



Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2015

Fox Valley Technical College
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Fox Valley Technical College District
Comprehensive Annual Financial Report
for the Fiscal Year ended June, 30, 2015

Prepared by
Financial Services Department of Fox Valley Technical College

Contact

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INTRODUCTORY SECTION

FOX VALLEY TECHNICAL COLLEGE DISTRICT

June 30, 2015

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FOX VALLEY TECHNICAL COLLEGE DISTRICT

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December 15, 2015

The Citizens and Board of Trustees
of the Fox Valley Technical College District

State statutes require the district board of each technical college in the state to annually authorize an audit of the district and to submit an audit report to the technical college system board no later than six months following the end of the fiscal year. The District is also required to undergo an annual single audit to conform to the provisions of the Single Audit Act Amendments of 1996, U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* used by the State of Wisconsin. The Comprehensive Annual Financial Report (CAFR) for the Fox Valley Technical College District (the District) for the fiscal year ended June 30, 2015, is hereby submitted in fulfillment of those requirements. Responsibility for the contents and presentation of this report rests with the District's management.

Management of the District is also responsible for establishing and maintaining an internal control structure to ensure that the District's assets are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). 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.

Schenck SC conducted an independent audit of the basic financial statements of Fox Valley Technical College District as of and for the year ended June 30, 2015. The statements are the responsibility of the District's management. As independent certified public accountants, Schenck's role is to express an opinion on the basic financial statements. The audit provides a reasonable basis for financial statement users to rely on the information presented in the financial statements. Schenck also, in accordance with Government Auditing Standards, issued a report on compliance and on internal control over financial reporting.

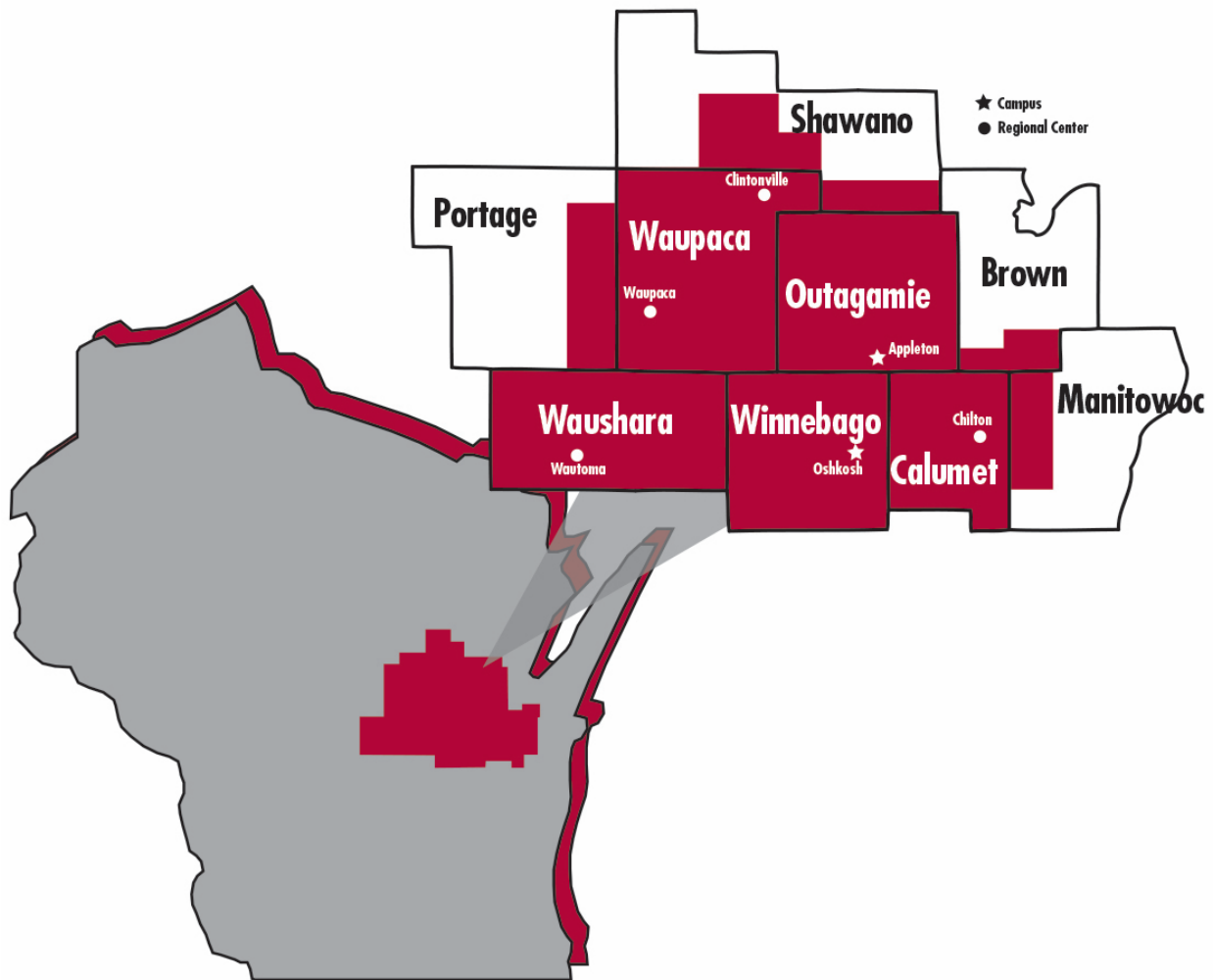
Please direct your attention to Management's Discussion and Analysis (MD&A), found in the Financial Section of the CAFR. The purpose of the MD&A is to provide users of the District's basic financial statements with a narrative introduction, overview, and analysis of those statements.

PROFILE

The District, formerly known as Fox Valley Vocational, Technical and Adult Education District, was established in 1967. As reflected on the map below, the District is comprised of five counties—Calumet, Outagamie, Waupaca, Waushara, and Winnebago, as well as portions of Brown, Manitowoc, Portage and Shawano counties. The District's major population centers are located along the Fox River and together form the third largest metropolitan area in Wisconsin.

Approximately 478,000 people live in the counties and portions of counties served by the District, using population data from the Wisconsin Department of Administration 2015 Population Estimates. Twenty-eight K-12 districts and thirty-five public and private high schools are located within the District's boundaries. The District serves approximately 43,000 people annually.

Fox Valley Technical College is affiliated with the Fox Valley Technical College Foundation, Inc., a not-for-profit corporation, whose mission is to be the College's partner in securing and providing various resources to promote lifelong learning and workforce development throughout the communities it serves. For more discussion around this relationship, refer to Note A in the Notes to Basic Financial Statements.



Mission

The mission of Fox Valley Technical College is to provide high-quality education and training that support student goals, a skilled workforce, and the economic vitality of our communities.

Vision

A model of innovation and distinction in technical education, recognized as an outstanding gateway to rewarding careers.

Values

Statements of core values are designed to characterize the desired teaching/learning environment and to guide the development of institutional policies and practices. Accordingly, all members of the Fox Valley Technical College community affirm the following college values:

Integrity – We value responsible, accountable, ethical behavior in an atmosphere of honest, open communication, and with mutual respect.

Collaborative Partnerships – We value partnerships with business, industry, labor, government, educational systems, and our communities.

Innovation – We value creativity, responsible risk-taking, and enthusiastic pursuit of new ideas.

Continuous Improvement – We value continuous improvement of our programs, services and processes through employee empowerment and professional development in a team-based culture.

Customer Focus – We value our internal and external customers and actively work to meet their needs.

Diversity – We value an educational environment that attracts and supports a diverse student/staff community and fosters global awareness.

Sustainability – We value the responsible use of resources to achieve balance among social, economic, and environmental practices.

Strategic Directions

Key measures and targets associated with each direction noted below are monitored by the District's administration and Board of Trustees.

1. **Learning Agility** – Offer multiple access and delivery avenues to build and refine knowledge and skills.
2. **Innovation Leader** – Focus our entrepreneurial spirit on new designs for education linked to emerging opportunities.
3. **Student Success** – Improve learning outcomes through the redesign of organizational practices.
4. **Robust Partnerships** – Energize regional economic potential through strong and dynamic partner connections.
5. **Cohesive Culture** – Build on strong working relationships to create a more cohesive organizational culture.

Purposes

The District, consistent with statutorily mandated purposes, holds to the following purposes:

1. Deliver (a) Associate Degree, Diploma, and (b) Certificate-level educational programs which provide the skills and knowledge necessary to address occupational competencies from initial job-entry to advanced certification.
2. Provide training and education to upgrade the occupational skills of individuals and the business and industry work force.
3. Offer related academic and technical support courses for joint labor/management apprenticeship programs.
4. Design and deliver customized training, consulting services, and technical assistance in partnership with public and private sector employers to further economic development.
5. Provide community services and avocational or self-enrichment activities.
6. Collaborate with secondary schools, colleges and universities to enable students' smooth passage between educational systems.
7. Provide (a) basic skills programming and (b) counseling services necessary to enhance the success of students.
8. Offer educational programming and supportive services for special populations to address barriers prohibiting participation in education and employment.

Budgetary Process and Control

The District maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the District's Board of Trustees. Activities of the general, special revenue aidable, special revenue non-aidable, debt service, capital project, enterprise, and internal service funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund and function. The District also maintains an encumbrance accounting system to enhance budgetary control.

The District delegates budgetary responsibility to the managers of various departments and divisions. Each year, managers prepare, present, and modify budget plans for the next year. Between March and June, the District Board reviews the proposed budget for consistency with the District's strategic plan. A public hearing on the proposed District budget is held annually in June, and the board adopts the final budget subsequent to the public hearing. There is ongoing review of the budget plan by the District administration and Board of Trustees.

FINANCIAL CONDITION

Local Economy

The District functions in a region known for its cultural, educational, recreational, and retail services. The Fox Cities provide a wealth of community services in a low crime environment, with amenities that contribute to an overall high quality of life. With large employers in the paper, specialty trucks, health care, and financial services industries, the local economy is driven by a blend of manufacturing and service providers.

As the economy recovers from the recent recession, the District is a vital source of support to address the community's workforce development and education needs, including:

- Working collaboratively with employers who are facing difficulty in finding workers with the skills needed to advance their operations.
- Providing workers with continuing education in technology and automation, as skill upgrades are a necessity in most occupations.
- Providing adult basic education as a first step for many individuals seeking to upgrade their knowledge and skills for employment and to continue their education.
- Serving as an affordable, cost-effective, and attractive choice for more students as the rising cost of higher education and tighter personal budgets impact more individuals.

The state of the economy presents additional challenges and critical concerns that the District has identified:

- With unemployment rates ranging from 2.8% in Calumet County to 4.6% in Waushara County, District enrollment levels are continuing to trend down from recent highs. In addition to the reduction in revenue as a result of these enrollment declines, employer needs for a skilled workforce are stronger than ever.
- The value of the District's tax base appears to be stabilizing following modest recent declines. This is important because the District operates under a state imposed tax levy limit which restricts growth in the operating levy to the value of net new construction.
- Per Wisconsin Act 145, beginning in fiscal 2015 a significant portion of funding for technical colleges previously paid by local property taxes was shifted to state support. While the legislation includes a mechanism to restore this levy authority if state funding is reduced in subsequent years, administration is cognizant of the negative image such a subsequent levy increase would have.

The District administration and Board of Trustees remain cognizant of all these factors when planning for the District's future.

Major Initiatives

The Referendum. On April 3, 2012, the District passed a \$66.5 million public referendum, enabling the expansion of its facilities in several key areas. As of June 30, 2015, most of the construction projects are substantially complete. Highlights of the key projects are shown below.

- Created in partnership with the Outagamie County Regional Airport, the **Public Safety Training Center** opened in January 2015. This facility addresses capacity needs for new students and provides the ability to provide multi-disciplinary professional training in law enforcement, fire protection, and emergency medical services.

- Remodeling and adding to the central core of our main campus, the **Student Success Center** provides space for supplemental instruction, tutoring and academic support to meet the diverse needs of students.
- **The Health Simulation and Technology Center** addition provides classrooms for health related training with human patient simulator (HPS) technology, a virtual hospital, real-life simulation sites, virtual training labs and a training center for HPS technicians.
- The expansion of the **J.J. Keller Transportation Center** provides additional space for vehicle inspection and maintenance bays and allows the District to accept more students in truck driving, diesel technology and automotive technology.
- The **Service Motor Company Agriculture Center** expansion and remodel repurposed space for instructional labs that provide critical hands on learning opportunities for students and the addition of classrooms and computer labs that support all agri-business programming.
- The purchase of land in Oshkosh next to the Advanced Manufacturing Technology Center on Highway 41 allows for future program and campus growth. Since 2007, the number of student taking classes at our Oshkosh facilities has grown 25%.
- The **Chilton Regional Center** was purchased in July 2012 and was expanded in 2015 to accommodate additional health care programming. Enrollment in programs offered at this regional center has grown 36% since 2008.

Student Housing. Construction of the District's first student housing project is scheduled to begin in fall 2015 and be completed in the summer of 2016. Known as Tech Village Student Living, the housing complex will include fully furnished single and multi-bedroom units that will accommodate up to 275 students in total. While the housing will be owned and operated by private developers, the District has been an active partner in the planning of the facility and is excited to offer this option to students.

Reaccreditation. In the spring of 2016, the Higher Learning Commission's Comprehensive Quality Review team will visit the District and confirm the accuracy of the Systems Portfolio and items that the 2015 Systems Appraisal has identified as needing clarification or verification. Federal compliance will be verified as needed to complete the Reaffirmation of Accreditation.

ACKNOWLEDGMENT

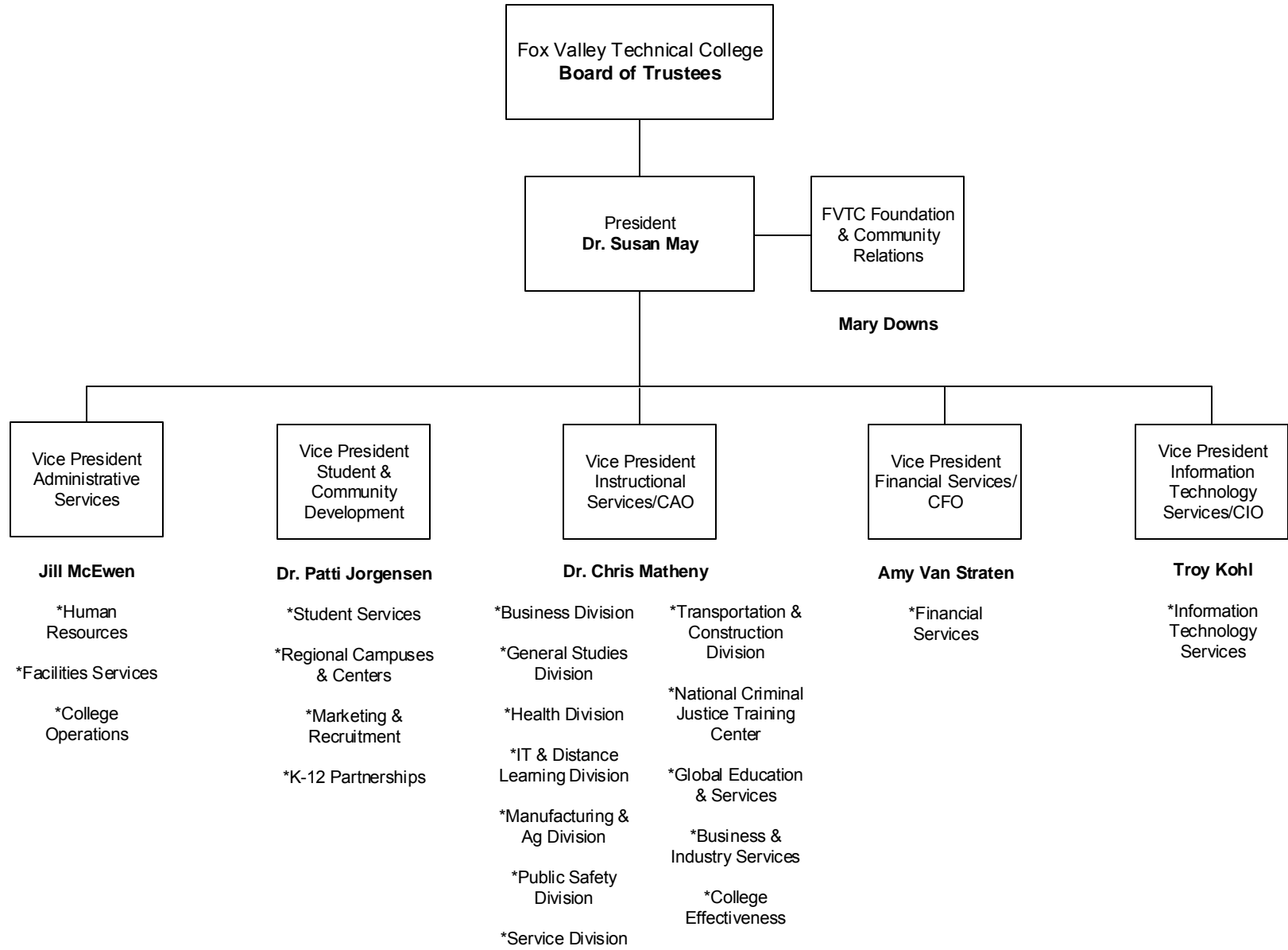
We express our appreciation to the Financial Services staff for their significant investment of time and resources in the preparation of this report. In addition, we thank the District Board of Trustees for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,

Dr. Susan A. May
President

Amy Van Straten, CPA
Vice President for Financial Services/Chief Financial Officer

Fox Valley Technical College Organizational Chart



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Fox Valley Technical College District
Appleton, Wisconsin

Report on the Financial Statements

We have audited the accompanying basic financial statements of Fox Valley Technical College District ("the District") as of and for the year ended June 30, 2015, 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 an opinion on these financial statements based on our audit. 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. The financial statements of the Fox Valley Technical College Foundation, Inc., a discretely presented component unit of the District, were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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 opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2015, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note N, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

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 other post-employment benefits and pensions, on pages 13 through 25 and 58 through 61 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 and the schedule of expenditures of federal awards and schedule of state financial assistance, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information and schedules of expenditures of federal awards and state financial assistance 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 supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance are 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.

Report on Summarized Financial Information

We have previously audited the District's 2014 financial statements, and our report dated November 6, 2014, expressed an unmodified opinion on those financial statements of the Fox Valley Technical College District. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015, 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 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 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.



Certified Public Accountants
Green Bay, Wisconsin
November 30, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of Management's Discussion and Analysis (MD&A) is to provide users of the basic financial statements with a narrative introduction, overview, and analysis of those statements. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Fox Valley Technical College District's (the District) basic financial statements. The statements are comprised of two components: government-wide financial statements and notes to basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements--The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. In general, a public college such as the District will report an operating deficit or loss, as the financial reporting model classifies state appropriations and property taxes 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 *statement of cash flows* presents information related to cash inflows and outflows summarized by operating, financing, capital, and investing activities. This statement is important in evaluating the District's ability to meet financial obligations as they mature.

Notes to basic financial statements--The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The *notes to basic financial statements* are located after the government-wide financial statements in the financial section of the Comprehensive Annual Financial Report (CAFR).

Other information--In addition to the basic financial statements and accompanying notes, this report also presents *required supplemental information* concerning the District's progress in funding its obligation to provide pension benefits and other post-employment benefits (OPEB) to its employees. The *required supplemental information* is located after the notes to basic financial statements in the financial section of the Comprehensive Financial Report (CAFR).

For the year ended June 30, 2015 the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date--An Amendment of GASB Statement No. 68*. This guidance establishes new financial reporting requirements for governments that provide their employees with pension benefits. The new standard recognizes pension costs as employment services are provided, rather than when the pensions are funded. The District is part of a cost-sharing multiple-employer defined benefit pension plan administered by the Wisconsin Retirement System (WRS). At June 30, 2015, the District has a reported net asset of \$10.4 million representing its

proportionate share of the WRS fiduciary net position. Due to the actuarial differences in net WRS activity and a difference in timing between the actuarial valuation date and the District's financial statement measurement date, deferred inflows and deferred outflows as it relates to the value of the pension have been recorded on the District's financial statements. Note the majority of the deferred inflows/outflows relate to differences between actuarial estimates and actual experience (investment returns, pension payments, etc.). Implementing this guidance also resulted in a cumulative change in accounting principal in the amount of \$18.3 million. The prior year ended June 30, 2014 was not restated. For additional information see Note F in the Notes to Basic Financial Statements in addition to Notes to Required Supplemental Information.

The following is a summary of the various components of the Statement of Net Position (note additional lines of Deferred Outflows and Inflows as related to the new accounting standard for reporting the District's pension obligation):

	(amounts shown in thousands)			Increase or (Decrease)			
	2015	2014	2013	(2015-2014)		(2014-2013)	
	\$			\$	%	\$	%
ASSETS							
Cash and investments	\$36,849	\$24,001	\$24,343	\$12,848	53.5%	(\$343)	-1.4%
Net capital assets	133,983	128,135	89,995	5,848	4.6%	38,140	42.4%
Other assets	60,329	64,524	101,871	(4,195)	-6.5%	(37,347)	-36.7%
Total assets	231,160	216,659	216,209	14,501	6.7%	450	0.2%
Deferred Outflows of Resources	8,547	-	-	8,547	100.0%	-	0.0%
LIABILITIES							
Current liabilities	37,499	40,628	44,988	(3,129)	-7.7%	(4,361)	-9.7%
Long-term liabilities	84,655	88,028	89,766	(3,373)	-3.8%	(1,738)	-1.9%
Total liabilities	122,154	128,656	134,755	(6,501)	-5.1%	(6,099)	-4.5%
Deferred Inflows of Resources	12	-	-	12	100.0%	-	0.0%
NET POSITION							
Net investment in capital assets	49,445	44,697	39,706	4,748	10.6%	4,991	12.6%
Restricted for:							
Debt service	17,054	17,187	17,016	(133)	-0.8%	171	1.0%
Pension benefits	18,955	-	-	18,955	100.0%	-	0.0%
Unrestricted	32,087	26,120	24,734	5,968	22.8%	1,386	5.6%
Total net position	\$117,541	\$88,003	\$81,455	\$29,538	33.6%	\$6,549	8.0%

* Numbers may not foot perfectly due to rounding to the nearest thousand

From 2014 to 2015, total assets increased by \$14.5 million, or 6.7%. Significant changes are as follows:

- ❖ Cash and investments increased by \$12.8 million, or 53.5%. Wisconsin Act 145 provided more than \$400 million in additional state aid for the state's technical colleges with a corresponding requirement that property taxes be reduced by roughly an equivalent amount. The District's portion of this aid was \$29.1 million and was received in February of 2015 which accelerated the District's cash flow from these two major funding sources. Tax levy receivable, as noted below, declined by \$6.9 million.
- ❖ Net capital assets increased by \$5.8 million, or 4.6%. This is the second year of a notable increase as a result of the \$66.5 referendum passed in April 2012. Additional information on the District's capital assets and related debt can be found in Note C in Notes to Basic Financial Statements.
- ❖ Changes in Other assets include the following items:
 - The most significant change is the recording of a net pension asset in the amount of \$10.4 million. As part of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*,

this amount is required to be placed on the District's books to provide a full understanding of the District's proportionate share of collective pension amounts. For additional information see Note F in Notes to Basic Financial Statements.

- Restricted cash and investments decreased \$8.9 million. The decrease is due to planned capital project expenditures related to the District's referendum. The bond proceeds that funded the referendum projects were received in a prior fiscal year.
- Tax levy receivable decreased by \$6.9 million. Wisconsin Act 145 drastically reduced the amount of taxes levied by providing additional state aid in an effort to reduce property taxes.
- Prepaid expenses decreased by \$178,000.
 - The frequency of the District's contribution to the employee's health savings account changed from annual to quarterly, thus reducing the amount prepaid at year end by \$103,200.
 - Capital prepaid items, specifically furniture for the Student Success Center, which opened in August 2014, resulted in a \$99,000 reduction between years.
- As a result of a plan amendment, the portion of the District's liability for other post-employment retirement benefits (OPEB) classified as a long-term liability changed by \$2.2 million, which resulted in a change of classification from a \$504,000 liability to a \$1.7 million asset. For additional information on the calculation of this liability see Note G in Notes to Basic Financial Statements.

Deferred outflows of resources related to pension benefits increased by \$8.5 million as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date- An Amendment of GASB Statement No. 68* for the year ended June 30, 2015. This amount represents the consumption of net pension assets by the District applicable to a future reporting period and will be amortized on an annual basis. The amount consists of the following variables: differences between expected and actual experience, the net difference between projected and actual earnings on pension plan investments, and the amount contributed by the District since the last measurement date of the fund.

From 2014 to 2015, total liabilities decreased by \$6.5 million, or 5.1%. Significant changes are as follows:

- ❖ Accounts payable decreased by \$1.0 million due to the timing of project completions related to the 2012 referendum.
- ❖ Accrued payroll, payroll taxes and retirement obligations decreased by \$270,000.
- ❖ Accrued vacation decreased by \$386,000. Although it is difficult to predict the change in vacation usage, the District implemented a new vacation policy effective July 1, 2014. The new policy revised the annual vacation award date to July 1 (a fiscal year basis) versus awarding on the employee's anniversary date.
- ❖ Unearned (deferred) student fees decreased by \$454,000. Enrollments for the summer term decreased by 5.4% from the prior year.
- ❖ The District's liability for other post-employment retirement benefits (OPEB) classified as a Long-term liability changed by \$2.2 million, which resulted in a change of classification from a \$504,000 liability to a \$1.7 million asset. For additional information on the calculation of this liability see Note G in Notes to Basic Financial Statements.
- ❖ Principal payments on long term debt exceeded the current year issued debt by \$3.1 million, resulting in a decrease in total debt outstanding.

From 2014 to 2015, total net position increased by \$29.5 million, or 33.6%. Significant changes are as follows:

- ❖ The District's investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles and infrastructure), less related outstanding debt that was used to acquire those assets, increased

by \$4.7 million. This is a result of a \$5.8 million increase in net capital assets less a \$1.1 million increase in debt outstanding related to those capital assets.

- ❖ The restricted for pension benefits category is a new item this year with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB statement No. 68*. This amount represents the difference between total plan assets, deferred outflows of resources, total plan liabilities and deferred inflows of resources as of the District's reporting date. Although the District's records reflect the above items, the funds are held by the Wisconsin Retirement System (WRS) and are for the specific purpose of paying pension benefits.
- ❖ Unrestricted net position increased by \$6.0 million, or 22.8%. The additional net increase is a reflection of a positive outcome, which is described further below.

From 2013 to 2014, total assets increased by \$450,000, or 0.2%. Significant changes were as follows:

- ❖ Net capital assets increased by \$38.1 million, or 42.4%, as a result of the \$66.5 referendum passed in April 2012. Construction continued on the larger projects included in the referendum with several buildings completed in time for the start of the fall 2014 semester. Additional information on the District's capital assets and related debt can be found in Note C in Notes to Basic Financial Statements.
- ❖ Changes in Other assets include the following items:
 - Restricted cash and investments decreased \$36.7 million. The decrease was due to planned capital project expenditures related to the District's referendum. Bond proceeds to fund the referendum projects were received in the prior fiscal year.
 - General accounts receivable, which consists of contract training in addition to federal and state grants, decreased by \$254,000. This was primarily due to the timing and volume of training events occurring at or near year end.

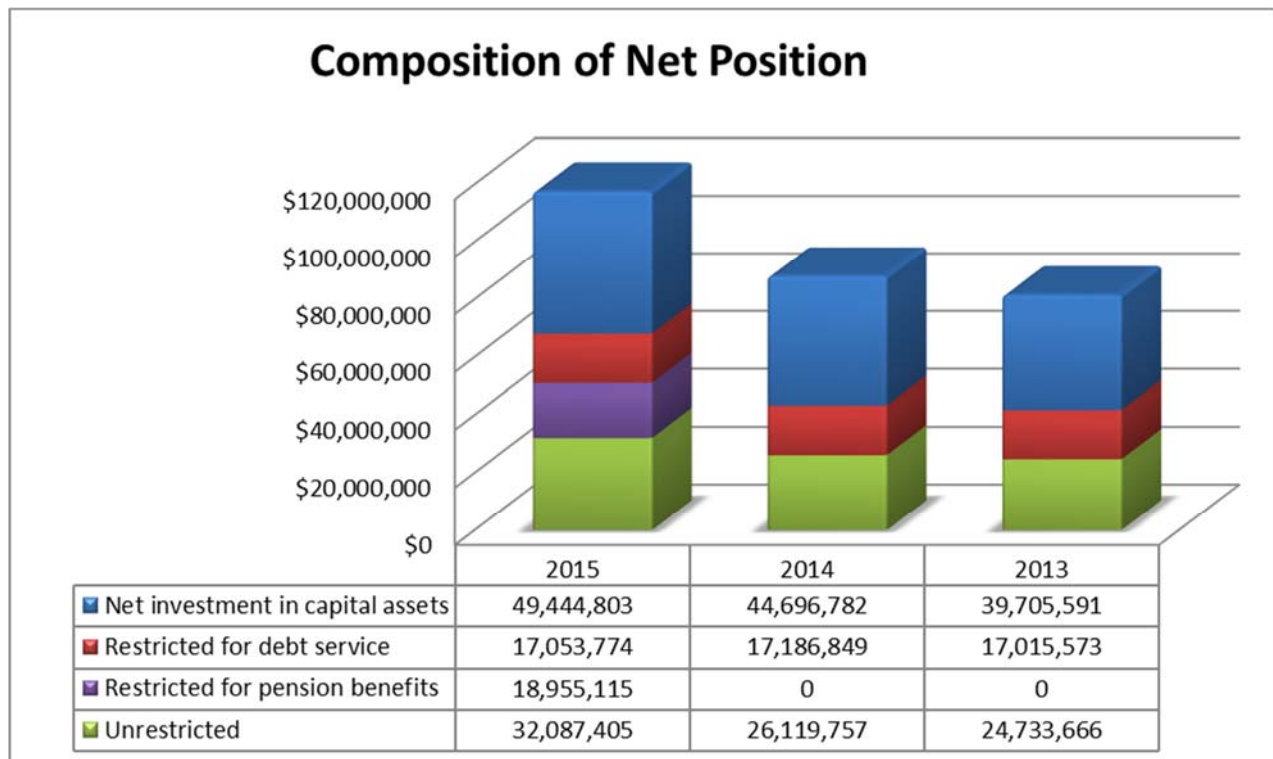
From 2013 to 2014, total liabilities decreased by \$6.1 million, or 4.5%. Significant changes were as follows:

- ❖ Accounts payable decreased by \$2.2 million due to the completion of several large construction projects related to the referendum.
- ❖ Accrued vacation decreased by \$218,000. The District experienced a higher than usual number of retirements during the year.
- ❖ Unearned (deferred) student fees decreased by \$1.4 million due to a change in recording summer tuition. In prior years, summer tuition was deferred to the subsequent year. Beginning with fiscal year 2014, tuition revenue for the summer term is allocated based on the number of days in each fiscal year.
- ❖ The District's liability for other post-employment retirement benefits (OPEB) classified as a Long-term liability decreased by \$1.7 million for the second year in a row as reflected in the District's most recent actuarial study of benefits accrued. For additional information on the calculation of this liability see Note G in Notes to Basic Financial Statements.

From 2013 to 2014, total net position increased by \$6.5 million, or 8.0%. Significant changes were as follows:

- ❖ The largest portion of the District's net position (50.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. An increase of \$38.1 million in net capital assets less an increase in debt related to capital assets of \$33.1 million contributed to the net increase of \$5.0 million in the amount invested in capital assets, net of related debt.
- ❖ Unrestricted net position increased by \$1.4 million, or 5.6%, due to positive financial outcomes, which are further described below.

The graph below compares the District's Net Position by year.



Condensed Comparative Data and Overall Analysis

The following is a summary of the various components of the Statement of Revenues, Expenses and Changes in Net Position:

	(amounts shown in thousands)			Increase or (Decrease)			
	2015	2014	2013	(2015-2014)		(2014-2013)	
				\$	%	\$	%
Operating Revenues:							
Student tuition and fees	\$12,314	\$13,553	\$12,457	(\$1,240)	-9.1%	\$1,097	8.8%
Federal grants	42,256	46,681	48,202	(4,425)	-9.5%	(1,521)	-3.2%
State grants	4,634	4,999	5,071	(365)	-7.3%	(71)	-1.4%
Contract revenue	8,740	7,319	7,093	1,421	19.4%	225	3.2%
Auxiliary enterprise revenues	3,144	2,890	3,016	254	8.8%	(126)	-4.2%
Miscellaneous	2,561	2,522	2,868	39	1.5%	(347)	-12.1%
Total operating revenues	\$73,648	\$77,964	\$78,707	(\$4,316)	-5.5%	(\$743)	-0.9%

* Numbers may not foot perfectly due to rounding to the nearest thousand

Operating revenues are the charges for services offered by the District. During 2015, the District generated \$73.6 million of operating revenue. This is a decrease of \$4.3 million, or 5.5%, from 2014. Significant changes are as follows:

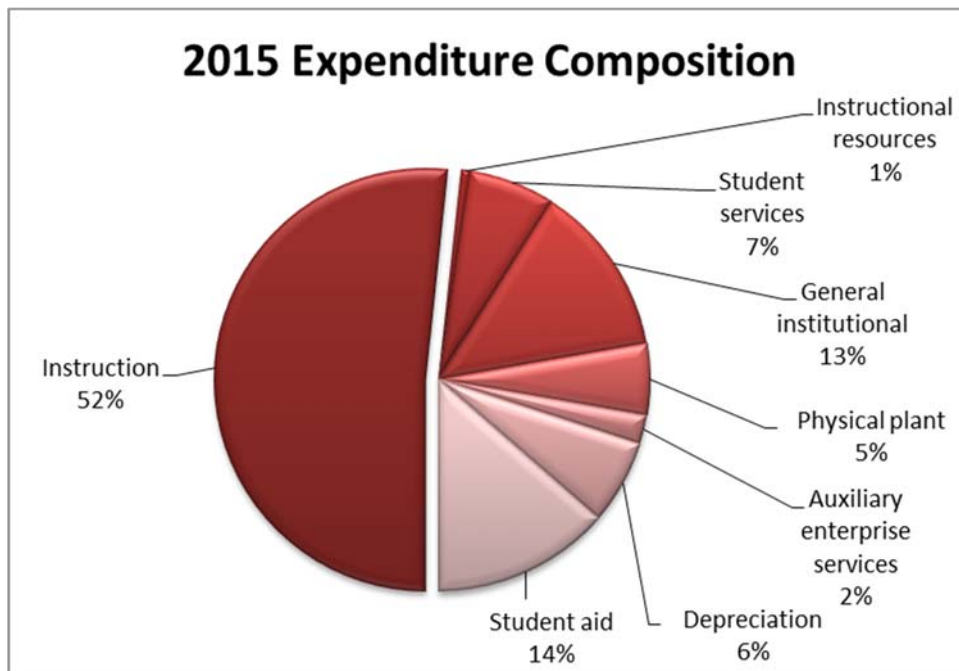
- ❖ Student tuition and fee revenue decreased \$1.2 million, or 9.1%. A significant portion of this decrease is due to a change in recording summer tuition and fees. Fiscal year 2014 reflected the entire 2013 summer tuition. Also during the year, the District experienced a decline in enrollments of 4.5% and a tuition rate increase of 3.0%.

- ❖ Federal grant revenue decreased by \$4.4 million, or 9.5%:
 - Funding received for student financial aid, which includes Pell Grants and Stafford loans, decreased by \$1.0 million and \$2.3 million, respectively, due to the decline in enrollment.
 - Federal grant activity decreased by \$1.3 million. Grant activity, particularly when dealing with multi-year grants, can fluctuate from year to year based on the volume and type of training programs awarded.
- ❖ Contract revenue increased by \$1.4 million, or 19.4%, reflecting an increased demand for business and industry training. Specific programming areas with notable increases are Supply Chain Solutions, Truck Driving, K-12 Partnerships, and the National Criminal Justice Training Center (NCJTC).

During 2014, the District generated \$78.0 million of operating revenue. This was a decrease of \$743,000 from 2013, or 0.9%. Significant changes were as follows:

- ❖ Student tuition and fee revenue increased \$1.1 million, or 8.8%. This was largely due to a change in the timing of recording summer tuition and fees. In the year of change, 2014 tuition revenue is greater due to the entire 2013 summer tuition being recognized and only a portion of the summer 2014 tuition. During the year the District also experienced a decline in enrollments of 4.2% and a tuition rate increase of 4.5%.
- ❖ Federal grant revenue decreased by \$1.5 million, or 3.2%.
 - Funding received for student financial aid such as Pell Grants and Stafford loans decreased by \$867,000 and \$2.2 million, respectively, due to the decline in enrollment.
 - Offsetting the above, federal grant activity increased by \$1.6 million. Grant activity, particularly when dealing with multi-year grants, can fluctuate from year to year based on the volume and type of training programs awarded.
- ❖ Contract revenue increased by \$225,000, or 3.2%, reflecting an increased demand for business and industry training. Specific programming areas with notable increases were Information Technology and Distance Learning, K-12 Partnerships, and Business & Industry Services.
- ❖ Miscellaneous revenues decreased by \$347,000, or 12.1%. Gifts and grants, classified as miscellaneous revenue, decreased \$407,000 due to a significant amount of private donations received in the prior year.

The graph below categorizes the District's 2015 operating expenses by function.



	(amounts shown in thousands)			Increase or (Decrease)			
	2015	2014	2013	(2015-2014)		(2014-2013)	
				\$	%	\$	%
Operating Expenses:							
Instruction	\$70,919	\$75,323	\$74,562	(\$4,404)	-5.8%	\$761	1.0%
Instructional resources	1,024	1,221	1,270	(197)	-16.1%	(49)	-3.9%
Student services	9,032	10,317	10,080	(1,285)	-12.5%	236	2.3%
General institutional	18,214	17,457	18,159	757	4.3%	(703)	-3.9%
Physical plant	7,481	8,909	5,592	(1,427)	-16.0%	3,317	59.3%
Auxiliary enterprise services	3,032	2,994	3,078	38	1.3%	(83)	-2.7%
Depreciation	8,853	7,408	6,755	1,445	19.5%	652	9.7%
Student aid	18,703	21,035	23,717	(2,332)	-11.1%	(2,682)	-11.3%
Total operating expenses	\$137,259	\$144,664	\$143,213	(\$7,405)	-5.1%	\$1,450	1.0%

* Numbers may not foot perfectly due to rounding to the nearest thousand

Operating expenses are costs related to offering the programs of the District. From 2014 to 2015, total operating expenses decreased \$7.4 million, or 5.1%. Significant changes are as follows:

- ❖ Instructional expenses decreased \$4.4 million, or 5.8%.
 - During periods of declining enrollments, the District actively monitors class wait lists and has the ability to reduce the class offerings to fit the needs of the student population. This results in less class sections being offered. The cost savings is achieved by reducing the number of additional contract classes taught by full time faculty and adjunct faculty.
 - Federal grant activity expenses decreased. Grant activity, particularly when dealing with multi-year grants can fluctuate from year to year based on the volume and type of training programs awarded. Programs with notable decreases in the current year were Internet Crimes Against Children (ICAC) and AMBER Alert.
 - Wisconsin Act 10 (the Governor's Budget Repair Bill) and Act 32, which was part of the Wisconsin State Biennium Budget, contained provisions that drastically changed collective bargaining along with wages and benefits of all governmental entities. These changes took

effect with the District's contracts effective July 1, 2014. As a result the District experienced a high number of retirements in fiscal year 2014. With this high level of turnover, the District experienced a significant salary savings due to position vacancies at the start of the year, in addition to replacement cost savings. Several areas (Math, Social Science and Information Technology) elected not to replace several positions due to declining enrollments.

- Also related to Act 10 and Act 32, District employees were required to pay 50% of the Wisconsin Retirement System (WRS) contribution effective July 1, 2014. Previously an expense of the District, this resulted in benefit-eligible employees contributing 7.0% of their salary from July to December of 2014 and 6.8% for the period January through June of 2015.
- The District transitioned all staff members to a more cost effective high deductible insurance plan effective January 1, 2015. Previously this option was only available to management staff.
- A combination of the elements listed above resulted in a fringe benefit cost savings of \$3.3 million.
- ❖ Student Services expenses decreased by \$1.3 million, or 12.5%. Departments within the student services area experienced sixteen retirements at the end of the prior fiscal year, providing an opportunity to reevaluate and restructure duties. Several positions were not replaced and the newly restructured positions experienced a cost savings as hires occurred during the current year. Additional savings were observed as some employees elected the cash option versus insurance coverage when the union groups transitioned to a high deductible insurance plan on January 1, 2015.
- ❖ General institutional expenses increased by \$757,000, or 4.3%. The primary contributing factor was an increase in retiree fringe benefit costs of \$615,180.
- ❖ Physical plant expenses decreased by \$1.4 million, or 16.0%. Several factors contributed to this decrease:
 - With the completion of several large referendum projects the District purchased significantly more furniture and equipment of a capital nature during the year. Equipment and furniture with a cost of greater than \$5,000 are capitalized and are removed from operating expenses.
 - Similar to the above, building remodel projects in excess of \$15,000 per project are capitalized when completed versus expensing in the current period.
- ❖ Depreciation increased by \$1.4 million, or 19.5%, due to \$51.7 million of assets placed into service in the current year. This is the second year of significant increases to depreciation due to the referendum related additions. For additional information on assets placed into service, see Note C in Notes to Basic Financial Statements.
- ❖ Student aid expenditures decreased by \$2.3 million, or 11.1%. This change is due to a decrease in Pell Grant funding and Stafford loans of \$1.0 million and \$2.3 million, respectively.

From 2013 to 2014, total operating expenses increased \$1.5 million, or 1.0%. Significant changes were as follows:

- ❖ Instructional expenses increased \$761,000, or 1.0%. Significant increases in grant and contract training occurred during the year, lessening the impact of decreasing enrollments. In fiscal year 2013 a \$2.9 million Advanced Manufacturing Pathways PLUS (AMP+) grant from the U.S. Department of Labor was awarded to the District. The activity for this grant alone increased costs (deliverables) from the prior year by \$790,000. Another award with significant activity during the year was from the Office of Justice Programs for Internet Crimes Against Children (ICAC). Contracting also experienced increased volume over the prior year. Grant and contract activity can vary from year to year based on volume and types of training offered.
- ❖ General institutional expenses decreased by \$703,000, or 3.9%. The District changed prescription drug administrators on January 1, 2013 and implemented a deeper discount plan from their POS network on July 1, 2013. Both of these changes resulted in reduced paid claims through June 30, 2014.
- ❖ Physical plant expenses increased by \$3.3 million, or 59.3%. Several factors contributed to this increase:
 - The District dramatically increased the square footage of usable facilities during the year in addition to having several buildings under construction. This, combined with an increased

number of heating degree days over the prior year, contributed to an increase in utility expenditures of \$260,000.

- The additional square footage resulted in increased custodial staffing costs and supply expenditures along with additional outsourced services related to property maintenance.
- The District purchased significantly more furniture and equipment that was not capitalizable. Capital equipment and furniture consisting of items costing greater than \$500, but less than the \$5,000 are expensed as incurred.
- The number of smaller (less than \$15,000) building improvement and remodel projects completed increased over the prior year. Remodel projects are expensed as physical plant expenditures when the total cost is less than \$15,000 per project. Remodel and/or improvement projects greater than \$15,000 are capitalized and depreciated.
- ❖ Depreciation increased by \$652,000, or 9.7%, reflective of referendum related assets placed into service.
- ❖ Student aid expenditures decreased by \$2.7 million, or 11.3%. This change was due to a decrease in Pell Grant funding and Stafford loans of \$867,000 and \$2.2 million, respectively.

	(amounts shown in thousands)			Increase or (Decrease)			
	2015	2014	2013	(2015-2014)		(2014-2013)	
				\$	%	\$	%
Non-Operating Revenues:							
Property taxes	\$37,678	\$65,631	\$64,194	(\$27,953)	-42.6%	\$1,437	2.2%
State operating appropriations	38,504	9,422	9,262	29,082	308.7%	160	1.7%
Gain (loss) on sale of capital assets	47	56	204	(10)	-16.9%	(147)	72.4%
Investment income earned	256	301	166	(45)	-15.0%	135	81.6%
Subtotal of Non-Operating Revenues	76,485	75,411	73,826	1,075	1.4%	1,585	-2.1%
Non-Operating Expenses:							
Interest expense	2,192	2,262	1,624	(70)	-3.1%	638	39.3%
Debt issuance costs	177	216	667	(39)	-17.8%	(451)	-67.6%
Subtotal of Non-Operating Expenses	2,369	2,478	2,291	(109)	-4.4%	186	8.1%
Total Non-Operating Revenues (Expenses)	\$74,116	\$72,933	\$71,534	\$1,183	1.6%	\$1,399	2.0%

* Numbers may not foot perfectly due to rounding to the nearest thousand

Non-operating revenues and expenses are not directly related to the operations of the District. Total non-operating revenues (expenses) increased \$1.2 million, or 1.6%, from 2014 to 2015. Significant changes are as follows:

- ❖ Property tax revenue decreased \$28.0 million, or 42.6%. The District levied less taxes due to Wisconsin 2013 Act 145, which increased the amount of state aid distributed by the Wisconsin Technical College System by \$406 million. This aid was designated as property tax relief aid with the District's portion equating to \$29.1 million. In addition to the expected tax levy decrease, the District also received \$256,000 as the result of Tax Incremental Financing District closures in the communities of Oshkosh, Omro and Marion.
- ❖ State operating appropriations increased by \$29.1 million, or 308.7%. As noted above, the property tax relief aid increased overall state aid paid to the District by \$29.1 million.

From 2013 to 2014, net non-operating revenues (expenses) increased \$1.4 million, or 2.0%. Significant changes were as follows:

- ❖ Property tax revenue increased by \$1.4 million, or 2.2%.
 - Several Tax Incremental Financing (TIF) District closures occurred in the communities of Appleton, Little Chute and Oshkosh.

- The valuation factor (net new construction for the District) increased by 0.95% and equated to a tax levy increase of \$582,000.
- ❖ The District's share of state operating appropriations increased by \$160,000, or 1.7%. State funding is prorated among the sixteen districts in the WTCS based on a formula that considers equalized value, FTEs, and aidable expenditures.
- ❖ Interest expense increased by \$638,000, or 39.3%, reflective of the increased debt outstanding due to the District's referendum.
- ❖ Debt issuance costs decreased by \$451,000, or 67.6%, reflecting a decline in debt issuance. In fiscal year 2013 an additional \$65.2 million in debt was issued as part of the April 2012 referendum.

Budget Variances in the General Fund (amounts shown in thousands)

<u>2015</u>	<u>Original budget</u>	<u>Final Amended budget</u>	<u>Actual (budgetary basis)</u>
Total revenues	\$85,064	\$84,361	\$82,171
Total expenditures	84,993	84,643	79,320
Other financing sources (uses)	(706)	506	524
Excess (deficiency)	<u>(\$635)</u>	<u>\$224</u>	<u>\$3,375</u>

<u>2014</u>	<u>Original budget</u>	<u>Final Amended budget</u>	<u>Actual (budgetary basis)</u>
Total revenues	\$84,251	\$84,236	\$84,366
Total expenditures	85,815	86,029	84,302
Other financing sources (uses)	(541)	(490)	(480)
Excess (deficiency)	<u>(\$2,105)</u>	<u>(\$2,283)</u>	<u>(\$416)</u>

The most significant amendment to the 2015 revenue budget was due to the end of General Purpose Revenue (GPR) grants from the state of Wisconsin. Inter-District Aid (\$300,000) and Driver Education-Local Assistance (\$150,000) grant revenue was removed from the budget. Although the state had communicated the change prior to budget adoption, the College needed time to identify which open staff positions would not be filled. The expenditure budget was correspondingly reduced by \$450,000. Both Other Financing Sources (Uses) and Excess (Deficiency) budgets were also amended when the final tax levy was set. The debt levy was increased by \$1.2 million and the corresponding \$1.2 million transfer from the General Fund to the Debt Service Fund was eliminated.

When comparing the final amended budget to actual results (on a budgetary basis) for the two years, the following should be noted:

- ❖ Property tax revenue exceeded the budget by \$911,000 in 2014 and \$275,000 in 2015 as a result of unplanned Tax Incremental Financing District (TIF) closures.
- ❖ State Aid received was \$8,000 more than planned in 2014 and \$476,000 less than budget in 2015. The budget for state aid is set conservatively but actual aid can deviate from budget substantially due to the way the state allocates state aid amongst the sixteen technical colleges.
- ❖ Program (tuition) fees were \$533,000 less than budget in 2014 and \$1.5 million less than budget in 2015. Total enrollments declined 4.2% in 2014 and 4.5% in 2015, and in both years the adopted budget assumed flat enrollment. Beginning in 2014, the District recognized a portion of the summer-term tuition and fee revenue as earned. This change added \$1 million to student tuition and fee revenue in 2014, the year of the change, and mitigated that year's decline in revenue due to declining enrollments.
- ❖ Salary and fringe expenditures were under budget by \$671,000 in 2014 and \$4.2 million in 2015. The variances in both years were attributable to faculty position vacancies and the overall decline in enrollments, which translated to a reduction in spending on adjunct instructors and fewer

additional teaching assignments for instructors under contract. In 2015, fringe benefits expenditures declined dramatically when numerous employees switched to the “cash option” (in lieu of health insurance coverage) on Jan. 1, 2015. In 2015, the accrued vacation liability for support staff declined by \$428,000 when the College implemented a new vacation policy.

- ❖ In both 2014 and 2015, spending for total non-salary expenditures was under budget by \$1.1 million. In both years, the contingency budget was substantially conserved and utilities expenditures were under budget due to mild winters and energy-conservation projects.

The factors listed above led to actual results that were significantly better than budget.

Capital asset and long-term debt activity

The District's investment in capital assets as of June 30, 2015 was \$133,982,502 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, intangible assets, equipment, and construction in progress. The total increase in capital assets for the current fiscal year was approximately 1.2%, compared to 42% the prior year.

The following capital asset additions were placed into service in the current fiscal year:

- ❖ The Student Success Center addition opened in August 2014. This area provides a collaborative and flexible workspace for student and staff for supplemental instruction, tutoring and academic support to meet the diverse needs of students.
- ❖ The Public Safety Training Center, created in partnership with the Outagamie County Regional Airport, opened in January 2015. This training location addresses capacity needs for new student and professional training in law enforcement, fire protection, and EMS. In addition to providing indoor classroom and training areas the center offers the following tactical training resources: indoor and outdoor shooting ranges, emergency driving course and skills evaluation pad, water rescue area, six story burn building, ladder tower, mock village for creating live crime scenes, train derailment scenario, and a Boeing 727. The entire cost of this project exceeded \$30 million and was made possible due to the passing of the District's referendum in April 2012. The significant portion of the costs of this project were reflected as construction in progress at June 30, 2014.
- ❖ The District purchased land in Oshkosh for future program and campus growth in that area of the District.
- ❖ Significant instructional related equipment purchases include a Cincinnati hydraulic shear and a truck driving simulation system.

Notable additions placed in service in fiscal year 2014 included the purchase of the Chilton Regional Center, expansion and remodel of the Service Motor Company Agriculture Center, construction of the Health Simulation and Technology Center, and expansion of the J.J. Keller Transportation Center. Additional information on the District's capital assets can be found in Note C in Notes to Basic Financial Statements.

The District's long-term debt obligations consist of bonds, promissory notes and capital leases. The bonds and promissory notes were issued to finance building construction, building remodeling and improvements, and the purchase of equipment and furniture. The District maintains an Aaa rating from Moody's Investors Service for its general obligation debt. This rating designates the District as having the least amount of credit risk in comparison to other debt. As quoted from Moody's Investors Service last report:

“The Aaa rating reflects the district's large tax base, healthy reserves, and a manageable debt and pension burden.”

Wisconsin state statutes limit the amount of aggregate and bonded indebtedness that the District can incur. The amount of debt outstanding for the District falls well below these thresholds, the calculation of which can be found in Note D in Notes to Basic Financial Statements. Note D also contains additional information on the District's long-term debt.

Other potentially significant matters

The Wisconsin 2013 Act 145 increased the amount of state aid funding distributed to the Wisconsin technical colleges by appropriating \$406 million annually for property tax relief aid beginning in budget year 2014-15. The District's portion of that aid amounted to \$29.1 million and was received in February 2015. Property tax relief aid is counted under each district's revenue limit, and therefore reduces the operational levy by an equal amount. Also important to note, legislation includes a mechanism that allows the District to restore the original levy authority if the amount of property tax relief aid is reduced.

The District will continue to face several challenges based on the biennium budget passed by the Wisconsin legislature known as 2013 Wisconsin Act 145. Each district is prohibited from increasing its revenue in any year by a percentage greater than the district's valuation factor. Per the Wisconsin Statute 38.16(3) (a) 4. *"Valuation factor" means a percentage equal to the greater of either zero percent or the percentage change in the district's January 1 equalized value due to the aggregate new construction, less improvements removed, in municipalities located in the district between the previous year and the current year, as determined by the department of revenue.* For calculating the revenue limit, revenue is defined as the sum of the tax levy and state property tax relief aid. On September 30, 2015, the Department of Revenue provided the District's actual valuation factor of 1.05803% which limits the operating levy increase to \$527,690 for fiscal year 2016.

The second year (2014-15) of the biennium budget included \$5 million of additional general state aid to technical colleges and called for the creation of a new formula for allocating general state aid to technical colleges based on each college's performance. Each college (District) may choose any seven of the nine criteria on which to be measured for the purposes of receiving performance based funding and three fiscal years of data will be used for the formula factors. The percentage of general aids distributed under the performance based formula are 10% in 2014-15, 20% in 2015-16 and 30% in 2016-17. The following criteria have been identified for measurement:

1. Placement rate of students in jobs related to students' programs of study
2. Number of degrees and certificates awarded in high-demand fields
3. Number of programs or courses with industry-validated curriculum
4. Transition of adult students from basic education to skills training
5. Number of adults served by basic education courses, adult high school, or English language learning courses, courses that combine basic skills and occupational training as a means of expediting basic skills remediation, and the success rate of adults completing such courses
6. Participation in dual enrollment programs
7. Workforce training provided to business and individuals
8. Participation in statewide or regional collaboration or efficiency initiatives
9. Training or other services provided to special population or demographic groups that can be considered unique to the District.

The September unemployment rate for Wisconsin was 4.3% compared to the national average of 5.1%. Last year at this time the rates were 5.3% and 6.1%, respectively. Historically in times of high unemployment rates, the demand for the District's resources and training increases. As unemployment rates fall, the District enrollment rates soften as more individuals are entering the job market. The District is well aware of this relationship and is constantly pursuing additional growth opportunities as well as monitoring overall costs of instructional delivery.

Lastly, the Wisconsin Technical College System's new *Graduate Follow-up Report* states the top reason for attending a Wisconsin Technical College is preparing for employment. The report also indicates that 92 percent of fiscal year 2014's technical college graduates in the labor force were employed within six months of graduation and most of them (76%) were employed directly in their field of study. Both figures are up from the last report of 89% and 74%, respectively. For the past sixteen years the percentage of graduates employed within six months per the *Graduate Follow-up Report* has been 86% or higher reiterating the positive impact each District has in serving their respective areas.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Vice President for Financial Services/Chief Financial Officer, 1825 N. Bluemound Drive, P.O. Box 2277, Appleton, WI 54912-2277.

BASIC FINANCIAL STATEMENTS

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Statement of Net Position

June 30, 2015

With Comparative Amounts as of June 30, 2014

	2015		2014	
	District	Foundation	District	Foundation
ASSETS				
Current Assets				
Cash and investments	\$ 36,848,648	\$ 10,844,810	\$ 24,000,516	\$ 10,492,092
Receivables				
Accounts	5,652,643	39,553	5,815,821	44,789
Property taxes	9,133,527	-	16,065,784	-
Federal and state aid	281,404	-	418,867	-
Student fees, net	11,524,607	-	11,541,456	-
Interest	58,833	14,897	101,904	13,186
Unconditional promises to give	-	463,687	-	563,618
Inventories	140,463	-	122,051	-
Prepaid items	520,024	-	697,819	-
Property held for investment	-	300,013	-	83,410
Total Current Assets	<u>64,160,149</u>	<u>11,662,960</u>	<u>58,764,218</u>	<u>11,197,095</u>
Noncurrent Assets				
Restricted cash and cash equivalents	20,865,091	-	29,759,989	-
Unconditional promises to give	-	196,617	-	352,768
Net pension asset	10,419,944	-	-	-
Net post employment benefit asset	1,732,497	-	-	-
Capital assets				
Non-depreciable	3,546,302	682,825	40,465,974	682,825
Depreciable	130,436,200	4,813,487	87,668,807	4,963,462
Total Noncurrent Assets	<u>167,000,034</u>	<u>5,692,929</u>	<u>157,894,770</u>	<u>5,999,055</u>
TOTAL ASSETS	<u>231,160,183</u>	<u>17,355,889</u>	<u>216,658,988</u>	<u>17,196,150</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	<u>8,547,452</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current Liabilities				
Accounts payable	4,351,659	306,724	5,402,437	313,924
Accrued payroll, payroll taxes and retirement	5,020,086	-	5,289,882	-
Accrued vacation	1,159,760	-	1,545,816	-
Accrued health and dental claims	728,000	-	768,000	-
Accrued interest	236,315	-	226,604	-
Unearned student fees	9,741,851	-	10,196,162	-
Other unearned revenue	294,299	-	551,012	-
Due to other organizations	284,982	-	354,716	-
Current portion of long-term liabilities	15,681,912	396,488	16,293,053	319,788
Total Current Liabilities	<u>37,498,864</u>	<u>703,212</u>	<u>40,627,682</u>	<u>633,712</u>
Long-term Liabilities				
Other post employment benefit liability	-	-	504,121	-
Bonds and notes payable	78,670,000	1,815,624	81,595,000	2,636,747
Debt premium	5,816,628	-	5,703,120	-
Capital lease obligations	168,765	-	225,677	-
Total Long-term Liabilities	<u>84,655,393</u>	<u>1,815,624</u>	<u>88,027,918</u>	<u>2,636,747</u>
TOTAL LIABILITIES	<u>122,154,257</u>	<u>2,518,836</u>	<u>128,655,600</u>	<u>3,270,459</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	<u>12,281</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	49,444,803	-	44,696,782	-
Restricted for				
Debt service	17,053,774	-	17,186,849	-
Pension benefits	18,955,115	-	-	-
Scholarships and other activities	-	5,275,299	-	5,052,840
Unrestricted	<u>32,087,405</u>	<u>9,561,754</u>	<u>26,119,757</u>	<u>8,872,851</u>
TOTAL NET POSITION	<u>\$ 117,541,097</u>	<u>\$ 14,837,053</u>	<u>\$ 88,003,388</u>	<u>\$ 13,925,691</u>

The notes to the basic financial statements are an integral part of this statement.

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015
With Comparative Amounts for the Year Ended June 30, 2014

	2015		2014	
	District	Foundation	District	Foundation
Operating Revenues				
Student program fees, net of scholarship allowances of \$10,803,674 and \$11,460,946 for 2015 and 2014	\$ 9,685,491	\$ -	\$ 10,575,379	\$ -
Student material fees, net of scholarship allowances of \$695,231 and \$720,090 for 2015 and 2014	623,275	-	664,450	-
Other student fees, net of scholarship allowances of \$2,235,953 and \$2,507,408 for 2015 and 2014	2,004,531	-	2,313,664	-
Federal grants	42,256,029	-	46,680,639	-
State grants	4,633,935	-	4,999,264	-
Contract revenue	8,739,656	-	7,318,793	-
Auxiliary enterprise revenues	3,144,119	-	2,890,284	-
Miscellaneous	2,561,203	3,661,808	2,522,060	3,379,491
Total Operating Revenues	73,648,239	3,661,808	77,964,533	3,379,491
Operating Expenses				
Instruction	70,918,968	-	75,322,588	-
Instructional resources	1,024,218	-	1,221,049	-
Student services	9,031,945	-	10,316,698	-
General institutional	18,214,252	2,779,892	17,457,111	2,475,382
Physical plant	7,481,397	-	8,908,582	-
Auxiliary enterprise services	3,031,900	-	2,994,348	-
Depreciation	8,852,471	149,976	7,408,223	149,976
Student aid	18,703,311	-	21,035,070	-
Total Operating Expenses	137,258,462	2,929,868	144,663,669	2,625,358
Operating Income (Loss)	(63,610,223)	731,940	(66,699,136)	754,133
Nonoperating Revenues (Expenses)				
Property taxes	37,678,413	-	65,630,953	-
State operating appropriations	38,503,970	-	9,422,101	-
Gain on sale of capital assets	46,785	-	56,327	-
Investment income earned	256,128	312,329	301,152	1,251,549
Interest expense	(2,191,703)	(132,907)	(2,261,785)	(164,370)
Bond issuance costs	(177,325)	-	(215,850)	-
Total Nonoperating Revenues (Expenses)	74,116,268	179,422	72,932,898	1,087,179
Income before Capital Contributions	10,506,045	911,362	6,233,762	1,841,312
Capital Contributions	108,105	-	314,796	-
Change in Net Position	10,614,150	911,362	6,548,558	1,841,312
Net Position - July 1, as originally reported	88,003,388	13,925,691	81,454,830	12,084,379
Cumulative change in accounting principle	18,923,559	-	-	-
Net Position - July 1, as restated	106,926,947	13,925,691	81,454,830	12,084,379
Net Position - June 30	\$ 117,541,097	\$ 14,837,053	\$ 88,003,388	\$ 13,925,691

The notes to the basic financial statements are an integral part of this statement.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Statement of Cash Flows

For the Year Ended June 30, 2015

With Comparative Amounts for the Year Ended June 30, 2014

	2015		2014	
	District	Foundation	District	Foundation
Cash Flows from Operating Activities				
Tuition and fees received	\$ 11,875,835	\$ -	\$ 12,265,584	\$ -
Federal and state grants received	47,027,427	-	51,606,821	-
Contract revenue received	8,646,121	-	7,736,689	-
Auxiliary enterprise revenues received	3,144,119	-	2,890,284	-
Other receipts	2,561,203	2,639,369	2,522,060	3,329,784
Payments to employees	(85,010,504)	-	(90,417,728)	-
Payments to suppliers	(45,713,667)	(1,503,335)	(49,238,995)	(2,457,337)
Net Cash Provided by (Used in) Operating Activities	(57,469,466)	1,136,034	(62,635,285)	872,447
Cash Flows from Noncapital Financing Activities				
Local property taxes received	44,610,670	-	65,754,023	-
State appropriations received	38,503,970	-	9,422,101	-
Net Cash Provided by Noncapital Financing Activities	83,114,640	-	75,176,124	-
Cash Flows from Capital and Related Financing Activities				
Purchases of capital assets	(16,267,145)	-	(47,732,833)	-
Proceeds from disposal of capital assets	114,868	-	109,226	-
Investment in property held for investment	-	(216,603)	-	(83,410)
Proceeds from issuance of capital debt	12,700,000	-	15,975,000	-
Premium received on debt issuance	853,651	-	922,596	-
Debt issuance costs paid	(177,325)	-	(215,850)	-
Principal paid on capital debt	(16,293,053)	(744,423)	(16,145,156)	(378,608)
Interest paid on capital debt	(2,922,135)	(132,907)	(2,906,188)	(164,370)
Net Cash Used in Capital and Related Financing Activities	(21,991,139)	(1,093,933)	(49,993,205)	(626,388)
Cash Flows from Investing Activities				
Change in long-term investments	5,250,228	261,294	15,631,547	(625,422)
Investment income received	299,199	158,074	370,762	135,007
Net Cash Provided by (Used in) Investing Activities	5,549,427	419,368	16,002,309	(490,415)
Change in Cash and Cash Equivalents	9,203,462	461,469	(21,450,057)	(244,356)
Cash and Cash Equivalents - July 1	29,331,440	829,212	50,781,497	1,073,568
Cash and Cash Equivalents - June 30	<u>\$ 38,534,902</u>	<u>\$ 1,290,681</u>	<u>\$ 29,331,440</u>	<u>\$ 829,212</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Cash and investments in current assets	\$ 36,848,648	\$ 10,844,810	\$ 24,000,516	\$ 10,492,092
Cash and investments in restricted assets	20,865,091	-	29,759,989	-
Less: Long-term investments	(19,178,837)	(9,554,129)	(24,429,065)	(9,662,880)
Cash and Cash Equivalents - June 30	<u>\$ 38,534,902</u>	<u>\$ 1,290,681</u>	<u>\$ 29,331,440</u>	<u>\$ 829,212</u>
Noncash Investing, Capital and Financing Activities				
Capital assets purchased by issuance of capital leases and contributions	<u>\$ 108,105</u>	<u>\$ -</u>	<u>\$ 320,058</u>	<u>\$ -</u>

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2015
With Comparative Amounts for the Year Ended June 30, 2014

	2015		2014	
	District	Foundation	District	Foundation
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (63,610,223)	\$ 731,940	\$ (66,699,136)	\$ 754,133
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	8,852,471	149,976	7,408,223	149,976
Changes in assets and liabilities				
Receivables				
Accounts	163,178	5,236	196,268	2,853
Federal and state aid	137,463	-	(73,082)	-
Student fees	16,849	-	60,965	-
Unconditional promises to give	-	256,082	-	(49,179)
Inventories	(18,412)	-	(13,919)	-
Prepaid items	177,795	-	245,430	-
Accounts payable	(1,050,778)	(7,200)	(2,831,984)	14,664
Less: Accounts payable related to purchases of capital assets	1,606,975	-	2,452,197	-
Accrued payroll, payroll taxes, retirement and vacation	(687,408)	-	(314,245)	-
Accrued health and dental claims	(40,000)	-	(92,000)	-
Unearned student fees	(454,311)	-	(1,348,874)	-
Other unearned revenue	(256,713)	-	221,628	-
Due to other organizations	(69,734)	-	(145,914)	-
Accrued retiree health insurance	(2,236,618)	-	(1,700,842)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (57,469,466)</u>	<u>\$ 1,136,034</u>	<u>\$ (62,635,285)</u>	<u>\$ 872,447</u>

The notes to the basic financial statements are an integral part of this statement.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fox Valley Technical College District (District) is organized under state legislation enacted in 1911 establishing vocational, technical and adult education. The goals of the District are to train people for employment in a system flexible enough to meet the needs of the community, with programs offered on a part-time, full-time, day and evening basis. The District operates two full-time schools with the major campus being located in Appleton and a branch campus in Oshkosh plus several training centers that provide degree and diploma offerings as well as specialized/customized training programs. The District also offers instruction and services in four regional centers and more than forty outreach locations servicing virtually every community encompassing more than five counties.

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units as well as those prescribed by the Wisconsin Technical College System Board (WTCSB). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below:

1. Reporting Entity

The District Board oversees the operations of what is generally referred to as the Fox Valley Technical College (FVTC) under the provisions of Chapter 38 of the Wisconsin Statutes.

The District is comprised of five counties - Outagamie, Waupaca, Waushara, Winnebago and Calumet, plus parts of other counties which are contiguous. The Board consists of nine members appointed by the presidents of school boards in the service area. As the District's governing authority, the Board's powers include:

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

In November, 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement amends Statement No. 14, *The Financial Reporting Entity* and Statement No. 39, *Determining Whether Certain Organizations are Component Units* to provide additional guidance to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. Generally, it requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit.

The District is affiliated with Fox Valley Technical College Foundation, Inc. (Foundation), a not-for-profit corporation whose purpose is to solicit, hold, manage, invest and expend endowment funds and other gifts, grants, and bequests exclusively for the maintenance and benefit of the District and its students. The Foundation is managed by an independent board of directors, and is not financially accountable to the District. The Foundation has been reported as a discretely presented component unit in the District's financial statements.

The Foundation's financial statements can be obtained through Fox Valley Technical College Foundation, Inc., 1825 N. Bluemound Drive, P.O. Box 2277, Appleton, WI 54912-2277.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 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. 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

1. Accounting Estimates

The preparation of basic 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

4. Cash and Investments

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 amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with an original maturity of three months or less from date of acquisition are considered to be cash equivalents.

5. Property Taxes and Taxes Receivable

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

Levy date	October 31
Assessment date	January 1
Lien date	August 31
Due dates:	
Taxes paid in one installment	January 31
Taxes paid in two installments	
First installment due	January 31
Second installment due	July 31
Settlement dates	Months of January, February and August

Under Section 38.16 of the Wisconsin Statutes, the District Board may levy a tax based on the full equalized value of taxable property within the area served by the District for the purposes of making capital improvements, acquiring equipment, and operating and maintaining schools. For the fiscal years 2014 and beyond, the District is prohibited from increasing tax levy by a percentage greater than the district's valuation factor. The valuation factor as defined by 38.16(3)(a)4 is a percentage equal to the greater of either zero percent or the percentage change in the district's January 1 equalized value due to the aggregate new construction, less improvements removed, in municipalities located in the district between the previous year and the current year, as determined by the department of revenue. Any unused levy authority (up to .5%) may be used in the next budget year. There is no cap on taxes levied for the purposes of paying principal and interest on general obligation debt issued by the District for capital improvements and equipment acquisitions.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended June 30, 2015, the District levied taxes at the following mill rate:

Operating purposes	\$ 0.623925
Debt service requirements	0.500044
	<u>\$ 1.123969</u>

The 2014 tax levy used to finance expenditures for the fiscal year ended June 30, 2015 was \$37,389,471.

6. Student Receivables, Fees and Tuition

Tuition and fees attributable to the summer semester are recognized as revenue based on the student class days occurring before and after June 30, 2015.

The District's student fees receivable is stated at amounts due from students, net of an allowance for doubtful accounts of \$90,000 at June 30, 2015. Amounts outstanding longer than the agreed upon payment terms are considered past due. The District determines its allowance for doubtful accounts by considering a number of factors including length of time amounts are past due, the District's previous loss history, and the student's ability to pay his or her obligation. The District writes off receivables when they become uncollectible.

7. Inventories

Inventories are recorded at cost, which approximates market, using primarily the first-in, first-out method. Inventories consist of food service supplies, auto parts and other expendable supplies held for resale or consumption. The cost is recorded as an expense at the time individual inventory items are consumed rather than when purchased while some inventory locations use the retail dollar inventory methods. Instructional and administrative inventories are accounted for as expenses when purchased.

8. Prepaid Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items.

9. Capital Assets

Capital assets include land, land improvements, buildings, intangible assets, and equipment. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation on land improvements, buildings, intangible assets, and equipment is provided in amounts sufficient to charge the cost of the depreciable assets to operations on the straight-line method over the following estimated useful lives:

	Capitalization Threshold	Years
<u>Assets</u>		
Land improvements	\$ 15,000	15 - 20
Buildings and improvements	15,000	20 - 50
Intangible assets	5,000	3
Equipment	5,000	3 - 15

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has one item that qualifies for reporting in this category. This item is related to the District's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category on the statement of net position. The item is related to the District's proportionate share of the Wisconsin Retirement System pension plan and is deferred and amortized over the expected remaining service lives of the pension plan participants.

11. Compensated Absences, Retirement Plan and Other Employee Benefits

- a. Vacation - The District's policy allows employees to earn varying amounts of vacation pay for each year employed in accordance with the provisions of the employee handbook and administrative policies. Upon termination of employment from the District, the employee is eligible for prorated vacation time for that fiscal year of service. Accumulated vacation days are recorded as an expense and a liability when incurred.
- b. Sick Leave - The District's policy allows employees to earn sick leave for each year employed, accumulating to a maximum amount. This sick pay liability is not accrued since an employee's accumulated unused sick leave is forfeited upon retirement or termination of employment.
- c. Retirement Plan - The District has a retirement plan covering substantially all of its contracted employees which is funded through contributions to the Wisconsin Retirement System. Additional information on the retirement plan can be found in Note F.
- d. Retiree Health and Dental Insurance - The District also provides postretirement health and dental benefits to faculty, support personnel and management employees hired before July 1, 2014 who meet retirement benefit eligibility requirements. The benefits are provided in accordance with the employee handbook. The District shall pay a portion of the group health and dental premiums for eligible employees until the retiree would normally qualify for Medicare. Additional information on this post-employment retirement benefit can be found in Note G.

12. Unearned Revenue

Unearned revenues include amounts received for tuition, fees or other activities prior to the end of the fiscal year but relate to the subsequent fiscal year. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

13. State and Federal Revenues

The District receives funding from various federal and state contracts and grants. Some of these revenues are earned over fiscal periods different than that of the District and are subject to federal and state single audit requirements.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

14. Scholarship Allowances and Student Aid

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

15. Net Position

Net position is classified according to restrictions or availability of assets for satisfaction of District obligations as follows:

- a. Net investment in capital assets - Amount of capital assets, net of accumulated depreciation, and deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. 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.
- c. Unrestricted net position - Net position that is neither classified as restricted nor as net investment in capital assets. These financial resources may be used at the discretion of the District Board to meet current expense for any purpose and include the activities of auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

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

16. Classification of Revenues

The District classifies its revenues as either *operating* or *non-operating* revenues according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions. The principal operating revenues of the District are student tuition and fees, net of scholarship allowances, sales and services of auxiliary enterprises and most federal, state and local grants and contracts.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions. The primary non-operating revenues of the District are general property taxes, state appropriations and investment income.

17. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

18. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE B - CASH AND INVESTMENTS

Cash and investments of the District consist of bank deposits and investments that are restricted by the Wisconsin Statutes 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 totaled \$57,713,739 on June 30, 2015 as summarized below:

Petty cash funds	\$ 11,340
Deposits with financial institutions	72,498
Investments	
U.S. Treasury Notes	5,381,542
State and municipal bonds	1,491,607
Corporate bonds	6,960,132
Federal agency securities	373,106
Asset backed securities	5,317,554
Wisconsin Local Government Investment Pool (LGIP)	35,749,975
Money market mutual funds	2,355,985
	<u>\$ 57,713,739</u>

Cash and investments are reported on June 30, 2015 as follows:

Statement of Net Position	
Cash and investments	\$ 36,848,648
Restricted cash and investments	20,865,091
Total cash and investments	<u>\$ 57,713,739</u>

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 the District 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, the District 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.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE B - CASH AND INVESTMENTS (Continued)

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 the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing 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 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. 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, 2015, \$2,242 of the District's deposits with financial institutions were in excess of federal and state depository insurance limits. This entire amount was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the District's name.

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. The District does not have an additional credit risk policy. Presented below is the actual rating as of year-end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	A	Not Rated
U.S. Treasury Notes	\$ 5,381,542	\$ 5,381,542	\$ -	\$ -	\$ -	\$ -
State and municipal bonds	1,491,607	-	300,965	1,062,809	127,833	-
Corporate bonds	6,960,132	-	664,902	5,653,736	641,494	-
Federal agency securities	373,106	-	373,106	-	-	-
Asset back securities	5,317,554	-	4,126,990	1,190,564	-	-
External investment pools	35,749,975	-	-	-	-	35,749,975
Money market mutual funds	2,355,985	-	2,355,985	-	-	-
Totals	<u>\$ 57,629,901</u>	<u>\$ 5,381,542</u>	<u>\$ 7,821,948</u>	<u>\$ 7,907,109</u>	<u>\$ 769,327</u>	<u>\$ 35,749,975</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the amount invested in any one issuer. The investment policy of the District does not limit the exposure to concentration of credit risk for investments. The District did not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

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 limits the maturity of any security to not extend beyond any recognized unfunded cash needs of the District.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE B - CASH AND INVESTMENTS (Continued)

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:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 5,381,542	\$ 430,580	\$ 927,789	\$ 4,023,173	\$ -
State and municipal bonds	1,491,607	630,373	506,178	355,056	-
Corporate bonds	6,960,132	608,764	2,435,552	3,915,816	-
Federal agency securities	373,106	-	212,367	160,739	-
Asset back securities	5,317,554	922,717	2,389,460	2,005,377	-
External investment pools	35,749,975	35,749,975	-	-	-
Money market mutual funds	2,355,985	2,355,985	-	-	-
Totals	<u>\$ 57,629,901</u>	<u>\$40,698,394</u>	<u>\$ 6,471,346</u>	<u>\$10,460,161</u>	<u>\$ -</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District's investments include the following investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated on the previous page):

Highly Sensitive Investments	Fair Value at Year End
Mortgage and asset backed securities	
These securities are subject to early payment in a period of declining interest rates.	
The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	
	<u>\$ 5,317,554</u>

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin local government investment pool of \$35,749,975 at year-end. The Wisconsin local government investment pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2015, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE C - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,304,740	\$ 408,945	\$ -	\$ 1,713,685
Construction in progress	39,161,234	1,548,124	38,876,741	1,832,617
Total Capital assets, not being depreciated	40,465,974	1,957,069	38,876,741	3,546,302
Capital assets, being depreciated:				
Land improvements	8,677,023	7,169,207	-	15,846,230
Buildings and improvements	99,378,628	38,401,036	12,948	137,766,716
Intangible assets	3,855,741	280,933	179,966	3,956,708
Equipment	34,739,113	5,836,771	2,274,110	38,301,774
Subtotal	146,650,505	51,687,947	2,467,024	195,871,428
Less accumulated depreciation for:				
Land improvements	3,771,674	622,737	-	4,394,411
Buildings and improvements	35,279,654	3,065,523	4,461	38,340,716
Intangible assets	2,065,270	985,462	179,966	2,870,766
Equipment	17,865,100	4,178,749	2,214,514	19,829,335
Subtotal	58,981,698	8,852,471	2,398,941	65,435,228
Total capital assets, being depreciated, net	87,668,807	42,835,476	68,083	130,436,200
Net capital assets	<u>\$128,134,781</u>	<u>\$ 44,792,545</u>	<u>\$ 38,944,824</u>	133,982,502
Less capital related debt				(84,282,022)
Less capital lease obligations				<u>(255,677)</u>
Net investment in capital assets				<u>\$ 49,444,803</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE D - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations of the District for the year ended June 30, 2015:

	June 30, 2014	Issued	Retired	June 30, 2015	Due Within One Year
General obligation debt					
Bonds	\$ 59,345,000	\$ -	\$ 4,520,000	\$ 54,825,000	\$ 4,515,000
Notes	38,035,000	12,700,000	11,265,000	39,470,000	11,110,000
Total general obligation debt	97,380,000	12,700,000	15,785,000	94,295,000	15,625,000
Debt premium	5,703,120	853,651	740,143	5,816,628	-
Capital lease obligations	733,730	-	508,053	225,677	56,912
Other post-employment benefits	504,121	1,082,952	1,587,073	-	-
	<u>\$ 104,320,971</u>	<u>\$ 14,636,603</u>	<u>\$ 18,620,269</u>	<u>\$ 100,337,305</u>	<u>\$ 15,681,912</u>

Interest paid on the above outstanding general obligation notes and capital lease obligations totaled \$2,917,566.

Detail of the above outstanding general obligation debt follows:

General Obligation Debt

The District has issued general obligation debt to provide funds for the acquisition and construction of major capital facilities. General obligation debt service requirements are direct obligations and pledge the full faith and credit of the District. General obligation debt outstanding on June 30, 2015 totaled \$94,295,000 and was comprised of the following issues:

Bonds

July 2012 - \$14,775,000 general obligation school facilities bonds payable at Cede and Co., New York, New York, with interest at 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2026. Proceeds used to for the purchase or construction of buildings, building additions, enlargements and improvements, acquisition of sites and equipment.

\$ 14,775,000

December 2012 - \$50,450,000 general obligation school facilities bonds payable at Cede and Co., New York, New York, with interest at 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2027. Proceeds used to for the purchase or construction of buildings, building additions, enlargements and improvements, acquisition of sites and equipment.

40,050,000

Total General Obligation Bonds

54,825,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Notes to Basic Financial Statements
June 30, 2015

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes

August 2009 - \$7,200,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0% to 3.25%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2016. used for building improvements, remodeling, capital equipment and non-building capital projects. 2,380,000

August 2010 - \$8,750,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.5 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2017. used for building construction and improvements, remodeling, capital and non-building capital projects. 3,355,000

August 2011 - \$7,900,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2016. used for building construction and improvements, remodeling, capital and non-building capital projects. 2,400,000

October 2011 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.5%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2016. Proceeds used for building improvements and remodeling. 615,000

July 2012 - \$11,480,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0 to 4.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2019. Proceeds used for purchase or construction of buildings including or enlargements, building remodeling or improvement, moveable equipment and non-building capital projects. 6,550,000

August 2013 - \$11,475,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0 to 4.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2020. used for building improvements, remodeling, capital equipment and non-building capital projects. 7,915,000

September 2013 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2020. Proceeds used for building improvements and remodeling. 1,255,000

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE D - LONG-TERM OBLIGATIONS (Continued)Notes (Continued)

October 2013 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2020.

Proceeds used for building improvements and remodeling. 1,230,000

June 2014 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2021.

Proceeds used for building improvements and remodeling. 1,070,000

July 2014 - \$10,800,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 4.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2021.

used for building improvements, remodeling, capital equipment and non-building capital projects. 10,800,000

May 2015 - \$1,900,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2022.

Proceeds used to for the purchase or construction of buildings, building additions, enlargements, remodeling and improvements, acquisition of sites and equipment.

1,900,000

Total General Obligation Promissory Notes

39,470,000

Total General Obligation Debt

\$ 94,295,000

Principal and interest maturities on the general obligation promissory notes are as follows:

Year Ended June 30	Principal	Interest	Total
2016	\$ 15,625,000	\$ 1,705,886	\$ 17,330,886
2017	11,445,000	2,093,108	13,538,108
2018	8,820,000	1,956,650	10,776,650
2019	7,880,000	1,697,400	9,577,400
2020	8,425,000	1,435,125	9,860,125
2021	7,265,000	1,179,075	8,444,075
2022	5,550,000	967,825	6,517,825
2023	4,310,000	813,900	5,123,900
2024	4,200,000	686,250	4,886,250
2025	4,925,000	549,375	5,474,375
2026	5,320,000	395,700	5,715,700
2027	5,530,000	232,950	5,762,950
2028	5,000,000	75,000	5,075,000
	<u>\$ 94,295,000</u>	<u>\$ 13,788,244</u>	<u>\$ 108,083,244</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE D - LONG-TERM OBLIGATIONS (Continued)Legal Margin for New Indebtedness

The District's legal margin for creation of additional indebtedness on June 30, 2015 was as follows:

	Aggregate	Bonded
Equalized valuation of the District	\$ 34,395,417,121	\$ 34,395,417,121
Statutory limitation percentage	(x) 5%	(x) 2%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>\$ 1,719,770,856</u>	<u>\$ 687,908,342</u>
General obligation debt	\$ 94,295,000	\$ 54,825,000
Capital lease obligations	225,677	-
Less: Amounts available for financing general obligation debt		
Restricted for debt service	17,053,774	17,053,774
Net outstanding general obligation debt applicable to debt limitation	<u>\$ 77,466,903</u>	<u>\$ 37,771,226</u>

NOTE E - CAPITAL LEASE

The District has entered into lease agreements for the purpose of purchasing capital assets. At June 30, 2015, the District had \$225,677 of capital asset leases. The following is a schedule of the minimum lease payments under the lease agreements and the present value of the minimum lease payments at June 30, 2015:

Fiscal Year Ending June 30,	Annual Requirements
2015	\$ 63,750
2016	169,199
Total required minimum lease payments	<u>232,949</u>
Less: Amounts representing interest	<u>7,272</u>
Present value of future minimum lease payments	<u>\$ 225,677</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE F - PENSION PLANS

1. Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 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.

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.

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE F - PENSION PLANS (continued)**2. Post-Retirement Adjustments**

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$4,050,896 in contributions from the District.

Contribution rates as of June 30, 2015 are:

Employee Category	Employee	Employer
General (including teachers)	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE F - PENSION PLANS (continued)

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2015, the District reported an asset of \$10,419,444 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the District's proportion was 0.424%, which was a decrease of 0.002% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$4,086,199.

At June 30, 2015, 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	\$ 1,510,568	\$ -
Net differences between projected and actual earnings on pension plan investments	5,045,840	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	12,281
Employer contributions subsequent to the measurement date	1,991,044	-
Total	<u>\$ 8,547,452</u>	<u>\$ 12,281</u>

\$1,991,044 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ended June 30, 2016. 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 December 31	Deferred Outflow of Resources	Deferred Inflows of Resources
2015	\$ 1,494,781	\$ 2,800
2016	1,494,781	2,800
2017	1,494,781	2,800
2018	1,494,781	2,800
2019	577,284	1,081

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE F - PENSION PLANS (continued)

5. Actuarial Assumption

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Asset:	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% 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 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 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 arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE F - PENSION PLANS (continued)

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected 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 7.20 percent, as well as what the District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
District's proportionate share of the net pension asset	\$ 29,396,457	\$ (10,419,944)	\$(41,865,328)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

6. Payable to the WRS

At June 30, 2015, the District reported a payable of \$1,221,880 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2015.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT

In addition to providing pension benefits, the District as authorized by the Board of Trustees provides medical and dental insurance for eligible retirees (and spouses) in accordance with the employee handbook.

For eligible employees that retired before July 1, 2014, the District shall pay a portion of or all of the health and dental premiums from the time of retirement until they become eligible for Medicare, provided that he/she is age 56-59 and has at least 15 years in the District, or age 60-64 and has at least ten (10) years of service at the District. Additional date of hire requirements and premium share information are shown below:

Date and Status	Retirement Date	Retiree Pays
Part time employees	Regardless of date of retirement	Retiree generally pays 25% of health and dental premiums.
Full time employees hired before July 1, 2008	Retire between July 1, 2008 and June 30, 2010	No health and dental premium share required.
Full time employees hired before July 1, 2008 with 15 or more years of service	Retire on or after July 1, 2010	No health and dental premium share required.
Hired before July 1, 2008 and have less than 15 years of service	Retire on or after July 1, 2010	25% of full-time active employee's health and dental premium share subject to future negotiated union contracts.
Hired on or after July 1, 2008	Regardless of date of retirement	Same health and dental premium share as for full-time active employees subject to future negotiated union contracts.

For employees hired before July 1, 2014 and are eligible to retire July 1, 2014 or after, the following plan exists:

Date and Status	Age and Years of Service	Retiree Pays
Part time employees	Age 62 with at least 20 years of service	Retiree pays their applicable share of health and dental premiums. The District will pay up to a maximum of \$4,000 for a single plan and \$10,000 for a family or plus one plan per year.
Full time employees	Age 62 with at least 20 years of service	Retiree pays their applicable share of health and dental premiums. The District will pay up to a maximum of \$8,000 for a single plan and \$20,000 for a family or plus one plan per year.

No retiree benefits exist for employees hired on or after July 1, 2014.

Membership of the Plan at July 1, 2014, the date of the latest actuarial valuation, was 805 active participants and 206 retired participants.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

The post-retirement medical and dental plans are single-employer plans administered by a third party, as authorized by the Board of Trustees, and are financed on a pay-as-you-go basis. The District's annual other post-employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The actuarial assumptions included are shown below. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following tables show the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the District's net OPEB asset.

Component	Amount
Annual Required Contribution	\$ 1,092,799
Interest on Net OPEB Obligation	15,124
Adjustment to Annual Required Contribution	(24,971)
Annual OPEB Cost (Expense)	1,082,952
Contributions made	(3,319,570)
Change in Net OPEB Obligation	(2,236,618)
Net OPEB Obligation - Beginning of Year	504,121
Net OPEB Obligation (Asset) - End of Year	<u>\$ (1,732,497)</u>

The annual required contribution for the current year was determined as part of the July 1, 2014 actuarial valuation using the projected unit credit method. The actuarial assumptions included a 3% discount rate.

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. The unfunded actuarial accrued liability is being amortized over 30 years using the level dollar payments.

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan and the net OPEB obligation/(asset) for the current and previous years are as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2011	\$ 3,592,459	80.49%	\$ 3,772,113
2012	3,646,681	96.10%	3,914,406
2013	1,050,241	262.77%	2,204,963
2014	967,827	275.74%	504,121
2015	1,082,952	306.53%	(1,732,497)

The funding status of the plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability	Covered Payroll	UAAL as a Percentage of Covered Payroll
2008	\$ -	\$36,705,123	0.0%	\$36,705,123	\$50,032,000	73.4%
2010	-	36,109,820	0.0%	36,109,820	56,440,000	64.0%
2012	-	19,196,367	0.0%	19,196,367	57,433,000	33.4%
2014	-	18,949,124	0.0%	19,196,367	56,780,137	33.8%

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as the actual results are compared with past expectations and new estimates are made about the future. A schedule of funding progress is presented as required supplementary information following the notes to the financial statements to present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in the actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 3% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and the annual healthcare cost trend rate of (7.4%) initially, increasing to 7.2% in 2016-17 then reduced by decrements to an ultimate rate of 4.4%.

Employer Contributions - The District's contributions as a percentage of the annual required contribution (ARC) for June 30, 2015 and prior years are as follows:

Year Ended June 30,	Employer Contributions	Annual Required Contribution	Percentage Contributed
2010	\$ 2,379,000	\$ 3,802,058	62.57%
2011	2,891,613	3,640,389	79.43%
2012	3,504,388	3,705,667	94.57%
2013	2,759,684	1,126,702	244.93%
2014	2,668,669	1,002,277	266.26%
2015	3,319,570	1,092,799	303.77%

NOTE H - RISK MANAGEMENT

1. The District has purchased commercial insurance policies for various risks of loss related to torts; theft, damage or destruction of assets; errors or omissions; injuries to employees; or acts of God. Payments of premiums for these policies are recorded as an expenditure of the District's general fund.

Districts Mutual Insurance Company

In July 2004 all 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 \$400,225,000 per occurrence; cyber risk at \$1,000,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence and workers' compensation at the statutorily required limits.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE H - RISK MANAGEMENT (Continued)

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 between \$5,000 and \$100,000 per occurrence depending on the type of coverage; 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 a budget, set policy, and control the financial affairs of the company.

Each member college is assessed an annual premium based on the relevant rating exposure basis as well as the historical loss experience by members. Future premiums will be based on relevant rating exposure bases as well as the historical loss experience by members. DMI's ongoing operational expenses, other than loss adjustment expenses, are allocated to participants based on equity interest in the company.

For the year ended June 30, 2015, the District paid a total premium of \$563,938.

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

Supplemental Insurance

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

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

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

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

Other Insurance

In addition, the District maintains professional liability insurance to cover services on campus with a limit of \$1 million per claim and in aggregate, and aircraft and hull liability with coverage of \$10 million per occurrence, with a 10,000 minimum from other insurance carriers. Total premiums on these policies total \$6,128 and \$3,667, respectively.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE H - RISK MANAGEMENT (Continued)

2. In addition to the above, the District has established a separate internal service fund for the following risk management programs:

Health and Dental Self-Insurance Program

District employees and employee dependents are eligible for medical and/or dental benefits from a health and dental self-insurance fund. Funding is provided by charges to departments and employees. The program is supplemented by stop loss protection, which limits the District's annual liability. The stop-loss coverage provides for reimbursement of 100% of health costs in excess of \$125,000 per claimant, with an aggregate maximum reimbursement to be calculated at the end of the plan year in accordance with the terms of the agreement. There were approximately 745 participants and 1,988 "covered" participants in the Health Plan at June 30, 2015. There were approximately 910 participants and 2,448 "covered" participants in the Dental Plan at June 30, 2015. Fund expenses consist of payments to a third-party administrator for medical and dental claims, stop loss insurance premiums and administrative fees.

On June 30, 2015 net position of \$8,391,067 was available for future unreported medical and dental claims. The claims liability of \$728,000 reported at June 30, 2015 is the estimated claims incurred but not paid or reported as of June 30, 2015. This estimate is based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the basic financial statements indicates that it is probable that a liability has been incurred at the date of the basic financial statements and the amount of the loss can be reasonably estimated. Changes in the claim liability related to health and dental self-insurance program for the years ended June 30, 2015 and 2014 follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30
2014	\$ 860,000	\$ 13,497,033	\$ 13,589,033	\$ 768,000
2015	768,000	12,004,742	12,044,742	728,000

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

NOTE I - EXPENSES CLASSIFICATION

Expenses on the Statement 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 year ended June 30, 2015:

	Amount
Salaries and wages	\$ 61,856,785
Fringe benefits	20,117,299
Travel, memberships and subscriptions	2,849,337
Supplies, printing and minor equipment	11,706,178
Contract services	4,849,879
Rentals	2,592,863
Insurance	2,612,285
Utilities	2,202,907
Depreciation	8,852,471
Student aid	18,703,310
Other expenses	915,148
Total Operating Expenses	<u>\$137,258,462</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE J - COMMITMENTS

Operating Leases

The District leases classroom space under various terms. These leases are classified as operating leases. The future minimum payments as of June 30, 2015 are:

Year Ending June 30,	Amount
2016	\$ 1,223,414
2017	934,761
2018	909,089
2019	844,467
2020	813,926
2021 - 2025	2,653,975
2026 - 2030	1,655,639
2031 - 2035	470,508
2036 - 2040	150,873
2041 - 2045	153,890
2046 - 2050	156,968
2051 - 2055	160,107
2056 - 2060	163,310
2061 - 2065	166,576
2066 - 2070	169,907
2071 - 2075	173,305
2076 - 2080	176,772
2081 - 2085	180,307
2086 - 2090	183,913
2091 - 2095	6,130
Total Required Minimum Lease Payments	<u>\$ 11,347,837</u>

Rent expense under all operating leases for the years ended June 30, 2015 totaled \$1,377,831.

Capital Projects

The District has commitments for capital projects as of June 30, 2015 totaling \$2,021,813.

NOTE K - CONTINGENT LIABILITIES

1. The District participates in a number of federal and state grant programs which are subject to program compliance audits and possible future adjustments to expenditures reported for federal and state reimbursement. The amount, if any, of expenditures that may be disallowed cannot be determined at this time although the District expects such amounts, if any, to be immaterial.
2. From time to time, the District is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and legal counsel that the likelihood is remote that any such claims and proceedings will have a material adverse effect on the District's financial position or result of operations.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE L - COMPONENT UNIT

This report contains the Fox Valley Technical College Foundation, Inc., which is included as a component unit. Financial information is presented as a discrete column in the statement of net position, the statement of revenues, expenses and changes in net position and the statement of cash flows.

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

1. Cash and Investments

The Foundation invests its endowment funds and excess cash with BMO Global Asset Management. Cash and investments at June 30, 2015 consist of the following:

	Cost	Fair Value	Excess of Fair Value Over Cost
BMO Global Asset Management			
Multi-strategy equity fund	\$ 5,156,425	\$ 6,259,289	\$ 1,102,864
Multi-strategy bond fund	3,113,918	3,082,566	(31,352)
Cash	156,324	156,324	-
Total Investments	<u>\$ 8,426,667</u>	<u>9,498,179</u>	<u>\$ 1,071,512</u>
Bank deposits		1,290,681	
Beneficial interest in investments held by Community Foundation		55,950	
Total Cash and Investments		<u>\$ 10,844,810</u>	

Investment income reported in the statement of revenues, expenses and changes in net position totaled \$312,793 and consisted of the following:

Market appreciation	\$ 151,298
Interest and dividend income	212,622
Change in beneficial interest in investments held by Community Foundation	(464)
Investment fees	(51,127)
Total Investment Income	<u>\$ 312,329</u>

2. Beneficial Interest in Investments Held by Community Foundation

Beneficial interest in investments held by the Community Foundation represents amounts transferred by the Foundation to the Community Foundation for the Fox Valley Region, Inc. These amounts are the legal assets of the Community Foundation with the restriction that the Community Foundation makes annual distributions to the Foundation in accordance with the Community Foundation's spending policy.

The agreement governing the assets includes a variance power allowing the Community Foundation to modify the restrictions on distributions from the funds.

Beneficial interests in investments held by the Community Foundation for the Fox Valley Region, Inc. as of June 30, 2015 totaled \$55,950.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE L - COMPONENT UNIT (Continued)

3. Promises to Give

Unconditional promises to give at June 30, 2015 are as follows:

Receivable in less than one year	\$ 463,687
Receivable in one to five years	198,110
Receivable greater than five years	<u>3,311</u>
Total unconditional promises to give	665,108
Less discount to net present value	<u>4,804</u>
Net Unconditional Promises to Give	<u><u>\$ 660,304</u></u>

Promises to give receivable in more than one year are discounted at .10% to 4%. A reserve for uncollectible amounts was deemed not necessary by management.

4. Capital Assets

Changes in capital assets for the year ended June 30, 2015 follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 682,825	\$ -	\$ -	\$ 682,825
Capital assets, being depreciated:				
Buildings	5,999,023	-	-	5,999,023
Less accumulated depreciation for:				
Buildings	1,035,561	149,975	-	<u>1,185,536</u>
Net capital assets	<u>\$ 5,646,287</u>	<u>\$ (149,975)</u>	<u>\$ -</u>	<u>\$ 5,496,312</u>

5. Long-term Debt

Long-term debt outstanding on June 30, 2015 totals \$1,815,624 and consists of the following issues:

\$715,306 notes payable to Community First Credit Union, due in monthly installments of \$13,094 including interest at 3.75% with final payment due 12/1/19	\$ 637,436
\$2,500,000 development revenue bonds, series 2007, to First National Bank, due in monthly installments of \$20,395 including interest at 5.00% with final payment due 7/1/22	1,054,688
\$680,000 notes payable to Fox Communities Credit Union, due in bi-weekly installments of \$2,645 including interest at 4.75% with final payment due 11/4/24	<u>519,988</u>
Total	2,212,112
Less amount due within one year	<u>396,488</u>
Total long-term debt	<u><u>\$ 1,815,624</u></u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Notes to Basic Financial Statements
June 30, 2015

NOTE L - COMPONENT UNIT (Continued)

Long-term debt of \$2,212,112 is expected to mature approximately as follows:

Year Ending <u>June 30,</u>	
2016	\$ 396,488
2017	408,465
2018	427,234
2019	446,882
2020	261,585
2021-2025	271,458
Total	<u><u>\$ 2,212,112</u></u>

6. Operating Leases

The Foundation leases several buildings to the District under noncancelable operating leases with automatic renewal terms. The following is a schedule by years of future minimum lease rentals under the leases as of June 30, 2015:

<u>June 30,</u>	
2016	\$ 555,604
2017	472,587
2018	469,415
2019	447,540
2020	420,030
2021	337,500
2022	337,500
2023	341,875
2024	345,000
2025	345,000
2026	345,000
2027	345,000
2028	103,750
	<u><u>\$ 4,865,801</u></u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2015

NOTE L - COMPONENT UNIT (Continued)7. Temporary and Permanently Restricted Net Position

Net position is temporarily or permanently restricted for the following purposes at June 30, 2015.

	Temporarily Restricted	Permanently Restricted	Total
Scholarships	\$ 628,408	\$ -	\$ 628,408
Activity funds	659,003	-	659,003
Instructional support	651,625	-	651,625
Endowments	603,710	2,732,553	3,336,263
	<u>\$ 2,542,746</u>	<u>\$ 2,732,553</u>	<u>\$ 5,275,299</u>

Net position was released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Scholarships	\$ 693,448
Activity funds	194,331
Instructional support	960,458
Total	<u>\$ 1,848,237</u>

NOTE M - SUBSEQUENT EVENTS

The Board of Directors authorized various expenditure budget revisions. The purpose of these revisions was to appropriately eliminate all material negative budget variances. These revisions were accomplished by reallocating among various budget classifications without affecting the total budgeted expenditures.

Subsequent to June 30, 2015, the District issued general obligation promissory notes as follows:

Date	Interest Rate	Amount	Purpose
August 3, 2015	2-3%	\$ 7,500,000	Proceeds used for building remodeling and improvements, moveable equipment and other non-building capital projects.
September 8, 2015	2-3%	1,500,000	Proceeds used for building remodeling and improvements.
October 6, 2015	2-3%	1,500,000	Proceeds used for building remodeling and improvements.
		<u>\$ 10,500,000</u>	

NOTE N - OTHER INFORMATIONCumulative Effect of Change in Accounting Principle

The District has adopted GASB Statement No. 68 *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standards recognize pension costs as employment services are provided, rather than when the pensions are funded. Financial statements for the year ended June 30, 2014, have not been restated. The cumulative effect of this change was to increase the June 30, 2015 net position of the by \$18,923,559.

REQUIRED SUPPLEMENTAL INFORMATION

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Funding Progress
Other Post-Employment Benefits
For the Year Ended June 30, 2015

Actuarial Valuation Date July 1	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability	Covered Payroll	UAAL as a Percentage of Covered Payroll
2008	\$ -	\$36,705,123	0.0%	\$36,705,123	\$50,032,000	73.4%
2010	-	36,109,820	0.0%	36,109,820	56,440,000	64.0%
2012	-	19,196,367	0.0%	19,196,367	57,433,000	33.4%
2014	-	18,949,124	0.0%	19,196,367	56,780,137	33.8%

See Notes to Required Supplemental Information

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Employer Contributions
Other Post-Employment Benefits
For the Year June 30, 2015

Year Ended June 30,	Employer Contributions	Annual Required Contribution	Percentage Contributed
2010	\$ 2,379,000	\$ 3,802,058	62.57%
2011	2,891,613	3,640,389	79.43%
2012	3,504,388	3,705,667	94.57%
2013	2,759,684	1,126,702	244.93%
2014	2,668,669	1,002,277	266.26%
2015	3,319,570	1,092,799	303.77%

See Notes to Required Supplemental Information

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Proportionate Share of the Net Pension Asset
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Proportion of the net pension asset	0.42422%
Proportionate share of the net pension asset	\$(10,419,944)
Covered-employee payroll	58,054,078
Plan fiduciary net position as a percentage of the total pension asset	102.74%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See Notes to Required Supplementary Information.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Schedule of Contributions
Wisconsin Retirement System
Last 10 Fiscal Years*

	2015
Contractually required contributions	\$ 4,050,896
Contributions in relation to the contractually required contributions	4,050,896
Contribution deficiency (excess)	-
Covered-employee payroll	58,054,078
Contributions as a percentage of covered-employee payroll	6.98%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See Notes to Required Supplementary Information.

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Notes to Required Supplemental Information
For the Year Ended June 30, 2015

NOTE A - GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

The District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions - *An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68* for the fiscal year ended June 30, 2015. Information for prior years is not available.

NOTE B - SCHEDULE OF FUNDING PROGRESS

There have been no changes in actuarial assumptions that have a significant effect on the amounts presented in the schedule of funding progress for one year compared to the information presented for prior years.

Certain plan provisions were changed which affect plan benefits for those employees who retire on July 1, 2014 and after which lowered the District's Actuarial Accrued Liability as noted in the Schedule of Funding Progress.

SUPPLEMENTAL INFORMATION

The following supplemental 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 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.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 18,903,002	\$ 19,347,882	\$ 19,622,472	\$ -	\$ 19,622,472	\$ 274,590
Intergovernmental revenue						
State	40,430,525	39,196,472	38,720,865	-	38,720,865	(475,607)
Federal	25,000	25,000	23,489	-	23,489	(1,511)
Tuition and fees						
Statutory program fees	21,769,180	21,855,209	20,360,401	-	20,360,401	(1,494,808)
Material fees	1,331,183	1,331,183	1,295,354	-	1,295,354	(35,829)
Other student fees	2,082,106	2,082,106	1,608,703	-	1,608,703	(473,403)
Institutional	523,000	523,311	540,147	-	540,147	16,836
Total Revenues	85,063,996	84,361,163	82,171,431	-	82,171,431	(2,189,732)
Expenditures						
Instruction	53,139,418	53,048,752	50,465,361	(169,463)	50,295,898	2,752,854
Instructional resources	894,258	879,159	838,452	(3,725)	834,727	44,432
Student services	6,154,133	6,322,421	5,367,121	41,761	5,408,882	913,539
General institutional	18,331,757	17,911,655	16,500,174	(10,996)	16,489,178	1,422,477
Physical plant	6,473,632	6,481,410	5,945,216	346,030	6,291,246	190,164
Total Expenditures	84,993,198	84,643,397	79,116,324	203,607	79,319,931	5,323,466
Excess (Deficiency) of Revenues Over Expenditures	70,798	(282,234)	3,055,107	(203,607)	2,851,500	3,133,734
Other Financing Sources (Uses)						
Transfers in	789,269	793,459	811,702	-	811,702	18,243
Transfers out	(1,494,591)	(287,745)	(287,745)	-	(287,745)	-
Total Other Financing Sources (Uses)	(705,322)	505,714	523,957	-	523,957	18,243
Net Change in Fund Balance	(634,524)	223,480	3,579,064	(203,607)	3,375,457	3,151,977
Fund Balance - July 1, 2014	24,667,255	24,667,255	24,955,236	(287,981)	24,667,255	-
Fund Balance - June 30, 2015	\$ 24,032,731	\$ 24,890,735	\$ 28,534,300	\$ (491,588)	\$ 28,042,712	\$ 3,151,977
Fund Balance						
Reserved for encumbrances			\$ 491,588			
Reserved for prepaid items			187,962			
Unreserved fund balance						
Designated for state aid fluctuations			1,211,156			
Designated for subsequent year expenses			6,813,620			
Designated for operations			19,829,974			
			<u>\$ 28,534,300</u>			

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than for 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:

Aidable Fund – The operating fund is used to account for the proceeds from specific revenue sources other than non-aidable funds that are legally restricted as to expenditures for specific purposes. This fund includes grants, technical assistance contracts, and contracted instructional services to business and industry.

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Special Revenue Aidable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 1,317,607	\$ 1,319,735	\$ 1,304,156	\$ -	\$ 1,304,156	\$ (15,579)
Intergovernmental revenue						
State	628,517	2,540,852	2,510,208	-	2,510,208	(30,644)
Federal	12,831,707	13,330,234	12,613,071	-	12,613,071	(717,163)
Tuition and fees						
Statutory program fees	203,657	200,515	128,764	-	128,764	(71,751)
Material fees	29,660	27,774	23,152	-	23,152	(4,622)
Other student fees	744,654	687,098	583,289	-	583,289	(103,809)
Institutional	7,913,988	7,803,373	9,255,313	-	9,255,313	1,451,940
Total Revenues	23,669,790	25,909,581	26,417,953	-	26,417,953	508,372
Expenditures						
Instruction	20,302,977	21,682,343	21,538,234	(272,243)	21,265,991	416,352
Student services	1,512,620	2,208,508	2,207,572	(90)	2,207,482	1,026
General institutional	733,397	866,144	832,393	-	832,393	33,751
Physical plant	549,272	537,272	486,771	24,264	511,035	26,237
Total Expenditures	23,098,266	25,294,267	25,064,970	(248,069)	24,816,901	477,366
Excess of Revenues Over Expenditures	571,524	615,314	1,352,983	248,069	1,601,052	985,738
Other Financing Sources (Uses)						
Transfers in	217,745	217,745	217,745	-	217,745	-
Transfers out	(789,269)	(833,059)	(838,834)	-	(838,834)	(5,775)
Total Other Financing Sources (Uses)	(571,524)	(615,314)	(621,089)	-	(621,089)	(5,775)
Net Change in Fund Balance	-	-	731,894	248,069	979,963	979,963
Fund Balance - July 1, 2014	563,360	563,360	906,840	(343,480)	563,360	-
Fund Balance - June 30, 2015	\$ 563,360	\$ 563,360	\$ 1,638,734	\$ (95,411)	\$ 1,543,323	\$ 979,963
Fund Balance						
Reserved for encumbrances			\$ 95,411			
Reserved for prepaid items			23,783			
Unreserved fund balance						
Designated for operations			1,519,540			
			<u>\$ 1,638,734</u>			

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Special Revenue Non-Aidable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 153,612	\$ 153,612	\$ 117,543	\$ -	\$ 117,543	\$ (36,069)
Intergovernmental revenue						
State	1,758,500	1,758,500	1,832,709	-	1,832,709	74,209
Federal	35,350,836	35,350,836	29,070,649	-	29,070,649	(6,280,187)
Tuition and fees						
Other student fees	2,170,550	2,170,550	2,048,492	-	2,048,492	(122,058)
Institutional	1,243,189	1,243,189	1,512,367	-	1,512,367	269,178
Total Revenues	40,676,687	40,676,687	34,581,760	-	34,581,760	(6,094,927)
Expenditures						
Student services	40,276,553	40,533,654	34,120,263	281,185	34,401,448	6,132,206
General institutional	400,134	423,600	406,507	-	406,507	17,093
Total Expenditures	40,676,687	40,957,254	34,526,770	281,185	34,807,955	6,149,299
Excess (Deficiency) of Revenues Over Expenditures	-	(280,567)	54,990	(281,185)	(226,195)	54,372
Other Financing Uses						
Transfers out	-	(59,433)	(78,116)	-	(78,116)	(18,683)
Net Change in Fund Balance	-	(340,000)	(23,126)	(281,185)	(304,311)	35,689
Fund Balance - July 1, 2014	1,328,678	1,328,678	1,329,402	(724)	1,328,678	-
Fund Balance - June 30, 2015	\$ 1,328,678	\$ 988,678	\$ 1,306,276	\$ (281,909)	\$ 1,024,367	\$ 35,689
Fund Balance						
Reserved for student financial assistance			\$ 270,596			
Reserved for student organizations			753,771			
Reserved for encumbrances			281,909			
			<u>\$ 1,306,276</u>			

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition of sites, building construction, remodeling or improvement and major equipment (other than those financed by enterprise funds and trust funds).

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Intergovernmental revenue						
State	\$ 57,350	\$ 71,699	\$ 74,123	\$ -	\$ 74,123	\$ 2,424
Federal	99,000	123,800	499,221	-	499,221	375,421
Institutional	56,787	118,767	134,976	-	134,976	16,209
Total Revenues	<u>213,137</u>	<u>314,266</u>	<u>708,320</u>	<u>-</u>	<u>708,320</u>	<u>394,054</u>
Expenditures						
Instruction	3,919,454	3,994,091	4,125,874	(134,991)	3,990,883	3,208
Instructional resources	281,600	237,678	242,538	(14,666)	227,872	9,806
Student services	79,547	79,547	74,540	-	74,540	5,007
General institutional	1,770,349	1,984,106	1,768,414	(72,593)	1,695,821	288,285
Physical plant	12,136,308	15,114,594	12,331,874	1,411,726	13,743,600	1,370,994
Total Expenditures	<u>18,187,258</u>	<u>21,410,016</u>	<u>18,543,240</u>	<u>1,189,476</u>	<u>19,732,716</u>	<u>1,677,300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,974,121)</u>	<u>(21,095,750)</u>	<u>(17,834,920)</u>	<u>(1,189,476)</u>	<u>(19,024,396)</u>	<u>2,071,354</u>
Other Financing Sources (Uses)						
Transfers in	-	99,033	86,565	-	86,565	(12,468)
Transfers out	(548,656)	(548,656)	(522,524)	-	(522,524)	26,132
Long-term debt issued	11,400,000	12,700,000	12,700,000	-	12,700,000	-
Total Other Financing Sources (Uses)	<u>10,851,344</u>	<u>12,250,377</u>	<u>12,264,041</u>	<u>-</u>	<u>12,264,041</u>	<u>13,664</u>
Net Change in Fund Balance	<u>(7,122,777)</u>	<u>(8,845,373)</u>	<u>(5,570,879)</u>	<u>(1,189,476)</u>	<u>(6,760,355)</u>	<u>2,085,018</u>
Fund Balance - July 1, 2014	<u>9,657,088</u>	<u>9,657,088</u>	<u>10,489,426</u>	<u>(832,338)</u>	<u>9,657,088</u>	<u>-</u>
Fund Balance - June 30, 2015	<u>\$ 2,534,311</u>	<u>\$ 811,715</u>	<u>\$ 4,918,547</u>	<u>\$ (2,021,814)</u>	<u>\$ 2,896,733</u>	<u>\$ 2,085,018</u>
Fund Balance						
Reserved for encumbrances			\$ 2,021,814			
Unreserved			<u>2,896,733</u>			
			<u>\$ 4,918,547</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.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 15,427,396	\$ 16,634,242	\$ 16,634,242	\$ -	\$ 16,634,242	\$ -
Institutional	28,204	28,204	13,441	-	13,441	(14,763)
Total Revenues	15,455,600	16,662,446	16,647,683	-	16,647,683	(14,763)
Expenditures						
Physical plant	19,378,862	19,408,057	19,392,513	-	19,392,513	15,544
Excess (Deficiency) of Revenues Over Expenditures	(3,923,262)	(2,745,611)	(2,744,830)	-	(2,744,830)	781
Other Financing Sources						
Transfers in	1,755,502	548,656	522,524	-	522,524	(26,132)
Debt premium received	166,950	196,145	853,651	-	853,651	657,506
Total Other Financing Sources	1,922,452	744,801	1,376,175	-	1,376,175	631,374
Net Change in Fund Balance	(2,000,810)	(2,000,810)	(1,368,655)	-	(1,368,655)	632,155
Fund Balance - July 1, 2014	19,311,614	19,311,614	19,311,614	-	19,311,614	-
Fund Balance - June 30, 2015	<u>\$ 17,310,804</u>	<u>\$ 17,310,804</u>	<u>\$ 17,942,959</u>	<u>\$ -</u>	<u>\$ 17,942,959</u>	<u>\$ 632,155</u>
Fund Balance Reserved for debt service			<u>\$ 17,942,959</u>			

ENTERPRISE FUNDS

The Enterprise Funds are used to account for activities where the intent of the District is that the costs of providing goods or services on a continuing basis be financed or recovered primarily through fees charged to the users of the goods or services. The operations of the District's food service and child care center, as well as various other minor services are accounted for in the enterprise funds.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Enterprise Funds Schedule of Revenues, Expenditures and Changes in Net Position -
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Federal	\$ 25,000	\$ 25,000	\$ 49,599	\$ -	\$ 49,599	\$ 24,599
Institutional	277,262	22,640	59,129	-	59,129	36,489
Auxiliary revenue	3,304,184	3,552,806	3,144,119	-	3,144,119	(408,687)
Total Revenues	3,606,446	3,600,446	3,252,847	-	3,252,847	(347,599)
Expenditures						
Auxiliary services	3,578,312	3,568,312	3,114,822	-	3,114,822	453,490
Excess (Deficiency) of Revenues Over Expenditures	28,134	32,134	138,025	-	138,025	105,891
Other Financing Sources						
Transfers in	-	-	18,683	-	18,683	18,683
Net Change in Fund Balance	28,134	32,134	156,708	-	156,708	124,574
Net Position - July 1, 2014	510,147	510,147	510,147	-	510,147	-
Net Position - June 30, 2015	<u>\$ 538,281</u>	<u>\$ 542,281</u>	<u>\$ 666,855</u>	<u>\$ -</u>	<u>\$ 666,855</u>	<u>\$ 124,574</u>
Net Position						
Unrestricted net position			<u>\$ 666,855</u>			

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis. The District has two internal service funds:

Health and Dental Insurance Fund – This fund is used to account for all collections and claim payments related to the District's health and dental self-insurance programs.

Printing Services Fund – This fund is used to account for the accumulation and allocation of costs associated with printing and copying.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Internal Service Funds Schedule of Revenues, Expenditures and Changes in Net Position -
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Institutional	\$ 15,719	\$ 15,719	\$ 41,614	\$ -	\$ 41,614	\$ 25,895
Auxiliary revenue	18,888,580	18,685,552	16,709,623	-	16,709,623	(1,975,929)
Total Revenues	18,904,299	18,701,271	16,751,237	-	16,751,237	(1,950,034)
Expenditures						
Auxiliary services	18,985,693	18,782,665	15,297,822	-	15,297,822	3,484,843
Excess (Deficiency) of Revenues Over Expenditures	(81,394)	(81,394)	1,453,415	-	1,453,415	1,534,809
Other Financing Sources						
Transfers in	70,000	70,000	70,000	-	70,000	-
Net Change in Fund Balance	(11,394)	(11,394)	1,523,415	-	1,523,415	1,534,809
Net Position - July 1, 2014	6,913,517	6,913,517	6,913,517	-	6,913,517	-
Net Position - June 30, 2015	<u>\$ 6,902,123</u>	<u>\$ 6,902,123</u>	<u>\$ 8,436,932</u>	<u>\$ -</u>	<u>\$ 8,436,932</u>	<u>\$ 1,534,809</u>
Net Position						
Unrestricted net position - reserved for self-insurance			\$ 8,391,067			
Unrestricted net position - print services			45,865			
Total Net Position			<u>\$ 8,436,932</u>			

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis
Financial Statements to Basic Financial Statements
For the Year Ended June 30, 2015

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund
Revenues				
Local government - tax levy	\$ 19,622,472	\$ 1,304,156	\$ 117,543	\$ -
Intergovernmental revenue				
State	38,720,865	2,510,208	1,832,709	74,123
Federal	23,489	12,613,071	29,070,649	499,221
Tuition and fees				
Statutory program fees	20,360,401	128,764	-	-
Material fees	1,295,354	23,152	-	-
Other student fees	1,608,703	583,289	2,048,492	-
Institutional	540,147	9,255,313	1,512,367	134,976
Auxiliary revenue	-	-	-	-
Total Revenues	82,171,431	26,417,953	34,581,760	708,320
Expenditures				
Instruction	50,295,898	21,265,991	-	3,990,883
Instructional resources	834,727	-	-	227,872
Student services	5,408,882	2,207,482	34,401,448	74,540
General institutional	16,489,178	832,393	406,507	1,695,821
Physical plant	6,291,246	511,035	-	13,743,600
Auxiliary services	-	-	-	-
Depreciation	-	-	-	-
Student aid	-	-	-	-
Total Expenditures	79,319,931	24,816,901	34,807,955	19,732,716
Excess (Deficiency) of Revenues Over Expenditures	2,851,500	1,601,052	(226,195)	(19,024,396)
Other Financing Sources (Uses)				
Transfers in	811,702	217,745	-	86,565
Transfers out	(287,745)	(838,834)	(78,116)	(522,524)
Long-term debt issued	-	-	-	12,700,000
Debt premium issued	-	-	-	-
Total Other Financing Sources (Uses)	523,957	(621,089)	(78,116)	12,264,041
Net Change in Fund Balances	3,375,457	979,963	(304,311)	(6,760,355)
Capital contributions	-	-	-	-
Cumulative change in accounting principle	-	-	-	-
Fund Balances/Net Position - July 1, 2014	24,667,255	563,360	1,328,678	9,657,088
Fund Balances/Net Position - June 30, 2015	\$ 28,042,712	\$ 1,543,323	\$ 1,024,367	\$ 2,896,733

Debt Service Fund	Enterprise Funds	Internal Service Fund	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position	
\$ 16,634,242	\$ -	\$ -	\$ 37,678,413	\$ -	\$ 37,678,413	
-	-	-	43,137,905	-	43,137,905	(1)
-	49,599	-	42,256,029	-	42,256,029	(2)
-	-	-	20,489,165	(10,803,674)	9,685,491	
-	-	-	1,318,506	(695,231)	623,275	
-	-	-	4,240,484	(2,235,953)	2,004,531	
13,441	59,129	41,614	11,556,987	46,785	11,603,772	(3)
-	3,144,119	16,709,623	19,853,742	(16,709,623)	3,144,119	
16,647,683	3,252,847	16,751,237	180,531,231	(30,397,696)	150,133,535	
-	-	-	75,552,772	(4,633,804)	70,918,968	
-	-	-	1,062,599	(38,381)	1,024,218	
-	-	-	42,092,352	(33,060,407)	9,031,945	
-	-	-	19,423,899	(1,209,647)	18,214,252	
19,392,513	-	-	39,938,394	(30,087,969)	9,850,425	(4)
-	3,114,822	15,297,822	18,412,644	(15,380,744)	3,031,900	
-	-	-	-	8,852,471	8,852,471	
-	-	-	-	18,703,311	18,703,311	
19,392,513	3,114,822	15,297,822	196,482,660	(56,855,170)	139,627,490	
(2,744,830)	138,025	1,453,415	(15,951,429)	26,457,474	10,506,045	
522,524	18,683	70,000	1,727,219	(1,727,219)	-	
-	-	-	(1,727,219)	1,727,219	-	
-	-	-	12,700,000	(12,700,000)	-	
853,651	-	-	853,651	(853,651)	-	
1,376,175	18,683	70,000	13,553,651	(13,553,651)	-	
(1,368,655)	156,708	1,523,415	(2,397,778)	12,903,823	10,506,045	
-	-	-	-	108,105	108,105	
-	-	-	-	18,923,559	18,923,559	
19,311,614	510,147	6,913,517	62,951,659	25,051,729	88,003,388	
\$ 17,942,959	\$ 666,855	\$ 8,436,932	\$ 60,553,881	\$ 56,987,216	\$ 117,541,097	(5)

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements
To Basic Financial Statements
For the Year Ended June 30, 2015

Budgets and Budgetary Accounting

Annual budgets are adopted for all funds in accordance with the requirements of the Wisconsin Technical College System Board. The District's fund structure used in preparation of the basic financial statements is different than the fund structure used for budgetary accounting. In addition, the annual budgets are prepared on a different basis from the basic financial statements. The principal difference is that encumbrances outstanding at the end of the year are recorded as expenditures, as legally prescribed. Also, the District's annual budget does not incorporate changes related to GASB Statements No. 34, 35, 37, 38, 68 and 71. The District follows these procedures in establishing the budgetary data reflected in the supplementary information section of this report.

The District follows the procedures listed below in adopting annual budgets for all funds in accordance with legal requirements.

- a. District administration submits their annual budget to the District Board for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
- b. A public notice is published containing a summary of the budget and identifying the time and place where a public hearing will be held on the proposed budget. Public hearings are subsequently held on the proposed budget to obtain taxpayer comments.
- c. Prior to July 1, the District's budget is legally enacted through approval by the District Board in accordance with State Statute 38.12.
- d. Budgets included in the supplementary information section of this report detail the originally approved and final budgets. Budget amendments 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 a vote of two-thirds of the entire membership of the District Board and a Class 1 public notice published in the District's official newspaper within 10 days according to Wisconsin Statutes. Budget amendments were authorized by the District Board during the year. Budget appropriations not expended during the year are closed to fund balance unless authorized by the District Board to be forwarded into the succeeding year's budget.
- f. Management exercises control over budgeted expenditures by fund and function (e.g., instruction and instructional resources), as presented in the supplementary information section of this report. Expenditures may not exceed funds available or appropriated.

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements
To Basic Financial Statements
For the Year Ended June 30, 2015

Budgets and Budgetary Accounting (Continued)

The District did not have any major violation of legal or contractual provisions for the fiscal year ended June 30, 2015.

- (1) State grants revenue is presented on the basic financial statements as follows:

Operating	\$ 4,633,935
Non-operating	38,503,970
	<u>\$ 43,137,905</u>

- (2) Federal grants revenue is presented on the basic financial statements as follows:

Operating	<u>\$ 42,256,029</u>
-----------	----------------------

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

Contract revenue	\$ 8,739,656
Miscellaneous revenue	2,561,203
Gain (loss) on sale of capital assets	46,785
Investment income earned	256,128
	<u>\$ 11,603,772</u>

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

Physical plant	\$ 7,481,397
Interest expense	2,191,703
Bond issuance costs	177,325
	<u>\$ 9,850,425</u>

- (5) Reconciliation of budgetary basis fund balance and net position as presented in the basic financial statements:

Budgetary basis fund balance	<u>\$ 60,553,881</u>
Adjustments	
General capital assets - cost	199,417,730
Accumulated depreciation on general capital assets	(65,435,228)
General obligation debt	(94,295,000)
Bond premium	(5,816,628)
Capital lease obligations	(225,677)
Long-term portion of retiree health insurance asset	1,732,497
Accrued interest on debt payable	(236,315)
Net pension asset	10,419,944
Deferred outflows related to pension	8,547,452
Deferred inflows related to pension	(12,281)
Encumbrances outstanding at year end	2,890,722
Total Adjustments	<u>56,987,216</u>
Net Position per basic financial statements	<u>\$ 117,541,097</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the District's comprehensive annual financial report presents detailed information 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 – these schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity – these schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity – these schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information – these schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information – these schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

Column Headings: The columns headed "Year" in this section refer to the District's fiscal year (July 1 to June 30). Certain data included in this section is only available on a calendar-year basis; and if calendar-year data is presented, it is disclosed in the notes to the specific statements or schedule included in this section.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Schedule of Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net investment in capital assets	\$49,444,803	\$44,696,782	\$39,705,591	\$39,365,161	\$34,191,036	\$30,152,151	\$29,423,558	\$28,107,820	\$21,131,200	\$18,319,559
Restricted for debt service ^(a)	17,053,774	17,186,849	17,015,573	12,562,115	12,724,346	13,317,804	9,725,502	7,739,948	8,298,110	6,361,029
Restricted for pension benefits ^(b)	18,955,115	-	-	-	-	-	-	-	-	-
Unrestricted	32,087,405	26,119,757	24,733,666	22,186,705	24,036,456	10,021,971	11,851,443	4,348,196	3,293,632	6,886,794
Total Net Position	\$117,541,097	\$88,003,388	\$81,454,830	\$74,113,981	\$70,951,838	\$53,491,926	\$51,000,503	\$40,195,964	\$32,722,942	\$31,567,382

Notes:

(a) Prior to 2012, the District reported property taxes levied for principal and interest payments due from July 1 through December 31st as deferred revenue. In early implementing the new GASB standards on June 30, 2012 the District recognized these as revenues in the year levied; therefore, the prior year's restricted for debt service amount was restated to reflect this change.

(b) The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB statement No. 68* for the year ended June 30, 2015. The District is part of a cost-sharing multiple-employer defined benefit pension plan administered and funds held by the Wisconsin Retirement System (WRS). Information for prior years is not available.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

**Schedule of Changes in Net Position
Last Ten Fiscal Years**

(accrual basis of accounting)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating Revenues										
Student program fees (net of scholarship allowances)	\$9,685,491	\$10,575,379	\$9,663,635	\$9,735,842	\$9,855,269	\$9,063,644	\$9,028,130	\$8,549,654	\$8,295,946	\$7,670,063
Student material fees (net of scholarship allowances)	623,275	664,450	603,183	633,117	648,301	621,473	660,742	626,555	665,649	656,440
Other student fees (net of scholarship allowances)	2,004,531	2,313,664	2,190,272	2,101,877	2,224,262	2,126,423	2,281,580	2,210,153	2,038,184	1,794,174
Federal grants	42,256,029	46,680,639	48,201,924	50,536,747	50,358,595	38,393,205	29,611,240	26,443,793	27,974,575	26,035,191
State grants	4,633,935	4,999,264	5,070,732	4,958,859	4,868,933	4,078,736	3,737,188	3,239,258	3,116,622	2,933,269
Contract revenue	8,739,656	7,318,793	7,093,356	6,206,678	5,920,890	5,672,323	6,383,011	6,613,301	6,088,279	6,190,656
Auxiliary enterprise revenues	3,144,119	2,890,284	3,015,704	2,949,466	3,006,031	2,647,818	2,474,138	2,535,900	2,413,752	2,515,847
Miscellaneous	2,561,203	2,522,060	2,868,615	2,083,876	2,366,071	1,538,521	1,688,705	1,370,601	1,330,016	1,172,612
Total operating revenues	\$73,648,239	\$77,964,533	\$78,707,421	\$79,206,462	\$79,248,352	\$64,142,143	\$55,864,734	\$51,589,215	\$51,923,023	\$48,968,252
Operating Expenses										
Instruction	\$70,918,968	\$75,322,588	\$74,561,811	\$76,292,582	\$79,525,720	\$74,367,386	\$70,213,397	\$67,487,202	\$69,007,025	\$62,916,375
Instructional resources	1,024,218	1,221,049	1,270,111	1,019,218	1,359,909	1,739,545	1,675,096	1,523,990	1,566,890	1,394,128
Student services	9,031,945	10,316,698	10,080,334	10,011,291	9,463,103	8,384,457	7,626,729	7,911,455	7,715,173	7,204,563
General institutional	18,214,252	17,457,111	18,159,304	16,739,317	16,034,205	14,731,671	13,279,771	12,591,255	14,672,470	11,286,355
Physical plant	7,481,397	8,908,582	5,592,058	7,318,874	7,342,459	6,753,122	6,247,064	6,307,013	5,777,715	6,372,207
Auxiliary enterprise services	3,031,900	2,994,348	3,077,768	3,114,283	3,193,360	2,693,083	2,386,914	2,455,490	2,538,294	2,348,639
Depreciation	8,852,471	7,408,223	6,755,320	6,867,483	6,352,326	6,014,521	5,424,617	4,902,488	4,840,921	4,603,052
Student aid	18,703,311	21,035,070	23,716,759	24,929,215	23,866,346	13,137,284	9,358,669	7,510,222	6,564,270	6,363,910
Total operating expenses	\$137,258,462	\$144,663,669	\$143,213,465	\$146,292,263	\$147,137,428	\$127,821,069	\$116,212,257	\$110,689,115	\$112,682,758	\$102,489,229
Operating loss	(\$63,610,223)	(\$66,699,136)	(\$64,506,044)	(\$67,085,801)	(\$67,889,076)	(\$63,678,926)	(\$60,347,523)	(\$59,099,900)	(\$60,759,734)	(\$53,520,977)
Nonoperating Revenues/(Expenses)										
Property taxes	\$37,678,413	\$65,630,953	\$64,193,987	\$59,808,571	\$59,834,714	\$54,219,184	\$54,197,948	\$54,382,728	\$49,391,324	\$47,074,803
State operating appropriations	38,503,970	9,422,101	9,261,977	9,496,084	13,132,966	12,573,737	12,163,947	12,491,853	12,768,301	12,015,893
Gain (loss) on sale of capital assets	46,785	56,327	203,761	363,631	73,170	(21,919)	7,599	53,001	177,453	(45,946)
Investment income earned	256,128	301,152	165,837	201,802	186,658	328,476	1,108,376	1,674,903	1,711,201	1,060,260
Interest expense	(2,191,703)	(2,261,785)	(1,624,079)	(836,353)	(1,351,381)	(1,504,067)	(1,839,924)	(2,029,563)	(2,132,984)	(2,093,848)
Debt issuance costs ^(a)	(177,325)	(215,850)	(667,122)	(108,238)	-	-	-	-	-	-
Total nonoperating revenues/(expenses)	\$74,116,268	\$72,932,898	\$71,534,361	\$68,925,497	\$71,876,127	\$65,595,411	\$65,637,946	\$66,572,922	\$61,915,295	\$58,011,163
Income before Capital Contributions	\$10,506,045	\$6,233,762	\$7,028,317	\$1,839,696	\$3,987,051	\$1,916,485	\$5,290,423	\$7,473,022	\$1,155,560	\$4,490,186
Capital Contributions	108,105	314,796	312,532	1,579,960	402,211	-	-	-	-	-
Change in Net Position	\$10,614,150	\$6,548,558	\$7,340,849	\$3,419,656	\$4,389,262	\$1,916,485	\$5,290,423	\$7,473,022	\$1,155,560	\$4,490,186

Notes:

(a) The District implemented GASB 65 in fiscal year ended June 30, 2012

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$1,000 of equalized value)

Fiscal Year	FVTC			Overlapping Rates ^(a)						
	Operational ^(b)	Debt Service	Total	County	Local ^(c)	Other School Districts	State	Gross Total	State Tax Relief	Net Tax Rate
2006	1.50	0.20	1.70	5.18	4.96	8.31	0.20	20.35	(1.10)	19.25
2007	1.50	0.18	1.68	5.10	4.83	8.01	0.20	19.82	(1.29)	18.52
2008	1.50	0.17	1.67	5.11	4.69	8.14	0.20	19.81	(1.38)	18.43
2009	1.50	0.18	1.68	5.08	4.79	8.10	0.20	19.85	(1.45)	18.40
2010	1.50	0.22	1.72	5.22	4.93	8.71	0.20	20.78	(1.42)	19.36
2011	1.50	0.28	1.78	5.37	5.08	9.18	0.20	21.61	(1.43)	20.18
2012	1.50	0.29	1.79	5.46	5.21	9.16	0.20	21.82	(1.45)	20.37
2013	1.50	0.47	1.97	5.59	5.34	9.43	0.20	22.53	(1.50)	21.03
2014	1.50	0.47	1.97	5.54	5.41	9.54	0.20	22.66	(1.50)	21.16
2015	0.62	0.50	1.12	5.57	5.46	9.71	0.20	22.06	(1.49)	20.58

Source: Wisconsin Department of Revenue, Division of State and Local Finance, Bureau of Local Government Services.

Notes:

(a) Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all property owners within the District. For example, the county rate is made up of the rates for parts of Calumet, Outagamie, Waupaca, Waushara, and Winnebago Counties. The individual county rates apply only to the property owners within each of those counties. These overlapping tax rates are an average of the rates for each municipality making up the detail in this column since each government can have a different rate.

(b) Years up to FY2014: The operational property tax levies for all funds, except the debt service fund. This rate may not exceed \$1.50000 per s.38.16 of Wisconsin State Statutes.

FY2015: growth in the sum of operating levy plus property tax relief aid is limited to the district's valuation factor (percentage change in net new construction)

(c) Cities, towns, villages, and other special taxing districts (e.g., utility districts).

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Equalized Value of Taxable Property

Last Ten Fiscal Years

(in thousands of dollars)

Year Ended December 31	Residential	Commercial	Manufacturing	Other	Personal Property	TID's	Total Equalized Value ^(a)	Total District Equalized Value ^(b)	Tax Rate ^(c)
2005	\$21,180,588	\$5,149,931	\$1,342,328	\$1,286,104	\$874,596	(\$987,428)	\$28,846,119	\$28,689,658	1.69968
2006	22,773,443	5,497,482	1,363,183	1,343,526	929,128	(1,128,974)	30,777,788	30,603,085	1.67573
2007	23,806,333	5,972,364	1,428,898	1,424,370	923,837	(1,303,355)	32,252,446	32,076,058	1.66956
2008	24,593,374	6,329,331	1,492,674	1,555,321	1,039,342	(1,373,400)	33,636,641	33,441,678	1.68253
2009	24,718,058	6,382,332	1,474,662	1,598,961	1,029,558	(1,229,605)	33,973,965	33,793,328	1.71542
2010	24,450,482	6,434,874	1,435,429	1,590,763	1,006,876	(1,178,100)	33,740,324	33,560,983	1.77947
2011	24,364,277	6,283,649	1,452,942	1,596,386	959,134	(1,164,908)	33,491,480	33,353,718	1.79053
2012	23,731,700	6,214,341	1,427,475	1,563,461	953,042	(1,164,908)	32,725,111	32,558,306	1.96941
2013	23,737,066	6,289,393	1,441,343	1,583,619	1,003,784	(1,089,854)	32,965,350	32,786,202	1.97347
2014	24,252,750	6,294,309	1,437,216	1,594,514	994,736	(1,123,731)	33,449,794	33,265,574	1.12397

Source: Wisconsin Department of Revenue, Bureau of Property Tax

Notes:

(a) Equalized value information for the counties of Calumet, Outagamie, Waupaca, Waushara, and Winnebago.

(b) The District also encompasses portions of Brown, Manitowoc, Portage, and Shawano counties.

(c) Tax rates are shown per \$1,000 of FVTC equalized value.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Principal Property Taxpayers Current Year and Nine Years Ago

Taxpayer	2014			2005		
	Equalized Valuation	Rank	Percentage of Total Equalized Valuation	Equalized Valuation	Rank	Percentage of Total Equalized Valuation
Fox River Shopping Center	\$83,643,000	1	0.24%	\$79,197,904	2	0.27%
Dumke & Associates	66,324,685	2	0.19%	-	-	-
Kimberly Clark	63,966,878	3	0.19%	130,347,064	1	0.44%
Thomas Wright Enterprises (Outagamie County)	63,962,500	4	0.19%	47,057,934	5	0.16%
R. Winters Associates	61,503,700	5	0.18%	42,499,222	9	0.14%
Midwest Realty (Security Homes Inc.)	57,604,509	6	0.17%	60,918,742	3	0.21%
Oshkosh Truck Corp.	49,874,981	7	0.15%	-	-	-
Pfefferle Investments	48,975,900	8	0.14%	39,186,331	10	0.13%
Thomas N. Rusch et al.	47,585,274	9	0.14%	43,453,897	7	0.15%
Bergstrom (Winnebago County)	47,573,366	10	0.14%	-	-	-
International Papers Thilmany Division	-	-	-	47,827,377	4	0.16%
Curwood, Inc. (Bemis)	-	-	-	45,913,378	6	0.15%
NewPage(formally Stora Enso)	-	-	-	42,759,608	8	0.14%
Total	<u>\$591,014,793</u>		<u>1.72%</u>	<u>\$579,161,457</u>		<u>1.95%</u>
Total equalized property valuation for the District (TID In)	\$34,395,417,121			\$29,680,854,877		

Source: Outagamie, Waupaca and Winnebago Counties, and Municipality Official Statements. Provided by R. W. Baird & Co., Inc.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Property Tax Levies and Collections^(a)

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Total Collections to Date ^(b)	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2006	\$48,763,182	\$37,399,133	76.70%	\$48,763,182	100.00%
2007	51,282,355	38,589,985	75.25%	51,282,355	100.00%
2008	53,552,838	40,081,811	74.85%	53,552,838	100.00%
2009	56,226,559	41,506,188	73.82%	56,226,559	100.00%
2010	57,969,724	42,554,143	73.41%	57,969,724	100.00%
2011	59,720,691	43,914,226	73.53%	59,720,691	100.00%
2012	59,720,691	44,179,875	73.98%	59,720,691	100.00%
2013	64,120,652	47,931,799	74.75%	64,120,652	100.00%
2014	64,702,517	48,636,733	75.17%	64,702,517	100.00%
2015 ^(c)	37,389,471	28,255,943	75.57%	37,389,471	100.00%

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 settle with the other taxing units, such as counties, technical colleges, and local school districts. 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 treasurers, who then settle 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, the District 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) Full levy typically collected in mid-August.

(c) On March 24, 2014, Wisconsin Governor Scott Walker signed 2013 Wisconsin Act 145. The Act shifted a portion of funding from property taxes levied by the District to a State Aid payment. The total impact across the State will amount to approximately \$406 million of property tax relief.

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Ratio of Net Debt to Equalized Valuation and Debt per Capita
Last Ten Fiscal Years

Fiscal Year	Population ^(a)	Equalized Valuation^(b)	Outstanding Debt^(c)	Less Amounts Available^(d)	Net Debt Outstanding	Percent of Net Debt to Equalized Valuation	Debt per Capita
2006	447,249	\$28,689,658,127	\$47,922,843	\$6,361,029	\$41,561,814	0.14%	\$92.93
2007	450,639	30,603,084,944	46,247,112	8,298,110	37,949,002	0.12%	84.21
2008	453,206	32,076,057,556	41,141,946	7,739,948	33,401,998	0.10%	73.70
2009	455,565	33,441,677,759	38,767,089	9,725,502	29,041,587	0.09%	63.75
2010	457,464	33,793,327,840	38,028,710	13,317,804	24,710,906	0.07%	54.02
2011	458,949	33,560,983,112	36,495,661	12,724,346	23,771,315	0.07%	51.80
2012	460,126	33,353,717,586	33,596,483	12,562,115	21,034,368	0.06%	45.71
2013	461,299	32,558,306,438	98,278,624	17,015,573	81,263,051	0.25%	176.16
2014	466,556	32,786,202,317	98,113,731	17,186,849	80,926,882	0.25%	173.46
2015	468,200	33,265,574,421	94,520,677	17,053,774	77,466,903	0.23%	165.46

Notes:

(a) Source - Wisconsin Technical College System (WTCS) Board.

(b) TID (Tax Incremental District) Out, excluding value of exempt computer equipment. Equalized valuations are shown on a calendar year basis for the prior year (i.e. 2015 fiscal year would be 2014 calendar year information).

(c) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(d) Equals the amount Restricted for Debt Service on the Statement of Net Position.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Direct and Overlapping Debt As of December 31, 2014

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt			
County of			
Brown	\$ 128,604,067	0.4%	\$ 514,416
Calumet	8,287,132	84.3%	6,986,052
Manitowoc	24,630,964	0.9%	221,679
Outagamie	44,896,503	98.1%	44,043,469
Portage	12,510,000	1.6%	200,160
Shawano	4,806,162	7.6%	365,268
Waupaca	39,875,000	95.7%	38,160,375
Waushara	5,895,000	77.8%	4,586,310
Winnebago	37,090,594	94.6%	35,087,702
Total All Counties	\$ 306,595,422		\$ 130,165,432
Cities within			
Calumet	\$ 8,970,842	100.0%	\$ 8,970,842
Outagamie	8,569,985	99.7%	8,542,831
Waupaca	16,362,260	100.0%	16,362,260
Waushara	2,390,089	100.0%	2,390,089
Winnebago	181,867,074	99.0%	180,052,279
Total All Cities	\$ 218,160,249		\$ 216,318,301
Villages within			
Calumet	\$ 4,980,069	100.0%	\$ 4,980,069
Outagamie	5,041,369	99.7%	5,025,395
Waupaca	1,354,272	100.0%	1,354,272
Waushara	1,298,466	100.0%	1,298,466
Winnebago	5,022,835	99.0%	4,972,714
Total All Villages	\$ 17,697,011		\$ 17,630,916
Towns within			
Brown	\$ 16,908	100.0%	\$ 16,908
Calumet	273,542	100.0%	273,542
Manitowoc	250,000	100.0%	250,000
Outagamie	3,103,646	99.7%	3,093,812
Portage	253,481	100.0%	253,481
Shawano	298,042	100.0%	298,042
Waupaca	861,427	99.8%	859,646
Waushara	219,476	58.7%	128,887
Winnebago	30,275,972	99.0%	29,973,858
Total All Towns	\$ 35,552,494		\$ 35,148,175

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Direct and Overlapping Debt As of December 31, 2014

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
School District of			
Appleton	\$ 49,047,717	100.0%	\$ 49,047,717
Brillion	13,970,000	100.0%	13,970,000
Chilton	15,690,000	100.0%	15,690,000
Clintonville	10,815,000	100.0%	10,815,000
Freedom	5,148,979	100.0%	5,148,979
Hilbert	4,830,200	100.0%	4,830,200
Hortonville	34,290,000	100.0%	34,290,000
Iola-Scandinavia	3,310,000	100.0%	3,310,000
Kaukauna	11,296,123	100.0%	11,296,123
Kimberly	29,635,000	100.0%	29,635,000
Little Chute	6,298,442	100.0%	6,298,442
Manawa-Little Wolf	-	100.0%	-
Marion	914,806	100.0%	914,806
Menasha Joint	56,205,000	100.0%	56,205,000
Neenah	2,049,672	100.0%	2,049,672
New London	8,350,000	100.0%	8,350,000
Omro	5,422,340	100.0%	5,422,340
Oshkosh	37,795,966	100.0%	37,795,966
Seymour	11,320,000	100.0%	11,320,000
Shiocton	610,000	100.0%	610,000
Stockbridge	946,125	100.0%	946,125
Waupaca	15,545,000	100.0%	15,545,000
Wautoma	-	100.0%	-
Westfield	2,259,545	100.0%	2,259,545
Weyauwega-Fremont	-	100.0%	-
Wild Rose	1,525,000	100.0%	1,525,000
Winneconne	7,708,806	100.0%	7,708,806
Wrightstown	4,215,000	100.0%	4,215,000
Total All School Districts	\$ 339,198,721		\$ 339,198,721
Subtotal overlapping debt	\$ 917,203,897		\$ 738,461,545
District direct debt	\$ 94,520,677	100.0%	\$ 94,520,677
Total direct and overlapping debt	\$ 1,011,724,574		\$ 832,982,222

Source: Survey of each government unit within the District's boundaries, June 2015

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the District. This process recognized that, when considering the District'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.

The percentage of overlapping debt applicable to the District is the equalized property value of property of the overlapping government located within the District's boundaries as a percentage of total equalized value of all property for the overlapping government.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Legal Debt Margin Information

Last Ten Fiscal Years

(dollars in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Equalized Valuation ^(a)	\$34,395,417	\$33,879,731	\$33,727,057	\$34,490,268	\$34,743,195	\$35,027,477	\$34,819,445	\$33,384,224	\$31,735,856	\$29,680,855
Debt limit - 5% of equalized valuation ^(b)	\$1,719,771	\$1,693,987	\$1,686,353	\$1,724,513	\$1,737,160	\$1,751,374	\$1,740,972	\$1,669,211	\$1,586,793	\$1,484,043
Aggregate indebtedness applicable to debt limit										
General obligation promissory notes and bonds	94,295	97,380	97,055	31,905	34,820	38,005	38,390	40,430	45,210	46,670
Capital leases	226	734	1,224	1,691	2,136	24	377	712	1,037	1,253
Less resources available to fund principal and interest payments ^(c)	(17,054)	(17,187)	(17,016)	(12,562)	(12,724)	(13,318)	(9,726)	(7,740)	(8,298)	(6,361)
Total net debt applicable to limit	77,467	80,927	81,263	21,034	24,232	24,711	29,041	33,402	37,949	41,562
Legal debt margin	\$1,642,304	\$1,613,059	\$1,605,089	\$1,703,480	\$1,712,928	\$1,726,663	\$1,711,931	\$1,635,809	\$1,548,844	\$1,442,481
Total net debt applicable to the limit as a percentage of debt limit	4.50%	4.78%	4.82%	1.22%	1.39%	1.41%	1.67%	2.00%	2.39%	2.80%
Debt limit - 2% of equalized valuation ^(b)	\$687,908	\$677,595	\$674,541	\$689,805	\$694,864	\$700,550	\$696,389	\$667,684	\$634,717	\$593,617
Gross bonded indebtedness applicable to debt limit										
Gross bonded debt	54,825	59,345	65,225	-	-	-	-	-	-	-
Less resources available to fund principal and interest payments	(17,054)	(17,187)	(17,016)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to limit	37,771	42,158	48,209	-	-	-	-	-	-	-
Legal debt margin	\$650,137	\$635,436	\$626,332	\$689,805	\$694,864	\$700,550	\$696,389	\$667,684	\$634,717	\$593,617
Total net debt applicable to the limit as a percentage of debt limit	5.49%	6.22%	7.15%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes:

Detail regarding the District's outstanding debt can be found in the Notes to Financial Statements.

(a) Equalized valuation is TID (Tax Incremental District) In, excluding value of exempt computer equipment.

(b) Wisconsin State Statutes chapter 67.03 provides that : 1) the aggregate amount of indebtedness of any municipality shall not exceed 5% of the value of the taxable property located in the municipality as equalized for state purposes and 2) for any technical college district, the bonded indebtedness for the purpose of purchasing school sites and the construction and equipping of school buildings may not exceed 2% of the value of its taxable property as equalized for state purposes.

(c) Equals the amount Restricted for Debt Service on the Statement of Net Position.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Demographic and Economic Statistics Last Ten Calendar Years

Calendar Year	District Population ^(a)	Personal Income (thousands of dollars) (b)(e)	Per Capita Personal Income ^{(b)(e)}	Public School Enrollment ^{(c)(e)}	Annual Public High School Graduates ^{(c)(e)}	Unemployment Rate ^{(d)(e)}
2005	447,249	\$12,929,831	\$33,690	65,364	5,222	4.57%
2006	450,639	13,698,491	35,382	65,889	5,305	4.61%
2007	453,206	14,329,104	36,736	66,161	5,580	4.76%
2008	455,565	14,653,642	37,372	68,662	5,371	4.51%
2009	457,464	14,457,092	36,588	66,035	5,469	8.17%
2010	458,949	14,753,777	32,735	65,898	5,532	7.74%
2011	460,126	15,525,104	39,036	65,959	5,596	6.95%
2012	461,299	16,122,818	40,334	65,671	5,129	6.58%
2013	466,556	16,443,354	40,886	65,653	4,932	6.42%
2014	468,200	(f)	(f)	66,418	4,415	5.19%

Notes:

(a) Source - Wisconsin Technical College System (WTCS) Board.

(b) Source - U. S. Department of Commerce, Bureau of Economic Analysis. Per capita personal income was computed using new estimates for 2013 and revisions for 2010-2012 were released on May 30, 2015.

(c) Source - Wisconsin Department of Public Instruction.

(d) Source - Wisconsin Department of Workplace Development.

(e) Includes only Outagamie, Waupaca, and Winnebago Counties.

(f) Data was not available as of the date this report was printed.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Principal Employers Current Year and Nine Years Prior

Employer	Type of Business	2015		2006	
		Employees	Rank	Employees	Rank
ThedaCare ^(a)	Health care providers	6,000	1	5,000	1
Oshkosh Truck Corp. ^(c)	Truck and large vehicle manufacturer	4,600	2	1,700	5
Affinity Health Care ^(b)	Health care providers	4,300	3	-	
Kimberly Clark	Paper products manufacturer	2,000	4	5,000	1
Spectrum Software	Computer system designer	2,000	4	-	
Thrivent Investment Management	Insurance and investments	1,800	5	1,893	4
Appleton Area School District	Education	1,641	6	1,649	6
Miller Electric Manufacturing Co.	Welding equipment manufacturer	1,575	7	-	
Plexus Corporation	Computer products	1,500	8	-	
Oshkosh Area School District	Education	1,342	9	-	
The Boldt Company	Nonresidential Construction	1,300	10	-	
Fox River Shopping Center	Retail shopping mall	-		3,000	2
Curwood, Inc. (Bemis)	Plastics container manufacturer	-		2,000	3
University of Wisconsin - Oshkosh	Education	-		1,632	7
ThyssenKrupp (Waupaca Foundry)	Grey and ductile iron castings manufacturer	-		1,625	8
Appleton Coated LLC	Coated papers manufacturer	-		1,321	9
Outagamie County	Government	-		1,262	10
Total		28,058		26,082	

(a) Includes Appleton Medical Center, Theda Clark Medical Center, New London Hospital, clinics, homecare and rehabilitation facilities throughout the Fox Valley area.

(b) Includes St. Elizabeth Hospital, Mercy Medical Center, clinics, homecare, occupational care and rehabilitation facilities throughout the Fox Valley area.

(c) Includes full-time and part-time.

Source: Outagamie, Waupaca and Winnebago Counties, and municipality official statements. Provided by R. W. Baird & Co., Inc.

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Full-time Equivalent District Employees by Employee Group

Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
By Pay Groups:										
Full-time instructors	316	284	330	333	327	320	307	301	287	299
Part-time instructors	20	12	13	12	15	18	22	21	20	25
Management	150	134	119	120	119	110	106	113	118	108
Full-time support-union	262	232	248	248	247	243	237	244	242	235
Part-time support-union	50	32	33	37	40	44	43	43	40	42
Total	<u>798</u>	<u>694</u>	<u>743</u>	<u>750</u>	<u>748</u>	<u>735</u>	<u>715</u>	<u>722</u>	<u>707</u>	<u>709</u>

Source: Human Resources Department - employee headcount as of June 30 of each year.

Note: Numbers include only filled positions at the time of the report, and is based on the individual's contract hours and weeks. Excludes adjunct faculty, seasonal employees, and vacant positions.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Operating Statistics Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Student enrollment ^(a)										
Associate degree	13,659	14,690	15,196	16,060	14,506	13,925	12,827	12,396	11,426	12,007
Technical diploma	3,468	3,344	3,260	3,150	3,310	3,402	3,397	3,535	3,729	3,457
Vocational adult	26,212	27,344	28,371	32,785	34,270	28,452	27,862	30,483	31,441	34,881
Non-postsecondary	2,034	1,927	2,009	2,479	5,050	5,401	5,174	4,660	4,566	4,793
Community services	673	532	866	814	821	964	856	839	686	946
Transcripted credit ^(b)	2,696	1,930	1,571	1,033	1,586	1,690	1,158	664	254	113
Total enrollment	45,441	46,367	47,573	52,130	54,349	48,587	46,464	47,764	47,671	51,652
Percentage Change	-2.00%	-2.54%	-8.74%	-4.08%	11.86%	4.57%	-2.72%	0.20%	-7.71%	10.00%
Full-time equivalent (FTE) enrollment ^(c)										
Associate degree	5,214	5,605	5,910	6,045	5,994	5,579	4,690	4,301	4,003	4,086
Technical diploma	670	669	640	650	659	655	647	673	767	719
Vocational adult	459	480	482	540	581	555	555	598	611	702
Non-postsecondary	322	226	246	257	579	612	580	518	527	572
Community services	7	7	9	10	10	12	12	12	11	12
Total full-time equivalent enrollments	6,673	6,986	7,288	7,501	7,823	7,413	6,486	6,101	5,919	6,091
Percentage Change	-4.48%	-4.15%	-2.83%	-4.12%	5.53%	14.30%	6.30%	3.08%	-2.83%	3.85%
Teachers ^(d)	438 ^(g)	450	481	495	526	513	475	460	460	447
FTE - Teacher ratio	15.2	15.5	15.1	15.2	14.9	14.5	13.7	13.3	12.9	13.6
Operating Expenditures ^(f)	\$104,136,832	\$110,083,566	\$107,197,934	\$104,831,814	\$106,539,249	\$100,269,258	\$96,597,915	\$91,939,051	\$91,788,348	\$86,547,078
Cost per FTE	\$15,605.82	\$15,757.51	\$14,708.22	\$13,975.87	\$13,618.72	\$13,526	\$14,894	\$15,069	\$15,508	\$14,209
Percentage Change	-0.96%	7.13%	5.24%	2.62%	0.68%	-9.18%	-1.16%	-2.83%	9.14%	5.00%
Program Graduate follow-up statistics ^(e)										
Number of graduates	(e)	2,560	2,724	2,833	2,526	2,371	2,083	1,865	2,068	2,111
Number of follow-up respondents	(e)	1,807	1,972	2,223	1,933	1,858	1,607	1,401	1,504	1,586
Total number available for employment	(e)	1,499	1,490	1,877	1,482	1,472	1,288	1,186	1,271	1,423
Percent employed	(e)	92%	89%	89%	88%	85%	85%	90%	92%	91%
Percent employed in related occupation	(e)	78%	79%	75%	75%	70%	73%	75%	78%	76%
Percent employed in District	(e)	63%	63%	65%	70%	69%	67%	71%	67%	71%
Average annual salary	(e)	\$35,223	\$33,808	\$32,994	\$33,088	\$32,939	\$32,282	\$33,848	\$32,935	\$30,598
Age range of students	9-99	9-94	8-93	8 - 91	7 - 95	7 - 90	9 - 95	9 - 96	7 - 95	8 - 96
Average age of students	37	37	37	37	36	36	37	38	36	35

Notes:

- (a) Student enrollment represents the unduplicated count of citizens enrolled in FVTC courses. Any student enrolled in more than one course level is counted only once in the total.
- (b) Transcripted credits are college credits high school students earn while in high school.
- (c) A full-time equivalent is 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 student and course data.
- (d) Source: Wisconsin Technical College System Staff Accounting System Report.
- (e) Based upon a survey of graduates conducted approximately six months to 1 year after graduation. Statistics include graduates of the associate and technical diploma programs.
Current year statistics are not available as of the publishing of this report.
- (f) Source: General Fund and Special Revenue Aidable Fund on a Budgetary Basis
- (g) Preliminary amount due to Staff Accounting not finalized at time of report.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Campus Statistics Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Square Footage										
Campuses:										
Appleton Main Campus	603,701	588,805	528,805	519,505	519,505	508,425	508,425	508,425	508,425	508,425
Oshkosh Riverside Campus	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786
Facilities:										
Advanced Manufacturing Technology Center	26,721	26,721	26,721	26,721	26,721	-	-	-	-	-
Agriculture Center	41,902	41,902	29,194	29,194	29,194	29,194	29,194	29,194	29,194	29,194
Criminal Justice Office Space	4,482	4,482	4,482	3,500	3,500	3,500	3,500	3,500	3,500	3,500
D. J. Bordini Center	78,813	78,813	78,813	78,813	78,813	78,813	78,813	78,813	78,813	78,813
FABTECH Education Center	14,460	14,460	14,460	14,460	14,460	14,460	14,460	14,460	-	-
Fire Training Center ^(b)	-	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
J. J. Keller - Transportation Center	122,498	122,498	80,992	80,992	80,992	80,992	80,992	80,992	80,992	80,992
Public Safety Training Center	111,295	-	-	-	-	-	-	-	-	-
Sustainable Technology Center	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
S. J. Spanbauer Center	76,469	76,469	76,469	68,174	68,174	68,174	68,174	68,174	68,174	68,174
S. J. Spanbauer Center - Eight Bay Hangar	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030
Wildland Fire Training Center ^(b)	-	6,240	6,240	-	-	-	-	-	-	-
Regional Centers:										
Chilton Regional Center	19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760
Clintonville Regional Center	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Neenah Regional Center - Kellett Center ^(a)	-	-	-	20,900	20,900	20,900	20,900	20,900	20,900	20,900
Waupaca Regional Center	15,530	15,530	15,530	15,530	15,530	15,530	15,530	15,530	7,800	7,800
Wautoma Regional Center	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	1,602	1,602
Other Locations:										
Appleton City Center Plaza	4,400	4,400	4,400	4,400	4,400	4,400	4,400	-	-	-

(a) Lease ended August 2012

(b) Leases ended January 2015

Note: The District also uses area schools, malls, community facilities and health care facilities to conduct classes.

ADDITIONAL INDEPENDENT
AUDITOR'S REPORT FOR BASIC
FINANCIAL STATEMENTS



**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 Trustees
Fox Valley Technical College District
Appleton, 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 basic financial statements of Fox Valley Technical College District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Fox Valley Technical College District's basic financial statements, and have issued our report thereon, which included an emphasis of matter paragraph as indicated on page 2, dated November 30, 2015. The financial statements of the Fox Valley Technical College Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Fox Valley Technical College District's internal control over financial reporting (internal control) to determine the 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 Fox Valley Technical College District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fox Valley Technical College 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 Fox Valley Technical College 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 determination of financial statement amounts. 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 Fox Valley Technical College 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 Fox Valley Technical College District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants
Green Bay, Wisconsin
November 30, 2015

SINGLE AUDIT SECTION

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES**

To the Board of Trustees
Fox Valley Technical College District
Appleton, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Fox Valley Technical College District's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of Fox Valley Technical College District's major federal and state programs for the year ended June 30, 2015. Fox Valley Technical College 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 the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Fox Valley Technical College 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 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 or state program occurred. An audit includes examining, on a test basis, evidence about Fox Valley Technical College 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 Fox Valley Technical College District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Fox Valley Technical College 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, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and the *State Single Audit Guidelines* and which is described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2005-002. Our opinion on each major federal and state program is not modified with respect to this matter.

Fox Valley Technical College District, Wisconsin's response to the noncompliance findings identified in our audit is described in the accompanying schedule of prior year audit findings and corrective action plan. Fox Valley Technical College District, Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Fox Valley Technical College 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 Fox Valley Technical College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or 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 or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, 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 the Fox Valley Technical College District's 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit 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. 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 OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
Green Bay, Wisconsin
November 30, 2015

Fox Valley Technical College District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2015

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Total Expenditures
<u>U.S. Department of Agriculture</u>							
Child and Adult Care Food Program							
Passed through the State of Wisconsin Department of Public Instruction	10.558		07-01-14 - 06-30-15	\$ 15,816	\$ 15,816	\$ 40,129	\$ 55,945
Total - U.S. Department of Agriculture				15,816	15,816	40,129	55,945
<u>U.S. Department of the Interior</u>							
Indian Education Higher Education Grant Program							
Bureau of Indian Affairs	15.114		07-01-14 - 06-30-15	196,956	196,956	0	196,956
Total - U.S. Department of the Interior				196,956	196,956	0	196,956
<u>U.S. Department of Justice</u>							
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)							
<i>Passed through the National Judicial College</i>							
CASOM Judicial Project	16.203	SUB2011WPBXK001	01-01-12 - 09-30-15	137,500	11,745	0	11,745
Juvenile Justice and Delinquency Prevention-Allocation to States							
<i>Passed through the Florida Department of Juvenile Justice</i>							
Disproportionate Minority Contact	16.540	SUB2011JFFX034	04-01-14 - 03-31-17	447,693	71,972	(10,310)	61,662
Missing Children's Assistance							
Internet Crimes Against Children Program Support 2010/2011	16.543	2010-MC-CX-K038	07-01-10 - 09-30-15	2,000,000	44,096	0	44,096
Internet Crimes Against Children Program Support 2011/2012	16.543	2010-MC-CX-K038	07-01-11 - 09-30-15	2,100,000	419,532	0	419,532
Internet Crimes Against Children Program Support 2012/2013	16.543	2010-MC-CX-K038	07-01-12 - 09-30-15	2,000,000	403,183	0	403,183
AMBER Training & Technical Assistance Program 2010/2011	16.543	2010-MC-CX-K050	10-01-10 - 09-30-15	3,150,000	3,008	0	3,008
AMBER Training & Technical Assistance Program 2011/2012	16.543	2010-MC-CX-K050	10-01-11 - 09-30-15	4,160,000	32,814	0	32,814
AMBER Training & Technical Assistance Program 2012/2013	16.543	2010-MC-CX-K050	10-01-12 - 09-30-15	2,657,837	543,851	0	543,851
OJJDP Child Protection Programs in Tribal Communities 2010	16.543	2010-MC-CX-K053	10-01-10 - 09-30-15	850,000	59,313	0	59,313
Missing & Exploited Children Program Support 2013/2014	16.543	2013-MC-FX-K005	10-01-13 - 09-30-15	350,000	74,950	0	74,950
Missing & Exploited Children Program Support 2014/2015	16.543	2013-MC-FX-K005	10-01-14 - 09-30-15	350,000	274,555	0	274,555
ICAC National Training Program: Core & Specialized 2013/2014	16.543	2013-MC-FX-K104	10-01-13 - 09-30-15	1,650,000	865,849	0	865,849
ICAC National Training Program: Core & Specialized 2014/2015	16.543	2013-MC-FX-K104	10-01-14 - 09-30-15	1,650,000	685,410	0	685,410
AMBER Training & Technical Assistance Program 2013/2014	16.543	2013-MU-MU-K011	10-01-13 - 09-30-15	2,500,000	1,614,327	0	1,614,327
Internet Crimes Against Children Program Support 2014/2015	16.543	2014-MC-FX-K003	10-01-14 - 12-31-15	2,000,000	864,246	0	864,246
Missing & Exploited Children Training & Tech Assistance Program 2014/2015	16.543	2014-MC-FX-K046	10-01-14 - 09-30-15	2,000,000	421,271	0	421,271
<i>Passed through the Rosebud Sioux Tribe</i>							
OJJDP FY 2014 Youth with Sexual Behavior Problems Program	16.543	SUB2014MUMUK047	10-01-14 - 09-30-17	100,000	41,664	0	41,664
Total - Missing Children's Assistance				27,517,837	6,348,069	0	6,348,069
National Institute of Justice Research, Evaluation, and Development Project Grants							
<i>Passed through the University of Massachusetts</i>							
Information Sharing & Its Effect on Tracking Sex Offenders & Community Awareness	16.560	S51000000028482	02-01-15 - 08-31-15	16,234	6,493	0	6,493
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program							
BJA's National Training & Technical Assistance Program 2009/2010	16.580	2008-DD-BX-K287	12-01-09 - 12-31-14	1,500,000	(9,582)	0	(9,582)
Indian Alcohol & Substance Training & Technical Assistance 2011/2012	16.580	2010-AC-BX-K001	10-01-11 - 12-31-15	875,000	37,020	0	37,020
Indian Alcohol & Substance Training & Technical Assistance 2012/2013	16.580	2010-AC-BX-K001	10-01-12 - 12-31-15	782,000	160,998	0	160,998
Tribal Probation Academy Training & Technical Assistance 2011/2012	16.580	2010-IC-BX-K053	10-01-11 - 09-30-14	500,000	29,422	0	29,422
BJA's National Training & Technical Assistance Program 2010/2011	16.580	2010-MU-BX-K073	12-01-10 - 03-31-15	1,552,636	24,168	0	24,168
BJA's National Training & Technical Assistance Program 2012/2013	16.580	2010-MU-BX-K073	10-01-12 - 03-31-15	1,177,836	255,531	0	255,531
Tribal Justice System Capacity Building-Strategic Planning 2013/2014	16.580	2012-IC-BX-K004	10-01-13 - 09-30-16	918,003	413,197	0	413,197
Tribal Justice System Capacity Building-Community Corrections 2013/2014	16.580	2012-MU-BX-K002	10-01-13 - 03-31-16	400,000	283,144	0	283,144
<i>Passed through the Council of State Governments</i>							
Tribal Probation Officers Training Program	16.580	13-SA-085-2037	10-01-12 - 12-30-14	30,000	244	0	244
Total - Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program				7,735,475	1,194,142	0	1,194,142

Fox Valley Technical College District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2015

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Total Expenditures
Crime Victim Assistance/Discretionary Grants							
FY 2012 Wisconsin State Victim Assistance Academy Initiative	16.582	2011-VF-GX-K005	10-01-12 - 09-30-15	100,000	9,474	0	9,474
FY 2013 Wisconsin State Victim Assistance Academy Initiative	16.582	2011-VF-GX-K005	10-01-13 - 09-30-15	60,000	44,709	3,696	48,405
		Total - Crime Victim Assistance/Discretionary Grants		160,000	54,183	3,696	57,879
Corrections Research and Evaluation and Policy Formulation							
<i>Passed through the National Institute of Corrections (NIC)</i>							
NIC Service Delivery Impact Initiative	16.602	14AC08GKS5	09-01-14 - 08-31-15	250,784	159,389	0	159,389
Tribal Court Assistance Program							
Tribal Justice System Capacity Building-Strategic Planning 2012/2013	16.608	2012-IC-BX-K004	10-01-12 - 03-31-16	600,000	29,279	0	29,279
Tribal Justice System Capacity Building-Community Corrections 2012/2013	16.608	2012-MU-BX-K002	10-01-12 - 03-31-16	377,412	25,102	0	25,102
<i>Passed through the National Judicial College</i>							
Tribal Court Assistance Program 2013/2014	16.608	SUB2011ICBXK036	09-01-13 - 08-31-15	99,000	28,791	0	28,791
<i>Passed through the Council of State Governments</i>							
Building Tribal Capacity 2012/2013	16.608	SUB2012IPBXK001	10-01-12 - 12-30-14	41,204	15,042	0	15,042
		Total - Tribal Court Assistance Program		1,117,616	98,214	0	98,214
Indian Country Alcohol and Drug Prevention							
Indian Alcohol & Substance Training & Technical Assistance 2010/2011	16.616	2010-AC-BX-K001	10-01-10 - 12-31-15	800,000	19,522	0	19,522
Indian Alcohol & Substance Training & Technical Assistance 2013/2014	16.616	2013-AC-BX-K001	10-01-13 - 03-31-16	900,000	252,930	0	252,930
		Total - Indian Country Alcohol and Drug Prevention		1,700,000	272,452	0	272,452
Public Safety Partnership and Community Policing Grants							
COPS FY 2011 Tribal Resource Grant Program	16.710	2011-HE-WX-K001	10-01-11 - 08-31-15	998,662	127,423	0	127,423
National Indian Youth Police Academy	16.710	2013-HE-WX-K003	09-01-13 - 08-31-15	199,893	149,559	0	149,559
		Total - Public Safety Partnership and Community Policing Grants		1,198,555	276,982	0	276,982
Enforcing Underage Drinking Laws Program							
<i>Passed through the Pacific Institute for Research & Evaluation</i>							
Pacific Institute for Research Evaluation Distance Learning Project	16.727	SUBAWARD-PIRE	01-01-14 - 10-31-15	59,618	22,004	0	22,004
Edward Byrne Memorial Justice Assistance Grant Program							
BJA's National Training & Technical Assistance Program	16.738	2008-DD-BX-K287	12-01-08 - 12-31-14	750,000	110,288	0	110,288
Support for Adam Walsh Act Implementation Grant Program							
SORNA Tribal Training & Technical Assistance Program 2011/2013	16.750	2011-AW-BX-K001	10-01-11 - 09-30-14	500,000	32,071	0	32,071
SORNA Tribal Training & Technical Assistance Program 2013/2015	16.750	2013-AW-BX-K002	10-01-13 - 09-30-15	1,000,000	392,933	0	392,933
SORNA Tribal Training & Technical Assistance Program 2014/2016	16.750	2014-AW-BX-K001	10-01-14 - 09-30-16	500,000	78,627	0	78,627
		Total - Support for Adam Walsh Act Implementation Grant Program		2,000,000	503,631	0	503,631
Edward Byrne Memorial Competitive Grant Program							
FY 2014 Tribal Justice System Planning Process (TJSPP)	16.751	2012-IC-BX-K004	10-01-14 - 09-30-16	896,692	27,993	0	27,993
FY 2014 Tribal Justice Systems Capacity Building Training & Technical Assistance	16.751	2012-MU-BX-K002	10-01-14 - 03-31-16	400,000	2,385	0	2,385
FY 2014 Indian Alcohol & Substance Abuse Training and Technical Assistance	16.751	2013-AC-BX-K001	10-01-14 - 03-31-16	650,000	62,716	0	62,716
		Total - Edward Byrne Memorial Competitive Grant Program		1,946,692	93,094	0	93,094
Total - U.S. Department of Justice				45,038,004	9,222,658	(6,614)	9,216,044

Fox Valley Technical College District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2015

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Total Expenditures
<u>U.S. Department of Labor</u>							
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants							
Advanced Manufacturing Pathways (AMP) PLUS	17.282	TC237621260A55	10-01-12 - 09-30-16	2,999,750	1,252,013	0	1,252,013
<i>Passed through Northeast Wisconsin Technical College</i> Making the Future: The Wisconsin Strategy	17.282	TC237751260A55	10-01-12 - 09-30-16	35,946	1,064	0	1,064
<i>Passed through Northcentral Technical College</i> Intentional Networks Transforming Effective & Rigorous Facilitation of Assessment, Collaboration & Education (INTERFACE)	17.282	TC251161360A55	10-01-13 - 09-30-17	1,505,883	520,879	0	520,879
<i>Passed through Chippewa Valley Technical College</i> Advancing Careers & Training for Healthcare (ACT for Healthcare)	17.282	TC264551460A55	10-01-14 - 09-30-17	206,245	114	0	114
Total - Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants				4,747,824	1,774,070	0	1,774,070
Workforce Investment Act Cluster							
WIA Adult Program							
<i>Passed through the Bay Area Workforce Development Board</i> Bay Area DWD Adult Case Management	17.258	15FVTCCMADT	07-01-14 - 06-30-15	91,778	90,401	0	90,401
WIA Youth Activities							
<i>Passed through the Bay Area Workforce Development Board</i> Bay Area DWD Youth Case Management	17.259	15FVTCCMOSY/ISY	07-01-14 - 06-30-15	73,163	71,352	0	71,352
Total - Workforce Investment Act Cluster				164,941	161,753	0	161,753
Total - U.S. Department of Labor				4,912,765	1,935,823	0	1,935,823
<u>U.S. Department of State</u>							
One-Time International Exchange Grant Program							
<i>Passed through the International Research & Exchanges Board (IREX)</i> Community College Initiative Program	19.014	FY15CCIFVTC01	07-01-14 - 06-30-15	296,437	169,318	1,627	170,945
Educational Exchange Congress-Bundestag Youth Exchange							
<i>Passed through CDS International Inc.</i> Cultural Vistas	19.410		07-01-14 - 06-30-15	485	485	0	485
Total - U.S. Department of State				296,922	169,803	1,627	171,430
<u>U.S. Department of Transportation</u>							
<i>Passed through the Wisconsin Technical College System Board</i> Interagency Hazardous Materials Public Sector Training & Planning Grants	20.703		07-01-14 - 06-30-15	5,637	5,637	0	5,637
Total - U.S. Department of Transportation				5,637	5,637	0	5,637
<u>U.S. Agency for International Development</u>							
<i>Passed through Georgetown University</i> Scholarships for Economical & Educational Development (SEED)	(A)	FVTCRX205070513	02-01-13 - 07-31-15	638,400	299,734	66,696	366,430
Total - U.S. Agency for International Development				638,400	299,734	66,696	366,430
<u>National Science Foundation</u>							
Education and Human Resources							
Digital Fabrication Learning Community (DFLC)	47.076	DUE1104199	07-15-11 - 08-31-15	602,370	121,741	0	121,741
<i>Passed through Collin County Community College District</i> National Center for Convergence Technology	47.076	DUE1205077	08-15-12 - 07-31-16	265,072	30,766	0	30,766
<i>Passed through the Wisconsin Center for Education Research</i> Manufacturing Engineering Technology & Technical Education (METTE)	47.076	DUE1104226	09-01-13 - 08-31-15	18,216	9,407	0	9,407
Total - National Science Foundation				885,658	161,914	0	161,914

Fox Valley Technical College District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2015

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Total Expenditures
U.S. Department of Education							
Adult Education - Basic Grants to States							
<i>Passed through the Emergency Center of the Fox Valley</i>							
Emergency Shelter	84.002	93001149155	07-01-14 - 06-30-15	31,057	31,057	0	31,057
<i>Passed through the Wisconsin Technical College System Board</i>							
Adult Basic Education	84.002	12003146125	07-01-14 - 06-30-15	362,058	362,058	710,800	1,072,858
Adult Basic Education Program for the Incarcerated	84.002	12004146115	07-01-14 - 06-30-15	39,894	39,894	13,966	53,860
ELL Civics Literacy Project	84.002	12005146165	07-01-14 - 06-30-15	10,528	10,528	0	10,528
		Subtotal		412,480	412,480	724,766	1,137,246
		Total - Adult Education - Basic Grants to States		443,537	443,537	724,766	1,168,303
Higher Education Institutional Aid	84.031		07-01-14 - 06-30-15	4,864	4,864	0	4,864
Vocational Education Basic Grants to States							
<i>Passed through the Wisconsin Technical College System Board</i>							
Career Prep	84.048	12006150215	07-01-14 - 06-30-15	46,640	46,640	0	46,640
Counseling & Support Services for Student Success	84.048	12008150235	07-01-14 - 06-30-15	539,106	539,106	339,700	878,806
Non-Traditional Occupation (NTO) Recruitment & Retention Services	84.048	12009150265	07-01-14 - 06-30-15	35,940	35,940	0	35,940
Supporting Student Success - Vet Excel	84.048	12019150275	07-01-14 - 06-30-15	66,756	66,756	0	66,756
Student Success - Marketing	84.048	12018150255	07-01-14 - 06-30-15	143,762	143,762	0	143,762
Wisconsin Career Pathways Website Project	84.048	12007150215	07-01-14 - 06-30-15	58,699	46,623	0	46,623
		Total - Vocational Education Basic Grants to States		890,903	878,827	339,700	1,218,527
<i>Passed through the Wisconsin Department of Workforce Development</i>							
Rehabilitation Services-Vocational Rehabilitation Grants to States	84.126		07-01-14 - 06-30-15	126,145	126,145	0	126,145
Student Financial Assistance Cluster							
Federal Supplemental Educational Opportunity Grants							
FSEOG Grants	84.007		07-01-14 - 06-30-15	279,538	279,538	93,179	372,717
FSEOG Grants-Administrative Cost	84.007		07-01-14 - 06-30-15	10,788	10,788	0	10,788
		Total - Federal Supplemental Educational Opportunity Grants		290,326	290,326	93,179	383,505
Federal Work-Study Program							
College Work Study	84.033		07-01-14 - 06-30-15	135,631	135,631	44,140	179,771
College Work Study-Administrative Cost	84.033		07-01-14 - 06-30-15	8,988	8,988	0	8,988
		Total - Federal Work-Study Program		144,619	144,619	44,140	188,759
Federal Pell Grant Program							
PELL Grants	84.063		07-01-14 - 06-30-15	11,339,878	11,339,878	0	11,339,878
PELL Grants - Administrative Cost	84.063		07-01-14 - 06-30-15	18,625	18,625	0	18,625
		Total - Federal Pell Grant Program		11,358,503	11,358,503	0	11,358,503
Federal Direct Student Loans							
Direct PLUS Loans	84.268		07-01-14 - 06-30-15	109,438	109,438	0	109,438
Direct Subsidized Loans	84.268		07-01-14 - 06-30-15	9,913,039	9,913,039	0	9,913,039
Direct Unsubsidized Loans	84.268		07-01-14 - 06-30-15	6,950,248	6,950,248	0	6,950,248
		Total - Federal Direct Student Loans		16,972,725	16,972,725	0	16,972,725
		Total - Student Financial Assistance Cluster		28,766,173	28,766,173	137,319	28,903,492
		Total - U.S. Department of Education		30,231,622	30,219,546	1,201,785	31,421,331

Fox Valley Technical College District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2015

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Total Expenditures
<u>U.S. Department of Health & Human Services</u>							
<u>Temporary Assistance for Needy Families</u>							
<i>Passed through the Wisconsin Department of Children & Families</i>							
Wisconsin Shares	93.558		07-01-14 - 06-30-15	25,892	25,892	0	25,892
YoungStar Program	93.558		07-01-14 - 06-30-15	7,891	7,891	0	7,891
				33,783	33,783	0	33,783
TOTAL FEDERAL AWARDS				\$ 82,255,563	\$ 42,261,670	\$ 1,303,623	\$ 43,565,293

(A) Program has not been assigned a CFDA number.

Reconciliation of Federal Revenue to Basic Financial Statements

Basic Financial Statements	\$ 42,256,029
Add: Hazardous Materials Public Sector Training & Planning Grants	5,637
Rounding	4
	<u><u>\$ 42,261,670</u></u>

Fox Valley Technical College District
Schedule of Expenditures of State Awards
Year ended June 30, 2015

Assistance Program	State Catalog Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Total Expenditures
<u>Wisconsin Department of Transportation</u>							
<u>Motorcycle Safety</u>							
Motorcycle Basic Rider Course 2014	20.395(4)(AQ)	00-94-14-10	01-01-14 - 12-31-14	\$ 29,206	\$ 29,206	\$ 14,268	\$ 43,474
Motorcycle Basic Rider Course 2015	20.395(4)(AQ)	00-94-15-10	01-01-15 - 12-31-15	33,833	0	35,777	35,777
Scooter Rider Safety Training 2014	20.395(4)(AQ)	00-94-14-23	01-01-14 - 12-31-14	3,211	2,995	1,529	4,524
Scooter Rider Safety Training 2015	20.395(4)(AQ)	00-94-15-23	01-01-15 - 12-31-15	3,750	0	1,485	1,485
Total - Wisconsin Department of Transportation				70,000	32,201	53,059	85,260
<u>Higher Education Aids Board</u>							
Wisconsin Tuition Grants	235.101		07-01-14 - 06-30-15	22,119	22,119	0	22,119
Wisconsin Higher Education Grant	235.102		07-01-14 - 06-30-15	1,615,355	1,615,355	0	1,615,355
Remission of Fees for Veterans and Dependents	235.105		07-01-14 - 06-30-15	169,181	169,181	0	169,181
Minority Undergraduate Retention	235.107		07-01-14 - 06-30-15	18,850	18,850	0	18,850
Academic Excellence Scholarship	235.109		07-01-14 - 06-30-15	1,125	1,125	1,125	2,250
Talent Incentive Program	235.114		07-01-14 - 06-30-15	108,219	108,219	0	108,219
Nursing Student Loan	235.117		07-01-14 - 06-30-15	12,000	12,000	0	12,000
Indian Student Assistance	235.132		07-01-14 - 06-30-15	20,900	20,900	0	20,900
Total - Higher Education Aids Board				1,967,749	1,967,749	1,125	1,968,874
<u>Wisconsin Department of Public Instruction</u>							
<u>Minority Group Scholarships</u>							
Project Tech Space	255.903	15-771-4PS-P	07-01-14 - 06-30-15	17,500	11,139	0	11,139
Total - Wisconsin Department of Public Instruction				17,500	11,139	0	11,139
<u>Wisconsin Technical College System Board</u>							
<u>State Aid for Technical Colleges</u>							
	292.105		07-01-14 - 06-30-15	9,113,266	9,113,266	0	9,113,266
<u>Workforce Advancement Training</u>							
Critical Core Skills Consortium: Skills for a High Performance Workforce	292.116	12-036-116-114	07-01-13 - 08-31-14	199,164	699	0	699
Lean Six Sigma Consortium: Achieving Operational Excellence	292.116	12-038-116-114	07-01-13 - 08-31-14	112,579	2,748	0	2,748
Critical Skills Upgrade for Fox Valley Area Small Businesses	292.116	12-047-116-114	07-01-13 - 08-31-14	49,903	382	0	382
Skills to Achieve Operational Excellence	292.116	12-030-124-175	07-01-14 - 08-30-15	110,203	81,798	0	81,798
Advanced Manufacturing Technical Skills	292.116	12-031-124-175	07-01-14 - 08-31-15	198,983	198,983	0	198,983
Workforce Succession: Addressing Critical Core Skill Gaps	292.116	12-032-124-175	07-01-14 - 08-31-15	199,215	166,637	0	166,637
Total - Workforce Advancement Training				870,047	451,247	0	451,247
<u>Grants to District Boards</u>							
Career Jumpstart to Manufacturing Career Pathways	292.124	12-010-124-125	07-01-14 - 06-30-15	149,852	149,852	49,951	199,803
ABE Pathways to Prosperity	292.124	12-011-124-125	07-01-14 - 06-30-15	140,986	140,986	46,995	187,981
BizSquad Internship	292.124	12-013-124-135	07-01-14 - 06-30-15	110,111	110,111	0	110,111
Professional Development Project	292.124	12-016-124-155	07-01-14 - 06-30-15	73,516	73,516	0	73,516
Student Support Services Pathways to Success Project	292.124	12-017-124-165	07-01-14 - 06-30-15	210,000	210,000	70,000	280,000
WTCS/UW Collaborative Face-to-Face Transfer Meeting	292.124	12-060-124-185	07-01-14 - 06-30-15	700	630	0	630
EMS Instructor II Certification Course Revision Project	292.124	12-061-124-185	07-01-14 - 06-30-15	7,000	4,071	0	4,071
Supply Chain Management Technical Skill Attainment Initiative	292.124	12-062-124-185	07-01-14 - 06-30-15	15,000	13,249	0	13,249
Technical Skill Attainment for Hospitality Management Related Programs	292.124	12-063-124-185	07-01-14 - 06-30-15	16,000	13,471	0	13,471
Veterans' Services Summit	292.124	12-069-124-195	07-01-14 - 06-30-15	3,675	1,615	0	1,615
Technical Skill Attainment-Embedded Technical Diploma Project	292.124	12-070-124-185	07-01-14 - 06-30-15	15,000	11,344	0	11,344
Industrial and Construction Electrical Apprenticeship	292.124	12-077-124-115	07-01-14 - 06-30-15	8,000	8,000	0	8,000
Plumbing Apprenticeship	292.124	12-078-124-115	07-01-14 - 06-30-15	6,000	6,000	0	6,000
Sheet Metal Apprenticeship	292.124	12-079-124-115	07-01-14 - 06-30-15	3,400	3,400	0	3,400

Fox Valley Technical College District
Schedule of Expenditures of State Awards
Year ended June 30, 2015

Assistance Program	State Catalog Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Total Expenditures
<i>Passed through Chippewa Valley Technical College</i> Truck Driving Consortium	292.124	01-583-124-135	07-01-14 - 06-30-15	184,820	184,820	0	184,820
<i>Passed through Moraine Park Technical College</i> Advanced Manufacturing Network-Northeast WI	292.124	10-552-124-185	07-01-14 - 09-30-15	26,600	22,394	0	22,394
Total - Grants to District Boards				970,660	953,459	166,946	1,120,405
Property Tax Relief Aid	292.162		07-01-14 - 06-30-15	29,119,516	29,119,516	0	29,119,516
Total - Wisconsin Technical College System Board				40,073,489	39,637,488	166,946	39,804,434
<u>Wisconsin Department of Natural Resources</u>							
State Aid in lieu of Property Taxes	370.503		07-01-14 - 06-30-15	40,832	40,832	0	40,832
Total - Wisconsin Department of Natural Resources				40,832	40,832	0	40,832
<u>Wisconsin Department of Workforce Development</u>							
<u>Wisconsin Fast Forward / Blueprint for Prosperity</u>							
Blueprint for Prosperity - Technical College Wait List Program	445.109	BP142TC--FV	07-11-14 - 06-30-16	3,602,392	1,107,588	0	1,107,588
Rural Partnership for Nursing Assistant Program	445.109	BP142HSP-FV	07-01-14 - 06-30-15	15,973	9,173	725	9,898
				3,618,365	1,116,761	725	1,117,486
Vocational Rehabilitation Program	445.509		07-01-14 - 06-30-15	34,141	34,141	0	34,141
Total - Wisconsin Department of Workforce Development				3,652,506	1,150,902	725	1,151,627
<u>Wisconsin Department of Justice</u>							
<u>Law Enforcement Training Fund-Local Assistance</u>							
WI Training & Standards Bureau-Advance Scenario Instructor Training	455.231	20-15-LE0-1-1	06-29-15 - 07-03-15	18,500	18,500	0	18,500
Total - Wisconsin Department of Justice				18,500	18,500	0	18,500
<u>Wisconsin Department of Revenue</u>							
State Aid-Computers	835.109		07-01-14 - 06-30-15	230,356	230,356	0	230,356
Total - Wisconsin Department of Revenue				230,356	230,356	0	230,356
Total State Awards				\$ 46,070,932	\$ 43,089,167	\$ 221,855	\$ 43,311,022

Reconciliation of State Revenue to Basic Financial Statements

State Operating Appropriations	\$ 38,503,970
State Grants included in Operating Revenue	4,633,935
Total State Revenue	43,137,904
Deduct items not included for Single Audit:	
Truck Driving Program	(47,714)
Fire Fighter Training 2%	(1,022)
Rounding	(1)
	<u>\$ 43,089,167</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Notes to the Schedules of Expenditures of Federal and State Awards
For the Year Ended June 30, 2015

NOTE A - BASIS OF PRESENTATION

The accompanying Schedules of Expenditures of Federal and State Awards for Fox Valley Technical College District ("the District") are presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the accrual basis of accounting and are in agreement with amounts reported in the Fox Valley Technical College District's 2014-2015 basic financial statements. Match represents District contributions to federal and state programs and includes adjustments for prior year transactions.

Federal Programs: The District qualifies as a low risk auditee in accordance with paragraph 530 of OMB Circular A-133. Therefore, major programs represent those with combined expenditures exceeding 25% of total federal awards that also were deemed major programs based on the auditors' risk assessment. All other federal programs are considered non-major programs. The schedule of findings and questioned costs identifies federal programs classified as major.

State Programs: The District qualifies as a low risk auditee in accordance with the *State Single Audit Guidelines*. Therefore major programs represent those with combined expenditures exceeding 25% of total state financial assistance that also were deemed major programs based on the auditors' risk assessment. In addition, certain state financial assistance programs were designated state major by the state granting agency and therefore considered state major. All other state financial assistance programs are considered non-major programs.

NOTE C - STUDENT FINANCIAL AID PROGRAMS

All programs under the Student Financial Aid Program Cluster heading in the Schedule of Expenditures of Federal Awards are considered Student Financial Aid Programs and expenditures are added together to determine if they meet the major program criteria.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to the Schedules of Expenditures of Federal and State Awards (Continued)
For the Year Ended June 30, 2015

NOTE D - PASS-THROUGH ENTITIES

Fox Valley Technical College passed through the following federal and state award amounts to sub recipients during the fiscal year ended June 30, 2015:

Award Number	CFDA Number	Funding Agency	Name of Sub Recipient	Amount Passed Through
2010-AC-BX-K001	16.616	U.S. Department of Justice	The National Judicial College	\$ 16,169
2010-AC-BX-K001	16.580	U.S. Department of Justice	The National Judicial College	24,549
2010-AC-BX-K001	16.616	U.S. Department of Justice	The Council for State Governments,	
2010-AC-BX-K001	16.580	U.S. Department of Justice	American Probation & Parole Association	3,353
2010-AC-BX-K001	16.580	U.S. Department of Justice	University of North Dakota	53,851
2010-AC-BX-K001	16.580	U.S. Department of Justice	Center for Court Innovation	2,979
2010-IC-BX-K053	16.580	U.S. Department of Justice	The Council for State Governments,	
			American Probation & Parole Association	25,287
2010-MC-CX-K038	16.543	U.S. Department of Justice	University of Massachusetts	74,831
2010-MC-CX-K050	16.543	U.S. Department of Justice	Texas A&M International University	3,271
2012-IC-BX-K004	16.608	U.S. Department of Justice	University of North Dakota	13,494
2012-IC-BX-K004	16.580	U.S. Department of Justice	University of North Dakota	17,371
2012-IC-BX-K004	16.580	U.S. Department of Justice	Center for Court Innovation	139,455
2012-MU-BX-K002	16.608	U.S. Department of Justice	The Council for State Governments,	
			American Probation & Parole Association	14,963
2013-MU-MU-K011	16.543	U.S. Department of Justice	Southern Methodist University	8,644
2014-MC-FX-K046	16.543	U.S. Department of Justice	Children's Hospitals & Clinics Minnesota	16,931
2014-MC-FX-K046	16.543	U.S. Department of Justice	National Children's Advocacy Center, Inc	3,846
2014-MC-FX-K046	16.543	U.S. Department of Justice	Children's Advocacy Center of the Pikes	
			Peak Region, Inc/ dba Safe Passage	1,110
12-013-124-135	292.124	WI Technical College System Board	Gateway Technical College	43,798

NOTE E - OVERSIGHT AGENCIES

The U.S. Department of Health and Human Services has been designated the federal oversight agency for the District. The Wisconsin Technical College System Board is the state oversight agency for the District.

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2015

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 Awards and State Financial Assistance

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	Yes
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 and state programs:	

CFDA Number	Name of Federal Programs
	Student Financial Aid Program Cluster
84.007	Federal Supplemental Educational Opportunity Grant Program
84.033	Federal Work - Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

	Name of State Programs
235.102	WI Higher Education Grant
235.114	Talent Incentive Program
235.105	Remission of Fees for Veterans
292.105	State Aids for Technical Colleges
292.124	Grants to District Board
292.162	Property Tax Relief Aid
445.109	Wisconsin Fast Forward/Blueprint for Prosperity

Dollar threshold used to determine between Type A and Type B programs:	
Federal	\$758,668
State (state designated major programs are considered Type A programs)	\$100,000
Auditee qualified as a low-risk auditee	Yes

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015

Section II - Basic Financial Statement Findings as Required by Government Auditing Standards

Finding Number	Internal Control Finding
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There were no findings required to be reported in accordance with generally accepted governmental auditing standards.

Section III - Federal Award and State Financial Assistance Findings

Finding Number	OMB Circular A-133 Findings
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2015-001 Special Tests and Provisions – Enrollment Reporting

**Direct Loan Program (CFDA No. 84.268)
U.S. Department of Education**

Criteria: 34 CFR 685.309 requires that unless the institution expects to submit its next student status confirmation report within 60 days, the institution is required to notify the lender or the guaranty agency within 30 days, if it discovers that a student who received a loan either did not enroll or ceased to be enrolled on at least a half-time basis.

Condition: For three of the students in our sample population, the institution discovered that the student enrollment status had changed, but failed to report the change in enrollment status in a timely manner.

Effect: We noted that the student status changes were subsequently reported; therefore, there are no questioned costs calculated or reported.

Cause: The Registrar's Office is responsible for identifying and reporting changes in student status on a timely basis. The Registrar's Office did update and report the changes in enrollment status on a timely basis, but not all status changes were properly reported.

Recommendation: We recommend that the Registrar's Office review procedures for identifying and reporting changes in student status and verify that procedures are properly designed and implemented to ensure that all enrollment reporting requirements are met.

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015

Section III - Federal Award and State Financial Assistance Findings (Continued)

Finding Number	OMB Circular A-133 Findings
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2015-002 Special Tests and Provisions – Exit Counseling

**Direct Loan Program (CFDA No. 84.268)
U.S. Department of Education**

Criteria: 34 CFR 682.604 (g) requires the institution to conduct exit counseling with each Stafford loan borrower either in person, by audiovisual presentation, or by interactive electronic means. In each case, the institution must conduct this counseling shortly before the student borrower ceases at least half-time study at the school. If a student borrower withdraws from school without the school's prior knowledge or fails to complete an exit counseling session as required, the school must provide exit counseling through either interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after learning that the student borrower has withdrawn from school or failed to complete the exit counseling as required.

Condition: Ten of the students in our sample population did not receive exit counseling within the required time frame based on the requirements of 34 CFR 682.604 (g).

Effect: We noted that exit counseling was subsequently provided to the Stafford loan student borrowers tested; therefore, there are no questioned costs calculated or reported.

Cause: The student financial aid department relies on system-generated queries to list students that require exit counseling. As a result of a recent system update, certain queries did not function as originally designed and omitted certain students that required exit counseling. These omitted students did not receive exit counseling in a timely manner.

Recommendation: We recommend that the student financial aid department review exit counseling procedures and continue to monitor system-generated processes to verify exit counseling is properly conducted within the required timeframe.

Finding Number	State Single Audit Guidelines Findings	Questioned Costs
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There were no findings required to be reported in accordance with the *State Single Audit Guidelines*.

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015

Section IV - Other Issues

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

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

Wisconsin Technical College System Board	No
Wisconsin Department of Revenue	No
Wisconsin Department of Natural Resources	No
Wisconsin Department of Public Instruction	No
Wisconsin Department of Transportation	No
Wisconsin Higher Education Aids Board	No
Wisconsin Department of Workforce Development	No
Wisconsin Department of Justice	No
Wisconsin Department of Children & Families	No

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



Name and signature of Shareholder

David L. Maccoux, CPA

Date of report

November 30, 2015

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Prior Year Findings and Corrective Action Plan
For the Year Ended June 30, 2015

Schedule of Prior Year Findings

None required.

Corrective Action Plan

Finding Number	OMB Circular A-133 Findings
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2015-001 Special Tests and Provisions – Enrollment Reporting

**Direct Loan Program (CFDA No. 84.268)
U.S. Department of Education**

Management Response: The Registrar's Office reviewed its procedures and implemented recommended changes to identify and report changes in student status.

2015-002 Special Tests and Provisions – Exit Counseling

**Direct Loan Program (CFDA No. 84.268)
U.S. Department of Education**

Management Response: The Financial Aid Office updated reports to implement recommended changes to properly provide exit counseling in a timely manner.