



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

# Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2019



Fox Valley Technical College

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Fox Valley Technical College District  
**Comprehensive Annual  
Financial Report**  
for the Fiscal Year ended June 30, 2019

Prepared by  
Financial Services Department of Fox Valley Technical College

## Contact

**Paula Battermann**, CPA, Controller

## District Board of Trustees

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# INTRODUCTORY SECTION

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
June 30, 2019

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**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
June 30, 2019

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December 17, 2019

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, 2019, 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, 2019. 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.

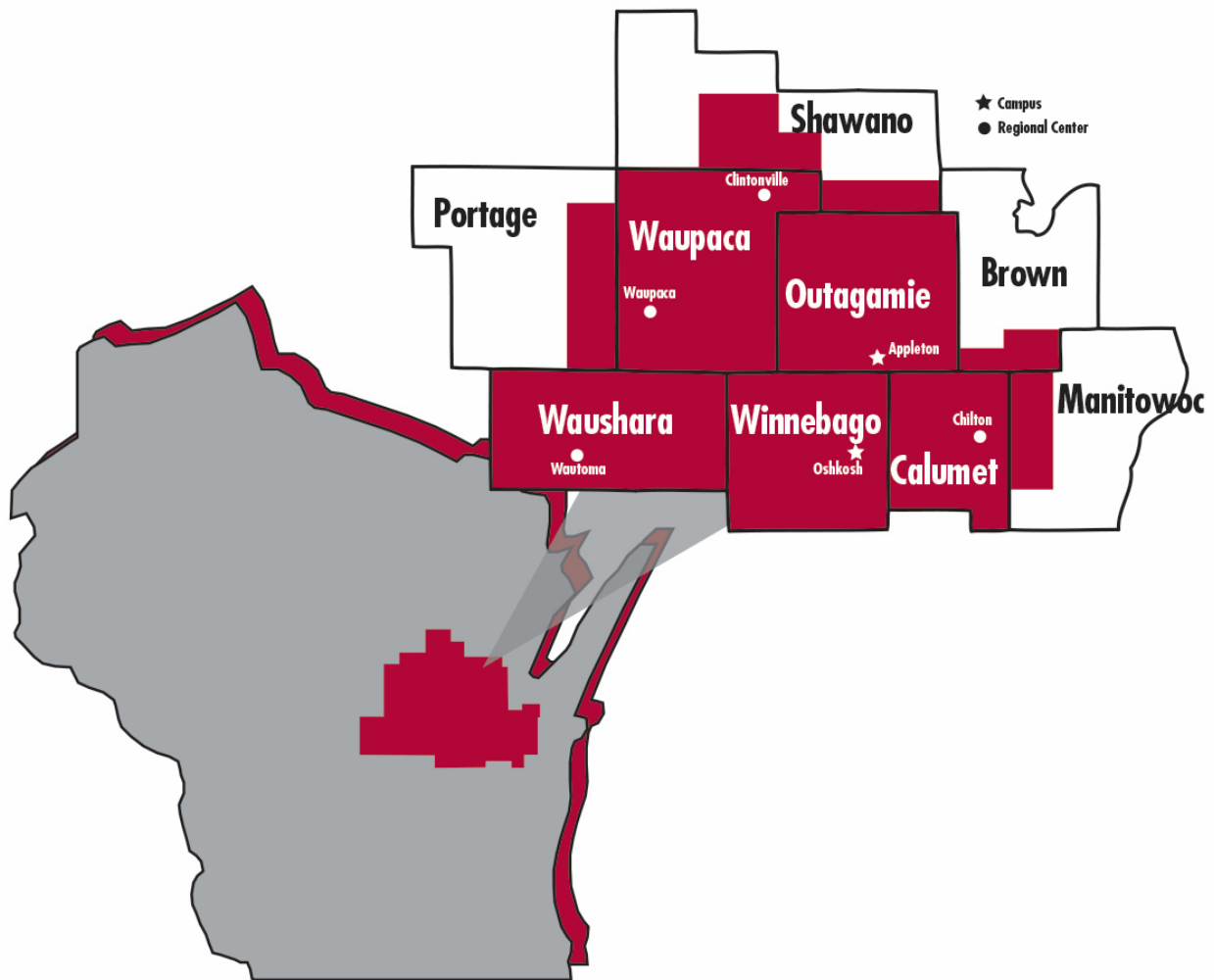
Please direct your attention to Management's Discussion and Analysis (MD&A), found in the Financial Section of the CAFR. The purpose of the MD&A is to provide users of the District's basic financial statements with a narrative introduction, overview, and analysis of those statements.

## 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) 2017 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.

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 2.6% in Calumet County to 3.9% in Waushara County, District enrollment levels are continuing to trend down. 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 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 amount shifted is also a flat revenue source.

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

### Major Initiatives

*Electrician Apprenticeship Building Addition:* To support enrollment growth, a 5,100 sq foot building addition will be constructed at the south end of the Appleton Main Campus. The addition will provide a residential wiring lab that is more than double the size of the existing lab, a new commercial wiring lab, an updated/flexible industrial electrician lab and an open space for larger lab activities such as conduit bending. In addition, the current Electrician Apprenticeship labs will be updated. This project positions the District to lead the WTCS in Electrical Apprenticeship instruction and better serve the training needs of area employers.

*Midwest Aircraft Rescue and Fire Fighting (ARFF) Complex:* Working in partnership with the Appleton International Airport, Oshkosh Corporation, and Pierce Manufacturing the District will soon add a Midwest Aircraft Rescue and Fire Fighting (ARFF) facility and associated Striker ARFF Vehicle near

its Public Safety Training Center. Planning has begun for the complex to open in spring of 2020 and provide training to airport firefighters from all across the Midwest for FAA-required live burn training involving various aircraft. The facility will also be used for customized training and provide fire protection and emergency response students access to some very unique training experiences. While the facility will be operated by the District, it will be owned by the airport, with significant funding obtained from the Federal Aviation Administration (FAA).

*JA (Junior Achievement) Wisconsin:* The District partnered with JA Wisconsin to establish the Junior Achievement Career Exploration and Financial Literacy Education Center with a scheduled opening in mid October. The storefronts will represent a wide range of occupational and technical careers available in the Fox Valley region.

*Reaccreditation:* The AQIP Pathway is one of three options institutions have for maintaining accreditation with the Higher Learning Commission (HLC). In March 2019, the District was recommended to the Open Pathway process for accreditation to transition away from the AQIP Pathway which is being discontinued. To adjust for the change from eight-year to ten year timeframe, the District begins the Open Pathway in 2019-20 (year 5) with a Quality Initiative to be submitted in 2021-22 (year 7) and a Comprehensive Evaluation Visit in 2024-25 (year 10).

### **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,

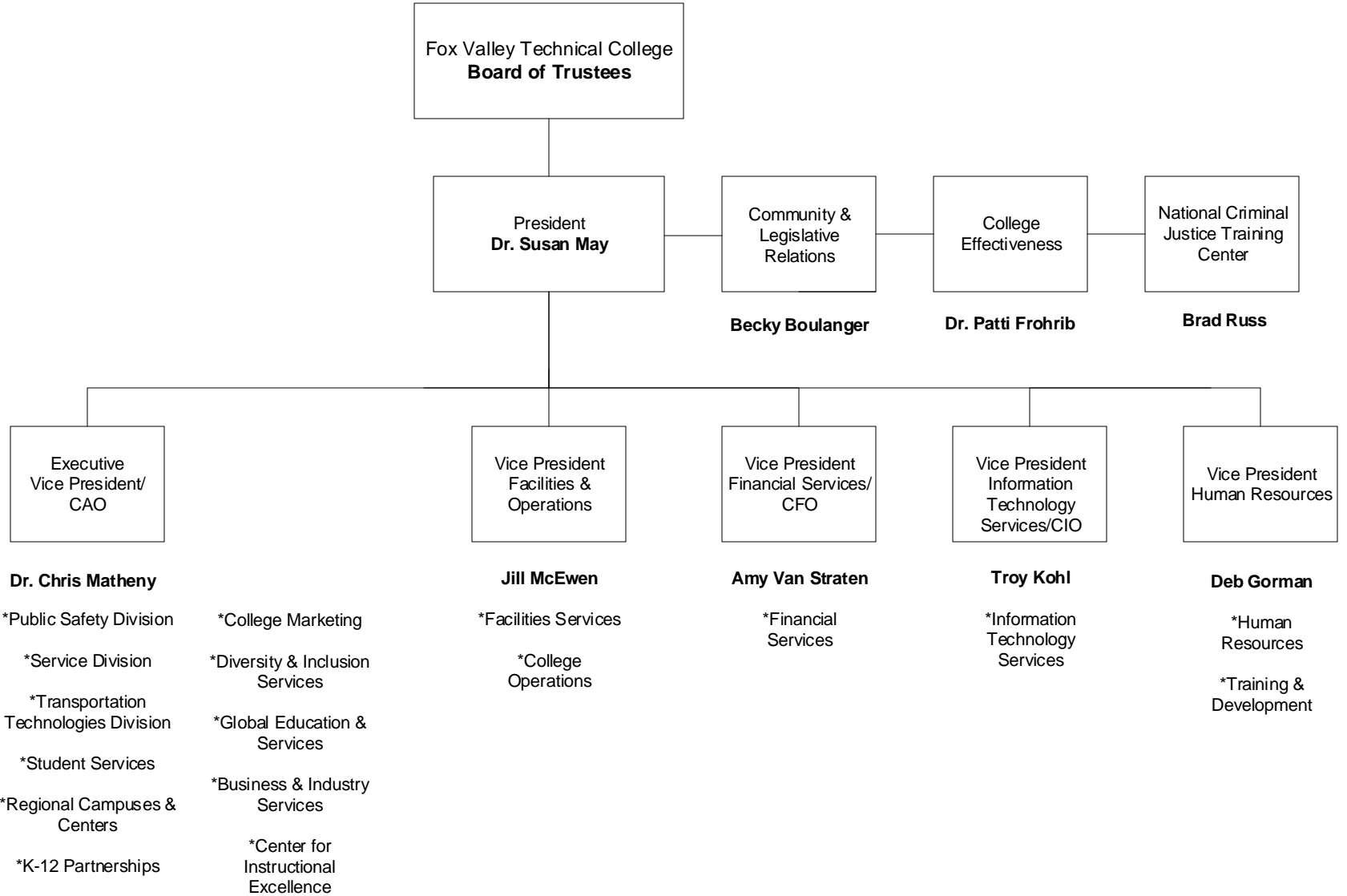
Dr. Susan A. May  
President

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, 2019, 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 audit 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, 2019, and its changes in financial position and cash flows for the year 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 schedule of changes in the District's total OPEB liability and related ratios, 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 2019 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 2018 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 6, 2018. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2018, 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 15, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or 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 15, 2019  
Madison, Wisconsin



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### Overview of the Financial Statements

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

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

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

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

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

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

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

The following is a summary of the various components of the Statement of Net Position:

	2019	2018	Increase or (Decrease)		2017
			\$	%	
<b>ASSETS</b>					
Cash and investments	\$29,843	\$32,407	(\$2,564)	-7.9%	\$30,618
Net capital assets	145,234	143,621	1,613	1.1%	140,129
Other assets	45,079	57,600	(12,522)	-21.7%	47,360
Total assets	220,156	233,629	(13,472)	-5.8%	218,108
Deferred Outflows of Resources	39,736	22,192	17,544	79.1%	24,066
<b>LIABILITIES</b>					
Current liabilities	32,185	33,258	(1,073)	-3.2%	34,091
Long-term liabilities	92,081	81,687	10,395	12.7%	90,162
Total liabilities	124,266	114,945	9,321	8.1%	124,253
Deferred Inflows of Resources	20,624	24,462	(3,838)	-15.7%	10,740
<b>NET POSITION</b>					
Net investment in capital assets	65,322	62,073	3,249	5.2%	56,033
Restricted for:					0
Debt service	16,607	16,295	312	1.9%	16,026
Unrestricted	33,073	38,045	(4,972)	-13.1%	36,949
Total net position	\$115,002	\$116,414	(\$1,411)	-1.2%	\$109,008

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

From 2018 to 2019, total assets decreased by \$13.5 million, or 5.8%. Significant changes are as follows:

- ❖ Cash and investments decreased by \$2.6 million, or 7.9%. Two notable events contributed to this decrease:
  - The cash balance in the self-insurance fund decreased by \$955,000 as a result of a planned draw down of fund balance.
  - The District made an advance payment to the Wisconsin Retirement System (WRS) of \$884,000.
- ❖ Net capital assets increased by \$1.6 million, or 1.1%, as a result of \$16.4 million in new depreciable assets placed in service less accumulated depreciation and asset disposals. For additional information, see Note C in Notes to Basic Financial Statements.
- ❖ Other assets experienced a net decrease of \$12.5 million, or 21.7%. There are several factors that contributed to this net change:
  - The District's net share of the Wisconsin Retirement System (WRS) net pension asset (obligation) decreased by \$27.1 million, resulting in a net pension liability of \$14.8 million at June 30, 2019 versus a \$12.3 million asset at June 30, 2018. The decrease is primarily the result of lower market returns in 2018 compared to 2017. For additional information on the calculation of this net asset, see Note F in Notes to Basic Financial Statements.
  - Restricted cash decreased \$1.8 million due to the timing of payments for capital purchases. For additional information, see Note D in the Notes to Basic Financial Statements.
  - Prepaid expenses increased by \$882,000 primarily due to a down payment on a firetruck of \$656,000.
  - Net receivables increased by \$593,000. The majority of the increase was due to property taxes receivable (\$527,000) which were fully collected in August. (The timing of collections varies from year to year.)

Deferred outflows of resources related to pension benefits and other post-employment benefits (OPEB) increased by \$17.5 million, or 79.1%. The change is attributable to the net difference between projected versus actual earnings on investments, primarily the result of lower market returns in 2018 compared to 2017 in addition to contributions made subsequent to the measurement date of each. For additional information, see Notes F and G in the Notes to Basic Financial Statements.

From 2018 to 2019, total liabilities increased by \$9.3 million, or 8.1%. Significant changes are as follows:

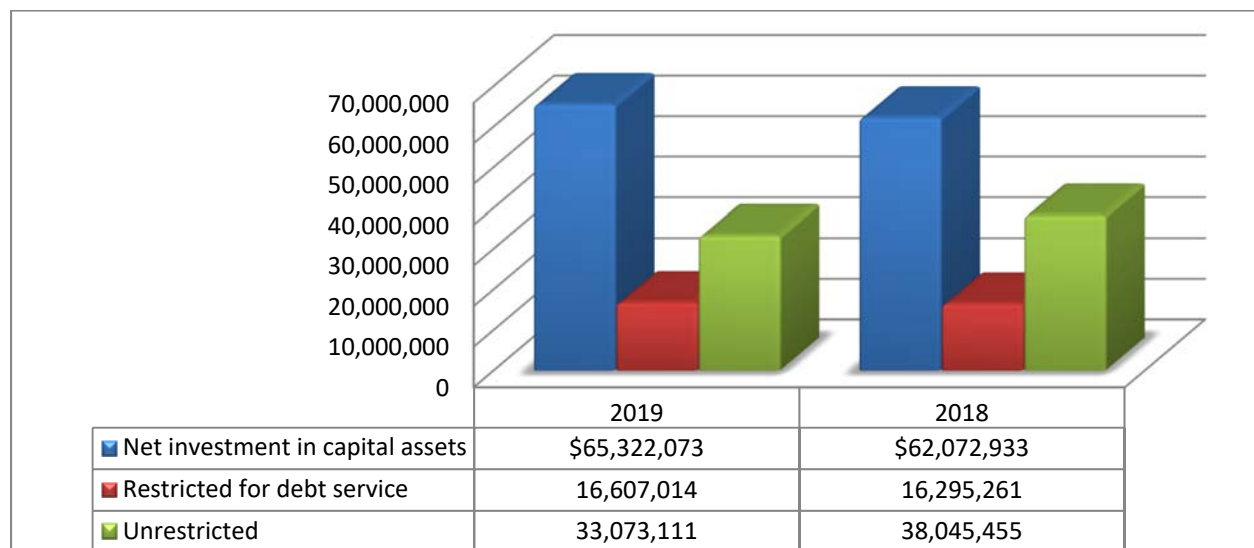
- ❖ Accrued payroll and other payroll related accruals decreased by \$1.1 million due to the earlier payment to the WRS, mentioned previously.
- ❖ The net pension asset of \$12.3 million was replaced by a net liability of \$14.8 million, a change of \$27.1 million. As part of GASB Statement No. 68, *Accounting 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 \$2.5 million, resulting in a decrease in total debt outstanding.
- ❖ The total OPEB liability decreased by \$1.6 million. The decrease is primarily due to benefit payments made during the year.

Deferred inflows of resources related to pension benefits and OPEB decreased by \$3.8 million, or 15.7%. 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 Notes F and G in the Notes to Basic Financial Statements.

From 2018 to 2019, total net position decreased by \$1.4 million, or 1.2%.

- ❖ The largest portion of the District's net position (61.4%) 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 \$1.6 million in net capital assets combined with a decrease in debt related to capital assets of \$1.6 million contributed to the net increase of \$3.2 million in the amount invested in capital assets, net of related debt.

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:

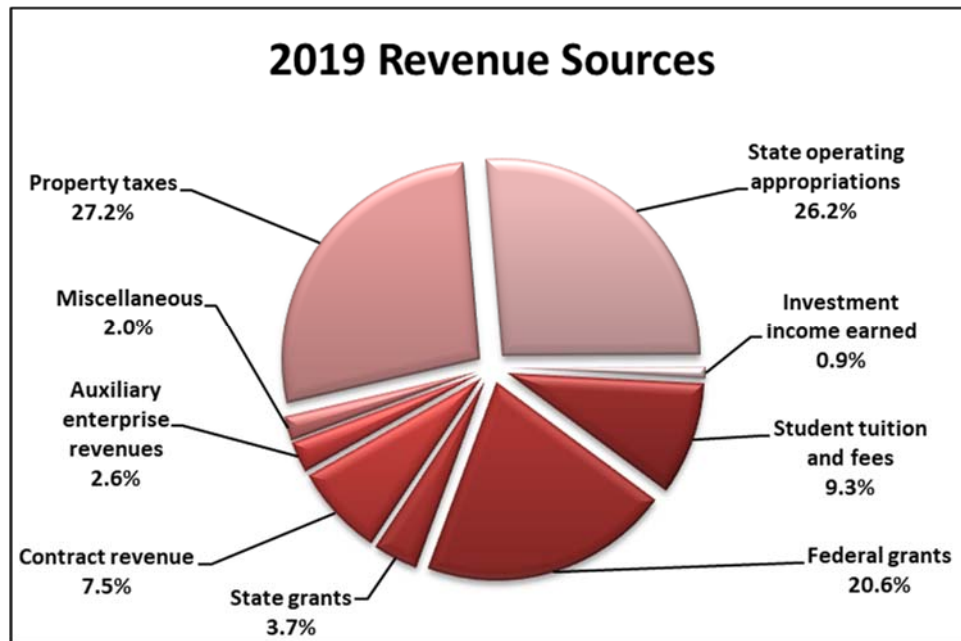
	2019	2018	Increase or (Decrease)		2017
			\$	%	
Operating Revenues:					
Student tuition and fees	\$13,709	\$13,399	\$310	2.3%	\$13,400
Federal grants	30,387	31,568	(1,181)	-3.7%	33,247
State grants	5,466	4,984	482	9.7%	4,617
Contract revenue	11,080	10,633	448	4.2%	10,162
Auxiliary enterprise revenues	3,776	3,698	78	2.1%	3,412
Miscellaneous	2,971	4,395	(1,424)	-32.4%	2,259
Total operating revenues	\$67,388	\$68,676	(\$1,288)	-1.9%	\$67,097

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

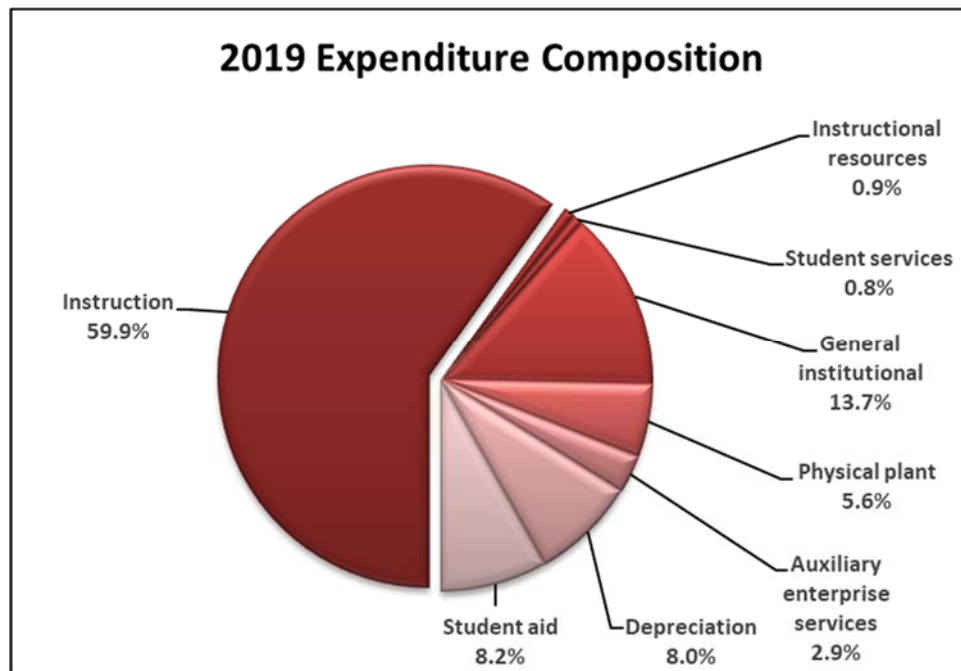
Operating revenues are the charges for services offered by the District. During 2019, the District generated \$67.4 million of operating revenue. This is a decrease of \$1.3 million, or 1.9%, from 2018. Significant changes were as follows:

- ❖ Federal grant revenue decreased by \$1.2 million, or 3.7%. The majority of the decrease was due to the reduction in funding received for student financial aid of \$1.6 million offset by increased grant activity of \$335,000.
- ❖ Miscellaneous revenue decreased by \$1.4 million, or 32.4%, as a result of a unique prior year contribution of \$1.8 million from the Fox Valley Technical College Foundation for construction of the Wautoma Regional Center. The decrease was offset by additional scholarships provided by the Foundation of \$198,000.

The graph below summarizes the District's 2019 operating and non-operating revenue sources:



The graph below categorizes the District's 2019 operating expenses by function.



	2019	2018	Increase or (Decrease)		2017
			\$	%	
Operating Expenses:					
Instruction	\$82,230	\$76,577	\$5,653	7.4%	\$76,490
Instructional resources	1,247	1,085	162	14.9%	1,148
Student services	10,847	9,815	1,032	10.5%	10,509
General institutional	18,873	17,131	1,741	10.2%	18,578
Physical plant	7,625	7,250	375	5.2%	8,293
Auxiliary enterprise services	3,961	3,688	273	7.4%	3,615
Depreciation	10,997	10,438	559	5.4%	9,936
Student aid	11,272	11,782	(510)	-4.3%	12,870
Total operating expenses	\$147,051	\$137,766	\$9,285	6.7%	\$141,440

\* 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 2018 to 2019, total operating expenses increased \$9.3 million, or 6.7%. Significant changes were as follows:

- ❖ Instruction expenses increased by \$5.7 million, or 7.4%. Significant changes were as follows:
  - The allocation of health insurance costs to instruction resulted in a net increase in expenses of \$2.9 million over the prior year. The significant change was due to a return of excess fund balances from the Wisconsin Technical College Employee Benefit Consortium in 2018 which reduced expenses for that year. For additional information see Note H in the Notes to Basic Financial Statements.
  - The WRS pension adjustment allocated to instruction increased \$2.7 million. For additional information see Note F in the Notes to Basic Financial Statements.
  - Purchases of minor equipment increased by \$314,000 due to a change in capitalization threshold from \$1,000 to \$2,000 thus resulting in an increase in expenses that were previously considered capital in nature. (Note the threshold for fiscal year 2020 will be \$5,000.)

- ❖ Student Services expenses increased by \$1.0 million, or 10.5%. Significant changes were as follows:
  - The allocation of health insurance costs to student services resulted in a net increase in expenses of \$413,000 over the prior year. The significant change was due to a return of excess fund balances from the Wisconsin Technical College Employee Benefit Consortium in 2018 which reduced expenses for that year. For additional information see Note H in the Notes to Basic Financial Statements.
  - The WRS pension adjustment allocated to student services increased \$398,000. For additional information see Note F in the Notes to Basic Financial Statements.
  - Additional Campus Care Clinic hours resulted in an increase of contracted nursing expenses of \$159,000.
  
- ❖ General institutional expenses increased by \$1.7 million, or 10.2%. Significant changes were as follows:
  - The allocation of health insurance costs to general institutional resulted in a net increase in expenses of \$825,000 over the prior year. The significant change was due to a return of excess fund balances from the Wisconsin Technical College Employee Benefit Consortium in 2018 which reduced expenses for that year. For additional information see Note H in the Notes to Basic Financial Statements.
  - The WRS pension adjustment allocated to general institutional increased \$779,000. For additional information see Note F in the Notes to Basic Financial Statements.
  - Software maintenance increased by \$273,000 due to an increase in cloud-based software solutions.

Non-operating revenues and expenses are not directly related to the operations of the District. Total non-operating revenues (expenses) increased \$2.0 million, or 2.6%, from 2018 to 2019. There were no significant changes. See summary below.

	2019	2018	Increase or (Decrease)		2017
			\$	%	
<b>Non-Operating Revenues:</b>					
Property taxes	\$40,274	\$39,471	\$803	2.0%	\$38,780
State operating appropriations	38,794	38,103	691	1.8%	38,484
Gain (loss) on sale of capital assets	(395)	(9)	(385)	4181.4%	(349)
Investment income earned	1,371	520	851	163.5%	234
<b>Subtotal of Non-Operating Revenues</b>	<b>80,044</b>	<b>78,085</b>	<b>1,959</b>	<b>2.5%</b>	<b>77,149</b>
<b>Non-Operating Expenses:</b>					
Interest expense	1,691	1,752	(61)	-3.5%	1,870
Debt issuance costs	187	183	4	2.3%	175
<b>Subtotal of Non-Operating Expenses</b>	<b>1,878</b>	<b>1,935</b>	<b>(57)</b>	<b>-3.0%</b>	<b>2,045</b>
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$78,167</b>	<b>\$76,150</b>	<b>\$2,017</b>	<b>2.6%</b>	<b>\$75,103</b>

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

## Budget Variances in the General Fund

<u>2019</u>	Original Budget	Final Amended Budget	Actual (Budgetary Basis)	Increase or (Decrease) From Budget
Total revenues	\$82,875	\$83,314	\$83,241	(\$73)
Total expenditures	85,785	86,357	84,376	(1,981)
Other financing sources (uses)	2,399	2,376	1,244	(1,132)
Excess (deficiency)	(\$511)	(\$667)	\$109	\$776

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

There were two significant changes to the 2019 budget:

- ❖ Revenue and expenditure budgets were increased by \$391,000 to reflect the doubling of enrollments in the Aviation-Pilot program.
- ❖ The deficiency budget was amended due to an increase in the Reserve for Encumbrances, resulting from the routine shifting of outstanding year-end commitments from the old fiscal year to the new fiscal year.

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

- ❖ Program (tuition) fees were \$503,000 less than budget. Total enrollments declined 3.6% in 2019, while the budget assumed flat enrollments.
- ❖ Institutional revenue was \$546,000 greater than budget. The Investment Gain/Loss, which is not budgeted due to its unpredictable nature, was a positive \$394,000.
- ❖ Salary and fringe expenditures were under budget by \$618,000. The favorable variance is attributable to greater-than-anticipated management retirements and support staff promotions. These staff changes resulted in numerous temporary position vacancies.
- ❖ Total non-salary expenditures were under budget by \$1.4 million. The contingency budget was substantially unused and contracted services expenditures were under budget due to lower-than-anticipated consulting costs.
- ❖ Inter-fund Transfers into the General Fund were \$1.1 million less than budget. These transfers are contingent upon overall General Fund results. Due to favorable results, fewer funds transfers occurred.

The factors listed above led to actual results that were \$776,000 better than budget.

### Capital asset and long-term debt activity

The District's investment in capital assets as of June 30, 2019 was \$145.2 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, intangible assets, equipment, and construction in progress. The total increase in capital assets for the current fiscal year was approximately 1.1%, compared to 2.5% the prior year.

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

- ❖ In partnership with the Wautoma Area School District and the Fox Valley Technical College Foundation, the Wautoma Regional Center opened in August 2018. The approximate 12,000 square foot facility offers classes in truck driving, industrial maintenance, nursing assistant, agriculture, welding, business, and adult basic education, as well as classes in personal enrichment.



- ❖ The Chemistry and Anatomy & Physiology (A&P) Labs, as well as the Science Labs and Classrooms, were remodeled. The space had not been comprehensively updated since the original construction in 1970.
  - The Chemistry and A&P Lab remodel includes two new A&P Labs, a General Chemistry Lab and a Clinical Chemistry Lab.
  - The Science Labs and Classrooms remodel includes a dividable classroom, which can also serve as an additional Science Lab, as well as a new cadaver lab.
- ❖ The Unified Communications System, Phone and Call Center project was completed. The project included the replacement of the current phone infrastructure, the replacement of all non-analog phones, and the implementation of call center software and reporting. The previous system had been in place since the 1980's and had reached end of life.
- ❖ Shared clinical space and lab classrooms were remodeled for the new Cosmetology and Esthetician Programs and the existing Therapeutic Massage Program. The clinic will support the three technical diplomas in the simulation of a day spa environment for student clinical experiences that are open to the community.

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:

*"Fox Valley Technical College District, WI (Aaa) has a large and diverse tax base, and healthy reserves. The district's strong management and conservative budgeting continues to drive maintenance of healthy finances despite a declining enrollment trend and limits on raising revenue. At the same time, the District also benefits from a low debt burden and a moderate pension liability."*

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**

On July 3, 2019, the Wisconsin Governor Tony Evers signed into law 2019 Act 9, the 2019-21 state budget. The budget bill proposed increases of \$6.0 million in 2019-20 and \$12 million in 2020-21 for technical college general aid. The Legislature increased these amounts to \$12.5 million in each year an increase of 14.1% over the base year. The additional state aid to the District is estimated at \$1.2 million per year. The District budget for the 2019-20 year will be amended for this increase and directed toward supporting program expansions.

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 12, 2019, the Department of Revenue provided the District's actual valuation factor of 1.608034% which allows the operating levy to increase \$801,104 for fiscal year 2020.

Property tax relief aid was also originated from the Wisconsin 2013 Act 145, which shifted \$406 million in funding for the technical college system from property taxes to state aid. The District's portion amounts to a flat \$29.1 million a year with no mechanism for increase. While this funding can be returned to the property tax rolls if state funding were to be cut in the future, this would likely be negatively received by the taxpayers of the District.

Unemployment rates continue at historic lows. The second quarter unemployment rate for Wisconsin was 2.8% compared to the national average of 3.6% (Wisconsin Economic Outlook September 2019 report). 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, as the Wisconsin Technical College System's *Graduate Outcomes Report for the year 2018* stated that 94% of fiscal year'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. This statistic is consistent with the prior year report. The report also notes a driving force in the state's local and regional economy is due to 94% of technical college graduates choosing to stay and work in Wisconsin. The reported median annual salary for 2018 graduates earning an Associate's degree was \$43,678. This is an increase of 6.5% over the prior year for graduates 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, 2019

With Comparative Amounts as of June 30, 2018

	2019		2018	
	District	Foundation	District	Foundation
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 29,843,264	\$ 14,200,415	\$ 32,407,231	\$ 13,055,698
Receivables				
Accounts	6,986,778	128,210	6,594,730	33,704
Property taxes	9,834,246	-	9,307,100	-
Federal and state aid	83,787	-	110,495	-
Student fees, net	10,019,164	-	10,318,326	-
Interest	95,068	-	67,732	-
Unconditional promises to give	-	96,697	-	131,456
Inventories	173,319	-	117,649	-
Prepaid items	1,377,165	-	495,325	-
Property held for investment	-	422,020	-	418,348
<b>Total Current Assets</b>	<b>58,412,791</b>	<b>14,847,342</b>	<b>59,418,588</b>	<b>13,639,206</b>
Noncurrent Assets				
Restricted cash and investments	16,509,245	-	18,274,020	-
Net pension asset	-	-	12,315,047	-
Unconditional promises to give	-	56,113	-	75,036
Capital assets				
Non-depreciable	2,877,964	841,204	5,949,946	841,204
Depreciable	142,356,138	4,213,584	137,670,919	4,363,559
<b>Total Noncurrent Assets</b>	<b>161,743,347</b>	<b>5,110,901</b>	<b>174,209,932</b>	<b>5,279,799</b>
<b>TOTAL ASSETS</b>	<b>220,156,138</b>	<b>19,958,243</b>	<b>233,628,520</b>	<b>18,919,005</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension/OPEB	39,735,785	-	22,191,977	-
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	2,220,626	547,369	2,211,159	473,261
Accrued payroll, payroll taxes and retirement	3,868,990	-	4,952,798	-
Accrued vacation	877,482	-	876,533	-
Accrued health and dental claims	54,000	-	54,000	-
Accrued interest	207,168	-	176,419	-
Unearned student fees	9,608,556	-	9,570,439	-
Other unearned revenue	416,950	-	562,936	-
Due to other organizations	211,291	-	216,842	-
Current portion of long-term liabilities	14,719,597	54,532	14,636,934	218,512
<b>Total Current Liabilities</b>	<b>32,184,660</b>	<b>601,901</b>	<b>33,258,060</b>	<b>691,773</b>
Long-term Liabilities				
Bonds and notes payable	66,180,000	272,554	68,765,000	326,830
Debt premium	4,579,812	-	4,719,101	-
Total OPEB liability	6,502,376	-	8,056,844	-
Net pension liability	14,807,942	-	-	-
Capital lease obligations	11,338	-	145,935	-
<b>Total Long-term Liabilities</b>	<b>92,081,468</b>	<b>272,554</b>	<b>81,686,880</b>	<b>326,830</b>
<b>TOTAL LIABILITIES</b>	<b>124,266,128</b>	<b>874,455</b>	<b>114,944,940</b>	<b>1,018,603</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pension/OPEB	20,623,597	-	24,461,908	-
<b>NET POSITION</b>				
Net investment in capital assets	65,322,073	4,727,702	62,072,933	4,659,421
Restricted for debt service	16,607,014	-	16,295,261	-
Restricted for scholarships and other activities	-	6,839,305	-	6,434,101
Unrestricted	33,073,111	7,516,781	38,045,455	6,806,880
<b>TOTAL NET POSITION</b>	<b>\$ 115,002,198</b>	<b>\$ 19,083,788</b>	<b>\$ 116,413,649</b>	<b>\$ 17,900,402</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, 2019  
With Comparative Amounts for the Year Ended June 30, 2018

	2019		2018	
	District	Foundation	District	Foundation
<b>Operating Revenues</b>				
Student program fees, net of scholarship allowances of \$7,547,174 and \$7,944,532 for 2019 and 2018	\$ 10,335,289	\$ -	\$ 10,195,860	\$ -
Student material fees, net of scholarship allowances of \$497,975 and \$575,211 for 2019 and 2018	681,946	-	738,221	-
Other student fees, net of scholarship allowances of \$1,965,368 and \$1,920,527 for 2019 and 2018	2,691,424	-	2,464,767	-
Federal grants	30,387,194	-	31,567,700	-
State grants	5,465,656	-	4,983,771	-
Contract revenue	11,080,140	-	10,632,506	-
Auxiliary enterprise revenues	3,775,616	-	3,697,856	-
Miscellaneous	2,971,162	3,373,222	4,395,264	4,036,415
<b>Total Operating Revenues</b>	<b>67,388,427</b>	<b>3,373,222</b>	<b>68,675,945</b>	<b>4,036,415</b>
<b>Operating Expenses</b>				
Instruction	82,230,263	-	76,577,127	-
Instructional resources	1,246,755	-	1,084,764	-
Student services	10,847,144	-	9,814,999	-
General institutional	18,872,634	2,699,620	17,131,145	4,944,501
Physical plant	7,624,508	-	7,249,934	-
Auxiliary enterprise services	3,960,824	-	3,688,062	-
Depreciation	10,996,713	149,975	10,438,005	149,976
Student aid	11,272,007	-	11,781,709	-
<b>Total Operating Expenses</b>	<b>147,050,848</b>	<b>2,849,595</b>	<b>137,765,745</b>	<b>5,094,477</b>
<b>Operating Income (Loss)</b>	<b>(79,662,421)</b>	<b>523,627</b>	<b>(69,089,800)</b>	<b>(1,058,062)</b>
<b>Nonoperating Revenues (Expenses)</b>				
Property taxes	40,273,853	-	39,470,584	-
State operating appropriations	38,794,081	-	38,103,049	-
Gain (loss) on sale of capital assets	(394,573)	-	(9,216)	-
Investment income earned	1,370,774	680,010	520,223	884,893
Interest expense	(1,690,560)	(20,251)	(1,752,051)	(28,803)
Bond issuance costs	(186,975)	-	(182,775)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>78,166,600</b>	<b>659,759</b>	<b>76,149,814</b>	<b>856,090</b>
<b>Income before Capital Contributions</b>	<b>(1,495,821)</b>	<b>1,183,386</b>	<b>7,060,014</b>	<b>(201,972)</b>
<b>Capital Contributions</b>	<b>84,370</b>	<b>-</b>	<b>345,991</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(1,411,451)</b>	<b>1,183,386</b>	<b>7,406,005</b>	<b>(201,972)</b>
<b>Net Position - July 1, as restated</b>	<b>116,413,649</b>	<b>17,900,402</b>	<b>109,007,644</b>	<b>18,102,374</b>
<b>Net Position - June 30</b>	<b>\$ 115,002,198</b>	<b>\$ 19,083,788</b>	<b>\$ 116,413,649</b>	<b>\$ 17,900,402</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, 2019  
With Comparative Amounts for the Year Ended June 30, 2018

	2019		2018	
	District	Foundation	District	Foundation
<b>Cash Flows from Operating Activities</b>				
Tuition and fees received	\$ 14,045,938	\$ -	\$ 13,659,456	\$ -
Federal and state grants received	35,733,572	-	36,734,178	-
Contract revenue received	10,618,038	-	10,689,105	-
Auxiliary enterprise revenues received	3,775,616	-	3,697,856	-
Other receipts	2,971,162	3,324,205	4,395,264	4,095,918
Payments to employees	(93,841,441)	-	(87,064,320)	-
Payments to suppliers	(39,972,691)	(2,625,511)	(40,338,820)	(4,841,559)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(66,669,806)</b>	<b>698,694</b>	<b>(58,227,281)</b>	<b>(745,641)</b>
<b>Cash Flows from Noncapital Financing Activities</b>				
Local property taxes received	39,746,707	-	39,563,488	-
State appropriations received	38,794,081	-	38,103,049	-
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>78,540,788</b>	<b>-</b>	<b>77,666,537</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchases of capital assets	(12,783,529)	-	(13,677,456)	(365,001)
Proceeds from disposal of capital assets	(52,254)	-	333,103	-
Proceeds from disposition in property held for investment	-	360,000	-	317,500
Expenditures on property held for investment	-	(354,089)	-	(336,949)
Proceeds from issuance of capital debt	11,800,000	-	11,800,000	-
Premium received on debt issuance	594,706	-	594,706	-
Debt issuance costs paid	(186,975)	-	(182,775)	-
Principal paid on capital debt	(14,521,304)	(218,257)	(14,633,168)	(210,256)
Interest paid on capital debt	(2,393,806)	(20,251)	(2,593,348)	(28,803)
<b>Net Cash (Used in) Capital and Related Financing Activities</b>	<b>(17,543,162)</b>	<b>(232,597)</b>	<b>(18,358,938)</b>	<b>(623,509)</b>
<b>Cash Flows from Investing Activities</b>				
Sales of long-term investments	64,724,295	7,344,289	22,173,999	13,310,622
Purchase of long-term investments	(63,925,804)	(7,583,513)	(33,644,092)	(11,519,552)
Investment income received	1,343,438	917,844	513,997	230,840
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>2,141,929</b>	<b>678,620</b>	<b>(10,956,096)</b>	<b>2,021,910</b>
<b>Change in Cash and Cash Equivalents</b>	<b>(3,530,251)</b>	<b>1,144,717</b>	<b>(9,875,778)</b>	<b>652,760</b>
<b>Cash and Cash Equivalents - July 1</b>	<b>20,296,040</b>	<b>2,128,066</b>	<b>30,171,818</b>	<b>1,475,306</b>
<b>Cash and Cash Equivalents - June 30</b>	<b>\$ 16,765,789</b>	<b>\$ 3,272,783</b>	<b>\$ 20,296,040</b>	<b>\$ 2,128,066</b>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>				
Cash and investments in current assets	\$ 29,843,264	\$ 14,200,415	\$ 32,407,231	\$ 13,055,698
Cash and investments in restricted assets	16,509,245	-	18,274,020	-
Less: investments	(29,586,720)	(10,927,632)	(30,385,211)	(10,927,632)
<b>Cash and Cash Equivalents - June 30</b>	<b>\$ 16,765,789</b>	<b>\$ 3,272,783</b>	<b>\$ 20,296,040</b>	<b>\$ 2,128,066</b>
<b>Noncash Investing, Capital and Financing Activities</b>				
Capital assets purchased by issuance of capital leases and contributions	\$ 84,370	\$ -	\$ 248,845	\$ -

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Statement of Cash Flows (Continued)  
For the Year Ended June 30, 2019  
With Comparative Amounts for the Year Ended June 30, 2018

	2019		2018	
	District	Foundation	District	Foundation
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (79,662,421)	\$ 523,627	\$ (69,089,800)	\$ (1,058,062)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	10,996,713	149,975	10,438,005	149,976
Bad debt expense	-	4,285	-	4,580
Gain on sale of property held for investment	-	(9,583)	-	(35,776)
Changes in assets and liabilities				
Receivables				
Accounts	(392,048)	(98,791)	1,996,217	128,966
Federal and state aid	26,708	-	72,164	-
Student fees	299,162	-	78,734	-
Unconditional promises to give	-	55,072	-	86,733
Inventories	(55,670)	-	28,954	-
Prepaid items	(881,840)	-	(382,263)	-
OPEB liability	(1,554,468)	-	(2,009,297)	-
Pension related items	5,740,870	-	1,694,761	-
Accounts payable	9,467	74,109	(1,393,862)	102,942
Accrued payroll, payroll taxes, retirement and vacation	(1,082,859)	-	29,452	-
Accrued health and dental claims	-	-	-	-
Unearned student fees	38,117	-	181,874	-
Other unearned revenue	(145,986)	-	110,543	(125,000)
Due to other organizations	(5,551)	-	17,237	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (66,669,806)</u>	<u>\$ 698,694</u>	<u>\$ (58,227,281)</u>	<u>\$ (745,641)</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, 2019

### 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.

The District has determined 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, GASB 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, 2019

**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, 2019

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

For the year ended June 30, 2019, the District levied taxes at the following mill rate:

Operating purposes	\$ 0.618910
Debt service requirements	0.437366
	\$ 1.056276

The 2018 tax levy used to finance expenditures for the fiscal year ended June 30, 2019 was \$40,209,543.

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, 2019.

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, 2019. 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 acquisition 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:

<u>Assets</u>	Capitalization Threshold	Years
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, 2019

**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 two items that qualify for reporting in this category. The first item 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. The second item is related to other post-employment benefits (OPEB) and represents the District's contributions to the plan subsequent to the measurement date.

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 two types of items that qualify for reporting in this category on the statement of net position. The first 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. The second item is related to other post-employment benefits (OPEB) and represents the difference between expected and actual experience and changes of assumptions that are recognized over the average remaining service life for all active and inactive members of the plan.

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, 2019

**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, 2019

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

18. Pensions

For purposes of measuring the net pension asset (liability), 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 \$46,352,509 on June 30, 2019 as summarized below:

Petty cash funds	\$ 7,783
Deposits with financial institutions	(410,671)
Investments	
U.S. Treasury Notes	14,935,551
Commercial paper	6,287,609
Bank note	126,935
Corporate bonds	4,063,349
Federal agency securities	2,214,268
Supranational	249,528
Asset backed securities	3,077,641
Certificates of deposit	1,653,784
Money market mutual funds	14,146,732
	<u>\$ 46,352,509</u>

Cash and investments are reported on June 30, 2019 as follows:

Statement of Net Position	
Cash and investments	\$ 29,843,264
Restricted cash and investments	16,509,245
Total cash and investments	<u>\$ 46,352,509</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, 2019

**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, 2019, the District's did not have any cash deposits with financial institutions were in excess of federal and state depository insurance limits.

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	\$ 14,935,551	\$14,935,551	\$ -	\$ -	\$ -	\$ -
Commercial paper	6,287,609	-	3,472,663	-	2,814,946	-
Bank note	126,935	-	-	-	126,935	-
Corporate bonds	4,063,349	-	180,156	3,179,268	703,925	-
Federal agency securities	2,214,268	-	-	2,214,268	-	-
Supranational	249,528	-	249,528	-	-	-
Asset back securities	3,077,641	-	3,077,641	-	-	-
Certificates of deposit	1,653,784	-	-	127,470	1,526,314	-
Money market mutual funds	14,146,732	-	14,146,732	-	-	-
Totals	<u>\$ 46,755,397</u>	<u>\$14,935,551</u>	<u>\$21,126,720</u>	<u>\$ 5,521,006</u>	<u>\$ 5,172,120</u>	<u>\$ -</u>

Concentration of Credit Risk

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

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**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	\$ 14,935,551	\$ 11,441,461	\$ 1,535,230	\$ 1,958,860	\$ -
Commercial paper	6,287,609	6,287,609	-	-	-
Bank note	126,935	-	126,935	-	-
Corporate bonds	4,063,349	351,469	2,194,332	1,517,548	-
Federal agency securities	2,214,268	-	178,160	1,107,447	928,661
Supranational	249,528	-	-	249,528	-
Asset back securities	3,077,641	-	281,757	2,535,306	260,578
Certificates of deposit	1,653,784	1,400,444	253,340	-	-
Money market mutual funds	14,146,732	14,146,732	-	-	-
<b>Totals</b>	<b>\$ 46,755,397</b>	<b>\$ 33,627,715</b>	<b>\$ 4,569,754</b>	<b>\$ 7,368,689</b>	<b>\$ 1,189,239</b>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

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

Highly Sensitive Investments	Fair Value at Year End
Mortgage and asset backed securities	
These securities are subject to early payment in a period of declining interest rates. The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	
	<u>\$ 3,077,641</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

Fair Value Measurements

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Information regarding the fair value of assets measured at fair value on a recurring basis as of June 30, 2019 shown below:

	Total Assets at Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 14,935,551	\$ -	\$ 14,935,551	\$ -
Commercial paper	6,287,609	-	6,287,609	-
Bank note	126,935	-	126,935	-
Corporate bonds	4,063,349	-	4,063,349	-
Federal agency securities	2,214,268	-	2,214,268	-
Supranational	249,528	-	249,528	-
Asset back securities	3,077,641	-	3,077,641	-
Certificates of deposit	1,653,784	-	1,653,784	-
Money market mutual funds	14,146,732	-	14,146,732	-
Totals	<u>\$ 46,755,397</u>	<u>\$ -</u>	<u>\$ 46,755,397</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, 2019

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

The methods described and shown 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, 2019 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,923,817	\$ -	\$ -	\$ 1,923,817
Construction in progress	4,026,129	954,146	4,026,128	954,147
Total Capital assets, not being depreciated	<u>5,949,946</u>	<u>954,146</u>	<u>4,026,128</u>	<u>2,877,964</u>
Capital assets, being depreciated:				
Land improvements	18,120,329	500,457	27,666	18,593,120
Buildings and improvements	153,689,233	8,358,789	291,990	161,756,032
Intangible assets	1,243,415	93,280	717,297	619,398
Equipment	47,920,500	7,415,363	2,152,577	53,183,286
Subtotal	<u>220,973,477</u>	<u>16,367,889</u>	<u>3,189,530</u>	<u>234,151,836</u>
Less accumulated depreciation for:				
Land improvements	7,020,730	928,710	22,133	7,927,307
Buildings and improvements	50,024,515	4,419,277	102,197	54,341,595
Intangible assets	995,133	207,402	714,299	488,236
Equipment	25,262,180	5,441,324	1,664,944	29,038,560
Subtotal	<u>83,302,558</u>	<u>10,996,713</u>	<u>2,503,573</u>	<u>91,795,698</u>
Total capital assets, being depreciated, net	<u>137,670,919</u>	<u>5,371,176</u>	<u>685,957</u>	<u>142,356,138</u>
Net capital assets	<u>\$ 143,620,865</u>	<u>\$ 6,325,322</u>	<u>\$ 4,712,085</u>	145,234,102
Less capital related debt				(75,703,835)
Less capital related premiums				(4,062,259)
Less capital lease obligations				<u>(145,935)</u>
Net investment in capital assets				<u>\$ 65,322,073</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**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, 2019:

	June 30, 2018	Issued	Retired	June 30, 2019	Due Within One Year
General obligation debt					
Bonds	\$ 43,910,000		\$ 3,340,000	\$ 40,570,000	\$ 3,730,000
Notes	39,360,000	12,000,000	11,165,000	40,195,000	10,855,000
Total general obligation debt	83,270,000	12,000,000	14,505,000	80,765,000	14,585,000
Debt premium	4,719,101	775,153	914,442	4,579,812	-
Capital lease obligations	277,869	-	131,934	145,935	134,597
Net OPEB liability	8,056,844	-	1,554,468	6,502,376	-
Net pension liability	-	14,807,942	-	14,807,942	-
	<u>\$ 96,323,814</u>	<u>\$ 27,583,095</u>	<u>\$ 17,105,844</u>	<u>\$ 106,801,065</u>	<u>\$ 14,719,597</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, 2019 totaled \$80,765,000 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 beginning December 1, 2024 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.

25,795,000

Total General Obligation Bonds

40,570,000

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

Notes

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. 1,380,000

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. 2,825,000

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. 445,000

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. 425,000

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. 480,000

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. 3,490,000

May 2015 - \$1,900,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2022. Proceeds used to for the purchase or construction of buildings, building additions, enlargements, remodeling and improvements, acquisition of sites and equipment. 910,000

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

Notes (Continued)

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. 3,550,000

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. 600,000

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. 610,000

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. 3,735,000

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. 980,000

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. 1,065,000

August 2017 - \$8,800,000 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, 2024. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 5,160,000

(Continued)

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to Basic Financial Statements  
June 30, 2019

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

Notes (Continued)

September 2017 - \$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, 2024. Proceeds used for building improvements and remodeling.	1,270,000
October 2017 - \$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, 2024. Proceeds used for building improvements and remodeling.	1,270,000
August 2018 - \$9,000,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2025. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects.	9,000,000
September 2018 - \$1,500,000 general obligation promissory note 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, 2025. Proceeds used for building improvements and remodeling.	1,500,000
October 2018 - \$1,500,000 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, 2025. Proceeds used for building improvements and remodeling.	1,500,000
Total General Obligation Promissory Notes	<u>40,195,000</u>
Total General Obligation Debt	<u><u>\$ 80,765,000</u></u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**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
2020	\$ 14,585,000	\$ 2,022,368	\$ 16,607,368
2021	12,625,000	1,852,975	14,477,975
2022	10,365,000	1,497,975	11,862,975
2023	9,260,000	1,202,275	10,462,275
2024	8,340,000	936,225	9,276,225
2025	7,985,000	675,050	8,660,050
2026	7,075,000	429,625	7,504,625
2027	5,530,000	232,950	5,762,950
2028	5,000,000	75,000	5,075,000
	<u>\$ 80,765,000</u>	<u>\$ 8,924,443</u>	<u>\$ 89,689,443</u>

Legal Margin for New Indebtedness

The District's legal margin for creation of additional indebtedness on June 30, 2019 was as follows:

	Aggregate	Bonded
Equalized valuation of the District	\$ 39,424,524,911	\$ 39,424,524,911
Statutory limitation percentage	(x) 5%	(x) 2%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>\$ 1,971,226,246</u>	<u>\$ 788,490,498</u>
General obligation debt	\$ 80,765,000	\$ 40,570,000
Capital lease obligations	145,935	-
Less: Amounts available for financing general obligation debt		
Restricted for debt service	16,607,014	16,607,014
Net outstanding general obligation debt applicable to debt limitation	<u>\$ 64,303,921</u>	<u>\$ 23,962,986</u>

**NOTE E - CAPITAL LEASE**

The District has entered into lease agreements for the purpose of purchasing capital assets. At June 30, 2019, the District had \$145,935 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, 2019:

Fiscal Year Ending June 30,	Annual Requirements
2020	\$ 136,286
2021	11,357
Total required minimum lease payments	147,643
Less: Amounts representing interest	1,708
Present value of future minimum lease payments	<u>\$ 145,935</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**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 executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to receive a retirement benefit based on a formula factor, their final average earning, and creditable service.

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

Vested employees may retire at or after age 55 (50 for protective occupation employees) and receive an actuarially-reduced benefit. Employees terminating covered employment before becoming eligible for a retirement benefit may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**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
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)
2017	2.0	4.0
2018	2.4	17.0

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 \$4,330,428 in contributions from the District.

Contribution rates as of June 30, 2019 are:

Employee Category	2019	
	Employee	Employer
General (including teachers, executives, and elected officials)	6.55%	6.55%
Protective with Social Security	6.55%	10.55%
Protective without Social Security	6.55%	14.95%



**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**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, 2019, the District reported a liability of \$14,807,942 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, 2018, the District's proportion was 0.41622391% (an increase of 0.00145277% from the prior year).

For the year ended June 30, 2019, the District recognized pension expense of \$10,052,825.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,532,063	\$(20,386,451)
Changes in assumptions	2,496,078	-
Net differences between projected and actual earnings on pension plan investments	21,625,984	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	117,301	(15,910)
Employer contributions subsequent to the measurement date	2,137,096	-
Total	<u>\$ 37,908,522</u>	<u>\$(20,402,361)</u>

\$2,137,096 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, 2020. 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
2020	\$ 5,577,967
2021	1,432,223
2022	2,427,818
2023	5,931,057

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

5. Actuarial Assumption

The total pension liability in the actuarial valuation used for the years ended June 30, 2019, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2019
Actuarial Valuation Date:	December 31, 2017
Measurement Date of Net Pension Liability:	December 31, 2018
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	WI 2018 Mortality Table
Post-retirement Adjustments*	1.9%

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

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from January 1, 2015 to December 31, 2017. Based on the experience study, actuarial assumptions used to measure the total pension liability changed from prior year, including the discount rate, long-term expected rate of return, post retirement adjustment, wage inflation rate, mortality and separation rates. The total pension liability for December 31, 2018 is based upon a roll-forward of the liability calculated from the December 31, 2017 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 as of December 31, 2018 are summarized in the following table on the next page:

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	49.0%	8.1%	5.5%
Fixed Income	24.5%	4.0%	1.5%
Inflation Sensitive Assets	15.5%	3.8%	1.3%
Real Estate	9.0%	6.5%	3.9%
Private Equity/Debt	8.0%	9.4%	6.7%
Multi-Asset	4.0%	6.7%	4.1%
Total Core fund	<u>110.0%</u>	<u>7.3%</u>	<u>4.7%</u>
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	7.6%	5.0%
International Equities	30.0%	8.5%	5.9%
Total Variable Fund	<u>100.0%</u>	<u>8.0%</u>	<u>5.4%</u>

*New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.5%. Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.*

*Single Discount rate.* A single discount rate of 7.0% was used to measure the total pension liability, as opposed to a discount rate of 7.2% for the prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.0% and a municipal bond rate of 3.71%. Because of the unique structure of WRS, the 7.0% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the 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 liability (asset) calculated using the discount rate of 7.0 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase to Discount Rate (8.0%)
District's proportionate share of the Net Pension Liability (Asset)	\$ 58,848,312	\$ 14,807,942	\$ (17,939,489)

*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>.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

6. Payable to the WRS

At June 30, 2019, the District reported a payable of \$204,431 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2019.

**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 (OPEB) 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.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)**

Membership of the Plan at July 1, 2017 was 833 active participants and 173 retired participants.

The District's total OPEB liability at June 30, 2019 was \$6,502,376. The total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2018. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation:	3.20%
Salary Increases:	Projected merit and longevity increase based on years of service
Medical Trend Rate:	Medical inflation based on "Getzen" published model 3.30% in the fiscal year 2018-2019 increasing to 6.00% in the year 2030-2031 and decreasing to an ultimate rate of 4.00%
Employee Turnover/Withdrawal:	Ten-year select and ultimate rates of WRS for University employees
Interest Discount Rate	3.87%*
Mortality	Wisconsin 2012 Mortality Table Based on an experience study using WRS experience from 2012-2014

\*The 3.87 percent discount rate used to measure the total OPEB liability was based upon the Bond Buyer General Obligation 20-Year Municipal Bond Index as of the measurement date.

Changes in the total OPEB liability for the year ended June 30, 2019, are as follows:

Balance at June 30, 2018	<u>\$ 8,056,844</u>
Changes for the year:	
Service cost	73,239
Interest	258,637
Effect of assumptions changes or inputs	(59,081)
Benefit payments	<u>(1,827,263)</u>
Net changes	<u>(1,554,468)</u>
Balance at June 30, 2019	<u><u>\$ 6,502,376</u></u>

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current rate.

	1% Decrease to Discount Rate (2.87%)	Current Discount Rate (3.87%)	1% Increase to Discount Rate (4.87%)
District's total OPEB liability	\$ 6,707,874	\$ 6,502,376	\$ 6,302,422

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)**

The following presents the District's total OPEB liability calculated using the current healthcare cost trend rate, as well as what the District's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Distict's total OPEB liability	\$ 6,182,144	\$ 6,502,376	\$ 6,847,598

For the year ended June 30, 2019 the District recognized OPEB expense of \$302,040. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (20,674)
Changes of assumptions	-	(200,562)
Employer contributions subsequent to the measurement date	1,827,263	-
<b>Total</b>	<b>\$ 1,827,263</b>	<b>\$ (221,236)</b>

\$1,827,263 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. The other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30	Net Deferred Outflow (Inflow) of Resources
2020	\$ (29,836)
2021	(29,836)
2022	(29,836)
2023	(29,836)
2024	(29,836)
Thereafter	(72,056)

**NOTE H - RISK MANAGEMENT**

- 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 \$5,000,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence and workers' compensation at the statutorily required limits.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

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

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

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

For the year ended June 30, 2019, the District paid a total premium of \$717,963.

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 paid by the District were \$84,010.

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 \$977,584 is shared in a pooled layer among all of the colleges participating in the consortium. Individual claims exceeding \$250,000 and aggregate claims exceeding \$977,584 are subject to reinsurance.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

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, 2019, the District paid a total premium of \$11,055,944.

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

- 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 882 participants and 1,494 "covered" participants in the Dental Plan at June 30, 2019. Fund expenses consist of payments to a third-party administrator for dental claims and administrative fees.

On June 30, 2019 net position of \$8,065,713 was available for future unreported claims. The claims liability of \$54,000 reported at June 30, 2019 is the estimated dental claims incurred but not paid or reported as of June 30, 2019. 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 changes in the claim liability related to the self-insurance program for the years ended June 30, 2019 and 2018 follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30
2018	\$ 54,000	\$ 839,687	\$ 839,687	\$ 54,000
2019	54,000	891,680	891,680	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.



**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**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, 2019:

	Amount
Salaries and wages	\$ 71,106,886
Fringe benefits	25,838,098
Travel, memberships and subscriptions	4,120,900
Supplies, printing and minor equipment	9,021,341
Contract services	7,485,438
Rentals	3,002,945
Insurance	875,836
Utilities	2,060,149
Depreciation	10,996,713
Student aid	11,272,007
Other expenses	1,270,535
Total Operating Expenses	<u>\$ 147,050,848</u>

**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, 2019 are:

Year Ending June 30,	Amount
2020	\$ 1,054,789
2021	894,103
2022	724,287
2023	705,050
2024	670,429
2025 - 2029	2,298,224
2030 - 2034	961,424
2035 - 2039	153,968
2040 - 2044	153,968
2045 - 2059	153,968
2050 - 2054	153,968
2055 - 2059	153,968
2060 - 2064	153,968
2065 - 2069	153,968
2070 - 2074	153,968
2075 - 2079	153,968
2080 - 2084	153,968
2085 - 2089	153,968
2090 - 2094	35,926
Total Required Minimum Lease Payments	<u>\$ 9,037,880</u>

Rent expense under all operating leases for the years ended June 30, 2019 totaled \$1,117,190.

Capital Projects

The District has commitments for capital projects as of June 30, 2019 totaling \$1,755,070.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**NOTE K - CONTINGENT LIABILITIES**

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

**NOTE L - COMPONENT UNIT**

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

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

1. Cash and Investments

The Foundation invests its endowment funds and excess cash with BMO Global Asset Management. Cash and investments at June 30, 2019 consist of the following:

	Cost	Fair Value	Excess of Fair Value Over Cost	Fair Value Method
Cash and cash equivalents	\$ 386,427	\$ 386,427	\$ -	Level 2
Fixed income				
Pooled fixed income funds	327,894	343,692	15,798	Level 1
Corporate bonds	3,259,414	3,403,786	144,372	Level 2
Total fixed income	<u>3,587,308</u>	<u>3,747,478</u>	<u>160,170</u>	
Equity				
Common stocks	-	-	-	Level 1
Equity funds	6,726,509	7,376,347	649,838	Level 1
Total equity	<u>6,726,509</u>	<u>7,376,347</u>	<u>649,838</u>	
Total Investments	<u>\$ 10,700,244</u>	11,510,252	<u>\$ 810,008</u>	
Bank deposits		2,635,134		
Beneficial interest in investments held by Community Foundation		55,029		Level 3
Total Cash and Investments		<u>\$ 14,200,415</u>		

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

Net Investment income (loss) reported in the statement of revenues, expenses and changes in net position totaled \$680,010 and consisted of the following:

Market appreciation	\$ 698,417
Unrealized losses	(9,078)
Interest and dividend income	16,891
Investment fees	(26,220)
Investment return	<u>\$ 680,010</u>

2. Beneficial Interest in Investments Held by Community Foundation

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

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

Beneficial interests in investments held by the Community Foundation for the Fox Valley Region, Inc. as of June 30, 2019 totaled \$55,029.

3. Promises to Give

Unconditional promises to give at June 30, 2019 are as follows:

Receivable in less than one year	\$ 96,697
Receivable in one to five years	58,000
Total unconditional promises to give	<u>154,697</u>
Less discount to net present value	1,887
Net Unconditional Promises to Give	<u>\$ 152,810</u>

Promises to give receivable in more than one year are discounted at .10% to 4.00%. A reserve for uncollectible amounts was deemed not necessary by management.

4. Capital Assets

Changes in capital assets for the year ended June 30, 2019 follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 841,204	\$ -	\$ -	\$ 841,204
Capital assets, being depreciated:				
Buildings	5,999,023	-	-	5,999,023
Less accumulated depreciation for:				
Buildings	1,635,464	149,975	-	1,785,439
Net capital assets	<u>\$ 5,204,763</u>	<u>\$ (149,975)</u>	<u>\$ -</u>	<u>\$ 5,054,788</u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

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

5. Notes Payable

The Foundation has a total of \$327,086 of long-term debt outstanding and consists of the following issue:

Notes payable to Fox Communities Credit Union, due in bi-weekly installments of \$2,645 including interest at 4.75% with final payment due November 4, 2024.	\$ 327,086
Less amount due within one year	<u>54,532</u>
Total long-term debt	<u><u>\$ 272,554</u></u>

Scheduled principal payments on notes payable at June 30, 2019, including current maturities, are summarized as follows:

Year Ending	
<u>June 30,</u>	
2020	\$ 54,532
2021	57,182
2022	59,961
2023	62,786
2024	65,931
Thereafter	26,694
Total	<u><u>\$ 327,086</u></u>

6. Operating Leases

The Foundation leases several buildings to the District under noncancelable operating leases with automatic renewal terms. Rental income during 2019 from the District was \$3,209,330. Future minimum collections expected, by year and in the aggregate consist of the following at June 30, 2019:

Year Ending	
<u>June 30,</u>	
2020	\$ 535,594
2021	453,064
2022	370,047
2023	366,875
2024	345,000
Thereafter	1,138,750
	<u><u>\$ 3,209,330</u></u>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Notes to Basic Financial Statements

June 30, 2019

**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, 2019.

	Temporarily Restricted	Permanently Restricted	Total
Scholarships	\$ 2,196,281	\$ -	\$ 2,196,281
Activity funds	544,959	-	544,959
Instructional support	426,600	-	426,600
Endowments	714,538	2,956,927	3,671,465
	<u>\$ 3,882,378</u>	<u>\$ 2,956,927</u>	<u>\$ 6,839,305</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, 2019, the District issued general obligation promissory notes as follows:

Date	Interest Rate	Amount	Purpose
August 1, 2019	3-5%	\$ 10,400,000	Proceeds used for purchase or construction of buildings, building remodeling or improvements, moveable equipment and other non-building capital projects.
September 10, 2019	3%	1,500,000	Proceeds used for building remodeling and improvements.
		<u>\$ 11,900,000</u>	

**NOTE N – PRIOR PERIOD ADJUSTMENT**

The District's contributions subsequent to the measurement date of the OPEB liability in the amounts of \$1,827,263 were not reported in the previous financial statements.

	<u>District</u>
Balance at July 1, 2017 as previously reported	\$ 107,180,381
Add contributions subsequent to the measurement date of the OPEB liability	1,827,263
Balance at July 1, 2017, as restated	<u>109,007,644</u>
Balance at July 1, 2018 as previously reported	\$ 114,586,386
Add contributions subsequent to the measurement date of the OPEB liability	1,827,263
Balance at July 1, 2018, as restated	<u>116,413,649</u>

## **REQUIRED SUPPLEMENTAL INFORMATION**

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Schedule of Changes in the District's  
Total OPEB Liability and Related Ratios  
Last 10 Years\*

Measurement date	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>		
Service cost	\$ 73,239	\$ 79,607
Interest	258,637	258,980
Effect of economic/demographic gains or losses	-	(26,418)
Effect of assumptions changes or inputs	(59,081)	(188,987)
Benefit payments	(1,827,263)	(2,132,478)
	(1,554,468)	(2,009,296)
Net change in total OPEB liability	(1,554,468)	(2,009,296)
Total OPEB liability - Beginning	8,056,844	10,066,140
	\$ 6,502,376	\$ 8,056,844
Total OPEB liability - Ending	\$ 6,502,376	\$ 8,056,844
Covered payroll	\$ 64,773,552	\$ 63,455,407
Total OPEB liability as a percentage of covered-employee payroll	10%	13%

\*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See independent auditors report  
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\*

	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension asset
2015	0.42422%	\$ (10,419,944)	\$ 58,054,078	(17.95%)	102.74%
2016	0.42420%	6,832,287	59,170,908	11.55%	98.20%
2017	0.41408%	3,412,967	59,612,638	5.73%	99.12%
2018	0.41477%	(12,315,047)	61,700,831	(19.96%)	102.93%
2019	0.41622%	14,807,942	64,604,731	22.92%	96.45%

\*The amounts presented for each fiscal year were determined as the calendar year-end that occurred within the fiscal year. This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See independent auditors report  
See Notes to Required Supplemental Information



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

	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2015	\$ 4,086,199	\$ 4,086,199	\$ -	\$ 59,183,860	6.90%
2016	3,950,094	3,950,094	-	58,953,922	6.70%
2017	4,016,067	4,016,067	-	59,952,117	6.70%
2018	4,283,100	4,283,100	-	63,455,407	6.75%
2019	4,339,828	4,339,828	-	64,773,552	6.70%

\*This schedule is intended to present information for the last 10 years. Additional information will be presented as it becomes available.

See independent auditors report  
 See Notes to Required Supplemental Information.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Notes to Required Supplemental Information  
For the Year Ended June 30, 2019

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

The District implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for the fiscal year ended June 30, 2018. The standards allow the District to present as many years as are available until ten fiscal years are presented.

**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, 2019

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 22,460,382	\$ 21,979,721	\$ 22,033,451	\$ -	\$ 22,033,451	\$ 53,730
Intergovernmental revenue						
State	38,625,600	39,095,684	39,111,269	-	39,111,269	15,585
Federal	16,000	16,000	18,230	-	18,230	2,230
Tuition and fees						
Statutory program fees	18,201,749	18,201,749	17,699,010	-	17,699,010	(502,739)
Material fees	1,280,414	1,280,414	1,154,695	-	1,154,695	(125,719)
Other student fees	1,800,876	2,148,226	2,085,960	-	2,085,960	(62,266)
Institutional	490,297	592,415	1,138,503	-	1,138,503	546,088
<b>Total Revenues</b>	<b>82,875,318</b>	<b>83,314,209</b>	<b>83,241,118</b>	<b>-</b>	<b>83,241,118</b>	<b>(73,091)</b>
<b>Expenditures</b>						
Instruction	52,905,367	53,389,377	53,004,868	-	53,004,868	384,509
Instructional resources	1,249,072	1,219,280	1,160,458	-	1,160,458	58,822
Student services	7,134,621	7,199,568	7,041,335	-	7,041,335	158,233
General institutional	17,434,600	17,373,233	16,299,822	-	16,299,822	1,073,411
Physical plant	7,060,848	7,175,687	6,869,785	-	6,869,785	305,902
<b>Total Expenditures</b>	<b>85,784,508</b>	<b>86,357,145</b>	<b>84,376,268</b>	<b>-</b>	<b>84,376,268</b>	<b>1,980,877</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(2,909,190)</b>	<b>(3,042,936)</b>	<b>(1,135,150)</b>	<b>-</b>	<b>(1,135,150)</b>	<b>1,907,786</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	2,734,000	2,734,000	1,602,168	-	1,602,168	(1,131,832)
Transfers out	(335,000)	(358,118)	(358,118)	-	(358,118)	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,399,000</b>	<b>2,375,882</b>	<b>1,244,050</b>	<b>-</b>	<b>1,244,050</b>	<b>(1,131,832)</b>
<b>Net Change in Fund Balance</b>	<b>(510,190)</b>	<b>(667,054)</b>	<b>108,900</b>	<b>-</b>	<b>108,900</b>	<b>775,954</b>
<b>Fund Balance - beginning</b>	<b>22,838,534</b>	<b>22,838,534</b>	<b>22,838,534</b>	<b>-</b>	<b>22,838,534</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 22,328,344</b>	<b>\$ 22,171,480</b>	<b>\$ 22,947,434</b>	<b>\$ -</b>	<b>\$ 22,947,434</b>	<b>\$ 775,954</b>
<b>Fund Balance</b>						
Reserved for encumbrances			\$ 122,391			
Reserved for prepaid items			699,491			
Unreserved fund balance						
Designated for state aid fluctuations			1,202,949			
Designated for operations			20,922,603			
			<u>\$ 22,947,434</u>			

## **SPECIAL REVENUE FUNDS**

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

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

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

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Special Revenue Aidable Fund Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 1,382,410	\$ 1,421,087	\$ 1,454,516	\$ -	\$ 1,454,516	\$ 33,429
Intergovernmental revenue						
State	1,873,039	2,967,756	2,844,314	-	2,844,314	(123,442)
Federal	11,518,163	13,101,057	12,968,056	-	12,968,056	(133,001)
Tuition and fees						
Statutory program fees	167,231	167,231	183,453	-	183,453	16,222
Material fees	22,343	22,343	25,226	-	25,226	2,883
Other student fees	753,490	753,490	828,859	-	828,859	75,369
Institutional	10,054,667	11,424,694	11,522,842	-	11,522,842	98,148
<b>Total Revenues</b>	<b>25,771,343</b>	<b>29,857,658</b>	<b>29,827,266</b>	<b>-</b>	<b>29,827,266</b>	<b>(30,392)</b>
<b>Expenditures</b>						
Instruction	22,237,607	25,676,786	25,676,786	-	25,676,786	-
Instructional resources	-	2,530	2,530	-	2,530	-
Student services	1,652,131	1,803,211	1,803,211	-	1,803,211	-
General institutional	1,021,437	1,438,526	1,438,526	-	1,438,526	-
Physical plant	261,168	337,605	337,605	-	337,605	-
<b>Total Expenditures</b>	<b>25,172,343</b>	<b>29,258,658</b>	<b>29,258,658</b>	<b>-</b>	<b>29,258,658</b>	<b>-</b>
<b>Excess of Revenues Over Expenditures</b>	<b>599,000</b>	<b>599,000</b>	<b>568,608</b>	<b>-</b>	<b>568,608</b>	<b>(30,392)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	135,000	144,090	144,090	-	144,090	-
Transfers out	(1,234,000)	(1,243,090)	(861,258)	-	(861,258)	381,832
<b>Total Other Financing Sources (Uses)</b>	<b>(1,099,000)</b>	<b>(1,099,000)</b>	<b>(717,168)</b>	<b>-</b>	<b>(717,168)</b>	<b>381,832</b>
<b>Net Change in Fund Balance</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(148,560)</b>	<b>-</b>	<b>(148,560)</b>	<b>351,440</b>
<b>Fund Balance - beginning</b>	<b>2,665,300</b>	<b>2,665,300</b>	<b>2,665,300</b>	<b>-</b>	<b>2,665,300</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 2,165,300</b>	<b>\$ 2,165,300</b>	<b>\$ 2,516,740</b>	<b>\$ -</b>	<b>\$ 2,516,740</b>	<b>\$ 351,440</b>
<b>Fund Balance</b>						
Reserved for prepaid items			\$ 20,268			
Unreserved fund balance						
Designated for operations			2,496,472			
			<u>\$ 2,516,740</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, 2019

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 127,500	\$ 127,500	\$ 104,651	\$ -	\$ 104,651	\$ (22,849)
Intergovernmental revenue						
State	1,929,450	1,929,450	1,904,946	-	1,904,946	(24,504)
Federal	27,850,550	27,850,550	17,148,700	-	17,148,700	(10,701,850)
Tuition and fees						
Other student fees	1,818,451	1,818,451	1,741,973	-	1,741,973	(76,478)
Institutional	1,502,600	1,502,600	2,164,728	-	2,164,728	662,128
<b>Total Revenues</b>	<b>33,228,551</b>	<b>33,228,551</b>	<b>23,064,998</b>	<b>-</b>	<b>23,064,998</b>	<b>(10,163,553)</b>
<b>Expenditures</b>						
Student services	33,027,396	33,087,396	22,865,328	-	22,865,328	10,222,068
General institutional	271,155	271,155	261,533	-	261,533	9,622
<b>Total Expenditures</b>	<b>33,298,551</b>	<b>33,358,551</b>	<b>23,126,861</b>	<b>-</b>	<b>23,126,861</b>	<b>10,231,690</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(70,000)</b>	<b>(130,000)</b>	<b>(61,863)</b>	<b>-</b>	<b>(61,863)</b>	<b>68,137</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	70,000	130,000	140,396	-	140,396	10,396
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>78,533</b>	<b>-</b>	<b>78,533</b>	<b>78,533</b>
<b>Fund Balance - beginning</b>	<b>492,092</b>	<b>492,092</b>	<b>492,092</b>	<b>-</b>	<b>492,092</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 492,092</b>	<b>\$ 492,092</b>	<b>\$ 570,625</b>	<b>\$ -</b>	<b>\$ 570,625</b>	<b>\$ 78,533</b>
<b>Fund Balance</b>						
Reserved for student financial assistance			\$ 270,595			
Reserved for student organizations			300,030			
			<u>\$ 570,625</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, 2019

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ -	\$ 31,900	\$ 31,900	\$ -	\$ 31,900	\$ -
Intergovernmental revenue						
State	215,874	472,823	399,208	-	399,208	(73,615)
Federal	89,700	135,700	187,478	-	187,478	51,778
Institutional	63,830	86,948	163,251	-	163,251	76,303
<b>Total Revenues</b>	<b>369,404</b>	<b>727,371</b>	<b>781,837</b>	<b>-</b>	<b>781,837</b>	<b>54,466</b>
<b>Expenditures</b>						
Instruction	4,009,794	3,449,683	3,392,329	-	3,392,329	57,354
Instructional resources	558,750	519,816	482,798	-	482,798	37,018
Student services	7,000	4,204	-	-	-	4,204
General institutional	2,805,245	2,803,240	2,759,374	-	2,759,374	43,866
Physical plant	4,851,615	7,512,670	7,277,663	-	7,277,663	235,007
<b>Total Expenditures</b>	<b>12,232,404</b>	<b>14,289,613</b>	<b>13,912,164</b>	<b>-</b>	<b>13,912,164</b>	<b>377,449</b>
<b>Excess (Deficiency) of Revenues</b>						
Over Expenditures	(11,863,000)	(13,562,242)	(13,130,327)	-	(13,130,327)	431,915
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	23,118	23,118	-	23,118	-
Transfers out	(137,000)	(137,000)	(136,286)	-	(136,286)	714
Long-term debt issued	12,000,000	12,000,000	12,000,000	-	12,000,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>11,863,000</b>	<b>11,886,118</b>	<b>11,886,832</b>	<b>-</b>	<b>11,886,832</b>	<b>714</b>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(1,676,124)</b>	<b>(1,243,495)</b>	<b>-</b>	<b>(1,243,495)</b>	<b>432,629</b>
<b>Fund Balance - beginning</b>	<b>4,726,017</b>	<b>4,726,017</b>	<b>4,726,017</b>	<b>-</b>	<b>4,726,017</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 4,726,017</b>	<b>\$ 3,049,893</b>	<b>\$ 3,482,522</b>	<b>\$ -</b>	<b>\$ 3,482,522</b>	<b>\$ 432,629</b>
<b>Fund Balance</b>						
Reserved for encumbrances			\$ 1,755,070			
Unreserved			1,727,452			
			<u>\$ 3,482,522</u>			

## **DEBT SERVICE FUND**

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

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Debt Service Fund Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Local government - tax levy	\$ 16,649,335	\$ 16,649,335	\$ 16,649,335	\$ -	\$ 16,649,335	\$ -
Institutional	7,665	9,426	289,090	-	289,090	279,664
<b>Total Revenues</b>	<b>16,657,000</b>	<b>16,658,761</b>	<b>16,938,425</b>	<b>-</b>	<b>16,938,425</b>	<b>279,664</b>
<b>Expenditures</b>						
Physical plant	17,349,200	17,428,913	17,428,911	-	17,428,911	2
<b>Excess (Deficiency) of Revenues Over Expenditures</b>						
	(692,200)	(770,152)	(490,486)	-	(490,486)	279,666
<b>Other Financing Sources</b>						
Transfers in	137,000	137,000	136,286	-	136,286	(714)
Debt premium issued	184,975	184,975	775,153	-	775,153	590,178
<b>Total Other Financing Sources</b>	<b>321,975</b>	<b>321,975</b>	<b>911,439</b>	<b>-</b>	<b>911,439</b>	<b>589,464</b>
<b>Net Change in Fund Balance</b>	<b>(370,225)</b>	<b>(448,177)</b>	<b>420,953</b>	<b>-</b>	<b>420,953</b>	<b>869,130</b>
<b>Fund Balance - beginning</b>	<b>16,638,286</b>	<b>16,638,286</b>	<b>16,638,286</b>	<b>-</b>	<b>16,638,286</b>	<b>-</b>
<b>Fund Balance - ending</b>	<b>\$ 16,268,061</b>	<b>\$ 16,190,109</b>	<b>\$ 17,059,239</b>	<b>\$ -</b>	<b>\$ 17,059,239</b>	<b>\$ 869,130</b>
<b>Fund Balance</b>						
Reserved for debt service			<u>\$ 17,059,239</u>			

## **ENTERPRISE FUNDS**

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

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Enterprise Funds Schedule of Revenues, Expenditures and Changes in Net Position -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Federal	\$ 45,000	\$ 45,000	\$ 64,730	\$ -	\$ 64,730	\$ 19,730
Institutional	3,522,948	3,636,753	3,811,995	-	3,811,995	175,242
<b>Total Revenues</b>	<b>3,567,948</b>	<b>3,681,753</b>	<b>3,876,725</b>	<b>-</b>	<b>3,876,725</b>	<b>194,972</b>
<b>Expenditures</b>						
Auxiliary services	3,743,093	3,856,898	3,843,998	-	3,843,998	12,900
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(175,145)</b>	<b>(175,145)</b>	<b>32,727</b>	<b>-</b>	<b>32,727</b>	<b>207,872</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	200,000	200,000	200,000	-	200,000	-
Transfers out	-	-	-	-	-	-
<b>Total Other Financing Sources</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>24,855</b>	<b>24,855</b>	<b>232,727</b>	<b>-</b>	<b>232,727</b>	<b>207,872</b>
<b>Net Position - beginning</b>	<b>1,135,708</b>	<b>1,135,708</b>	<b>1,135,708</b>	<b>-</b>	<b>1,135,708</b>	<b>-</b>
<b>Net Position - ending</b>	<b>\$ 1,160,563</b>	<b>\$ 1,160,563</b>	<b>\$ 1,368,435</b>	<b>\$ -</b>	<b>\$ 1,368,435</b>	<b>\$ 207,872</b>
<b>Net Position</b>						
Unrestricted net position			<u>\$ 1,368,435</u>			

## **INTERNAL SERVICE FUNDS**

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

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

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

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

Internal Service Funds Schedule of Revenues, Expenditures and Changes in Net Position -  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2019

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
<b>Revenues</b>						
Institutional	\$ 55,000	\$ 55,000	\$ 128,108	\$ -	\$ 128,108	\$ 73,108
Auxiliary revenue	12,727,000	12,727,000	12,613,545	-	12,613,545	(113,455)
<b>Total Revenues</b>	<b>12,782,000</b>	<b>12,782,000</b>	<b>12,741,653</b>	<b>-</b>	<b>12,741,653</b>	<b>(40,347)</b>
<b>Expenditures</b>						
Auxiliary services	13,091,305	13,091,305	12,814,022	-	12,814,022	277,283
<b>Excess (Deficiency) of Revenues Over Expenditures</b>						
	(309,305)	(309,305)	(72,369)	-	(72,369)	236,936
<b>Other Financing Sources</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(1,570,000)	(1,630,000)	(890,396)	-	(890,396)	739,604
<b>Total Other Financing Sources (Uses)</b>	<b>(1,570,000)</b>	<b>(1,630,000)</b>	<b>(890,396)</b>	<b>-</b>	<b>(890,396)</b>	<b>739,604</b>
<b>Net Change in Fund Balance</b>	<b>(1,879,305)</b>	<b>(1,939,305)</b>	<b>(962,765)</b>	<b>-</b>	<b>(962,765)</b>	<b>976,540</b>
<b>Net Position - beginning</b>	<b>9,376,824</b>	<b>9,376,824</b>	<b>9,376,824</b>	<b>-</b>	<b>9,376,824</b>	<b>-</b>
<b>Net Position - ending</b>	<b>\$ 7,497,519</b>	<b>\$ 7,437,519</b>	<b>\$ 8,414,059</b>	<b>\$ -</b>	<b>\$ 8,414,059</b>	<b>\$ 976,540</b>
<b>Net Position</b>						
Unrestricted net position - reserved for self-insurance			\$ 8,065,713			
Unrestricted net position - print services			348,346			
<b>Total Net Position</b>			<b>\$ 8,414,059</b>			



**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis  
Financial Statements to Basic Financial Statements  
For the Year Ended June 30, 2019

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund
<b>Revenues</b>				
Local government - tax levy	\$ 22,033,451	\$ 1,454,516	\$ 104,651	\$ 31,900
Intergovernmental revenue				
State	39,111,269	2,844,314	1,904,946	399,208
Federal	18,230	12,968,056	17,148,700	187,478
Tuition and fees				
Statutory program fees	17,699,010	183,453	-	-
Material fees	1,154,695	25,226	-	-
Other student fees	2,085,960	828,859	1,741,973	-
Institutional	1,138,503	11,522,842	2,164,728	163,251
Auxiliary revenue	-	-	-	-
<b>Total Revenues</b>	<b>83,241,118</b>	<b>29,827,266</b>	<b>23,064,998</b>	<b>781,837</b>
<b>Expenditures</b>				
Instruction	53,004,868	25,676,786	-	3,392,329
Instructional resources	1,160,458	2,530	-	482,798
Student services	7,041,335	1,803,211	22,865,328	-
General institutional	16,299,822	1,438,526	261,533	2,759,374
Physical plant	6,869,785	337,605	-	7,277,663
Auxiliary services	-	-	-	-
Depreciation	-	-	-	-
Student aid	-	-	-	-
<b>Total Expenditures</b>	<b>84,376,268</b>	<b>29,258,658</b>	<b>23,126,861</b>	<b>13,912,164</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(1,135,150)</b>	<b>568,608</b>	<b>(61,863)</b>	<b>(13,130,327)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,602,168	144,090	140,396	23,118
Transfers out	(358,118)	(861,258)	-	(136,286)
Long-term debt issued	-	-	-	12,000,000
Debt premium issued	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,244,050</b>	<b>(717,168)</b>	<b>140,396</b>	<b>11,886,832</b>
<b>Net Change in Fund Balances</b>	<b>108,900</b>	<b>(148,560)</b>	<b>78,533</b>	<b>(1,243,495)</b>
Capital contributions	-	-	-	-
<b>Fund Balances/Net Position - beginning</b>	<b>22,838,534</b>	<b>2,665,300</b>	<b>492,092</b>	<b>4,726,017</b>
<b>Fund Balances/Net Position - ending</b>	<b>\$ 22,947,434</b>	<b>\$ 2,516,740</b>	<b>\$ 570,625</b>	<b>\$ 3,482,522</b>

Debt Service Fund	Enterprise Funds	Internal Service Fund	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
\$ 16,649,335	\$ -	\$ -	\$ 40,273,853	\$ -	\$ 40,273,853
-	-	-	44,259,737	-	44,259,737 (1)
-	64,730	-	30,387,194	-	30,387,194 (2)
-	-	-	17,882,463	(7,547,174)	10,335,289
-	-	-	1,179,921	(497,975)	681,946
-	-	-	4,656,792	(1,965,368)	2,691,424
289,090	3,811,995	128,108	19,218,517	(4,191,014)	15,027,503 (3)
-	-	12,613,545	12,613,545	(8,837,929)	3,775,616
16,938,425	3,876,725	12,741,653	170,472,022	(23,039,460)	147,432,562
-	-	-	82,073,983	156,280	82,230,263
-	-	-	1,645,786	(399,031)	1,246,755
-	-	-	31,709,874	(20,862,730)	10,847,144
-	-	-	20,759,255	(1,886,621)	18,872,634
17,428,911	-	-	31,913,964	(22,411,921)	9,502,043 (4)
-	3,843,998	12,814,022	16,658,020	(12,697,196)	3,960,824
-	-	-	-	10,996,713	10,996,713
-	-	-	-	11,272,007	11,272,007
17,428,911	3,843,998	12,814,022	184,760,882	(35,832,499)	148,928,383
(490,486)	32,727	(72,369)	(14,288,860)	12,793,039	(1,495,821)
136,286	200,000	-	2,246,058	(2,246,058)	-
-	-	(890,396)	(2,246,058)	2,246,058	-
-	-	-	12,000,000	(12,000,000)	-
775,153	-	-	775,153	(775,153)	-
911,439	200,000	(890,396)	12,775,153	(12,775,153)	-
420,953	232,727	(962,765)	(1,513,707)	17,886	(1,495,821)
-	-	-	-	84,370	84,370
16,638,286	1,135,708	9,376,824	57,872,761	58,540,888	116,413,649
\$ 17,059,239	\$ 1,368,435	\$ 8,414,059	\$ 56,359,054	\$ 58,643,144	\$ 115,002,198 (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, 2019

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, 2019

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, 2019.

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

Operating	\$ 5,465,656
Non-operating	38,794,081
	\$ 44,259,737

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

Operating	\$ 30,387,194
	\$ 30,387,194

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

Contract revenue	\$ 11,080,140
Miscellaneous revenue	2,971,162
Gain (loss) on sale of capital assets	(394,573)
Investment income earned	1,370,774
	\$ 15,027,503

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

Physical plant	\$ 7,624,508
Interest expense	1,690,560
Bond issuance costs	186,975
	\$ 9,502,043

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

Budgetary basis fund balance	\$ 56,359,054
Adjustments	
General capital assets - cost	237,029,800
Accumulated depreciation on general capital assets	(91,795,698)
General obligation debt	(80,765,000)
Bond premium	(4,579,812)
Capital lease obligations	(145,935)
Net position in health insurance consortium	1,305,087
Accrued interest on debt payable	(207,168)
Total OPEB Liability	(6,502,376)
Net pension liability	(14,807,942)
Deferred outflows related to pension/OPEB	39,735,785
Deferred inflows related to pension/OPEB	(20,623,597)
Total Adjustments	58,643,144
Net Position per basic financial statements	\$ 115,002,198

# 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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Net investment in capital assets	\$65,322,073	\$62,072,933	\$56,033,368	\$55,951,323	\$49,444,803	\$44,696,782	\$39,705,591	\$39,365,161	\$34,191,036	\$30,152,151
Restricted for debt service <sup>(a)</sup>	16,607,014	16,295,261	16,025,729	16,013,340	17,053,774	17,186,849	17,015,573	12,562,115	12,724,346	13,317,804
Restricted for pension benefits <sup>(b)</sup>	-	-	-	-	10,407,663	-	-	-	-	-
Unrestricted <sup>(c)</sup>	33,073,111	38,045,455	36,949,047	49,182,614	40,634,857	26,119,757	24,733,666	22,186,705	24,036,456	10,021,971
<b>Total Net Position</b>	<b>\$115,002,198</b>	<b>\$116,413,649</b>	<b>\$109,008,144</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>

**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.

(c) The District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2018. The District's prior year unrestricted net position was restated to reflect this change.

See Independent Auditor's Report

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

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

(accrual basis of accounting)

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Operating Revenues</b>										
Student program fees (net of scholarship allowances)	\$10,335,289	\$10,195,860	\$10,288,997	\$9,839,905	\$9,685,491	\$10,575,379	\$9,663,635	\$9,735,842	\$9,855,269	\$9,063,644
Student material fees (net of scholarship allowances)	681,946	738,221	766,163	724,965	623,275	664,450	603,183	633,117	648,301	621,473
Other student fees (net of scholarship allowances)	2,691,424	2,464,767	2,344,447	2,194,034	2,004,531	2,313,664	2,190,272	2,101,877	2,224,262	2,126,423
Federal grants	30,387,194	31,567,700	33,246,787	37,458,363	42,256,029	46,680,639	48,201,924	50,536,747	50,358,595	38,393,205
State grants	5,465,656	4,983,771	4,617,201	5,634,046	4,633,935	4,999,264	5,070,732	4,958,859	4,868,933	4,078,736
Contract revenue	11,080,140	10,632,506	10,162,376	8,798,938	8,739,656	7,318,793	7,093,356	6,206,678	5,920,890	5,672,323
Auxiliary enterprise revenues	3,775,616	3,697,856	3,412,155	3,213,401	3,144,119	2,890,284	3,015,704	2,949,466	3,006,031	2,647,818
Miscellaneous	2,971,162	4,395,264	2,258,678	2,365,176	2,561,203	2,522,060	2,868,615	2,083,876	2,366,071	1,538,521
<b>Total operating revenues</b>	<b>\$67,388,427</b>	<b>\$68,675,945</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>Operating Expenses</b>										
Instruction	\$82,230,263	\$76,577,127	\$76,489,538	\$76,087,448	\$70,918,968	\$75,322,588	\$74,561,811	\$76,292,582	\$79,525,720	\$74,367,386
Instructional resources	1,246,755	1,084,764	1,147,755	1,299,224	1,024,218	1,221,049	1,270,111	1,019,218	1,359,909	1,739,545
Student services	10,847,144	9,814,999	10,509,226	9,672,917	9,031,945	10,316,698	10,080,334	10,011,291	9,463,103	8,384,457
General institutional	18,872,634	17,131,145	18,578,348	19,830,391	18,214,252	17,457,111	18,159,304	16,739,317	16,034,205	14,731,671
Physical plant	7,624,508	7,249,934	8,293,303	7,823,346	7,481,397	8,908,582	5,592,058	7,318,874	7,342,459	6,753,122
Auxiliary enterprise services	3,960,824	3,688,062	3,615,355	3,304,706	3,031,900	2,994,348	3,077,768	3,114,283	3,193,360	2,693,083
Depreciation	10,996,713	10,438,005	9,936,436	9,619,836	8,852,471	7,408,223	6,755,320	6,867,483	6,352,326	6,014,521
Student aid	11,272,007	11,781,709	12,869,998	14,946,854	18,703,311	21,035,070	23,716,759	24,929,215	23,866,346	13,137,284
<b>Total operating expenses</b>	<b>\$147,050,848</b>	<b>\$137,765,745</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>Operating loss</b>	<b>(\$79,662,421)</b>	<b>(\$69,089,800)</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>Nonoperating Revenues/(Expenses)</b>										
Property taxes	\$40,273,853	\$39,470,584	\$38,779,966	\$38,232,892	\$37,678,413	\$65,630,953	\$64,193,987	\$59,808,571	\$59,834,714	\$54,219,184
State operating appropriations	38,794,081	38,103,049	38,484,280	39,048,921	38,503,970	9,422,101	9,261,977	9,496,084	13,132,966	12,573,737
Gain (loss) on sale of capital assets	(394,573)	(9,216)	(349,344)	85,888	46,785	56,327	203,761	363,631	73,170	(21,919)
Investment income earned	1,370,774	520,223	233,847	475,680	256,128	301,152	165,837	201,802	186,658	328,476
Interest expense	(1,690,560)	(1,752,051)	(1,870,094)	(2,036,332)	(2,191,703)	(2,261,785)	(1,624,079)	(836,353)	(1,351,381)	(1,504,067)
Bond issuance costs	(186,975)	(182,775)	(175,375)	(166,975)	(177,325)	(215,850)	(667,122)	(108,238)	-	-
<b>Total nonoperating revenues/(expenses)</b>	<b>\$78,166,600</b>	<b>\$76,149,814</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>Income before Capital Contributions</b>	<b>(\$1,495,821)</b>	<b>\$7,060,014</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>Capital Contributions</b>	<b>84,370</b>	<b>345,991</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>Change in Net Position</b>	<b>(\$1,411,451)</b>	<b>\$7,406,005</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>

See Independent Auditor's Report



**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
(rate per \$1,000 of equalized value)

Fiscal Year	FVTC			Overlapping Rates <sup>(a)</sup>						
	Operational <sup>(b)</sup>	Debt Service	Total	County	Local <sup>(c)</sup>	Other School Districts	State	Gross Total	State Tax Relief	Net Tax Rate
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
2018	0.63	0.46	1.08	5.45	5.50	9.03	0.20	21.26	(1.74)	19.52
2019	0.62	0.44	1.06	5.38	5.44	8.70	0.20	20.78	(1.66)	19.12

**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).

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## FOX VALLEY TECHNICAL COLLEGE DISTRICT

### Equalized Value of Taxable Property Last Ten Fiscal Years

(in thousands of dollars)

Year Ended December 31	Residential	Commercial	Manufacturing	Other	Personal Property	TID's	Total Equalized Value <sup>(a)</sup>	Total District Equalized Value <sup>(b)</sup>	Tax Rate <sup>(c)</sup>
2009	\$24,718,058	\$6,382,332	\$1,474,662	\$1,598,961	\$1,029,558	(\$1,229,605)	\$33,973,965	\$33,793,328	1.71542
2010	24,450,482	6,434,874	1,435,429	1,590,763	1,006,876	(1,178,100)	33,740,324	33,560,983	1.77947
2011	24,364,277	6,283,649	1,452,942	1,596,386	959,134	(1,164,908)	33,491,480	33,353,718	1.79053
2012	23,731,700	6,214,341	1,427,475	1,563,461	953,042	(1,164,908)	32,725,111	32,558,306	1.96941
2013	23,737,066	6,289,393	1,441,343	1,583,619	1,003,784	(1,089,854)	32,965,350	32,786,202	1.97347
2014	24,252,750	6,294,309	1,437,216	1,594,514	994,736	(1,123,731)	33,449,794	33,265,574	1.12397
2015	24,807,739	6,418,434	1,431,971	1,601,326	958,567	(1,102,740)	34,115,296	33,931,537	1.11782
2016	25,543,188	6,504,070	1,498,773	1,643,379	937,235	(1,162,097)	34,964,547	34,771,330	1.11496
2017	26,847,998	6,967,742	1,510,972	1,657,057	1,004,703	(1,344,023)	36,644,448	36,446,534	1.08434
2018	28,259,712	7,377,785	1,518,307	1,703,309	750,100	(1,352,367)	38,256,847	38,067,280	1.05628

**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.

See Independent Auditor's Report

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

**Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	2018		Percentage of Total Equalized Valuation	2009		Percentage of Total Equalized Valuation
	Equalized Valuation	Rank		Equalized Valuation	Rank	
Thomas Wright Enterprises (Outagamie County)	\$104,094,295	1	0.26%	\$58,971,721	4	0.17%
Fox River Shopping Center	92,949,150	2	0.24%	88,878,060	1	0.25%
Pfefferle Investments	90,493,283	3	0.23%	45,699,477	9	0.13%
Kimberly Clark <sup>(a)</sup>	88,313,348	4	0.22%	77,910,244	2	0.22%
Dumke & Associates	67,648,047	5	0.17%	51,672,448	6	0.15%
Curwood, Inc. (Bemis)	65,674,036	6	0.17%	51,358,478	7	0.15%
Midwest Realty (Security Homes Inc.)	63,634,863	7	0.16%	74,463,051	3	0.21%
R. Winters Associates	62,102,715	8	0.16%	52,954,147	5	0.15%
Thomas N. Rusch et al.	51,153,912	9	0.13%	48,426,110	8	0.14%
Thomas Wright Enterprises (Winnebago County)	49,381,264	10	0.13%	-	-	-
Oshkosh Truck Corp.	-	-	-	44,286,670	10	0.13%
<b>Total</b>	<b>\$735,444,913</b>		<b>1.87%</b>	<b>\$594,620,406</b>		<b>1.70%</b>
Total equalized property valuation for the District (TID In)	\$39,424,524,911			\$35,027,476,790		

(a) Kimberly-Clark previously announced the closing of its Neenah non-woven mill facility. However, an agreement has now been reached between Kimberly-Clark and the State of Wisconsin to keep the Cold Spring Road location open (located within the Village of Fox Crossing).

**Source:** Preliminary Official Statement dated August 12, 2019. Provided by R. W. Baird & Co., Inc.

See Independent Auditor's Report

# 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
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 <sup>(c)</sup>	37,389,471	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%
2018	39,520,514	30,213,414	76.45%	39,520,514	100.00%
2019	40,209,543	30,375,296	75.54%	40,209,543	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.

See Independent Auditor's Report

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

<b>Fiscal Year</b>	<b>Population <sup>(a)</sup></b>	<b>Equalized Valuation <sup>(b)</sup></b>	<b>Outstanding Debt <sup>(c)</sup></b>	<b>Less Amounts Available <sup>(d)</sup></b>	<b>Net Debt Outstanding</b>	<b>Percent of Net Debt to Equalized Valuation</b>	<b>Debt per Capita</b>
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
2018	474,111	36,446,534,387	83,547,869	16,295,261	67,252,608	0.18%	141.85
2019	477,516	38,067,280,411	80,910,935	16,607,014	64,303,921	0.17%	134.66

**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.

See Independent Auditor's Report

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

**Direct and Overlapping Debt  
As of December 31, 2018**

<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	\$ 97,363,386	0.4%	\$ 389,454
Calumet	15,924,839	83.9%	13,360,940
Manitowoc	24,508,023	0.9%	220,572
Outagamie	69,613,650	97.0%	67,525,241
Portage	17,875,000	1.5%	268,125
Shawano	15,945,130	7.5%	1,195,885
Waupaca	37,325,000	97.1%	36,242,575
Waushara	4,544,875	77.8%	3,535,913
Winnebago	33,293,000	95.3%	31,728,229
<b>Total All Counties</b>	<b>\$ 316,392,903</b>		<b>\$ 154,466,933</b>
Cities within			
Calumet	\$ 21,391,240	100.0%	\$ 21,391,240
Outagamie	26,825,665	99.7%	26,751,315
Waupaca	26,088,450	100.0%	26,088,450
Waushara	1,807,688	100.0%	1,807,688
Winnebago	160,942,328	100.0%	160,942,328
<b>Total All Cities</b>	<b>\$ 237,055,372</b>		<b>\$ 236,981,021</b>
Villages within			
Calumet	\$ 7,919,556	100.0%	\$ 7,919,556
Outagamie	8,631,108	99.7%	8,607,186
Waupaca	1,770,701	100.0%	1,770,701
Waushara	1,410,013	100.0%	1,410,013
Winnebago	25,605,214	100.0%	25,605,214
<b>Total All Villages</b>	<b>\$ 45,336,592</b>		<b>\$ 45,312,670</b>
Towns within			
Brown	\$ -	0.0%	\$ -
Calumet	-	0.0%	-
Manitowoc	136,988	100.0%	136,988
Outagamie	34,156,877	99.7%	34,062,207
Portage	160,874	100.0%	160,874
Shawano	241,131	100.0%	241,131
Waupaca	116,484	100.0%	116,484
Waushara	255,102	95.4%	243,349
Winnebago	10,450,664	99.0%	10,347,116
<b>Total All Towns</b>	<b>\$ 45,518,120</b>		<b>\$ 45,308,149</b>

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

**Direct and Overlapping Debt  
As of December 31, 2018**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to the District</b>	<b>Amount Applicable to the District</b>
School District of			
Appleton	\$ 35,347,946	100.0%	\$ 35,347,946
Brillion	13,230,000	100.0%	13,230,000
Chilton	13,895,000	100.0%	13,895,000
Clintonville	5,947,995	100.0%	5,947,995
Freedom	1,150,000	100.0%	1,150,000
Hilbert	12,135,000	100.0%	12,135,000
Hortonville	28,205,000	100.0%	28,205,000
Iola-Scandinavia	3,140,000	100.0%	3,140,000
Kaukauna	48,990,000	100.0%	48,990,000
Kimberly	20,669,932	100.0%	20,669,932
Little Chute	20,430,286	100.0%	20,430,286
Manawa-Little Wolf	-	100.0%	-
Marion	495,632	100.0%	495,632
Menasha Joint	41,755,000	100.0%	41,755,000
Neenah	50,000	100.0%	50,000
New London	1,985,000	100.0%	1,985,000
Omro	5,090,628	100.0%	5,090,628
Oshkosh	55,247,059	100.0%	55,247,059
Seymour	8,135,000	100.0%	8,135,000
Shiocton	2,254,957	100.0%	2,254,957
Stockbridge	1,311,234	100.0%	1,311,234
Waupaca	3,645,787	100.0%	3,645,787
Wautoma	-	100.0%	-
Westfield	800,000	100.0%	800,000
Weyauwega-Fremont	19,250,000	100.0%	19,250,000
Wild Rose	1,695,000	100.0%	1,695,000
Winneconne	15,505,000	100.0%	15,505,000
Wrightstown	3,042,836	100.0%	3,042,836
<b>Total All School Districts</b>	<b>\$ 363,404,292</b>		<b>\$ 363,404,292</b>
<b>Subtotal overlapping debt</b>	<b>\$ 1,007,707,279</b>		<b>\$ 845,473,065</b>
<b>District direct debt</b>	<b>\$ 80,910,935</b>	100.0%	<b>\$ 80,910,935</b>
<b>Total direct and overlapping debt</b>	<b>\$ 1,088,618,214</b>		<b>\$ 926,384,000</b>

**Source:** Survey of each government unit within the District's boundaries, June 2019

**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.

See Independent Auditor's Report

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

**Legal Debt Margin Information  
Last Ten Fiscal Years**

(dollars in thousands)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Equalized Valuation <sup>(a)</sup>	\$39,424,525	\$37,795,272	\$35,936,674	\$35,037,874	\$34,395,417	\$33,879,731	\$33,727,057	\$34,490,268	\$34,743,195	\$35,027,477
Debt limit - 5% of equalized valuation <sup>(b)</sup>	\$1,971,226	\$1,889,764	\$1,796,834	\$1,751,894	\$1,719,771	\$1,693,987	\$1,686,353	\$1,724,513	\$1,737,160	\$1,751,374
Aggregate indebtedness applicable to debt limit										
General obligation promissory notes and bonds	80,765	83,270	85,725	89,140	94,295	97,380	97,055	31,905	34,820	38,005
Capital leases	146	278	407	534	226	734	1,224	1,691	2,136	24
Less resources available to fund principal and interest payments <sup>(c)</sup>	(16,607)	(16,295)	(16,026)	(16,013)	(17,054)	(17,187)	(17,016)	(12,562)	(12,724)	(13,318)
Total net debt applicable to limit	64,304	67,253	70,106	73,661	77,467	80,927	81,263	21,034	24,232	24,711
Legal debt margin	\$1,906,922	\$1,822,511	\$1,726,727	\$1,678,233	\$1,642,304	\$1,613,059	\$1,605,089	\$1,703,480	\$1,712,928	\$1,726,663
Total net debt applicable to the limit as a percentage of debt limit	3.26%	3.56%	3.90%	4.20%	4.50%	4.78%	4.82%	1.22%	1.39%	1.41%
Debt limit - 2% of equalized valuation <sup>(b)</sup>	\$788,491	\$755,905	\$718,733	\$700,757	\$687,908	\$677,595	\$674,541	\$689,805	\$694,864	\$700,550
Gross bonded indebtedness applicable to debt limit										
Gross bonded debt	40,570	43,910	47,160	50,310	54,825	59,345	65,225	-	-	-
Less resources available to fund principal and interest payments	(16,607)	(16,295)	(16,026)	(16,013)	(17,054)	(17,187)	(17,016)	N/A	N/A	N/A
Total net debt applicable to limit	23,963	27,615	31,134	34,297	37,771	42,158	48,209	-	-	-
Legal debt margin	\$764,528	\$728,291	\$687,599	\$666,461	\$650,137	\$635,436	\$626,332	\$689,805	\$694,864	\$700,550
Total net debt applicable to the limit as a percentage of debt limit	3.04%	3.65%	4.33%	4.89%	5.49%	6.22%	7.15%	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.

See Independent Auditor's Report



**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<b>Calendar Year</b>	<b>District Population<sup>(a)</sup></b>	<b>Personal Income (thousands of dollars)<sup>(b)(e)</sup></b>	<b>Per Capita Personal Income<sup>(b)(e)</sup></b>	<b>Public School Enrollment<sup>(c)(e)</sup></b>	<b>Annual Public High School Graduates<sup>(c)(e)</sup></b>	<b>Unemployment Rate<sup>(d)(e)</sup></b>
2009	457,464	\$14,473,963	\$36,626	66,035	5,469	8.17%
2010	458,949	14,945,622	37,714	65,898	5,532	7.74%
2011	460,126	15,794,381	39,721	65,959	5,596	6.95%
2012	461,299	16,410,611	41,083	65,671	5,129	6.58%
2013	466,556	16,501,345	41,085	65,653	4,932	6.42%
2014	468,200	17,276,450	42,830	66,418	4,415	5.19%
2015	470,726	18,035,149	44,613	66,442	4,519	4.22%
2016	473,131	18,596,846	45,832	66,815	4,424	3.82%
2017	474,111	19,220,556	47,115	66,892	4,459	3.03%
2018	477,516	(f)	(f)	66,951	4,722	2.78%

**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 2017 and revisions for 2009-2017 were released on March 6, 2019.
- (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.

See Independent Auditor's Report

## FOX VALLEY TECHNICAL COLLEGE DISTRICT

### Principal Employers Current Year and Nine Years Prior

Employer	Type of Business	2019		2010	
		Employees	Rank	Employees	Rank
ThedaCare <sup>(a)</sup>	Health care providers	7,184	1	5,000	1
Oshkosh Corporation	Truck and large vehicle manufacturer	6,100	2	2,400	5
Affinity Health Care <sup>(b)</sup>	Health care providers	4,300	3	4,300	2
Kimberly Clark <sup>(c)</sup>	Paper products manufacturer	2,000	4	3,100	4
Spectrum Software	Computer system designer	2,000	4	-	-
Appleton Area School District	Education	1,850	5	1,724	6
Miller Electric Manufacturing Co.	Welding equipment manufacturer	1,520	6	-	-
Oshkosh Area School District	Education	1,414	7	1,531	10
Outagamie County	Government	1,250	8	-	-
University of Wisconsin - Oshkosh	Education	1,205	9	1,600	8
Expera Specialty Solutions (aka Thilmany LLC)	Specialty papers	1,200	10	-	-
Fox River Shopping Center	Retail shopping mall	-	-	3,200	3
Curwood, Inc. (Bemis)	Plastics container manufacturer	-	-	1,700	7
Appleton Coated LLC	Coated papers manufacturer	-	-	1,535	9
<b>Total</b>		<b>30,023</b>		<b>26,090</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 St. Elizabeth Hospital, Mercy Medical Center, clinics, homecare, occupational care and rehabilitation facilities throughout the Fox Valley area.

(c) In 2018 Kimberly-Clark Corporation announced the closing of its Neenah non-woven mill facility. The non-woven plant will lose 74 employees effective May 31, 2019. At that time, Kimberly-Clark Corporation also anticipated closing the Cold Spring Road location (located in the Village of Fox Crossing), however, former Governor Scott Walker signed an agreement in December of 2018 with Kimberly-Clark Corporation which will keep the Cold Spring Road location plant open. The company will retain all 388 plant jobs and investments of up to \$200 million will be made at the plant over the next five years.

**Source:** Preliminary Official Statement dated August 12, 2019. Provided by R. W. Baird & Co., Inc.

See Independent Auditor's Report

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
**Full-time Equivalent District Employees by Employee Group**  
**Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>By Pay Groups:</b>										
Full-time instructors	313	315	319	315	316	284	329	336	327	320
Part-time instructors	16	17	14	13	14	12	14	13	15	18
Management	191	182	165	156	145	135	121	119	121	108
Full-time support-union	281	281	274	272	262	231	248	249	248	243
Part-time support-union	35	37	37	35	31	32	33	37	40	44
<b>Total</b>	<b>836</b>	<b>832</b>	<b>809</b>	<b>791</b>	<b>768</b>	<b>694</b>	<b>745</b>	<b>754</b>	<b>751</b>	<b>733</b>

**Source:** Human Resources Department - employee full-time equivalent as of June 30 of each year.

\* As of June 30, 2019 all previous years restated as full-time equivalent. Previously show as total headcount.

\* 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.

See Independent Auditor's Report

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

**Operating Statistics  
Last Ten Fiscal Years**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Student enrollment<sup>(a)</sup></b>										
Associate degree	11,784	12,047	12,463	12,889	13,659	14,690	15,196	16,060	14,506	13,925
Technical diploma	3,211	3,256	3,250	3,383	3,468	3,344	3,260	3,150	3,310	3,402
Vocational adult	27,199	30,671	26,130	29,147	26,212	27,344	28,371	32,785	34,270	28,452
Non-postsecondary	1,530	2,139	2,294	2,138	2,034	1,927	2,009	2,479	5,050	5,401
Community services	2,045	1,508	1,481	1,191	673	532	866	814	821	964
Transcripted credit <sup>(b)</sup>	5,581	5,222	4,483	3,521	2,696	1,930	1,571	1,033	1,586	1,690
<b>Total enrollment<sup>(c)</sup></b>	<b>48,691</b>	<b>51,806</b>	<b>47,156</b>	<b>49,082</b>	<b>45,441</b>	<b>46,367</b>	<b>47,573</b>	<b>52,130</b>	<b>54,349</b>	<b>48,587</b>
Percentage Change	-6.01%	9.86%	-3.92%	8.01%	-2.00%	-2.54%	-8.74%	-4.08%	11.86%	4.57%
<b>Full-time equivalent (FTE) enrollment<sup>(d)</sup></b>										
Associate degree	4,150	4,289	4,504	4,842	5,214	5,605	5,910	6,045	5,994	5,579
Technical diploma	666	670	707	669	670	669	640	650	659	655
Vocational adult	449	510	458	556	459	480	482	540	581	555
Non-postsecondary	311	320	348	341	322	226	246	257	579	612
Community services	23	23	24	9	7	7	9	10	10	12
<b>Total full-time equivalent enrollments</b>	<b>5,599</b>	<b>5,812</b>	<b>6,042</b>	<b>6,418</b>	<b>6,673</b>	<b>6,986</b>	<b>7,288</b>	<b>7,501</b>	<b>7,823</b>	<b>7,413</b>
Percentage Change	-3.66%	-3.81%	-5.86%	-3.83%	-4.48%	-4.15%	-2.83%	-4.12%	5.53%	14.30%
<b>Teachers<sup>(e)</sup></b>	<b>437</b>	<b>435</b>	<b>435</b>	<b>435</b>	<b>430</b>	<b>450</b>	<b>481</b>	<b>495</b>	<b>526</b>	<b>513</b>
<b>FTE - Teacher ratio</b>	<b>12.8</b>	<b>13.3</b>	<b>13.9</b>	<b>14.8</b>	<b>15.5</b>	<b>15.5</b>	<b>15.1</b>	<b>15.2</b>	<b>14.9</b>	<b>14.5</b>
<b>Operating Expenditures<sup>(f)</sup></b>	<b>\$ 113,634,926</b>	<b>\$ 110,803,413</b>	<b>\$ 109,252,189</b>	<b>\$ 107,171,620</b>	<b>\$ 104,136,832</b>	<b>\$ 110,083,566</b>	<b>\$ 107,197,934</b>	<b>\$ 104,831,814</b>	<b>\$ 106,539,249</b>	<b>\$ 100,269,258</b>
<b>Cost per FTE</b>	<b>\$20,296.05</b>	<b>\$19,065.25</b>	<b>\$18,082.90</b>	<b>\$16,699.80</b>	<b>\$15,605.82</b>	<b>\$15,757.51</b>	<b>\$14,708.22</b>	<b>\$13,975.87</b>	<b>\$13,618.72</b>	<b>\$13,526</b>
Percentage Change	6.46%	5.43%	8.28%	7.01%	-0.96%	7.13%	5.24%	2.62%	0.68%	-9.18%
<b>Program Graduate follow-up statistics<sup>(g)</sup></b>										
Number of graduates	(e)	2,609	2,557	2,652	2,639	2,560	2,724	2,833	2,526	2,371
Number of follow-up respondents	(e)	1,831	1,970	2,085	2,005	1,807	1,972	2,223	1,933	1,858
Total number available for employment	(e)	1,309	1,423	156	1,505	1,499	1,490	1,877	1,482	1,472
Percent employed	(e)	94%	95%	94%	94%	92%	89%	89%	88%	85%
Percent employed in related occupation	(e)	80%	84%	83%	85%	78%	79%	75%	75%	70%
Percent employed in District	(e)	64%	60%	63%	66%	63%	63%	65%	70%	69%
Average annual salary	(e)	\$41,862	\$39,192	\$38,192	\$36,196	\$35,223	\$33,808	\$32,994	\$33,088	\$32,939
<b>Age range of students</b>	<b>7 - 92</b>	<b>9 - 93</b>	<b>9 - 93</b>	<b>8 - 92</b>	<b>9 - 99</b>	<b>9 - 94</b>	<b>8 - 93</b>	<b>8 - 91</b>	<b>7 - 95</b>	<b>7 - 90</b>
<b>Average age of students</b>	<b>36</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>37</b>	<b>36</b>	<b>36</b>

**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.

See Independent Auditor's Report

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**

**Campus Statistics  
Last Ten Fiscal Years**

	2019	2018 *	2017	2016	2015	2014	2013	2012	2011	2010
Square Footage										
Campuses:										
Appleton Main Campus	603,341	603,341	603,701	603,701	603,701	588,805	528,805	519,505	519,505	508,425
Oshkosh Riverside Campus	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786
Facilities:										
Advanced Manufacturing Technology Center	27,053	27,053	26,721	26,721	26,721	26,721	26,721	26,721	26,721	-
Criminal Justice Office Space	280	280	4,482	4,482	4,482	4,482	4,482	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	12,500	12,500	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
J. J. Keller - Transportation Center	122,498	122,498	122,498	122,498	122,498	122,498	80,992	80,992	80,992	80,992
Public Safety Training Center	110,263	110,263	111,295	111,295	111,295	-	-	-	-	-
S. J. Spanbauer Center	76,469	76,469	76,469	76,469	76,469	76,469	76,469	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	40,966	40,966	41,902	41,902	41,902	41,902	29,194	29,194	29,194	29,194
Community First Career Exploration and Financial Literacy 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	-	-	-
Regional Centers:										
Chilton Regional Center	21,800	21,800	21,800	21,800	19,760	19,760	19,760	19,760	19,760	19,760
Clintonville Regional Center	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Neenah Regional Center - Kellett Center <sup>(b)</sup>	-	-	-	-	-	-	-	20,900	20,900	20,900
Waupaca Regional Center	15,200	15,200	15,530	15,530	15,530	15,530	15,530	15,530	15,530	15,530
Wautoma Regional Center	12,483	3,142	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Other Locations:										
Appleton City Center Plaza <sup>(c)</sup>	-	-	-	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Appleton Downtown-Pillars	2,000	-	-	-	-	-	-	-	-	-
New London Center	1,848	1,848	-	-	-	-	-	-	-	-

*(a) Leases ended January 2015*

*(b) Lease ended August 2012*

*(c) Lease ended June 2016*

\* Per 3-Yr Facilities Plan document, amounts were recalculated in Fiscal Year 2018.

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

See Independent Auditor's Report

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, 2019, 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 15, 2019. 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, slightly slanted style.

Wipfli LLP

November 15, 2019  
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, 2019. 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, 2019.

### **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 of 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 15, 2019  
Madison, Wisconsin

**Fox Valley Technical College District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2019**

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		07-01-18 - 06-30-19	\$19,166	\$19,166	\$54,834	-	\$74,000
<b>Total - U.S. Department of Agriculture</b>				<b>19,166</b>	<b>19,166</b>	<b>54,834</b>	<b>-</b>	<b>74,000</b>
<b>U.S. Department of the Interior</b>								
<b>Indian Education Higher Education Grant Program</b>								
Bureau of Indian Affairs	15.114		07-01-18 - 06-30-19	133,770	133,770	-	-	133,770
<b>Total - U.S. Department of the Interior</b>				<b>133,770</b>	<b>133,770</b>	<b>-</b>	<b>-</b>	<b>133,770</b>
<b>U.S. Department of Justice</b>								
<b>Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)</b>								
SMART Promoting Evidence Integration in Sex Offender Management FY 2015	16.203	2015-AW-BX-K005	10-01-15 - 09-30-19	250,000	72,281	-	-	72,281
SMART Promoting Evidence Integration in Sex Offender Management FY 2017	16.203	2015-AW-BX-K005	10-01-17 - 09-30-19	500,000	233,704	-	-	233,704
<b>Total - Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)</b>				<b>750,000</b>	<b>305,985</b>	<b>-</b>	<b>-</b>	<b>305,985</b>
<b>OVW Technical Assistance Initiative</b>								
OVW Training & Technical Assistance Initiative FY 2017	16.526	2017-TA-AX-K068	10-01-17 - 09-30-19	450,000	164,068	-	16,647	164,068
<b>Missing Children's Assistance</b>								
Internet Crimes Against Children Specialized Training on Tools & Technology FY 2016	16.543	2016-MC-FX-K025	10-01-16 - 12-31-19	400,000	5,892	-	-	5,892
Internet Crimes Against Children Specialized Training on Tools & Technology FY 2017	16.543	2016-MC-FX-K025	10-01-17 - 12-31-19	400,000	162,514	-	-	162,514
Internet Crimes Against Children Specialized Training on Tools & Technology FY 2018	16.543	2016-MC-FX-K025	10-01-18 - 12-31-19	400,000	224,753	-	-	224,753
Internet Crimes Against Children Entry Level & Core Training FY 2016	16.543	2016-MC-FX-K026	10-01-16 - 12-31-19	1,100,000	107,965	-	-	107,965
Internet Crimes Against Children Entry Level & Core Training FY 2017	16.543	2016-MC-FX-K026	10-01-17 - 12-31-19	1,100,000	628,949	-	-	628,949
Internet Crimes Against Children Entry Level & Core Training FY 2018	16.543	2016-MC-FX-K026	10-01-18 - 12-31-19	1,100,000	454,084	-	-	454,084
Missing & Exploited Children Training & Technical Assistance Program FY 2017	16.543	2017-MC-FX-K002	10-01-17 - 09-30-19	1,800,000	819,295	-	86,634	819,295
Missing & Exploited Children Training & Technical Assistance Program FY 2018	16.543	2017-MC-FX-K002	10-01-18 - 09-30-19	1,800,000	796,117	-	29,073	796,117
AMBER Training & Technical Assistance Program FY 2017	16.543	2017-MC-FX-K003	10-01-17 - 09-30-19	2,400,000	878,510	-	54,092	878,510
AMBER Training & Technical Assistance Program FY 2018	16.543	2017-MC-FX-K003	10-01-18 - 09-30-19	3,400,000	2,025,626	-	78,898	2,025,626
Internet Crimes Against Children Program Support FY 2017	16.543	2017-MC-FX-K004	10-01-17 - 09-30-19	2,000,000	946,458	-	-	946,458
Internet Crimes Against Children Program Support FY 2018	16.543	2017-MC-FX-K004	10-01-18 - 09-30-19	2,000,000	1,219,633	-	-	1,219,633
Strengthening Tools & Technology for Combating Child Exploitation: Category 1 FY 2018	16.543	2018-MC-FX-K058	10-01-18 - 09-30-21	750,000	87,763	-	-	87,763
Strengthening Tools & Technology for Combating Child Exploitation: Category 2 FY 2018	16.543	2018-MC-FX-K063	10-01-18 - 09-30-21	500,000	192,387	-	-	192,387
<b>Total - Missing Children's Assistance</b>				<b>19,150,000</b>	<b>8,549,946</b>	<b>-</b>	<b>248,697</b>	<b>8,549,946</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	S5100000028482	02-01-15 - 12-31-19	93,718	16,958	-	-	16,958
<b>Crime Victim Assistance</b>								
<i>Passed through the Wisconsin Department of Justice</i>								
Wisconsin State Victim Assistance Academy	16.575	2016-VO-2215098	01-01-19 - 09-30-19	11,097	173	-	-	173
Wisconsin Serving Victims of Crime Conference	16.575	2016-VA-GX-0065	01-01-19 - 09-30-19	18,658	2,546	-	-	2,546
<b>Total - Crime Victim Assistance</b>				<b>29,755</b>	<b>2,719</b>	<b>-</b>	<b>-</b>	<b>2,719</b>
<b>Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program</b>								
Tribal Justice System Capacity Building-Community Corrections 2013/2014	16.580	2012-MU-BX-K002	10-01-13 - 09-30-18	400,000	9,441	-	-	9,441
Tribal Justice System Capacity Building-Strategic Planning FY 2013	16.580	2012-IC-BX-K004	10-01-13 - 09-30-19	918,003	8,905	-	-	8,905
<b>Total - Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program</b>				<b>1,318,003</b>	<b>18,346</b>	<b>-</b>	<b>-</b>	<b>18,346</b>
<b>Crime Victim Assistance/Discretionary Grants</b>								
American Indian/Alaska Native Training & Technical Assistance Program FY 2015	16.582	2015-MU-GX-K075	10-01-15 - 09-30-18	2,000,000	254,601	-	81,060	254,601
American Indian/Alaska Native Training & Technical Assistance Program FY 2018	16.582	2018-MU-GX-K064	10-01-18 - 09-30-21	2,150,000	406,557	-	27,796	406,557
<b>Total - Crime Victim Assistance/Discretionary Grants</b>				<b>4,150,000</b>	<b>661,158</b>	<b>-</b>	<b>108,856</b>	<b>661,158</b>
<b>Tribal Court Assistance Program</b>								
Tribal Justice System Capacity Building-Strategic Planning FY 2016	16.608	2016-IC-BX-K002	10-01-16 - 09-30-20	625,000	196,752	-	16,140	196,752
Tribal Corrections Capacity Building-Community Corrections Capacity FY 2018	16.608	2018-S4-BX-K002	10-01-18 - 09-30-20	600,000	15,791	-	-	15,791
<b>Total - Tribal Court Assistance Program</b>				<b>1,225,000</b>	<b>212,543</b>	<b>-</b>	<b>16,140</b>	<b>212,543</b>

**Fox Valley Technical College District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2019**

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b>Indian Country Alcohol and Drug Prevention</b>								
Indian Alcohol & Substance Training & Technical Assistance FY 2013	16.616	2013-AC-BX-K001	10-01-13 - 09-30-18	900,000	7,489	-	7,489	7,489
<b>Public Safety Partnership and Community Policing Grants</b>								
COPS Tribal Resource Grant Program FY 2011	16.710	2011-HE-WX-K001	10-01-11 - 08-31-19	998,662	19,333	-	-	19,333
COPS National Indian Youth Police Academy FY 2013	16.710	2013-HE-WX-K003	09-01-13 - 08-31-18	199,893	851	-	-	851
COPS Online Training Development FY 2017	16.710	2017-CK-WX-K007	09-01-17 - 08-31-19	313,487	88,292	-	-	88,292
COPS Tribal Community Policing Training & Technical Assistance Project FY 2017	16.710	2017-HE-WX-K001	09-01-17 - 08-31-19	450,000	272,896	-	-	272,896
<b>Total - Public Safety Partnership and Community Policing Grants</b>				<b>1,962,042</b>	<b>381,372</b>	-	-	<b>381,372</b>
<b>Edward Byrne Memorial Justice Assistance Grant Program</b>								
<i>Passed through the Police Foundation</i>								
Law Enforcement National Initiatives: Improving Responses to CJ Issues FY 2016	16.738	SUB2016MUBXK005	10-01-16 - 09-30-18	380,000	18,636	-	-	18,636
Law Enforcement National Initiatives: Improving Responses to CJ Issues FY 2017	16.738	SUB2016MUBXK005	10-01-17 - 09-30-19	367,903	285,157	-	-	285,157
<b>Total - Edward Byrne Memorial Justice Assistance Grant Program</b>				<b>747,903</b>	<b>303,793</b>	-	-	<b>303,793</b>
<b>Support for Adam Walsh Act Implementation Grant Program</b>								
SORNA Tribal Training & Technical Assistance Program FY 2013	16.750	2013-AW-BX-K002	10-01-13 - 09-30-18	1,000,000	18,494	-	-	18,494
SORNA Tribal Training & Technical Assistance Program FY 2015	16.750	2013-AW-BX-K002	10-01-15 - 09-30-18	500,000	65,991	-	-	65,991
SORNA Tribal Training & Technical Assistance Program FY 2014	16.750	2014-AW-BX-K001	10-01-14 - 01-31-19	500,000	152,040	-	-	152,040
SORNA Workshops & National Symposium FY 2016	16.750	2016-AW-BX-K001	08-01-16 - 07-31-20	750,000	39,548	-	-	39,548
SORNA Tribal Training & Technical Assistance Program FY 2017	16.750	2017-AW-BX-K001	10-01-17 - 09-30-20	1,000,000	187,891	-	-	187,891
<b>Total - Support for Adam Walsh Act Implementation Grant Program</b>				<b>3,750,000</b>	<b>463,964</b>	-	-	<b>463,964</b>
<b>Edward Byrne Memorial Competitive Grant Program</b>								
Tribal Justice System Planning Process (TJSPP) FY 2014	16.751	2012-IC-BX-K004	10-01-14 - 09-30-19	896,692	278,390	-	114,721	278,390
Tribal Justice System Planning Process (TJSPP) FY 2015	16.751	2012-IC-BX-K004	10-01-15 - 09-30-19	625,000	122,481	-	29,405	122,481
Tribal Justice Systems Capacity Building Training & Technical Assistance FY 2014	16.751	2012-MU-BX-K002	10-01-14 - 09-30-18	400,000	20,559	-	-	20,559
Tribal Justice Systems Capacity Building Training & Technical Assistance FY 2015	16.751	2012-MU-BX-K002	10-01-15 - 09-30-18	300,000	(3,361)	-	-	(3,361)
Indian Alcohol & Substance Abuse Training & Technical Assistance FY 2014	16.751	2013-AC-BX-K001	10-01-14 - 09-30-18	650,000	59,927	-	-	59,927
Indian Alcohol & Substance Abuse Training & Technical Assistance FY 2015	16.751	2013-AC-BX-K001	10-01-15 - 09-30-18	300,000	32,355	-	-	32,355
<b>Total - Edward Byrne Memorial Competitive Grant Program</b>				<b>3,171,692</b>	<b>510,351</b>	-	<b>144,126</b>	<b>510,351</b>
<b>Byrne Criminal Justice Innovation Program</b>								
Tribal Justice System Capacity Building Training & Technical Assistance FY 2018	16.817	2016-IC-BX-K002	03-30-19 - 09-30-20	394,311	18,661	-	3,362	18,661
<b>VOCA Tribal Victim Services Set-Aside Program</b>								
Tribal Set-Aside Training & Technical Assistance Program FY 2018	16.841	2018-VO-GX-K001	10-01-18 - 09-30-21	1,325,000	100,300	-	-	100,300
<b>Total - U.S. Department of Justice</b>				<b>39,417,424</b>	<b>11,717,653</b>	-	<b>545,317</b>	<b>11,717,653</b>
<b>U.S. Department of Labor</b>								
<b>Workforce Investment Act Cluster</b>								
<b>WIA Adult Program</b>								
<i>Passed through the Bay Area Workforce Development Board</i>								
Bay Area DWD Adult Case Management	17.258	19OUT CS OS	07-01-18 - 06-30-19	53,998	53,118	-	-	53,118
<b>WIA Youth Activities</b>								
<i>Passed through the Bay Area Workforce Development Board</i>								
Bay Area DWD Youth Case Management	17.259	19OUT CS OS	07-01-18 - 06-30-19	109,002	95,854	-	-	95,854
<b>Total - Workforce Investment Act Cluster</b>				<b>163,000</b>	<b>148,972</b>	-	-	<b>148,972</b>
<b>H-1B High Growth Job Training Grants</b>								
<i>Passed through the Wisconsin Technical College System Board</i>								
Wisconsin Apprenticeship Growth & Expansion (WAGE\$)	17.268	12309155119	07-01-18 - 06-30-19	20,000	20,000	-	-	20,000
<b>Total - U.S. Department of Labor</b>				<b>183,000</b>	<b>168,972</b>	-	-	<b>168,972</b>

**Fox Valley Technical College District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2019**

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 State</b>								
<b>Academic Exchange Programs - Undergraduate Programs</b>								
<i>Passed through the International Research &amp; Exchanges Board (IREX)</i>								
Tunisia Community College Scholarship Program 2018-2019	19.009		08-13-18 - 06-30-19	35,628	32,526	-	-	32,526
<b>Public Diplomacy Programs</b>								
<i>Passed through the American Councils for International Education</i>								
Year of Exchange in America for Russians (YEAR) Program	19.040	SLMAQM17CA2043	08-01-18 - 06-30-19	37,050	32,065	-	-	32,065
<i>Passed through the Partners of the Americas Foundation</i>								
Innovation Accelerator	19.040	SAR20017GR0100	08-01-18 - 08-01-19	25,000	12,500	60,267	-	72,767
<b>Total - Public Diplomacy Programs</b>				<b>62,050</b>	<b>44,565</b>	<b>60,267</b>	<b>-</b>	<b>104,832</b>
<b>Professional and Cultural Exchange Programs - Citizen Exchanges</b>								
<i>Passed through Cultural Vistas</i>								
Congress Bundestag Youth Exchange	19.415		08-01-18 - 05-31-19	3,862	3,862	-	-	3,862
<b>Total - U.S. Department of State</b>				<b>101,540</b>	<b>80,953</b>	<b>60,267</b>	<b>-</b>	<b>141,220</b>
<b>U.S. Department of Transportation</b>								
<i>Passed through the Wisconsin Technical College System Board</i>								
Interagency Hazardous Materials Public Sector Training & Planning Grants	20.703		07-01-18 - 06-30-19	7,772	7,772	-	-	7,772
<b>Total - U.S. Department of Transportation</b>				<b>7,772</b>	<b>7,772</b>	<b>-</b>	<b>-</b>	<b>7,772</b>
<b>U.S. Department of Education</b>								
<b>Adult Education - Basic Grants to States</b>								
<i>Passed through the Wisconsin Technical College System Board</i>								
Adult Basic Skills Comprehensive Services	84.002	12-189-146-129	07-01-18 - 06-30-19	260,543	260,543	648,264	-	908,807
Integrated English Literacy & Civics Education (IELCE)	84.002	12-190-146-169	07-01-18 - 06-30-19	2,225	2,225	5,536	-	7,761
Special Focus-ABE Program for the Incarcerated	84.002	12-191-146-119	07-01-18 - 06-30-19	74,868	74,868	24,956	-	99,824
<b>Total - Adult Education - Basic Grants to States</b>				<b>337,636</b>	<b>337,636</b>	<b>678,756</b>	<b>-</b>	<b>1,016,392</b>
<b>Higher Education Institutional Aid</b>	84.031		07-01-18 - 06-30-19	6,135	6,135	-	-	6,135
<b>Career &amp; Technical Education Basic Grants to States</b>								
<i>Passed through the Wisconsin Technical College System Board</i>								
Perkins FVTC Career Prep Initiative	84.048	12-202-150-219	07-01-18 - 06-30-19	46,997	46,997	-	-	46,997
Perkins Support Services for Student Success	84.048	12-203-150-239	07-01-18 - 06-30-19	546,363	546,363	339,700	-	886,063
Perkins Business Management Student Success-Year 3	84.048	12-204-150-259	07-01-18 - 06-30-19	137,234	137,234	-	-	137,234
Perkins NTO Recruitment & Retention Services	84.048	12-205-150-269	07-01-18 - 06-30-19	34,308	34,308	-	-	34,308
<b>Total - Career &amp; Technical Education Basic Grants to States</b>				<b>764,902</b>	<b>764,902</b>	<b>339,700</b>	<b>-</b>	<b>1,104,602</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		07-01-18 - 06-30-19	62,743	62,743	-	-	62,743
<b>Student Financial Assistance Cluster</b>								
<b>Federal Supplemental Educational Opportunity Grants</b>								
SEOG Grants	84.007		07-01-18 - 06-30-19	138,563	138,563	46,187	-	184,750
SEOG Grants-Administrative Cost	84.007		07-01-18 - 06-30-19	9,184	9,184	-	-	9,184
<b>Total - Federal Supplemental Educational Opportunity Grants</b>				<b>147,747</b>	<b>147,747</b>	<b>46,187</b>	<b>-</b>	<b>193,934</b>
<b>Federal Work-Study Program</b>								
College Work Study	84.033		07-01-18 - 06-30-19	247,096	247,096	80,586	-	327,682
College Work Study-Administrative Cost	84.033		07-01-18 - 06-30-19	12,652	12,652	-	-	12,652
<b>Total - Federal Work-Study Program</b>				<b>259,748</b>	<b>259,748</b>	<b>80,586</b>	<b>-</b>	<b>340,334</b>
<b>Federal Pell Grant Program</b>								
PELL Grants	84.063		07-01-18 - 06-30-19	7,581,250	7,581,250	-	-	7,581,250
PELL Grants - Administrative Fee	84.063		07-01-18 - 06-30-19	12,095	12,095	-	-	12,095
<b>Total - Federal Pell Grant Program</b>				<b>7,593,345</b>	<b>7,593,345</b>	<b>-</b>	<b>-</b>	<b>7,593,345</b>

**Fox Valley Technical College District**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2019**

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<b>Federal Direct Student Loans</b>								
Direct PLUS Loans	84.268		07-01-18 - 06-30-19	135,247	135,247	-	-	135,247
Direct Subsidized Loans	84.268		07-01-18 - 06-30-19	4,881,909	4,881,909	-	-	4,881,909
Direct Unsubsidized Loans	84.268		07-01-18 - 06-30-19	3,946,286	3,946,286	-	-	3,946,286
			Total - Federal Direct Student Loans	8,963,442	8,963,442	-	-	8,963,442
			<b>Total - Student Financial Assistance Cluster</b>	<b>16,964,282</b>	<b>16,964,282</b>	<b>126,773</b>	-	<b>17,091,055</b>
			<b>Total - U.S. Department of Education</b>	<b>18,135,698</b>	<b>18,135,698</b>	<b>1,145,229</b>	-	<b>19,280,927</b>
<b>U.S. Department of Health and Human Services</b>								
<b>Temporary Assistance for Needy Families</b>								
<i>Passed through the Wisconsin Department of Children &amp; Families</i>								
WI Shares Program	93.558		07-01-18 - 06-30-19	36,231	36,231	-	-	36,231
YoungStar Program	93.558		07-01-18 - 06-30-19	9,337	9,337	-	-	9,337
			<b>Total - Temporary Assistance for Needy Families</b>	<b>45,568</b>	<b>45,568</b>	-	-	<b>45,568</b>
<b>Chafee Foster Care Independence Program</b>								
<i>Passed through the Bay Area Workforce Development Board</i>								
Bay Area DWD Youth Case Management	93.674	19OUT CS OS	07-01-18 - 06-30-19	-	9,807	-	-	9,807
<b>Medical Assistance Program Cluster</b>								
<i>Passed through the Wisconsin Department of Health Services</i>								
Wiscaregiver Career Program Training Subaward	93.778	435600-G18-0680TECHCOL-00	06-01-18 - 02-29-20	29,610	29,610	230	-	29,840
			<b>Total - U.S. Department of Health and Human Services</b>	<b>75,178</b>	<b>84,985</b>	<b>230</b>	-	<b>85,215</b>
<b>U.S. Department of Homeland Security</b>								
<b>Assistance to Firefighters Grant</b>								
<i>Passed through the Wisconsin Technical College System Board</i>								
Assistance to Firefighters	97.044	12-248-153-119	10-15-18 - 08-27-19	46,000	46,000	6,900	-	52,900
			<b>Total - U.S. Department of Homeland Security</b>	<b>46,000</b>	<b>46,000</b>	<b>6,900</b>	-	<b>52,900</b>
<b>TOTAL FEDERAL AWARDS</b>				<b>\$58,119,548</b>	<b>\$30,394,969</b>	<b>\$1,267,460</b>	<b>\$545,317</b>	<b>\$31,662,429</b>

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

Basic Financial Statements	30,387,198
Add: Hazardous Materials Public Sector Training & Planning Grants	7,772
Rounding	(1)
	<u>30,394,969</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, 2019**

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 2019	20.395(4)(AQ)	0000004593	07-01-18 - 06-30-19	\$39,178	\$22,113	\$43,312	-	\$65,425
<b>Total - Wisconsin Department of Transportation</b>				<b>39,178</b>	<b>22,113</b>	<b>43,312</b>	<b>-</b>	<b>65,425</b>
<b>Wisconsin Department of Veterans Affairs</b>								
<b>Veterans Employment and Entrepreneurship Grant Program</b>								
<i>Passed Through Fox Valley Technical College Foundation</i>								
E-seed Entrepreneurial Training: Veterans Edition (ENVoy) Project	20.485(2)(QM)		01-01-18 - 12-31-18	89,400	33,248	-	-	33,248
E-seed Entrepreneurial Training: Veterans Edition Innovation Accelerator	20.485(2)(QM)		01-01-19 - 06-30-19	138,623	50,072	-	-	50,072
<b>Total - Wisconsin Department of Veterans Affairs</b>				<b>228,023</b>	<b>83,320</b>	<b>-</b>	<b>-</b>	<b>83,320</b>
<b>Higher Education Aids Board</b>								
Wisconsin Tuition Grants	235.101		07-01-18 - 06-30-19	36,118	36,118	-	-	36,118
Wisconsin Higher Education Grant	235.102		07-01-18 - 06-30-19	1,605,279	1,605,279	-	-	1,605,279
Remission of Fees for Veterans & Dependents	235.105		07-01-18 - 06-30-19	257,115	257,115	-	-	257,115
Minority Undergraduate Retention	235.107		07-01-18 - 06-30-19	29,785	29,785	-	-	29,785
Academic Excellence Scholarship	235.109		07-01-18 - 06-30-19	2,813	2,813	2,813	-	5,626
Handicapped Student Grant	235.112		07-01-18 - 06-30-19	1,800	1,800	-	-	1,800
Talent Incentive Program	235.114		07-01-18 - 06-30-19	64,304	64,304	-	-	64,304
Nursing Student Loan	235.117		07-01-18 - 06-30-19	12,000	12,000	-	-	12,000
Technical Excellence Scholarship	235.119		07-01-18 - 06-30-19	124,316	124,316	124,316	-	248,632
Indian Student Assistance	235.132		07-01-18 - 06-30-19	11,550	11,550	-	-	11,550
<b>Total - Higher Education Aids Board</b>				<b>2,145,080</b>	<b>2,145,080</b>	<b>127,129</b>	<b>-</b>	<b>2,272,209</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 - 06-30-18	29,000	-	309	-	309
DPI Latina & Hmong Camps (LETTIE & HERO)	255.903	FY17-18-766802PCS310	07-01-17 - 06-30-19	22,721	17,230	-	-	17,230
<b>Total - Wisconsin Department of Public Instruction</b>				<b>51,721</b>	<b>17,230</b>	<b>309</b>	<b>-</b>	<b>17,539</b>
<b>Wisconsin Technical College System Board</b>								
<b>Emergency Assistance</b>								
FVTC Student Emergency Assistance for Students in Need	292.104	12-201-104-119	07-01-18 - 06-30-19	36,269	36,269	-	-	36,269
<b>State Aid for Technical Colleges</b>								
General State Aid Revenue	292.105		07-01-18 - 06-30-19	9,117,507	9,117,507	-	-	9,117,507
<b>Grants to District Boards</b>								
ABC Electrician Apprentice (50-413-9) Expansion	292.124	12-267-124-119	07-01-18 - 06-30-19	18,000	18,000	-	-	18,000
Accelerated Career Pathway for Diversity in Criminal Justice	292.124	12-114-124-128	07-01-17 - 06-30-18	132,369	3,030	-	-	3,030
Accelerated Career Pathway for Diversity in Criminal Justice	292.124	12-194-124-129	07-01-18 - 06-30-19	128,143	128,143	42,714	-	170,857
Assessing & Implementing Closed Captioning Strategies	292.124	12-211-124-198	02-15-18 - 02-15-19	20,000	17,089	-	-	17,089
Expanding the Talent Pipeline in High Demand Occupations	292.124	12-195-124-129	07-01-18 - 06-30-19	441,240	441,240	147,080	21,000	588,320
FVTC & MPTC Welding Consortium ABE+/Welding Quick Start-Year 2	292.124	12-197-124-139	07-01-18 - 06-30-19	628,265	628,265	-	294,589	628,265
FVTC Student Support Services Pathways to Success	292.124	12-200-124-169	07-01-18 - 06-30-19	225,000	225,000	75,000	-	300,000
Industrial Electrician Apprentice Expansion	292.124	12-268-124-119	07-01-18 - 06-30-19	18,000	18,000	-	-	18,000
IT Student Support Utilizing Virtual & Augmented Reality	292.124	12-196-124-139	07-01-18 - 06-30-20	471,493	164,380	-	-	164,380
Millwright Apprentice Expansion	292.124	12-272-124-119	07-01-18 - 06-30-19	22,500	22,500	-	-	22,500
Neurodiagnostic Technology Training-Year 2	292.124	12-198-124-149	07-01-18 - 06-30-19	198,943	198,943	-	-	198,943
Next Generation Dual Credit Career Pathways for Adults	292.124	12-193-124-129	07-01-18 - 06-30-19	171,857	171,857	57,286	-	229,143
Pipefitter Apprentice Expansion	292.124	12-269-124-119	07-01-18 - 06-30-19	9,000	9,000	-	-	9,000
Plumbing Apprenticeship Expansion	292.124	12-270-124-119	07-01-18 - 06-30-19	9,000	9,000	-	-	9,000
Professional Development S Prize Project-Year 3	292.124	12-199-124-159	07-01-18 - 06-30-19	74,247	74,247	37,124	-	111,371
Responsible Beverage & Tobacco Service Course Review	292.124	12-278-124-189	03-01-19 - 02-28-20	11,000	10,278	-	-	10,278
Skills to Achieve Operational Excellence	292.124	12-222-124-179	07-01-18 - 08-31-19	114,059	98,081	-	-	98,081
Steamfitting Service Apprentice Expansion	292.124	12-271-124-119	07-01-18 - 06-30-19	9,000	9,000	-	-	9,000
WTCS Student Success Center Grant	292.124	12-219-124-198	04-01-18 - 06-30-19	20,000	18,292	-	-	18,292



**Fox Valley Technical College District**  
**Schedule of Expenditures of State Awards**  
**Year ended June 30, 2019**

Assistance Program	State Catalog Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
WTCS/UW Transfer Coordinator Meeting	292.124	12-244-124-199	07-01-18 - 06-30-19	1,394	1,394	-	-	1,394
<u>Workforce Advancement Training</u>								
Construction	292.124	12-154-124-178	07-01-17 - 08-31-18	21,735	1,269	-	-	1,269
First-line Leadership: Core Skills to Boost Performance & Pathways	292.124	12-152-124-178	07-01-17 - 08-31-18	195,256	1,474	-	-	1,474
Healthcare	292.124	12-155-124-178	07-01-17 - 08-31-18	42,102	6,734	-	-	6,734
Transportation	292.124	12-153-124-178	07-01-17 - 08-31-18	30,322	9,136	-	-	9,136
Addressing a Healthcare Specialized Skills Gap	292.124	12-297-124-179	07-01-18 - 08-31-19	29,561	25,596	-	-	25,596
Automated Manufacturing - Implementing Industry 4.0	292.124	12-223-124-179	07-01-18 - 08-31-19	200,000	188,257	-	-	188,257
Construction Cross-Functional Skills Initiative	292.124	12-225-124-179	07-01-18 - 08-31-19	30,860	26,706	-	-	26,706
First-line Leadership: Core Skills to Boost Performance & Pathways	292.124	12-221-124-179	07-01-18 - 08-31-19	184,069	174,853	-	-	174,853
Transportation & Safety Awareness Program	292.124	12-224-124-179	07-01-18 - 08-31-19	29,261	13,761	-	-	13,761
<i>Passed through Northeast Wisconsin Technical College</i>								
Advanced Manufacturing Network-Northeast	292.124	13-440-124-188	11-12-17 - 11-12-18	10,800	10,113	-	-	10,113
<i>Passed through Moraine Park Technical College</i>								
Advanced Manufacturing Network-Northeast	292.124	10-552-124-189	11-19-18 - 11-18-19	10,500	561	-	-	561
<b>Total - Grants to District Boards</b>				<b>3,507,976</b>	<b>2,724,199</b>	<b>359,204</b>	<b>315,589</b>	<b>3,083,403</b>
<b>Truck Driving Training Program</b>	292.128	12-238-128-119	07-01-18 - 06-30-19	267,765	267,765	-	-	267,765
<b>Promising Practices</b>	292.132	12-249-132-119	10-15-18 - 04-30-19	3,625	2,052	-	-	2,052
<b>Fire Fighter Training 2%</b>	292.137		07-01-18 - 06-30-19	60,073	60,073	-	-	60,073
<b>Property Tax Relief Aid</b>	292.162		07-01-18 - 06-30-19	29,119,516	29,119,516	-	-	29,119,516
<b>Total - Wisconsin Technical College System Board</b>				<b>42,112,731</b>	<b>41,327,381</b>	<b>359,204</b>	<b>315,589</b>	<b>41,686,585</b>
<b><u>Wisconsin Department of Natural Resources</u></b>								
<b>Aids in Lieu of Taxes</b>								
State Aid in lieu of Property Taxes	370.503		07-01-18 - 06-30-19	39,356	39,356	-	-	39,356
<b>Total - Wisconsin Department of Natural Resources</b>				<b>39,356</b>	<b>39,356</b>	<b>-</b>	<b>-</b>	<b>39,356</b>
<b><u>Wisconsin Department of Workforce Development</u></b>								
<b>Wisconsin Fast Forward</b>								
<i>Passed through the Wisconsin Department of Workforce Development</i>								
WFF Class B CDL Certification for High School Students	445.109	EF-181-HS1-000	06-30-18 - 06-30-20	99,954	27,769	20,463	-	48,232
WFF Dual Credit Teacher Training Grant	445.109	EF-181-DE1-000	06-01-18 - 06-30-20	275,000	62,802	12,737	-	75,539
<b>Total - Wisconsin Fast Forward</b>				<b>374,954</b>	<b>90,571</b>	<b>33,200</b>	<b>-</b>	<b>123,771</b>
<b>Vocational Rehabilitation Program</b>								
<i>Passed through the Wisconsin Department of Workforce Development</i>								
Rehabilitation Services-Vocational Rehabilitation Grants to States	445.509		07-01-18 - 06-30-19	16,981	16,981	-	-	16,981
<b>Total - Wisconsin Department of Workforce Development</b>				<b>391,935</b>	<b>107,552</b>	<b>33,200</b>	<b>-</b>	<b>140,752</b>
<b><u>Wisconsin Department of Revenue</u></b>								
State Aid-Personal Property Tax	835.103		07-01-18 - 06-30-19	236,127	236,127	-	-	236,127
State Aid-Computers	835.109		07-01-18 - 06-30-19	281,575	281,575	-	-	281,575
<b>Total - Wisconsin Department of Revenue</b>				<b>517,702</b>	<b>517,702</b>	<b>-</b>	<b>-</b>	<b>517,702</b>
<b>TOTAL STATE AWARDS</b>				<b>\$45,525,726</b>	<b>\$44,259,734</b>	<b>\$563,154</b>	<b>\$315,589</b>	<b>\$44,822,888</b>

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

Basic Financial Statements	44,259,733
Rounding	1
	<u>44,259,734</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, 2019

**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, 2019. 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 position 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 2018-2019 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, 2019

**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

Missing Children’s Assistance	16.543
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Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$911,849

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, 2019

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

State Awards

Internal control over financial reporting:  
 Material weaknesses identified? No  
 Significant deficiencies identified? No

Type of auditor’s report issued on compliance for major program Unmodified

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

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
Minority Undergraduate Retention	235.107
Technical Excellence Scholarship	235.119
Truck Driving Training Program	292.128

Dollar threshold used to distinguish between Type A and Type B programs:  
 State \$250,000

**Section II – Basic Finance Statement Findings as Required by Government Auditing Standards**

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

**Section III – Federal Award and State Financial Assistance Findings**

Finding Number	Uniform Guidance Findings	Questioned Costs
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There were no findings required to be reported in accordance with the Uniform Guidance.

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

**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
Wisconsin Department of Justice	No
Wisconsin Department of Health Services	No
Wisconsin Department of Veterans Affairs	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 15, 2019

**FOX VALLEY TECHNICAL COLLEGE DISTRICT**  
Schedule of Prior Year Findings and Corrective Action Plan  
For the Year Ended June 30, 2019

**Schedule of Prior Year Findings**

None

**Corrective Action Plan**

None required