data restoration; \$100,000 coverage, with a \$10,000 deductible for impersonation fraud and in regards to employee theft insuring agreement sub-limits and computer fraud insuring agreement sub-limits, the college has a \$10,000 deductible and \$25,000 limit.

*Foreign travel liability:* \$5,000,000 aggregate; \$1,000,000 auto per accident; \$1,000,000 employee benefits liability with \$1,000 deductible. This coverage is as offered through the Trust, as requested; LTC does not have foreign travel coverage at this time.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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*Business travel accident.* Coverage for local board of director members. \$1,000,000 aggregate, \$100,000 for scheduled losses, exposure and disappearance coverage.

The District paid insurance premiums of \$2,730 for the years ended June 30, 2021 and 2020 to the WTCS Insurance Trust.

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

#### Wisconsin Technical College Employee Benefits Consortium (WTCEBC)

As of July 1, 2016, the District joined together with other technical colleges in the State to form the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). WTCEBC is a public entity risk pool that the District participates in to provide health insurance coverage to its employees. The main purpose of WTCEBC is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. The District pays WTCEBC a monthly premium based on the number of participants and the type of coverage that has been elected. Individual claims below \$100,000 are self-funded by the District. Any individual claim exceeding \$100,000 but less than \$250,000 is shared in a pooled layer among all of the colleges participating in the consortium. Individual claims exceeding \$250,000 and aggregate claims exceeding \$1,000,000 are subject to reinsurance.

As of June 30, 2021 and 2020, the District had a net asset in the amount of \$936,921 and \$429,299, respectively, with the consortium.

The WTCEBC audited financial statements can be obtained through Moraine Park Technical College, 235 N. National Avenue, Fond du Lac, WI, 54936-1940.

#### N. FEES AND TUITION

Fees and tuition are recorded as revenue in the period in which the related activity or instruction takes place. Revenues for the summer semester are prorated on the basis of weeks occurring before and after June 30.

#### O. STATE AND FEDERAL REVENUE

The District receives state aid and funding from various federal and state contracts and grants. These revenues are earned as expenditures are incurred. Such expenditures may be incurred during the grantor's fiscal period, which may be different from that of the District's fiscal period and are subject to the Federal Single Audit Act and State Single Audit Guidelines.

#### P. UNEARNED REVENUES

Unearned revenues include amounts received or invoiced for tuition and fees and other fees prior to the end of the fiscal year but related to the subsequent accounting period.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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#### Q. SCHOLARSHIP ALLOWANCE AND STUDENT AID

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

#### R. CLASSIFICATION OF REVENUES AND EXPENSES

The District has classified its revenues and expenses as either operating or non-operating according to the following criteria:

**Operating revenues:** Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises, and (3) some federal, state and local grants and contracts.

**Non-operating revenues:** Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as non-operating revenues by GASB No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting" and GASB No. 34, such as state appropriations, federal Pell grants, the local property tax levy and investment income.

**Operating expenses:** Operating expenses includes those expenses that are characteristic of exchange transactions, such as (1) functional expenses (instruction, instructional resources, student services, etc.), (2) depreciation, and (3) student aid, which is the excess of expenses over scholarship allowances. These expenses are incurred in the general operations of the College.

**Non-operating expenses:** Non-operating expenses include interest expense incurred on long-term debt and loss on sale of capital assets.

#### S. NET POSITION

Net position is classified according to restrictions or availability of assets for satisfaction of District obligations.

**Net investment in capital assets:** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

**Restricted net position:** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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Unrestricted net position: Net position that is neither classified as restricted nor as net investment in capital assets. These resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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

#### T. RECLASSIFICATION

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, fund balance, or changes in fund balance.

#### U. SUBSEQUENT EVENTS

On September 8, 2021, the District issued \$500,000 of General Obligation Promissory Notes at an average interest rate of 2.5% to finance remodeling. Semi-annual interest payments are due on March 1 and September 1 annually. Principal payments of varying amounts are due on March 1 of each year until maturity in 2031.

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### NOTE 2 – CASH AND INVESTMENTS

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Invested cash consists of deposits and investments that are restricted by the District Board investment policy that permits investments allowed within the Wisconsin Statute 66.0603 to the following:

Time deposits; repurchase agreements; securities issued by federal, state and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the District's cash and investments consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Cash on hand	\$ 1,346	\$ 1,446
Deposits with financial institutions	339,253	391,546
Investments		
Commercial paper	147,264	313,320
Wisconsin local government investment pool	11,783,774	9,013,646
Certificates of deposit	698,331	1,533,703
Money market funds	5,555,321	53,100
U.S. agency securities	<u>8,344,442</u>	<u>12,822,104</u>
Total cash and investments	<u>\$26,869,731</u>	<u>\$24,128,865</u>

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### NOTE 2 – CASH AND INVESTMENTS (continued)

The Statements of Net Position classify cash and investments at June 30 as follows:

	2021	2020
Cash and investments	\$ 14,450,100	\$ 13,010,548
Restricted cash and investments		
Capital Projects	11,130,826	9,852,864
Debt Service	1,288,805	1,265,403
Total cash and investments	\$26,869,731	\$24,128,865

#### Fair Value Measurements

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

The District has the following fair value measurements as of June 30, 2021:

	Total	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
<u>Investments by fair value level</u>				
Certificates of deposit	\$698,331	\$0	\$698,331	\$0
U.S. agency securities	8,344,442	0	8,344,442	0
Commercial paper	147,264	0	147,264	0
Total investments by fair value levels	\$9,190,037	\$0	\$9,190,037	\$0

The District had the following fair value measurements as of June 30, 2020:

	Total	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
<u>Investments by fair value level</u>				
Certificates of deposit	\$1,533,703	\$0	\$1,533,703	\$0
U.S. agency securities	12,822,104	0	12,822,104	0
Commercial paper	313,320	0	313,320	0
Total investments by fair value levels	\$14,669,127	\$0	\$14,669,127	\$0

Certificates of deposit classified in Level 2 of the fair value hierarchy were valued using market prices for similar assets in active markets. Municipal bonds, U.S. agency securities and commercial paper classified in Level 2 were valued using price of comparable securities and other observable inputs.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 2 – CASH AND INVESTMENTS (continued)

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#### Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin Local Government Investment Pool (LGIP) of \$11,783,774 for 2021 and \$9,013,646 for 2020. 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. SIF pool shares are bought and redeemed at \$1 based on amortized cost of the investments in the SIF. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. The SIF report the fair value of its underlying assets annually. At June 30, 2021 and 2020, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.

#### Deposit and Investment Risk

Deposits and investments of the District are subject to various risks. Presented below is a discussion of the specific risks and the District's policy related to the risk.

*Custodial Credit Risk:* Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The District does not have an additional custodial credit risk policy.

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for time and savings deposits and \$250,000 for demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 per official custodian per depository institution. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available.

As of June 30, 2021 and 2020, the District had \$3 and \$4, respectively, exposed to custodial credit risk.

*Credit Risk:* Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Following is the actual rating as of year-end for each investment type. U.S. Treasury investments represent the portion of U.S. agency securities that are exempt from disclosure.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

#### NOTE 2 – CASH AND INVESTMENTS (continued)

	2021				
	Amount	Exempt from Disclosure	AAA	AA+	Not Rated
Certificates of deposit	\$ 698,331	\$ 0	\$ 0	\$ 0	\$ 698,331
Money market funds	5,555,321	0	0	0	5,555,321
U.S. agency securities	8,344,442	999,164	7,345,277	0	0
Wisconsin local government investment pool	11,783,774	0	0	0	11,783,774
Commerical paper	147,264	0	0	0	147,264
	<u>\$26,529,131</u>	<u>\$ 999,164</u>	<u>\$ 7,345,277</u>	<u>\$ 0</u>	<u>\$ 18,184,689</u>

	2020				
	Amount	Exempt from Disclosure	AAA	AA+	Not Rated
Certificates of deposit	\$ 1,533,703	\$ 0	\$ 0	\$ 0	\$ 1,533,703
Money market funds	53,100	0	0	0	53,100
U.S. agency securities	12,822,104	2,747,990	10,074,114	0	0
Wisconsin local government investment pool	9,013,646	0	0	0	9,013,646
Commerical paper	313,320	0	0	0	313,320
	<u>\$23,735,873</u>	<u>\$ 2,747,990</u>	<u>\$10,074,114</u>	<u>\$ 0</u>	<u>\$ 10,913,769</u>

*Concentration of Credit Risk:* Is the risk of loss attributed to the amount invested in any one issuer. The District's investment policy minimizes credit risk by limiting investments to the low risk investments where the main objective is safety or preservation of capital. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total District investments as of June 30, 2021 are as follows:

Issuer	Investment Type	Amount	Percentage of Portfolio
Federal Farm Credit Bureau	Bonds	\$1,512,925	5.70%
		<u>\$1,512,925</u>	

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total District investments as of June 30, 2020 are as follows:

Issuer	Investment Type	Amount	Percentage of Portfolio
Federal National Mortgage Assoc	Bonds	\$2,192,958	9.24%
Federal Home Loan Bank	Bonds	\$1,821,961	7.68%
Federal Farm Credit Bureau	Bonds	\$1,535,845	6.47%
Federal Home Loan Mortgage Corp	Bonds	\$1,200,446	5.06%
		<u>\$6,751,210</u>	

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

### 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 District's investment policy applies to all transactions involving the financial assets and related activity of all of its funds. Excess funds are to be managed or invested according to the following objectives in order of priority:

- (1) Safety of principal
- (2) Maintenance of sufficient liquidity to meet immediate payment requirements including payroll, accounts payable and debt service
- (3) Obtain the highest possible rate of return consistent with safety of principal and liquidity.

Investments allowed under the policy are the same as those permitted under Wisconsin Statute 66.0603. The District Board designates as district public depositories all banks and savings and loans and loan associations in the state, the Local Government Investment Fund, or the Wisconsin Investment Series Cooperative.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30:

	2021				
	Fair Value	Investment Maturities (in months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Certificates of deposit	\$ 698,331	\$ 185,025	\$ 513,307	\$ 0	\$ 0
Money market funds	5,555,321	5,555,321	0	0	0
U.S. agency securities	8,344,442	4,347,949	3,996,492	-	0
Wisconsin local government investment pool	11,783,774	11,783,774	0	0	0
Commercial paper	147,264	147,264	0	0	0
	\$ 26,529,131	\$ 22,019,332	\$ 4,509,799	\$ -	\$ 0
	2020				
	Fair Value	Investment Maturities (in months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Certificates of deposit	\$ 1,533,703	\$ 1,013,036	\$ 0	\$ 520,667	\$ 0
Money market funds	53,100	53,100	0	0	0
U.S. agency securities	12,822,104	7,201,307	4,420,351	1,200,446	0
Wisconsin local government investment pool	9,013,646	9,013,646	0	0	0
Commercial paper	313,320	313,320	0	0	0
	\$ 23,735,873	\$ 17,594,409	\$ 4,420,351	\$ 1,721,113	\$ 0

The District had realized loss on investments of \$19,418 for 2021 and realized gains of \$27,387 for 2020. Unrealized loss on investments amounted to \$113,938 in 2021 and unrealized gains were \$127,652 for 2020. The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments. Realized gains and losses of the current period include unrealized amounts from the prior period.



# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### NOTE 3 – CAPITAL ASSETS

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

	Balance 6/30/2020	Additions	Disposals	Balance 6/30/2021
<b>Capital assets, not being depreciated</b>				
Land	\$50,000	\$0	\$0	\$50,000
Construction in progress	1,573,358	219,526	(1,573,358)	219,526
Total cost of capital assets not being depreciated	1,623,358	219,526	(1,573,358)	269,526
<b>Capital assets, being depreciated</b>				
Site improvements	4,629,056	207,745	0	4,836,801
Buildings	20,704,571	96,047	0	20,800,618
Building improvements	24,401,015	2,785,456	0	27,186,471
Leasehold improvements	392,453	0	(392,453)	0
Equipment	37,269,896	4,635,110	(345,963)	41,559,043
Total cost of capital assets being depreciated	87,396,991	7,724,358	(738,416)	94,382,933
<b>Less accumulated depreciation for:</b>				
Site improvements	(2,914,045)	(172,526)	0	(3,086,571)
Buildings	(10,384,972)	(418,779)	0	(10,803,751)
Building improvements	(17,406,483)	(1,668,108)	0	(19,074,591)
Leasehold improvements	(271,347)	(9,811)	281,158	0
Equipment	(30,633,318)	(2,627,374)	340,819	(32,919,873)
Total	(61,610,165)	(4,896,598)	621,977	(65,884,786)
Total capital assets being depreciated, net	25,786,826	2,827,760	(116,439)	28,498,147
Total capital assets, net	27,410,184	\$3,047,286	(\$1,689,797)	28,767,673
Less general obligation debt, net of unspent proceeds	19,966,013			19,784,959
Less debt premium	953,518			1,086,366
Net investment in capital assets	\$6,490,653			\$7,896,348

Construction in progress as of June 30, 2021 of approximately \$220,000 includes \$86,000 in costs incurred for the Public Safety storage addition, \$86,000 in costs incurred for the Lakeshore building addition and entrance L7 remodel, \$15,000 incurred towards the Health and Human Services lab remodel, \$12,000 in costs incurred for remodeling Academic Support area, \$16,000 in costs for an air handler upgrade project and \$5,000 incurred for the horticulture hoop house. The horticulture hoop house will be completed in November 2021. The Academic Support remodel, Lakeshore addition, and Entrance L7 remodel are scheduled for completion in January 2022 and the Health and Human Services skills lab will be completed in December 2023. Depreciation will commence, upon completion of the projects.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

### NOTE 3 – CAPITAL ASSETS (continued)

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance 6/30/2019	Additions	Disposals	Balance 6/30/2020
<b>Capital assets, not being depreciated</b>				
Land	\$50,000	\$0	\$0	\$50,000
Construction in progress	202,628	1,573,358	(202,628)	1,573,358
Total cost of capital assets not being depreciated	<u>252,628</u>	<u>1,573,358</u>	<u>(202,628)</u>	<u>1,623,358</u>
<b>Capital assets, being depreciated</b>				
Site improvements	4,545,996	83,060	0	4,629,056
Buildings	19,557,706	1,146,865	0	20,704,571
Building improvements	24,164,795	236,220	0	24,401,015
Leasehold improvements	392,453	0	0	392,453
Equipment	35,099,441	2,818,690	(648,235)	37,269,896
Total cost of capital assets being depreciated	<u>83,760,391</u>	<u>4,284,835</u>	<u>(648,235)</u>	<u>87,396,991</u>
<b>Less accumulated depreciation for:</b>				
Site improvements	(2,746,327)	(167,718)	0	(2,914,045)
Buildings	(9,977,774)	(407,198)	0	(10,384,972)
Building improvements	(15,889,906)	(1,516,577)	0	(17,406,483)
Leasehold improvements	(241,197)	(30,150)	0	(271,347)
Equipment	(28,901,643)	(2,297,360)	565,685	(30,633,318)
Total	<u>(57,756,847)</u>	<u>(4,419,003)</u>	<u>565,685</u>	<u>(61,610,165)</u>
Total capital assets being depreciated, net	<u>26,003,544</u>	<u>(134,168)</u>	<u>(82,550)</u>	<u>25,786,826</u>
Total capital assets, net	<u>26,256,172</u>	<u>\$1,439,190</u>	<u>(\$285,178)</u>	<u>27,410,184</u>
Less general obligation debt, net of unspent proceeds	19,655,343			19,966,013
Less debt premium	<u>783,212</u>			<u>953,518</u>
Net investment in capital assets	<u>\$5,817,617</u>			<u>\$6,490,653</u>

Construction in progress as of June 30, 2021 of approximately \$1,570,000 includes \$1,430,000 in costs incurred for relocating the culinary program to the Cleveland campus, \$58,000 in costs incurred for the relocation and remodel of division offices, \$24,000 in costs incurred for remodeling the area to be used for a new HVAC program, and \$58,000 incurred for various technology projects. The culinary program remodeling was completed in August 2021, the HVAC lab remodel was completed in September 2021 and the remodel of division offices was completed in October 2021. Depreciation commenced, or will commence, upon completion of the projects.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

### NOTE 4 – LONG TERM OBLIGATIONS

Long-term liabilities of the District consist of general obligation promissory notes and unamortized premium on debt issuance. The District does not have an open line of credit and has no direct borrowings or direct placements of debt.

The changes in long-term liabilities for the year ended June 30, 2021 are as follows:

Description	6/30/2020			6/30/2021 Balance	Due within one year
	Balance	Additions	Payments		
Promissory Notes of May 2011 at 2.92%	455,000	0	455,000	0	0
Promissory Notes of April 2012 at 2.22%	1,180,000	0	1,180,000	0	0
Promissory Notes of May 2013 at 2%	1,025,000	0	335,000	690,000	340,000
Promissory Notes of September 2013 at 2.53%	1,050,000	0	1,050,000	0	0
Promissory Notes of September 2014 at 2%	2,865,000	0	2,865,000	0	0
Promissory Notes of July 2015 at 2.69%	3,105,000	0	580,000	2,525,000	600,000
Promissory Notes of April 2016 at 2%	1,135,000	0	180,000	955,000	185,000
Promissory Notes of July 2016 at 2%	900,000	0	440,000	460,000	460,000
Promissory Notes of June 2017 at 2.55%	5,440,000	0	710,000	4,730,000	730,000
Promissory Notes of June 2018 at 3%	3,825,000	0	365,000	3,460,000	400,000
Promissory Notes of June 2018 at 3%	3,300,000	0	0	3,300,000	240,000
Promissory Notes of November 2019 at 3%	1,700,000	0	0	1,700,000	190,000
Promissory Notes of June 2020 at 2.47%	3,800,000	0	100,000	3,700,000	350,000
Promissory Notes of November 2020 at 2.11%	0	900,000	0	900,000	100,000
Refunding Bonds of March 2021 at 2%	0	3,420,000	0	3,420,000	1,645,000
Promissory Notes of June 2021 at 3%	0	5,300,000	0	5,300,000	0
<b>Total</b>	<b>\$29,780,000</b>	<b>\$ 9,620,000</b>	<b>\$8,260,000</b>	<b>\$31,140,000</b>	<b>\$5,240,000</b>

Interest paid on long-term obligations totaled \$812,205 for the year ended June 30, 2021. Unamortized premium on debt issuance totaled \$1.1 million for the year ended June 30, 2021.

The changes in long-term liabilities for the year ended June 30, 2020 are as follows:

Description	6/30/2019			6/30/2020 Balance	Due within one year
	Balance	Additions	Payments		
Promissory Notes of June 2010 at 2.93%	\$530,000	\$0	\$530,000	\$0	\$0
Promissory Notes of May 2011 at 2.92%	895,000	0	440,000	455,000	455,000
Promissory Notes of April 2012 at 2.22%	1,765,000	0	585,000	1,180,000	590,000
Promissory Notes of May 2013 at 2%	1,355,000	0	330,000	1,025,000	335,000
Promissory Notes of September 2013 at 2.53%	1,380,000	0	330,000	1,050,000	340,000
Promissory Notes of September 2014 at 2%	3,530,000	0	665,000	2,865,000	685,000
Promissory Notes of July 2015 at 2.69%	3,665,000	0	560,000	3,105,000	580,000
Promissory Notes of April 2016 at 2%	1,310,000	0	175,000	1,135,000	180,000
Promissory Notes of July 2016 at 2%	1,140,000	0	240,000	900,000	440,000
Promissory Notes of June 2017 at 2.55%	5,940,000	0	500,000	5,440,000	710,000
Promissory Notes of June 2018 at 3%	3,925,000	0	100,000	3,825,000	365,000
Promissory Notes of June 2018 at 3%	3,300,000	0	0	3,300,000	0
Promissory Notes of November 2019 at 3%	0	1,800,000	100,000	1,700,000	0
Promissory Notes of June 2020 at 2.47%	0	3,800,000	0	3,800,000	100,000
<b>Total</b>	<b>\$28,735,000</b>	<b>\$ 5,600,000</b>	<b>\$4,555,000</b>	<b>\$29,780,000</b>	<b>\$4,780,000</b>

Interest paid on long-term obligations totaled \$768,245 for the year ended June 30, 2020. Unamortized premium on debt issuance totaled \$935,518 for the year ended June 30, 2020.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### NOTE 4 – LONG TERM OBLIGATIONS (continued)

General obligation debt consisted of the following as of June 30, 2021 and 2020:

	2021	2020
<p>2011 \$4,000,000 promissory notes issued April 2011 at an average rate of 2.92% to finance building addition, remodeling, and equipment. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2021. The notes are payable to Depository Trust Company.</p>	0	455,000
<p>2012 \$4,500,000 promissory notes issued April 2012 at an average rate of 2.22% to finance remodeling, equipment and site improvements. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2022. The notes are payable to Depository Trust Company.</p>	0	1,180,000
<p>2013 \$3,000,000 promissory notes issued May 2013 at an average rate of 2.00% to finance an addition, remodeling and equipment. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2023. The notes are payable to Depository Trust Company.</p>	690,000	1,025,000
<p>2014 \$5,000,000 promissory notes issued September 2013 at an average rate of 2.53% to finance remodeling, equipment and site improvements. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2023. The notes are payable to Depository Trust Company.</p>	0	1,050,000
<p>2015 \$6,000,000 promissory notes issued September 2014 at an average rate of 2.0% to finance remodeling and equipment. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2024. The notes are payable to Depository Trust Company.</p>	0	2,865,000
<p>2016 \$5,000,000 promissory notes issued July 2015 at an average rate of 2.69% to finance addition, remodeling, equipment and site improvements. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2025. The notes are payable to Depository Trust Company.</p>	2,525,000	3,105,000
<p>2016 \$1,500,000 promissory notes issued April 2016 at an average rate of 2.0% to finance remodeling. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2026. The notes are payable to Depository Trust Company.</p>	955,000	1,135,000

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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#### NOTE 4 – LONG TERM OBLIGATIONS (continued)

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	2021	2020
<p>2017 \$1,500,000 promissory notes issued July 2016 at an average rate of 2.0% to finance remodeling. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2022. The notes are payable to Depository Trust Company.</p>	460,000	900,000
<p>2017 \$6,300,000 promissory notes issued June 2017 at an average rate of 2.0% to finance additions remodeling, equipment and site improvements. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2027. The notes are payable to Depository Trust Company.</p>	4,730,000	5,440,000
<p>2018 \$4,000,000 promissory notes issued June 2018 at an average rate of 3.0% to finance remodeling, equipment and site improvements. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2028. The notes are payable to Depository Trust Company.</p>	3,460,000	3,825,000
<p>2019 \$3,300,000 promissory notes issued June 2019 at an average rate of 3.25% to finance remodeling, equipment and site improvements. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2029. The notes are payable to Depository Trust Company.</p>	3,300,000	3,300,000
<p>2020 \$1,800,000 promissory notes issued November 2019 at an average rate of 3.00% to finance remodeling and equipment. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2029. The notes are payable to Depository Trust Company.</p>	1,700,000	1,700,000
<p>2020 \$3,800,000 promissory notes issued June 2020 at an average rate of 2.47% to finance remodeling, equipment and site improvements. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2030. The notes are payable to Depository Trust Company.</p>	3,700,000	3,800,000
<p>2021 \$900,000 promissory notes issued November 2020 at an average rate of 2.11% to finance remodeling and equipment. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2030. The notes are payable to Depository Trust Company.</p>	900,000	0
<p>2021 \$3,420,000 refunding bonds issued March 2021 at an average rate of 2 % to finance the repayment of General Obligation Promissory Notes. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2024. The bonds are payable to Depository Trust Company.</p>	3,420,000	0

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

### NOTE 4 – LONG TERM OBLIGATIONS (continued)

	2021	2020
2021 \$5,300,000 promissory notes issued June 2021 at an average rate of 2% to finance additions, remodeling, equipment and site improvements. Semi-annual interest payments are made March 1 and September 1; principal payments are due March 1 until maturity in 2031. The notes are payable to Depository Trust Company.	5,300,000	0
<b>Total</b>	<b>\$31,140,000</b>	<b>\$29,780,000</b>

Aggregate maturities and interest on general obligation debt is as follows:

Fiscal Year	Principal	Interest	Total
2021-22	5,240,000	763,174	6,003,174
2022-23	5,065,000	669,950	5,734,950
2023-24	4,485,000	547,200	5,032,200
2024-25	3,895,000	435,250	4,330,250
2025-26	3,085,000	322,200	3,407,200
2026-27	2,980,000	231,050	3,211,050
2027-28	2,455,000	145,600	2,600,600
2028-29	1,950,000	83,950	2,033,950
2029-30	1,260,000	38,700	1,298,700
2030-31	725,000	14,500	739,500
<b>Total</b>	<b>\$31,140,000</b>	<b>\$3,251,574</b>	<b>\$34,391,574</b>

All general obligation debt is backed by the full faith and credit of LTC. None of the District's assets are pledged as collateral. Bonds and notes payable will be retired by future property tax levies.

Chapter 67.03(1) of the Wisconsin State Statutes limits general obligation debt of the District to 5 percent of the equalized value of the taxable property in the district. This limit was \$863,545,997 as of June 30, 2021 and the District's outstanding general obligation debt (net of \$1,288,805 available to pay principal and interest) was \$29,851,195. For June 30, 2020, this limit was \$811,910,781 and the District's outstanding general obligation debt (net of \$1,265,403 of available funds) was \$28,514,597. Chapter 67.03(9) Wisconsin State Statutes limits bonded indebtedness of the District to 2 percent of the equalized value of taxable property in the district. This limit was \$345,418,399 as of June 30, 2021, and the District had outstanding bonds in the amount of \$3,420,000. For June 30, 2020, this limit was \$324,764,312 and the District had no outstanding bonds.

During 2021, the District issued General Obligation Refunding Bonds, in the amount of \$3,420,000, at an average rate of 2%. The proceeds of the bonds were used to current refund \$3,480,000 of principal and \$6,554 of interest on existing general obligation promissory notes. The debt service requirements of the new debt balance total \$3,536,580. The debt service requirement of the old debt balance totaled \$3,681,025. The economic gain on the refunding is \$117,968 when the change in debt service payments are discounted using an effective interest rate of 2%.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 5 – PENSION

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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 1200 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. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

ETF issued a standalone WRS Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/publications/cafr.htm>.

**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 December 31, 2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

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

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

The WRS also provides death and disability benefits for employees.

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

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### NOTE 5 – PENSION (continued)

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21

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

The District's contributions to the pension plan were \$1,302,353 and \$1,261,527 for the years ended June 30, 2021 and 2020, respectively.

Contribution rates as of June 30, 2021 and 2020 are:

<u>Employee Category</u>	<u>2021</u>		<u>2020</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives & elected officials)	6.75%	6.75%	6.75%	6.75%
Protective with Social Security	6.75%	11.75%	6.75%	11.65%
Protective without Social Security	6.75%	16.35%	6.75%	16.25%

### ***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2021 and 2020, the District reported a net pension asset of \$7,286,851 and \$3,929,924, respectively, for its proportionate share of the WRS net pension liability (asset). The 2021 WRS net pension liability (asset) was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The 2020 WRS net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to December 31, 2019. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.11671776%, which was a decrease of 0.00516089% from its proportion measured as of December 31, 2019.



# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

### NOTE 5 – PENSION (continued)

For the year ended June 30, 2021, the District recognized pension expense of (\$800,779) and for the year ended June 30, 2020 the District recognized pension expense of \$1,496,735.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$10,546,312	\$2,271,657
Net differences between projected and actual earnings on pension plan investments	0	13,680,470
Changes in assumptions	165,280	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	716	80,302
Employer contributions subsequent to the measurement date	715,457	0
Total	\$11,427,765	\$16,032,429

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$7,459,893	\$3,733,177
Net differences between projected and actual earnings on pension plan investments	0	8,034,162
Changes in assumptions	306,244	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	17,496	41,826
Employer contributions subsequent to the measurement date	675,709	0
Total	\$8,459,342	\$11,809,165

\$715,457 reported as deferred outflows related to pension at June 30, 2021 resulting from the College's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30,	Expense
2022	(\$1,372,429)
2023	(391,118)
2024	(2,498,385)
2025	(1,058,189)
	(\$5,320,121)

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 5 – PENSION (continued)

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**Actuarial assumptions.** The total pension liability at December 31, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The total pension liability at December 31, 2019 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

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

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### NOTE 5 – PENSION (continued)

#### Asset Allocation Targets and Expected Returns

As of December 31, 2020

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	72	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

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

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

#### Asset Allocation Targets and Expected Returns

As of December 31, 2019

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	49	8.0	5.1
Fixed Income	24.5	4.9	2.1
Inflation Sensitive Assets	15.5	4.0	1.2
Real Estate	9	6.3	3.5
Private Equity/Debt	8	10.6	7.6
Multi-Asset	4	6.9	4.0
Cash	-10	0.9	NA
Total Core Fund	100	7.5	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	7.5	4.6
International Equities	30	8.2	5.3
Total Variable Fund	100	7.8	4.9

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%

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

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### NOTE 5 – PENSION (continued)

**Single Discount rate.** A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (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, 2020. 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 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District’s proportionate share of the net pension asset to changes in the discount rate.** The following presents the District’s proportionate share of the net pension asset calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

June 30, 2021	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase To Discount Rate (8.0%)
District’s proportionate share of the net pension liability (asset)	\$6,936,072	(\$7,286,851)	(\$17,733,483)
June 30, 2020	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase To Discount Rate (8.0%)
District’s proportionate share of the net pension liability (asset)	\$10,120,256	(\$3,929,924)	(\$14,434,050)

**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 Pension Plan**

The District reported a payable to the pension plan as of June 30, 2021 and 2020 in the amount of \$218,000 and \$216,000, respectively, for its share and the employees’ share of the June 2021 and 2020 legally required contributions to the plan. This amount is included in payroll related liabilities on the Statements of Net Position.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

### NOTE 6 – OTHER POSTRETIREMENT BENEFITS

**Plan Description** The Plan is a single-employer defined benefit postemployment benefit plan that covers retired employees of the District. Management and support employees hired prior to July 1, 2013 and faculty employees hired prior to July 1, 2014, who are enrolled in the District’s plans effective on the date of retirement and will meet the age and service requirements shown below on or before June 30, 2023, are eligible for postretirement benefits. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Age and service requirements are as follows:

Age	Minimum Years of Service
61+	10
60	15
59	20
58	25
57	30

**Benefits Provided** The District provides health, dental and life insurance benefits to eligible full-time employees and their spouses through the District’s group plans from retirement until Medicare eligibility. The medical plan provides comprehensive major medical benefits and prescription drug benefits. In event of the retiree’s death, spousal coverage ceases.

**Employees Covered by Benefit Terms** At June 30, 2019, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	40
Active employees	197
	237

**Contributions** Contribution requirements are based on District policy. Benefits are paid by the District, up to the maximum amount it pays for active employees. As of June 30, 2021, the District paid 80% of the health premium, 86% of the dental premium and 100% of the life insurance premium. Some retired participants have higher college premium payment rates based on their retirement date.

#### **Total OPEB Liability**

The District’s total OPEB liability at June 30, 2021 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

#### NOTE 6 – OTHER POSTRETIREMENT BENEFITS (continued)

**Actuarial Assumptions** The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method:	Entry Age Normal (level percent of salary)
Discount rate:	3.50%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1%-3.0%
Healthcare cost trend rates:	7.5% for 2020 decreasing by 0.5% per year down to 6.5%, then by 0.1% per year down to 5.0%, and level thereafter.
Dental cost trend rates:	level at 5.0%
Mortality:	Wisconsin 2018 Mortality Table adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied 60%)

Actuarial assumptions are based upon an experience study conducted in 2018 using the Wisconsin Retirement System (WRS) experience from 2015 - 2017.

**Discount Rate.** A single discount rate of 2.25% was used to measure the total OPEB liability, as opposed to a discount rate of 3.50% for the prior year. The discount rate is based on the Bond Buyer Go 20-Year AA Bond Index as of the week of the measurement date. Implicit in the discount rate as of June 30, 2021 is an assumed rate of inflation of 2.5%. Implicit in the discount rate as of June 30, 2020 is an assumed rate of inflation of 2.0%.

All other assumptions and methods remained unchanged from the valuation performed June 30, 2019 which was used to determine the OPEB liability at June 30, 2020, rolled forward to June 30, 2021.

#### Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	\$2,793,140
Changes for the year:	
Service cost	38,352
Interest	90,683
Changes of assumptions or other input	69,205
Benefit payments	(442,769)
Net changes	(244,529)
Balance at June 30, 2020	\$2,548,611

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

#### NOTE 6 – OTHER POSTRETIREMENT BENEFITS (continued)

	Total OPEB Liability
Balance at June 30, 2018	\$2,833,698
Changes for the year:	
Service cost	42,467
Interest	97,446
Changes of assumptions or other input	332,247
Benefit payments	(512,718)
Net changes	(40,558)
Balance at June 30, 2019	\$2,793,140

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25% or 2.50%) or 1-percentage-point higher (3.25% or 4.50%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
June 30, 2020			
Total OPEB liability	\$2,603,344	\$2,548,611	\$2,493,290
June 30, 2019			
Total OPEB liability	\$2,866,148	\$2,793,140	\$2,720,603

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 4.0%) or 1-percentage-point higher (8.5% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 4.0%)	Healthcare Cost Trend Rates (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
June 30, 2020			
Total OPEB liability	\$2,458,456	\$2,548,611	\$2,643,129
June 30, 2019			
Total OPEB liability	\$2,711,480	\$2,793,140	\$2,878,565

**LAKESHORE TECHNICAL COLLEGE DISTRICT**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2021 and 2020

**NOTE 6 – OTHER POSTRETIREMENT BENEFITS (continued)**

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

For the years ended June 30, 2021 and 2020, the District recognized collective OPEB expense of \$187,542 and \$92,420, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$296,994	\$0
Changes in assumptions	85,756	7,690
District contributions subsequent to the measurement date	460,288	0
Total	\$843,038	\$7,690

At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$346,493	\$0
Changes in assumptions	29,403	11,534
District contributions subsequent to the measurement date	442,769	0
Total	\$818,665	\$11,534

\$460,288 reported as deferred outflows of resources related to OPEB at June 30, 2021 resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported in deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	Expense
2022	\$58,507
2023	58,505
2024	62,351
2025	62,351
2026	62,351
Thereafter	70,995
	\$375,060



## LAKESHORE TECHNICAL COLLEGE DISTRICT

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

#### NOTE 7 – OPERATING LEASES

##### Operating Lease – Lessee

The District leases property under operating leases. Following is a schedule by years of future minimum rental payments required under the operating leases as of June 30, 2021:

Year ending June 30,	Amount
2022	\$455,887
2023	455,445
2024	436,377
2025	263,350
2026	266,641
Thereafter	22,308
Total	<u>\$ 1,900,008</u>

Rent expenditures under all operating leases amounted to approximately \$499,806 and \$626,709 for the years ended June 30, 2021 and 2020, respectively.

##### Operating Lease – Lessor

The District is the lessor of excess capacity on its educational broadband services channels under an operating lease expiring in 2027, renewable for one additional ten-year term. Minimum future rental payments to be received under the non-cancellable lease at June 30, 2021 for each of the next five years and thereafter are as follows:

Year ending June 30,	Agreement	Service Credits to Cash	Total
2022	226,617	11,400	238,017
2023	234,549	11,400	245,949
2024	242,757	11,400	254,157
2025	251,253	11,400	262,653
2026	260,048	11,400	271,448
Thereafter	269,148	11,400	280,548
Total	<u>\$1,484,372</u>	<u>\$68,400</u>	<u>\$1,552,772</u>

The excess capacity of the broadband services channels is not recognized as a capital asset of the District and therefore has no carrying value. Rent revenue under the agreement amounted to \$218,953 and \$211,550 for the years ended June 30, 2021 and 2020, respectively.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 8 – EXPENSE CLASSIFICATION

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Operating expenses on the Statements of Revenues, Expenses and Changes in Net Position are classified by function. Alternatively, the expenses could also be shown by type of expense, as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Salaries and wages	\$20,626,856	\$20,328,203
Fringe benefits	3,530,659	6,088,723
Travel, memberships and subscriptions	548,525	621,359
Supplies, printing and minor equipment	1,686,464	944,425
Contract services	2,758,323	2,222,244
Rentals	504,106	629,354
Repairs and maintenance	94,360	115,286
Insurance	246,221	226,088
Utilities	577,235	559,326
Depreciation	4,896,598	4,419,003
Resale	10,081	27,052
Student aid	1,466,049	1,605,626
Fiscal agent pass-throughs	0	90,000
Other	1,076,748	1,240,346
Total operating expenses	<u>\$38,022,224</u>	<u>\$39,117,035</u>

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### NOTE 9 – JOINT VENTURE - WISPALS

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The District implemented a computerized library database through a joint venture with Gateway, Waukesha County, and Moraine Park Technical Colleges by forming the Wisconsin Public Access Library System (WisPALS) in the fall of 1997. WisPALS is governed by the colleges' presidents and librarians with each college having an equal vote. Initially, through the joint venture each college owned one-fifth of computer hardware and software that was housed at WCTC's Pewaukee campus. Since 2015, WisPALS has been using the project management services and online resources of the Wisconsin Library System and, therefore, has no capital investment. Operating costs of WisPALS are shared equally by the colleges.

The District's share of the operating costs amounted to \$21,850 and \$22,815 for the years ended June 30, 2021 and 2020, respectively, in the general fund.

As the operating costs of WisPALS are funded in full by the participating colleges, there is no change in fund balance for the joint venture for the year ended June 30, 2021. WisPALS has no joint venture debt outstanding.

The WisPALS financial statements can be obtained through Wisconsin Library Service, 1360 Regent Street #212, Madison, WI 53715.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 10 – JOINT VENTURE - WILM

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Lakeshore Technical College is also part of the Wisconsin Indianhead, Lakeshore and Mid-State Consortium (WILM), which was formed under Sec. 66.0301 and Chapter 38 of the Wisconsin Statutes. The purpose of the consortium is to develop, procure, enhance and manage a customer-focused, state-of-the-art environment for performing administrative business services for consortium members. The District is the management agent for the WILM Consortium. Beginning in 2021, WILM was restructured to include additional WILM-dedicated staff. Certain staff positions from each college were transferred to WILM. This restructuring was done to help those staff maintain focus on WILM projects. The District's share of the operating costs amounted to \$559,995 and \$385,513 for the years ended June 30, 2021 and 2020, respectively. LTC's share of the capital costs for the year ended June 30, 2021 and 2020 were \$85,767 and \$44,885, respectively.

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

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### NOTE 11 – COMPONENT UNIT

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Lakeshore Technical College Foundation, Inc. is included as a component unit and financial information is presented as a discrete column in the statement of net position and the statement of revenues, expenses and changes in net position.

In addition to the basic financial statement, the following disclosures are considered necessary for a fair presentation.

#### Cash and investments

The Foundation's cash and investments consisted of the following at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Demand deposits	\$525,011	\$625,190
Money market funds	51,489	49,976
Fixed income funds	1,176,466	927,539
Equity	2,389,530	1,712,260
Real assets	0	0
Total	<u>\$4,142,496</u>	<u>\$3,314,965</u>

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

### NOTE 11 – COMPONENT UNIT (continued)

The following presents, for each of the fair value hierarchy levels, the Foundation's financial assets at June 30, 2021 and 2020 that are measured at fair value on a recurring basis:

<u>June 30, 2021</u>	<u>Total</u>	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
Cash and Money Market Funds (at cost)	\$51,489	\$0	\$0	\$51,489
Fixed income funds:				
Taxable US	1,137,549	1,137,549	0	0
Tax-Exempt US	38,917	38,917	0	0
Equity:				
US equity	2,389,530	2,389,530	0	0
Total investments by fair value levels	<u>\$3,617,485</u>	<u>\$3,565,996</u>	<u>\$0</u>	<u>\$51,489</u>

<u>June 30, 2020</u>	<u>Total</u>	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
Fixed income funds:				
Taxable US	\$898,736	\$898,736	\$0	\$0
Tax-Exempt US	28,802	28,802		
Equity:				
US equity	1,276,920	1,276,920	0	0
Developed foreign	261,011	261,011	0	0
Emerging foreign	174,330	174,330	0	0
Total investments by fair value levels	<u>\$2,639,799</u>	<u>\$2,639,799</u>	<u>\$0</u>	<u>\$0</u>

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

### NOTE 11 – COMPONENT UNIT (continued)

#### Capital assets

Following are the changes in the Foundation's capital assets for the year ended June 30, 2021:

	Balance 6/30/2020	Additions	Disposals	Balance 6/30/2021
Capital assets, not being depreciated				
Land	\$71,000	\$0	\$0	\$71,000
Capital assets, being depreciated				
Site improvements	11,650	0	0	11,650
Buildings	222,188	0	0	222,188
Building improvements	195,945	0	0	195,945
Total cost of capital assets being depreciated	429,783	0	0	429,783
Less accumulated depreciation for:				
Site improvements	(1,746)	(582)	0	(2,328)
Buildings	(46,105)	(5,595)	0	(51,700)
Building improvements	(46,538)	(4,899)	0	(51,437)
Total	(94,389)	(11,076)	0	(105,465)
Total capital assets being depreciated, net	335,394	(11,076)	0	324,318
Total capital assets, net	406,394	(\$11,076)	\$0	395,318
Less debt	14,252			0
Net investment in capital assets	\$392,142			\$395,318

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS June 30, 2021 and 2020

### NOTE 11 – COMPONENT UNIT (continued)

Following are the changes in the Foundation's capital assets for the year ended June 30, 2020:

	<u>Balance</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/2020</u>
Capital assets, not being depreciated				
Land	\$71,000	\$0	\$0	\$71,000
Capital assets, being depreciated				
Site improvements	11,650	0	0	11,650
Buildings	222,188	0	0	222,188
Building improvements	195,945	0	0	195,945
Total cost of capital assets being depreciated	<u>429,783</u>	<u>0</u>	<u>0</u>	<u>429,783</u>
Less accumulated depreciation for:				
Site improvements	(1,164)	(582)	0	(1,746)
Buildings	(40,510)	(5,595)	0	(46,105)
Building improvements	(41,639)	(4,899)	0	(46,538)
Total	<u>(83,313)</u>	<u>(11,076)</u>	<u>0</u>	<u>(94,389)</u>
Total capital assets being depreciated, net	<u>346,470</u>	<u>(11,076)</u>	<u>0</u>	<u>335,394</u>
Total capital assets, net	<u>417,470</u>	<u>(\$11,076)</u>	<u>\$0</u>	<u>406,394</u>
Less debt	<u>42,448</u>			<u>14,252</u>
Net investment in capital assets	<u>\$375,022</u>			<u>\$392,142</u>

### Long-term debt

Long-term debt at June 30, 2021 and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Cleveland State Bank		
4.25% note, due in annual installments of \$30,000 including interest, to December 5, 2020, secured by substantially all assets of the Foundation.	\$0	\$14,252

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE 11 – COMPONENT UNIT (continued)

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#### Operating leases - lessor

The Foundation was the lessor of land, buildings and improvements to the District under a non-cancellable operating lease that expired in November 2020. Subsequent to this, a short term lease agreement was entered into with the District. This agreement included monthly rent of \$1,350 per month and ended June 30, 2021.

#### Unconditional promises to give

The Foundation had unconditional promises to give at June 30, 2021 and 2020 as follows:

Receivable in:	2021	2020
Less than one year	\$66,204	\$76,100
One to five years	76,943	58,148
More than five years	0	1,500
	<u>143,147</u>	<u>135,748</u>
Less discount to net present value	<u>(3,943)</u>	<u>(4,214)</u>
	<u>139,204</u>	<u>131,534</u>
Reported as:		
Current assets	66,204	76,100
Non-current assets	<u>73,000</u>	<u>55,434</u>
Total	<u>139,204</u>	<u>131,534</u>

A reserve for uncollectible amounts is not deemed necessary by management.

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### NOTE 12 – SELECT UPCOMING ACCOUNTING PRONOUNCEMENTS

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The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2021*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation plans*

Adoption of these statements, as they become effective, may restate portions of these financial statements.

## REQUIRED SUPPLEMENTARY INFORMATION



## LAKESHORE TECHNICAL COLLEGE DISTRICT

### SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND SCHEDULE OF EMPLOYER CONTRIBUTIONS WISCONSIN RETIREMENT SYSTEM For the fiscal year ended June 30, 2021

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

Plan Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.13490981%	(3,313,754)	18,257,138	-18.15%	102.74%
12/31/15	0.13246576%	2,147,668	18,273,147	11.75%	98.20%
12/31/16	0.12991854%	1,070,839	18,880,504	5.67%	99.12%
12/31/17	0.12872187%	(3,821,905)	18,853,397	-20.27%	102.93%
12/31/18	0.12651447%	4,500,988	18,788,429	23.96%	96.45%
12/31/19	0.12187865%	(3,929,924)	18,678,410	-21.04%	102.96%
12/31/20	0.11671776%	(7,286,851)	18,658,102	-39.05%	105.26%

#### Schedule of Employer Contributions

District Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/15	1,244,481	1,244,481	-	18,078,366	6.88%
6/30/16	1,265,048	1,265,048	-	18,803,554	6.73%
6/30/17	1,246,934	1,246,934	-	18,859,094	6.61%
6/30/18	1,282,030	1,282,030	-	18,947,363	6.77%
6/30/19	1,229,117	1,229,117	-	18,562,789	6.62%
6/30/20	1,261,527	1,261,527	-	18,892,026	6.68%
6/30/21	1,302,353	1,302,353	-	19,340,018	6.73%

See Notes to Required Supplementary Information.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

For the fiscal year ended June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 38,352	\$ 42,467	\$ 44,070	\$ 44,070
Interest	90,683	97,446	104,007	116,621
Changes of benefit terms	-	(97,349)	-	-
Differences between expected and actual experience	-	395,992	-	-
Changes of assumptions or other input	69,205	33,604	(19,222)	-
Benefit payments	(442,769)	(512,718)	(489,482)	(552,718)
Net change in total OPEB liability	(244,529)	(40,558)	(360,627)	(392,027)
Total OPEB liability - beginning	2,793,140	2,833,698	3,194,325	3,586,352
Total OPEB liability - ending	<u>\$ 2,548,611</u>	<u>\$ 2,793,140</u>	<u>\$ 2,833,698</u>	<u>\$ 3,194,325</u>
Covered-employee payroll	\$ 17,464,572	\$ 17,464,572	\$ 16,852,508	\$ 16,852,508
District's total OPEB liability as a percentage of covered-employee payroll	14.59%	15.99%	16.81%	18.95%

\*The amounts presented for each fiscal year were determined as of the prior fiscal year end. Amounts for prior years were not available.

See Notes to Required Supplementary Information.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the fiscal year ended June 30, 2021

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(1) Wisconsin Retirement System

- a. There were no changes of benefit terms for any participating employer in WRS.
- b. No significant changes in assumptions were noted from the prior year.
- c. The District is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

(2) Other Postemployment Benefits

- a. The District implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the fiscal year ended June 30, 2018. Information for prior years is not available.
- b. No assets have been accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

## **SUPPLEMENTARY INFORMATION**

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

## **GENERAL FUND**

The general fund is the primary operating fund of the District and its accounts reflect all financial activity not accounted for in another fund.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) For the fiscal year ended June 30, 2021

	Original Budget	Final Budget	Actuals on a GAAP Basis	Adjustment to Budgetary Basis	Actuals on a Budgetary Basis	Variance
<b>Revenues</b>						
Local government - tax levy	\$5,884,000	\$6,206,000	\$5,650,675	\$0	\$5,650,675	(\$555,325)
Property tax relief aid	11,878,000	11,878,000	11,877,887	0	11,877,887	(113)
State aids	3,449,000	3,449,000	3,590,417	0	3,590,417	141,417
Program fees	5,500,000	5,315,000	5,055,882	0	5,055,882	(259,118)
Material fees	355,000	355,000	296,455	0	296,455	(58,545)
Other student fees	371,000	294,000	318,922	0	318,922	24,922
Institutional revenue	442,000	382,000	54,739	0	54,739	(327,261)
Federal revenue	5,000	5,000	41,790	0	41,790	36,790
<b>Total Revenues</b>	<b>27,884,000</b>	<b>27,884,000</b>	<b>26,886,767</b>	<b>0</b>	<b>26,886,767</b>	<b>(997,233)</b>
<b>Expenditures</b>						
Instruction	15,881,000	15,881,000	14,857,059	9,437	14,866,496	1,014,504
Instructional resources	1,314,000	1,344,000	1,343,473	0	1,343,473	527
Student services	3,949,000	3,949,000	3,900,812	10,190	3,911,002	37,998
General institutional	4,581,000	4,801,000	4,761,702	2,129	4,763,831	37,169
Physical plant	2,159,000	2,159,000	1,979,875	0	1,979,875	179,125
<b>Total Expenditures</b>	<b>27,884,000</b>	<b>28,134,000</b>	<b>26,842,921</b>	<b>21,756</b>	<b>26,864,677</b>	<b>1,269,323</b>
Revenues over (under) expenditures	\$0	(\$250,000)	43,846	(21,756)	22,090	\$272,090
<b>Other financing sources:</b>						
Operating transfers in	0	560,000	559,766	0	559,766	(234)
Revenues and other financing sources over (under) expenditures	<u>\$0</u>	<u>\$310,000</u>	<u>603,612</u>	<u>(21,756)</u>	<u>581,856</u>	<u>\$271,856</u>
Fund balance at beginning of year			<u>11,163,773</u>	<u>(6,344)</u>	<u>11,157,429</u>	
Fund balance at end of year			<u>\$11,767,385</u>	<u>(\$28,100)</u>	<u>\$11,739,285</u>	

## **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than debt service or major capital projects) that are restricted to expenditures for designated purposes because of the legal or regulatory provisions. The District has two special revenue funds:

Operating Fund – The operating fund is used to account for the proceeds from specific revenue sources other than non-operating fund that are legally restricted as to expenditures for specific purposes.

Non-aidable Fund – The non-aidable fund is used to account for assets held by the District in a fiduciary capacity, primarily for student aids and other student activities.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## SPECIAL REVENUE FUND - OPERATING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) For the fiscal year ended June 30, 2021

	Original Budget	Final Budget	Actuals on a GAAP Basis	Adjustment to Budgetary Basis	Actuals on a Budgetary Basis	Variance
<b>Revenues</b>						
Local government - tax levy	\$1,248,000	\$1,248,000	\$998,000	\$0	\$998,000	(\$250,000)
State aids	844,000	844,000	923,229	0	923,229	79,229
Other student fees	138,000	138,000	30	0	30	(137,970)
Institutional revenue	1,298,000	1,298,000	1,526,309	0	1,526,309	228,309
Federal revenue	1,787,000	2,814,000	2,928,535	0	2,928,535	114,535
<b>Total Revenues</b>	<u>5,315,000</u>	<u>6,342,000</u>	<u>6,376,103</u>	<u>0</u>	<u>6,376,103</u>	<u>34,103</u>
<b>Expenditures</b>						
Instruction	3,269,000	3,315,000	3,324,571	(9,999)	3,314,572	428
Instructional resources	0	193,000	190,346	1,954	192,300	700
Student services	1,609,000	1,609,000	1,555,881	0	1,555,881	53,119
General institutional	0	141,000	140,588	0	140,588	412
Physical plant	437,000	508,000	507,849	0	507,849	151
<b>Total Expenditures</b>	<u>5,315,000</u>	<u>5,766,000</u>	<u>5,719,235</u>	<u>(8,045)</u>	<u>5,711,190</u>	<u>54,810</u>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$576,000</u>	<u>656,868</u>	<u>8,045</u>	<u>664,913</u>	<u>\$88,913</u>
Other financing sources (uses):						
Operating transfers in	0	0	0	0	0	0
Operating transfers out	0	(661,000)	(660,007)	0	(660,007)	993
<b>Total other financing sources (uses)</b>	<u>0</u>	<u>(661,000)</u>	<u>(660,007)</u>	<u>0</u>	<u>(660,007)</u>	<u>993</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$0</u>	<u>(\$85,000)</u>	<u>(3,139)</u>	<u>8,045</u>	<u>4,906</u>	<u>\$89,906</u>
Fund balance at beginning of year			275,175	(11,789)	263,386	
Fund balance at end of year			<u>\$272,036</u>	<u>(\$3,744)</u>	<u>\$268,292</u>	



## LAKESHORE TECHNICAL COLLEGE DISTRICT

### SPECIAL REVENUE FUND – NON-AIDABLE SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) For the fiscal year ended June 30, 2021

	Original Budget	Final Budget	Actuals on a GAAP Basis	to Budgetary Basis	on a Budgetary Basis	Variance
<b>Revenues</b>						
State aids	\$435,000	\$435,000	\$33,753	\$0	\$33,753	(\$401,247)
Other student fees	0	0	293,141	0	293,141	293,141
Institutional revenue	160,000	160,000	66,623	0	66,623	(93,377)
Federal revenue	3,744,000	3,744,000	3,076,264	0	3,076,264	(667,736)
<b>Total Revenues</b>	<b>4,339,000</b>	<b>4,339,000</b>	<b>3,469,781</b>	<b>0</b>	<b>3,469,781</b>	<b>(869,219)</b>
<b>Expenditures</b>						
Instruction	600,000	600,000	0	0	0	600,000
Student services	3,739,000	3,739,000	3,329,751	0	3,329,751	409,249
<b>Total Expenditures</b>	<b>4,339,000</b>	<b>4,339,000</b>	<b>3,329,751</b>	<b>0</b>	<b>3,329,751</b>	<b>1,009,249</b>
Revenues over (under) expenditures	<u>\$0</u>	<u>\$0</u>	140,030	0	140,030	<u>\$140,030</u>
Other financing sources:						
Operating transfers in	0	85,000	84,479	0	84,479	(521)
Revenues and other financing sources over (under) expenditures	<u>\$0</u>	<u>\$85,000</u>	224,509	0	224,509	<u>139,509</u>
Fund balance at beginning of year			150,328	0	150,328	
Fund balance at end of year			<u>\$374,837</u>	<u>\$0</u>	<u>\$374,837</u>	

## **CAPITAL PROJECTS FUND**

The capital projects fund is used to account for financial sources used for the acquisition or construction of major capital assets and remodeling.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) For the fiscal year ended June 30, 2021

	Original Budget	Final Budget	Actuals on a GAAP Basis	Adjustment to Budgetary Basis	Actuals on a Budgetary Basis	Variance
<b>Revenues</b>						
Local government - tax levy	\$0	\$0	\$900,000	\$0	\$900,000	\$900,000
State aids	245,000	245,000	238,415	0	238,415	(6,585)
Institutional revenue	146,000	146,000	158,128	0	158,128	12,128
Federal revenue	14,000	615,000	629,913	0	629,913	14,913
<b>Total Revenues</b>	<u>405,000</u>	<u>1,006,000</u>	<u>1,926,456</u>	<u>0</u>	<u>1,926,456</u>	<u>920,456</u>
<b>Expenditures</b>						
Capital Outlay						
Instruction	1,545,000	1,545,000	1,403,938	(60,552)	1,343,386	201,614
Instructional resources	586,000	1,187,000	1,313,622	(127,597)	1,186,025	975
Student services	270,000	285,000	283,885	580	284,465	535
General institutional	962,000	1,093,000	1,027,498	64,591	1,092,089	911
Physical plant	3,870,000	3,724,000	2,556,459	165,464	2,721,923	1,002,077
<b>Total Expenditures</b>	<u>7,233,000</u>	<u>7,834,000</u>	<u>6,585,402</u>	<u>42,486</u>	<u>6,627,888</u>	<u>1,206,112</u>
Revenues over (under) expenditures	<u>(6,828,000)</u>	<u>(6,828,000)</u>	<u>(4,658,946)</u>	<u>(42,486)</u>	<u>(4,701,432)</u>	<u>2,126,568</u>
Other financing sources:						
Operating transfers in	0	0	0	0	0	0
Proceeds from debt	6,900,000	6,900,000	6,200,000	0	6,200,000	(700,000)
Total other financing sources	<u>6,900,000</u>	<u>6,900,000</u>	<u>6,200,000</u>	<u>0</u>	<u>6,200,000</u>	<u>(700,000)</u>
Revenues and other financing sources over (under) expenditures	<u>\$72,000</u>	<u>\$72,000</u>	<u>1,541,054</u>	<u>(42,486)</u>	<u>1,498,568</u>	<u>\$1,426,568</u>
Fund balance at beginning of year			<u>9,813,987</u>	<u>(389,987)</u>	<u>9,424,000</u>	
Fund balance at end of year			<u>\$11,355,041</u>	<u>(\$432,473)</u>	<u>\$10,922,568</u>	

## **DEBT SERVICE FUND**

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) For the fiscal year ended June 30, 2021

	Original Budget	Final Budget	Actuals on a GAAP Basis	Adjustment to Budgetary Basis	Actuals on a Budgetary Basis	Variance
<b>Revenues</b>						
Local government - tax levy	\$5,384,000	\$5,384,000	\$5,384,000	\$0	\$5,384,000	\$0
Institutional revenue	10,000	10,000	883	0	883	(9,117)
<b>Total Revenues</b>	<b>5,394,000</b>	<b>5,394,000</b>	<b>5,384,883</b>	<b>0</b>	<b>5,384,883</b>	<b>(9,117)</b>
<b>Expenditures</b>						
Physical plant	5,628,000	5,752,000	5,751,351	0	5,751,351	649
<b>Total Expenditures</b>	<b>5,628,000</b>	<b>5,752,000</b>	<b>5,751,351</b>	<b>0</b>	<b>5,751,351</b>	<b>649</b>
Revenues over (under) expenditures	(234,000)	(358,000)	(366,468)	0	(366,468)	(8,468)
Other financing sources:						
Proceeds from debt	0	3,611,000	3,857,301	0	3,857,301	246,301
Repayment of Debt, including interest of \$6,554	0	(3,487,000)	(3,486,554)	0	(3,486,554)	446
Operating Transfers In	0	0	0	0	0	0
<b>Total other financing sources</b>	<b>0</b>	<b>124,000</b>	<b>370,747</b>	<b>0</b>	<b>370,747</b>	<b>246,747</b>
Revenues and other financing sources over (under) expenditures	(\$234,000)	(\$234,000)	4,279	0	4,279	\$238,279
Fund balance at beginning of year			1,650,925	0	1,650,925	
Fund balance at end of year			<u>\$1,655,204</u>	<u>\$0</u>	<u>\$1,655,204</u>	

## **ENTERPRISE FUND**

The enterprise fund is used to account for ongoing activities which are similar to those often found in the private sector. Their measurement focus is based upon determination of net income. The operations of the culinary restaurant, food service, bookstore, child care, and other activities which complement the basic educational objectives of the District (instructional related resale accounts and seminar activity) are accounted for in the enterprise fund. Services are provided primarily through user charges.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) For the fiscal year ended June 30, 2021

	Original Budget	Final Budget	Actuals on a GAAP Basis	Adjustment to Budgetary Basis	Actuals on a Budgetary Basis	Variance
<b>Revenues</b>						
Institutional revenue	\$1,600,000	\$1,600,000	\$1,574,924	\$0	\$1,574,924	(\$25,076)
Total Revenues	1,600,000	1,600,000	1,574,924	0	1,574,924	(25,076)
<b>Expenses</b>						
Auxiliary services	1,600,000	1,600,000	1,189,192	0	1,189,192	410,808
Total Expenses	1,600,000	1,600,000	1,189,192	0	1,189,192	410,808
Revenues over (under) expenses	\$0	\$0	385,732	0	385,732	\$385,732
Other financing sources:						
Operating transfers in	0	0	15,762	0	15,762	\$15,762
Revenues and other financing sources over (under) expenses	\$0	\$0	401,494	0	401,494	\$401,494
Net position at beginning of year			3,837,989	0	3,837,989	
Net position at end of year			\$4,239,483	\$0	\$4,239,483	

## **INTERNAL SERVICE FUND**

The internal service fund is used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. Included are self-insured dental, media services, copy center, and equipment repair.



## LAKESHORE TECHNICAL COLLEGE DISTRICT

### INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ACTUAL AND BUDGET (NON-GAAP BUDGETARY BASIS) For the fiscal year ended June 30, 2021

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	Original Budget	Final Budget	Actuals on a GAAP Basis	Adjustment to Budgetary Basis	Actuals on a Budgetary Basis	Variance
<b>Revenues</b>						
Institutional revenue	\$615,000	\$615,000	\$424,633	\$0	\$424,633	(\$190,367)
Total Revenues	615,000	615,000	424,633	0	424,633	(190,367)
<b>Expenses</b>						
Auxiliary services	615,000	615,000	404,070	0	404,070	210,930
Total Expenses	615,000	615,000	404,070	0	404,070	210,930
Revenues over (under) expenses	\$0	\$0	20,563	0	20,563	\$20,563
Net position at beginning of year			494,124	0	494,124	
Net position at end of year			\$514,687	\$0	\$514,687	

**LAKESHORE TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS COMBINED**  
**FINANCIAL STATEMENTS TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES**  
**IN NET POSITION**  
For the fiscal year ended June 30, 2021

	Governmental Fund Types					Proprietary Fund Types		Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
	General	Special Revenue Funds		Capital Projects	Debt Service	Enterprise	Internal Service			
		Operating	Non-Aidable							
<b>Revenues</b>										
Local government - tax levy	\$5,650,675	\$998,000	\$0	\$900,000	\$5,384,000	\$0	\$0	\$12,932,675	\$0	\$12,932,675
Intergovernmental revenue:										
State	15,468,304	923,229	33,753	238,415	0	0	0	16,663,701	0	16,663,701 (1)
Federal	41,790	2,928,535	3,076,264	629,913	0	0	0	6,676,502	0	6,676,502 (2)
Tuition and fees:										
Program fees	5,055,882	0	0	0	0	0	0	5,055,882	(1,013,687)	4,042,195
Material fees	296,455	0	0	0	0	0	0	296,455	(57,122)	239,333
Other student fees	318,922	30	293,141	0	0	0	0	612,093	(111,630)	500,463
Institutional revenue	54,739	1,526,309	66,623	158,128	883	1,574,924	424,633	3,806,239	(2,228,772)	1,577,467 (3)
Auxiliary revenue	0	0	0	0	0	0	0	0	1,574,924	1,574,924
<b>Total Revenues</b>	<b>26,886,767</b>	<b>6,376,103</b>	<b>3,469,781</b>	<b>1,926,456</b>	<b>5,384,883</b>	<b>1,574,924</b>	<b>424,633</b>	<b>46,043,547</b>	<b>(1,836,287)</b>	<b>44,207,260</b>
<b>Expenditures</b>										
Instruction	14,866,496	3,314,572	0	0	0	0	0	18,181,068	(41,305)	18,139,763
Instructional resources	1,343,473	192,300	0	0	0	0	0	1,535,773	3,943	1,539,716
Student services	3,911,002	1,555,881	3,329,751	0	0	0	0	8,796,634	(2,741,292)	6,055,342
General institutional	4,763,831	140,588	0	0	0	0	0	4,904,419	(202,992)	4,701,427
Physical plant	1,979,875	507,849	0	0	5,751,351	0	0	8,239,075	(5,012,240)	3,226,835 (4)
Student aid	0	0	0	0	0	0	0	0	1,466,049	1,466,049
Capital outlay	0	0	0	6,627,888	0	0	0	6,627,888	(6,627,888)	0
Depreciation - unallocated	0	0	0	0	0	0	0	0	4,896,598	4,896,598
Auxiliary enterprise services	0	0	0	0	0	1,189,192	404,070	1,593,262	(447,624)	1,145,638
<b>Total Expenditures</b>	<b>26,864,677</b>	<b>5,711,190</b>	<b>3,329,751</b>	<b>6,627,888</b>	<b>5,751,351</b>	<b>1,189,192</b>	<b>404,070</b>	<b>49,878,119</b>	<b>(8,706,751)</b>	<b>41,171,368</b>
Excess (deficiency) of revenues over (under) expenditures	22,090	664,913	140,030	(4,701,432)	(366,468)	385,732	20,563	(3,834,572)	6,870,464	3,035,892
Other financing sources (uses):										
Proceeds from debt	0	0	0	6,200,000	3,420,000	0	0	9,620,000	(9,620,000)	0
Proceeds from debt premium	0	0	0	0	437,301	0	0	437,301	(437,301)	0
Repayment of debt	0	0	0	0	(3,486,554)	0	0	(3,486,554)	3,486,554	0
Operating transfers in (out)	559,766	(660,007)	84,479	0	0	15,762	0	0	0	0
<b>Total other financing sources (uses)</b>	<b>559,766</b>	<b>(660,007)</b>	<b>84,479</b>	<b>6,200,000</b>	<b>370,747</b>	<b>15,762</b>	<b>0</b>	<b>6,570,747</b>	<b>(6,570,747)</b>	<b>0</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	581,856	4,906	224,509	1,498,568	4,279	401,494	20,563	2,736,175	299,717	3,035,892
Fund balance/net position at beginning of year	11,157,429	263,386	150,328	9,424,000	1,650,925	3,837,989	494,124	26,978,181	(4,355,144)	22,623,037
Fund balance/net position at end of year	<u>\$11,739,285</u>	<u>\$268,292</u>	<u>\$374,837</u>	<u>\$10,922,568</u>	<u>\$1,655,204</u>	<u>\$4,239,483</u>	<u>\$514,687</u>	<u>\$29,714,356</u>	<u>(\$4,055,427)</u>	<u>\$25,658,929 (5)</u>

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS COMBINED FINANCIAL STATEMENTS TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued) For the fiscal year ended June 30, 2021

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#### Budgets and Budgetary Accounting

The District's fund structure used in preparing the basic financial statements is different than the fund structure used for budgetary accounting. Annual budgets are adopted for all funds in accordance with the requirements of the Wisconsin Technical College System Board. The District follows the procedures listed below in adopting annual budgets for all funds in accordance with legal requirements.

- Budgets are developed within the established parameters and guidelines.
- Public hearings are conducted on the proposed budget prior to District Board approval.
- Prior to July 1, the budget is legally enacted through approval by the District Board.
- Budget amendments made during the year are legally authorized by the District Board. Budget transfers (between funds and functional areas within funds) and changes in budgeted revenues and expenditures (appropriations) require approval by two-thirds of the entire membership of the Board and require publishing a Class I public notice in the District's official newspaper within 10 days according to Wisconsin Statutes.
- Management exercises control over budgeted expenditures by fund and function as presented in the accompanying financial statements. Expenditures, by fund and function, may not exceed funds available or appropriated. Unused appropriations lapse at year end.

Formal budgetary integration is employed as a planning device for all funds. The District adopts an annual operating budget that is prepared on a different basis from the basic financial statements. The budget differs from GAAP by recognizing encumbrances as expenditures. Also, the budget does not incorporate changes related to GASB Statement Nos. 34, 35, 37, 38, 45, 68, 71 and 75.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS COMBINED  
FINANCIAL STATEMENTS TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN NET POSITION (continued)  
For the fiscal year ended June 30, 2021

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- (1) State grant revenue is presented on the Statements of Revenues, Expenses and Changes in Net Position as follows:

Operating	\$ 1,294,957
Non-operating	15,130,329
Capital grants	<u>238,415</u>
Total	<u>\$16,663,701</u>

- (2) Federal grant revenue is presented on the Statements of Revenues, Expenses and Changes in Net Position as follows:

Operating	\$1,708,927
Non-operating	4,967,575
Capital grants	<u>0</u>
Total	<u>\$6,676,502</u>

- (3) Other institutional revenue is reported as six separate lines on the Statements of Revenues, Expenses and Changes in Net Position as follows:

Business and industry contract revenue	\$1,462,476
School district contract revenue	0
Miscellaneous	187,379
Interest income, net of fees	144,973
Gain on sale of capital assets	(84,006)
Realized and unrealized loss on investments	(133,355)
Contributions	<u>0</u>
Total	<u>\$1,577,467</u>

- (4) Interest expense is reported as a component of physical plant on the budgetary statements:

Physical plant	\$2,531,474
Interest expense	<u>695,361</u>
Total	<u>\$3,226,835</u>

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS COMBINED FINANCIAL STATEMENTS TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)

For the fiscal year ended June 30, 2021

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- (5) Reconciliation of budgetary basis fund balance and net position as presented on the Statements of Revenue, Expenses and Changes in Net Position is as follows:

Budgetary basis fund balance	\$29,714,356
Capital assets at cost	94,103,195
Accumulated depreciation on capital assets	(65,392,984)
General obligation debt	(31,140,000)
Other postemployment benefits	(2,548,611)
Deferred outflows of resources related to OPEB	843,038
Deferred inflows of resources related to OPEB	(7,690)
Insurance reserves	936,921
Net pension asset	7,286,851
Deferred outflows of resources related to pension	11,427,765
Deferred inflows of resources related to pension	(16,032,429)
Book value of proprietary fund assets removed with adoption of capitalization policy	(39,809)
Accrued interest on long-term debt	(228,109)
Summer school tuition	212,058
Summer school instructional expenses	(399,791)
Bond premium	(1,086,366)
Current year encumbrances	464,317
Net position per basic financial statements	<u>\$28,112,712</u>

## STATISTICAL SECTION

The following statistical information is presented as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. The information was prepared by the District and was not subject to audit by the independent certified public accounting firm.

### Contents

#### **Financial Trends**

The schedules contain trend information to help readers understand how the District's financial performance and well-being has changed over time.

#### **Revenue Capacity**

This information is provided to assist the reader in assessing factors that affect the District's most significant local revenue source – its property tax.

#### **Debt Capacity**

The schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader better understand the environment within the District.

#### **Operating Information**

The schedules contain service and infrastructure data to help the reader understand how the financial information relates to the services the District provides and the activities it performs.

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## LAKESHORE TECHNICAL COLLEGE DISTRICT

### NET POSITION BY COMPONENT For the fiscal years ended June 30, 2012 to 2021 (Accrual Basis of Accounting)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Net Position										
Net investment in capital assets	\$6,921,296	\$7,075,074	\$7,477,870	\$6,433,052	\$6,372,717	\$6,300,065	\$6,112,865	\$5,817,617	\$6,490,653	\$7,896,348
Restricted for pension benefits	0	0	0	3,313,754	0	0	3,821,905	0	3,929,924	7,286,851
Restricted for capital projects	0	700,000	423,654	0	0	0	0	0	0	0
Restricted for debt service	595,270	701,109	786,782	1,041,755	1,194,655	1,313,420	1,151,984	1,271,707	1,444,726	1,427,095
Unrestricted	<u>8,785,086</u>	<u>8,200,542</u>	<u>8,623,962</u>	<u>12,093,543</u>	<u>15,588,495</u>	<u>14,569,399</u>	<u>8,927,267</u>	<u>12,193,185</u>	<u>10,757,734</u>	<u>11,502,418</u>
Total Net Position	<u>\$16,301,652</u>	<u>\$16,676,725</u>	<u>\$17,312,268</u>	<u>\$22,882,104</u>	<u>\$23,155,867</u>	<u>\$22,182,884</u>	<u>\$20,014,021</u>	<u>\$19,282,509</u>	<u>\$22,623,037</u>	<u>\$28,112,712</u>



## LAKESHORE TECHNICAL COLLEGE DISTRICT

### OPERATING EXPENSES, OPERATING REVENUES AND NON-OPERATING REVENUES (EXPENSES) For the fiscal years ended June 30, 2012 to 2021 (Accrual Basis of Accounting)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>Operating Expenses</b>										
Instruction	\$ 21,342,093	\$ 22,114,622	\$ 20,839,681	\$ 20,751,377	\$ 22,211,711	\$ 22,052,872	\$ 20,311,355	\$ 20,369,428	\$ 18,380,809	\$ 16,583,747
Instructional resources	1,300,558	1,267,206	1,178,019	1,297,936	1,218,331	1,175,858	1,201,149	1,448,087	1,233,304	1,433,942
Student services	3,268,403	3,377,376	4,125,590	4,305,291	4,662,832	5,119,100	5,222,537	5,268,252	5,581,487	5,670,626
General institutional	4,810,180	4,524,899	4,646,304	4,884,308	5,230,797	5,076,089	4,779,336	5,285,721	4,409,550	4,415,685
Physical plant	2,901,839	2,777,227	3,418,572	2,893,973	3,023,460	2,772,618	2,951,062	2,878,505	2,495,709	2,475,795
Auxiliary enterprise services	1,024,776	1,476,354	1,639,328	1,410,472	1,414,185	1,407,734	1,429,409	1,198,520	991,547	1,079,782
Depreciation - unallocated	2,631,714	2,983,097	3,221,118	3,756,610	3,870,107	4,121,931	4,198,244	4,365,529	4,419,003	4,896,598
Student aid	3,529,081	2,706,886	2,303,114	2,238,847	2,206,841	1,904,457	1,942,304	1,843,399	1,605,626	1,466,049
<b>Total operating expenses</b>	<b>40,808,644</b>	<b>41,227,667</b>	<b>41,371,726</b>	<b>41,538,814</b>	<b>43,838,264</b>	<b>43,630,659</b>	<b>42,035,396</b>	<b>42,657,441</b>	<b>39,117,035</b>	<b>38,022,224</b>
<b>Operating Revenues</b>										
Tuition and fees, net of scholarship allowances	6,950,014	6,135,350	5,822,670	5,651,526	5,632,572	5,657,406	5,745,526	5,438,003	5,088,487	4,781,991
Federal grants	1,697,044	1,653,537	1,654,838	1,486,622	1,542,718	1,432,114	1,348,370	1,301,883	1,491,357	1,708,927
State grants	1,441,612	1,309,717	1,133,099	1,843,833	3,215,351	2,190,012	1,625,043	1,391,242	1,338,339	1,294,957
Business and industry contract revenue	1,055,025	1,196,382	1,297,391	1,360,124	1,825,302	1,697,135	1,516,112	1,332,298	1,454,784	1,462,476
School district contract revenue	3,237	2,220	6,547	2,128	0	2,545	0	0	2,987	0
Auxiliary enterprise revenue	1,049,107	1,156,000	1,460,728	1,510,586	1,843,682	1,863,289	1,907,271	1,448,237	1,275,009	1,574,924
Miscellaneous	720,436	1,030,679	833,423	543,730	499,463	464,265	355,934	427,244	460,758	187,379
<b>Total operating revenues</b>	<b>12,916,475</b>	<b>12,483,885</b>	<b>12,208,696</b>	<b>12,398,549</b>	<b>14,559,088</b>	<b>13,306,766</b>	<b>12,498,256</b>	<b>11,338,907</b>	<b>11,111,721</b>	<b>11,010,654</b>
<b>Operating loss</b>	<b>\$(27,892,169)</b>	<b>\$(28,743,782)</b>	<b>\$(29,163,030)</b>	<b>\$(29,140,265)</b>	<b>\$(29,279,176)</b>	<b>\$(30,323,893)</b>	<b>\$(29,537,140)</b>	<b>\$(31,318,534)</b>	<b>\$(28,005,314)</b>	<b>\$(27,011,570)</b>
<b>Non-Operating Revenues (Expenses)</b>										
Property taxes	\$ 22,031,068	\$ 22,114,352	\$ 22,146,080	\$ 10,569,450	\$ 10,934,545	\$ 10,942,612	\$ 11,743,801	\$ 11,874,205	\$ 12,378,955	\$ 12,932,675
State operating appropriations	2,881,080	2,916,657	2,744,687	14,864,807	15,264,849	15,385,533	14,992,421	14,887,923	15,187,381	15,130,329
Other federal financial assistance	3,649,297	3,682,121	3,510,244	3,519,180	3,322,074	3,205,261	3,254,545	3,259,077	3,725,435	4,967,575
Gain (loss) on disposal of assets	8,031	32,684	(25,175)	40,692	12,732	(3,586)	13,548	15,518	31,334	(84,006)
Investment income	379,619	(77,789)	180,406	52,294	154,423	14,050	147,516	473,252	443,221	11,618
Interest expense	(658,367)	(490,161)	(543,016)	(712,620)	(732,205)	(725,062)	(705,302)	(690,234)	(703,742)	(695,361)
<b>Total non-operating revenues (expenses)</b>	<b>\$ 28,290,728</b>	<b>\$ 28,177,864</b>	<b>\$ 28,013,226</b>	<b>\$ 28,333,803</b>	<b>\$ 28,956,418</b>	<b>\$ 28,818,808</b>	<b>\$ 29,446,529</b>	<b>\$ 29,819,741</b>	<b>\$ 31,062,584</b>	<b>\$ 32,262,830</b>
<b>Capital Contributions</b>										
Contributions	\$ 0	\$ 700,000	\$ 1,570,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 343,661	\$ 30,957	\$ 0
Federal and state capital grants	205,020	256,041	215,347	382,701	596,521	532,102	261,897	423,620	252,301	238,415
<b>Total non-operating revenues (expenses)</b>	<b>\$ 205,020</b>	<b>\$ 956,041</b>	<b>\$ 1,785,347</b>	<b>\$ 382,701</b>	<b>\$ 596,521</b>	<b>\$ 532,102</b>	<b>\$ 261,897</b>	<b>\$ 767,281</b>	<b>\$ 283,258</b>	<b>\$ 238,415</b>
<b>Change in Net Position</b>	<b>\$ 603,579</b>	<b>\$ 390,123</b>	<b>\$ 635,543</b>	<b>\$ (423,761)</b>	<b>\$ 273,763</b>	<b>\$ (972,983)</b>	<b>\$ 171,286</b>	<b>\$ (731,512)</b>	<b>\$ 3,340,528</b>	<b>\$ 5,489,675</b>

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### EQUALIZED VALUE OF TAXABLE PROPERTY (A) For the fiscal years ended June 30, 2012 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>MANITOWOC COUNTY</b>										
<u>Equalized valuations including TID</u>										
Real Estate:										
Residential	\$3,861,336,900	\$3,709,479,400	\$3,679,189,600	\$3,711,694,600	\$3,711,929,200	\$3,798,653,500	\$3,823,877,700	\$3,963,742,900	\$4,182,149,400	\$4,394,960,700
Commercial	727,382,400	719,485,200	692,160,200	700,924,700	728,413,300	712,894,000	683,414,900	736,093,400	767,748,700	804,839,700
Manufacturing	237,282,300	228,360,300	230,301,300	227,267,400	226,523,300	238,130,600	242,721,300	244,989,600	257,714,500	282,778,200
Agricultural	39,954,300	38,535,200	37,210,400	36,794,500	36,963,800	37,415,400	38,001,300	38,918,600	39,957,500	41,633,200
Undeveloped	38,273,200	37,418,400	46,718,700	43,773,900	48,605,800	42,367,400	42,588,800	41,865,600	42,562,500	41,597,400
Agriculture Forest	35,092,400	37,196,500	36,086,700	38,681,900	38,105,300	39,913,100	40,927,100	42,354,600	43,292,300	42,880,300
Forest	52,669,200	52,371,600	51,256,700	50,057,500	49,112,700	51,272,300	52,077,500	53,414,700	56,294,400	55,454,100
Other	247,457,100	234,476,600	211,994,300	225,538,600	232,764,000	238,782,800	241,931,900	236,757,200	260,748,800	259,505,800
<b>Total Real Estate</b>	<b>5,239,447,800</b>	<b>5,057,323,200</b>	<b>4,984,917,900</b>	<b>5,034,733,100</b>	<b>5,072,417,400</b>	<b>5,159,429,100</b>	<b>5,165,540,500</b>	<b>5,358,136,600</b>	<b>5,650,468,100</b>	<b>5,923,649,400</b>
<b>Total Personal Property</b>	<b>134,820,400</b>	<b>128,967,100</b>	<b>130,978,300</b>	<b>127,689,800</b>	<b>130,365,100</b>	<b>116,306,700</b>	<b>121,461,700</b>	<b>80,221,300</b>	<b>86,746,000</b>	<b>91,350,800</b>
<b>Total Equalized Value</b>	<b>\$5,374,268,200</b>	<b>\$5,186,290,300</b>	<b>\$5,115,896,200</b>	<b>\$5,162,422,900</b>	<b>\$5,202,782,500</b>	<b>\$5,275,735,800</b>	<b>\$5,287,002,200</b>	<b>\$5,438,357,900</b>	<b>\$5,737,214,100</b>	<b>\$6,015,000,200</b>
<b>Total Assessed Value</b>	<b>\$5,173,377,990</b>	<b>\$5,232,412,360</b>	<b>\$5,260,511,585</b>	<b>\$5,284,102,414</b>	<b>\$5,310,848,980</b>	<b>\$5,335,439,526</b>	<b>\$5,366,160,228</b>	<b>\$5,378,917,984</b>	<b>\$5,478,945,814</b>	<b>\$5,544,246,614</b>
<b>Ratio of Assessed to Equalized Value</b>	<b>96.26%</b>	<b>100.89%</b>	<b>102.83%</b>	<b>102.36%</b>	<b>102.08%</b>	<b>101.13%</b>	<b>101.50%</b>	<b>98.91%</b>	<b>95.50%</b>	<b>92.17%</b>
<b>SHEBOYGAN COUNTY</b>										
<u>Equalized valuations including TID</u>										
Real Estate:										
Residential	\$6,600,372,700	\$6,356,373,400	\$6,162,019,800	\$6,220,495,100	\$6,226,857,900	\$6,303,790,800	\$6,620,945,700	\$7,004,274,000	\$7,381,855,600	\$7,847,487,800
Commercial	1,384,228,500	1,361,176,300	1,407,669,500	1,398,486,000	1,404,001,900	1,426,483,400	1,540,226,300	1,641,736,100	1,689,012,100	1,892,325,500
Manufacturing	397,180,600	406,929,800	416,568,200	447,610,000	457,888,400	464,712,800	485,009,400	500,307,000	517,894,300	547,378,500
Agricultural	28,363,000	27,571,900	26,544,700	26,164,000	26,445,000	26,719,400	27,146,200	27,814,600	28,621,900	29,675,300
Undeveloped	23,711,300	22,575,600	27,644,500	29,789,000	35,484,400	30,345,800	31,927,700	32,409,500	31,680,300	36,427,600
Agriculture Forest	27,665,800	28,952,400	30,132,100	28,046,200	28,443,200	29,778,300	30,791,900	30,567,800	31,246,000	31,920,400
Forest	25,477,700	25,391,400	26,909,000	26,429,200	25,550,100	26,117,800	27,498,000	28,562,700	29,070,800	30,309,600
Other	163,193,300	160,135,400	159,410,000	159,057,300	168,999,200	173,524,900	178,150,300	181,801,700	186,746,600	182,441,400
<b>Total Real Estate</b>	<b>8,650,192,900</b>	<b>8,389,106,200</b>	<b>8,256,897,800</b>	<b>8,336,076,800</b>	<b>8,373,670,100</b>	<b>8,481,473,200</b>	<b>8,941,695,500</b>	<b>9,447,473,400</b>	<b>9,896,127,600</b>	<b>10,597,966,100</b>
<b>Total Personal Property</b>	<b>244,287,700</b>	<b>262,221,600</b>	<b>269,803,300</b>	<b>268,686,100</b>	<b>271,416,100</b>	<b>273,644,300</b>	<b>287,150,600</b>	<b>258,753,800</b>	<b>246,834,700</b>	<b>277,293,700</b>
<b>Total Equalized Value</b>	<b>\$8,894,480,600</b>	<b>\$8,651,327,800</b>	<b>\$8,526,701,100</b>	<b>\$8,604,762,900</b>	<b>\$8,645,086,200</b>	<b>\$8,755,117,500</b>	<b>\$9,228,846,100</b>	<b>\$9,706,227,200</b>	<b>\$10,142,962,300</b>	<b>\$10,875,259,800</b>
<b>Total Assessed Value</b>	<b>\$8,880,555,891</b>	<b>\$8,946,154,842</b>	<b>\$8,974,784,621</b>	<b>\$8,711,459,963</b>	<b>\$8,758,982,694</b>	<b>\$8,842,905,531</b>	<b>\$9,008,514,487</b>	<b>\$9,073,493,890</b>	<b>\$9,222,815,676</b>	<b>\$9,443,677,146</b>
<b>Ratio of Assessed to Equalized Value</b>	<b>99.84%</b>	<b>103.41%</b>	<b>105.26%</b>	<b>101.24%</b>	<b>101.32%</b>	<b>101.00%</b>	<b>97.61%</b>	<b>93.48%</b>	<b>90.93%</b>	<b>86.84%</b>
<b>Total LTC Equalized Value (B)</b>	<b>\$ 14,049,917,159</b>	<b>\$ 13,708,573,547</b>	<b>\$ 13,514,454,019</b>	<b>\$ 13,569,069,801</b>	<b>\$ 13,661,006,238</b>	<b>\$ 13,819,933,389</b>	<b>\$ 14,265,117,910</b>	<b>\$ 14,884,413,603</b>	<b>\$ 15,601,568,718</b>	<b>\$ 16,542,679,632</b>
<b>Total Tax Rate (C)</b>	<b>\$ 1.56</b>	<b>\$ 1.61</b>	<b>\$ 1.64</b>	<b>\$ 0.78</b>	<b>\$ 0.80</b>	<b>\$ 0.80</b>	<b>\$ 0.82</b>	<b>\$ 0.80</b>	<b>\$ 0.79</b>	<b>\$ 0.78</b>

**NOTE:**

(A) Due to varying assessment ratios to full market value used in municipalities, all underlying tax districts, such as the technical colleges, are required to use equalized value for levying property taxes. Equalized value, defined by state statute, is the legal market value determined by Wisconsin Department of Revenue Bureau of Property Tax. These amounts are reduced by Tax Incremental District value increments for apportioning the college's levy. Source: Wisconsin Department of Revenue

(B) This schedule contains detailed information for the counties of Manitowoc and Sheboygan. Together they comprise 97% of the District's equalized valuation.

(C) Property tax rates are shown per \$1,000 of equalized value. In March 2015, Wisconsin Act 145 was enacted that allocated property tax relief aid to the technical colleges and reduced the amount of their taxed levied.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### DIRECT AND OVERLAPPING PROPERTY TAX RATES For the fiscal years ended June 30, 2012 to 2021 (Rate per \$1,000 of Equalized Value)

(b) Year Ended June 30	LTC			Overlapping Rates (d)					State Tax Relief	Net Tax Rate
	Operational (c)	Debt Service	Total	Other School Districts	Local	County	Other	Gross Total		
2012	1.26	0.30	1.56	9.75	3.51	5.34	0.50	20.66	(1.46)	19.20
2013	1.29	0.32	1.61	10.07	3.34	5.52	0.56	21.10	(1.55)	19.55
2014	1.32	0.32	1.64	10.28	3.64	5.65	0.56	21.77	(1.60)	20.17
2015	0.45	0.33	0.78	10.09	3.73	5.62	0.55	20.77	(1.59)	19.18
2016	0.46	0.34	0.80	9.94	3.72	5.63	0.55	20.64	(1.78)	18.86
2017	0.47	0.34	0.81	9.57	3.86	5.64	0.61	20.49	(1.77)	18.72
2018	0.48	0.34	0.82	9.30	3.88	5.59	0.49	20.08	(1.86)	18.22
2019	0.46	0.33	0.80	9.15	3.83	5.47	0.46	19.71	(1.75)	17.96
2020	0.46	0.33	0.79	9.09	3.74	5.30	0.47	19.39	(1.64)	17.75
2021	0.45	0.33	0.78	8.77	3.67	5.08	0.48	18.78	(1.56)	17.22

Notes:

- (a) Source - Wisconsin Department of Revenue, Division of State and Local Finance reports.
- (b) The fiscal year represents the year that the taxes are collected.
- (c) The operational property tax levies for the governmental-type funds. For taxes levied prior to June 30, 2013, this rate could not exceed \$1.50. In March 2015, Wisconsin Act 145 was enacted that allocated property tax relief aid to the technical colleges and reduced the amount of their taxes levied.
- (d) Overlapping rate are those of local and county governments that apply to property owners with the LTC district. Not all overlapping rates apply to all property owners with the LTC district. For example, the county rate is made up of the rates for Manitowoc, Sheboygan and parts of Ozaukee and Calumet counties. The individual county rates apply only to the property owners within each of these counties. These overlapping rates are an average of the rates for each municipality making up the detail in this column since each governmental unit can have a different rate.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## PRINCIPAL TAXPAYERS For the fiscal years ended June 30, 2012 and 2021

Principal Taxpayers	2021			2012		
	Equalized Valuation (a)	% of Total Equalized Value	Rank	Assessed Valuation (a)	% of Total Equalized Value	Rank
Acuity	\$ 170,435,900	1.03%	1	\$ 43,298,300	0.31%	2
Kohler Company	154,998,300	0.94%	2	124,981,600	0.89%	1
Sargento Foods inc.	42,047,400	0.25%	3			
Wal-Mart (b)	37,132,300	0.22%	4	40,184,600	0.29%	3
Johnsonville Sausage	35,893,400	0.22%	5			
Meijer Stores LP (b)	32,308,500	0.20%	6			
OCS Plymouth LLC	29,516,600	0.18%	7			
SNH Medical Office PR TR	26,755,600	0.16%	8			
St. Nicholas Hospital/Sisters of St. Francis	22,971,000	0.14%	9	20,415,700	0.15%	8
Lakeside Foods Inc.	19,191,800	0.12%	10			
Manitowoc Cranes				32,157,700	0.23%	4
Blue Harbor Resort				25,430,700	0.18%	5
Holy Family Memorial Medical Center				27,776,200	0.20%	6
Bemis Manufacturing				24,161,500	0.17%	7
J.L.French Corporation				15,883,200	0.11%	9
Aurora Medical Group				15,652,500	0.11%	10
<b>Total</b>	<b>\$ 571,250,800</b>	<b>3.45%</b>		<b>\$ 369,942,000</b>	<b>2.63%</b>	
<b>Total District Equalized Value</b>	<b>\$ 16,542,679,632</b>			<b>\$ 14,049,917,159</b>		

Notes:

(a) Sources - Sheboygan County Finance Director and City of Manitowoc, Finance Director/Treasurer.

(b) Sheboygan County.

(c) District equalized value excludes Tax Incremental Districts (TID-Out).

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### PROPERTY TAX LEVIES AND COLLECTIONS (a) For the fiscal years ended June 30, 2012 to 2021

Fiscal Year Ended June 30	Total Tax Levy	As of June 30 of Fiscal Year		Cumulative as of June 30, 2021	
		Amount Collected	Percent Collected	Amount Collected	Percent Collected
2012	21,960,000	15,816,660	72%	21,960,000	100%
2013	22,022,000	16,009,074	73%	22,022,000	100%
2014	22,131,000	16,109,219	73%	22,131,000	100%
2015	10,573,172	7,804,566	74%	10,573,172	100%
2016	10,947,553	8,085,728	74%	10,947,553	100%
2017	11,119,602	8,227,273	74%	11,119,602	100%
2018	11,737,079	8,764,434	75%	11,737,079	100%
2019	11,873,161	8,859,339	75%	11,873,161	100%
2020 (b)	12,360,912	9,230,295	75%	12,360,912	100%
2021	12,837,854	9,735,662	76%	9,735,662	76%

Notes:

- (a) Under Wisconsin law, personal property taxes and certain installment real estate taxes are collected by city, village, and town treasurers or clerks, who then make settlement with the other taxing units, such as the county, LTC, and local schools. Settlements are due from the municipality by the 15th of the month following the due date based on the municipality's payment plan. Certain installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with the city, village and town treasurers and other taxing units before retaining any for county purposes. In practice, any delinquent real estate taxes are withheld from the county's share. Therefore, LTC receives 100% of its levy upon receipt of settlement from the county treasurers, although the taxes collected as a percentage of total tax levy will vary in any given fiscal year due to timing of payments received from municipalities.
- (b) On April 15, 2020, Governor Tony Evers signed into law 2019 Wisconsin Act 185, which provides that for property taxes payable in 2020, a taxation district may, after making a general or case-by-case finding of hardship, choose to waive interest or penalties on property tax installment payments paid after April 1, 2020 but on or before October 1, 2020. In order to take such action, the county board of supervisors must first adopt a resolution authorizing such waiver and determining criteria for determining hardship and the taxation district must subsequently adopt a similar resolution. In the case of a county adopting such a resolution, the county shall proportionally settle with the taxation districts any taxes, interest and penalties collected on or before July 31, 2020 on August 20, 2020, and settle the remaining unpaid taxes, interest, and penalties on September 20, 2020. Manitowoc County has adopted such a resolution.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### RATIO OF NET DEBT TO EQUALIZED VALUATION AND DEBT PER CAPITA For the fiscal years ended June 30, 2012 to 2021

Year Ended June 30	Population (a)	Personal Income ( '000s)(c)	Equalized Valuation (b)	Outstanding Debt	Percent of Total Debt to Equalized Valuation	Percent of Total Debt to Personal Income	Total Debt Per Capita
2012	203,967	7,715	14,049,917,159	20,970,000	0.15%	272%	\$ 102.81
2013	203,983	8,409	13,708,573,547	20,255,000	0.15%	241%	\$ 99.30
2014	203,736	8,679	13,514,454,019	21,580,000	0.16%	249%	\$ 105.92
2015	203,688	8,749	13,569,069,801	24,056,722	0.18%	275%	\$ 118.11
2016	203,716	8,880	13,661,006,238	26,725,013	0.20%	301%	\$ 131.19
2017	203,514	9,146	13,819,933,389	30,708,282	0.22%	336%	\$ 150.89
2018	202,895	9,400	14,265,117,910	30,412,560	0.21%	324%	\$ 149.89
2019	204,571	9,872	14,884,413,603	29,518,212	0.20%	299%	\$ 144.29
2020	205,757	10,140	15,601,568,718	30,733,518	0.20%	303%	\$ 149.37
2021	205,857	N/A	16,542,679,932	32,226,366	0.19%	N/A	\$ 156.55

Notes:

- (a) Source - Wisconsin Department of Revenue, Division of State and Local Finance reports. Includes the entire district as of January 1 of the calendar year.
- (b) Equalized value shown is TID-Out and is reported as of the December 31 of the previous calendar year (i.e. 2020 information is as of December 31, 2019).
- (c) Source - US Department of Commerce, Bureau of Economic Analysis, as of December of prior year.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### COMPUTATION OF DIRECT AND OVERLAPPING DEBT For the fiscal year ended June 30, 2021

Name of Entity	Amount of Debt (Net of 2021 Principal Payments)	Percent Chargeable to District	Outstanding Debt Chargeable to District
<b>OVERLAPPING DEBT</b>			
Calumet County	\$43,620,000	1.68%	\$732,816
Manitowoc County	23,320,000	96.39%	22,478,148
Ozaukee County	25,910,000	3.88%	1,005,308
Sheboygan County	23,158,000	99.91%	23,137,158
Total Cities	177,495,603	100.00%	177,495,603
Total Villages	45,032,345	100.00%	45,032,345
Total Towns	7,469,547	varies	7,016,251
Total School Districts	252,073,302	varies	194,619,065
Total Sanitary Districts	907,585	varies	907,585
<b>TOTAL OVERLAPPING DEBT</b>	<b>\$598,986,382</b>		<b>\$472,424,280</b>
<b>DIRECT DEBT</b>			
Lakeshore Technical College			
General obligation debt			\$31,140,000
Debt premium			1,086,366
<b>TOTAL DIRECT DEBT</b>			<b>\$32,226,366</b>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>			<b>\$504,650,646</b>

**Notes:**

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of LTC. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses located in LTC's boundaries. This process recognizes that, when considering LTC's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.
- (2) The percentage of overlapping debt applicable to LTC is the equalized property value of property of the overlapping government located in LTC's district as a percentage of total equalized value of all property for the overlapping government.
- (3) Source –Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on EMMA.msrb.org and the Wisconsin Department of Public Instruction and direct inquiries.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## LEGAL DEBT MARGIN INFORMATION For the fiscal years ended June 30, 2012 to 2021 (\$000's)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Equalized valuation (a)</b>	<u>\$14,049,917</u>	<u>\$13,708,574</u>	<u>\$13,514,454</u>	<u>\$14,045,823</u>	<u>\$14,138,459</u>	<u>\$14,333,949</u>	<u>\$14,830,271</u>	<u>\$15,487,176</u>	<u>\$16,238,216</u>	<u>\$17,270,920</u>
<b>Debt limit - 5% of equalized value</b> (Wisconsin statutory limitation)	\$702,496	\$685,429	\$675,723	\$702,291	\$706,923	\$716,697	\$741,514	\$774,359	\$811,911	\$863,546
Gross indebtedness applicable to debt limit:										
General obligation promissory notes and bonds	20,970	20,255	21,580	23,745	26,260	30,040	29,755	28,735	29,780	31,140
Less debt service funds available	(512)	(624)	(691)	(936)	(1,080)	(1,182)	(1,019)	(1,138)	(1,265)	(1,289)
Total amount of debt applicable to debt margin	<u>20,458</u>	<u>19,631</u>	<u>20,889</u>	<u>22,809</u>	<u>25,180</u>	<u>28,858</u>	<u>28,736</u>	<u>27,597</u>	<u>28,515</u>	<u>29,851</u>
Legal debt margin (Debt capacity)	<u>\$682,038</u>	<u>\$665,798</u>	<u>\$654,834</u>	<u>\$679,482</u>	<u>\$681,743</u>	<u>\$687,839</u>	<u>\$712,778</u>	<u>\$746,762</u>	<u>\$783,396</u>	<u>\$833,695</u>
Percent of debt capacity used	2.91%	2.86%	3.09%	3.25%	3.56%	4.03%	3.88%	3.56%	3.51%	3.46%
<b>Debt limit - 2% of equalized value</b> (Wisconsin statutory limitation)	\$280,998	\$274,171	\$270,289	\$280,916	\$282,769	\$286,679	\$296,605	\$309,744	\$324,764	\$345,418
Gross bonded indebtedness applicable to debt limit:										
General obligation bonds	1,990	1,240	620	-	-	-	-	-	-	3,420
Less debt service funds available	-	-	-	-	-	-	-	-	-	-
Total amount of debt applicable to debt margin	<u>1,990</u>	<u>1,240</u>	<u>620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,420</u>
Legal debt margin (Debt capacity)	<u>\$279,008</u>	<u>\$272,931</u>	<u>\$269,669</u>	<u>\$280,916</u>	<u>\$282,769</u>	<u>\$286,679</u>	<u>\$296,605</u>	<u>\$309,744</u>	<u>\$324,764</u>	<u>\$341,998</u>
Percent of debt capacity used	0.71%	0.45%	0.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.99%
<hr/>										
<i>debt service funds available:</i>										
<i>debt service fund equity</i>	787,811	869,116	977,543	1,252,386	1,420,591	1,522,930	1,375,830	1,500,231	1,650,926	1,655,204
<i>less: interest due sept 1 of that year</i>	<u>(276,268)</u>	<u>(244,623)</u>	<u>(286,141)</u>	<u>(315,948)</u>	<u>(340,112)</u>	<u>(340,960)</u>	<u>(357,018)</u>	<u>(362,056)</u>	<u>(385,523)</u>	<u>(366,399)</u>
	511,543	624,493	691,402	936,438	1,080,479	1,181,970	1,018,812	1,138,175	1,265,403	1,288,805

(a) Equalized valuations for years 2012-2014 exclude Tax Incremental Districts (TID-Out)



# LAKESHORE TECHNICAL COLLEGE DISTRICT

DEMOGRAPHIC AND ECONOMIC STATISTICS  
For the calendar years ended December 31, 2011 to 2020

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Calendar Year	Sheboygan County						Manitowoc County					
	Population (a)	Personal Income ('000s) (b)	Per Capita Personal Income (b)	Unemployment Rate (c)	K-12 Public & Private School Enrollment (d)	Senior Class Enrollment (d)	Population (a)	Personal Income ('000s) (b)	Per Capita Personal Income (b)	Unemployment Rate (c)	K-12 Public & Private School Enrollment (d)	Senior Class Enrollment (d)
2011	115,569	4,595,577	39,910	6.8%	21,557	1,666	81,406	3,119,148	38,519	7.8%	13,106	1,073
2012	115,549	5,150,016	44,779	6.0%	21,505	1,710	81,437	3,258,641	40,394	7.1%	12,925	1,008
2013	115,386	5,344,757	46,508	5.6%	21,301	1,723	81,352	3,333,927	41,336	6.6%	12,862	973
2014	115,362	5,341,196	46,328	4.3%	21,120	1,537	81,320	3,408,347	42,519	5.9%	12,675	1,074
2015	115,305	5,304,168	45,896	3.4%	21,231	1,638	81,372	3,575,583	44,803	4.6%	12,466	1,034
2016	115,050	5,532,445	47,930	3.3%	21,160	1,636	81,061	3,613,532	45,433	4.3%	12,398	1,009
2017	114,714	5,776,492	50,081	2.7%	20,723	1,629	80,735	3,623,618	45,767	3.5%	12,330	979
2018	115,924	6,101,981	52,821	3.0%	20,523	1,532	81,144	3,769,889	47,675	3.4%	12,271	961
2019	116,547	6,309,435	54,703	2.6%	20,463	1,582	81,643	3,830,730	48,502	3.7%	12,201	873
2020	116,924	N/A	N/A	7.9%	19,866	1,551	81,349	N/A	N/A	8.1%	11,965	894

Notes:

- (a) Source - Wisconsin Department of Revenue - Division of State and Local Finance.
- (b) Source - US Department of Commerce, Bureau of Economic Analysis.
- (c) Source - Wisconsin Department of Workforce Development - Office of Economic Advisors. Unemployment rates for 2020 impacted by the global pandemic.
- (d) Source - Wisconsin Department of Instruction. Enrollment totals for the 2020-21 school year.
- (e) This schedule contains detailed information for the counties of Manitowoc and Sheboygan. Together they comprise 96% of the District's population.

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## TEN LARGEST EMPLOYERS For the fiscal years ended June 30, 2012 and 2021

Employer	Nature of Business	2021			2012		
		Approximate Number of Employees	Rank	% of Total Employment	Approximate Number of Employees	Rank	% of Total Employment
Kohler Company	Manufacturer plumbing fixtures and hospitality/resort	5,900	1	5.7%	5,000 +	1	4.3%
Johnsonville Sausage	Sausage producer	2,000	2	1.9%			
Lakeside Foods Inc.*	Food products manufacturer	1,850	3	1.8%			
Sargento Foods**	Cheese and snacks	1,800	4	1.7%			
Bemis Mfg. Company	Plastics and healthcare products manufacturer	1,650	5	1.6%	1,800	3	1.5%
Aurora Medical Group***	Medical hospital and clinics	1,636	6	1.6%	1,650	4	1.4%
Acuity Mutual Insurance Co.	Insurance	1,498	7	1.5%			
Sheboygan Area School District	Education	1,477	8	1.4%	1,339	5	1.1%
Nemak, formerly J.L. French Corp.	Aluminum die castings	1,145	9	1.1%	2,045	2	1.8%
Rockline Industries, Inc.	Manufacturer of coffee filters, baking cups, and baby wipes	916	10	0.9%			
Hamilton L. Fisher LC (Fisher Scientific)	Laboratory apparatus & furniture manufacturing				1,200	6	1.0%
Manitowoc School District	Education				939	7	0.8%
Holy Family Memorial Medical Center	Medical facility				920	8	0.8%
Sheboygan County	County government				883	9	0.8%
Lakeshore Technical College	Higher education				776	10	0.7%
<b>TOTAL EMPLOYMENT (b)</b>		<b>102,914</b>			<b>116,513</b>		

Notes:

- (a) Sources - Infogroup ([www.salesgenie.com](http://www.salesgenie.com)), Village of Kohler official statement dated October 27, 2020, City of Sheboygan official statement dated March 15, 2021, City of Sheboygan Falls official statement dated June 17, 2021, Lakeshore Technical College official statement dated April 11, 2012, employer contacts and websites.
- (b) Sources - [www.jobcenterofwisconsin.com](http://www.jobcenterofwisconsin.com) as of June 30, 2021 and Wisconsin Department of Workforce Development as of June 30, 2012. Includes total employment for Sheboygan County and Manitowoc County.

\*Employs 850 full-time and 1,000-plus seasonal employees during the summer harvest season.

\*\* Figures include facilities in Plymouth, Kiel, Hilbert and Elkhart Lake.

\*\*\*Clinics outside the City of Sheboygan limits, but within Sheboygan and Calumet counties employ an additional 232 employees.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### FULL-TIME EQUIVALENT POSITIONS BY CATEGORY For the fiscal years ended June 30, 2012 to 2021

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Category	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	Est. <u>2021</u>
Administrators/ Supervisors	30.8	33.7	37.2	38.6	44.2	45.6	41.7	38.5	45.6	42.5
Teachers	149.7	151.6	148.2	137.6	142.6	145.0	142.9	142.2	143.2	120.0
Specialists	3.7	2.5	2.4	2.0	1.0	1.0	1.0	1.0	1.0	1.0
Other Staff	<u>150.0</u>	<u>156.0</u>	<u>154.6</u>	<u>153.4</u>	<u>156.2</u>	<u>151.5</u>	<u>147.0</u>	<u>147.4</u>	<u>141.5</u>	<u>124.5</u>
	<u>334.2</u>	<u>343.8</u>	<u>342.4</u>	<u>331.6</u>	<u>344.0</u>	<u>343.2</u>	<u>332.6</u>	<u>329.2</u>	<u>331.2</u>	<u>288.0</u>

- (a) Source - Lakeshore Technical College District Plan and Budget Reports - WTCS Staff Accounting Reports.  
 (b) All staff, including adjunct faculty, are included in the above FTE numbers.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### ENROLLMENT STATISTICS For the fiscal years ended June 30, 2012 to 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Student Enrollment (a)</u>										
Associate degree	3,888	3,776	3,688	3,670	4,192	4,193	3,893	3,631	3,871	4,051
Vocational:										
Technical Diploma	885	994	1,085	1,028	933	899	957	891	909	784
Apprentices	123	140	170	194	223	204	209	243	243	190
Basic skills	1,825	1,653	1,470	1,329	1,281	1,088	915	883	920	625
Vocational adult	8,202	7,485	8,064	6,097	6,984	5,687	5,528	5,430	3,793	3,333
District service	221	201	459	354	153	125	111	176	45	29
 Total Students (b)	 13,774	 12,950	 13,597	 11,355	 12,447	 11,025	 10,550	 10,348	 8,901	 8,251
<u>Full-Time Equivalent (c)</u>										
Associate degree	1,633	1,540	1,454	1,390	1,428	1,425	1,389	1,344	1,325	1,252
Vocational:										
Technical Diploma	219	239	250	243	217	217	218	184	192	156
Apprentices	18	24	30	35	40	39	42	43	43	36
Basic skills	313	281	248	248	199	184	166	147	158	131
Vocational adult	103	87	88	64	72	61	61	52	44	37
District service	1	1	2	2	1	1	0	1	0	0
 Total	 <u>2,288</u>	 <u>2,172</u>	 <u>2,072</u>	 <u>1,982</u>	 <u>1,956</u>	 <u>1,926</u>	 <u>1,877</u>	 <u>1,771</u>	 <u>1,762</u>	 <u>1,612</u>
<u>Graduate Follow-Up Statistics (d)</u>										
Number of graduates	974	935	1,006	851	786	853	795	766	694	n/a
Responses										
Number	513	486	700	595	474	613	508	468	449	n/a
Percent of graduates	53%	52%	70%	70%	60%	72%	64%	61%	65%	n/a
Percent employed	85%	89%	90%	91%	92%	92%	92%	90%	92%	n/a
Percent in related employment	65%	68%	67%	70%	67%	77%	70%	69%	69%	n/a
Percent employed in district	66%	76%	69%	70%	70%	75%	74%	79%	75%	n/a
Seeking related employment (e)	70	46	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Not seeking related employment (e)	51	67	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

**Notes:**

- (a) Student enrollment by program represents the duplicated count of citizens enrolled in district courses.
- (b) Total student enrollment is the unduplicated count of all students.
- (c) A full-time equivalent (FTE) is basically equal to 30 annual student credits based on a mathematical calculation which varies somewhat by program and which is subject to state approval and audit of students and course data.
- (d) Graduate follow-up statistics are based on the surveys of district graduates approximately six months after graduation, therefore current fiscal year data is not yet available.
- (e) Beginning in 2014, graduates were no longer asked if they were seeking related employment.
- (f) Sources - WTCS OLAP Cube, WTCS Graduate Outcomes Survey, Research & Planning Department.

## LAKESHORE TECHNICAL COLLEGE DISTRICT

### CAMPUS SITES – SQUARE FOOTAGE June 30, 2021

The District's main campus is on a 154-acre site in Cleveland, Wisconsin. A detailed breakdown of space, along with the respective ages, is included below:

#### **Cleveland Campus**

<u>Building</u>	<u>Date Constructed</u>	<u>Square Footage</u>
Agriculture & Energy Addition	1976	18,150
	1983	<u>17,014</u>
Total		35,164
Lakeshore Addition	1974	121,044
Addition	1979	78,104
Addition	2011	<u>12,400</u>
Total		211,548
Nierode Addition	1974	63,893
Addition	1979	2,655
Addition	1982	1,631
Addition	2014	<u>7,755</u>
Total		75,934
Public Safety Addition	1988	6,280
Addition	1991	13,480
Addition	2005	10,550
Scenario City	2020	<u>5,566</u>
Total		35,876
Plastics Engineering Manufacturing Building Addition	1980	19,000
	2013	<u>14,658</u>
Total		33,658
Burn Simulator Building	1997	2,712
Campus Facilities Building	2016	11,600
Carpentry Lab	2017	1,200
Motorcycle Storage Garage	2009	3,080
Tactical Skills Lab	2006	1,475
<b>Total Cleveland Campus</b>		<b>412,247</b>
School of Agriculture	2017	6,200
<b>Total (Cleveland Campus + School of Ag)</b>		<b>418,447</b>
<b>Leased Facilities</b>		
<u>Location</u>	<u>Lease Term</u>	<u>Square Footage</u>
LTC Sheboygan	2020-2026	8,910
LTC Manitowoc	2020-2024	8,800
Jake's Café	2021-2021	188
School of Agriculture (Ground lease)	2017-2067	NA
<b>Total Leased Properties</b>		<b>17,898</b>
<b>Grand Total Square Footage</b>		<b>436,345</b>

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## PROGRAM OFFERINGS

June 30, 2021

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### Associate Degree Programs

Accounting  
Administrative Professional  
Agribusiness Science & Technology  
Broadcast Captioning  
Business Management  
Court Reporting  
Criminal Justice – Law Enforcement  
Culinary Arts  
Digital Marketing  
Early Childhood Education  
Electro-Mechanical Automation  
Electro-Mechanical Maintenance  
Energy Management Technology  
Environmental Engineering Technology  
Fire Medic  
Graphic and Web Design  
Health Information Management  
Human Resources

Individualized Technical Studies  
IT - Computer Support Specialist  
IT - Network Specialist  
IT - Web & Software Developer  
Legal Studies/Paralegal  
Manufacturing Engineering  
Manufacturing IT  
Manufacturing Management  
Mechanical Design & Engineering  
Nuclear Technology  
Nursing  
Paramedic Technician  
Pharmacy Services Management  
Quality Assurance Technician  
Radiography  
Supply Chain Management  
Technical Studies – Journeyworker  
Wind Energy Technology

### Technical Diplomas

Accounting Assistant  
Agriculture Technician  
Auto Collision Repair & Refinish Technician  
Automotive Maintenance Technician  
Child Care Services  
Criminal Justice – Law Enforcement  
CNC Technician  
Culinary & Baking Basics  
Culinary  
Dairy Herd Management  
Dental Assistant (Short Term)  
Emergency Medical Technician – Paramedic  
Horticulture Technician  
Human Resources Assistant  
HVAC Installation  
IT Web Development Specialist

Maintenance Technician  
Machine Tool Operation  
Mechanical Computer Aided Drafting  
Medical Assistant  
Medical Coding Specialist  
Nursing Assistant  
Office Assistant  
Ophthalmic Medical Assistant  
Pharmacy Technician  
Practical Nursing  
Quality Process Improvement  
Sales Representative  
Supply Chain Assistant  
Welding Fabrication Technician  
Welding  
Wind Technician

### Apprenticeship Programs

Carpentry  
Early Child Care Educator  
Industrial Electrician  
Industrial Manufacturing  
Machinist  
Maintenance Mechanic/Millwright

Maintenance Technician  
Metal Fabrication  
Plumbing  
Tool and Die  
Mechatronics Technician

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## **SINGLE AUDIT SECTION**

The Single Audit Act Amendments of 1996 mandates independent financial and compliance audits of the federal awards programs. The State of Wisconsin also stipulates that grantees who are required to have a federal single audit completed must include selected state award programs in the scope of the single audit. In addition to the required auditors' reports, the schedule of expenditures of federal and state awards and accompanying notes and schedule of findings and questioned costs are provided to support the requirements for compliance with Uniform Grant Guidance and State of Wisconsin Single Audit Guidelines. The schedules provide more detailed financial information related to grant activity and other revenue.



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## Independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*

To the Board of Education  
Lakeshore Technical College District  
Cleveland, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of the Lakeshore Technical College District, Cleveland, Wisconsin (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2021. The financial statements of the Lakeshore Technical College Foundation, Inc., 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 Lakeshore Technical College Foundation, Inc.

### INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

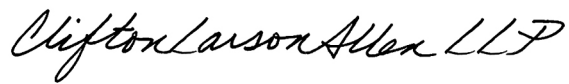
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## COMPLIANCE AND OTHER MATTERS

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

## PURPOSE OF THIS REPORT

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

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

**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
December 8, 2021



## Independent auditors' report on compliance for each major federal and state program and on internal control over compliance, and report on the schedules of expenditures of federal and state awards required by the Uniform Guidance and the *State Single Audit Guidelines*

To the Board of Trustees  
Lakeshore Technical College District  
Cleveland, Wisconsin

### **Report on Compliance for Each Major Federal and State Program**

We have audited Lakeshore Technical College District, Cleveland, Wisconsin (the "District")'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with federal and state statutes, regulations, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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* (Uniform Guidance); and the *State Single Audit Guidelines*. Those standards, the Uniform Guidance, and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

### ***Opinion on Each Major Federal and State Program***

In our opinion, the District 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, 2021.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Districts 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin

December 8, 2021

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2021

Grantor Agency/Pass-through Agency/Program/Grant Title	CFDA Number	Pass through Number/ Identification Number	Grant Period	Grant Amount	Federal Direct Revenue	Match	Total Expenditures	Passed through to Sub-Recipients
<b>U.S. DEPARTMENT OF LABOR</b>								
H-1B Job Training Grants	17.268							
Mechatronics Technician Apprentice		11-158-124-111	7/1/20 - 6/30/21	17,689	16,637	-	16,637	
Machinist Apprentice		11-159-124-111	7/1/20 - 6/30/21	15,537	15,454	-	15,454	
Passed thru Bay Area Workforce Development Board Business Solutions Specialist (135)		20LTC BUSSOL	7/1/19-9/30/20	100,731	19,609	-	19,609	-
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>				<u>133,957</u>	<u>51,700</u>	<u>-</u>	<u>51,700</u>	<u>-</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>								
Interagency Hazardous Materials Public Sector Training and Planning Grants								
Haz-Mat Interagency Hazardous Materials	20.703	n/a	7/1/20 - 6/30/21	4,335	4,335	-	4,335	-
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				<u>4,335</u>	<u>4,335</u>	<u>-</u>	<u>4,335</u>	<u>-</u>
<b>US DEPARTMENT OF THE TREASURY</b>								
Passed thru Wisconsin Department of Administration COVID-19 - Coronavirus Relief Fund (082)	21.019							
COVID-19 - Coronavirus Relief Fund (082)		505CARESCRF	3/1/20-11/1/20	195,739	173,998	-	173,998	-
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>				<u>195,739</u>	<u>173,998</u>	<u>-</u>	<u>173,998</u>	<u>-</u>
<b>NATIONAL SCIENCE FOUNDATION</b>								
Education and Human Resources	47.076							
Passed thru American Association of Community Colleges AACC MentorLinks (077)		AACC-13900-05	10/1/19-11/30/21	20,000	8,312	-	8,312	-
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>				<u>20,000</u>	<u>8,312</u>	<u>-</u>	<u>8,312</u>	<u>-</u>
<b>US NUCLEAR REGULATORY COMMISSION</b>								
Nuclear Regulatory Commission Scholarship and Fellowship Program								
Nuclear Technology Scholarship Program (078)	77.008	31310019M0003	6/20/19-6/19/21	140,000	17,500	-	17,500	-
<b>TOTAL U.S. NUCLEAR REGULATORY COMMISSION</b>				<u>140,000</u>	<u>17,500</u>	<u>-</u>	<u>17,500</u>	<u>-</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>								
Passed Through Wisconsin Technical College System	84.002A							
Special Focus - IELCE		11-114-146-161	7/1/19-6/30/20	84,649	84,649	28,215	84,649	-
AEFL-Comprehensive		11-115-146-121	7/1/20 - 6/30/21	223,962	223,962	402,759	626,773	-
Special Focus - Corrections		11-122-146-111	7/1/20 - 6/30/21	84,719	84,719	28,239	112,958	-
Total Adult Education - Basic Grants to States				<u>393,330</u>	<u>393,330</u>	<u>459,213</u>	<u>824,380</u>	<u>-</u>
<b>Student Financial Assistance Cluster</b>								
SEOG	84.007	P007A204506	7/1/20 - 6/30/21	74,385	74,385	-	74,385	-
Federal Work Study Program 19-20	84.033	P033A194506	7/1/19 - 6/30/20	68,854	437	-	437	-
Federal Work Study Program 20-21	84.033	P033A204506	7/1/20 - 6/30/21	68,985	68,985	-	68,985	-
Federal Work Study Program 21-22	84.033	P033A214506	7/1/21 - 6/30/22	60,132	2	-	2	-
PELL	84.063	P063P203160	7/1/20 - 6/30/21	2,443,986	2,444,354	-	2,444,354	-
Federal Direct Student Loans	84.268	P268K213160	7/1/20 - 6/30/21	1,989,993	1,989,993	-	1,989,993	-
Total Student Financial Assistance Cluster				<u>4,706,335</u>	<u>4,578,156</u>	<u>-</u>	<u>4,578,156</u>	<u>-</u>

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued) For the fiscal year ended June 30, 2021

Grantor Agency/Pass-through Agency/Program/Grant Title	CFDA Number	Pass through Number/ Identification Number	Grant Period	Grant Amount	Federal Direct Revenue	Match	Total Expenditures	Passed through to Sub- Recipients
Higher Education - Institutional Aid	84.031A							
Strengthening Institutions - Student Centered Project (003)		P031A190111	10/1/19-9/30/24	403,192	122,802	-	122,802	
Strengthening Institutions - Student Centered Project (103)		P031A190111	10/1/19-9/30/24	413,508	315,445	-	315,445	
<i>Total Higher Education - Institutional Aid</i>				816,700	438,247	-	438,247	-
TRIO Cluster								
Student Support Services Program	84.042A							
TRIO-Student Support Services (191)		P042A150027	9/1/15-8/31/20	1,174,033	71,487	-	71,487	-
TRIO-Student Support Services (192)		P042A200145	9/1/20 - 8/31/25	1,309,440	193,892	-	193,892	-
<i>Total TRIO</i>				2,483,473	265,380	-	265,380	-
Career and Technical Education - Basic Grants to States	84.048A							
Passed through Wisconsin Technical College System								
Student Success		11-104-150-231	7/1/20 - 6/30/21	162,408	161,371	-	161,371	-
Strengthening Programs		11-107-150-251	7/1/20 - 6/30/21	71,496	70,692	-	70,692	-
Non-Traditional Occupations		11-009-150-260	7/1/19 - 9/30/20	47,219	8,856	-	8,856	-
Non-Traditional Occupations		11-109-150-261	7/1/20 - 6/30/21	49,603	48,526	-	48,526	-
Capacity Building for Equity & Inclusion		11-013-150-220	7/1/19 - 9/30/21	18,744	6,333	-	6,333	-
Capacity Building for Equity & Inclusion		11-113-150-221	7/1/20 - 6/30/21	21,571	21,571	-	21,571	-
Career Prep		11-134-150-211	7/1/20 - 6/30/21	41,660	16,870	-	16,870	-
<i>Total Career and Technical Education - Basic Grants to States</i>				412,701	334,218	-	334,218	-
COVID -19 - CARES ACT Higher Education Emergency Relief Fund								
LTC CARES ACT-COVID-19 Education Relief-Student Aid (CRRSAA)	84.425E	P425E200199	5/4/20 - 5/12/23	488,908	488,108	-	488,108	-
LTC CARES ACT-COVID-19 Education Relief-Institutional Portion (081, CARES)	84.425F	P425F200435	5/4/20 - 5/12/23	488,908	210,712	-	210,712	-
LTC CARES ACT-COVID-19 Education Relief-Institutional Portion (184, CRRSAA)	84.425F	P425F200435	5/4/20 - 5/12/23	2,108,139	1,472,381	-	1,472,381	-
LTC CARES ACT-COVID-19 HEERF - Title III SIP (083)	84.425M	P425M200122	5/28/20 - 3/4/22	49,014	34,220	-	34,220	-
<i>Total CARES ACT Higher Education Emergency Relief Fund</i>				3,134,969	2,205,421	-	2,205,421	-
Child Care Access Means Parents in School Project (CCAMPIS)	84.335A	P335A200008	10/1/20 - 9/30/24	120,000	15,970	-	15,970	-
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>				<b>9,821,368</b>	<b>8,230,722</b>	<b>459,213</b>	<b>8,661,772</b>	<b>-</b>

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued) For the fiscal year ended June 30, 2021

Grantor Agency/Pass-through Agency/Program/Grant Title	CFDA Number	Pass through Number/ Identification Number	Grant Period	Grant Amount	Federal Direct Revenue	Match	Total Expenditures	Passed through to Sub- Recipients
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>								
NIEHS Hazardous Waste Worker Health and Safety Training Passed through University of Cincinnati	93.142							
HazMat Worker Health and Safety Training Cooperative Agreement (075)		5U45ES006184-28	8/1/19 - 7/31/20	155,401	16,804	-	16,804	-
HazMat Worker Health and Safety Training Cooperative Agreement (175)		ES006184-27	8/1/20 - 5/31/21	148,000	148,000	-	148,000	-
HazMat Worker Health and Safety Training Cooperative Agreement (275)		U45ES006184	6/1/21 - 5/31/22	148,000	9,763	-	9,763	-
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				<u>303,401</u>	<u>174,567</u>	<u>-</u>	<u>174,567</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>10,618,800</u>	<u>8,661,134</u>	<u>459,213</u>	<u>9,092,184</u>	<u>-</u>
<u>Reconciliation of Federal Revenue</u>								
Schedule of Expenditures of Federal Awards					8,661,134			
DEDUCT:								
Federal Direct Student Loans					1,989,993			
ADD:								
Financial Aid Administration					4,020			
Veterans Administration - Recording Fee					1,344			
Revenue from Prior Year's Projects					<u>(3)</u>			
							<u>6,676,502</u>	
Other Federal Financial Assistance					4,967,575			
Federal grants					1,708,927			
Federal capital grants					<u>0</u>			
Basic Financial Statements							<u>6,676,502</u>	

See Notes to the Schedule of Federal and State Awards.



# LAKESHORE TECHNICAL COLLEGE DISTRICT

## SCHEDULE OF EXPENDITURES OF STATE AWARDS For the fiscal year ended June 30, 2021

Grantor Agency/Pass-through Agency/Program/Grant Title	Catalog Number	Pass through Number/ Identification Number	Grant Period	Grant Amount	State Direct Revenue	Match	Total Expenditures	Passed through to Sub-Recipients
<b>WISCONSIN DEPARTMENT OF TRANSPORTATION</b>								
Driver Education	20.395(4)(aq)							
Motorcycle Safety Grant		MG-2020-LTC-15/48	1/1/21-12/31/21	22,181	-	-	-	-
Total Driver Education & Wisconsin Department of Transportation				<u>22,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>WISCONSIN HIGHER EDUCATION AIDS BOARD</b>								
Wisconsin Higher Education Grant	235.102	N/A	7/1/20 - 6/30/21	582,072	582,072	-	582,072	-
Remission of Fees for Veterans and Dependents	235.105	N/A	7/1/20 - 6/30/21	98,049	98,049	-	98,049	-
Wisconsin Covenant Scholars	235.108	N/A	7/1/20 - 6/30/21	1,000	1,000	-	1,000	-
Talent Incentive Program	235.114	N/A	7/1/20 - 6/30/21	13,100	13,100	-	13,100	-
Nursing Student Loan	235.117	N/A	7/1/20 - 6/30/21	6,000	6,000	-	6,000	-
Technical Excellence Scholarship	235.119	N/A	7/1/20 - 6/30/21	33,753	33,753	-	33,753	-
Wisconsin Indian Assistance Grant	235.132	N/A	7/1/20 - 6/30/21	1,650	1,650	-	1,650	-
Total Wisconsin Higher Education Aids Board				<u>735,624</u>	<u>735,624</u>	<u>-</u>	<u>735,624</u>	<u>-</u>
<b>WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD</b>								
WTCS Emergency Assistance Grant	292.104							
Student Emergency Fund (060)		11-260-104-112	7/1/21 - 6/30/22	9,102	15	-	15	-
Student Emergency Fund (160)		11-160-104-111	7/1/20 - 6/30/21	14,427	14,412	-	14,412	-
Total WTCS Emergency Assistance Grants	292.104			<u>23,529</u>	<u>14,427</u>	<u>-</u>	<u>14,427</u>	<u>-</u>
State Aid for Technical Colleges	292.105	N/A	7/1/19-6/30/20	3,125,533	3,073,042	-	3,073,042	-
Grants to District Boards	292.124							
Career Pathways - MA to LPN Bridge (105)		11-105-124-121	7/1/20 - 6/30/21	81,851	79,742	26,581	79,742	-
Career Pathways - Wind Energy (108)		11-108-124-121	7/1/20 - 9/30/21	74,573	64,022	21,341	64,022	-
Career Pathways - IT-Web and Software Developer (110)		11-110-124-121	7/1/20 - 9/30/21	102,530	98,303	32,767	98,303	-
Professional Growth (119)		11-119-124-151	7/1/20 - 6/30/21	50,957	49,869	24,942	49,869	-
Completion (120)		11-120-124-161	7/1/20 - 6/30/21	225,000	222,598	74,199	222,598	-
Core Industry - Automotive Maintenance Technician (024)		11-024-124-130	7/1/19 - 9/30/20	217,275	16,921	-	16,921	-
Core Industry - Electro-Mech Maintenance (124)		11-124-124-131	7/1/20 - 6/30/21	223,823	219,494	-	219,494	-
Core Industry - CNC Technician (125)		11-125-124-131	7/1/20 - 6/30/21	274,524	271,837	-	271,837	-
Ability to Benefit Case Management (123)		11-123-124-191	12/1/20 - 11/30/21	3,000	1,052	-	1,052	-
Core Industry - EMT-Paramedic - Shared Program (026)		11-026-124-130	7/1/19-9/30/20	239,651	21,381	-	21,381	-
Passed through Moraine Park Technical College		11-040-124-180	11/21/19 - 11/20/20	37,800	35,830	-	35,830	-
Advanced Manufacturing Network								
Developing Markets - HVACR		11-121-124-141	7/1/20 - 6/30/21	200,000	199,319	-	199,319	-
Satori Company (051)		11-051-124-170	7/1/19 - 8/31/20	69,141	3,426	-	3,426	-
Jagemann Munition Components		11-152-124-171	7/1/20 - 6/30/21	30,905	27,933	-	27,933	-
Total Grants to District Boards	292.124			<u>1,831,030</u>	<u>1,311,727</u>	<u>179,831</u>	<u>1,311,727</u>	<u>-</u>

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## SCHEDULE OF EXPENDITURES OF STATE AWARDS (continued) For the fiscal year ended June 30, 2021

Grantor Agency/Pass-through Agency/Program/Grant Title	Catalog Number	Pass through Number/ Identification Number	Grant Period	Grant Amount	State Direct Revenue	Match	Total Expenditures	Passed through to Sub-Recipients
Fire Fighter Training 2%	292.137	N/A	7/1/20 - 6/30/21	25,208	25,208	-	25,208	-
Property Tax Relief Aid	292.162	N/A	7/1/20 - 6/30/21	11,877,887	11,877,887	-	11,877,887	-
TOTAL WISCONSIN TECHNICAL COLLEGE SYSTEM BOARD				<u>16,883,187</u>	<u>13,229,249</u>	<u>179,831</u>	<u>13,229,249</u>	<u>-</u>
<u>WISCONSIN DEPARTMENT OF NATURAL RESOURCES</u>								
State Aid in Lieu of Property Taxes	370.503	N/A	7/1/20 - 6/30/21	14,103	14,103	-	14,103	-
TOTAL WISCONSIN DEPARTMENT OF NATURAL RESOURCES				<u>14,103</u>	<u>14,103</u>	<u>-</u>	<u>14,103</u>	<u>-</u>
<u>WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT</u>								
Local Youth Apprenticeship Grants	445.107							
Youth Apprenticeship		111154	6/30/20 - 6/30/21	72,900	72,093	49,611	72,093	-
Wisconsin Fast Forward	445.109							
Dual Credit Training for Teachers		EF181DE10001	6/1/18-8/31/21	255,000	11,878	-	11,878	-
TOTAL WISCONSIN DEPARTMENT OF WORKFORCE DEVELOPMENT				<u>327,900</u>	<u>83,970</u>	<u>49,611</u>	<u>83,970</u>	<u>-</u>
<u>WISCONSIN DEPARTMENT OF REVENUE</u>								
State Aid-Personal Property Tax	835.103	N/A	7/1/20 - 6/30/21	55,889	55,889	-	55,889	-
State Aid - Computers	835.109	N/A	7/1/20 - 6/30/21	75,655	75,655	-	75,655	-
TOTAL WISCONSIN DEPARTMENT OF REVENUE				<u>131,543</u>	<u>131,543</u>	<u>-</u>	<u>131,543</u>	<u>-</u>
TOTAL EXPENDITURES OF STATE AWARDS				<u>18,114,539</u>	<u>17,267,532</u>	<u>229,442</u>	<u>17,267,532</u>	<u>-</u>

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## SCHEDULE OF EXPENDITURES OF STATE AWARDS (continued) For the fiscal year ended June 30, 2021

Grantor Agency/Pass-through Agency/Program/Grant Title	Catalog Number	Pass through Number/ Identification Number	Grant Period	Grant Amount	State Direct Revenue	Match	Total Expenditures	Passed through to Sub- Recipients
<u>Reconciliation of State Revenue</u>								
Schedule of Expenditures of State Awards					17,267,532			
ADD:								
Revenue from Prior Year's Projects						(8)		
DEDUCT:								
Wisconsin Higher Education Grant						582,072		
Talent Incentive Program						13,100		
Wisconsin Covenant Scholars						1,000		
Nursing Student Loan						6,000		
Wisconsin Indian Assistance Grant						<u>1,650</u>		
						<u>16,663,702</u>		
State Operating Appropriations						15,130,329		
State Grants						1,294,957		
State Capital Grants						<u>238,415</u>		
						<u>16,663,702</u>		

Basic Financial Statements

See Notes to the Schedule of Expenditures of Federal and State Awards

# LAKESHORE TECHNICAL COLLEGE DISTRICT

## NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the fiscal year ended June 30, 2021

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### Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards for the District are 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 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 District. Because the schedules present only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

### Note 2 – Significant Accounting Policies

Revenues and expenditures in the schedule are presented in accordance with the accrual basis of accounting and are in agreement with amounts reported in the District’s basic financial statements. Expenditures are recognized following the cost principles contained in the Uniform guidance and *State Single Audit Guidelines*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Accrued revenue at year-end includes federal and state program expenditures scheduled for reimbursement to the District in the succeeding year. Match represents District contributions to federal and state programs.

### Note 3 – Oversight Agencies

The U.S. Department of Education is the federal oversight agency for the District. The Wisconsin Technical College System Board is the state oversight agency for the District.

### Note 4 – Indirect Cost Rate

The District has an approved indirect cost rate approved by the Department of Health and Human Services that is in effect until June 30, 2023. The District is not eligible to charge the de minimis indirect rate of 10% of modified total direct costs on the grants.

# Lakeshore Technical College District

## Cleveland, Wisconsin

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

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#### SECTION I - SUMMARY OF AUDITORS' RESULTS

##### BASIC FINANCIAL STATEMENTS

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	None Reported
Noncompliance material to basic financial statements noted?	No

##### FEDERAL AND STATE AWARDS

Internal control over major program:	
▶ Material weakness(es) identified?	No
▶ Significant deficiency(ies) identified?	No
Type of auditors' 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
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program/Cluster</u>
21.019	Coronavirus Relief Fund <i>COVID-19: Higher Education Emergency Relief Fund</i>
84.425E	Student Portion
84.425F	Institutional Portion
84.425M	Strengthening Institutions Program

Identification of major state programs:

<u>State ID Number</u>	<u>Name of State Program/Cluster</u>
292.124	Wisconsin Technical College System Grant Cluster
292.105	State Aid for Technical Colleges
292.162	Property Tax Relief Aid

# Lakeshore Technical College District

## Cleveland, Wisconsin

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2021

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#### SECTION I - SUMMARY OF AUDITORS' RESULTS (CONTINUED)

Audit threshold used to determine between Type A and Type B programs:

Federal Awards	\$750,000
State Awards	\$250,000

Auditee qualified as low-risk auditee	Yes
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#### SECTION II - FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards* for the year ended June 30, 2021.


#### SECTION III - FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

Our audit did not disclose any matters required to be reported in accordance with Uniform Guidance or the Wisconsin *State Single Audit Guidelines* for the year ended June 30, 2021.

#### SECTION IV - OTHER ISSUES

- |  |    |
|--|----|
| 1. Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?   | No |
| 2. Does the audit report show audit issues (i.e. material non-compliance, non-material non-compliance, questioned cost, material weakness, significant deficiencies, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the <i>State Single Audit Guidelines</i> : |    |
| Wisconsin Department of Transportation   | No |
| Wisconsin Higher Education Aids Board  | No |
| Wisconsin Technical College System Board   | No |
| Wisconsin Department of Natural Resources  | No |
| Wisconsin Department of Workforce Development  | No |
| Wisconsin Department of Revenue  | No |
| 3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?  | No |

4. Name and signature of partner

  
 \_\_\_\_\_  
 Jake Lenell, CPA

Date of report

December 8, 2021



**LAKESHORE TECHNICAL COLLEGE**

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**LAKESHORE**  
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