



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

# Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2017



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

Fox Valley Technical College District  
**Comprehensive Annual Financial Report**  
for the Fiscal Year ended June, 30, 2017

Prepared by  
Financial Services Department of Fox Valley Technical College

**Contact**

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# INTRODUCTORY SECTION



# FOX VALLEY TECHNICAL COLLEGE DISTRICT

June 30, 2017

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**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
June 30, 2017

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December 19, 2017

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* issued by the Wisconsin Department of Administration. The Comprehensive Annual Financial Report (CAFR) for the Fox Valley Technical College District (the District) for the fiscal year ended June 30, 2017, 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, 2017. 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.

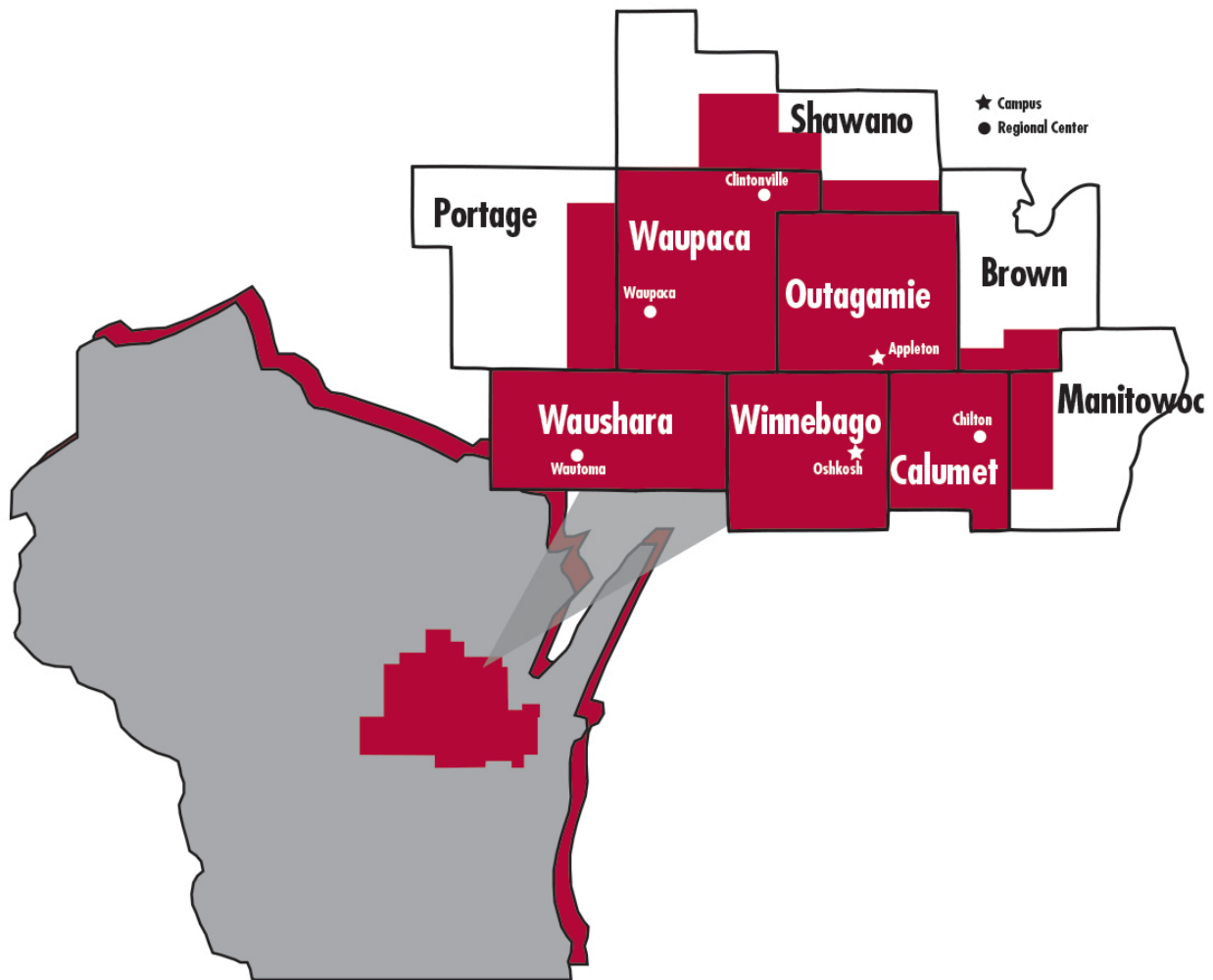


## PROFILE

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 480,000 people live in the counties and portions of counties served by the District, using population data from the Wisconsin Department of Administration (DOA) 2016 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 50,000 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 at a historic low ranging from 2.7% in Calumet County to 3.7% 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, enacted 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

*Wautoma Regional Center.* A new regional center is in the planning phase with an anticipated opening in August 2018. This approximately 12,000 sq. ft. facility will be located adjacent to the Wautoma High School and the facility will have a welding/metal fab lab, nursing lab, industrial lab and four classrooms. The Wautoma School District Administrative offices and Workforce Development Center will be co-located in this new Wautoma Regional Center.

*Natural Resources Classroom/Offices Remodel.* This remodel of approximately 11,000 square feet improves the training environment with updated survey labs, computer labs and classrooms for the Natural Resources program. This portion of the main campus building has not been comprehensively updated since the original construction in 1970.

*Physics and Biology Remodel.* This remodel of approximately 8,500 square feet enhances the instructional facilities for the physics and biology programs. Biology lab space will be split into two separate labs with modern fume hoods and furniture upgrades. A lab support and storage space adjacent to each lab will make it easier to set up labs. This portion of the main campus building has not been comprehensively updated since the original construction in 1970.

*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.* The District is on an eight year cycle of AQIP Pathway activities. The AQIP Pathway is one of three options institutions have for maintaining accreditation with the Higher Learning Commission (HLC). 2017-18 is Year 2 of our AQIP Pathway cycle, which will involve a team of FVTC staff participating in a Strategy Forum to work on priorities of continuous improvement efforts and potential AQIP Action Projects.

### **ACKNOWLEDGMENT**

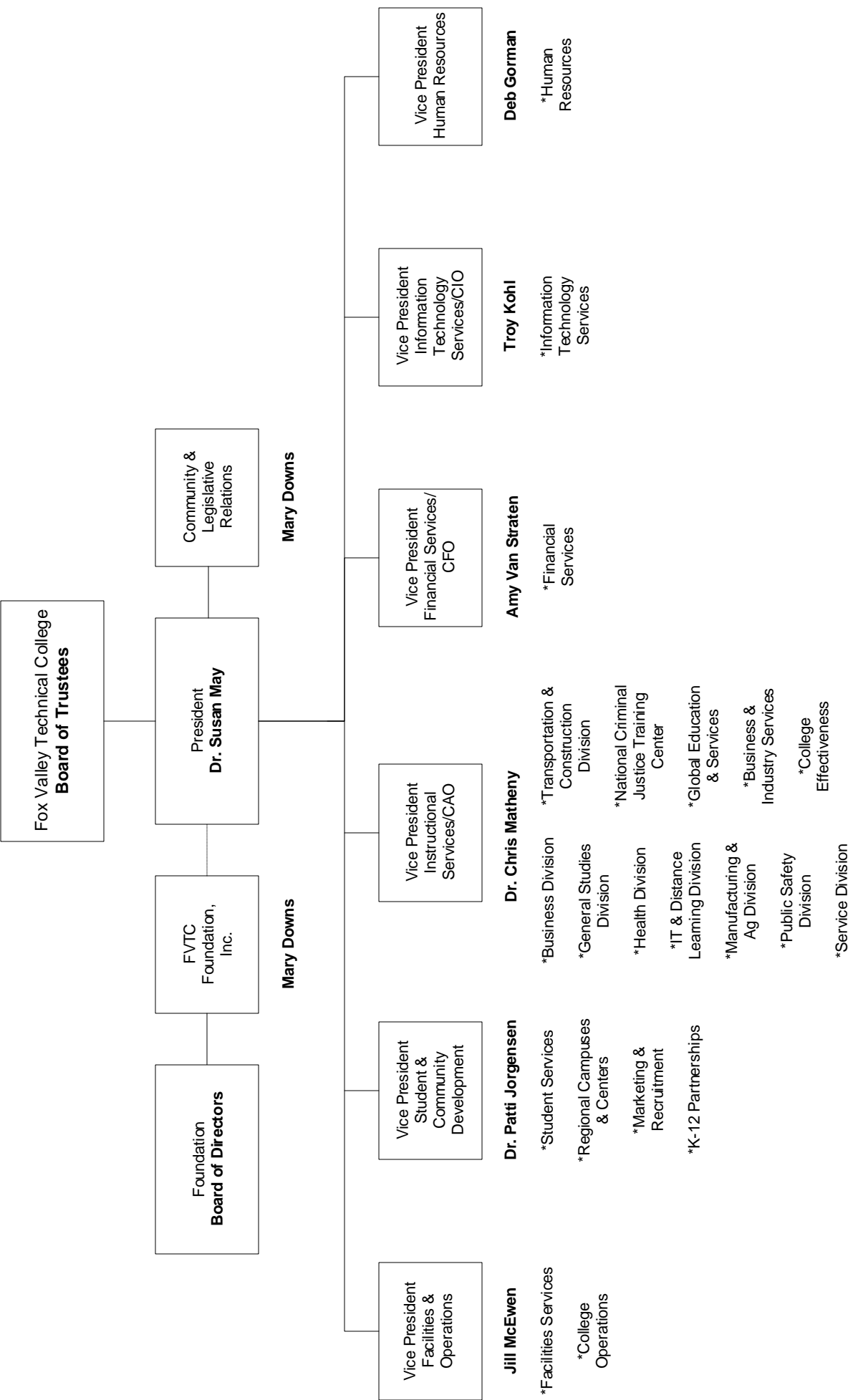
We express our appreciation to the Financial Services staff for their significant investment of time and resources in the preparation of this report. In addition, we thank the District Board of Trustees for their interest and support in planning and conducting the financial operations of the District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



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## 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, 2017, 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, 2017, 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.

### **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, the schedule of employer's proportionate share of the net pension liability (asset) and the schedule of 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 2017 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**

We have previously audited the District's 2016 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 6, 2016. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2016, 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 November 13, 2017, 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.

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

Wipfli LLP

November 13, 2017  
Madison, Wisconsin

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## **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. On June 30, 2017 and 2016 the District has a reported a net liability of \$3.4 million and \$6.8 million,

respectively. This amount represents 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.). In the year of implementation (June 30, 2015), the cumulative change in accounting principal was \$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)			Increase or (Decrease)			
	2017	2016	2015	(2017-2016)		(2016-2015)	
				\$	%	\$	%
<b>ASSETS</b>							
Cash and investments	\$30,618	\$35,783	\$36,849	(\$5,165)	-14.4%	(\$1,065)	-2.9%
Net capital assets	140,129	135,770	133,983	4,359	3.2%	1,787	1.3%
Other assets	52,270	50,674	60,329	1,596	3.2%	(9,655)	-16.0%
Total assets	223,017	222,227	231,160	791	0.4%	(8,933)	-3.9%
Deferred Outflows of Resources	24,066	35,891	8,547	(11,825)	-32.9%	27,344	319.9%
<b>LIABILITIES</b>							
Current liabilities	34,091	35,140	37,499	(1,049)	-3.0%	(2,359)	-6.3%
Long-term liabilities	80,096	87,432	84,655	(7,336)	-8.4%	2,777	3.3%
Total liabilities	114,187	122,572	122,154	(8,385)	-6.8%	418	0.3%
Deferred Inflows of Resources	10,740	14,398	12	(3,658)	-25.4%	14,386	117141.2%
<b>NET POSITION</b>							
Net investment in capital assets	60,655	55,951	49,445	4,704	8.4%	6,507	13.2%
Restricted for:							
Debt service	16,026	16,013	17,054	12	0.1%	(1,040)	-6.1%
Pension benefits	-	-	10,408	-	100.0%	(10,408)	-100.0%
Unrestricted	45,476	49,183	40,635	(3,707)	-7.5%	8,548	21.0%
Total net position	\$122,156	\$121,147	\$117,541	\$1,009	0.8%	\$3,606	3.1%

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

From 2016 to 2017, total assets increased by \$791,000, or 0.4%. While this change is insignificant, several significant offsetting changes occurred during the year:

- ❖ Cash and investments decreased by \$5.2 million, or 14.4%. This decrease is primarily the result of the district board authorizing the spending down of operating reserves to fund key facility projects. The related decrease in cash balances and unrestricted net position are offset with increase in net capital assets and investment in capital assets.
- ❖ Net capital investments increased by \$4.4 million, or 3.2%. This is a result of \$15.9 million of new depreciable assets placed into service in the current year less accumulated depreciation. Notable items placed into service were 15 new tractors and 5 trailers for the truck driving program as well as several significant remodeling projects: conference center and testing center at the D.J. Bordini Center, the relocation of Instructional Technology program offices and creation of hands-on IT learning laboratories at the Appleton Main Campus, and the remodel of the metal fabrication and welding program areas at the Appleton Main Campus.

- ❖ Other assets experienced a net increase of \$1.6 million, or 3.2%. There are several factors that contributed to this net change:
  - The District's net other post-employment benefits (OPEB) asset increased by \$1.4 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.
  - The District's net receivable from the Wisconsin Technical College Employee Benefit Consortium (WTCEBC) increased by \$2.1 million. This amount represents the net amount of premiums paid in excess of incurred claims and expenses. For additional information, see Note H in the Notes to Basic Financial Statements.
  - Restricted cash and investments decreased \$840,000 due to planned capital project expenditures.
  - Student fees receivable decreased by \$698,000 as a result of declining enrollments.

Deferred outflows of resources related to pension benefits decreased by \$11.8 million, or 32.9%. The change is mostly attributable to the net difference between projected versus actual earnings on investments as a result of stronger market conditions in 2016. For additional information, see note F in the Notes to Basic Financial Statements.

From 2016 to 2017, total liabilities decreased by \$8.4 million, or 6.8%.

- ❖ Accrued payroll and related withholdings decreased by \$500,000 due to the number of days of accrued wages payable at year end.
- ❖ The net pension liability decreased by \$3.4 million. 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 amount of debt issued in the current year by \$3.4 million, resulting in a decrease in total debt outstanding.

Deferred inflows of resources related to pension benefits decreased by \$3.7 million, or 25.4%. 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 2016 to 2017, total net position increased by \$1.0 million, or 0.8%.

- ❖ The largest portion of the District's net position (49.7%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. An increase of \$4.4 million in net capital assets combined with a decrease in debt related to capital assets of \$344,000 contributed to the net increase of \$4.7 million in the amount invested in capital assets, net of related debt.
- ❖ Unrestricted net position decreased by \$3.7 million, or 7.5%. The majority of the decrease is a result of the district board authorizing the spending of operating reserves to fund key facility projects over the past two years. This decrease was offset by the current year positive financial results of the District.

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

- ❖ Other assets experienced a net decrease of \$9.7 million, or 16.0%:
  - The most significant item was 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.
  - The District joined several other colleges and created the Wisconsin Technical College Employee Benefit Consortium (WTCEBC) which resulted in the recording of a net receivable from the consortium of \$1.2 million. The consortium was created for the purposes of jointly purchasing health insurance coverage, including stop loss coverage. The net receivable 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 changing 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 was 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. Information provided with the release of the 2017 WRS contribution rates note this increase was 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 was insignificant, several significant offsetting changes occurred during the year:

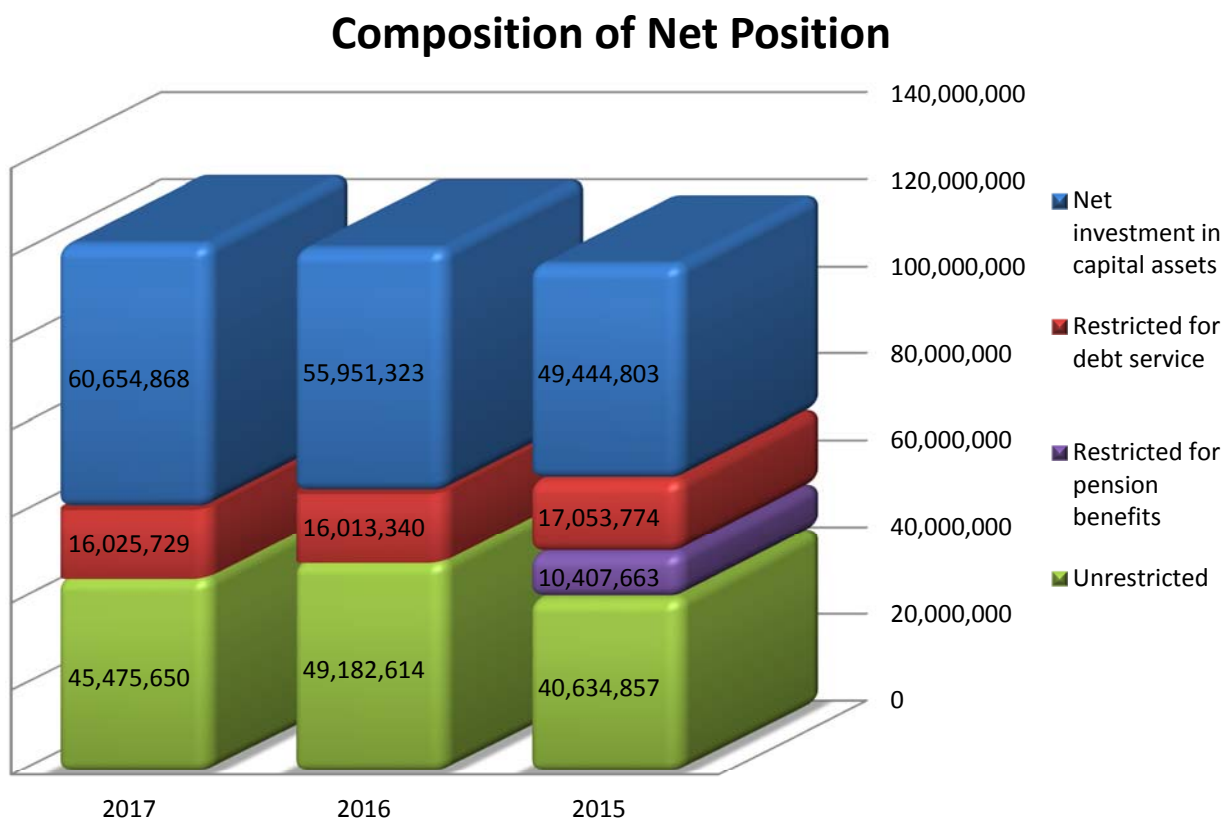
- ❖ The most significant item was the change in net pension liability, which changed from a \$10.4 million net asset at June 30, 2015 to a \$6.8 million net liability at June 30, 2016. As part of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, this actuarially determined amount 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 debt issued during the year 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 removing the health claims payable amount and reflecting only estimated dental claims payable on the District's financial statements. 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 were 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 was due to the change in the District's net pension asset to a liability. 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 was due to the positive financial results of the District combined with the changes related to recording the District's net pension liability and related deferred outflows and inflows.

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)			
	2017	2016	2015	(2017-2016)		(2016-2015)	
				\$	%	\$	%
Operating Revenues:							
Student tuition and fees	\$13,400	\$12,759	\$12,313	\$641	5.0%	\$446	3.6%
Federal grants	33,247	37,458	42,256	(4,212)	-11.2%	(4,798)	-11.4%
State grants	4,617	5,634	4,634	(1,017)	-18.0%	1,001	21.6%
Contract revenue	10,162	8,799	8,740	1,363	15.5%	59	0.7%
Auxiliary enterprise revenues	3,412	3,190	3,144	222	7.0%	46	1.5%
Miscellaneous	2,258	2,388	2,561	(130)	-5.4%	(173)	-6.8%
Total operating revenues	\$67,097	\$70,228	\$73,648	(\$3,131)	-4.5%	(\$3,420)	-4.6%

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

Operating revenues are the charges for services offered by the District. During 2017, the District generated \$67.1 million of operating revenue. This is a decrease of \$3.1 million, or 4.5%, from 2016. Significant changes are as follows:

- ❖ Student tuition and fee revenue increased by \$641,000, or 5.0%. Although the District experienced a decline in enrollments of 5.8% and a tuition rate increase of 1.5%, a significant portion of the related increase in revenue is attributed to a decrease in the amount of financial aid disbursed. (The amount of financial aid disbursed is reflected as scholarship allowance, reducing tuition revenue.) Scholarship allowances decreased \$1.4 million, or 11.7%.
- ❖ Federal grant revenue decreased by \$4.2 million, or 11.2%:
  - Funding received for student financial aid, which includes Pell Grants and Stafford loans, decreased by \$1.4 million and \$2.0 million, respectively.
  - The completion of two grants awarded by the U.S. Department of Labor known as the Trade Adjustment Assistance Community College and Career Training Grants (or TAACCCT) resulted in a \$1.2 million decrease in revenue, which was offset by smaller increases from other granting agencies for a net decrease of \$775,000.
- ❖ State grant activity decreased by \$1.0 million, or 18.0%. This decline was due to the completion of multiple grants associated with the Technical College Waitlist program awarded by the Wisconsin Department of Workforce Development under the Blueprint for Prosperity initiative.
- ❖ Contract revenue increased by \$1.4 million, or 15.5%, reflecting an increased demand for business and industry training. Divisions with notable increases were Information Technology (IT) & Distance Learning, K-12 Partnerships, and Global Education. Almost half of the increase, or \$727,000, was due to transcribed/dual credit offerings. These classes are attended by high school students at their respective schools as a means for experiencing career pathways and earning college level credit.

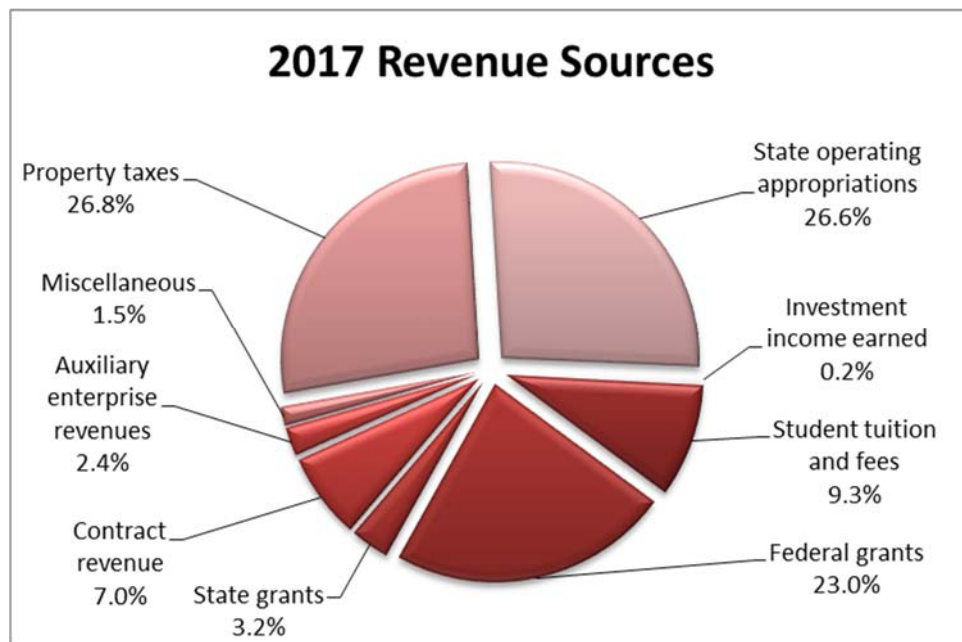
During 2016, the District generated \$70.2 million of operating revenue. This was a decrease of \$3.4 million, or 4.6%, from 2015. Significant changes were as follows:

- ❖ 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 was 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.

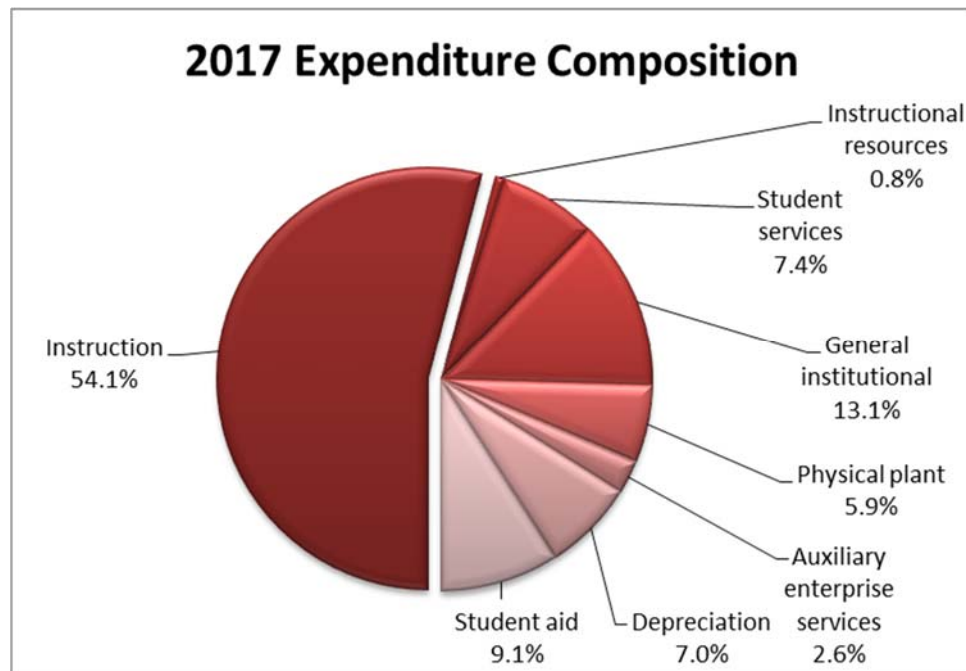


- ❖ Federal grant revenue decreased by \$4.8 million, or 11.4%:
  - Funding received for student financial aid, which includes Pell Grants and Stafford loans, decreased by \$1.9 million and \$3.3 million, respectively.
  - Federal grant revenue increased by \$1.3 million. Grant activity, particularly 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 included funding for a mobile safety training center for the Safety Engineering Technology area as well as general purpose revenue (GPR) grants awarded to expand banking and finance as well as welding and metal fabrication enrollments.

The graph below summarizes the District's 2017 operating and non-operating revenue sources:



The graph below categorizes the District's 2017 operating expenses by function.



	(amounts shown in thousands)			Increase or (Decrease)			
	2017	2016	2015	(2017-2016)		(2016-2015)	
				\$	%	\$	%
Operating Expenses:							
Instruction	\$76,490	\$76,087	\$70,919	\$401	0.5%	\$5,169	7.3%
Instructional resources	1,148	1,299	1,024	(151)	-11.7%	275	26.9%
Student services	10,509	9,673	9,032	836	8.6%	641	7.1%
General institutional	18,578	19,830	18,214	(1,252)	-6.3%	1,616	8.9%
Physical plant	8,293	7,823	7,481	470	6.0%	342	4.6%
Auxiliary enterprise services	3,615	3,305	3,032	311	9.4%	273	9.0%
Depreciation	9,937	9,620	8,852	317	3.3%	767	8.7%
Student aid	12,870	14,947	18,703	(2,077)	-13.9%	(3,757)	-20.1%
Total operating expenses	<u>\$141,440</u>	<u>\$142,585</u>	<u>\$137,258</u>	<u>(\$1,145)</u>	<u>-0.8%</u>	<u>\$5,326</u>	<u>3.9%</u>

\* 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 2016 to 2017, total operating expenses decreased \$1.1 million, or .8%. While this change is insignificant, several significant offsetting changes occurred during the year:

- ❖ Instructional expenses increased \$401,000, or 0.5%.
  - State and federal grant activity expenses decreased by \$2.1 million. Multiple state grants associated with the Technical College Waitlist program awarded by the Wisconsin Department of Workforce Development under the Blueprint for Prosperity initiative concluded their award activity in the current year. On the federal side, the majority of the decrease was due to the completion of two grants awarded by the U.S. Department of Labor known as the Trade Adjustment Assistance Community College and Career Training Grants (or TAACCCT).
  - Contracting expenses increased by \$1.6 million which coincides with the increased revenue and demand for training.
  - The change in the receivable from the Wisconsin Technical College Employee Benefit Consortium (WTCEBC) resulted in a reduction of instructional expenses over the prior year of \$538,000. This allocation was calculated based on a percentage of total benefit costs by

expense category. For additional information, see Note H in the Notes to Basic Financial Statements.

- The District board approved a 2.5% salary increase for all areas of the college. Also, there were two new positions created to improve student retention and growth in the areas of continuing education and tutoring.
- Repairs and maintenance increased by \$151,000. Three areas with notable increases were Allied Health, Manufacturing Technologies and Truck Driving. Allied Health purchased warranties for specialized equipment in their area, which will be an ongoing expense. Manufacturing incurred a large repair to a lathe, an unusual occurrence. The truck driving program's increased costs were due to growing enrollments combined with an aging fleet.
- Student Services expenses increased by \$836,000, or 8.6%. This increase was the result of increased focus on student recruitment and retention. The District engaged two consulting firms to work on projects related to enrollment and retention. In addition, several new positions were created that focus on recruitment, retention, academic advising and agency outreach.
- The student health services fund increased by \$63,000 due to increased nursing hours associated with the expansion of the health clinic services for students.
- ❖ General institutional expenses decreased by \$1.3 million, or 6.3%. Significant changes were as follows:
  - The District adopted a new capitalization policy to incorporate updated capitalization thresholds set by the Wisconsin Technical College System (WTCS). The new policy included a change in how the District accounts for the annual computer refresh process. This change in policy resulted in the capitalization of \$784,000 computer related equipment for staff and student technology labs which under the old policy would have been expensed.
  - The cost of health and dental insurance for retirees declined by \$506,000 due to fewer retirees under the age of 65, the age at which they pay 100% of the health insurance premium or find alternative coverage.
  - The reorganization of the Human Resources and Facility Operations areas resulted in a transfer of personnel and related expenses from the General Institutional category to Physical Plant of \$399,000.
- ❖ Physical plant expenditures increased by \$470,000 or 6.0% primarily due the reorganization noted above.
- ❖ Student aid expenditures decreased by \$2.1 million, or 13.9%. This change was due to a decrease in Pell Grant funding and Stafford loans of \$1.4 million and \$2.0 million, respectively. Several factors should be taken into consideration when evaluating this decrease. For example, associate degree programs experienced a decline in enrollments of 7.0% and technical diploma programs experienced an increase in enrollments of 8.3%. 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 is in their second year of 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 2015 to 2016, total operating expenses increased \$5.3 million, or 3.9%. Significant changes were 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 were 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 Wisconsin Retirement System (WRS) pension expense amount allocated to instructional expenses increased \$2.6 million. This allocation was calculated based on a percentage of total benefit costs by expense category. For additional information see Note F in the Notes to Basic Financial Statements.
- 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 was 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 was due to the WRS pension expense allocated to this expense category of \$997,000. For additional information see Note F in the Notes to Basic Financial Statements.
- ❖ Depreciation increased by \$767,000, or 8.7%, due to \$11.1 million of assets placed into service during the year and the first full year of depreciation expense for \$51.7 million of assets placed into service the prior year. This year also marked the completion of purchases related to the 2012 referendum. 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 was 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.

	(amounts shown in thousands)			Increase or (Decrease)			
	2017	2016	2015	(2017-2016)		(2016-2015)	
				\$	%	\$	%
Non-Operating Revenues:							
Property taxes	\$38,780	\$38,233	\$37,678	\$547	1.4%	\$554	1.5%
State operating appropriations	38,484	39,049	38,504	(565)	-1.4%	545	1.4%
Gain (loss) on sale of capital assets	(349)	86	47	(435)	-506.7%	39	-83.6%
Investment income earned	234	476	256	(242)	-50.8%	220	85.7%
Subtotal of Non-Operating Revenues	77,149	77,843	76,485	(695)	-0.9%	1,358	-1.8%
Non-Operating Expenses:							
Interest expense	1,870	2,036	2,192	(166)	-8.2%	(155)	-7.1%
Debt issuance costs	175	167	177	8	5.0%	(10)	-5.8%
Subtotal of Non-Operating Expenses	2,045	2,203	2,369	(158)	-7.2%	(166)	-7.0%
Total Non-Operating Revenues (Expenses)	\$75,103	\$75,640	\$74,116	(\$537)	-0.7%	\$1,524	2.1%

\* 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) decreased \$537,000, or 0.7%, from 2016 to 2017. The changes in the different line items were either insignificant or the amounts immaterial.

From 2015 to 2016, net non-operating revenues (expenses) increased \$1.5 million, or 2.1%. Again, the changes to individual line items were either insignificant or the amounts immaterial.

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

<b><u>2017</u></b>	<b><u>Original budget</u></b>	<b><u>Final Amended budget</u></b>	<b><u>Actual (budgetary basis)</u></b>
Total revenues	\$82,322	\$78,003	\$76,352
Total expenditures	84,960	85,886	82,602
Other financing sources (uses)	1,889	1,826	1,838
Excess (deficiency)	(\$749)	(\$6,056)	(\$4,412)

<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)	(\$771)	(\$5,815)	(\$1,852)

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

The most significant amendment to the 2017 budget occurred when the Board approved using \$4.9 million of operating reserves to fund key facility projects. As a result, \$4.9 million of tax levy revenue was transferred from the General Fund to the Capital Projects Fund. There was a corresponding increase in the Excess (deficiency) line.

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 \$488,000 more than planned in 2016 and \$76,000 less than budget in 2017. 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 \$1.1 million less than budget in 2016 and \$1.4 million less than budget in 2017. Total enrollments declined 3.8% in 2016 and 5.8% in 2017, and in both years the adopted budget assumed flat enrollment.
- ❖ Salary and fringe expenditures were under budget by \$2.6 million in 2016 and \$1.8 million in 2017. 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.
- ❖ Total non-salary expenditures were under budget by \$1.8 million in 2016 and \$1.5 million in 2017. 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 and printing expenses 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, 2017 was \$140.1 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 3.2%, compared to 1.3% the prior year.

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

- ❖ The truck driving program welcomed the addition of 15 new tractors and 5 trailers for an investment of over \$1.1 million.
- ❖ D.J. Bordini Conference Center was remodeled and the D.J. Bordini Testing Center expanded. The enhanced space now offers a conference room that accommodates more than 400 people and the ability to be divided into smaller breakout rooms, nine SMART classrooms, on-site hospitality services, dual presentation screens and infinite controlled lighting systems in each meeting space and more.
- ❖ As a result of programs moving to the Public Safety Training Center, the District had the opportunity to bring the Information Technology program areas together into one location. As part of this relocation, it also provided an opportunity to replicate true business conditions through the use of an IT Instructional Data Center, student run Support Center (Help Desk) and maker spaces.
- ❖ Approximately 3,655 square feet was repurposed for expanding the metal fabrication and welding programs. This project increased the number of robotic welding cells and increased the space for the metal fabrication and metallurgy labs.

Notable additions placed in service in fiscal year 2016 included the Chilton Regional Center addition to support the health care training needs of the region and on the main campus the Information Technology (IT) area and Criminal Justice offices were remodeled and furniture updated. 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 and recently stabilized tax base, healthy reserves despite planned draws for fiscal 2017, 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 District will continue to face several challenges based on the budget bill 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 7, 2017, the Department of Revenue provided the District's actual valuation factor of 1.46743% which allows the operating levy to increase \$751,893 for fiscal year 2018.

Beginning in the second year (2014-15) of the biennium budget, a new formula for allocating a portion of general state aid to technical colleges was created based on each college's performance. Each college (District) choose any seven of the nine criteria noted below 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. Per the 2017-2019 biennium budget, the percentage of general aids distributed under the outcomes based formula will continue at 30%. 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

In budget year 2014-15, 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. The District's portion of that aid amounts to \$29.1 million and is received in February of each fiscal year. 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 August unemployment rate for Wisconsin was 3.4% compared to the national average of 4.5%. Last year at this time the rates were 4.1% and 5.0%, 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 2016 Graduates* states the top reason (38% of responses) for attending a Wisconsin Technical College is preparation for getting a job. The report also indicates that 93% of fiscal year 2016's technical college graduates in the labor force were employed within six months of graduation and most of them (79%) were employed directly in their field of study. The report also notes a driving force in the state's local and regional economy is due to 93% of technical college graduates choose to stay and live in Wisconsin, an increase of 12% over the prior year. Important to note, \$41,000 was the reported median annual salary for 2016 graduates earning an Associate's degree and working full-time in a field directly related to their training.

### **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, 2017

With Comparative Amounts as of June 30, 2016

	2017		2016	
	District	Foundation	District	Foundation
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 30,618,387	\$ 13,539,955	\$ 35,783,387	\$ 11,351,839
Receivables				
Accounts	8,590,947	167,250	6,633,158	37,508
Property taxes	9,400,004	-	9,356,047	-
Federal and state aid	182,659	-	320,409	-
Student fees, net	10,397,060	-	11,094,684	-
Interest	61,506	-	57,810	-
Unconditional promises to give	-	213,276	-	393,842
Inventories	146,603	-	129,891	-
Prepaid items	113,062	-	279,996	-
Property held for investment	-	363,123	-	330,835
Total Current Assets	59,510,228	14,283,604	63,655,382	12,114,024
Noncurrent Assets				
Restricted cash and cash equivalents	18,468,549	-	19,308,792	-
Unconditional promises to give	-	79,949	-	43,055
Net post employment benefit asset	4,909,725	-	3,492,969	-
Capital assets				
Non-depreciable	2,929,662	476,204	3,912,176	476,204
Depreciable	137,199,235	4,513,535	131,857,432	4,663,511
Total Noncurrent Assets	163,507,171	5,069,688	158,571,369	5,182,770
<b>TOTAL ASSETS</b>	<b>223,017,399</b>	<b>19,353,292</b>	<b>222,226,751</b>	<b>17,296,794</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension	24,065,750	-	35,891,055	-
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	3,604,722	370,319	3,656,462	308,845
Accrued payroll, payroll taxes and retirement	4,852,730	-	5,352,570	-
Accrued vacation	947,149	-	1,033,277	-
Accrued health and dental claims	54,000	-	56,000	-
Accrued interest	207,321	-	221,638	-
Unearned student fees	9,388,565	-	9,759,976	-
Other unearned revenue	452,393	125,000	369,890	-
Due to other organizations	199,904	-	248,611	-
Current portion of long-term liabilities	14,384,324	210,492	14,441,765	432,341
Total Current Liabilities	34,091,108	705,811	35,140,189	741,186
Long-term Liabilities				
Bonds and notes payable	71,470,000	545,107	74,825,000	924,165
Debt premium	4,934,790	-	5,367,464	-
Net pension liability	3,412,967	-	6,832,287	-
Capital lease obligations	277,868	-	407,192	-
Total Long-term Liabilities	80,095,625	545,107	87,431,943	924,165
<b>TOTAL LIABILITIES</b>	<b>114,186,733</b>	<b>1,250,918</b>	<b>122,572,132</b>	<b>1,665,351</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pension	10,740,169	-	14,398,397	-
<b>NET POSITION</b>				
Net investment in capital assets	60,654,868	-	55,951,323	-
Restricted for debt service	16,025,729	-	16,013,340	-
Restricted for scholarships and other activities	-	6,058,117	-	5,334,155
Unrestricted	45,475,650	12,044,257	49,182,614	10,297,288
<b>TOTAL NET POSITION</b>	<b>\$ 122,156,247</b>	<b>\$ 18,102,374</b>	<b>\$ 121,147,277</b>	<b>\$ 15,631,443</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, 2017  
With Comparative Amounts for the Year Ended June 30, 2016

	2017		2016	
	District	Foundation	District	Foundation
<b>Operating Revenues</b>				
Student program fees, net of scholarship allowances of \$8,289,915 and \$9,627,959 for 2017 and 2016	\$ 10,288,997	\$ -	\$ 9,839,905	\$ -
Student material fees, net of scholarship allowances of \$617,301 and \$694,947 for 2017 and 2016	766,163	-	724,965	-
Other student fees, net of scholarship allowances of \$1,888,933 and \$2,235,953 for 2016 and 2015	2,344,447	-	2,194,034	-
Federal grants	33,246,787	-	37,458,363	-
State grants	4,617,201	-	5,634,046	-
Contract revenue	10,162,376	-	8,798,938	-
Auxiliary enterprise revenues	3,412,155	-	3,213,401	-
Miscellaneous	2,258,678	4,757,551	2,365,176	3,805,471
<b>Total Operating Revenues</b>	<b>67,096,804</b>	<b>4,757,551</b>	<b>70,228,828</b>	<b>3,805,471</b>
<b>Operating Expenses</b>				
Instruction	76,489,538	-	76,087,448	-
Instructional resources	1,147,755	-	1,299,224	-
Student services	10,509,226	-	9,672,917	-
General institutional	18,578,348	3,229,908	19,830,391	2,668,335
Physical plant	8,293,303	-	7,823,346	-
Auxiliary enterprise services	3,615,355	-	3,304,706	-
Depreciation	9,936,436	149,976	9,619,836	149,976
Student aid	12,869,998	-	14,946,854	-
<b>Total Operating Expenses</b>	<b>141,439,959</b>	<b>3,379,884</b>	<b>142,584,722</b>	<b>2,818,311</b>
<b>Operating Income (Loss)</b>	<b>(74,343,155)</b>	<b>1,377,667</b>	<b>(72,355,894)</b>	<b>987,160</b>
<b>Nonoperating Revenues (Expenses)</b>				
Property taxes	38,779,966	-	38,232,892	-
State operating appropriations	38,484,280	-	39,048,921	-
Gain (loss) on sale of capital assets	(349,344)	-	85,888	-
Investment income earned	233,847	1,137,805	475,680	(108,024)
Interest expense	(1,870,094)	(44,541)	(2,036,332)	(84,746)
Bond issuance costs	(175,375)	-	(166,975)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>75,103,280</b>	<b>1,093,264</b>	<b>75,640,074</b>	<b>(192,770)</b>
<b>Income before Capital Contributions</b>	<b>760,125</b>	<b>2,470,931</b>	<b>3,284,180</b>	<b>794,390</b>
<b>Capital Contributions</b>	<b>248,845</b>	<b>-</b>	<b>322,000</b>	<b>-</b>
<b>Change in Net Position</b>	<b>1,008,970</b>	<b>2,470,931</b>	<b>3,606,180</b>	<b>794,390</b>
<b>Net Position - July 1</b>	<b>121,147,277</b>	<b>15,631,443</b>	<b>117,541,097</b>	<b>14,837,053</b>
<b>Net Position - June 30</b>	<b>\$ 122,156,247</b>	<b>\$ 18,102,374</b>	<b>\$ 121,147,277</b>	<b>\$ 15,631,443</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, 2017  
With Comparative Amounts for the Year Ended June 30, 2016

	2017		2016	
	District	Foundation	District	Foundation
<b>Cash Flows from Operating Activities</b>				
Tuition and fees received	\$ 13,725,820	\$ -	\$ 13,206,952	\$ -
Federal and state grants received	38,084,241	-	43,128,995	-
Contract revenue received	10,278,684	-	7,818,423	-
Auxiliary enterprise revenues received	3,412,155	-	3,213,401	-
Other receipts	2,258,678	4,900,819	2,365,176	4,030,923
Payments to employees	(89,239,685)	-	(86,722,503)	-
Payments to suppliers	(41,545,127)	(3,168,434)	(44,655,078)	(2,666,214)
Net Cash Provided by (Used in) Operating Activities	(63,025,234)	1,732,385	(61,644,634)	1,364,709
<b>Cash Flows from Noncapital Financing Activities</b>				
Local property taxes received	38,736,009	-	38,010,372	-
State appropriations received	38,484,280	-	39,048,921	-
Net Cash Provided by Noncapital Financing Activities	77,220,289	-	77,059,293	-
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchases of capital assets	(14,340,109)	-	(10,455,648)	-
Proceeds from disposal of capital assets	192,730	-	104,548	206,621
Proceeds from disposition in property held for investment	-	239,496	-	244,485
Expenditures on property held for investment	-	(271,784)	-	(275,307)
Proceeds from issuance of capital debt	10,900,000	-	10,500,000	-
Premium received on debt issuance	335,740	-	344,112	-
Debt issuance costs paid	(175,375)	-	(166,975)	-
Principal paid on capital debt	(14,690,610)	(600,907)	(15,994,674)	(855,606)
Interest paid on capital debt	(2,652,825)	(44,541)	(2,844,285)	(84,746)
Net Cash (Used in) Capital and Related Financing Activities	(20,430,449)	(677,736)	(18,512,922)	(764,553)
<b>Cash Flows from Investing Activities</b>				
Sales of long-term investments	9,588,455	11,288,584	8,830,342	3,774,956
Purchase of long-term investments	(8,806,689)	(12,194,374)	(9,348,389)	(4,672,277)
Investment income received	230,151	171,810	476,703	161,120
Net Cash Provided by (Used in) Investing Activities	1,011,917	(733,980)	(41,344)	(736,201)
<b>Change in Cash and Cash Equivalents</b>	(5,223,477)	320,669	(3,139,607)	(136,045)
<b>Cash and Cash Equivalents - July 1</b>	35,395,295	1,154,637	38,534,902	1,290,682
<b>Cash and Cash Equivalents - June 30</b>	<u>\$ 30,171,818</u>	<u>\$ 1,475,306</u>	<u>\$ 35,395,295</u>	<u>\$ 1,154,637</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>				
Cash and investments in current assets	\$ 30,618,387	\$ 13,539,955	\$ 35,783,387	\$ 11,351,839
Cash and investments in restricted assets	18,468,549	-	19,308,792	-
Less: investments	(18,915,118)	(12,064,649)	(19,696,884)	(10,197,202)
Cash and Cash Equivalents - June 30	<u>\$ 30,171,818</u>	<u>\$ 1,475,306</u>	<u>\$ 35,395,295</u>	<u>\$ 1,154,637</u>
<b>Noncash Investing, Capital and Financing Activities</b>				
Capital assets purchased by issuance of capital leases and contributions	<u>\$ 248,845</u>	<u>\$ -</u>	<u>\$ 969,954</u>	<u>\$ -</u>

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Statement of Cash Flows (Continued)  
For the Year Ended June 30, 2017  
With Comparative Amounts for the Year Ended June 30, 2016

	2017		2016	
	District	Foundation	District	Foundation
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (74,343,155)	\$ 1,382,005	\$ (72,355,894)	\$ 987,160
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	9,936,436	149,976	9,619,836	149,976
Bad debt expense	-	4,126	-	12,140
Changes in assets and liabilities				
Receivables				
Accounts	(1,957,789)	(133,868)	(980,515)	(10,095)
Federal and state aid	137,750	-	(39,005)	-
Student fees	697,624	-	429,923	-
Unconditional promises to give	-	143,672	-	223,407
Inventories	(16,712)	-	10,572	-
Prepaid items	166,934	-	240,028	-
Net post employment benefit asset	(1,416,756)	-	(1,760,472)	-
Pension related items	4,747,757	-	4,294,744	-
Accounts payable	(51,740)	61,474	(695,197)	2,121
Less: Accounts payable related to purchases of capital assets	-	-	-	-
Accrued payroll, payroll taxes, retirement and vacation	(585,968)	-	206,001	-
Accrued health and dental claims	(2,000)	-	(672,000)	-
Unearned student fees	(371,411)	-	18,125	-
Other unearned revenue	82,503	125,000	75,591	-
Due to other organizations	(48,707)	-	(36,371)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (63,025,234)</u>	<u>\$ 1,732,385</u>	<u>\$ (61,644,634)</u>	<u>\$ 1,364,709</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, 2017

#### 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, 2017

#### 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, 2017

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

For the year ended June 30, 2017, the District levied taxes at the following mill rate:

Operating purposes	\$ 0.636136
Debt service requirements	0.478823
	<u>\$ 1.114959</u>

The 2016 tax levy used to finance expenditures for the fiscal year ended June 30, 2017 was \$38,768,621.

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, 2017.

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, 2017. 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 historical cost is not available. 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	4 - 20

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

**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, 2017

**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 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, 2017

**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.

**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 \$49,086,936 on June 30, 2017 as summarized below:

Petty cash funds	\$ 10,670
Deposits with financial institutions	149,158
Investments	
U.S. Treasury Notes	5,561,117
State and municipal bonds	454,846
Corporate bonds	8,196,148
Federal agency securities	233,312
Asset backed securities	4,219,763
Wisconsin Local Government Investment Pool (LGIP)	27,796,054
Certificates of deposit	249,932
Money market mutual funds	2,215,936
	<u>\$ 49,086,936</u>

Cash and investments are reported on June 30, 2017 as follows:

Statement of Net Position	
Cash and investments	\$ 30,618,387
Restricted cash and investments	18,468,549
Total cash and investments	<u>\$ 49,086,936</u>

Deposits and investments of the District are subject to various risks. Presented on the following page 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, 2017

### 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, 2017, \$40,327 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	\$ 5,561,117	\$ 5,561,117	\$ -	\$ -	\$ -	\$ -
State and municipal bonds	454,846	-	-	299,950	154,896	-
Corporate bonds	8,196,148	-	950,612	4,718,192	2,527,344	-
Federal agency securities	233,312	-	233,312	-	-	-
Asset back securities	4,219,763	-	4,219,763	-	-	-
External investment pools	27,796,054	-	-	-	-	27,796,054
Certificates of deposit	249,932	-	-	-	-	249,932
Money market mutual funds	2,215,936	-	2,215,936	-	-	-
Totals	\$ 48,927,108	\$ 5,561,117	\$ 7,619,623	\$ 5,018,142	\$ 2,682,240	\$ 28,045,986

#### 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, 2017

**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	\$ 5,561,117	\$ 99,766	\$ 1,671,179	\$ 3,790,172	\$ -
State and municipal bonds	454,846	454,846	-	-	-
Corporate bonds	8,196,148	1,036,212	3,545,381	3,614,555	-
Federal agency securities	233,312	-	233,312	-	-
Asset back securities	4,219,763	1,094,240	1,424,926	1,700,597	-
External investment pools	27,796,054	27,796,054	-	-	-
Certificates of deposit	249,932	-	249,932	-	-
Money market mutual funds	2,215,936	2,215,936	-	-	-
Totals	\$ 48,927,108	\$ 32,697,054	\$ 7,124,730	\$ 9,105,324	\$ -

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.	
	\$ 4,219,763

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin local government investment pool of \$27,796,054 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, 2017, 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, 2017

**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:

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

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

Level 3 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, 2017 shown below:

	Total Assets at Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 5,561,117	\$ -	\$ 5,561,117	\$ -
State and municipal bonds	454,846	-	454,846	-
Corporate bonds	8,196,148	-	8,196,148	-
Federal agency securities	233,312	-	233,312	-
Asset back securities	4,219,763	-	4,219,763	-
Certificates of deposit	249,932	-	249,932	-
Money market mutual funds	2,215,936	-	2,215,936	-
Totals	<u>\$ 21,131,054</u>	<u>\$ -</u>	<u>\$ 21,131,054</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 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, 2017

**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, 2017 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,768,241	\$ -	\$ -	\$ 1,768,241
Construction in progress	2,143,935	1,123,367	2,105,881	1,161,421
Total Capital assets, not being depreciated	3,912,176	1,123,367	2,105,881	2,929,662
Capital assets, being depreciated:				
Land improvements	17,102,695	407,053	-	17,509,748
Buildings and improvements	141,497,289	7,405,011	178,632	148,723,668
Intangible assets	2,463,977	261,477	-	2,725,454
Equipment	40,597,319	7,778,302	3,778,311	44,597,310
Subtotal	201,661,280	15,851,843	3,956,943	213,556,180
Less accumulated depreciation for:				
Land improvements	5,234,233	880,393	-	6,114,626
Buildings and improvements	41,980,825	3,904,463	70,034	45,815,254
Intangible assets	1,555,949	615,794	-	2,171,743
Equipment	21,032,841	4,535,786	3,313,305	22,255,322
Subtotal	69,803,848	9,936,436	3,383,339	76,356,945
Total capital assets, being depreciated, net	131,857,432	5,915,407	573,604	137,199,235
Net capital assets	<u>\$ 135,769,608</u>	<u>\$ 7,038,774</u>	<u>\$ 2,679,485</u>	140,128,897
Less capital related debt				(79,066,837)
Less capital lease obligations				<u>(407,192)</u>
Net investment in capital assets				<u>\$ 60,654,868</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

**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, 2017:

	June 30, 2016	Issued	Retired	June 30, 2017	Due Within One Year
General obligation debt					
Bonds	\$ 50,310,000	\$ -	\$ 3,150,000	\$ 47,160,000	\$ 3,250,000
Notes	38,830,000	10,900,000	11,165,000	38,565,000	11,005,000
Total general obligation debt	89,140,000	10,900,000	14,315,000	85,725,000	14,255,000
Debt premium	5,367,464	335,740	768,414	4,934,790	-
Capital lease obligations	533,957	-	126,765	407,192	129,324
Net pension liability	6,832,287	-	3,419,320	3,412,967	-
	<u>\$101,873,708</u>	<u>\$ 11,235,740</u>	<u>\$ 18,629,499</u>	<u>\$ 94,479,949</u>	<u>\$14,384,324</u>

Detail of the above outstanding general obligation debt:

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, 2017 totaled \$85,725,000 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.

32,385,000

Total General Obligation Bonds

47,160,000

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

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

Notes (Continued)

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. 1,145,000

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. 4,025,000

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. 5,445,000

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. 860,000

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. 835,000

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. 780,000

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. 5,640,000

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

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

Notes (Continued)

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. 1,335,000

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. 5,220,000

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. 1,195,000

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. 1,185,000

August 2016 - \$7,500,000 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, 2023. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 7,900,000

September 2016 - \$1,500,000 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, 2023. Proceeds used for building improvements and remodeling. 1,500,000

October 2016 - \$1,500,000 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, 2023. Proceeds used for building improvements and remodeling. 1,500,000

Total General Obligation Promissory Notes 38,565,000

Total General Obligation Debt \$ 85,725,000

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

**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
2018	\$ 14,255,000	\$ 2,295,187	\$ 16,550,187
2019	10,405,000	1,962,100	12,367,100
2020	11,005,000	1,645,825	12,650,825
2021	9,880,000	1,333,300	11,213,300
2022	7,600,000	1,067,900	8,667,900
2023	6,405,000	863,450	7,268,450
2024	5,400,000	698,250	6,098,250
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>\$ 85,725,000</u>	<u>\$ 11,119,037</u>	<u>\$ 96,844,037</u>

Legal Margin for New Indebtedness

The District's legal margin for creation of additional indebtedness on June 30, 2017 was as follows:

	Aggregate	Bonded
Equalized valuation of the District	\$ 35,936,674,343	\$ 35,936,674,343
Statutory limitation percentage	(x) 5%	(x) 2%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>\$ 1,796,833,717</u>	<u>\$ 718,733,487</u>
General obligation debt	\$ 85,725,000	\$ 47,160,000
Capital lease obligations	407,192	-
Less: Amounts available for financing general obligation debt		
Restricted for debt service	16,025,729	16,025,729
Net outstanding general obligation debt applicable to debt limitation	<u>\$ 70,106,463</u>	<u>\$ 31,134,271</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

**NOTE E - CAPITAL LEASE**

The District has entered into lease agreements for the purpose of purchasing capital assets. At June 30, 2017, the District had \$407,192 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, 2017:

Fiscal Year Ending June 30,	Annual Requirements
2018	\$ 136,287
2019	136,286
2020	136,286
2021	11,357
Total required minimum lease payments	420,216
Less: Amounts representing interest	13,024
Present value of future minimum lease payments	<u>\$ 407,192</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.

ETF issues a standalone Comprehensive Annual financial report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

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, 2017

**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
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
2016	0.5	(5.0)

**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. Starting on January 1, 2016, the Executives and Elected Officials category was merged in the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,935,261 in contributions from the District.

Contribution rates as of June 30, 2017 are:

Employee Category	2017	
	Employee	Employer
General (including teachers, executives, and elected officials)	6.60%	6.60%
Protective with Social Security	6.60%	10.60%
Protective without Social Security	6.60%	14.90%

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

**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, 2017, the District reported a liability of \$3,412,967 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, 2016, the District's proportion was 0.41407510% (a decrease of 0.0063784% from the prior year).

For the year ended June 30, 2017, the District recognized pension expense of \$8,763,823.

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,301,365	\$ 10,733,488
Changes in assumptions	3,568,389	-
Net differences between projected and actual earnings on pension plan investments	16,988,671	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	204,985	6,681
Employer contributions subsequent to the measurement date	2,002,340	-
Total	<u>\$ 24,065,750</u>	<u>\$ 10,740,169</u>

\$2,002,340 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 liability in the year ended June 30, 2018. 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
2018	\$ 4,578,250
2019	4,578,250
2020	3,141,775
2021	(982,651)
2022	7,617



**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

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

5. Actuarial Assumption

The total pension liability in the actuarial valuation used for the years ended June 30, 2017, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2017
Actuarial Valuation Date:	December 31, 2015
Measurement Date of Net Pension Asset:	December 31, 2016
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	WI 2012 Mortality Table
Post-retirement Adjustments*	2.1%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2016 is based upon a roll-forward of the liability calculated from the December 31, 2015 actuarial valuation.

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

	December 31, 2016	
Asset Class	Long-Term Real Rate of Return	Target Allocation
Core Fund:		
Global Equities	5.4%	45%
Fixed Income	1.4	37
Inflation Sensitive Assets	1.5	20
Real Estate	3.6	7
Private Equity/Debt	6.5	7
Multi-Asset	3.7	4
Variable Fund:		
US Equities	4.7	70
International Equities	5.6	30

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

**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 3.78%. 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:

	2017	
	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	6.2%	\$ 44,899,775
Current discount rate	7.2%	3,412,967
1% increase to the rate	8.2%	(28,533,754)

*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/publications/cafr.htm>.

**6. Payable to the WRS**

At June 30, 2017, the District reported a payable of \$1,175,243 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2017.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

## Notes to Basic Financial Statements

June 30, 2017

**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, 2016, the date of the latest actuarial valuation, was 833 active participants and 173 retired participants.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

**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	\$ 647,493
Interest on Net OPEB Obligation	(104,789)
Adjustment to Annual Required Contribution	173,018
Annual OPEB Cost (Expense)	715,722
Contributions made	(2,132,478)
Change in Net OPEB Obligation/(Asset)	(1,416,756)
Net OPEB Obligation/(Asset) - Beginning of Year	(3,492,969)
Net OPEB Obligation/(Asset) - End of Year	<u>\$ (4,909,725)</u>

The annual required contribution for the current year was determined as part of the July 1, 2016 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 the two preceding fiscal years were as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/(Asset)
2015	1,082,952	306.53%	(1,732,497)
2016	989,376	277.94%	(3,492,969)
2017	715,722	297.95%	(4,909,725)

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
2016	\$ -	\$10,810,192	0.0%	\$ 10,810,192	\$61,593,210	17.6%

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

**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, 2016 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 (6.0%) initially, increasing to 6.5% in 2017-18 then reduced by decrements to an ultimate rate of 4.0%.

**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 \$500,225,000 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.

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.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

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

For the year ended June 30, 2017, the District paid a total premium of \$634,970.

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: \$5,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; \$1,000 deductible for employee benefits.
- Crime: \$750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; \$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 \$67,873, respectively.

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, 2017, the District paid a total premium of \$13,056,429.

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

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

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

3. In addition, 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 902 participants and 1,523 "covered" participants in the Dental Plan at June 30, 2017. Fund expenses consist of payments to a third-party administrator for dental claims and administrative fees.

On June 30, 2017 net position of \$6,270,711 was available for future unreported claims. The claims liability of \$54,000 reported at June 30, 2017 is the estimated dental claims incurred but not paid or reported as of June 30, 2017. 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, 2017 and 2016 follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30
2016	\$ 728,000	\$ 222,006	\$ 894,006	\$ 56,000
2017	56,000	875,825	877,825	54,000

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

**NOTE I - EXPENSES CLASSIFICATION**

Expenses on the Statement of Revenues, Expenses and Changes in Net Position are classified by function. Alternatively, the expenses could also be shown by type or nature of expense for the year ended June 30, 2017:

	Amount
Salaries and wages	\$ 66,133,600
Fringe benefits	25,849,118
Travel, memberships and subscriptions	3,550,841
Supplies, printing and minor equipment	8,742,536
Contract services	7,823,277
Rentals	2,676,935
Insurance	759,012
Utilities	2,220,539
Depreciation	9,936,436
Student aid	12,869,998
Other expenses	877,667
Total Operating Expenses	<u>\$141,439,959</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

## Notes to Basic Financial Statements

June 30, 2017

**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, 2017 are:

Year Ending June 30,	Amount
2018	\$ 1,018,213
2019	940,332
2020	912,822
2021	685,583
2022	523,690
2023 - 2027	2,600,688
2028 - 2032	978,963
2033 - 2037	394,383
2038 - 2042	153,968
2043 - 2047	153,968
2048 - 2052	153,968
2053 - 2057	153,968
2058 - 2062	153,968
2063 - 2067	153,968
2068 - 2072	153,968
2073 - 2077	153,968
2078 - 2082	153,968
2083 - 2087	153,968
2088 - 2092	97,513
Total Required Minimum Lease Payments	<u>\$ 9,691,867</u>

Rent expense under all operating leases for the years ended June 30, 2017 totaled \$1,160,724.

Capital Projects

The District has commitments for capital projects as of June 30, 2017 totaling \$4,546,960.

**NOTE K - CONTINGENT LIABILITIES**

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



**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

**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, 2017 consist of the following:

	Cost	Fair Value	Excess of Fair Value Over Cost	Fair Value Method
Cash and cash equivalents	\$ 132,825	\$ 132,825	\$ -	Level 2
Fixed income				
Pooled fixed income funds	1,418,169	1,434,788	16,619	Level 2
Treasuries	1,345,136	1,326,182	(18,954)	Level 2
Corporate bonds	1,051,733	1,057,337	5,604	Level 2
Foreign bonds	105,760	105,505	(255)	Level 2
Total fixed income	3,920,798	3,923,812	3,014	
Equity				
Common stocks	1,102,847	1,299,689	196,842	Level 1
Equity funds	5,734,316	6,654,105	919,789	Level 1
Total equity	6,837,163	7,953,794	1,116,631	
Total Investments	<u>\$ 10,890,786</u>	12,010,431	<u>\$ 1,119,645</u>	
Bank deposits		1,475,306		
Beneficial interest in investments held by Community Foundation		54,218		Level 3
Total Cash and Investments		<u>\$ 13,539,955</u>		

Net Investment income (loss) reported in the statement of revenues, expenses and changes in net position totaled \$1,133,467 and consisted of the following:

Market appreciation	\$ 955,711
Unrealized losses	213,063
Interest and dividend income	16,768
Investment fees	(52,075)
Investment return	<u>\$ 1,133,467</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

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

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, 2017 totaled \$54,218.

3. Promises to Give

Unconditional promises to give at June 30, 2017 are as follows:

Receivable in less than one year	\$ 213,276
Receivable in one to five years	82,984
Total unconditional promises to give	<u>296,260</u>
Less discount to net present value	3,035
Net Unconditional Promises to Give	<u><u>\$ 293,225</u></u>

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

4. Capital Assets

Changes in capital assets for the year ended June 30, 2017 follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 476,204	\$ -	\$ -	\$ 476,204
Capital assets, being depreciated:				
Buildings	5,999,023	-	-	5,999,023
Less accumulated depreciation for:				
Buildings	1,335,512	149,976	-	1,485,488
Net capital assets	<u>\$ 5,139,715</u>	<u>\$ (149,976)</u>	<u>\$ -</u>	<u>\$ 4,989,739</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2017

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

5. Notes Payable

The Foundation has a total of \$755,599 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 December 1, 2019.	\$ 327,436
Notes payable to Fox Communities Credit Union, due in bi-weekly installments of \$4,414 including interest at 4.75% with final payment due July 1, 2026.	<u>428,163</u>
Total	755,599
Less amount due within one year	<u>210,492</u>
Total long-term debt	<u><u>\$ 545,107</u></u>

Scheduled principal payments on notes payable at June 30, 2017, including current maturities, are summarized as follows:

Year Ending <u>June 30,</u>	
2018	\$ 210,492
2019	218,543
2020	54,532
2021	57,182
2022	59,962
Thereafter	154,888
Total	<u><u>\$ 755,599</u></u>

6. Operating Leases

The Foundation leases several buildings to the District under noncancelable operating leases with automatic renewal terms. Rental income during 2017 from the District was \$555,604. Future minimum collections expected, by year and in the aggregate consist of the following at June 30, 2017:

Year Ending <u>June 30,</u>	
2018	\$ 559,979
2019	538,104
2020	510,594
2021	428,064
2022	345,047
Thereafter	1,825,625
	<u><u>\$ 4,207,413</u></u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

## Notes to Basic Financial Statements

June 30, 2017

**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, 2017.

	Temporarily Restricted	Permanently Restricted	Total
Scholarships	\$ 2,056,543	\$ -	\$ 2,056,543
Activity funds	618,734	-	618,734
Instructional support	398,349	-	398,349
Endowments	515,401	2,469,090	2,984,491
	<u>\$ 3,589,027</u>	<u>\$ 2,469,090</u>	<u>\$ 6,058,117</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, 2017, the District issued general obligation promissory notes as follows:

Date	Interest Rate	Amount	Purpose
August 1, 2017	2-4%	\$ 8,800,000	Proceeds used for building remodeling and improvements, moveable equipment and other non-building capital projects.
September 5, 2017	2-3%	1,500,000	Proceeds used for building remodeling and improvements.
October 10, 2017	2-3%	1,500,000	Proceeds used for building remodeling and improvements.
		<u>\$ 11,800,000</u>	

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## **REQUIRED SUPPLEMENTAL INFORMATION**



**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Schedule of Funding Progress  
Other Post-Employment Benefits  
For the Year Ended June 30, 2017

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
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%
2016	-	10,810,192	0.0%	10,810,192	61,593,210	17.6%

See Notes to Required Supplemental Information



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

	2015	2016	2017
Proportion of the net pension asset	0.42422%	0.42420%	0.41408%
Proportionate share of the net pension liability (asset)	\$ (10,419,944)	\$ 6,832,287	\$ 3,412,967
Covered-employee payroll	\$ 58,054,078	\$ 59,170,908	\$ 59,612,638
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(17.95%)	11.55%	5.73%
Plan fiduciary net position as a percentage of the total pension asset	102.74%	98.20%	99.12%

\*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	2017
Contractually required contributions	\$ 4,086,199	\$ 3,950,094	\$4,016,067
Contributions in relation to the contractually required contributions	4,086,199	3,950,094	4,016,067
Contribution deficiency (excess)	-	-	-
Covered-employee payroll	58,054,078	59,170,908	61,593,210
Contributions as a percentage of covered-employee payroll	7.04%	6.68%	6.52%

See Notes to Required Supplemental Information

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to Required Supplemental Information  
For the Year Ended June 30, 2017

**NOTE A - OTHER POST-EMPLOYMENT BENEFITS**

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.

**NOTE B – WISCONSIN RETIREMENT SYSTEM**

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. The standards allow the District to present as many years as are available until ten fiscal years are presented.

## **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, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 20,316,289	\$ 15,701,171	\$ 15,710,105	\$ -	\$ 15,710,105	\$ 8,934
Intergovernmental revenue						
State	38,522,253	38,818,693	38,742,665	-	38,742,665	(76,028)
Federal	24,000	24,000	15,981	-	15,981	(8,019)
Tuition and fees						
Statutory program fees	19,868,948	19,868,948	18,456,978	-	18,456,978	(1,411,970)
Material fees	1,409,581	1,409,581	1,362,493	-	1,362,493	(47,088)
Other student fees	1,577,036	1,577,036	1,830,915	-	1,830,915	253,879
Institutional	604,000	604,000	232,689	-	232,689	(371,311)
<b>Total Revenues</b>	<b>82,322,107</b>	<b>78,003,429</b>	<b>76,351,826</b>	<b>-</b>	<b>76,351,826</b>	<b>(1,651,603)</b>
<b>Expenditures</b>						
Instruction	52,716,309	53,246,664	51,427,587	-	51,427,587	1,819,077
Instructional resources	1,146,946	1,154,928	1,052,702	-	1,052,702	102,226
Student services	6,166,239	6,414,675	6,293,150	-	6,293,150	121,525
General institutional	18,146,483	17,447,008	16,735,586	-	16,735,586	711,422
Physical plant	6,783,878	7,622,559	7,092,659	-	7,092,659	529,900
<b>Total Expenditures</b>	<b>84,959,855</b>	<b>85,885,834</b>	<b>82,601,684</b>	<b>-</b>	<b>82,601,684</b>	<b>3,284,150</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,637,748)</b>	<b>(7,882,405)</b>	<b>(6,249,858)</b>	<b>-</b>	<b>(6,249,858)</b>	<b>1,632,547</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	2,227,860	2,227,860	2,228,949	-	2,228,949	1,089
Transfers out	(338,751)	(401,486)	(390,805)	-	(390,805)	10,681
<b>Total Other Financing Sources (Uses)</b>	<b>1,889,109</b>	<b>1,826,374</b>	<b>1,838,144</b>	<b>-</b>	<b>1,838,144</b>	<b>11,770</b>
<b>Net Change in Fund Balance</b>	<b>(748,639)</b>	<b>(6,056,031)</b>	<b>(4,411,714)</b>	<b>-</b>	<b>(4,411,714)</b>	<b>1,644,317</b>
<b>Fund Balance - July 1, 2016</b>	<b>26,191,110</b>	<b>26,191,110</b>	<b>26,191,110</b>	<b>-</b>	<b>26,191,110</b>	<b>-</b>
<b>Fund Balance - June 30, 2017</b>	<b>\$ 25,442,471</b>	<b>\$ 20,135,079</b>	<b>\$ 21,779,396</b>	<b>\$ -</b>	<b>\$ 21,779,396</b>	<b>\$ 1,644,317</b>
<b>Fund Balance</b>						
Reserved for encumbrances			\$ 171,164			
Reserved for prepaid items			106,601			
Unreserved fund balance						
Designated for state aid fluctuations			1,203,860			
Designated for operations			20,297,771			
			<u>\$ 21,779,396</u>			



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## **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, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 1,429,505	\$ 1,459,300	\$ 1,457,333	\$ -	\$ 1,457,333	\$ (1,967)
Intergovernmental revenue						
State	1,787,533	2,547,888	2,415,448	-	2,415,448	(132,440)
Federal	12,060,606	12,621,229	12,751,147	-	12,751,147	129,918
Tuition and fees						
Statutory program fees	174,651	174,651	121,934	-	121,934	(52,717)
Material fees	22,499	22,499	20,971	-	20,971	(1,528)
Other student fees	609,026	609,026	566,886	-	566,886	(42,140)
Institutional	8,588,722	10,001,058	10,563,658	-	10,563,658	562,600
<b>Total Revenues</b>	<b>24,672,542</b>	<b>27,435,651</b>	<b>27,897,377</b>	<b>-</b>	<b>27,897,377</b>	<b>461,726</b>
<b>Expenditures</b>						
Instruction	20,982,417	23,103,605	23,103,605	-	23,103,605	-
Instructional resources	4,052	5,660	5,659	-	5,659	1
Student services	1,717,019	2,320,307	2,303,089	-	2,303,089	17,218
General institutional	1,062,493	1,062,493	923,414	-	923,414	139,079
Physical plant	299,832	320,967	314,738	-	314,738	6,229
<b>Total Expenditures</b>	<b>24,065,813</b>	<b>26,813,032</b>	<b>26,650,505</b>	<b>-</b>	<b>26,650,505</b>	<b>162,527</b>
<b>Excess of Revenues Over Expenditures</b>	<b>606,729</b>	<b>622,619</b>	<b>1,246,872</b>	<b>-</b>	<b>1,246,872</b>	<b>624,253</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	121,131	125,841	120,404	-	120,404	(5,437)
Transfers out	(727,860)	(748,460)	(752,889)	-	(752,889)	(4,429)
<b>Total Other Financing Sources (Uses)</b>	<b>(606,729)</b>	<b>(622,619)</b>	<b>(632,485)</b>	<b>-</b>	<b>(632,485)</b>	<b>(9,866)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>614,387</b>	<b>-</b>	<b>614,387</b>	<b>614,387</b>
<b>Fund Balance - July 1, 2016</b>	<b>2,524,929</b>	<b>2,524,929</b>	<b>2,524,929</b>	<b>-</b>	<b>2,524,929</b>	<b>-</b>
<b>Fund Balance - June 30, 2017</b>	<b>\$ 2,524,929</b>	<b>\$ 2,524,929</b>	<b>\$ 3,139,316</b>	<b>\$ -</b>	<b>\$ 3,139,316</b>	<b>\$ 614,387</b>
<b>Fund Balance</b>						
Reserved for prepaid items			\$ 2,369			
Unreserved fund balance						
Designated for operations			3,136,947			
			<u>\$ 3,139,316</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, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 141,953	\$ 141,953	\$ 146,332	\$ -	\$ 146,332	\$ 4,379
Intergovernmental revenue						
State	1,815,450	1,815,450	1,647,956	-	1,647,956	(167,494)
Federal	35,418,909	35,418,909	20,322,996	-	20,322,996	(15,095,913)
Tuition and fees						
Other student fees	2,092,217	2,109,369	1,835,579	-	1,835,579	(273,790)
Institutional	1,201,200	1,201,200	1,605,678	-	1,605,678	404,478
Total Revenues	40,669,729	40,686,881	25,558,541	-	25,558,541	(15,128,340)
<b>Expenditures</b>						
Student services	40,226,939	40,256,939	25,451,788	-	25,451,788	14,805,151
General institutional	442,790	459,942	459,942	-	459,942	-
Total Expenditures	40,669,729	40,716,881	25,911,730	-	25,911,730	14,805,151
Net Change in Fund Balance	-	(30,000)	(353,189)	-	(353,189)	(323,189)
Fund Balance - July 1, 2016	847,858	847,858	847,858	-	847,858	-
Fund Balance - June 30, 2017	<u>\$ 847,858</u>	<u>\$ 817,858</u>	<u>\$ 494,669</u>	<u>\$ -</u>	<u>\$ 494,669</u>	<u>\$ (323,189)</u>
<b>Fund Balance</b>						
Reserved for student financial assistance			\$ 270,596			
Reserved for student organizations			222,577			
Reserved for prepaid items			958			
Reserved for encumbrances			538			
			<u>\$ 494,669</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, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ -	\$ 4,816,861	\$ 4,816,861	\$ -	\$ 4,816,861	\$ -
Intergovernmental revenue						
State	207,475	255,912	295,412	-	295,412	39,500
Federal	26,500	33,171	136,022	-	136,022	102,851
Institutional	4,740	5,751	114,052	-	114,052	108,301
<b>Total Revenues</b>	<b>238,715</b>	<b>5,111,695</b>	<b>5,362,347</b>	<b>-</b>	<b>5,362,347</b>	<b>250,652</b>
<b>Expenditures</b>						
Instruction	3,189,529	4,641,657	4,530,654	-	4,530,654	111,003
Instructional resources	304,598	312,014	274,900	-	274,900	37,114
Student services	18,295	30,361	30,295	-	30,295	66
General institutional	1,569,222	2,344,917	2,045,555	-	2,045,555	299,362
Physical plant	5,912,071	14,307,497	9,869,399	-	9,869,399	4,438,098
<b>Total Expenditures</b>	<b>10,993,715</b>	<b>21,636,445</b>	<b>16,750,803</b>	<b>-</b>	<b>16,750,803</b>	<b>4,885,642</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(10,755,000)</b>	<b>(16,524,750)</b>	<b>(11,388,456)</b>	<b>-</b>	<b>(11,388,456)</b>	<b>5,136,294</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	78,625	76,722	-	76,722	(1,903)
Transfers out	(145,000)	(136,284)	(136,286)	-	(136,286)	(2)
Long-term debt issued	10,900,000	10,900,315	10,900,000	-	10,900,000	(315)
<b>Total Other Financing Sources (Uses)</b>	<b>10,755,000</b>	<b>10,842,656</b>	<b>10,840,436</b>	<b>-</b>	<b>10,840,436</b>	<b>(2,220)</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(5,682,094)</b>	<b>(548,020)</b>	<b>-</b>	<b>(548,020)</b>	<b>5,134,074</b>
<b>Fund Balance - July 1, 2016</b>	<b>6,622,108</b>	<b>6,622,108</b>	<b>6,622,108</b>	<b>-</b>	<b>6,622,108</b>	<b>-</b>
<b>Fund Balance - June 30, 2017</b>	<b>\$ 6,622,108</b>	<b>\$ 940,014</b>	<b>\$ 6,074,088</b>	<b>\$ -</b>	<b>\$ 6,074,088</b>	<b>\$ 5,134,074</b>
<b>Fund Balance</b>						
Reserved for encumbrances			\$ 4,546,960			
Unreserved			1,527,128			
			<u>\$ 6,074,088</u>			



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## **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, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 16,649,335	\$ 16,649,335	\$ 16,649,335	\$ -	\$ 16,649,335	\$ -
Institutional	5,445	5,445	59,911	-	59,911	54,466
Total Revenues	16,654,780	16,654,780	16,709,246	-	16,709,246	54,466
Expenditures						
Physical plant	17,286,600	17,277,884	17,266,297	-	17,266,297	11,587
Excess (Deficiency) of Revenues Over Expenditures	(631,820)	(623,104)	(557,051)	-	(557,051)	66,053
Other Financing Sources						
Transfers in	145,000	136,284	136,286	-	136,286	2
Debt premium issued	171,675	171,675	335,740	-	335,740	164,065
Total Other Financing Sources	316,675	307,959	472,026	-	472,026	164,067
Net Change in Fund Balance	(315,145)	(315,145)	(85,025)	-	(85,025)	230,120
Fund Balance - July 1, 2016	16,325,288	16,325,288	16,325,288	-	16,325,288	-
Fund Balance - June 30, 2017	\$ 16,010,143	\$ 16,010,143	\$ 16,240,263	\$ -	\$ 16,240,263	\$ 230,120
Fund Balance Reserved for debt service			<u>\$ 16,240,263</u>			

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## **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, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Federal	\$ 25,000	\$ 25,000	\$ 20,641	\$ -	\$ 20,641	\$ (4,359)
Institutional	3,334,020	3,449,075	3,490,558	-	3,490,558	41,483
Total Revenues	<u>3,359,020</u>	<u>3,474,075</u>	<u>3,511,199</u>	<u>-</u>	<u>3,511,199</u>	<u>37,124</u>
Expenditures						
Auxiliary services	<u>3,474,496</u>	<u>3,589,551</u>	<u>3,589,551</u>	<u>-</u>	<u>3,589,551</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(115,476)</u>	<u>(115,476)</u>	<u>(78,352)</u>	<u>-</u>	<u>(78,352)</u>	<u>37,124</u>
Other Financing Sources (Uses)						
Transfers in	147,620	147,620	147,614	-	147,614	(6)
Transfers out	-	-	-	-	-	-
Total Other Financing Sources	<u>147,620</u>	<u>147,620</u>	<u>147,614</u>	<u>-</u>	<u>147,614</u>	<u>(6)</u>
Net Change in Fund Balance	32,144	32,144	69,262	-	69,262	37,118
Net Position - July 1, 2016	<u>854,537</u>	<u>854,537</u>	<u>854,537</u>	<u>-</u>	<u>854,537</u>	<u>-</u>
Net Position - June 30, 2017	<u>\$ 886,681</u>	<u>\$ 886,681</u>	<u>\$ 923,799</u>	<u>\$ -</u>	<u>\$ 923,799</u>	<u>\$ 37,118</u>
Net Position						
Unrestricted net position			<u>\$ 923,799</u>			



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## **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, 2017

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Institutional	\$ 22,028	\$ 22,028	\$ 54,642	\$ -	\$ 54,642	\$ 32,614
Auxiliary revenue	16,606,387	15,140,118	14,635,199	-	14,635,199	(504,919)
Total Revenues	16,628,415	15,162,146	14,689,841	-	14,689,841	(472,305)
<b>Expenditures</b>						
Auxiliary services	15,184,281	15,261,181	14,627,718	-	14,627,718	633,463
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	1,444,134	(99,035)	62,123	-	62,123	161,158
<b>Other Financing Sources</b>						
Transfers in	70,000	70,000	70,005	-	70,005	5
Transfers out	(1,500,000)	(1,500,000)	(1,500,000)	-	(1,500,000)	-
Total Other Financing Sources (Uses)	(1,430,000)	(1,430,000)	(1,429,995)	-	(1,429,995)	5
<b>Net Change in Fund Balance</b>	14,134	(1,529,035)	(1,367,872)	-	(1,367,872)	161,163
<b>Net Position - July 1, 2016</b>	7,880,896	7,880,896	7,880,896	-	7,880,896	-
<b>Net Position - June 30, 2017</b>	<u>\$ 7,895,030</u>	<u>\$ 6,351,861</u>	<u>\$ 6,513,024</u>	<u>\$ -</u>	<u>\$ 6,513,024</u>	<u>\$ 161,163</u>
<b>Net Position</b>						
Unrestricted net position - reserved for self-insurance			\$ 6,270,711			
Unrestricted net position - print services			242,313			
Total Net Position			<u>\$ 6,513,024</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, 2017

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund
<b>Revenues</b>				
Local government - tax levy	\$ 15,710,105	\$ 1,457,333	\$ 146,332	\$ 4,816,861
Intergovernmental revenue				
State	38,742,665	2,415,448	1,647,956	295,412
Federal	15,981	12,751,147	20,322,996	136,022
Tuition and fees				
Statutory program fees	18,456,978	121,934	-	-
Material fees	1,362,493	20,971	-	-
Other student fees	1,830,915	566,886	1,835,579	-
Institutional	232,689	10,563,658	1,605,678	114,052
Auxiliary revenue	-	-	-	-
<b>Total Revenues</b>	<b>76,351,826</b>	<b>27,897,377</b>	<b>25,558,541</b>	<b>5,362,347</b>
<b>Expenditures</b>				
Instruction	51,427,587	23,103,605	-	4,530,654
Instructional resources	1,052,702	5,659	-	274,900
Student services	6,293,150	2,303,089	25,451,788	30,295
General institutional	16,735,586	923,414	459,942	2,045,555
Physical plant	7,092,659	314,738	-	9,869,399
Auxiliary services	-	-	-	-
Depreciation	-	-	-	-
Student aid	-	-	-	-
<b>Total Expenditures</b>	<b>82,601,684</b>	<b>26,650,505</b>	<b>25,911,730</b>	<b>16,750,803</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(6,249,858)</b>	<b>1,246,872</b>	<b>(353,189)</b>	<b>(11,388,456)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	2,228,949	120,404	-	76,722
Transfers out	(390,805)	(752,889)	-	(136,286)
Long-term debt issued	-	-	-	10,900,000
Debt premium issued	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,838,144</b>	<b>(632,485)</b>	<b>-</b>	<b>10,840,436</b>
<b>Net Change in Fund Balances</b>	<b>(4,411,714)</b>	<b>614,387</b>	<b>(353,189)</b>	<b>(548,020)</b>
Capital contributions	-	-	-	-
<b>Fund Balances/Net Position - beginning</b>	<b>26,191,110</b>	<b>2,524,929</b>	<b>847,858</b>	<b>6,622,108</b>
<b>Fund Balances/Net Position - ending</b>	<b>\$ 21,779,396</b>	<b>\$ 3,139,316</b>	<b>\$ 494,669</b>	<b>\$ 6,074,088</b>

Debt Service Fund	Enterprise Funds	Internal Service Fund	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position	
\$ 16,649,335	\$ -	\$ -	\$ 38,779,966	\$ -	\$ 38,779,966	
-	-	-	43,101,481	-	43,101,481	(1)
-	20,641	-	33,246,787	-	33,246,787	(2)
-	-	-	18,578,912	(8,289,915)	10,288,997	
-	-	-	1,383,464	(617,301)	766,163	
-	-	-	4,233,380	(1,888,933)	2,344,447	
59,911	3,490,558	54,642	16,121,188	(3,815,631)	12,305,557	(3)
-	-	14,635,199	14,635,199	(11,223,044)	3,412,155	
16,709,246	3,511,199	14,689,841	170,080,377	(25,834,824)	144,245,553	
-	-	-	79,061,846	(2,572,308)	76,489,538	
-	-	-	1,333,261	(185,506)	1,147,755	
-	-	-	34,078,322	(23,569,096)	10,509,226	
-	-	-	20,164,497	(1,586,149)	18,578,348	
17,266,297	-	-	34,543,093	(24,204,321)	10,338,772	(4)
-	3,589,551	14,627,718	18,217,269	(14,601,914)	3,615,355	
-	-	-	-	9,936,436	9,936,436	
-	-	-	-	12,869,998	12,869,998	
17,266,297	3,589,551	14,627,718	187,398,288	(43,912,860)	143,485,428	
(557,051)	(78,352)	62,123	(17,317,911)	18,078,036	760,125	
136,286	147,614	70,005	2,779,980	(2,779,980)	-	
-	-	(1,500,000)	(2,779,980)	2,779,980	-	
-	-	-	10,900,000	(10,900,000)	-	
335,740	-	-	335,740	(335,740)	-	
472,026	147,614	(1,429,995)	11,235,740	(11,235,740)	-	
(85,025)	69,262	(1,367,872)	(6,082,171)	6,842,296	760,125	
-	-	-	-	248,845	248,845	
16,325,288	854,537	7,880,896	61,246,726	59,900,551	121,147,277	
\$ 16,240,263	\$ 923,799	\$ 6,513,024	\$ 55,164,555	\$ 66,991,692	\$ 122,156,247	(5)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements  
To Basic Financial Statements  
For the Year Ended June 30, 2017

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.
- e. 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, 2017

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, 2017.

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

Operating	\$ 4,617,201
Non-operating	38,484,280
	<u>\$ 43,101,481</u>

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

Operating	<u>\$ 33,246,787</u>
-----------	----------------------

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

Contract revenue	\$ 10,162,376
Miscellaneous revenue	2,258,678
Gain (loss) on sale of capital assets	(349,344)
Investment income earned	233,847
	<u>\$ 12,305,557</u>

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

Physical plant	\$ 8,293,303
Interest expense	1,870,094
Bond issuance costs	175,375
	<u>\$ 10,338,772</u>

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

Budgetary basis fund balance	<u>\$ 55,164,555</u>
Adjustments	
General capital assets - cost	216,485,842
Accumulated depreciation on general capital assets	(76,356,945)
General obligation debt	(85,725,000)
Bond premium	(4,934,790)
Capital lease obligations	(407,192)
Net position in health insurance consortium	3,314,759
Net post employment benefit asset	4,909,725
Accrued interest on debt payable	(207,321)
Net pension liability	(3,412,967)
Deferred outflows related to pension	24,065,750
Deferred inflows related to pension	(10,740,169)
Total Adjustments	<u>66,991,692</u>
Net Position per basic financial statements	<u>\$ 122,156,247</u>



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## 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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net investment in capital assets	\$60,654,868	\$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
Restricted for debt service <sup>(a)</sup>	16,025,729	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
Restricted for pension benefits <sup>(b)</sup>	-	-	10,407,663	-	-	-	-	-	-	-
Unrestricted	45,475,650	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
<b>Total Net Position</b>	<b>\$122,156,247</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>

### 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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Operating Revenues</b>										
Student program fees (net of scholarship allowances)	\$10,288,997	\$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
Student material fees (net of scholarship allowances)	766,163	724,965	623,275	664,450	603,183	633,117	648,301	621,473	660,742	626,555
Other student fees (net of scholarship allowances)	2,344,447	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
Federal grants	33,246,787	37,458,363	42,256,029	46,680,639	48,201,924	50,536,747	50,358,595	38,393,205	29,611,240	26,443,793
State grants	4,617,201	5,634,046	4,633,935	4,999,264	5,070,732	4,958,859	4,868,933	4,078,736	3,737,188	3,329,258
Contract revenue	10,162,376	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
Auxiliary enterprise revenues	3,412,155	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
Miscellaneous	2,258,678	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
<b>Total operating revenues</b>	<b>\$67,096,804</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>Operating Expenses</b>										
Instruction	\$76,489,538	\$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
Instructional resources	1,147,755	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
Student services	10,509,226	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
General institutional	18,578,348	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
Physical plant	8,293,303	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
Auxiliary enterprise services	3,615,355	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
Depreciation	9,936,436	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
Student aid	12,869,998	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
<b>Total operating expenses</b>	<b>\$141,439,959</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>Operating loss</b>	<b>(\$74,343,155)</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>Nonoperating Revenues/(Expenses)</b>										
Property taxes	\$38,779,966	\$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
State operating appropriations	38,484,280	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
Gain (loss) on sale of capital assets	(349,344)	85,888	46,785	56,327	203,761	363,631	73,170	(21,919)	7,599	53,001
Investment income earned	233,847	475,680	256,128	301,152	165,837	201,802	186,658	328,476	1,108,376	1,674,903
Interest expense	(1,870,094)	(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)
Bond issuance costs	(175,375)	(166,975)	(177,325)	(215,850)	(667,122)	(108,238)	-	-	-	-
<b>Total nonoperating revenues/(expenses)</b>	<b>\$75,103,280</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>Income before Capital Contributions</b>	<b>\$760,125</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>Capital Contributions</b>	<b>248,845</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>Change in Net Position</b>	<b>\$1,008,970</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>

# 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	Other			State		Net Tax Rate	
				County	Local <sup>(c)</sup>	School Districts	Gross Total	Tax Relief		
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
2017	0.64	0.48	1.11	5.50	5.56	9.36	0.20	21.73	(1.65)	20.08

**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		TID's	Total		Total District Equalized Value <sup>(b)</sup>	Tax Rate <sup>(c)</sup>
					Property	Property		Equalized Value <sup>(a)</sup>	Equalized Value <sup>(a)</sup>		
2007	\$23,806,333	\$5,972,364	\$1,428,898	\$1,424,370	\$923,837	\$923,837	(\$1,303,355)	\$32,252,446	\$32,252,446	\$32,076,058	1.66956
2008	24,593,374	6,329,331	1,492,674	1,555,321	1,039,342	1,039,342	(1,373,400)	33,636,641	33,636,641	33,441,678	1.68253
2009	24,718,058	6,382,332	1,474,662	1,598,961	1,029,558	1,029,558	(1,229,605)	33,973,965	33,973,965	33,793,328	1.71542
2010	24,450,482	6,434,874	1,435,429	1,590,763	1,006,876	1,006,876	(1,178,100)	33,740,324	33,740,324	33,560,983	1.77947
2011	24,364,277	6,283,649	1,452,942	1,596,386	959,134	959,134	(1,164,908)	33,491,480	33,491,480	33,353,718	1.79053
2012	23,731,700	6,214,341	1,427,475	1,563,461	953,042	953,042	(1,164,908)	32,725,111	32,725,111	32,558,306	1.96941
2013	23,737,066	6,289,393	1,441,343	1,583,619	1,003,784	1,003,784	(1,089,854)	32,965,350	32,965,350	32,786,202	1.97347
2014	24,252,750	6,294,309	1,437,216	1,594,514	994,736	994,736	(1,123,731)	33,449,794	33,449,794	33,265,574	1.12397
2015	24,807,739	6,418,434	1,431,971	1,601,326	958,567	958,567	(1,102,740)	34,115,296	34,115,296	33,931,537	1.11782
2016	25,543,188	6,504,070	1,498,773	1,643,379	937,235	937,235	(1,162,097)	34,964,547	34,964,547	34,771,330	1.11496

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

	2016			2007		
	Equalized Valuation	Rank	Percentage of Total Equalized Valuation	Equalized Valuation	Rank	Percentage of Total Equalized Valuation
Fox River Shopping Center	\$86,839,915	1	0.24%	\$88,184,875	2	0.26%
Thomas Wright Enterprises (Outagamie County)	71,981,832	2	0.20%	46,600,892	6	0.14%
Kimberly Clark	69,701,385	3	0.19%	136,480,506	1	0.41%
Curwood, Inc. (Bemis)	64,747,279	4	0.18%	56,766,550	4	0.17%
Midwest Realty (Security Homes Inc.)	61,271,097	5	0.17%	73,388,177	3	0.22%
Dumke & Associates	60,053,191	6	0.17%			
R. Winters Associates	59,735,361	7	0.17%	44,838,239	7	0.13%
Bergstrom (Winnebago County)	55,636,843	8	0.15%			
Pfefferle Investments	51,147,814	9	0.14%	39,224,646	9	0.12%
Thomas N. Rusch et al.	46,223,593	10	0.13%	49,911,474	5	0.15%
Mills Properties	-	-	-	44,458,237	8	0.13%
NewPage(formally Stora Enso)	-	-	-	37,206,436	10	0.11%
Total	<u>\$627,338,310</u>		<u>1.75%</u>	<u>\$617,060,032</u>		<u>1.85%</u>
Total equalized property valuation for the District (TID In)	\$35,936,674,343			\$33,384,224,306		

**Source:** Preliminary Official Statement dated September 13, 2017. 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	Total Tax Levy	Collected within the Fiscal Year of the Levy		Total Collections to Date <sup>(b)</sup>	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2008	\$53,552,838	\$40,081,811	74.85%	\$53,552,838	100.00%
2009	56,226,559	41,506,188	73.82%	56,226,559	100.00%
2010	57,969,724	42,554,143	73.41%	57,969,724	100.00%
2011	59,720,691	43,914,226	73.53%	59,720,691	100.00%
2012	59,720,691	44,179,875	73.98%	59,720,691	100.00%
2013	64,120,652	47,931,799	74.75%	64,120,652	100.00%
2014	64,702,517	48,636,733	75.17%	64,702,517	100.00%
2015	37,389,471 <sup>(c)</sup>	28,255,943	75.57%	37,389,471	100.00%
2016	37,929,226	28,573,180	75.33%	37,929,226	100.00%
2017	38,768,621	29,368,617	75.75%	38,768,621	100.00%

### Notes:

(a) Under Wisconsin law, personal property taxes and certain installment real estate taxes are collected by city, village, and town treasurers or clerks, who then settle with the other taxing units, such as counties, technical colleges, and local school districts. Settlements are due from the municipality by the 15th of the month following the due date based on the municipality's payment plan. Certain installment real estate taxes and delinquent taxes are collected by the county treasurers, who then settle with the city, village, and town treasurers and other taxing units before retaining any for county purposes. In practice, any delinquent real estate taxes are withheld from the county's share. Therefore, the District receives 100% of its levy upon receipt of settlement from the county treasurers, although the taxes collected as a percentage of total tax levy will vary in any given fiscal year due to timing of payments received from municipalities.

(b) Full levy typically collected in mid-August.

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

## FOX VALLEY TECHNICAL COLLEGE DISTRICT

### Ratio of Net Debt to Equalized Valuation and Debt per Capita Last Ten Fiscal Years

Fiscal Year	Population <sup>(a)</sup>	Equalized Valuation <sup>(b)</sup>	Outstanding Debt <sup>(c)</sup>	Less Amounts Available <sup>(d)</sup>	Net Debt Outstanding	Percent of Net Debt to Equalized Valuation	Debt per Capita
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
2017	473,131	34,771,330,493	86,132,192	16,025,729	70,106,463	0.20%	148.18

**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. 2017 fiscal year would be 2016 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, 2016

<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	\$ 112,188,221	0.4%	\$ 448,753
Calumet	15,133,226	84.1%	12,727,043
Manitowoc	19,283,458	0.9%	173,551
Outagamie	44,450,492	98.0%	43,561,482
Portage	9,460,000	1.5%	141,900
Shawano	1,424,150	7.5%	106,811
Waupaca	29,635,000	96.4%	28,568,140
Waushara	4,200,250	77.5%	3,255,194
Winnebago	31,663,046	94.7%	29,984,905
<b>Total All Counties</b>	<b>\$ 267,437,843</b>		<b>\$ 118,967,779</b>
Cities within			
Calumet	\$ 20,419,491	100.0%	\$ 20,419,491
Outagamie	9,178,404	99.7%	9,152,015
Waupaca	24,455,168	100.0%	24,455,168
Waushara	3,124,035	100.0%	3,124,035
Winnebago	167,426,790	100.0%	167,426,790
<b>Total All Cities</b>	<b>\$ 224,603,889</b>		<b>\$ 224,577,500</b>
Villages within			
Calumet	\$ 5,750,424	100.0%	\$ 5,750,424
Outagamie	2,909,656	99.7%	2,901,290
Waupaca	1,498,228	100.0%	1,498,228
Waushara	826,706	100.0%	826,706
Winnebago	21,909,072	100.0%	21,909,072
<b>Total All Villages</b>	<b>\$ 32,894,086</b>		<b>\$ 32,885,720</b>
Towns within			
Brown	\$ -	0.0%	\$ -
Calumet	50,850	100.0%	50,850
Manitowoc	168,937	100.0%	168,937
Outagamie	11,634,613	99.7%	11,601,162
Portage	268,179	100.0%	268,179
Shawano	248,920	100.0%	248,920
Waupaca	617,359	100.0%	617,359
Waushara	919,133	99.2%	911,911
Winnebago	14,131,364	99.0%	13,985,728
<b>Total All Towns</b>	<b>\$ 28,039,355</b>		<b>\$ 27,853,046</b>

# FOX VALLEY TECHNICAL COLLEGE DISTRICT

## Direct and Overlapping Debt As of December 31, 2016

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
School District of			
Appleton	\$ 45,115,000	100.0%	\$ 45,115,000
Brillion	11,460,000	100.0%	11,460,000
Chilton	22,984,464	100.0%	22,984,464
Clintonville	7,875,000	100.0%	7,875,000
Freedom	2,150,000	100.0%	2,150,000
Fox Valley Lutheran	1,960,000	100.0%	1,960,000
Hilbert	17,260,375	100.0%	17,260,375
Hortonville	32,310,000	100.0%	32,310,000
Iola-Scandinavia	2,240,000	100.0%	2,240,000
Kaukauna	28,789,000	100.0%	28,789,000
Kimberly	25,289,525	100.0%	25,289,525
Little Chute	4,753,541	100.0%	4,753,541
Manawa-Little Wolf	-	100.0%	-
Marion	715,158	100.0%	715,158
Menasha Joint	44,517,500	100.0%	44,517,500
Neenah	150,000	100.0%	150,000
New London	6,510,000	100.0%	6,510,000
Omro	5,451,502	100.0%	5,451,502
Oshkosh	45,975,331	100.0%	45,975,331
Seymour	9,865,000	100.0%	9,865,000
Shiocton	-	100.0%	-
Stockbridge	507,966	100.0%	507,966
Waupaca	9,075,000	100.0%	9,075,000
Wautoma	-	100.0%	-
Westfield	1,005,000	100.0%	1,005,000
Weyauwega-Fremont	-	100.0%	-
Wild Rose	3,260,000	100.0%	3,260,000
Winneconne	14,315,000	100.0%	14,315,000
Wrightstown	1,440,000	100.0%	1,440,000
<b>Total All School Districts</b>	<b>\$ 344,974,362</b>		<b>\$ 344,974,362</b>
<b>Subtotal overlapping debt</b>	<b>\$ 897,949,535</b>		<b>\$ 749,258,407</b>
<b>District direct debt</b>	<b>\$ 86,132,192</b>	100.0%	<b>\$ 86,132,192</b>
<b>Total direct and overlapping debt</b>	<b>\$ 984,081,727</b>		<b>\$ 835,390,599</b>

**Source:** Survey of each government unit within the District's boundaries, June 2017

### 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)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Equalized Valuation <sup>(a)</sup>	\$35,936,674	\$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
Debt limit - 5% of equalized valuation <sup>(b)</sup>	\$1,796,834	\$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
Aggregate indebtedness applicable to debt limit										
General obligation promissory notes and bonds	85,725	89,140	94,295	97,380	97,055	31,905	34,820	38,005	38,390	40,430
Capital leases	407	534	226	734	1,224	1,691	2,136	24	377	712
Less resources available to fund principal and interest payments <sup>(c)</sup>	(16,026)	(16,013)	(17,054)	(17,187)	(17,016)	(12,562)	(12,724)	(13,318)	(9,726)	(7,740)
Total net debt applicable to limit	70,106	73,661	77,467	80,927	81,263	21,034	24,232	24,711	29,041	33,402
Legal debt margin	\$1,726,727	\$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
Total net debt applicable to the limit as a percentage of debt limit	3.90%	4.20%	4.50%	4.78%	4.82%	1.22%	1.39%	1.41%	1.67%	2.00%
Debt limit - 2% of equalized valuation <sup>(b)</sup>	\$718,733	\$700,757	\$687,908	\$677,595	\$674,541	\$689,805	\$694,864	\$700,550	\$696,389	\$667,684
Gross bonded indebtedness applicable to debt limit										
Gross bonded debt	47,160	50,310	54,825	59,345	65,225	-	-	-	-	-
Less resources available to fund principal and interest payments	(16,026)	(16,013)	(17,054)	(17,187)	(17,016)	N/A	N/A	N/A	N/A	N/A
Total net debt applicable to limit	31,134	34,297	37,771	42,158	48,209	-	-	-	-	-
Legal debt margin	\$687,599	\$666,461	\$650,137	\$635,436	\$626,332	\$689,805	\$694,864	\$700,550	\$696,389	\$667,684
Total net debt applicable to the limit as a percentage of debt limit	4.33%	4.89%	5.49%	6.22%	7.15%	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		Per Capita 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>
		(thousands of dollars) (b)(e)	(thousands of dollars) (b)(e)	Personal Income <sup>(b)(e)</sup>	Personal Income <sup>(b)(e)</sup>	Enrollment <sup>(c)(e)</sup>	Enrollment <sup>(c)(e)</sup>	Graduates <sup>(c)(e)</sup>	Graduates <sup>(c)(e)</sup>	
2007	453,206	\$14,198,334	\$14,198,334	\$36,398	\$36,398	66,161	66,161	5,580	5,580	4.76%
2008	455,565	14,741,409	14,741,409	37,594	37,594	68,662	68,662	5,371	5,371	4.51%
2009	457,464	14,446,465	14,446,465	36,559	36,559	66,035	66,035	5,469	5,469	8.17%
2010	458,949	14,816,896	14,816,896	37,384	37,384	65,898	65,898	5,532	5,532	7.74%
2011	460,126	15,678,429	15,678,429	39,425	39,425	65,959	65,959	5,596	5,596	6.95%
2012	461,299	16,253,241	16,253,241	40,673	40,673	65,671	65,671	5,129	5,129	6.58%
2013	466,556	16,350,711	16,350,711	40,685	40,685	65,653	65,653	4,932	4,932	6.42%
2014	468,200	17,079,088	17,079,088	42,304	42,304	66,418	66,418	4,415	4,415	5.19%
2015	470,726	17,706,135	17,706,135	43,739	43,739	66,442	66,442	4,519	4,519	4.22%
2016	473,131	(f)	(f)	(f)	(f)	66,815	66,815	4,424	4,424	3.82%

### 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	2017		2008	
		Employees	Rank	Employees	Rank
ThedaCare <sup>(a)</sup>	Health care providers	6,000	1	5,300	1
Oshkosh Truck Corp. <sup>(b)</sup>	Truck and large vehicle manufacturer	5,136	2	2,712	4
Affinity Health Care <sup>(c)</sup>	Health care providers	4,300	3	-	-
Kimberly Clark	Paper products manufacturer	2,000	4	4,756	2
Spectrum Software	Computer system designer	2,000	4	-	-
Thrivent Investment Management	Insurance and investments	1,800	5	1,836	6
Plexus Corporation <sup>(d)</sup>	Computer products	1,780	6	-	-
University of Wisconsin - Oshkosh	Education	1,600	7	1,632	8
Appleton Area School District	Education	1,563	8	1,758	7
Miller Electric Manufacturing Co.	Welding equipment manufacturer	1,390	9	1,600	9
Oshkosh Area School District	Education	1,331	10	-	-
Fox River Shopping Center	Retail shopping mall	-	-	3,000	3
Curwood, Inc. (Bemis)	Plastics container manufacturer	-	-	1,880	5
ThyssenKrupp (Waupaca Foundry)	Grey and ductile iron castings manufacturer	-	-	1,596	10
<b>Total</b>		<b>28,900</b>		<b>26,070</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. Figure from 2016; 2017 figure not available.

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

(d) Includes Neenah location only.

**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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>By Pay Groups:</b>										
Full-time instructors	319	315	316	284	330	333	327	320	307	301
Part-time instructors	19	19	20	12	13	12	15	18	22	21
Management	166	157	150	134	119	120	119	110	106	113
Full-time support-union	275	272	262	232	248	248	247	243	237	244
Part-time support-union	54	55	50	32	33	37	40	44	43	43
<b>Total</b>	<b>833</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>

**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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Student enrollment <sup>(a)</sup>	12,463	12,889	13,659	14,690	15,196	16,060	14,506	13,925	12,827	12,396
Associate degree	3,250	3,383	3,468	3,344	3,260	3,150	3,310	3,402	3,397	3,535
Technical diploma	26,130	29,147	26,212	27,344	28,371	32,785	34,270	28,452	27,862	30,483
Vocational adult	2,294	2,138	2,034	1,927	2,009	2,479	5,001	5,401	5,174	4,660
Non-postsecondary	1,481	1,191	673	532	866	814	821	964	856	839
Community services	4,483	3,521	2,696	1,930	1,571	1,033	1,586	1,690	1,158	664
Transcripted credit <sup>(b)</sup>	47,156	49,082	45,441	46,367	47,573	52,130	54,349	48,587	46,464	47,764
Total enrollment <sup>(c)</sup>	-3.92%	8.01%	-2.00%	-2.54%	-8.74%	-4.08%	11.86%	4.57%	-2.72%	0.20%
Percentage Change										
Full-time equivalent (FTE) enrollment <sup>(d)</sup>										
Associate degree	4,504	4,842	5,214	5,605	5,910	6,045	5,994	5,579	4,690	4,301
Technical diploma	707	669	670	669	640	650	659	655	647	673
Vocational adult	458	556	459	480	482	540	581	555	555	598
Non-postsecondary	348	341	322	226	246	257	579	612	580	518
Community services	24	9	7	7	9	10	10	12	12	12
Total full-time equivalent enrollments	6,042	6,418	6,673	6,986	7,288	7,501	7,823	7,413	6,486	6,101
Percentage Change	-5.86%	-3.83%	-4.48%	-4.15%	-2.83%	-4.12%	5.53%	14.30%	6.30%	3.08%
Teachers <sup>(e)</sup>	437	435	430	450	481	495	526	513	475	460
FTE - Teacher ratio	13.8	14.8	15.5	15.5	15.1	15.2	14.9	14.5	13.7	13.3
Operating Expenditures <sup>(f)</sup>	\$109,252,189	\$107,171,620	\$104,136,832	\$110,083,566	\$107,197,934	\$104,831,814	\$106,539,249	\$100,269,258	\$96,597,915	\$91,939,051
Cost per FTE	\$18,082.90	\$16,699.80	\$15,605.82	\$15,757.51	\$14,708.22	\$13,975.87	\$13,618.72	\$13,526	\$14,894	\$15,069
Percentage Change	8.28%	7.01%	-0.96%	7.13%	5.24%	2.62%	0.68%	-9.18%	-1.16%	-2.83%
Program Graduate follow-up statistics <sup>(g)</sup>										
Number of graduates	(e)	2,652	2,639	2,560	2,724	2,833	2,526	2,371	2,083	1,865
Number of follow-up respondents	(e)	2,085	2,005	1,807	1,972	2,223	1,933	1,858	1,607	1,401
Total number available for employment	(e)	156	1,505	1,499	1,490	1,877	1,482	1,472	1,288	1,186
Percent employed	(e)	94%	94%	92%	89%	89%	88%	85%	85%	90%
Percent employed in related occupation	(e)	83%	85%	78%	79%	75%	75%	70%	73%	75%
Percent employed in District	(e)	63%	66%	63%	63%	65%	70%	69%	67%	71%
Average annual salary	(e)	\$38,192	\$36,196	\$35,223	\$33,808	\$32,994	\$33,088	\$32,939	\$32,282	\$33,848
Age range of students	9 - 93	8 - 92	9 - 99	9 - 94	8 - 93	8 - 91	7 - 95	7 - 90	9 - 95	9 - 96
Average age of students	37	37	37	37	37	37	36	36	37	38

### 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: FVTC internal report Position Summary - FTE Basis.

(f) Source: General Fund and Special Revenue Aidable Fund on a Budgetary Basis.

(g) 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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Square Footage</b>										
<b>Campuses:</b>										
Appleton Main Campus	603,701	603,701	603,701	588,805	528,805	519,505	519,505	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	26,721	-	-	-
Criminal Justice Office Space	4,482	4,482	4,482	4,482	4,482	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	14,460
Fire Training Center <sup>(a)</sup>	-	-	-	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	122,498	80,992	80,992	80,992	80,992	80,992	80,992
Public Safety Training Center	111,295	111,295	111,295	-	-	-	-	-	-	-
S. J. Spanbauer Center	76,469	76,469	76,469	76,469	76,469	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	41,902	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	21,800	19,760	19,760	19,760	19,760	19,760	19,760	19,760	19,760
Clintonville Regional Center	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Neenah Regional Center - Kellelt Center <sup>(b)</sup>	-	-	-	-	-	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	15,530
Wautoma Regional Center	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
<b>Other Locations:</b>										
Appleton City Center Plaza <sup>(c)</sup>	-	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	-

(a) Leases ended January 2015

(b) Lease ended August 2012

(c) Lease ended June 2016

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

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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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2017. 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 black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

November 13, 2017  
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, 2017. 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, 2017.

### **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 and *State Single Audit Guidelines*, 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 and *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

November 13, 2017  
Madison, Wisconsin

# Fox Valley Technical College District

## Schedule of Expenditures of Federal Awards

### Year ended June 30, 2017

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		07-01-16 - 06-30-17	12,624	12,624	47,056	-	59,680
<b>Team Nutrition Grants</b>									
Passed through the State of Wisconsin Department of Public Instruction									
		10.574	SUB15158W1150N3503	03-09-17 - 06-30-17	2,000	1,230	-	-	1,230
<b>Total - U.S. Department of Agriculture</b>					<b>14,624</b>	<b>13,854</b>	<b>47,056</b>	<b>-</b>	<b>60,910</b>
<b>U.S. Department of the Interior</b>									
<b>Indian Education Higher Education Grant Program</b>									
Bureau of Indian Affairs									
		15.114		07-01-16 - 06-30-17	132,341	132,341	-	-	132,341
<b>Total - U.S. Department of the Interior</b>					<b>132,341</b>	<b>132,341</b>	<b>-</b>	<b>-</b>	<b>132,341</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	72,909	-	18,663	72,909
<i>Passed through the National Judicial College</i>									
CASOM Judicial Project									
		16.203	SUB2011WPBXK001	01-01-12 - 09-30-16	137,500	8,998	-	-	8,998
<b>Total - Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)</b>					<b>387,500</b>	<b>81,907</b>	<b>-</b>	<b>18,663</b>	<b>81,907</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 - 09-30-17	445,358	151,715	(21,925)	-	129,790
<b>Missing Children's Assistance</b>									
OJJDP Child Protection Programs in Tribal Communities 2010									
		16.543	2010-MC-CX-K053	10-01-10 - 09-30-16	850,000	94,081	-	-	94,081
Missing & Exploited Children Program Support 2015/2016									
		16.543	2013-MC-FX-K005	10-01-15 - 03-31-17	325,000	114,639	-	-	114,639
ICAC National Training Program: Core & Specialized 2014/2015									
		16.543	2013-MC-FX-K104	10-01-14 - 03-31-17	1,650,000	136,203	-	-	136,203
ICAC National Training Program: Core & Specialized 2015/2016									
		16.543	2013-MC-FX-K011	10-01-15 - 03-31-17	1,650,000	944,436	-	-	944,436
AMBER Training & Technical Assistance Program 2013/2014									
		16.543	2013-MU-MU-K011	10-01-13 - 09-30-16	2,500,000	737	-	-	737
AMBER Training & Technical Assistance Program 2015/2016									
		16.543	2013-MU-MU-K011	10-01-15 - 09-30-17	2,401,884	910,747	-	20,538	910,747
AMBER Training & Technical Assistance Program 2016/2017									
		16.543	2013-MU-MU-K011	10-01-16 - 03-31-18	2,400,000	1,647,708	-	18,345	1,647,708
Internet Crimes Against Children Program Support 2014/2015									
		16.543	2014-MC-FX-K003	10-01-14 - 03-31-18	2,000,000	158,018	-	-	158,018
Internet Crimes Against Children-Special Printing Project Funding									
		16.543	2014-MC-FX-K003	10-01-14 - 03-31-18	25,000	24,999	-	-	24,999
Internet Crimes Against Children Program Support 2015/2016									
		16.543	2014-MC-FX-K003	10-01-15 - 03-31-18	2,000,000	933,974	-	-	933,974
Internet Crimes Against Children Program Support 2016/2017									
		16.543	2014-MC-FX-K003	10-01-16 - 03-31-18	2,000,000	879,178	-	-	879,178
Missing & Exploited Children Training & Tech Assistance Program 2014/2015									
		16.543	2014-MC-FX-K046	10-01-14 - 01-31-18	2,000,000	188,856	-	-	188,856
Missing & Exploited Children Training & Tech Assistance Program 2015/2016									
		16.543	2014-MC-FX-K046	10-01-15 - 01-31-18	1,500,000	883,888	-	251,747	883,888
Missing & Exploited Children Training & Tech Assistance Program 2016/2017									
		16.543	2014-MC-FX-K046	10-01-16 - 01-31-18	1,800,000	767,827	-	40,576	767,827
ICAC Specialized Training on Tools and Technology 2016/2017									
		16.543	2016-MC-FX-K025	10-01-16 - 12-31-17	400,000	185,387	-	-	185,387
ICAC Entry Level and Core Training 2016/2017									
		16.543	2016-MC-FX-K026	10-01-16 - 12-31-17	1,100,000	433,287	-	-	433,287
<b>Total - Missing Children's Assistance</b>					<b>24,601,884</b>	<b>8,303,965</b>	<b>-</b>	<b>331,206</b>	<b>8,303,965</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	67,742	27,147	-	-	27,147
<b>Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program</b>									
Tribal Justice System Capacity Building-Strategic Planning 2013/2014									
		16.580	2012-IC-BX-K004	10-01-13 - 09-30-17	918,003	75,686	-	-	75,686
Tribal Justice System Capacity Building-Community Corrections 2013/2014									
		16.580	2012-MU-BX-K002	10-01-13 - 03-31-18	400,000	25,624	-	6,429	25,624
<b>Total - Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program</b>					<b>1,318,003</b>	<b>101,310</b>	<b>-</b>	<b>6,429</b>	<b>101,310</b>
<b>Crime Victim Assistance/Discretionary Grants</b>									
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	539,983	-	231,810	539,983
FY 2016 American Indian/Alaska Native Training and Technical Assistance Program									
		16.582	2015-MU-GX-K075	10-01-16 - 09-30-18	500,000	66	-	-	66
<b>Total - Crime Victim Assistance/Discretionary Grants</b>					<b>2,500,000</b>	<b>540,049</b>	<b>-</b>	<b>231,810</b>	<b>540,049</b>

(Continued)

# Fox Valley Technical College District

## Schedule of Expenditures of Federal Awards

### Year ended June 30, 2017

Assistance Program					Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
Tribal Court Assistance Program												
Tribal Justice System Capacity Building-Strategic Planning 2016/2017					16.608	2016-IC-BX-K002	10-01-16 - 03-31-18	625,000	76,695	-	53,005	76,695
Passed through the Center for Court Innovation					16.608	SUB2012ICBXK005	10-01-15 - 03-31-17	20,000	17,580	-	-	17,580
Passed through the University of North Dakota					16.608	SUB2013ICBXK001	07-01-15 - 12-31-16	50,000	1,837	-	-	1,837
Indian Country Alcohol and Drug Prevention					Total - Tribal Court Assistance Program							
Indian Alcohol & Substance Training & Technical Assistance 2013/2014					16.616	2013-AC-BX-K001	10-01-13 - 03-31-18	900,000	213,191	-	38,793	213,191
Public Safety Partnership and Community Policing Grants					Total - Public Safety Partnership and Community Policing Grants							
COPS FY 2011 Tribal Resource Grant Program					16.710	2011-HE-WX-K001	10-01-11 - 02-28-18	998,662	6,713	-	-	6,713
COPS FY 2013 National Indian Youth Police Academy					16.710	2013-HE-WX-K003	09-01-13 - 02-28-18	199,893	4,955	-	-	4,955
COPS FY 2015 Tribal Community Policing Training and Technical Assistance Project					16.710	2015-HE-WX-K004	09-01-15 - 08-31-18	300,000	126,852	-	-	126,852
Edward Byrne Memorial Justice Assistance Grant Program					Total - Edward Byrne Memorial Justice Assistance Grant Program							
Passed through the Police Foundation					16.738	SUB2016MUBXK005	10-01-16 - 09-30-18	380,000	92,913	-	-	92,913
Law Enforcement National Initiatives: Improving Responses to CJ Issues					Total - Support for Adam Walsh Act Implementation Grant Program							
Support for Adam Walsh Act Implementation Grant Program					Total - Support for Adam Walsh Act Implementation Grant Program							
SORNA Tribal Training & Technical Assistance Program 2013/2015					16.750	2013-AW-BX-K002	10-01-13 - 09-30-18	1,000,000	112,018	-	-	112,018
SORNA Tribal Training & Technical Assistance Program 2015/2017					16.750	2013-AW-BX-K002	10-01-15 - 09-30-18	500,000	187,522	-	-	187,522
SORNA Tribal Training & Technical Assistance Program 2014/2016					16.750	2014-AW-BX-K001	10-01-14 - 06-30-18	500,000	70,196	-	-	70,196
SORNA Workshops and National Symposium FY 2016					16.750	2016-AW-BX-K001	08-01-16 - 07-31-19	750,000	9,874	-	-	9,874
Edward Byrne Memorial Competitive Grant Program					Total - Edward Byrne Memorial Competitive Grant Program							
FY 2014 Tribal Justice System Planning Process (TJSPP)					16.751	2012-IC-BX-K004	10-01-14 - 09-30-17	896,692	174,425	-	62,632	174,425
FY 2015 Tribal Justice System Planning Process (TJSPP)					16.751	2012-IC-BX-K004	10-01-15 - 09-30-17	625,000	151,366	-	74,037	151,366
FY 2014 Tribal Justice Systems Capacity Building Training & Technical Assistance					16.751	2012-MU-BX-K002	10-01-14 - 03-31-18	400,000	87,373	-	-	87,373
FY 2015 Tribal Justice Systems Capacity Building Training & Technical Assistance					16.751	2012-MU-BX-K002	10-01-15 - 03-31-18	300,000	208,958	-	-	208,958
FY 2014 Indian Alcohol & Substance Abuse Training and Technical Assistance					16.751	2013-AC-BX-K001	10-01-14 - 03-31-18	650,000	176,856	-	-	176,856
FY 2015 Indian Alcohol & Substance Abuse Training and Technical Assistance					16.751	2013-AC-BX-K001	10-01-15 - 03-31-18	300,000	45,262	-	-	45,262
Total - U.S. Department of Justice					Total - U.S. Department of Justice							
					38,715,734	10,970,679	(21,925)	816,575	10,948,754			

# Fox Valley Technical College District

## Schedule of Expenditures of Federal Awards

### Year ended June 30, 2017

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b><u>U.S. Department of Labor</u></b>								
<b><u>Trade Adjustment Assistance Community College and Career Training (TAACCCCT) Grants</u></b>								
Advanced Manufacturing Pathways (AMP) PLUS	17.282	TC237621260A55	10-01-12 - 09-30-16	2,999,750	41,842	-	-	41,842
<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	94,914	-	-	94,914
<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	263,228	95,607	-	-	95,607
<b>Total - Trade Adjustment Assistance Community College and Career Training (TAACCCCT) Grants</b>				<b>4,768,861</b>	<b>232,363</b>	-	-	<b>232,363</b>
<b><u>Workforce Investment Act Cluster</u></b>								
<b><u>WIA Youth Activities</u></b>								
<i>Passed through the Bay Area Workforce Development Board</i>								
Bay Area DWD Youth Case Management	17.259	17FVTCSSOS/IS	07-01-16 - 06-30-17	171,168	157,277	-	-	157,277
<b>Total - U.S. Department of Labor</b>				<b>4,940,029</b>	<b>389,640</b>	-	-	<b>389,640</b>
<b><u>U.S. Department of State</u></b>								
<b><u>Academic Exchange Programs - Undergraduate Programs</u></b>								
<i>Passed through the International Research &amp; Exchanges Board (IREX)</i>								
2016-2017 Tunisia Community College Scholarship Program	19,009	SUBSECAGD14CA1101	07-01-16 - 06-30-17	68,511	50,669	-	-	50,669
<b><u>One-Time International Exchange Grant Program</u></b>								
<i>Passed through Northern Virginia Community College</i>								
Community College Initiative Program	19,014	SUBSECAGD16CA1061	07-01-16 - 06-30-17	248,080	232,070	27,828	-	259,898
<b><u>Professional and Cultural Exchange Programs - Citizen Exchanges</u></b>								
<i>Passed through Cultural Vistas</i>								
Congress Bundestag Youth Exchange	19,415		07-01-16 - 06-30-17	4,445	4,445	-	-	4,445
<b>Total - U.S. Department of State</b>				<b>321,036</b>	<b>287,184</b>	<b>27,828</b>	-	<b>315,012</b>
<b><u>U.S. Department of Transportation</u></b>								
<i>Passed through the Wisconsin Technical College System Board</i>								
Interagency Hazardous Materials Public Sector Training & Planning Grants	20,703		07-01-16 - 06-30-17	7,037	7,037	-	-	7,037
<b>Total - U.S. Department of Transportation</b>				<b>7,037</b>	<b>7,037</b>	-	-	<b>7,037</b>
<b><u>National Science Foundation</u></b>								
<b><u>Education and Human Resources</u></b>								
<i>Passed through Collin County Community College District</i>								
National Center for Convergence Technology	47,076	DUE1205077	08-15-12 - 07-31-17	210,289	26,599	-	-	26,599
<b>Total - National Science Foundation</b>				<b>210,289</b>	<b>26,599</b>	-	-	<b>26,599</b>



# Fox Valley Technical College District

## Schedule of Expenditures of Federal Awards

### Year ended June 30, 2017

Assistance Program							Passed Through to Sub-Recipients	
Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Total Expenditures		
<b>U.S. Department of Education</b>								
<b>Adult Education - Basic Grants to States</b>								
Passed through Homeless Connections								
Emergency Shelter	84.002	93001149157	07-01-16 - 06-30-17	31,319	-	31,319		
<b>Passed through the Wisconsin Technical College System Board</b>								
Adult Basic Education Comprehensive Services	84.002	12-025-146-127	07-01-16 - 06-30-17	246,982	709,300	956,282		
Adult Basic Education Program for the Incarcerated	84.002	12-026-146-117	07-01-16 - 06-30-17	40,381	13,460	53,841		
English Language Learner (ELL) Civics Literacy Project	84.002	12-027-146-167	07-01-16 - 06-30-17	10,528	-	10,528		
		<b>Total - Adult Education - Basic Grants to States</b>	<b>329,210</b>	<b>329,210</b>	<b>722,760</b>	<b>1,051,970</b>		
	84.031		07-01-16 - 06-30-17	2,976	-	2,976		
<b>Higher Education Institutional Aid</b>								
<b>Career &amp; Technical Education Basic Grants to States</b>								
<i>Passed through the Wisconsin Technical College System Board</i>								
Wisconsin Career Pathways Website Project	84.048	12-014-150-216	07-01-15 - 06-30-16	58,699	111	111		
Nontraditional Occupations Recruitment and Retention Services Project	84.048	12-043-150-267	07-01-16 - 06-30-17	36,039	-	36,039		
Career Prep	84.048	12-044-150-217	07-01-16 - 06-30-17	46,366	-	46,366		
Wisconsin Career Pathways Website Project	84.048	12-045-150-217	07-01-16 - 06-30-17	58,700	-	58,700		
Business Management Program Student Success Through Retention & Graduation	84.048	12-046-150-257	07-01-16 - 06-30-17	144,155	-	144,155		
Supporting Student Success - Vet Excel Project	84.048	12-047-150-277	07-01-16 - 06-30-17	50,000	-	50,000		
Counseling & Support Services for Student Success	84.048	12-048-150-237	07-01-16 - 06-30-17	540,580	339,700	880,280		
		<b>Total - Career &amp; Technical Education Basic Grants to States</b>	<b>934,539</b>	<b>875,951</b>	<b>339,700</b>	<b>1,215,651</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 States	84.126		07-01-16 - 06-30-17	76,819	-	76,819		
<b>Student Financial Assistance Cluster</b>								
<b>Federal Supplemental Educational Opportunity Grants</b>								
FSEOG Grants	84.007		07-01-16 - 06-30-17	254,469	84,824	339,293		
FSEOG Grants-Administrative Cost	84.007		07-01-16 - 06-30-17	516	-	516		
		<b>Total - Federal Supplemental Educational Opportunity Grants</b>	<b>254,985</b>	<b>254,985</b>	<b>84,824</b>	<b>339,809</b>		
<b>Federal Work-Study Program</b>								
College Work Study	84.033		07-01-16 - 06-30-17	193,273	62,326	255,599		
College Work Study-Administrative Cost	84.033		07-01-16 - 06-30-17	-	-	-		
		<b>Total - Federal Work-Study Program</b>	<b>193,273</b>	<b>193,273</b>	<b>62,326</b>	<b>255,599</b>		
<b>Federal Pell Grant Program</b>								
PELL Grants	84.063		07-01-16 - 06-30-17	7,974,322	-	7,974,322		
PELL Grants - Administrative Fee	84.063		07-01-16 - 06-30-17	13,005	-	13,005		
		<b>Total - Federal Pell Grant Program</b>	<b>7,987,327</b>	<b>7,987,327</b>	-	<b>7,987,327</b>		
<b>Federal Direct Student Loans</b>								
Direct PLUS Loans	84.268		07-01-16 - 06-30-17	144,854	-	144,854		
Direct Subsidized Loans	84.268		07-01-16 - 06-30-17	6,318,886	-	6,318,886		
Direct Unsubsidized Loans	84.268		07-01-16 - 06-30-17	5,227,516	-	5,227,516		
		<b>Total - Federal Direct Student Loans</b>	<b>11,691,256</b>	<b>11,691,256</b>	-	<b>11,691,256</b>		
<b>Total - Student Financial Assistance Cluster</b>								
		<b>20,126,841</b>	<b>20,126,841</b>	<b>147,150</b>	-	<b>20,273,991</b>		
<b>Total - U.S. Department of Education</b>								
		<b>21,470,385</b>	<b>21,411,797</b>	<b>1,209,610</b>	-	<b>22,621,407</b>		

# Fox Valley Technical College District

## Schedule of Expenditures of Federal Awards

### Year ended June 30, 2017

Assistance Program		Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>									
<b><u>Temporary Assistance for Needy Families</u></b>									
<i>Passed through the Wisconsin Department of Children &amp; Families</i>									
WI Shares Program		93.558		07-01-16 - 06-30-17	6,468	6,468	-	-	6,468
YoungStar Program		93.558		07-01-16 - 06-30-17	1,549	1,549	-	-	1,549
<b>Total - U.S. Department of Health and Human Services</b>					<b>8,017</b>	<b>8,017</b>	-	-	<b>8,017</b>
<b><u>U.S. Department of Homeland Security</u></b>									
<b><u>Assistance to Firefighters Grant</u></b>									
<i>Passed through the Wisconsin Technical College System Board</i>									
FEMA Assistance to Firefighters		97.044	12-087-153-117	07-01-16 - 08-14-16	6,671	6,671	1,000	-	7,671
<b>Total - U.S. Department of Homeland Security</b>					<b>6,671</b>	<b>6,671</b>	<b>1,000</b>	-	<b>7,671</b>
<b>TOTAL FEDERAL AWARDS</b>					<b>65,826,163</b>	<b>33,253,819</b>	<b>1,263,569</b>	<b>816,575</b>	<b>34,517,388</b>

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

Basic Financial Statements	33,246,787
Add: Hazardous Materials Public Sector Training & Planning Grants	7,037
Rounding	(5)
	<u>33,253,819</u>

The notes to the Schedule of Expenditures of Federal and State Awards along with the Independent Auditor's report are to be read in conjunction with this report.

# Fox Valley Technical College District

## Schedule of Expenditures of State Awards

### Year ended June 30, 2017

Assistance Program		State Catalog Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b>Wisconsin Department of Transportation</b>									
<b>Motorcycle Safety</b>									
Motorcycle Basic Rider Course 2016		20.395(4)(AQ)	0094-16-23	01-01-16 - 12-31-16	36,074	19,557	7,969	-	27,526
Motorcycle Basic Rider Course 2017		20.395(4)(AQ)	0094-17-08	01-01-17 - 06-30-17	14,268	7,585	31,095	-	38,680
<b>Total - Wisconsin Department of Transportation</b>					<b>50,342</b>	<b>27,142</b>	<b>39,064</b>	-	<b>66,206</b>
<b>Higher Education Aids Board</b>									
Wisconsin Tuition Grants		235.101		07-01-16 - 06-30-17	5,880	5,880	-	-	5,880
Wisconsin Higher Education Grant		235.102		07-01-16 - 06-30-17	1,393,345	1,393,345	-	-	1,393,345
Remission of Fees for Veterans and Dependents		235.105		07-01-16 - 06-30-17	204,114	204,114	-	-	204,114
Minority Undergraduate Retention		235.107		07-01-16 - 06-30-17	23,010	23,010	-	-	23,010
Academic Excellence Scholarship		235.109		07-01-16 - 06-30-17	3,375	3,375	3,375	-	6,750
Talent Incentive Program		235.114		07-01-16 - 06-30-17	76,264	76,264	-	-	76,264
Nursing Student Loan		235.117		07-01-16 - 06-30-17	12,000	12,000	-	-	12,000
Technical Excellence Scholarship		235.119		07-01-16 - 06-30-17	98,441	98,441	98,441	-	196,882
Indian Student Assistance		235.132		07-01-16 - 06-30-17	14,850	14,850	-	-	14,850
<b>Total - Higher Education Aids Board</b>					<b>1,831,279</b>	<b>1,831,279</b>	<b>101,816</b>	-	<b>1,933,095</b>
<b>Wisconsin Department of Public Instruction</b>									
<b>Minority Group Scholarships</b>									
Latinas Empowered Through Transformative Ideas in Education (LETTIE)		255.903	FY16-766802PSP	07-01-15 - 06-30-17	58,000	37,916	-	-	37,916
<b>Total - Wisconsin Department of Public Instruction</b>					<b>58,000</b>	<b>37,916</b>	-	-	<b>37,916</b>
<b>Wisconsin Technical College System Board</b>									
<b>State Aid for Technical Colleges</b>									
		292.105		07-01-16 - 06-30-17	9,052,840	9,052,840	-	-	9,052,840
<b>Grants to District Boards</b>									
Mobile Safety Training Center		292.124	12-057-124-186	07-01-15 - 08-31-16	150,000	41,559	-	-	41,559
Professional Development S Prize Project		292.124	12-038-124-157	07-01-16 - 06-30-17	71,906	71,906	-	-	71,906
Student Support Services Pathways		292.124	12-041-124-167	07-01-16 - 06-30-17	300,000	300,000	100,000	-	400,000
Information Systems Security Specialist		292.124	12-035-124-147	07-01-16 - 06-30-17	102,038	102,038	-	-	102,038
Culinary Arts Retention Initiative to Address Industry Employment Needs		292.124	12-036-124-137	07-01-16 - 06-30-17	166,950	166,950	-	-	166,950
Increasing the Manufacturing Pipeline by Creating Common Courses		292.124	12-039-124-137	07-01-16 - 06-30-17	205,828	205,828	-	-	205,828
Strengthening Manufacturing Engineering Technology Career Pathways		292.124	12-033-124-127	07-01-16 - 06-30-17	107,438	107,438	35,813	-	143,251
Machine Tool, Welding & Mechanical Design Career Pathways		292.124	12-037-124-127	07-01-16 - 06-30-17	446,664	446,664	148,888	-	595,552
Supporting Veterans' Success		292.124	12-034-190-117	07-01-16 - 06-30-17	59,482	59,482	59,483	-	118,965
Wisconsin Technical College/University of Wisconsin Collaborative		292.124	12-094-124-187	07-01-16 - 06-30-17	1,523	607	-	-	607
Plumbing Apprenticeship Expansion		292.124	12-102-124-117	07-01-16 - 06-30-17	9,216	9,216	-	-	9,216
Steam Fitting Apprentice Expansion		292.124	12-103-124-117	07-01-16 - 06-30-17	9,216	9,216	-	-	9,216
Electrician Apprentice Expansion		292.124	12-104-124-117	07-01-16 - 06-30-17	9,309	9,309	-	-	9,309
Early Childhood Education State Leadership		292.124	12-139-124-187	07-01-16 - 06-30-17	16,000	11,738	-	-	11,738
<b>Workforce Advancement Training</b>									
Workforce Succession: Addressing Critical Core Skill Gaps		292.124	12-028-124-176	07-01-15 - 08-31-16	199,796	14,496	1,611	-	16,107
Transportation		292.124	12-028-124-177	07-01-16 - 08-31-17	22,027	20,166	-	-	20,166
Skills to Achieve Operational Excellence		292.124	12-029-124-176	07-01-15 - 08-31-16	124,919	12,268	1,363	-	13,631
Transportation		292.124	12-031-124-176	07-01-15 - 08-31-16	31,552	3,765	419	-	4,184
Workforce Succession: Addressing Critical Skills		292.124	12-058-124-177	07-01-16 - 08-31-17	159,902	159,902	-	-	159,902
Skills to Achieve Operational Excellence		292.124	12-059-124-177	07-01-16 - 08-31-17	154,138	148,172	-	-	148,172
Advanced Manufacturing		292.124	12-060-124-177	07-01-16 - 08-31-17	199,991	199,991	-	-	199,991

# Fox Valley Technical College District

## Schedule of Expenditures of State Awards

### Year ended June 30, 2017

Assistance Program		State Catalog Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<i>Passed through Northeast Wisconsin Technical College</i>									
<i>Advanced Manufacturing Network – Northeast Consortium</i>		292.124	13-440-124-187	07-01-16 - 06-30-17	10,843	10,843	-	-	10,843
			<b>Total - Grants to District Boards</b>		<b>2,558,738</b>	<b>2,111,554</b>	<b>347,577</b>	-	<b>2,459,131</b>
<b>Property Tax Relief Aid</b>		292.162		07-01-16 - 06-30-17	29,119,516	29,119,516	-	-	29,119,516
<b>Wisconsin Department of Natural Resources</b>			<b>Total - Wisconsin Technical College System Board</b>		<b>40,731,094</b>	<b>40,283,910</b>	<b>347,577</b>	-	<b>40,631,487</b>
<i>State Aid in lieu of Property Taxes</i>		370.503		07-01-16 - 06-30-17	40,985	40,985	-	-	40,985
<b>Wisconsin Department of Workforce Development</b>			<b>Total - Wisconsin Department of Natural Resources</b>		<b>40,985</b>	<b>40,985</b>	-	-	<b>40,985</b>
<i>Wisconsin Fast Forward / Blueprint for Prosperity</i>		445.109	BP-142-TC--FV	07-11-14 - 12-31-16	3,029,890	457,645	-	-	457,645
<b>Rehabilitation Services Vocational Rehabilitation Grants to States</b>									
<i>Passed through the Wisconsin Department of Workforce Development</i>		445.509		07-01-16 - 06-30-17	20,791	20,791	-	-	20,791
<i>Rehabilitation Services-Vocational Rehabilitation Grants to States</i>			<b>Total - Wisconsin Department of Workforce Development</b>		<b>3,050,681</b>	<b>478,436</b>	-	-	<b>478,436</b>
<b>Wisconsin Department of Justice</b>									
<i>Law Enforcement Training Fund-Local Assistance</i>		455.231	2017LE0111884	09-14-16 - 09-14-16	1,500	1,500	674	-	2,174
<i>WI Training &amp; Standards Bureau-Law Enforcement Specialized Training</i>		455.231	2017LE0111889	09-26-16 - 10-07-16	3,712	3,683	-	-	3,683
<i>WI Training &amp; Standards Bureau-First Line Supervisors Course</i>		455.231	2017LE0112270	06-11-17 - 06-16-17	2,400	2,400	-	-	2,400
			<b>Total - Wisconsin Department of Justice</b>		<b>7,612</b>	<b>7,583</b>	<b>674</b>	-	<b>8,257</b>
<b>Wisconsin Department of Revenue</b>									
<i>State Aid-Computers</i>		835.109		07-01-16 - 06-30-17	270,939	270,939	-	-	270,939
			<b>Total - Wisconsin Department of Revenue</b>		<b>270,939</b>	<b>270,939</b>	-	-	<b>270,939</b>
<b>TOTAL STATE AWARDS</b>					<b>46,040,932</b>	<b>42,978,190</b>	<b>489,131</b>	-	<b>43,467,321</b>

### Reconciliation of State Revenue to Basic Financial Statements

State Operating Appropriations	38,484,280
State Grants included in Operating Revenue	4,617,201
<b>Total State Revenue</b>	<b>43,101,481</b>
Deduct items not included for Single Audit:	
Emergency Assistance (292.104)	(32,839)
Truck Driving Program (292.128)	(36,181)
Fire Fighter Training 2% (292.137)	(54,271)
	<u>42,978,190</u>

The notes to the Schedule of Expenditures of Federal and State Awards along with the Independent Auditor's report are to be read in conjunction with this report.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to the Schedules of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2017

**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, 2017. 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 2016-2017 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.

**NOTE C – INDIRECT COST RATE**

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

**NOTE D - 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, 2017

**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
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No

Identification of major federal programs:

<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
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	\$997,615

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, 2017

**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
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Any audit findings disclosed that are required to be reported in accordance with the <i>State of Wisconsin Single Audit Guidelines</i> ?	No
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Identification of major state programs:

<u>Name of State Program</u>	<u>State I.D. Number</u>
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
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**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, 2017

**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 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

November 13, 2017



**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Schedule of Prior Year Findings and Corrective Action Plan  
For the Year Ended June 30, 2017

**Schedule of Prior Year Findings**

None

**Corrective Action Plan**

None required



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