



**Fox Valley**  
TECHNICAL COLLEGE®  
*Knowledge That Works*

# Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2016



Fox Valley Technical College  
1825 N. Bluemound Drive  
P.O. Box 2277  
Appleton, WI 54912-2277  
1-800-735-FVTC

[www.fvtc.edu](http://www.fvtc.edu)

Fox Valley Technical College District  
**Comprehensive Annual Financial Report**  
for the Fiscal Year ended June, 30, 2016

Prepared by  
Financial Services Department of Fox Valley Technical College

### Contact

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# INTRODUCTORY SECTION

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
June 30, 2016

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December 20, 2016

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

Wisconsin State statutes require the district board of each technical college to annually authorize an audit of the district and to submit an audit report to the Wisconsin 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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, 2016, is hereby submitted in fulfillment of those requirements. Responsibility for the contents and presentation of this report rests with the District's management.

The District has administrative responsibility 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) in the United States of America. 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.

Wipfli LLP conducted an independent audit of the basic financial statements of the Fox Valley Technical College District as of and for the year ended June 30, 2016. The statements are the responsibility of the District's administration. As independent certified public accountants, Wipfli'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. Wipfli also, in accordance with Government Auditing Standards, issued a report on compliance and on internal control over financial reporting.

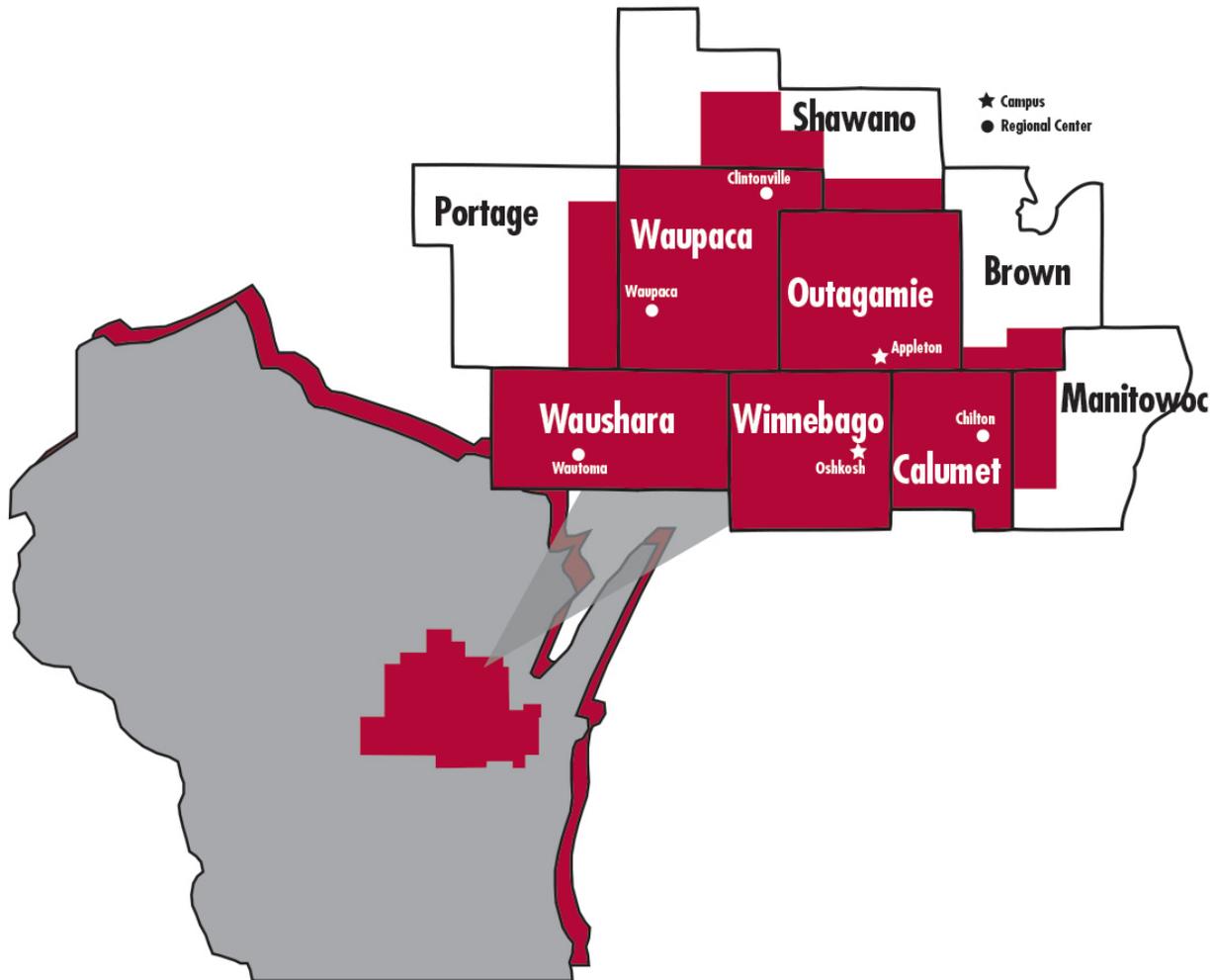
Please direct your attention to Management's Discussion and Analysis (MD&A), found in the Financial Section of the CAFR. The purpose of the MD&A is to provide users of the District's basic financial statements with a narrative introduction, overview, and analysis of those statements.

## 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 470,726 people live in the counties and portions of counties served by the District, using population data from the Wisconsin Department of Administration (DOA) 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.



**Our Mission is to:**

Provide relevant technical education and training to support student goals, a skilled workforce, and the economic vitality of our communities.

**Our Vision is to be:**

A catalyst in engaging partners to bring innovative educational solutions to individuals, employers, and communities – transforming challenges into opportunities.

**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.

**Vision 2020 Strategic Directions spanning years 2016 to 2020 are as follows:**

**Access to Technical Education** – Attract more students to technical career fields through targeted marketing, streamlining complex processes, and reducing known barriers.

**Student Success** – Improve students' completion of credentials through the redesign of academic and support service systems and practices.

**Workforce & Community Development** – Work with regional partners to develop solutions to address workforce gaps in key employment sectors.

The above directions are supported by core Foundational College Strategies:

**Collaborative Culture** – Foster a cross-functional environment of open communication and cooperation.

**Operational Effectiveness** – Aim for the most efficient use of resources and optimal alignment of processes.

## **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 3.7% in Calumet County to 5.3% 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 growing following 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 2012 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, 2016, all of the construction projects are complete. The referendum projects added over 240,000 square feet of instructional space to the District's facilities.

*Student Housing.* Tech Village Student Living Community opened for students on August 15, 2016. The housing complex includes fully furnished single and multi-bedroom units that can accommodate up to 275 students in total. While the housing is owned and operated by private developers, the District is an active partner in the administration 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 visited the District and confirmed the accuracy of the Systems Portfolio and items that the 2015 Systems Appraisal identified as needing clarification or verification. Federal compliance was verified to complete the Reaffirmation of Accreditation.

### **ACKNOWLEDGMENT**

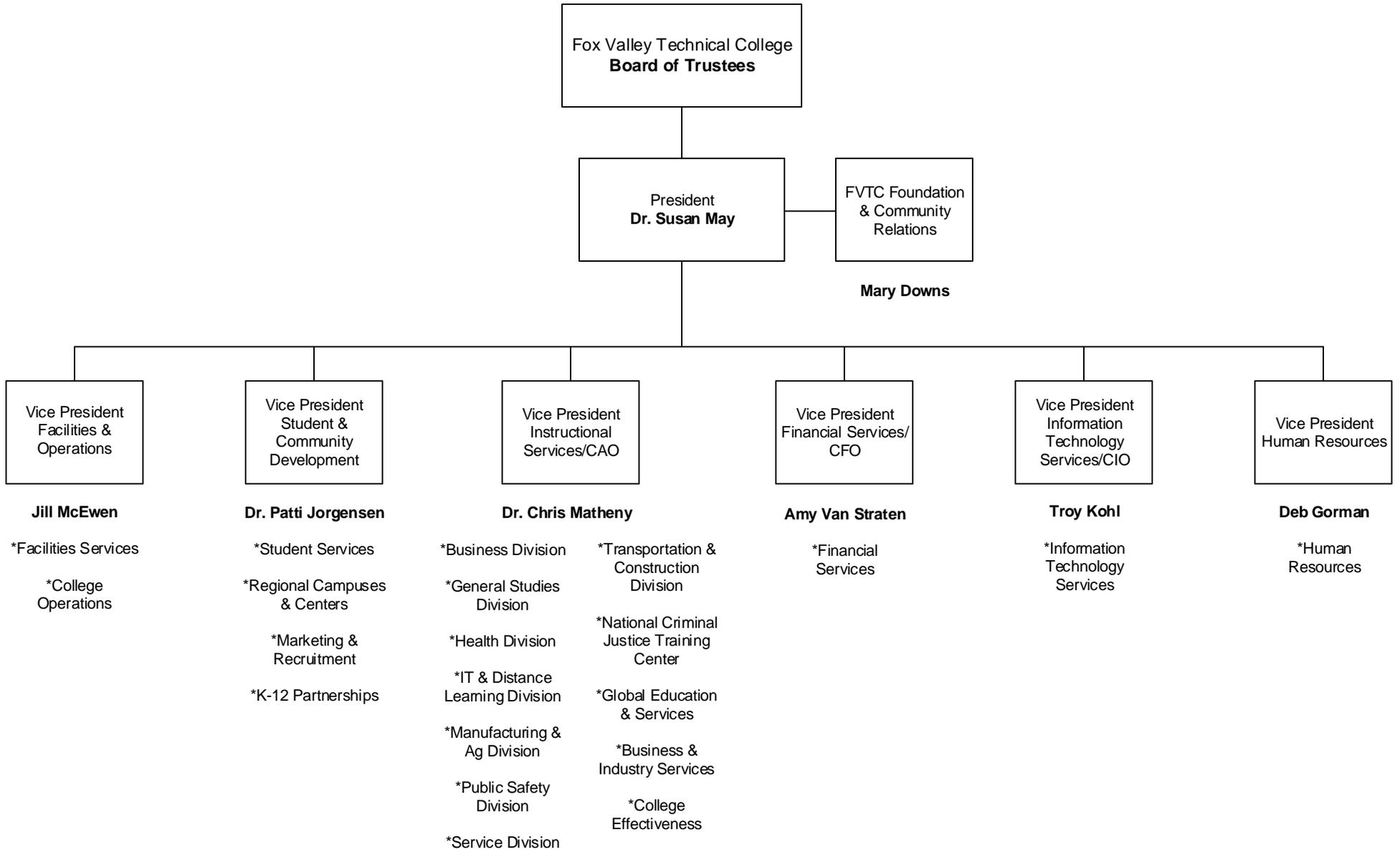
We express our appreciation to the Financial Services staff for their significant investment of time and resources in the preparation of this report. In addition, we thank the District Board of Trustees for their interest and support in planning and conducting the financial operations of the District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

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Fox Valley Technical College District, (the "District") as of and for the year ended June 30, 2016, 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; 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.

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of Fox Valley Technical College District as of June 30, 2016, and its changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States.

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance GASB Statement No. 72, Fair Value Measurement and Application. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Supplementary Information***

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The 2016 budgetary comparison schedules listed in the table of contents as supplementary information, 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 accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration and are not a required part of the basic financial statements. The supplementary information and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other

records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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 it.

### **Report on Summarized Financial Information**

The District's 2015 financial statements were audited by other auditors whose report dated November 30, 2015, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, 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 a report dated December 6, 2016, on our consideration of Fox Valley Technical College 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Wipfli LLP

December 6, 2016  
Madison, Wisconsin

## **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).

The District is part of a cost-sharing multiple-employer defined benefit pension plan administered by the Wisconsin Retirement System (WRS). On 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 has a reported a net liability of \$6.8 million at June 30, 2016 and previously reported a net

asset of \$10.4 million in 2015. This amount represented 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 for the prior year ended June, 30, 2015 in the amount of \$18.3 million. 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:

	(amounts shown in thousands)			(2016-2015)		(2015-2014)	
	2016	2015	2014	\$	%	\$	%
<b>ASSETS</b>							
Cash and investments	\$35,783	\$36,849	\$24,001	(\$1,065)	-2.9%	\$12,848	53.5%
Net capital assets	135,770	133,983	128,135	1,787	1.3%	5,848	4.6%
Other assets	50,674	60,329	64,524	(9,655)	-16.0%	(4,195)	-6.5%
Total assets	222,227	231,160	216,659	(8,933)	-3.9%	14,501	6.7%
Deferred Outflows of Resources	35,891	8,547	-	27,344	319.9%	8,547	n/a
<b>LIABILITIES</b>							
Current liabilities	35,140	37,499	40,628	(2,359)	-6.3%	(3,129)	-7.7%
Long-term liabilities	87,432	84,655	88,028	2,777	3.3%	(3,373)	-3.8%
Total liabilities	122,572	122,154	128,656	418	0.3%	(6,501)	-5.1%
Deferred Inflows of Resources	14,398	12	-	14,386	117141.2%	12	n/a
<b>NET POSITION</b>							
Net investment in capital assets	55,951	49,445	44,697	6,507	13.2%	4,748	10.6%
Restricted for:							
Debt service	16,013	17,054	17,187	(1,040)	-6.1%	(133)	-0.8%
Pension benefits	-	10,408	-	(10,408)	100.0%	10,408	0.0%
Unrestricted	49,183	40,635	26,120	8,548	21.0%	14,515	55.6%
Total net position	\$121,147	\$117,541	\$88,003	\$3,606	3.1%	\$29,538	33.6%

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

From 2015 to 2016, total assets decreased by \$8.9 million, or 3.9%. Significant changes are as follows:

- ❖ Other assets experienced a net decrease of \$9.7 million, or 16.0%. Contributing factors to this net change are:
  - The most significant item is the change in net pension asset/(liability) which changed from a \$10.4 million net asset at June 30, 2015 to a \$6.8 million net liability at June 30, 2016 As required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, this actuarially determined 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 \$1.6 million due to planned capital project expenditures related to the District's 2012 referendum. As of June 30, 2016 all referendum related proceeds were expended.

- On July 1, 2015, the District joined several other colleges and created the Wisconsin Technical College Employee Benefit Consortium (WTCEBC) for the purpose of jointly purchasing health insurance coverage, including stop loss coverage. This change resulted in the recording of a net receivable from the consortium of \$1.2 million, which represents the net amount of premiums paid in excess of current year incurred claims and expenses. For additional information, see Note H in the Notes to Basic Financial Statements.
- Accounts receivable for students decreased by \$430,000 reflective of the decline in enrollments.
- Prepaid expenses decreased by \$240,000 due to the timing of the District's quarterly contribution to employee health savings accounts from the last day of the quarter (June 30<sup>th</sup>) to the first day of the quarter (July 1).
- The District's net other post-employment benefits (OPEB) asset increased by \$1.8 million. This is a reflection of actual contributions made to the plan in excess of the required actuarial contribution. For additional information on the calculation of this net asset, see Note G in Notes to Basic Financial Statements.

Deferred outflows of resources related to pension benefits increased by \$27.3 million. This amount consists of the following variables: differences between expected and actual experience, changes in assumptions, 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. Currently the amounts reported to the District on pension benefits are unaudited, however, based on the information provided with the release of the 2017 WRS contribution rates, this increase is attributed to higher life expectancies and lower than expected trust fund investment performance.

From 2015 to 2016, total liabilities increased by \$418,000, or 0.3%. While this change is insignificant, several significant offsetting changes occurred during the year:

- ❖ The most significant item is the change in net pension liability, which changed from a \$10.4 million net asset at June 30, 2015 to a \$6.8 million net liability at June 30, 2016. As part of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, this actuarially determined 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.
- ❖ Principal payments on long term debt exceeded the current year issued debt by \$5.2 million, resulting in a decrease in total debt outstanding.
- ❖ Accounts payable decreased by \$695,000 due to the completion of projects related to the 2012 referendum.
- ❖ Accrued health and dental claims decreased by \$672,000. As mentioned previously, the District joined several other colleges in the creation of the Wisconsin Technical College Employee Benefit Consortium (WTCEBC) for the purpose of jointly purchasing certain insurance coverage, including stop loss coverage, on July 1, 2015. This change resulted in the District reflecting only dental claims incurred but not reported on the District's financial statements as of June 30<sup>th</sup>. For additional information, see Note H in the Notes to Basic Financial Statements.

Deferred inflows of resources related to pension benefits increased by \$14.4 million. This amount represents additional liabilities as of the measurement date, including investment gains that have not yet been recognized in the annual expense and changes in assumptions and differences between projected and actual experience. This amount will be amortized on an annual basis, for additional information, see Note F in the Notes to Basic Financial Statements.

From 2015 to 2016, total net position increased by \$3.6 million, or 3.1%. Significant changes are as follows:

- ❖ The largest portion of the District's net position (46.1%) 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 \$1.8 million in net capital assets combined with a decrease in debt related to capital assets of \$4.7 million contributed to the net increase of \$6.5 million in the amount invested in capital assets, net of related debt.
- ❖ The restricted for debt service category decreased by \$1.0 million, or 6.1%. These assets can only be used to repay the general obligation bonds and promissory notes issued by the District.
- ❖ The restricted for pension benefits category decreased by \$10.4 million. This decrease is due to the change in the District's net pension asset to a liability at June 30, 2016. 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 \$8.5 million, or 21.0%. This increase is due to the positive financial results of the college combined with the changes related to recording the District's net pension liability and related deferred outflows and inflows.

From 2014 to 2015, total assets increased by \$14.5 million, or 6.7%. Significant changes were 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. Tax levy receivable, as noted below, declined by \$6.9 million.
- ❖ Net capital assets increased by \$5.8 million, or 4.6%. This was the second year of a notable increase in the District's net capital assets 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 included the following items:
  - The most significant change was 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 was 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.

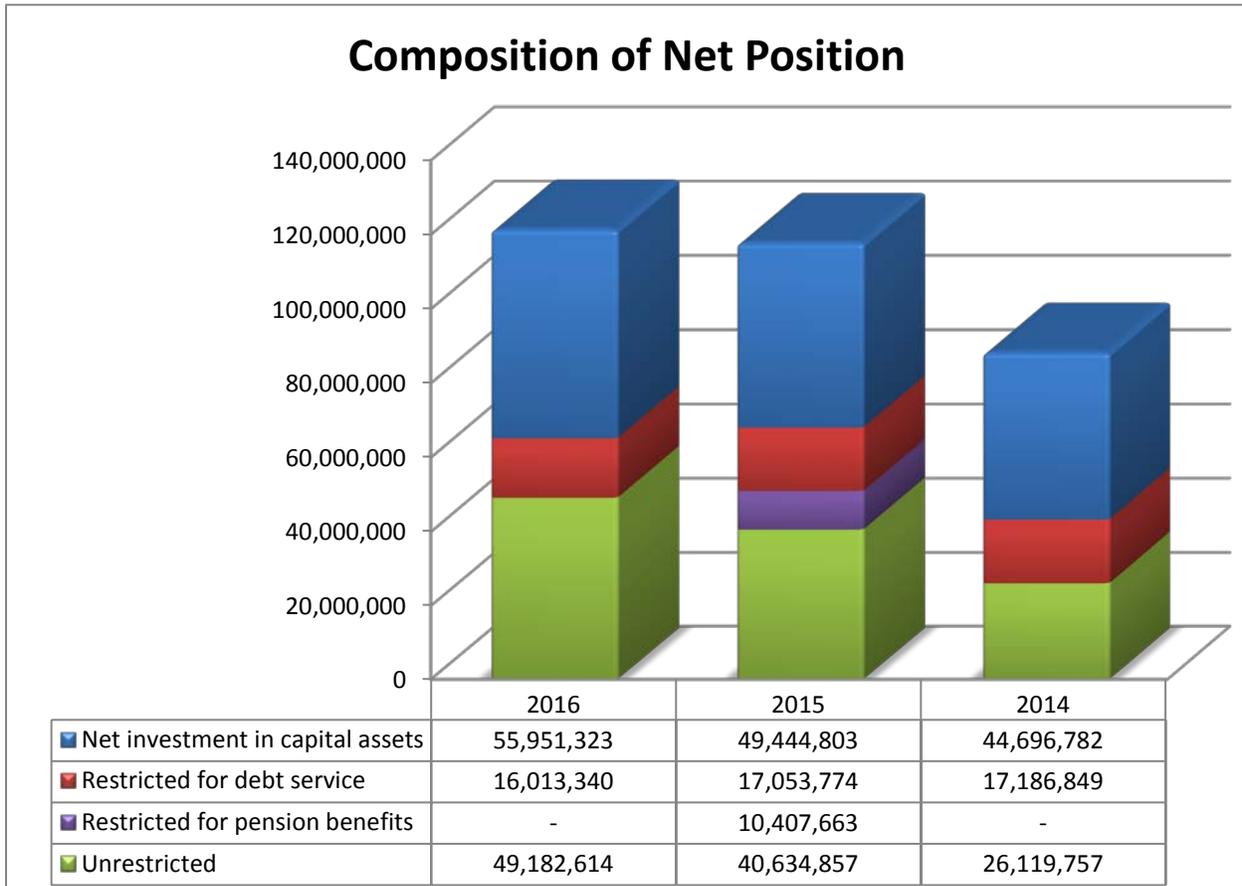
From 2014 to 2015, total liabilities decreased by \$6.5 million, or 5.1%. Significant changes were as follows:

- ❖ Accounts payable decreased by \$1.0 million due to the volume and timing of project billings 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 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 were 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 was 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 of \$10.4 million was reported for the first time in 2015 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, 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 \$14.5 million, or 55.6%. This increase was due to the positive financial results of the college combined with the addition of deferred outflows of resources related to pensions of \$8.5 million. Deferred outflows represent the 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.

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)			
	2016	2015	2014	(2016-2015)		(2015-2014)	
				\$	%	\$	%
Operating Revenues:							
Student tuition and fees	\$12,759	\$12,313	\$13,553	\$446	3.6%	(\$1,239)	-9.1%
Federal grants	37,458	42,256	46,681	(4,798)	-11.4%	(4,425)	-9.5%
State grants	5,634	4,634	4,999	1,000	21.6%	(365)	-7.3%
Contract revenue	8,799	8,740	7,319	59	0.7%	1,421	19.4%
Auxiliary enterprise revenues	3,191	3,144	2,890	47	1.5%	253	8.8%
Miscellaneous	2,388	2,561	2,522	(173)	-6.8%	39	1.5%
Total operating revenues	<u>\$70,229</u>	<u>\$73,647</u>	<u>\$77,964</u>	<u>(\$3,419)</u>	<u>-4.6%</u>	<u>(\$4,316)</u>	<u>-5.5%</u>

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

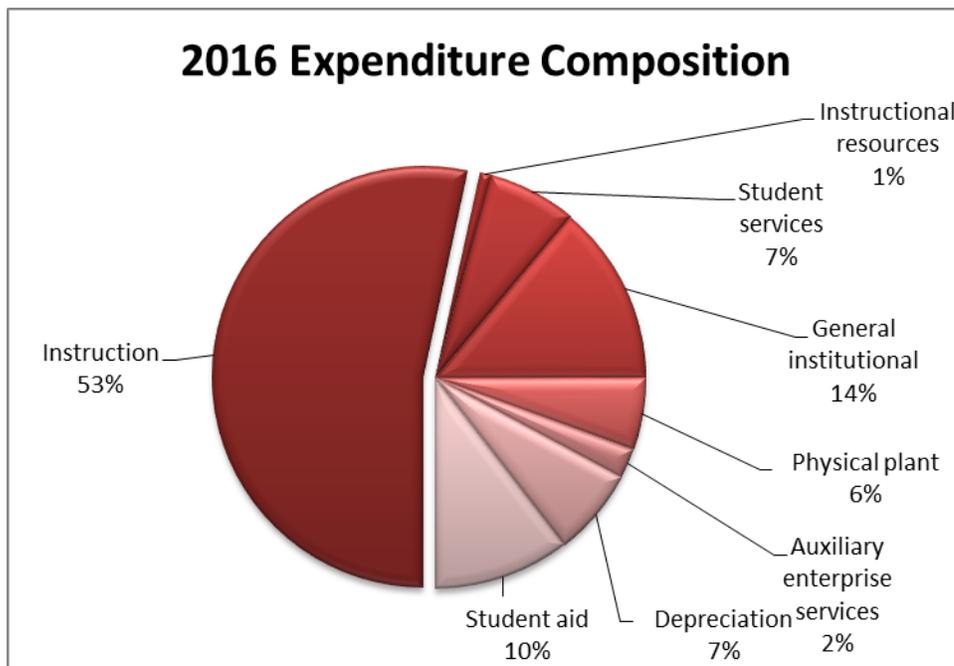
Operating revenues are the charges for services offered by the District. During 2016, the District generated \$70.2 million of operating revenue. This is a decrease of \$3.4 million, or 4.6%, from 2015. Significant changes are as follows:

- ❖ Student tuition and fee revenue increased by \$446,000 or 3.6%. During the year, the District experienced a decline in enrollments of 3.8% and a tuition rate increase of 2.0%. However, the most notable change is due to the amount of financial aid disbursed, reflected as scholarship allowances reducing tuition revenue. Scholarship allowances decreased \$1.5 million, or 11%, over the prior year.
- ❖ Federal grant revenue decreased by \$4.8 million, or 11.4%:
  - Funding received for student financial aid, which includes Pell Grants and Stafford loans, decreased by \$1.9 million and \$3.3 million, respectively.
  - Federal grant revenue increased 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.
- ❖ State grant activity increased by \$1.0 million, or 21.6%. Similar to federal grant activity, the volume and types of grants vary from year to year. Areas of growth include: general purpose revenue (GPR) grants awarded to expand banking and finance program enrollments, increase welding and metal fabrication enrollments and funding for a mobile safety training center for the Safety Engineering Technology area.

During 2015, the District generated \$73.6 million of operating revenue. This was a decrease of \$4.3 million, or 5.5%, from 2014. Significant changes were as follows:

- ❖ Student tuition and fee revenue decreased \$1.2 million, or 9.1%. A significant portion of the decrease was due to a change in recording summer tuition and fees. Fiscal year 2014 reflected the entire 2013 summer tuition, whereas fiscal year 2015 allocated tuition revenue based on the number of days in the fiscal year. The District also 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 declines 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).

The graph below categorizes the District's 2016 operating expenses by function.



	(amounts shown in thousands)			Increase or (Decrease)			
	2016	2015	2014	(2016-2015)		(2015-2014)	
				\$	%	\$	%
Operating Expenses:							
Instruction	\$76,087	\$70,919	\$75,323	\$5,168	7.3%	(\$4,403)	-5.8%
Instructional resources	1,299	1,024	1,221	275	26.9%	(197)	-16.1%
Student services	9,673	9,032	10,317	641	7.1%	(1,285)	-12.5%
General institutional	19,830	18,214	17,457	1,616	8.9%	757	4.3%
Physical plant	7,823	7,481	8,909	342	4.6%	(1,427)	-16.0%
Auxiliary enterprise services	3,305	3,032	2,994	273	9.0%	38	1.3%
Depreciation	9,620	8,852	7,408	768	8.7%	1,444	19.5%
Student aid	14,947	18,703	21,035	(3,756)	-20.1%	(2,332)	-11.1%
<b>Total operating expenses</b>	<b>\$142,585</b>	<b>\$137,258</b>	<b>\$144,664</b>	<b>\$5,326</b>	<b>3.9%</b>	<b>(\$7,406)</b>	<b>-5.1%</b>

\* 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 2015 to 2016, total operating expenses increased \$5.3 million, or 3.9%. Significant changes are as follows:

- ❖ Instructional expenses increased \$5.2 million, or 7.3%.
  - State and federal grant activity expenses increased by \$2.0 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. Grant programs with significant growth in the current year are as follows: \$1.8 million increase in Missing Children's Assistance administered by the U.S. Department of Justice and \$1.3 million from the Wisconsin Technical College System Board for general purpose grants in the areas of banking, nursing, and welding. Conversely, the federal Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program, administered by the U.S. Department of Justice, experienced a decrease in training activity of \$798,000.
  - The WRS expense amount allocated to instructional expenses increased \$2.6 million. This allocation is calculated based on a percentage of total benefit costs by expense category.

- Contracting expenses increased by \$357,000, which was a result in a shift in type of expenditure between student services to instructional services. Expenses are recorded based on the nature of the expense associated with contracts occurring during the year.
- ❖ Student Services expenses increased by \$641,000, or 7.1%. The majority of the increase is due to the WRS pension expense allocated to this expense category of \$350,000.
- ❖ General institutional expenses increased by \$1.6 million, or 8.9%. The majority of the increase is due to the WRS pension expense allocated to this expense category of \$997,000.
- ❖ Depreciation increased by \$768,000, or 8.7%, due to \$11.1 million of assets placed into service this year and the first full year of depreciation expense for \$51.7 million of assets placed into service the prior year. This year also marks the completion of the 2012 referendum related purchases. For additional information on assets placed into service, see Note C in Notes to Basic Financial Statements.
- ❖ Student aid expenditures decreased by \$3.8 million, or 20.1%. This change is due to a decrease in Pell Grant funding and Stafford loans of \$1.9 million and \$3.3 million, respectively. Several factors should be taken into consideration when evaluating this decrease. For example, associate degree and technical diploma programs experienced declines in enrollments of 7.1% and 3.8% respectively. These are the only programs eligible for aid. In addition, during periods of low unemployment, family incomes may become stronger and less likely to be eligible for financial aid. A third factor is that the District implemented dual disbursements, where one half of the amount of awarded loans are disbursed at the beginning of the semester and the remaining at mid-term. Eligibility is re-verified prior to the second disbursement.

From 2014 to 2015, total operating expenses decreased \$7.4 million, or 5.1%. Significant changes were as follows:

- ❖ Instructional expenses decreased \$4.4 million, or 5.8%.
  - Fewer class sections were offered due to declining enrollment.
  - 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 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. 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 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 they were replaced. 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 during the 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 was due to a decrease in Pell Grant funding and Stafford loans of \$1.0 million and \$2.3 million, respectively.

	(amounts shown in thousands)			Increase or (Decrease)			
	2016	2015	2014	(2016-2015)		(2015-2014)	
				\$	%	\$	%
Non-Operating Revenues:							
Property taxes	\$38,233	\$37,678	\$65,631	\$554	1.5%	(\$27,953)	-42.6%
State operating appropriations	39,049	38,504	9,422	545	1.4%	29,082	308.7%
Gain (loss) on sale of capital assets	86	47	56	39	83.6%	(10)	16.9%
Investment income earned	476	256	301	220	85.7%	(45)	-15.0%
<b>Subtotal of Non-Operating Revenues</b>	<b>77,843</b>	<b>76,485</b>	<b>75,411</b>	<b>1,358</b>	<b>1.8%</b>	<b>1,075</b>	<b>-1.4%</b>
Non-Operating Expenses:							
Interest expense	2,036	2,192	2,262	(155)	-7.1%	(70)	-3.1%
Debt issuance costs	167	177	216	(10)	-5.8%	(39)	-17.8%
<b>Subtotal of Non-Operating Expenses</b>	<b>2,203</b>	<b>2,369</b>	<b>2,478</b>	<b>(166)</b>	<b>-7.0%</b>	<b>(109)</b>	<b>-4.4%</b>
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$75,640</b>	<b>\$74,116</b>	<b>\$72,933</b>	<b>\$1,524</b>	<b>2.1%</b>	<b>\$1,183</b>	<b>1.6%</b>

\* 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 \$1.5 million, or 2.1%, from 2015 to 2016.

From 2014 to 2015, net non-operating revenues (expenses) increased \$1.2 million, or 1.6%. Significant offsetting changes were 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 previously, the property tax relief aid increased overall state aid paid to the District by \$29.1 million.

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

<b><u>2016</u></b>	<b><u>Original budget</u></b>	<b><u>Final Amended budget</u></b>	<b><u>Actual (budgetary basis)</u></b>
Total revenues	\$82,249	\$77,929	\$77,445
Total expenditures	84,957	84,744	80,296
Other financing sources (uses)	1,936	1,000	1,000
Excess (deficiency)	<u>(\$771)</u>	<u>(\$5,815)</u>	<u>(\$1,852)</u>

<b><u>2015</u></b>	<b><u>Original budget</u></b>	<b><u>Final Amended budget</u></b>	<b><u>Actual (budgetary basis)</u></b>
Total revenues	\$85,064	\$84,361	\$82,171
Total expenditures	84,993	84,643	79,320
Other financing sources (uses)	(705)	506	524
Excess (deficiency)	<u>(\$635)</u>	<u>\$223</u>	<u>\$3,375</u>

The most significant amendment to the 2016 budget occurred when the Board approved using \$4.8 million of operating reserves to fund key facility projects. Tax Levy revenue was reduced by \$4.8 million in the General Fund so that the Capital Projects Fund could make use of this revenue. There was a corresponding increase in the Excess (deficiency) line. The Other Financing Sources (Uses) line reflects the impact of decreasing the transfer from the Health & Dental Fund by \$750,000. This change was made to reflect six months of support instead of the 12 months originally budgeted. Excess reserves in the Health & Dental Fund are enabling College contributions to employee Health Savings Accounts beginning January 2016. Each year, the College evaluates the financial feasibility of continuing these contributions.

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

- ❖ State Aid received was \$476,000 less than planned in 2015 and \$488,000 more than budget in 2016. 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 \$1.5 million less than budget in 2015 and \$1.1 million less than budget in 2016. Total enrollments declined 4.5% in 2015 and 3.8% in 2016, and in both years the adopted budget assumed flat enrollment.
- ❖ Salary and fringe expenditures were under budget by \$4.2 million in 2015 and \$2.6 million in 2016. 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.
- ❖ Total non-salary expenditures were under budget by \$1.1 million in 2015 and under budget by \$1.8 million in 2016. In both years, the contingency budget was substantially conserved and utilities expenditures were under budget due to mild winters and energy-conservation projects. Instructional supplies/printing were under budget by \$227,000 in 2016 due to the decline in enrollments.

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, 2016 was \$135.8 million (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 1.3%, compared to 4.6% the prior year.

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

- ❖ The Chilton regional center addition which includes classrooms and lab space to support the health care training needs of the region.
- ❖ Several areas of the main campus were remodeled and furniture updated. Two of the more significant projects were the Information Technology (IT) area and C Building offices. The remodel allowed additional space to bring all IT administrative computing functions to one central place in addition to providing conference rooms to facilitate team-based project work. The C Building remodel provided more efficient office space for existing staff in the National Criminal Justice Training Center and provided office space for Information Technology instructors.

Notable additions placed in service in fiscal year 2015 included the Public Safety Training Center located adjacent to the Outagamie County Regional Airport, the Student Success Center addition and land purchased in Oshkosh for future program and campus growth. Instructional equipment additions include a Cincinnati hydraulic shear and a truck driving simulation system. 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 and 2016. 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, 2016, the Department of Revenue provided the District's actual valuation factor of 1.65938% which allows the operating levy to increase \$836,368 for fiscal year 2017.

The second year (2014-15) of the biennium budget 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 outcomes based funding and three fiscal years of data will be used for the formula factors. The percentage of general aids distributed under the outcomes 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 act maintains the percent of state aid to be distributed through outcomes-based funding at 30 percent in 2016-17. Under Act 55, there is no provision for outcomes-based funding after the 2016-17 year. The Wisconsin Technical College System is currently requesting statutory language to include the 30 percent allocation be continued.

The September unemployment rate for Wisconsin was 4.1% compared to the national average of 5.0%. Last year at this time the rates were 4.6% and 5.1%, respectively. Historically in times of low or declining unemployment rates, the demand for the District's resources and training decreases as many individuals are employed versus seeking retraining. 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 *Graduate Outcomes Report for 2015 Graduates* states the top reason (39% of responses) for attending a Wisconsin Technical College is preparation for getting a job. The report also indicates that 93% of fiscal year 2015's technical college graduates in the labor force were employed within six months of graduation and most of them (78%) were employed directly in their field of study. Both figures are up from the last report of 92% and 76%, respectively. The report also notes a driving force in the state's local and regional economy is due to 81% of technical college graduates choose to stay and live in Wisconsin. The District's study of 2015 graduates reflects 94% of our alumni are employed within six months of graduation and the average starting annual salary is \$36,196 with an average salary increase of 40% over 5 years.

## **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, 2016

With Comparative Amounts as of June 30, 2015

	2016		2015	
	District	Foundation	District	Foundation
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 35,783,387	\$ 11,351,839	\$ 36,848,648	\$ 10,859,707
Receivables				
Accounts	6,633,158	37,508	5,652,643	39,553
Property taxes	9,356,047	-	9,133,527	-
Federal and state aid	320,409	-	281,404	-
Student fees, net	11,094,684	-	11,524,607	-
Interest	57,810	-	58,833	-
Unconditional promises to give	-	393,842	-	463,687
Inventories	129,891	-	140,463	-
Prepaid items	279,996	-	520,024	-
Property held for investment	-	330,835	-	300,013
<b>Total Current Assets</b>	<b>63,655,382</b>	<b>12,114,024</b>	<b>64,160,149</b>	<b>11,662,960</b>
Noncurrent Assets				
Restricted cash and cash equivalents	19,308,792	-	20,865,091	-
Unconditional promises to give	-	43,055	-	196,617
Net pension asset	-	-	10,419,944	-
Net post employment benefit asset	3,492,969	-	1,732,497	-
Capital assets				
Non-depreciable	3,912,176	476,204	3,546,302	682,825
Depreciable	131,857,432	4,663,511	130,436,200	4,813,487
<b>Total Noncurrent Assets</b>	<b>158,571,369</b>	<b>5,182,770</b>	<b>167,000,034</b>	<b>5,692,929</b>
<b>TOTAL ASSETS</b>	<b>222,226,751</b>	<b>17,296,794</b>	<b>231,160,183</b>	<b>17,355,889</b>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	35,891,055	-	8,547,452	-
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	3,656,462	308,845	4,351,659	306,724
Accrued payroll, payroll taxes and retirement	5,352,570	-	5,020,086	-
Accrued vacation	1,033,277	-	1,159,760	-
Accrued health and dental claims	56,000	-	728,000	-
Accrued interest	221,638	-	236,315	-
Unearned student fees	9,759,976	-	9,741,851	-
Other unearned revenue	369,890	-	294,299	-
Due to other organizations	248,611	-	284,982	-
Current portion of long-term liabilities	14,441,765	432,341	15,681,912	396,488
<b>Total Current Liabilities</b>	<b>35,140,189</b>	<b>741,186</b>	<b>37,498,864</b>	<b>703,212</b>
Long-term Liabilities				
Bonds and notes payable	74,825,000	924,165	78,670,000	1,815,624
Debt premium	5,367,464	-	5,816,628	-
Net pension liability	6,832,287	-	-	-
Capital lease obligations	407,192	-	168,765	-
<b>Total Long-term Liabilities</b>	<b>87,431,943</b>	<b>924,165</b>	<b>84,655,393</b>	<b>1,815,624</b>
<b>TOTAL LIABILITIES</b>	<b>122,572,132</b>	<b>1,665,351</b>	<b>122,154,257</b>	<b>2,518,836</b>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	14,398,397	-	12,281	-
<b>NET POSITION</b>				
Net investment in capital assets	55,951,323	-	49,444,803	-
Restricted for debt service	16,013,340	-	17,053,774	-
Restricted for pension benefits	-	-	10,407,663	-
Restricted for scholarships and other activities	-	5,334,155	-	5,275,299
Unrestricted	49,182,614	10,297,288	40,634,857	9,561,754
<b>TOTAL NET POSITION</b>	<b>\$ 121,147,277</b>	<b>\$ 15,631,443</b>	<b>\$ 117,541,097</b>	<b>\$ 14,837,053</b>

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, 2016  
With Comparative Amounts for the Year Ended June 30, 2015

	2016		2015	
	District	Foundation	District	Foundation
<b>Operating Revenues</b>				
Student program fees, net of scholarship allowances of \$9,627,959 and \$10,803,674 for 2016 and 2015	\$ 9,839,905	\$ -	\$ 9,685,491	\$ -
Student material fees, net of scholarship allowances of \$694,947 and \$695,231 for 2016 and 2015	724,965	-	623,275	-
Other student fees, net of scholarship allowances of \$1,910,511 and \$2,235,953 for 2016 and 2015	2,194,034	-	2,004,531	-
Federal grants	37,458,363	-	42,256,029	-
State grants	5,634,046	-	4,633,935	-
Contract revenue	8,798,938	-	8,739,656	-
Auxiliary enterprise revenues	3,213,401	-	3,144,119	-
Miscellaneous	2,365,176	3,805,471	2,561,203	3,377,554
<b>Total Operating Revenues</b>	<b>70,228,828</b>	<b>3,805,471</b>	<b>73,648,239</b>	<b>3,377,554</b>
<b>Operating Expenses</b>				
Instruction	76,087,448	-	70,918,968	-
Instructional resources	1,299,224	-	1,024,218	-
Student services	9,672,917	-	9,031,945	-
General institutional	19,830,391	2,668,335	18,214,252	2,495,638
Physical plant	7,823,346	-	7,481,397	-
Auxiliary enterprise services	3,304,706	-	3,031,900	-
Depreciation	9,619,836	149,976	8,852,471	149,976
Student aid	14,946,854	-	18,703,311	-
<b>Total Operating Expenses</b>	<b>142,584,722</b>	<b>2,818,311</b>	<b>137,258,462</b>	<b>2,645,614</b>
<b>Operating Income (Loss)</b>	<b>(72,355,894)</b>	<b>987,160</b>	<b>(63,610,223)</b>	<b>731,940</b>
<b>Nonoperating Revenues (Expenses)</b>				
Property taxes	38,232,892	-	37,678,413	-
State operating appropriations	39,048,921	-	38,503,970	-
Gain (loss) on sale of capital assets	85,888	-	46,785	-
Investment income earned	475,680	(108,024)	256,128	312,329
Interest expense	(2,036,332)	(84,746)	(2,191,703)	(132,907)
Bond issuance costs	(166,975)	-	(177,325)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>75,640,074</b>	<b>(192,770)</b>	<b>74,116,268</b>	<b>179,422</b>
<b>Income before Capital Contributions</b>	<b>3,284,180</b>	<b>794,390</b>	<b>10,506,045</b>	<b>911,362</b>
<b>Capital Contributions</b>	<b>322,000</b>	<b>-</b>	<b>108,105</b>	<b>-</b>
<b>Change in Net Position</b>	<b>3,606,180</b>	<b>794,390</b>	<b>10,614,150</b>	<b>911,362</b>
<b>Net Position - July 1</b>	<b>117,541,097</b>	<b>14,837,053</b>	<b>106,926,947</b>	<b>13,925,691</b>
<b>Net Position - June 30</b>	<b>\$ 121,147,277</b>	<b>\$ 15,631,443</b>	<b>\$ 117,541,097</b>	<b>\$ 14,837,053</b>

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, 2016  
With Comparative Amounts for the Year Ended June 30, 2015

	2016		2015	
	District	Foundation	District	Foundation
<b>Cash Flows from Operating Activities</b>				
Tuition and fees received	\$ 13,206,952	\$ -	\$ 11,875,835	\$ -
Federal and state grants received	43,128,995	-	47,027,427	-
Contract revenue received	7,818,423	-	8,646,121	-
Auxiliary enterprise revenues received	3,213,401	-	3,144,119	-
Other receipts	2,365,176	4,030,923	2,561,203	2,639,369
Payments to employees	(86,722,503)	-	(85,010,504)	-
Payments to suppliers	(44,655,078)	(2,666,214)	(45,713,667)	(1,503,335)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(61,644,634)</b>	<b>1,364,709</b>	<b>(57,469,466)</b>	<b>1,136,034</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Local property taxes received	38,010,372	-	44,610,670	-
State appropriations received	39,048,921	-	38,503,970	-
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>77,059,293</b>	<b>-</b>	<b>83,114,640</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchases of capital assets	(10,455,648)	-	(16,267,145)	-
Proceeds from disposal of capital assets	104,548	206,621	114,868	-
Investment in property held for investment	-	(30,822)	-	(216,603)
Proceeds from issuance of capital debt	10,500,000	-	12,700,000	-
Premium received on debt issuance	344,112	-	853,651	-
Debt issuance costs paid	(166,975)	-	(177,325)	-
Principal paid on capital debt	(15,994,674)	(855,606)	(16,293,053)	(744,423)
Interest paid on capital debt	(2,844,285)	(84,746)	(2,922,135)	(132,907)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(18,512,922)</b>	<b>(764,553)</b>	<b>(21,991,139)</b>	<b>(1,093,933)</b>
<b>Cash Flows from Investing Activities</b>				
Change in long-term investments	(518,047)	(897,320)	5,250,228	251,792
Investment income received	476,703	161,120	299,199	167,577
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(41,344)</b>	<b>(736,200)</b>	<b>5,549,427</b>	<b>419,369</b>
<b>Change in Cash and Cash Equivalents</b>	<b>(3,139,607)</b>	<b>(136,044)</b>	<b>9,203,462</b>	<b>461,470</b>
<b>Cash and Cash Equivalents - July 1</b>	<b>38,534,902</b>	<b>1,290,682</b>	<b>29,331,440</b>	<b>829,212</b>
<b>Cash and Cash Equivalents - June 30</b>	<b>\$ 35,395,295</b>	<b>\$ 1,154,638</b>	<b>\$ 38,534,902</b>	<b>\$ 1,290,682</b>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>				
Cash and investments in current assets	\$ 35,783,387	\$ 11,351,839	\$ 36,848,648	\$ 10,859,707
Cash and investments in restricted assets	19,308,792	-	20,865,091	-
Less: investments	(19,696,884)	(10,197,202)	(19,178,837)	(9,569,025)
<b>Cash and Cash Equivalents - June 30</b>	<b>\$ 35,395,295</b>	<b>\$ 1,154,637</b>	<b>\$ 38,534,902</b>	<b>\$ 1,290,682</b>
<b>Noncash Investing, Capital and Financing Activities</b>				
Capital assets purchased by issuance of capital leases and contributions	\$ 647,954	\$ -	\$ 108,105	\$ -

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Statement of Cash Flows (Continued)  
For the Year Ended June 30, 2016  
With Comparative Amounts for the Year Ended June 30, 2015

	2016		2015	
	District	Foundation	District	Foundation
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (72,355,894)	\$ 987,160	\$ (63,610,223)	\$ 731,940
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	9,619,836	149,976	8,852,471	149,976
Bad debt expense	-	12,140	-	16,017
Changes in assets and liabilities				
Receivables				
Accounts	(980,515)	(10,095)	163,178	(10,781)
Federal and state aid	(39,005)	-	137,463	-
Student fees	429,923	-	16,849	-
Unconditional promises to give	-	223,407	-	256,082
Inventories	10,572	-	(18,412)	-
Prepaid items	240,028	-	177,795	-
Net post employment benefit asset	(1,760,472)	-	(2,236,618)	-
Pension related items	4,294,744	-	-	-
Accounts payable	(695,197)	2,121	(1,050,778)	(7,200)
Less: Accounts payable related to purchases of capital assets	-	-	1,606,975	-
Accrued payroll, payroll taxes, retirement and vacation	206,001	-	(687,408)	-
Accrued health and dental claims	(672,000)	-	(40,000)	-
Unearned student fees	18,125	-	(454,311)	-
Other unearned revenue	75,591	-	(256,713)	-
Due to other organizations	(36,371)	-	(69,734)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (61,644,634)</u>	<u>\$ 1,364,709</u>	<u>\$ (57,469,466)</u>	<u>\$ 1,136,034</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, 2016

### 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, 2016

**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.

3. 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, 2016

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

For the year ended June 30, 2016, the District levied taxes at the following mill rate:

Operating purposes	\$ 0.627231
Debt service requirements	0.490585
	\$ 1.117816

The 2015 tax levy used to finance expenditures for the fiscal year ended June 30, 2016 was \$37,929,226.

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, 2016.

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, 2016. 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, 2016

**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 post-retirement 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, 2016

**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, 2016

**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's 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.

19. New Accounting Pronouncement

Management adopted new accounting guidance GASB Statement No. 72, Fair Value Measurement and Application. This statement provides guidance for determining a fair value measurement for financial reporting purposes and provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

**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 \$55,092,179 on June 30, 2016 as summarized below:

Petty cash funds	\$ 11,220
Deposits with financial institutions	(184,800)
Investments	
U.S. Treasury Notes	5,945,742
State and municipal bonds	658,438
Corporate bonds	7,895,661
Federal agency securities	299,617
Asset backed securities	4,897,426
Wisconsin Local Government Investment Pool (LGIP)	32,870,697
Money market mutual funds	2,698,178
	<u>\$ 55,092,179</u>

Cash and investments are reported on June 30, 2016 as follows:

Statement of Net Position	
Cash and investments	\$ 35,783,387
Restricted cash and investments	19,308,792
Total cash and investments	<u>\$ 55,092,179</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.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**NOTE B - CASH AND INVESTMENTS (Continued)**

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.

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, 2016, \$46,486 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	\$ 5,945,742	\$ 5,945,742	\$ -	\$ -	\$ -	\$ -
State and municipal bonds	658,438	-	301,163	357,275	-	-
Corporate bonds	7,895,661	-	292,633	6,012,592	1,590,436	-
Federal agency securities	299,617	-	-	299,617	-	-
Asset back securities	4,897,426	-	4,021,910	875,516	-	-
External investment pools	32,870,697	-	-	-	-	32,870,697
Money market mutual funds	2,698,178	-	2,698,178	-	-	-
Totals	\$ 55,265,759	\$ 5,945,742	\$ 7,313,884	\$ 7,545,000	\$ 1,590,436	\$ 32,870,697

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.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**NOTE B - CASH AND INVESTMENTS (Continued)**

Interest Rate Risk

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

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	\$ 5,945,742	\$ -	\$ 1,810,078	\$ 4,135,664	\$ -
State and municipal bonds	658,438	200,919	457,519	-	-
Corporate bonds	7,895,661	955,027	2,933,829	4,006,805	-
Federal agency securities	299,617	-	299,617	-	-
Asset back securities	4,897,426	1,279,602	1,893,590	1,724,234	-
External investment pools	32,870,697	32,870,697	-	-	-
Money market mutual funds	2,698,178	2,698,178	-	-	-
<b>Totals</b>	<b>\$ 55,265,759</b>	<b>\$ 38,004,423</b>	<b>\$ 7,394,633</b>	<b>\$ 9,866,703</b>	<b>\$ -</b>

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.	
	\$ 4,897,426

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin local government investment pool of \$32,870,697 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, 2016, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. The investment in LGIP is not subject to the fair value hierarchy disclosures.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**NOTE B - CASH AND INVESTMENTS (Continued)**

Fair Value Measurements

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

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Inputs to the valuation methodology include:

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

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

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Information regarding the fair value of assets measured at fair value on a recurring basis as of June 30, 2016 shown below:

	Total Assets at Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 5,945,742	\$ -	\$ 5,945,742	\$ -
State and municipal bonds	658,438	-	658,438	-
Corporate bonds	7,895,661	-	7,895,661	-
Federal agency securities	299,617	-	299,617	-
Asset back securities	4,897,426	-	4,897,426	-
Money market mutual funds	2,698,178	-	2,698,178	-
Totals	<u>\$ 22,395,062</u>	<u>\$ -</u>	<u>\$ 22,395,062</u>	<u>\$ -</u>

The following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Money market funds and external investment pools are valued using \$1.00 as the net asset value.
- Corporate bonds, government bonds and notes, federal and asset backed securities are valued using quotes from pricing vendors based on recent trading activity and other observable market data.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**NOTE B - CASH AND INVESTMENTS (Continued)**

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

The District does not have any liabilities measured at fair value on a recurring basis nor any assets or liabilities measured at fair value on a nonrecurring basis

**NOTE C - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,713,685	\$ 54,556	\$ -	\$ 1,768,241
Construction in progress	1,832,617	2,129,349	1,818,031	2,143,935
Total Capital assets, not being depreciated	<u>3,546,302</u>	<u>2,183,905</u>	<u>1,818,031</u>	<u>3,912,176</u>
Capital assets, being depreciated:				
Land improvements	15,846,230	1,256,465	-	17,102,695
Buildings and improvements	137,766,716	3,730,573	-	141,497,289
Intangible assets	3,956,708	605,581	2,098,312	2,463,977
Equipment	38,301,774	5,476,944	3,181,399	40,597,319
Subtotal	<u>195,871,428</u>	<u>11,069,563</u>	<u>5,279,711</u>	<u>201,661,280</u>
Less accumulated depreciation for:				
Land improvements	4,394,411	839,822	-	5,234,233
Buildings and improvements	38,340,716	3,640,109	-	41,980,825
Intangible assets	2,870,766	783,495	2,098,312	1,555,949
Equipment	19,829,335	4,357,639	3,154,133	21,032,841
Subtotal	<u>65,435,228</u>	<u>9,621,065</u>	<u>5,252,445</u>	<u>69,803,848</u>
Total capital assets, being depreciated, net	<u>130,436,200</u>	<u>1,448,498</u>	<u>27,266</u>	<u>131,857,432</u>
Net capital assets	<u>\$ 133,982,502</u>	<u>\$ 3,632,403</u>	<u>\$ 1,845,297</u>	135,769,608
Less capital related debt				(79,284,328)
Less capital lease obligations				<u>(533,957)</u>
Net investment in capital assets				<u>\$ 55,951,323</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to Basic Financial Statements  
June 30, 2016

**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, 2016:

	June 30, 2015	Issued	Retired	June 30, 2016	Due Within One Year
General obligation debt					
Bonds	\$ 54,825,000	\$ -	\$ 4,515,000	\$ 50,310,000	\$ 3,150,000
Notes	39,470,000	10,500,000	11,140,000	38,830,000	11,165,000
Total general obligation debt	94,295,000	10,500,000	15,655,000	89,140,000	14,315,000
Debt premium	5,816,628	344,112	793,276	5,367,464	-
Capital lease obligations	225,677	647,954	339,674	533,957	126,765
Net pension liability	-	6,832,287	-	6,832,287	-
	<u>\$ 100,337,305</u>	<u>\$ 18,324,353</u>	<u>\$ 16,787,950</u>	<u>\$ 101,873,708</u>	<u>\$ 14,441,765</u>

Interest paid on the above outstanding general obligation notes and capital lease obligations totaled \$2,829,608.

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, 2016 totaled \$89,140,000 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.

35,535,000

Total General Obligation Bonds

50,310,000

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

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

Notes (Continued)

August 2009 - \$7,200,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.25%, 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, remodeling, capital equipment and non-building capital projects. 1,210,000

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. Proceeds used for building construction and improvements, remodeling, capital equipment and non-building capital projects. 2,265,000

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. Proceeds used for building construction and improvements, remodeling, capital equipment and non-building capital projects. 1,210,000

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. 310,000

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 additions or enlargements, building remodeling or improvement, moveable equipment and non-building capital projects. 5,300,000

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. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 6,700,000

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. 1,060,000

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**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.	1,035,000
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.	920,000
July 2014 - \$10,800,000 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, 2021. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects.	6,810,000
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.	1,540,000
August 2015 - \$7,500,000 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, 2022. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects.	7,470,000
September 2015 - \$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.	1,500,000
October 2015 - \$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.	<u>1,500,000</u>
Total General Obligation Promissory Notes	<u>38,830,000</u>
Total General Obligation Debt	<u>\$ 89,140,000</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

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

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

Year Ended June 30	Principal	Interest	Total
2017	\$ 14,315,000	\$ 2,297,115	\$ 16,612,115
2018	10,225,000	2,124,700	12,349,700
2019	9,315,000	1,835,600	11,150,600
2020	9,890,000	1,541,375	11,431,375
2021	8,745,000	1,251,350	9,996,350
2022	6,445,000	1,008,850	7,453,850
2023	5,230,000	827,700	6,057,700
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>\$ 89,140,000</u>	<u>\$ 12,825,965</u>	<u>\$ 101,965,965</u>

Legal Margin for New Indebtedness

The District's legal margin for creation of additional indebtedness on June 30, 2016 was as follows:

	Aggregate	Bonded
Equalized valuation of the District	\$ 35,037,873,936	\$ 35,037,873,936
Statutory limitation percentage	(x) 5%	(x) 2%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>\$ 1,751,893,697</u>	<u>\$ 700,757,479</u>
General obligation debt	\$ 89,140,000	\$ 50,310,000
Capital lease obligations	533,957	-
Less: Amounts available for financing general obligation debt		
Restricted for debt service	16,013,340	16,013,340
Net outstanding general obligation debt applicable to debt limitation	<u>\$ 73,660,617</u>	<u>\$ 34,296,660</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**NOTE E - CAPITAL LEASE**

The District has entered into lease agreements for the purpose of purchasing capital assets. At June 30, 2016, the District had \$533,957 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, 2016:

Fiscal Year Ending June 30,	Annual Requirements
2017	\$ 136,286
2018	136,287
2019	136,286
2020	136,286
2021	11,357
Total required minimum lease payments	<u>556,502</u>
Less: Amounts representing interest	22,545
Present value of future minimum lease payments	<u>\$ 533,957</u>

**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, 2016

**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
2006	0.8%	3.0%
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0

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 \$4,021,613 in contributions from the District.

Contribution rates as of June 30, 2016 are:

Employee Category	2016		2015	
	Employee	Employer	Employee	Employer
General (including teachers)	6.6%	6.6%	6.8%	6.8%
Executives & Elected Officials	6.6%	6.6%	7.7%	7.7%
Protective with Social Security	6.6%	9.4%	6.8%	9.5%
Protective without Social Security	6.6%	13.2%	6.8%	13.1%

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**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, 2016 and 2015, the District reported a liability (asset) of \$6,832,287 and (\$10,419,444), respectively, for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of the calendar year that falls within the District's fiscal year and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation one year prior to that date rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015 and 2014, the District's proportion was 0.42045345% and 0.42421758% (a decrease of 0.00376413% from the prior year), respectively.

For the year ended June 30, 2016 and 2015, the District recognized pension expense of \$8,244,838 and \$4,086,199, respectively.

At June 30, 2016 and 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2016		2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,166,177	\$ 14,378,431	\$ 1,510,568	\$ -
Changes in assumptions	4,780,165	-	-	-
Net differences between projected and actual earnings on pension plan investments	28,005,214	-	5,045,840	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	19,966	-	12,281
Employer contributions subsequent to the measurement date	1,939,499	-	1,991,044	-
<b>Total</b>	<b>\$35,891,055</b>	<b>\$ 14,398,397</b>	<b>\$ 8,547,452</b>	<b>\$ 12,281</b>

\$1,939,499 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30	Net Deferred Outflow (Inflow) of Resources
2017	\$ 5,332,924
2018	5,332,924
2019	5,332,924
2020	3,861,796
2021	(307,409)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**NOTE F - PENSION PLANS (continued)**

5. Actuarial Assumption

The total pension liability in the actuarial valuation used for the years ended June 30, 2016 and 2015, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2016	2015
Actuarial Valuation Date:	December 31, 2014	December 31, 2013
Measurement Date of Net Pension Asset:	December 31, 2015	December 31, 2014
Actuarial Cost Method:	Entry Age	Entry Age
Asset Valuation Method:	Fair Market Value	Fair Market Value
Long-Term Expected Rate of Return:	7.2%	7.2%
Discount Rate:	7.2%	7.2%
Salary Increases:		
Inflation	3.2%	3.2%
Seniority/Merit	0.2% - 5.6%	0.2% - 5.8%
Mortality:	WI 2012 Mortality Table	WI 2012 Mortality Table
Post-retirement Adjustments*	2.1%	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.

*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	December 31, 2015		December 31, 2014	
	Long-Term Real Rate of Return	Target Allocation	Long-Term Real Rate of Return	Target Allocation
<b>Core Fund:</b>				
US Equities	4.7%	23%	5.3%	21%
International Equities	5.6%	22%	5.7%	23%
Fixed Income	1.6%	37%	1.7%	36%
Inflation Sensitive Assets	1.4%	20%	2.3%	20%
Real Estate	3.6%	7%	4.2%	7%
Private Equity/Debt	6.5%	7%	6.9%	7%
Multi-Asset	3.8%	4%	3.9%	6%
Cash	0.0%	0%	0.9%	(20%)
<b>Variable Fund:</b>				
US Equities	4.7%	70%	4.7%	70%
International Equities	5.6%	30%	5.6%	30%

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to Basic Financial Statements  
June 30, 2016

**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 3.57%. 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:

	2016		2015	
	Discount Rate	Net Pension Liability (Asset)	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	6.2%	\$ 47,921,791	6.2%	\$ 29,396,457
Current discount rate	7.2%	6,832,287	7.2%	(10,419,944)
1% increase to the rate	8.2%	(25,259,349)	8.2%	(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://etf.wi.gov>.

6. Payable to the WRS

At June 30, 2016 and 2015, the District reported a payable of \$1,141,783 and \$1,221,880, respectively, for the outstanding amount of contributions to the pension plan for the years ended June 30, 2016 and 2015, respectively.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**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 228 retired participants.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**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	\$ 952,753
Interest on Net OPEB Obligation	(56,248)
Adjustment to Annual Required Contribution	92,871
Annual OPEB Cost (Expense)	989,376
Contributions made	(2,749,848)
Change in Net OPEB Obligation/(Asset)	(1,760,472)
Net OPEB Obligation/(Asset) - Beginning of Year	(1,732,497)
Net OPEB Obligation/(Asset) - End of Year	<u>\$ (3,492,969)</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)
2014	\$ 967,827	275.74%	\$ 504,121
2015	1,082,952	306.53%	(1,732,497)
2016	989,376	277.94%	(3,492,969)

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%	18,949,124	56,780,137	33.4%

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**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, 2016 and prior years are as follows:

Year Ended June 30,	Employer Contributions	Annual Required Contribution	Percentage Contributed
2014	\$ 2,668,669	\$ 1,002,277	266.26%
2015	3,319,570	1,092,799	303.77%
2016	2,749,848	952,753	288.62%

**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, 2016

**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, 2016, the District paid a total premium of \$620,393.

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 \$1,000,000 per claim and in aggregate, and aircraft and hull liability with coverage of \$10,000,000 per occurrence. Total premiums on these policies total \$6,128 and \$66,991, respectively.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**NOTE H - RISK MANAGEMENT (Continued)**

2. As of July 1, 2015, the District joined together with other technical colleges in the state to form the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). WTCEBC is a public entity risk pool that the District participates in to provide health insurance coverage to its employees. The main purpose of WTCEBC is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. The District pays WTCEBC a monthly premium based on the number of participants and the type of coverage that has been elected. Individual claims below \$100,000 are self-funded by the District. Any individual claim exceeding \$100,000 but less than \$250,000 is shared in a pooled layer among all of the colleges participating in the consortium. Individual claims exceeding \$250,000 and aggregate claims exceeding \$1,000,000 are subject to reinsurance.

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

For the year ended June 30, 2016, the District paid a total premium of \$13,444,442.

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

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

Dental Self-Insurance Program

District employees and employee dependents are eligible for dental benefits from the District's self-insurance fund. Funding is provided by charges to departments and employees. There were approximately 910 participants and 2,456 "covered" participants in the Dental Plan at June 30, 2016. Fund expenses consist of payments to a third-party administrator for dental claims and administrative fees.

On June 30, 2016 net position of \$7,835,031 was available for future unreported claims. The claims liability of \$56,000 reported at June 30, 2016 is the estimated dental claims incurred but not paid or reported as of June 30, 2016. 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. The District joined the WTCEBC on July 1, 2015 for health insurance coverage and the changes in the claim liability related to the self-insurance program for the years ended June 30, 2016 and 2015 follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30
2015	\$ 768,000	\$ 12,004,742	\$ 12,044,742	\$ 728,000
2016	728,000	222,006	894,006	56,000

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.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**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 or nature of expense for the year ended June 30, 2016:

	Amount
Salaries and wages	\$ 63,617,580
Fringe benefits	25,173,196
Travel, memberships and subscriptions	3,462,457
Supplies, printing and minor equipment	10,993,951
Contract services	8,111,510
Rentals	2,660,812
Insurance	798,661
Utilities	2,196,365
Depreciation	9,619,836
Student aid	14,946,854
Other expenses	1,003,500
Total Operating Expenses	\$ 142,584,722

**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, 2016 are:

Year Ending June 30,	Amount
2017	\$ 1,043,860
2018	1,004,821
2019	938,783
2020	908,223
2021	683,960
2022 - 2026	2,604,335
2027 - 2031	1,323,963
2032 - 2036	538,632
2037 - 2041	153,968
2042 - 2046	153,968
2047 - 2051	153,968
2052 - 2056	153,968
2057 - 2061	153,968
2062 - 2066	153,968
2067 - 2071	153,968
2072 - 2076	153,968
2077 - 2081	153,968
2082 - 2086	153,968
2087 - 2091	128,307
Total Required Minimum Lease Payments	\$ 10,714,564

Rent expense under all operating leases for the years ended June 30, 2016 totaled \$1,250,502.

Capital Projects

The District has commitments for capital projects as of June 30, 2016 totaling \$4,899,863.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**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.

**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, 2016 consist of the following:

	Cost	Fair Value	Excess of Fair Value Over Cost	Fair Value Method
Cash and cash equivalents	\$ 539,682	\$ 539,682	\$ -	Level 2
Fixed income				
Bond funds	821,301	843,190	21,889	Level 2
Treasuries	687,372	703,147	15,775	Level 2
Corporate bonds	159,571	160,816	1,245	Level 2
Foreign bonds	1,381,758	1,345,206	(36,552)	Level 2
Total fixed income	<u>3,050,002</u>	<u>3,052,359</u>	<u>2,357</u>	
Equity				
Common stocks	2,604,745	3,135,613	530,868	Level 1
Pooled equity funds	2,918,447	3,145,932	227,485	Level 2
Exchange traded funds	317,029	273,737	(43,292)	Level 1
Total equity	<u>5,840,221</u>	<u>6,555,282</u>	<u>715,061</u>	
Total Investments	<u>\$ 9,429,905</u>	10,147,323	<u>\$ 717,418</u>	
Bank deposits		1,154,637		
Beneficial interest in investments held by Community Foundation		49,879		
Total Cash and Investments		<u>\$ 11,351,839</u>		

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**NOTE L - COMPONENT UNIT (Continued)**

Net Investment income (loss) reported in the statement of revenues, expenses and changes in net position totaled \$(108,024) and consisted of the following:

Market appreciation	\$ 97,527
Unrealized losses	(363,438)
Interest and dividend income	209,125
Investment fees	<u>(51,238)</u>
Investment return	<u>\$ (108,024)</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, 2016 totaled \$49,879.

3. Promises to Give

Unconditional promises to give at June 30, 2016 are as follows:

Receivable in less than one year	\$ 393,842
Receivable in one to five years	44,604
Total unconditional promises to give	<u>438,446</u>
Less discount to net present value	1,549
Net Unconditional Promises to Give	<u>\$ 436,897</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, 2016 follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 682,825	\$ -	\$ 206,621	\$ 476,204
Capital assets, being depreciated:				
Buildings	5,999,023	-	-	5,999,023
Less accumulated depreciation for:				
Buildings	1,185,536	149,976	-	1,335,512
Net capital assets	<u>\$ 5,496,312</u>	<u>\$ (149,976)</u>	<u>\$ 206,621</u>	<u>\$ 5,139,715</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2016

**NOTE L - COMPONENT UNIT (Continued)**

5. Notes Payable

The Foundation has a total of \$1,356,506 of long-term debt outstanding and consists of the following issues:

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.	\$ 482,463
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.	398,866
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>475,177</u>
Total	1,356,506
Less amount due within one year	<u>432,341</u>
Total long-term debt	<u><u>\$ 924,165</u></u>

Scheduled principal payments on notes payable at June 30, 2016, including current maturities, are summarized as follows:

Year Ending	
<u>June 30,</u>	
2017	\$ 432,341
2018	379,293
2019	218,590
2020	54,532
2021	57,182
Thereafter	<u>214,568</u>
Total	<u><u>\$ 1,356,506</u></u>

6. Operating Leases

The Foundation leases several buildings to the District under noncancelable operating leases with automatic renewal terms. Rental income during 2016 from the District was \$555,604. Future minimum collections expected, by year and in the aggregate consist of the following at June 30, 2016:

Year Ending	
<u>June 30,</u>	
2017	\$ 555,604
2018	559,979
2019	538,104
2020	510,594
2021	428,064
Thereafter	<u>2,170,672</u>
	<u><u>\$ 4,763,017</u></u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to Basic Financial Statements  
June 30, 2016

**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, 2016.

	Temporarily Restricted	Permanently Restricted	Total
Scholarships	\$ 1,490,870	\$ -	\$ 1,490,870
Activity funds	690,131	-	690,131
Instructional support	611,135	-	611,135
Endowments	310,661	2,231,358	2,542,019
	<u>\$ 3,102,797</u>	<u>\$ 2,231,358</u>	<u>\$ 5,334,155</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, 2016, the District issued general obligation promissory notes as follows:

Date	Interest Rate	Amount	Purpose
August 2, 2016	2%	\$ 7,900,000	Proceeds used for building remodeling and improvements, moveable equipment and other non-building capital projects.
September 7, 2016	2%	1,500,000	Proceeds used for building remodeling and improvements.
October 11, 2016	2%	1,500,000	Proceeds used for building remodeling and improvements.
		<u>\$ 10,900,000</u>	

## **REQUIRED SUPPLEMENTAL INFORMATION**

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
 Schedule of Funding Progress  
 Other Post-Employment Benefits  
 For the Year Ended June 30, 2016

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%	18,949,124	56,780,137	33.4%

See Notes to Required Supplemental Information

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
 Schedule of Employer Contributions  
 Other Post-Employment Benefits  
 For the Year June 30, 2016

Year Ended June 30,	Employer Contributions	Annual Required Contribution	Percentage Contributed
2014	\$ 2,668,669	\$ 1,002,277	266.26%
2015	3,319,570	1,092,799	303.77%
2016	2,749,848	952,753	288.62%

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	2016
Proportion of the net pension asset	0.42422%	0.42420%
Proportionate share of the net pension liability (asset)	\$ (10,419,944)	\$ 6,832,287
Covered-employee payroll	\$ 58,054,078	\$ 59,170,908
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(17.95%)	11.55%
Plan fiduciary net position as a percentage of the total pension asset	102.74%	98.20%

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

See Notes to Required Supplemental Information

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
 Schedule of Contributions  
 Wisconsin Retirement System  
 Last 10 Fiscal Years\*

	2015	2016
Contractually required contributions	\$ 4,050,896	\$ 4,021,613
Contributions in relation to the contractually required contributions	4,050,896	4,021,613
Contribution deficiency (excess)	-	-
Covered-employee payroll	58,054,078	59,170,908
Contributions as a percentage of covered-employee payroll	6.98%	6.80%

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

See Notes to Required Supplemental Information

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to Required Supplemental Information  
For the Year Ended June 30, 2016

**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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 19,890,317	\$ 15,297,062	\$ 15,321,948	\$ -	\$ 15,321,948	\$ 24,886
Intergovernmental revenue						
State	38,577,570	38,760,870	39,248,388	-	39,248,388	487,518
Federal	25,000	25,000	19,834	-	19,834	(5,166)
Tuition and fees						
Statutory program fees	20,417,900	20,423,908	19,339,764	-	19,339,764	(1,084,144)
Material fees	1,287,355	1,371,355	1,398,000	-	1,398,000	26,645
Other student fees	1,700,748	1,700,748	1,593,983	-	1,593,983	(106,765)
Institutional	350,000	350,000	522,837	-	522,837	172,837
<b>Total Revenues</b>	<b>82,248,890</b>	<b>77,928,943</b>	<b>77,444,754</b>	<b>-</b>	<b>77,444,754</b>	<b>(484,189)</b>
<b>Expenditures</b>						
Instruction	53,221,689	53,099,084	50,284,333	(26,976)	50,257,357	2,841,727
Instructional resources	1,161,042	1,123,797	1,102,993	-	1,102,993	20,804
Student services	6,058,395	6,155,872	5,774,091	(41,760)	5,732,331	423,541
General institutional	17,629,761	17,694,679	17,154,212	(50,280)	17,103,932	590,747
Physical plant	6,885,622	6,670,622	6,472,044	(372,572)	6,099,472	571,150
<b>Total Expenditures</b>	<b>84,956,509</b>	<b>84,744,054</b>	<b>80,787,673</b>	<b>(491,588)</b>	<b>80,296,085</b>	<b>4,447,969</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,707,619)</b>	<b>(6,815,111)</b>	<b>(3,342,919)</b>	<b>491,588</b>	<b>(2,851,331)</b>	<b>3,963,780</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	2,224,750	1,474,750	1,474,385	-	1,474,385	(365)
Transfers out	(288,446)	(474,656)	(474,656)	-	(474,656)	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,936,304</b>	<b>1,000,094</b>	<b>999,729</b>	<b>-</b>	<b>999,729</b>	<b>(365)</b>
<b>Net Change in Fund Balance</b>	<b>(771,315)</b>	<b>(5,815,017)</b>	<b>(2,343,190)</b>	<b>491,588</b>	<b>(1,851,602)</b>	<b>3,963,415</b>
<b>Fund Balance - July 1, 2015</b>	<b>27,058,775</b>	<b>24,667,255</b>	<b>28,534,300</b>	<b>(491,588)</b>	<b>28,042,712</b>	<b>3,375,457</b>
<b>Fund Balance - June 30, 2016</b>	<b>\$ 26,287,460</b>	<b>\$ 18,852,238</b>	<b>\$ 26,191,110</b>	<b>\$ -</b>	<b>\$ 26,191,110</b>	<b>\$ 7,338,872</b>
<b>Fund Balance</b>						
Reserved for encumbrances			\$ 157,286			
Reserved for prepaid items			122,588			
Unreserved fund balance						
Designated for state aid fluctuations			1,211,156			
Designated for subsequent year expenses			4,535,804			
Designated for operations			20,164,276			
			<u>\$ 26,191,110</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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 1,309,796	\$ 1,309,796	\$ 1,309,796	\$ -	\$ 1,309,796	\$ -
Intergovernmental revenue						
State	3,143,042	3,483,704	3,496,106	-	3,496,106	12,402
Federal	11,565,882	12,983,971	13,480,130	-	13,480,130	496,159
Tuition and fees						
Statutory program fees	191,964	191,964	128,100	-	128,100	(63,864)
Material fees	25,600	25,600	21,912	-	21,912	(3,688)
Other student fees	680,921	665,703	582,300	-	582,300	(83,403)
Institutional	7,493,050	8,792,747	9,351,047	-	9,351,047	558,300
<b>Total Revenues</b>	<b>24,410,255</b>	<b>27,453,485</b>	<b>28,369,391</b>	<b>-</b>	<b>28,369,391</b>	<b>915,906</b>
<b>Expenditures</b>						
Instruction	21,314,039	23,593,744	23,664,889	(71,146)	23,593,743	1
Student services	1,281,618	2,045,151	2,045,150	-	2,045,150	1
General institutional	854,846	854,842	811,971	-	811,971	42,871
Physical plant	453,448	453,444	448,936	(24,265)	424,671	28,773
<b>Total Expenditures</b>	<b>23,903,951</b>	<b>26,947,181</b>	<b>26,970,946</b>	<b>(95,411)</b>	<b>26,875,535</b>	<b>71,646</b>
<b>Excess of Revenues Over Expenditures</b>	<b>506,304</b>	<b>506,304</b>	<b>1,398,445</b>	<b>95,411</b>	<b>1,493,856</b>	<b>987,552</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	218,446	218,446	313,099	-	313,099	94,653
Transfers out	(724,750)	(724,750)	(825,349)	-	(825,349)	(100,599)
<b>Total Other Financing Sources (Uses)</b>	<b>(506,304)</b>	<b>(506,304)</b>	<b>(512,250)</b>	<b>-</b>	<b>(512,250)</b>	<b>(5,946)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>886,195</b>	<b>95,411</b>	<b>981,606</b>	<b>981,606</b>
<b>Fund Balance - July 1, 2015</b>	<b>563,360</b>	<b>563,360</b>	<b>1,638,734</b>	<b>(95,411)</b>	<b>1,543,323</b>	<b>979,963</b>
<b>Fund Balance - June 30, 2016</b>	<b>\$ 563,360</b>	<b>\$ 563,360</b>	<b>\$ 2,524,929</b>	<b>\$ -</b>	<b>\$ 2,524,929</b>	<b>\$ 1,961,569</b>
<b>Fund Balance</b>						
Reserved for prepaid items			\$ 6,893			
Unreserved fund balance						
Designated for operations			2,518,036			
			<u>\$ 2,524,929</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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 153,612	\$ 153,612	\$ 128,392	\$ -	\$ 128,392	\$ (25,220)
Intergovernmental revenue						
State	1,783,500	1,783,500	1,763,115	-	1,763,115	(20,385)
Federal	35,350,836	35,350,836	23,759,277	-	23,759,277	(11,591,559)
Tuition and fees						
Other student fees	2,192,572	2,192,572	1,928,262	-	1,928,262	(264,310)
Institutional	1,221,400	1,221,400	1,586,048	-	1,586,048	364,648
<b>Total Revenues</b>	<b>40,701,920</b>	<b>40,701,920</b>	<b>29,165,094</b>	<b>-</b>	<b>29,165,094</b>	<b>(11,536,826)</b>
<b>Expenditures</b>						
Student services	40,259,241	40,235,044	29,156,636	(281,909)	28,874,727	11,360,317
General institutional	442,679	466,876	466,876	-	466,876	-
<b>Total Expenditures</b>	<b>40,701,920</b>	<b>40,701,920</b>	<b>29,623,512</b>	<b>(281,909)</b>	<b>29,341,603</b>	<b>11,360,317</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>(458,418)</b>	<b>281,909</b>	<b>(176,509)</b>	<b>(176,509)</b>
<b>Fund Balance - July 1, 2015</b>	<b>1,278,678</b>	<b>1,328,678</b>	<b>1,306,276</b>	<b>(281,909)</b>	<b>1,024,367</b>	<b>(304,311)</b>
<b>Fund Balance - June 30, 2016</b>	<b>\$ 1,278,678</b>	<b>\$ 1,328,678</b>	<b>\$ 847,858</b>	<b>\$ -</b>	<b>\$ 847,858</b>	<b>\$ (480,820)</b>
<b>Fund Balance</b>						
Reserved for student financial assistance			\$ 264,074			
Reserved for student organizations			577,262			
Reserved for encumbrances			6,522			
			<u>\$ 847,858</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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ -	\$ 4,826,448	\$ 4,826,448	\$ -	\$ 4,826,448	\$ -
Intergovernmental revenue						
State	61,146	190,488	175,358	-	175,358	(15,130)
Federal	95,960	126,218	159,378	-	159,378	33,160
Institutional	62,000	62,000	90,763	-	90,763	28,763
<b>Total Revenues</b>	<b>219,106</b>	<b>5,205,154</b>	<b>5,251,947</b>	<b>-</b>	<b>5,251,947</b>	<b>46,793</b>
<b>Expenditures</b>						
Instruction	3,522,883	3,823,061	3,771,053	(428,613)	3,342,440	480,621
Instructional resources	275,580	293,589	304,600	(11,013)	293,587	2
Student services	28,465	15,242	13,870	-	13,870	1,372
General institutional	2,194,191	2,857,145	2,640,655	(9,325)	2,631,330	225,815
Physical plant	4,441,120	11,192,261	7,653,184	(1,572,863)	6,080,321	5,111,940
<b>Total Expenditures</b>	<b>10,462,239</b>	<b>18,181,298</b>	<b>14,383,362</b>	<b>(2,021,814)</b>	<b>12,361,548</b>	<b>5,819,750</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>						
	<b>(10,243,133)</b>	<b>(12,976,144)</b>	<b>(9,131,415)</b>	<b>2,021,814</b>	<b>(7,109,601)</b>	<b>5,866,543</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	38,590	44,900	-	44,900	6,310
Transfers out	(512,950)	(392,950)	(357,878)	-	(357,878)	35,072
Long-term debt issued	10,500,000	11,147,954	11,147,954	-	11,147,954	-
<b>Total Other Financing Sources (Uses)</b>	<b>9,987,050</b>	<b>10,793,594</b>	<b>10,834,976</b>	<b>-</b>	<b>10,834,976</b>	<b>41,382</b>
<b>Net Change in Fund Balance</b>	<b>(256,083)</b>	<b>(2,182,550)</b>	<b>1,703,561</b>	<b>2,021,814</b>	<b>3,725,375</b>	<b>5,907,925</b>
<b>Fund Balance - July 1, 2015</b>	<b>811,715</b>	<b>9,657,088</b>	<b>4,918,547</b>	<b>(2,021,814)</b>	<b>2,896,733</b>	<b>(6,760,355)</b>
<b>Fund Balance - June 30, 2016</b>	<b>\$ 555,632</b>	<b>\$ 7,474,538</b>	<b>\$ 6,622,108</b>	<b>\$ -</b>	<b>\$ 6,622,108</b>	<b>\$ (852,430)</b>
<b>Fund Balance</b>						
Reserved for encumbrances			\$ 4,653,435			
Unreserved			1,968,673			
			<u>\$ 6,622,108</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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 16,646,308	\$ 16,646,308	\$ 16,646,308	\$ -	\$ 16,646,308	\$ -
Institutional	4,719	4,719	30,007	-	30,007	25,288
<b>Total Revenues</b>	<b>16,651,027</b>	<b>16,651,027</b>	<b>16,676,315</b>	<b>-</b>	<b>16,676,315</b>	<b>25,288</b>
<b>Expenditures</b>						
Physical plant	19,137,000	19,032,421	18,995,976	-	18,995,976	36,445
<b>Excess (Deficiency) of Revenues Over Expenditures</b>						
	<b>(2,485,973)</b>	<b>(2,381,394)</b>	<b>(2,319,661)</b>	<b>-</b>	<b>(2,319,661)</b>	<b>61,733</b>
<b>Other Financing Sources</b>						
Transfers in	512,950	392,950	357,878	-	357,878	(35,072)
Debt premium issued	-	-	344,112	-	344,112	344,112
<b>Total Other Financing Sources</b>	<b>512,950</b>	<b>392,950</b>	<b>701,990</b>	<b>-</b>	<b>701,990</b>	<b>309,040</b>
<b>Net Change in Fund Balance</b>	<b>(1,973,023)</b>	<b>(1,988,444)</b>	<b>(1,617,671)</b>	<b>-</b>	<b>(1,617,671)</b>	<b>370,773</b>
<b>Fund Balance - July 1, 2015</b>	<b>17,310,804</b>	<b>19,311,614</b>	<b>17,942,959</b>	<b>-</b>	<b>17,942,959</b>	<b>(1,368,655)</b>
<b>Fund Balance - June 30, 2016</b>	<b>\$ 15,337,781</b>	<b>\$ 17,323,170</b>	<b>\$ 16,325,288</b>	<b>\$ -</b>	<b>\$ 16,325,288</b>	<b>\$ (997,882)</b>
<b>Fund Balance</b>						
Reserved for debt service			<u>\$ 16,325,288</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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Federal	\$ 25,000	\$ 25,000	\$ 39,744	\$ -	\$ 39,744	\$ 14,744
Institutional	3,392,520	3,311,407	3,289,609	-	3,289,609	(21,798)
Total Revenues	<u>3,417,520</u>	<u>3,336,407</u>	<u>3,329,353</u>	<u>-</u>	<u>3,329,353</u>	<u>(7,054)</u>
Expenditures						
Auxiliary services	<u>3,385,386</u>	<u>3,451,893</u>	<u>3,289,292</u>	<u>-</u>	<u>3,289,292</u>	<u>162,601</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>32,134</u>	<u>(115,486)</u>	<u>40,061</u>	<u>-</u>	<u>40,061</u>	<u>155,547</u>
Other Financing Sources (Uses)						
Transfers in	-	147,620	149,714	-	149,714	2,094
Transfers out	-	-	(2,093)	-	(2,093)	(2,093)
Total Other Financing Sources	<u>-</u>	<u>147,620</u>	<u>147,621</u>	<u>-</u>	<u>147,621</u>	<u>1</u>
Net Change in Fund Balance	32,134	32,134	187,682	-	187,682	155,548
Net Position - July 1, 2015	<u>542,281</u>	<u>510,147</u>	<u>666,855</u>	<u>-</u>	<u>666,855</u>	<u>156,708</u>
Net Position - June 30, 2016	<u>\$ 574,415</u>	<u>\$ 542,281</u>	<u>\$ 854,537</u>	<u>\$ -</u>	<u>\$ 854,537</u>	<u>\$ 312,256</u>
Net Position						
Unrestricted net position			<u>\$ 854,537</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, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Institutional	\$ 14,359	\$ 14,359	\$ 45,909	\$ -	\$ 45,909	\$ 31,550
Auxiliary revenue	16,936,407	16,936,407	15,128,668	-	15,128,668	(1,807,739)
<b>Total Revenues</b>	<b>16,950,766</b>	<b>16,950,766</b>	<b>15,174,577</b>	<b>-</b>	<b>15,174,577</b>	<b>(1,776,189)</b>
<b>Expenditures</b>						
Auxiliary services	14,876,896	17,849,471	15,050,613	-	15,050,613	2,798,858
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,073,870</b>	<b>(898,705)</b>	<b>123,964</b>	<b>-</b>	<b>123,964</b>	<b>1,022,669</b>
<b>Other Financing Sources</b>						
Transfers in	70,000	70,000	70,000	-	70,000	-
Transfers out	(1,500,000)	(750,000)	(750,000)	-	(750,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,430,000)</b>	<b>(680,000)</b>	<b>(680,000)</b>	<b>-</b>	<b>(680,000)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>643,870</b>	<b>(1,578,705)</b>	<b>(556,036)</b>	<b>-</b>	<b>(556,036)</b>	<b>1,022,669</b>
<b>Net Position - July 1, 2015</b>	<b>6,902,123</b>	<b>8,436,932</b>	<b>8,436,932</b>	<b>-</b>	<b>8,436,932</b>	<b>-</b>
<b>Net Position - June 30, 2016</b>	<b>\$ 7,545,993</b>	<b>\$ 6,858,227</b>	<b>\$ 7,880,896</b>	<b>\$ -</b>	<b>\$ 7,880,896</b>	<b>\$ 1,022,669</b>
<b>Net Position</b>						
Unrestricted net position - reserved for self-insurance			\$ 7,835,031			
Unrestricted net position - print services			45,865			
<b>Total Net Position</b>			<b>\$ 7,880,896</b>			

**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, 2016

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund
<b>Revenues</b>				
Local government - tax levy	\$ 15,321,948	\$ 1,309,796	\$ 128,392	\$ 4,826,448
Intergovernmental revenue				
State	39,248,388	3,496,106	1,763,115	175,358
Federal	19,834	13,480,130	23,759,277	159,378
Tuition and fees				
Statutory program fees	19,339,764	128,100	-	-
Material fees	1,398,000	21,912	-	-
Other student fees	1,593,983	582,300	1,928,262	-
Institutional	522,837	9,351,047	1,586,048	90,763
Auxiliary revenue	-	-	-	-
<b>Total Revenues</b>	<b>77,444,754</b>	<b>28,369,391</b>	<b>29,165,094</b>	<b>5,251,947</b>
<b>Expenditures</b>				
Instruction	50,257,357	23,593,743	-	3,342,440
Instructional resources	1,102,993	-	-	293,587
Student services	5,732,331	2,045,150	28,874,727	13,870
General institutional	17,103,932	811,971	466,876	2,631,330
Physical plant	6,099,472	424,671	-	6,080,321
Auxiliary services	-	-	-	-
Depreciation	-	-	-	-
Student aid	-	-	-	-
<b>Total Expenditures</b>	<b>80,296,085</b>	<b>26,875,535</b>	<b>29,341,603</b>	<b>12,361,548</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,851,331)</b>	<b>1,493,856</b>	<b>(176,509)</b>	<b>(7,109,601)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,474,385	313,099	-	44,900
Transfers out	(474,656)	(825,349)	-	(357,878)
Long-term debt issued	-	-	-	11,147,954
Debt premium issued	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>999,729</b>	<b>(512,250)</b>	<b>-</b>	<b>10,834,976</b>
<b>Net Change in Fund Balances</b>	<b>(1,851,602)</b>	<b>981,606</b>	<b>(176,509)</b>	<b>3,725,375</b>
Capital contributions	-	-	-	-
<b>Fund Balances/Net Position - beginning</b>	<b>28,042,712</b>	<b>1,543,323</b>	<b>1,024,367</b>	<b>2,896,733</b>
<b>Fund Balances/Net Position - ending</b>	<b>\$ 26,191,110</b>	<b>\$ 2,524,929</b>	<b>\$ 847,858</b>	<b>\$ 6,622,108</b>

Debt Service Fund	Enterprise Funds	Internal Service Fund	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
\$ 16,646,308	\$ -	\$ -	\$ 38,232,892	\$ -	\$ 38,232,892
-	-	-	44,682,967	-	44,682,967 (1)
-	39,744	-	37,458,363	-	37,458,363 (2)
-	-	-	19,467,864	(9,627,959)	9,839,905
-	-	-	1,419,912	(694,947)	724,965
-	-	-	4,104,545	(1,910,511)	2,194,034
30,007	3,289,609	45,909	14,916,220	(3,190,538)	11,725,682 (3)
-	-	15,128,668	15,128,668	(11,915,267)	3,213,401
<u>16,676,315</u>	<u>3,329,353</u>	<u>15,174,577</u>	<u>175,411,431</u>	<u>(27,339,222)</u>	<u>148,072,209</u>
-	-	-	77,193,540	(1,106,092)	76,087,448
-	-	-	1,396,580	(97,356)	1,299,224
-	-	-	36,666,078	(26,993,161)	9,672,917
-	-	-	21,014,109	(1,183,718)	19,830,391
18,995,976	-	-	31,600,440	(21,573,787)	10,026,653 (4)
-	3,289,292	15,050,613	18,339,905	(15,035,199)	3,304,706
-	-	-	-	9,619,836	9,619,836
-	-	-	-	14,946,854	14,946,854
<u>18,995,976</u>	<u>3,289,292</u>	<u>15,050,613</u>	<u>186,210,652</u>	<u>(41,422,623)</u>	<u>144,788,029</u>
<u>(2,319,661)</u>	<u>40,061</u>	<u>123,964</u>	<u>(10,799,221)</u>	<u>14,083,401</u>	<u>3,284,180</u>
357,878	149,714	70,000	2,409,976	(2,409,976)	-
-	(2,093)	(750,000)	(2,409,976)	2,409,976	-
-	-	-	11,147,954	(11,147,954)	-
344,112	-	-	344,112	(344,112)	-
<u>701,990</u>	<u>147,621</u>	<u>(680,000)</u>	<u>11,492,066</u>	<u>(11,492,066)</u>	<u>-</u>
(1,617,671)	187,682	(556,036)	692,845	2,591,335	3,284,180
-	-	-	-	322,000	322,000
<u>17,942,959</u>	<u>666,855</u>	<u>8,436,932</u>	<u>60,553,881</u>	<u>56,987,216</u>	<u>117,541,097</u>
<u>\$ 16,325,288</u>	<u>\$ 854,537</u>	<u>\$ 7,880,896</u>	<u>\$ 61,246,726</u>	<u>\$ 59,900,551</u>	<u>\$ 121,147,277 (5)</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, 2016

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, 2016

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, 2016.

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

Operating	\$ 5,634,046
Non-operating	39,048,921
	<u>\$ 44,682,967</u>

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

Operating	<u>\$ 37,458,363</u>
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- (3) Institutional revenue is reported as four separate line items on the basic financial statements:

Contract revenue	\$ 8,798,938
Miscellaneous revenue	2,365,176
Gain (loss) on sale of capital assets	85,888
Investment income earned	475,680
	<u>\$ 11,725,682</u>

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

Physical plant	\$ 7,823,346
Interest expense	2,036,332
Bond issuance costs	166,975
	<u>\$ 10,026,653</u>

Reconcile

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

Budgetary basis fund balance	<u>\$ 61,246,726</u>
Adjustments	
General capital assets - cost	205,573,456
Accumulated depreciation on general capital assets	(69,803,848)
General obligation debt	(89,140,000)
Bond premium	(5,367,464)
Capital lease obligations	(533,957)
Net position in health insurance consortium	1,240,662
Net post employment benefit asset	3,492,969
Accrued interest on debt payable	(221,638)
Net pension liability	(6,832,287)
Deferred outflows related to pension	35,891,055
Deferred intflows related to pension	(14,398,397)
Total Adjustments	<u>59,900,551</u>
Net Position per basic financial statements	<u>\$ 121,147,277</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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Net investment in capital assets	\$55,951,323	\$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
Restricted for debt service <sup>(a)</sup>	16,013,340	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
Restricted for pension benefits <sup>(b)</sup>	-	10,407,663	-	-	-	-	-	-	-	-
Unrestricted	49,182,614	40,634,857	26,119,757	24,733,666	22,186,705	24,036,456	10,021,971	11,851,443	4,348,196	3,293,632
<b>Total Net Position</b>	<b>\$121,147,277</b>	<b>\$117,541,097</b>	<b>\$88,003,388</b>	<b>\$81,454,830</b>	<b>\$74,113,981</b>	<b>\$70,951,838</b>	<b>\$53,491,926</b>	<b>\$51,000,503</b>	<b>\$40,195,964</b>	<b>\$32,722,942</b>

**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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Operating Revenues</b>										
Student program fees (net of scholarship allowances)	\$9,839,905	\$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
Student material fees (net of scholarship allowances)	724,965	623,275	664,450	603,183	633,117	648,301	621,473	660,742	626,555	665,649
Other student fees (net of scholarship allowances)	2,194,034	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
Federal grants	37,458,363	42,256,029	46,680,639	48,201,924	50,536,747	50,393,205	38,393,205	29,611,240	26,443,793	27,974,575
State grants	5,634,046	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
Contract revenue	8,798,938	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
Auxiliary enterprise revenues	3,213,401	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
Miscellaneous	2,365,176	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
<b>Total operating revenues</b>	<b>\$70,228,828</b>	<b>\$73,648,239</b>	<b>\$77,964,533</b>	<b>\$78,707,421</b>	<b>\$79,206,462</b>	<b>\$79,248,352</b>	<b>\$64,142,143</b>	<b>\$55,864,734</b>	<b>\$51,589,215</b>	<b>\$51,923,023</b>
<b>Operating Expenses</b>										
Instruction	\$76,087,448	\$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
Instructional resources	1,299,224	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
Student services	9,672,917	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
General institutional	19,830,391	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
Physical plant	7,823,346	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
Auxiliary enterprise services	3,304,706	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
Depreciation	9,619,836	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
Student aid	14,946,854	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
<b>Total operating expenses</b>	<b>\$142,584,722</b>	<b>\$137,258,462</b>	<b>\$144,663,669</b>	<b>\$143,213,465</b>	<b>\$146,292,263</b>	<b>\$147,137,428</b>	<b>\$127,821,069</b>	<b>\$116,212,257</b>	<b>\$110,689,115</b>	<b>\$112,682,758</b>
<b>Operating loss</b>	<b>(\$72,355,894)</b>	<b>(\$63,610,223)</b>	<b>(\$66,699,136)</b>	<b>(\$64,506,044)</b>	<b>(\$67,085,801)</b>	<b>(\$67,889,076)</b>	<b>(\$63,678,926)</b>	<b>(\$60,347,523)</b>	<b>(\$59,099,900)</b>	<b>(\$60,759,734)</b>
<b>Nonoperating Revenues/(Expenses)</b>										
Property taxes	\$38,232,892	\$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
State operating appropriations	39,048,921	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
Gain (loss) on sale of capital assets	85,888	46,785	56,327	203,761	363,631	73,170	(21,919)	7,599	53,001	177,453
Investment income earned	475,680	256,128	301,152	165,837	201,802	186,658	328,476	1,108,376	1,674,903	1,711,201
Interest expense	(2,036,332)	(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)
Debt issuance costs	(166,975)	(177,325)	(215,850)	(667,122)	(108,238)	-	-	-	-	-
<b>Total nonoperating revenues/(expenses)</b>	<b>\$75,640,074</b>	<b>\$74,116,268</b>	<b>\$72,932,898</b>	<b>\$71,534,361</b>	<b>\$68,925,497</b>	<b>\$71,876,127</b>	<b>\$65,595,411</b>	<b>\$65,637,946</b>	<b>\$66,572,922</b>	<b>\$61,915,295</b>
<b>Income before Capital Contributions</b>	<b>\$3,284,180</b>	<b>\$10,506,045</b>	<b>\$6,233,762</b>	<b>\$7,028,317</b>	<b>\$1,839,696</b>	<b>\$3,987,051</b>	<b>\$1,916,485</b>	<b>\$5,290,423</b>	<b>\$7,473,022</b>	<b>\$1,155,560</b>
<b>Capital Contributions</b>	<b>322,000</b>	<b>108,105</b>	<b>314,796</b>	<b>312,532</b>	<b>1,579,960</b>	<b>402,211</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>\$3,606,180</b>	<b>\$10,614,150</b>	<b>\$6,548,558</b>	<b>\$7,340,849</b>	<b>\$3,419,656</b>	<b>\$4,389,262</b>	<b>\$1,916,485</b>	<b>\$5,290,423</b>	<b>\$7,473,022</b>	<b>\$1,155,560</b>

# 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 <sup>(a)</sup>				
	Operational <sup>(b)</sup>	Debt Service	Total	County	Local <sup>(c)</sup>	Other School Districts	State	Gross Total	State Tax Relief	Net Tax Rate
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
2016	0.63	0.49	1.12	5.50	5.50	9.65	0.20	21.97	(1.68)	20.29

**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) For years up to FY2014, the operational property tax levy for all funds (except the debt service fund) may not exceed \$1.50 per s.28.16 of Wisconsin State Statutes.

For fiscal years 2015 and beyond, the 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		Total District	
							Equalized Value <sup>(a)</sup>	Equalized Value <sup>(a)</sup>	Equalized Value <sup>(b)</sup>	Equalized Value <sup>(b)</sup>
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
2015	24,807,739	6,418,434	1,431,971	1,601,326	958,567	(1,102,740)	34,115,296	33,931,537		1.11782

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

	2015			2006		
	Equalized Valuation	Rank	Percentage of Total Equalized Valuation	Equalized Valuation	Rank	Percentage of Total Equalized Valuation
Fox River Shopping Center	\$82,220,485	1	0.23%	\$82,401,950	2	0.26%
Thomas Wright Enterprises (Outagamie County)	69,730,918	2	0.20%	-	-	-
Kimberly Clark	63,667,700	3	0.18%	123,807,735	1	0.39%
R. Winters Associates	60,196,312	4	0.17%	42,315,448	6	0.13%
Dumke & Associates	59,927,900	5	0.17%	-	-	-
Midwest Realty (Security Homes Inc.)	58,875,600	6	0.17%	66,438,662	3	0.21%
Pfeifferle Investments	52,252,084	7	0.15%	-	-	-
Bergstrom (Winnebago County)	48,655,200	8	0.14%	-	-	-
Curwood, Inc. (Bemis)	47,817,900	9	0.14%	36,160,926	10	0.11%
Oshkosh Truck Corp.	46,788,200	10	0.13%	-	-	-
Thomas N. Rusch et al.	-	-	-	49,268,949	4	0.16%
International Papers Thilmany Division	-	-	-	42,671,925	5	0.13%
NewPage(formally Stora Enso)	-	-	-	41,779,596	7	0.13%
Mills Properties	-	-	-	37,565,841	8	0.12%
SCA Tissue	-	-	-	36,449,605	9	0.11%
<b>Total</b>	<b>\$590,132,299</b>		<b>1.68%</b>	<b>\$558,860,637</b>		<b>1.76%</b>
Total equalized property valuation for the District (TID In)				\$31,735,855,894		

**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<sup>(a)</sup> Last Ten Fiscal Years

Fiscal Year	Collected within the Fiscal Year of the Levy		Total Collections to Date <sup>(b)</sup>	
	Total Tax Levy	Amount	Percentage of Levy	Amount
2007	\$51,282,355	\$38,589,985	75.25%	\$51,282,355
2008	53,552,838	40,081,811	74.85%	53,552,838
2009	56,226,559	41,506,188	73.82%	56,226,559
2010	57,969,724	42,554,143	73.41%	57,969,724
2011	59,720,691	43,914,226	73.53%	59,720,691
2012	59,720,691	44,179,875	73.98%	59,720,691
2013	64,120,652	47,931,799	74.75%	64,120,652
2014	64,702,517	48,636,733	75.17%	64,702,517
2015	37,389,471	28,255,943	75.57%	37,389,471
2016	37,929,226	28,573,180	75.33%	37,929,226

**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 <sup>(a)</sup>	Equalized Valuation <sup>(b)</sup>	Outstanding Debt <sup>(c)</sup>	Less		Net Debt Outstanding	Debt to Equalized Valuation	Debt per Capita
				Amounts Available <sup>(d)</sup>				
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	
2016	470,726	33,931,537,136	89,673,957	16,013,340	73,660,617	0.22%	156.48	

**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. 2016 fiscal year would be 2015 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, 2015**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to the District</b>	<b>Amount Applicable to the District</b>
<b>Overlapping debt</b>			
County of			
Brown	\$ 1,689,684	0.4%	\$ 6,759
Calumet	12,355,269	84.3%	10,415,492
Manitowoc	21,582,638	0.9%	194,244
Outagamie	40,379,991	98.0%	39,572,391
Portage	10,300,000	1.5%	154,500
Shawano	3,391,805	7.6%	257,777
Waupaca	34,835,000	95.8%	33,371,930
Waushara	5,053,000	77.8%	3,931,234
Winnebago	33,813,328	95.0%	32,122,662
<b>Total All Counties</b>	<b>\$ 163,400,715</b>		<b>\$ 120,026,988</b>
Cities within			
Calumet	\$ 8,200,943	100.0%	\$ 8,200,943
Outagamie	11,083,960	99.7%	11,051,177
Waupaca	20,876,791	100.0%	20,876,791
Waushara	2,852,240	100.0%	2,852,240
Winnebago	191,702,265	99.0%	189,772,327
<b>Total All Cities</b>	<b>\$ 234,716,199</b>		<b>\$ 232,753,478</b>
Villages within			
Calumet	\$ 4,365,492	100.0%	\$ 4,365,492
Outagamie	2,898,440	99.7%	2,889,868
Waupaca	1,285,339	100.0%	1,285,339
Waushara	1,265,553	100.0%	1,265,553
Winnebago	5,097,261	99.0%	5,045,945
<b>Total All Villages</b>	<b>\$ 14,912,085</b>		<b>\$ 14,852,196</b>
Towns within			
Brown	\$ -	0.0%	\$ -
Calumet	148,824	100.0%	148,824
Manitowoc	225,000	100.0%	225,000
Outagamie	3,677,906	99.7%	3,667,028
Portage	338,406	100.0%	338,406
Shawano	237,279	100.0%	237,279
Waupaca	718,763	100.0%	718,763
Waushara	214,606	99.9%	214,341
Winnebago	2,871,476	99.0%	2,842,567
<b>Total All Towns</b>	<b>\$ 8,432,260</b>		<b>\$ 8,392,209</b>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

**Direct and Overlapping Debt**

**As of December 31, 2015**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to the District</b>	<b>Amount Applicable to the District</b>
School District of			
Appleton	\$ 48,550,000	100.0%	\$ 48,550,000
Brillion	12,066,000	100.0%	12,066,000
Chilton	2,238,840	100.0%	2,238,840
Clintonville	9,365,000	100.0%	9,365,000
Freedom	2,150,000	100.0%	2,150,000
Hilbert	18,407,186	100.0%	18,407,186
Hortonville	34,290,000	100.0%	34,290,000
Iola-Scandinavia	2,780,000	100.0%	2,780,000
Kaukauna	8,525,000	100.0%	8,525,000
Kimberly	26,470,000	100.0%	26,470,000
Little Chute	45,575,813	100.0%	45,575,813
Manawa-Little Wolf	-	100.0%	-
Marion	813,999	100.0%	813,999
Menasha Joint	46,757,500	100.0%	46,757,500
Neenah	200,000	100.0%	200,000
New London	8,909,550	100.0%	8,909,550
Omro	4,583,725	100.0%	4,583,725
Oshkosh	47,941,604	100.0%	47,941,604
Seymour	10,865,000	100.0%	10,865,000
Shiocton	-	100.0%	-
Stockbridge	687,690	100.0%	687,690
Waupaca	12,525,000	100.0%	12,525,000
Wautoma	-	100.0%	-
Westfield	1,631,745	100.0%	1,631,745
Weyauwega-Fremont	-	100.0%	-
Wild Rose	780,000	100.0%	780,000
Winneconne	6,428,956	100.0%	6,428,956
Wrightstown	2,850,000	100.0%	2,850,000
<b>Total All School Districts</b>	<b>\$ 355,392,608</b>		<b>\$ 355,392,608</b>
<b>Subtotal overlapping debt</b>	<b>\$ 776,853,868</b>		<b>\$ 731,417,479</b>
<b>District direct debt</b>	<b>\$ 89,673,957</b>	100.0%	<b>\$ 89,673,957</b>
<b>Total direct and overlapping debt</b>	<b>\$ 866,527,825</b>		<b>\$ 821,091,436</b>

**Source:** Survey of each government unit within the District's boundaries, June 2016

**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)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Equalized Valuation <sup>(a)</sup>	\$35,037,874	\$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
Debt limit - 5% of equalized valuation <sup>(b)</sup>	\$1,751,894	\$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
Aggregate indebtedness applicable to debt limit										
General obligation promissory notes and bonds	89,140	94,295	97,380	97,055	31,905	34,820	38,005	38,390	40,430	45,210
Capital leases	534	226	734	1,224	1,691	2,136	24	377	712	1,037
Less resources available to fund principal and interest payments <sup>(c)</sup>	(16,013)	(17,054)	(17,187)	(17,016)	(12,562)	(12,724)	(13,318)	(9,726)	(7,740)	(8,298)
Total net debt applicable to limit	73,661	77,467	80,927	81,263	21,034	24,232	24,711	29,041	33,402	37,949
Legal debt margin	\$1,678,233	\$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
Total net debt applicable to the limit as a percentage of debt limit	4.20%	4.50%	4.78%	4.82%	1.22%	1.39%	1.41%	1.67%	2.00%	2.39%
Debt limit - 2% of equalized valuation <sup>(b)</sup>	\$700,757	\$687,908	\$677,595	\$674,541	\$689,805	\$694,864	\$700,550	\$696,389	\$667,684	\$634,717
Gross bonded indebtedness applicable to debt limit										
Gross bonded debt	50,310	54,825	59,345	65,225	-	-	-	-	-	-
Less resources available to fund principal and interest payments	(16,013)	(17,054)	(17,187)	(17,016)	N/A	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to limit	34,297	37,771	42,158	48,209	-	-	-	-	-	-
Legal debt margin	\$666,461	\$650,137	\$635,436	\$626,332	\$689,805	\$694,864	\$700,550	\$696,389	\$667,684	\$634,717
Total net debt applicable to the limit as a percentage of debt limit	4.89%	5.49%	6.22%	7.15%	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 <sup>(a)</sup>	Personal Income (thousands of dollars) (b)(e)	Per Capita Personal Income <sup>(b)(e)</sup>	Public School Enrollment <sup>(c)(e)</sup>	Annual Public High School Graduates <sup>(c)(e)</sup>	Unemployment Rate <sup>(d)(e)</sup>
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	14,474,155	36,622	66,035	5,469	8.17%
2010	458,949	14,812,509	37,387	65,898	5,532	7.74%
2011	460,126	15,605,154	39,254	65,959	5,596	6.95%
2012	461,299	16,151,265	40,430	65,671	5,129	6.58%
2013	466,556	16,309,558	40,596	65,653	4,932	6.42%
2014	468,200	16,948,330	41,992	66,418	4,415	5.19%
2015	470,726	(f)	(f)	66,442	4,519	4.22%

**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 2009-2013 were released on November 19, 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	2016		2007	
		Employees	Rank	Employees	Rank
TheclaCare <sup>(a)</sup>	Health care providers	6,000	1	5,000	1
Oshkosh Truck Corp. <sup>(b)</sup>	Truck and large vehicle manufacturer	5,136	2	2,277	3
Affinity Health Care <sup>(c)</sup>	Health care providers	4,300	3	-	-
Plexus Corporation	Computer products	2,426	4	-	-
Kimberly Clark	Paper products manufacturer	2,000	5	5,000	1
Spectrum Software	Computer system designer	2,000	5	-	-
Thrivent Investment Management	Insurance and investments	1,800	6	1,780	5
Appleton Area School District	Education	1,769	7	1,758	6
University of Wisconsin - Oshkosh	Education	1,546	8	1,632	7
Oshkosh Area School District	Education	1,386	9	1,580	9
Miller Electric Manufacturing Co.	Welding equipment manufacturer	1,378	10	-	-
Fox River Shopping Center	Retail shopping mall	-	-	3,000	2
Curwood, Inc. (Bemis)	Plastics container manufacturer	-	-	2,055	4
ThyssenKrupp (Waupaca Foundry)	Grey and ductile iron castings manufacturer	-	-	1,625	8
Appleton Coated LLC	Coated papers manufacturer	-	-	1,425	10
<b>Total</b>		<b>29,741</b>		<b>27,132</b>	

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

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

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

**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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>By Pay Groups:</b>										
Full-time instructors	315	316	284	330	333	327	320	307	301	287
Part-time instructors	19	20	12	13	12	15	18	22	21	20
Management	157	150	134	119	120	119	110	106	113	118
Full-time support-union	272	262	232	248	248	247	243	237	244	242
Part-time support-union	55	50	32	33	37	40	44	43	43	40
<b>Total</b>	<b>818</b>	<b>798</b>	<b>694</b>	<b>743</b>	<b>750</b>	<b>748</b>	<b>735</b>	<b>715</b>	<b>722</b>	<b>707</b>

**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**

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Student enrollment<sup>(a)</sup></b>										
Associate degree	12,889	13,659	14,690	15,196	16,060	14,506	13,925	12,827	12,396	11,426
Technical diploma	3,383	3,468	3,344	3,260	3,150	3,310	3,402	3,397	3,535	3,729
Vocational adult	29,147	26,212	27,344	28,371	32,785	34,270	28,452	27,862	30,483	31,441
Non-postsecondary	2,138	2,034	1,927	2,009	2,479	5,050	5,401	5,174	4,660	4,566
Community services	1,191	673	532	866	814	821	964	856	839	686
Transcripted credit <sup>(b)</sup>	3,521	2,696	1,930	1,571	1,033	1,586	1,690	1,158	664	254
<b>Total enrollment<sup>(c)</sup></b>	<b>49,082</b>	<b>45,441</b>	<b>46,367</b>	<b>47,573</b>	<b>52,130</b>	<b>54,349</b>	<b>48,587</b>	<b>46,464</b>	<b>47,764</b>	<b>47,671</b>
Percentage Change	8.01%	-2.00%	-2.54%	-8.74%	-4.08%	11.86%	4.57%	-2.72%	0.20%	-7.71%
<b>Full-time equivalent (FTE) enrollment<sup>(d)</sup></b>										
Associate degree	4,842	5,214	5,605	5,910	6,045	5,994	5,579	4,690	4,301	4,003
Technical diploma	669	670	669	640	650	659	655	647	673	767
Vocational adult	556	459	480	482	540	581	555	555	598	611
Non-postsecondary	341	322	226	246	257	579	612	580	518	527
Community services	9	7	7	9	10	10	12	12	12	11
<b>Total full-time equivalent enrollments</b>	<b>6,418</b>	<b>6,673</b>	<b>6,986</b>	<b>7,288</b>	<b>7,501</b>	<b>7,823</b>	<b>7,413</b>	<b>6,486</b>	<b>6,101</b>	<b>5,919</b>
Percentage Change	-3.83%	-4.48%	-4.15%	-2.83%	-4.12%	5.53%	14.30%	6.30%	3.08%	-2.83%
<b>Teachers<sup>(e)</sup></b>	<b>437<sup>(f)</sup></b>	<b>430</b>	<b>450</b>	<b>481</b>	<b>495</b>	<b>526</b>	<b>513</b>	<b>475</b>	<b>460</b>	<b>460</b>
FTE - Teacher ratio	14.7	15.5	15.5	15.1	15.2	14.9	14.5	13.7	13.3	12.9
<b>Operating Expenditures<sup>(g)</sup></b>	<b>\$107,171,620</b>	<b>\$104,136,832</b>	<b>\$110,083,566</b>	<b>\$107,197,934</b>	<b>\$104,831,814</b>	<b>\$106,539,249</b>	<b>\$100,269,258</b>	<b>\$96,587,915</b>	<b>\$91,939,051</b>	<b>\$91,788,348</b>
Cost per FTE	\$16,699.80	\$15,605.82	\$15,757.51	\$14,708.22	\$13,975.87	\$13,618.72	\$13,526	\$14,894	\$15,069	\$15,508
Percentage Change	7.01%	-0.96%	7.13%	5.24%	2.62%	0.68%	-9.18%	-1.16%	-2.83%	9.14%
<b>Program Graduate follow-up statistics<sup>(h)</sup></b>										
Number of graduates	(e)	2,639	2,560	2,724	2,833	2,526	2,371	2,083	1,865	2,068
Number of follow-up respondents	(e)	2,005	1,807	1,972	2,223	1,933	1,858	1,607	1,401	1,504
Total number available for employment	(e)	1,505	1,499	1,490	1,877	1,482	1,472	1,288	1,186	1,271
Percent employed	(e)	94%	92%	89%	89%	88%	85%	85%	90%	92%
Percent employed in related occupation	(e)	85%	78%	79%	75%	75%	70%	73%	75%	78%
Percent employed in District	(e)	66%	63%	63%	65%	70%	69%	67%	71%	67%
Average annual salary	(e)	36,196	\$35,223	\$33,808	\$32,994	\$33,088	\$32,939	\$32,282	\$33,848	\$32,935
Age range of students	8 - 92	9 - 99	9 - 94	8 - 93	8 - 91	7 - 95	7 - 90	9 - 95	9 - 96	7 - 95
Average age of students	37	37	37	37	37	36	36	37	38	36

**Notes:**

- (a) Student enrollment reflects the duplicated count of individuals enrolled in FVTC courses.
- (b) Transcripted credits reflects the duplicated count of credits earned by high school students while in high school.
- (c) Any student enrolled in more than one program is counted only once in this total.
- (d) A full-time equivalent is equal to 30 annual student credits based on a mathematical calculation which varies by program and is subject to state approval and audit of student and course data.
- (e) Source: Wisconsin Technical College System Staff Accounting System Report.
- (f) Preliminary amount due to Staff Accounting not finalized at time of report.
- (g) Source: General Fund and Special Revenue Aidable Fund on a Budgetary Basis
- (h) 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.

# FOX VALLEY TECHNICAL COLLEGE DISTRICT

## Campus Statistics Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Square Footage</b>										
<b>Campuses:</b>										
Appleton Main Campus	603,701	603,701	588,805	528,805	519,505	519,505	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
<b>Facilities:</b>										
Advanced Manufacturing Technology Center	26,721	26,721	26,721	26,721	26,721	26,721	-	-	-	-
Criminal Justice Office Space	4,482	4,482	4,482	4,482	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	14,460	-
Fire Training Center <sup>(a)</sup>	-	-	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	122,498	80,992	80,992	80,992	80,992	80,992	80,992	80,992
Public Safety Training Center	111,295	111,295	-	-	-	-	-	-	-	-
S. J. Spanbauer Center	76,469	76,469	76,469	76,469	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
Service Motor Company Agriculture Center	41,902	41,902	41,902	29,194	29,194	29,194	29,194	29,194	29,194	29,194
Sustainable Technology Center	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Wildland Fire Training Center <sup>(a)</sup>	-	-	6,240	6,240	-	-	-	-	-	-
<b>Regional Centers:</b>										
Chilton Regional Center	21,800	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
Neeah Regional Center - Kellett Center <sup>(b)</sup>	-	-	-	-	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	15,530	7,800
Wautoma Regional Center	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	1,602
<b>Other Locations:</b>										
Appleton City Center Plaza	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	-	-

<sup>(a)</sup> Leases ended January 2015

<sup>(b)</sup> Lease ended August 2012

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

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

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Fox Valley Technical College District (the “District”), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 6, 2016. The financial statements of the Fox Valley Technical College Foundation, Inc. (the “Foundation”), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

### **Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

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

Wipfli LLP

December 6, 2016  
Madison, Wisconsin

# SINGLE AUDIT SECTION



## **Independent Auditor's Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance Required by Uniform Guidance 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 (the "District") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2016. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility for Compliance**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Those standards and the Uniform Guidance 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. The financial statements of the Fox Valley Technical College Foundation, Inc., were not audited in accordance with *Government Auditing Standards*.

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

### ***Opinion***

In our opinion, the Fox Valley Technical College District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended June 30, 2016.

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

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control with the types requirements that could have a direct and material effect on a 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 and state program and to test and report on internal control in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control 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 is a deficiency, or combination of deficiencies, in internal control, 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 is a deficiency in internal control, or a combination of deficiencies, in internal control with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control, yet important enough to merit the attention of those charged with governance.

Our consideration of the 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. 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.

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



Wipfli LLP

December 6, 2016  
Madison, Wisconsin

**Fox Valley Technical College District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2016**

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b>U.S. Department of Agriculture</b>								
<b>Child and Adult Care Food Program</b>								
Passed through the State of Wisconsin Department of Public Instruction	10.558		07-01-15 - 06-30-16	13,233	13,233	44,634	-	57,867
<b>Total - U.S. Department of Agriculture</b>				<b>13,233</b>	<b>13,233</b>	<b>44,634</b>	<b>-</b>	<b>57,867</b>
<b>U.S. Department of the Interior</b>								
<b>Indian Education Higher Education Grant Program</b>								
Bureau of Indian Affairs	15.114		07-01-15 - 06-30-16	147,909	147,909	-	-	147,909
<b>Total - U.S. Department of the Interior</b>				<b>147,909</b>	<b>147,909</b>	<b>-</b>	<b>-</b>	<b>147,909</b>
<b>U.S. Department of Justice</b>								
<b>Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)</b>								
SMART FY 15 Promoting Evidence Integration in Sex Offender Management	16.203	2015-AW-BX-K005	10-01-15 - 09-30-17	250,000	17,462	-	3,806	17,462
<i>Passed through the National Judicial College</i>								
CASOM Judicial Project	16.203	SUB2011WPBXK001	01-01-12 - 09-30-16	137,500	7,903	-	-	7,903
<b>Total - Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)</b>				<b>387,500</b>	<b>25,365</b>	<b>-</b>	<b>3,806</b>	<b>25,365</b>
<b>Juvenile Justice and Delinquency Prevention-Allocation to States</b>								
<i>Passed through the Florida Department of Juvenile Justice</i>								
Disproportionate Minority Contact	16.540	SUB2011JFFX034	04-01-14 - 03-31-17	447,693	123,990	30,450	-	154,440
<b>Missing Children's Assistance</b>								
Internet Crimes Against Children Program Support 2010/2011	16.543	2010-MC-CX-K038	07-01-10 - 09-30-15	2,000,000	22	-	-	22
Internet Crimes Against Children Program Support 2011/2012	16.543	2010-MC-CX-K038	07-01-11 - 09-30-15	2,100,000	323,126	-	-	323,126
AMBER Training & Technical Assistance Program 2012/2013	16.543	2010-MC-CX-K050	10-01-12 - 09-30-15	2,657,837	52,497	-	41,561	52,497
OJJDP Child Protection Programs in Tribal Communities 2010	16.543	2010-MC-CX-K053	10-01-10 - 09-30-16	850,000	67,138	-	-	67,138
Missing & Exploited Children Program Support 2014/2015	16.543	2013-MC-FX-K005	10-01-14 - 09-30-16	350,000	75,444	-	-	75,444
Missing & Exploited Children Program Support 2015/2016	16.543	2013-MC-FX-K005	10-01-15 - 09-30-16	325,000	210,360	-	-	210,360
ICAC National Training Program: Core & Specialized 2013/2014	16.543	2013-MC-FX-K104	10-01-13 - 09-30-16	1,650,000	77,089	-	-	77,089
ICAC National Training Program: Core & Specialized 2014/2015	16.543	2013-MC-FX-K104	10-01-14 - 09-30-16	1,650,000	826,723	-	-	826,723
ICAC National Training Program: Core & Specialized 2015/2016	16.543	2013-MC-FX-K104	10-01-15 - 09-30-16	1,650,000	707,158	-	-	707,158
AMBER Training & Technical Assistance Program 2013/2014	16.543	2013-MU-MU-K011	10-01-13 - 09-30-16	2,500,000	858,364	-	30,658	858,364
AMBER Training & Technical Assistance Program 2015/2016	16.543	2013-MU-MU-K011	10-01-15 - 09-30-16	2,401,884	1,481,224	-	20,098	1,481,224
Internet Crimes Against Children Program Support 2014/2015	16.543	2014-MC-FX-K003	10-01-14 - 09-30-16	2,000,000	895,393	-	-	895,393
Internet Crimes Against Children Program Support 2015/2016	16.543	2014-MC-FX-K003	10-01-15 - 09-30-16	2,000,000	782,194	-	-	782,194
Missing & Exploited Children Training & Tech Assistance Program 2014/2015	16.543	2014-MC-FX-K046	10-01-14 - 09-30-16	2,000,000	1,377,902	-	258,556	1,377,902
Missing & Exploited Children Training & Tech Assistance Program 2015/2016	16.543	2014-MC-FX-K046	10-01-15 - 09-30-16	1,500,000	474,633	-	39,854	474,633
<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	47,727	6,063	-	-	6,063
<b>Total - Missing Children's Assistance</b>				<b>25,682,448</b>	<b>8,215,330</b>	<b>-</b>	<b>390,727</b>	<b>8,215,330</b>
<b>National Institute of Justice Research, Evaluation, and Development Project Grants</b>								
<i>Passed through the University of Massachusetts</i>								
Information Sharing & Its Effect on Tracking Sex Offenders & Community Awareness	16.560	SUB2014AWBXK003	02-01-15 - 12-31-17	35,199	13,765	-	-	13,765

**Fox Valley Technical College District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2016**

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b>Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program</b>								
Indian Alcohol & Substance Training & Technical Assistance 2011/2012	16.580	2010-AC-BX-K001	10-01-11 - 12-31-15	875,000	39,093	13,644	25,449	39,093
Indian Alcohol & Substance Training & Technical Assistance 2012/2013	16.580	2010-AC-BX-K001	10-01-12 - 12-31-15	782,000	71,128	66,526	4,602	71,128
Tribal Justice System Capacity Building-Strategic Planning 2013/2014	16.580	2012-IC-BX-K004	10-01-13 - 09-30-17	918,003	241,713	228,152	13,561	241,713
Tribal Justice System Capacity Building-Community Corrections 2013/2014	16.580	2012-MU-BX-K002	10-01-13 - 03-31-17	400,000	44,100	40,455	3,645	44,100
<b>Total - Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program</b>				<b>2,975,003</b>	<b>396,034</b>	<b>348,777</b>	<b>47,257</b>	<b>396,034</b>
<b>Crime Victim Assistance/Discretionary Grants</b>								
FY 2012 Wisconsin State Victim Assistance Academy Initiative	16.582	2011-VF-GX-K005	10-01-12 - 09-30-15	100,000	9,798	-	-	9,798
FY 2013 Wisconsin State Victim Assistance Academy Initiative	16.582	2011-VF-GX-K005	10-01-13 - 09-30-15	60,000	15,222	-	-	15,222
FY 2015 American Indian/Alaska Native Training and Technical Assistance Program	16.582	2015-MU-GX-K075	10-01-15 - 09-30-18	2,000,000	99,131	-	-	99,131
<b>Total - Crime Victim Assistance/Discretionary Grants</b>				<b>2,160,000</b>	<b>124,151</b>	<b>-</b>	<b>-</b>	<b>124,151</b>
<b>Corrections Research and Evaluation and Policy Formulation</b>								
<i>Passed through the National Institute of Corrections (NIC)</i>								
NIC Service Delivery Impact Initiative	16.602	14AC08GKS5	09-01-14 - 12-31-15	250,784	89,235	-	-	89,235
<b>Tribal Court Assistance Program</b>								
Tribal Justice System Capacity Building-Community Corrections 2012/2013	16.608	2012-MU-BX-K002	10-01-12 - 03-31-17	377,412	16,345	-	16,345	16,345
<i>Passed through the National Judicial College</i>								
Tribal Court Assistance Program 2013/2014	16.608	SUB2011ICBXK036	09-01-13 - 12-31-15	99,000	34,575	-	-	34,575
<i>Passed through the University of North Dakota</i>								
Tribal Court Assistance Program 2015/2016	16.608	SUB2013ICBXK001	07-01-15 - 12-31-16	50,000	205	-	-	205
<i>Passed through the Center for Court Innovation</i>								
Tribal Access to Justice Innovator	16.608	SUB2012ICBXK005	10-01-15 - 09-30-16	20,000	2,420	-	-	2,420
<i>Passed through the Council of State Governments</i>								
Tribal Justice System Capacity Building Training & Technical Assistance Program	16.608	SUB2012IPBXK001	11-01-15 - 09-30-16	21,890	765	-	-	765
<b>Total - Tribal Court Assistance Program</b>				<b>568,302</b>	<b>54,310</b>	<b>-</b>	<b>16,345</b>	<b>54,310</b>
<b>Indian Country Alcohol and Drug Prevention</b>								
Indian Alcohol & Substance Training & Technical Assistance 2010/2011	16.616	2010-AC-BX-K001	10-01-10 - 12-31-15	800,000	7,843	-	366	7,843
Indian Alcohol & Substance Training & Technical Assistance 2013/2014	16.616	2013-AC-BX-K001	10-01-13 - 03-31-17	900,000	316,595	-	19,558	316,595
<b>Total - Indian Country Alcohol and Drug Prevention</b>				<b>1,700,000</b>	<b>324,438</b>	<b>-</b>	<b>19,924</b>	<b>324,438</b>
<b>Public Safety Partnership and Community Policing Grants</b>								
COPS FY 2011 Tribal Resource Grant Program	16.710	2011-HE-WX-K001	10-01-11 - 02-28-17	998,662	60,485	-	-	60,485
COPS FY 2013 National Indian Youth Police Academy	16.710	2013-HE-WX-K003	09-01-13 - 02-28-17	199,893	13,649	-	-	13,649
COPS FY 2015 Tribal Community Policing Training and Technical Assistance Project	16.710	2015-HE-WX-K004	09-01-15 - 08-31-17	300,000	34,707	-	-	34,707
<b>Total - Public Safety Partnership and Community Policing Grants</b>				<b>1,498,555</b>	<b>108,841</b>	<b>-</b>	<b>-</b>	<b>108,841</b>
<b>Enforcing Underage Drinking Laws Program</b>								
<i>Passed through the Pacific Institute for Research &amp; Evaluation</i>								
Pacific Institute for Research Evaluation Distance Learning Project	16.727	SUB2009AHFXK001	01-01-14 - 10-31-15	59,618	876	-	-	876

**Fox Valley Technical College District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2016**

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b>Support for Adam Walsh Act Implementation Grant Program</b>								
SORNA Tribal Training & Technical Assistance Program 2013/2015	16.750	2013-AW-BX-K002	10-01-13 - 09-30-17	1,000,000	395,153	-	-	395,153
SORNA Tribal Training & Technical Assistance Program 2015/2017	16.750	2013-AW-BX-K002	10-01-15 - 09-30-17	500,000	2,043	-	-	2,043
SORNA Tribal Training & Technical Assistance Program 2014/2016	16.750	2014-AW-BX-K001	10-01-14 - 09-30-16	500,000	144,593	-	-	144,593
<b>Total - Support for Adam Walsh Act Implementation Grant Program</b>				<b>2,000,000</b>	<b>541,789</b>	-	-	<b>541,789</b>
<b>Edward Byrne Memorial Competitive Grant Program</b>								
FY 2014 Tribal Justice System Planning Process (TJSPP)	16.751	2012-IC-BX-K004	10-01-14 - 09-30-17	896,692	169,237	-	91,069	169,237
FY 2015 Tribal Justice System Planning Process (TJSPP)	16.751	2012-IC-BX-K004	10-01-15 - 09-30-17	625,000	11,229	-	7,691	11,229
FY 2014 Tribal Justice Systems Capacity Building Training & Technical Assistance	16.751	2012-MU-BX-K002	10-01-14 - 03-31-17	400,000	184,354	-	-	184,354
FY 2015 Tribal Justice Systems Capacity Building Training & Technical Assistance	16.751	2012-MU-BX-K002	10-01-15 - 03-31-17	300,000	17,739	-	-	17,739
FY 2014 Indian Alcohol & Substance Abuse Training and Technical Assistance	16.751	2013-AC-BX-K001	10-01-14 - 03-31-17	650,000	141,893	-	-	141,893
FY 2015 Indian Alcohol & Substance Abuse Training and Technical Assistance	16.751	2013-AC-BX-K001	10-01-15 - 03-31-17	300,000	44,733	-	-	44,733
<b>Total - Edward Byrne Memorial Competitive Grant Program</b>				<b>3,171,692</b>	<b>569,185</b>	-	<b>98,760</b>	<b>569,185</b>
<b>Total - U.S. Department of Justice</b>				<b>40,936,794</b>	<b>10,587,309</b>	<b>379,227</b>	<b>576,819</b>	<b>10,617,759</b>
<b>U.S. Department of Labor</b>								
<b>Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants</b>								
Advanced Manufacturing Pathways (AMP) PLUS	17.282	TC237621260A55	10-01-12 - 09-30-16	2,999,750	382,673	-	-	382,673
<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	801,165	-	-	801,165
<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	218,228	125,436	-	-	125,436
<b>Total - Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants</b>				<b>4,723,861</b>	<b>1,309,274</b>	-	-	<b>1,309,274</b>
<b>Workforce Investment Act Cluster</b>								
<b>WIA Adult Program</b>								
<i>Passed through the Bay Area Workforce Development Board</i>								
Bay Area DWD Adult Case Management	17.258	16FVTCCMADT	07-01-15 - 06-30-16	91,885	89,746	-	-	89,746
<b>WIA Youth Activities</b>								
<i>Passed through the Bay Area Workforce Development Board</i>								
Bay Area DWD Youth Case Management	17.259	16FVTCCMOSY/ISY	07-01-15 - 06-30-16	105,349	94,907	-	-	94,907
<b>Total - Workforce Investment Act Cluster</b>				<b>197,234</b>	<b>184,653</b>	-	-	<b>184,653</b>
<b>Total - U.S. Department of Labor</b>				<b>4,921,095</b>	<b>1,493,927</b>	-	-	<b>1,493,927</b>
<b>U.S. Department of State</b>								
<b>One-Time International Exchange Grant Program</b>								
<i>Passed through the International Research &amp; Exchanges Board (IREX)</i>								
Community College Initiative Program	19.014	SUBSECAGD13CA0089	07-01-15 - 06-30-16	291,062	226,778	-	-	226,778
Community College Initiative Program-Tunisia	19.014	SUBSECAGD14CA1101	07-01-15 - 06-30-16	36,220	32,164	-	-	32,164
<b>Total - U.S. Department of State</b>				<b>327,282</b>	<b>258,942</b>	-	-	<b>258,942</b>
<b>U.S. Department of Transportation</b>								
<i>Passed through the Wisconsin Technical College System Board</i>								
Interagency Hazardous Materials Public Sector Training & Planning Grants	20.703		07-01-15 - 06-30-16	4,837	4,837	-	-	4,837
<b>Total - U.S. Department of State</b>				<b>4,837</b>	<b>4,837</b>	-	-	<b>4,837</b>

**Fox Valley Technical College District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2016**

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures	
<b>National Science Foundation</b>									
<b>Education and Human Resources</b>									
Digital Fabrication Learning Community (DFLC)	47.076	DUE1104199	07-15-11 - 08-31-15	602,370	22,650	-	-	22,650	
<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	24,542	-	-	24,542	
<b>Total - National Science Foundation</b>				<b>867,442</b>	<b>47,192</b>	<b>-</b>	<b>-</b>	<b>47,192</b>	
<b>U.S. Department of Education</b>									
<b>Adult Education - Basic Grants to States</b>									
<i>Passed through Homeless Connections</i>									
Emergency Shelter	84.002	93001149156	07-01-15 - 06-30-16	30,672	30,672	-	-	30,672	
<i>Passed through the Wisconsin Technical College System Board</i>									
FVTC Adult Basic Skills	84.002	12018146126	07-01-15 - 06-30-16	298,380	298,380	702,300	-	1,000,680	
FVTC Adult Basic Education Program - Incarceratec	84.002	12019146116	07-01-15 - 06-30-16	39,894	39,894	13,298	-	53,192	
ELL Civics Literacy Project - Focus on Bridges to Education and Careers	84.002	12013146166	07-01-15 - 06-30-16	10,528	10,528	-	-	10,528	
				Subtotal	348,802	348,802	715,598	-	1,064,400
<b>Total - Adult Education - Basic Grants to States</b>				<b>379,474</b>	<b>379,474</b>	<b>715,598</b>	<b>-</b>	<b>1,095,072</b>	
<b>Higher Education Institutional Aid</b>	84.031		07-01-15 - 06-30-16	4,419	4,419	-	-	4,419	
<b>Career &amp; Technical Education Basic Grants to States</b>									
<i>Passed through the Wisconsin Technical College System Board</i>									
Career Prep Initiatives	84.048	12012150216	07-01-15 - 06-30-16	46,533	46,533	-	-	46,533	
Wisconsin Career Pathways Website Project	84.048	12014150216	07-01-15 - 06-30-16	58,699	51,226	-	-	51,226	
Counseling & Support Services for Student Success	84.048	12015150236	07-01-15 - 06-30-16	523,137	523,137	339,700	-	862,837	
Supporting Student Success - Vet Exce	84.048	12016150276	07-01-15 - 06-30-16	50,000	50,000	-	-	50,000	
Non-Traditional Occupation (NTO) Recruitment & Retention Services	84.048	12017150266	07-01-15 - 06-30-16	34,876	34,876	-	-	34,876	
Criminal Justice Student Success Through Retention and Graduation	84.048	12022150256	07-01-15 - 06-30-16	139,503	139,503	-	-	139,503	
<b>Total - Career &amp; Technical Education Basic Grants to States</b>				<b>852,748</b>	<b>845,275</b>	<b>339,700</b>	<b>-</b>	<b>1,184,975</b>	
<b>Rehabilitation Services-Vocational Rehabilitation Grants to States</b>									
<i>Passed through the Wisconsin Department of Workforce Development</i>									
Rehabilitation Services-Vocational Rehabilitation Grants to State:	84.126		07-01-15 - 06-30-16	97,975	97,975	-	-	97,975	
<b>Student Financial Assistance Cluster</b>									
<b>Federal Supplemental Educational Opportunity Grants</b>									
FSEOG Grants	84.007		07-01-15 - 06-30-16	273,522	273,522	91,174	-	364,696	
FSEOG Grants-Administrative Cost	84.007		07-01-15 - 06-30-16	6,058	6,058	-	-	6,058	
<b>Total - Federal Supplemental Educational Opportunity Grants:</b>				<b>279,580</b>	<b>279,580</b>	<b>91,174</b>	<b>-</b>	<b>370,754</b>	
<b>Federal Work-Study Program</b>									
College Work Study	84.033		07-01-15 - 06-30-16	163,554	163,554	54,135	-	217,689	
College Work Study-Administrative Cost			07-01-15 - 06-30-16	10,884	10,884	-	-	10,884	
<b>Total - Federal Work-Study Program</b>				<b>174,438</b>	<b>174,438</b>	<b>54,135</b>	<b>-</b>	<b>228,573</b>	

**Fox Valley Technical College District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2016**

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b>Federal Pell Grant Program</b>								
PELL Grants	84.063		07-01-15 - 06-30-16	9,392,652	9,392,652	-	-	9,392,652
PELL Grants - Administrative Fee	84.063		07-01-15 - 06-30-16	15,415	15,415	-	-	15,415
			Total - Federal Pell Grant Program	9,408,067	9,408,067	-	-	9,408,067
<b>Federal Direct Student Loans</b>								
Direct PLUS Loans	84.268		07-01-15 - 06-30-16	187,375	187,375	-	-	187,375
Direct Subsidized Loans	84.268		07-01-15 - 06-30-16	7,777,076	7,777,076	-	-	7,777,076
Direct Unsubsidized Loans	84.268		07-01-15 - 06-30-16	5,702,272	5,702,272	-	-	5,702,272
			Total - Federal Direct Student Loans	13,666,723	13,666,723	-	-	13,666,723
			<b>Total - Student Financial Assistance Cluster</b>	<b>23,528,808</b>	<b>23,528,808</b>	<b>145,309</b>	<b>-</b>	<b>23,674,117</b>
			<b>Total - U.S. Department of Education</b>	<b>24,863,424</b>	<b>24,855,951</b>	<b>1,200,607</b>	<b>-</b>	<b>26,056,558</b>
<b><u>U.S. Department of Health &amp; Human Services</u></b>								
<b>Temporary Assistance for Needy Families</b>								
<i>Passed through the Wisconsin Department of Children &amp; Families</i>								
Wisconsin Shares	93.558		07-01-15 - 06-30-16	21,209	21,209	-	-	21,209
YoungStar Program	93.558		07-01-15 - 06-30-16	5,302	5,302	-	-	5,302
				<b>26,511</b>	<b>26,511</b>	<b>-</b>	<b>-</b>	<b>26,511</b>
<b><u>U.S. Department of Homeland Security</u></b>								
<b>Assistance to Firefighters Grant</b>								
<i>Passed through the Wisconsin Technical College System Board</i>								
Self-Contained Breathing Apparatus (SCBAs) for Fire Protection Technician Program	97.044	12055153116	07-01-15 - 06-30-16	27,391	27,391	4,109	-	31,500
			<b>Total - U.S. Department of Homeland Security</b>	<b>27,391</b>	<b>27,391</b>	<b>4,109</b>	<b>-</b>	<b>31,500</b>
<b>TOTAL FEDERAL AWARDS</b>				<b>72,135,918</b>	<b>37,463,202</b>	<b>1,628,577</b>	<b>576,819</b>	<b>38,743,002</b>

**Reconciliation of Federal Revenue to Basic Financial Statements**

Basic Financial Statements	37,458,363
Add: Hazardous Materials Public Sector Training & Planning Grants	4,837
Rounding	2
	<u>37,463,202</u>

**Fox Valley Technical College District**  
**Schedule of Expenditures of State Awards**  
**Year ended June 30, 2016**

Assistance Program	State Catalog Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Passed Through to Sub- Recipients	Total Expenditures
<b><u>Wisconsin Department of Transportation</u></b>								
<b>Motorcycle Safety</b>								
Motorcycle Basic Rider Course 2015	20.395(4)(AQ)	0094-15-10	01-01-15 - 12-31-15	33,833	22,891	6,957	-	29,848
Motorcycle Basic Rider Course 2016	20.395(4)(AQ)	0094-16-23	01-01-16 - 12-31-16	36,074	-	46,005	-	46,005
Scooter Rider Safety Training 2015	20.395(4)(AQ)	0094-15-23	01-01-15 - 12-31-15	3,750	2,785	47	-	2,832
Scooter Rider Safety Training 2016	20.395(4)(AQ)	0094-16-23	01-01-16 - 12-31-16	3,750	-	129	-	129
<b>Total - Wisconsin Department of Transportation</b>				<b>77,407</b>	<b>25,676</b>	<b>53,138</b>	<b>-</b>	<b>78,814</b>
<b><u>Higher Education Aids Board</u></b>								
Wisconsin Tuition Grants	235.101		07-01-15 - 06-30-16	18,786	18,786	-	-	18,786
Wisconsin Higher Education Grant	235.102		07-01-15 - 06-30-16	1,515,269	1,515,269	-	-	1,515,269
Remission of Fees for Veterans and Dependents	235.105		07-01-15 - 06-30-16	163,656	163,656	-	-	163,656
Minority Undergraduate Retention	235.107		07-01-15 - 06-30-16	20,035	20,035	-	-	20,035
Academic Excellence Scholarship	235.109		07-01-15 - 06-30-16	2,250	2,250	2,250	-	4,500
Talent Incentive Program	235.114		07-01-15 - 06-30-16	73,595	73,595	-	-	73,595
Nursing Student Loan	235.117		07-01-15 - 06-30-16	12,000	12,000	-	-	12,000
Technical Excellence Scholarship	235.119		07-01-15 - 06-30-16	77,063	77,063	77,063	-	154,126
Indian Student Assistance	235.132		07-01-15 - 06-30-16	17,600	17,600	-	-	17,600
<b>Total - Higher Education Aids Board</b>				<b>1,900,254</b>	<b>1,900,254</b>	<b>79,313</b>	<b>-</b>	<b>1,979,567</b>
<b><u>Wisconsin Department of Public Instruction</u></b>								
<b>Minority Group Scholarships</b>								
Latinas Empowered Through Transformative Ideas in Education (LETTIE)	255.903	FY16-766802PSP	07-01-15 - 06-30-16	19,500	19,500	2,126	-	21,626
<b>Total - Wisconsin Department of Public Instruction</b>				<b>19,500</b>	<b>19,500</b>	<b>2,126</b>	<b>-</b>	<b>21,626</b>
<b><u>Wisconsin Technical College System Board</u></b>								
<b>State Aid for Technical Colleges</b>								
	292.105		07-01-15 - 06-30-16	9,625,446	9,625,446	-	-	9,625,446
<b>Grants to District Boards</b>								
ABE Pathways to Prosperity—Year I	292.124	12-001-124-126	07-01-15 - 06-30-16	212,960	212,960	70,986	-	283,946
Advanced Manufacturing Network-Northeast	292.124	11-640-124-186	07-01-15 - 06-30-16	12,131	12,131	-	-	12,131
Banking and Financial Services Consortium Project	292.124	12-010-124-136	07-01-15 - 06-30-16	454,513	454,513	-	326,414	454,513
BizSquad Internship	292.124	12-005-124-136	07-01-15 - 06-30-16	39,705	39,705	-	-	39,705
Developing Digital Skills to Support Employer Growth	292.124	12-049-124-186	07-01-15 - 06-30-16	35,572	11,499	-	-	11,499
Electro-Mechanical Technology	292.124	12-007-124-136	07-01-15 - 06-30-16	21,330	21,330	-	-	21,330
FVTC Safety Engineering Technology (SET)	292.124	12-057-124-186	07-01-15 - 08-31-16	150,000	108,441	-	-	108,441
Innovating the Quality Assurance and Mechanical Engineering Technologies Pipeline	292.124	12-011-124-136	07-01-15 - 06-30-16	30,970	30,970	-	-	30,970
Manufacturing Robust Partnerships in Fabrication/Welding Career Pathways	292.124	12-004-124-126	07-01-15 - 06-30-16	252,937	252,937	84,312	-	337,249
Professional Development Assessment Project	292.124	12-002-124-156	07-01-15 - 06-30-16	73,670	73,670	-	-	73,670
Student Support Services Pathways to Success Project	292.124	12-006-124-166	07-01-15 - 06-30-16	297,600	297,600	99,200	-	396,800
Team Wisconsin Teachers' Institute	292.124	12-045-124-186	07-01-15 - 06-30-16	1,080	1,080	-	-	1,080
Truck Driving Consortium - Creative and Collaborative Solutions	292.124	01-683-124-136	07-01-15 - 06-30-16	167,162	165,662	-	-	165,662
WTCS/UW Collaborative Transfer/UTCA Meetings	292.124	12-043-124-186	07-01-15 - 06-30-16	2,500	2,157	-	-	2,157
<b>Passed through Moraine Park Technical College</b>								
Advanced Manufacturing Network-Northeast	292.124	10-552-124-185	07-01-14 - 09-30-15	26,600	4,206	-	-	4,206

**Fox Valley Technical College District**  
**Schedule of Expenditures of State Awards**  
**Year ended June 30, 2016**

Assistance Program	State Catalog Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b>Workforce Advancement Training</b>								
WAT -- IVI North Incorporatec	292.124	12-044-124-176	07-01-15 - 08-31-16	6,450	6,179	687	-	6,866
WAT -- Transportation	292.124	12-031-124-176	07-01-15 - 06-30-16	31,552	20,658	2,295	-	22,953
WAT -- Advanced Manufacturing Technical Skills	292.124	12-030-124-176	07-01-15 - 08-31-16	199,998	199,998	60,182	-	260,180
WAT -- Skills to Achieve Operational Excellence	292.124	12-030-124-175	07-01-14 - 08-30-15	110,203	1,954	-	-	1,954
WAT -- Skills to Achieve Operational Excellence	292.124	12-029-124-176	07-01-15 - 08-31-16	124,919	105,530	11,726	-	117,256
WAT -- Workforce Succession: Addressing Critical Core Skill Gaps	292.124	12-032-124-175	07-01-14 - 08-31-15	199,215	8,687	-	-	8,687
WAT -- Workforce Succession: Addressing Critical Core Skill Gaps	292.124	12-028-124-176	07-01-15 - 08-31-16	199,796	172,691	19,187	-	191,878
WAT -- Growth Through Business Model Design	292.124	12-056-124-176	02-03-16 - 08-31-16	5,851	5,185	576	-	5,761
<b>Total - Grants to District Boards</b>				<b>2,656,714</b>	<b>2,209,743</b>	<b>349,151</b>	<b>326,414</b>	<b>2,558,894</b>
<b>Property Tax Relief Aid</b>	292.162		07-01-15 - 06-30-16	29,119,516	29,119,516	-	-	29,119,516
<b>Total - Wisconsin Technical College System Board</b>				<b>41,401,676</b>	<b>40,954,705</b>	<b>349,151</b>	<b>326,414</b>	<b>41,303,856</b>
<b>Wisconsin Department of Natural Resources</b>								
State Aid in lieu of Property Taxes	370.503		07-01-15 - 06-30-16	38,902	38,902	-	-	38,902
<b>Total - Wisconsin Department of Natural Resources</b>				<b>38,902</b>	<b>38,902</b>	<b>-</b>	<b>-</b>	<b>38,902</b>
<b>Wisconsin Department of Workforce Development</b>								
<b>Wisconsin Fast Forward / Blueprint for Prosperity</b>								
Blueprint for Prosperity - Technical College Wait List Program	445.109	BP142TC-FV	07-11-14 - 12-31-16	3,029,890	1,364,605	-	-	1,364,605
Rural Partnership for Nursing Assistant Program	445.109	BP151HSP	07-01-15 - 12-31-16	53,779	35,965	-	-	35,965
<b>Total Wisconsin Fast Forward/Blueprint for Prosperity</b>				<b>3,083,669</b>	<b>1,400,570</b>	<b>-</b>	<b>-</b>	<b>1,400,570</b>
<i>Passed through the Wisconsin Department of Workforce Development</i>								
<b>Rehabilitation Services-Vocational Rehabilitation Grants to States</b>	445.509		07-01-15 - 06-30-16	26,517	26,517	-	-	26,517
<b>Total - Wisconsin Department of Workforce Development</b>				<b>3,110,186</b>	<b>1,427,087</b>	<b>-</b>	<b>-</b>	<b>1,427,087</b>
<b>Wisconsin Department of Revenue</b>								
State Aid-Computers	835.109		07-01-15 - 06-30-16	265,057	265,057	-	-	265,057
<b>Total - Wisconsin Department of Revenue</b>				<b>265,057</b>	<b>265,057</b>	<b>-</b>	<b>-</b>	<b>265,057</b>
<b>TOTAL STATE AWARDS</b>				<b>46,812,982</b>	<b>44,631,181</b>	<b>483,728</b>	<b>326,414</b>	<b>45,114,909</b>

**Reconciliation of State Revenue to Basic Financial Statements**

State Operating Appropriations	39,048,921
State Grants included in Operating Revenue	5,634,046
Total State Revenue	<u>44,682,967</u>
Deduct items not included for Single Audit:	
Truck Driving Program	(15,979)
Fire Fighter Training 2%	(35,811)
Rounding	4
	<u><u>44,631,181</u></u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to the Schedules of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2016

**NOTE A - BASIS OF PRESENTATION**

The accompany Schedules of Expenditures of Federal and State Awards includes the federal and state grant activity of Fox Valley Technical College District (“the District”) under programs of federal and state government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) ) and State of Wisconsin *Single Audit Guidelines*. Because the Schedule presents only a selected portion of the operation of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

**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 2015-2016 basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. 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 Uniform Guidance. Therefore, major programs represent those with combined expenditures exceeding 20% 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 20% 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.

**NOTE D – INDIRECT COST RATE**

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

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to the Schedules of Expenditures of Federal and State Awards (Continued)  
For the Year Ended June 30, 2016

**NOTE E - 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, 2016:

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 Council for State Governments, American Probation & Parole Association	\$ 366
2010-AC-BX-K001	16.580	U.S. Department of Justice	The National Judicial College	25,449
2010-AC-BX-K001	16.580	U.S. Department of Justice	The University of North Dakota	4,602
2010-MC-CX-K050	16.543	U.S. Department of Justice	Texas A&M International University	41,561
2012-IC-BX-K004	16.580	U.S. Department of Justice	Center for Court Innovation	7,115
2012-IC-BX-K004	16.751	U.S. Department of Justice	Center for Court Innovation	91,069
2012-IC-BX-K004	16.580	U.S. Department of Justice	The University of North Dakota	6,446
2012-IC-BX-K004	16.751	U.S. Department of Justice	The University of North Dakota	7,691
2012-MU-BX-K002	16.608	U.S. Department of Justice	The Council for State Governments, American Probation & Parole Association	16,345
2012-MU-BX-K002	16.580	U.S. Department of Justice	The Council for State Governments, American Probation & Parole Association	3,645
2013-AC-BX-K001	16.616	U.S. Department of Justice	The University of North Dakota	19,558
2013-MU-MU-K011	16.543	U.S. Department of Justice	Southern Methodist University	44,890
2013-MU-MU-K011	16.543	U.S. Department of Justice	Texas A&M International University	5,866
2014-MC-FX-K046	16.543	U.S. Department of Justice	Children's Advocacy Center for the Pikes	34,477
2014-MC-FX-K046	16.543	U.S. Department of Justice	Children's Hospitals & Clinics Minnesota	92,775
2014-MC-FX-K046	16.543	U.S. Department of Justice	Philadelphia Children's Alliance	102,863
2014-MC-FX-K046	16.543	U.S. Department of Justice	The National Children's Advocacy	68,295
2015-AW-BX-K005	16.203	U.S. Department of Justice	Wilson Psychological Services, LLC	3,806
12-010-124-136	292.124	WI Technical College System	Milwaukee Area Technical College	326,414

**NOTE F - 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, 2016

**Section I – Summary of Auditors' Results**

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No

Type of auditor's report issued on compliance for major programs	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No
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Identification of major federal programs:

<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
Missing Children's Assistance	16.543
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Direct Student Loans	84.268
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$1,123,896

Auditee qualified as low-risk auditee?	Yes
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**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2016

**Section I – Summary of Auditors’ Results (Continued)**

State Awards

Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Type of auditor’s report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the <i>State of Wisconsin Single Audit Guidelines</i> ?	No
Identification of major state programs:	
<u>Name of State Program</u>	<u>State I.D. Number</u>
Technical Excellence Scholarship	235.119
State Aids for Vocational, Technical, and Adult Education	292.105
Property Tax Relief Aid	292.162
Dollar threshold used to distinguish between Type A and Type B programs:	
State	\$250,000

**Section II – Basic Finance 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	Uniform Guidance Findings	Questioned Costs
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There were no findings required to be reported in accordance with the Uniform Guidance.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2016

**Section IV – Other Issues**

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

Does the audit report show audit issues related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*?

- Wisconsin Department of Children and Families No
- Wisconsin Department of Health Services No
- Wisconsin Department of Revenue No
- Wisconsin Department of Workforce Development No
- Wisconsin Higher Education Aids Board No
- Wisconsin Technical College System No
- Wisconsin Department of Transportation No
- Wisconsin Department of Public Instruction No
- Wisconsin Department of Natural Resources No

Was a management letter or other document conveying audit comments issued as a result of this audit? No

Name and signature of partner

  
\_\_\_\_\_  
Dan Walker, CPA

Date of report

December 6, 2016

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
 Schedule of Prior Year Findings and Corrective Action Plan  
 For the Year Ended June 30, 2016

**Schedule of Prior Year Findings**

Finding Number	Corrective Action Plan
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**2015-001      Special Tests and Provisions - Enrollment Reporting**

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

Current Status: The above finding was properly addressed and resolved in the current year.

**2015-002      Special Tests and Provisions - Exit Counseling**

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

Current Status: The above finding was properly addressed and resolved in the current year.

**Corrective Action Plan**

None required.