



Fox Valley
TECHNICAL COLLEGE®
Knowledge That Works

Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2020



Fox Valley Technical College

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Fox Valley Technical College District
**Comprehensive Annual
Financial Report**
for the Fiscal Year ended June 30, 2020

Prepared by
Financial Services Department of Fox Valley Technical College

Contact

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INTRODUCTORY SECTION

FOX VALLEY TECHNICAL COLLEGE DISTRICT
June 30, 2020

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June 30, 2020

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December 15, 2020

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 which will be released under a separate cover at a later date. The Comprehensive Annual Financial Report (CAFR) for the Fox Valley Technical College District (the District) for the fiscal year ended June 30, 2020, 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, 2020. 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.

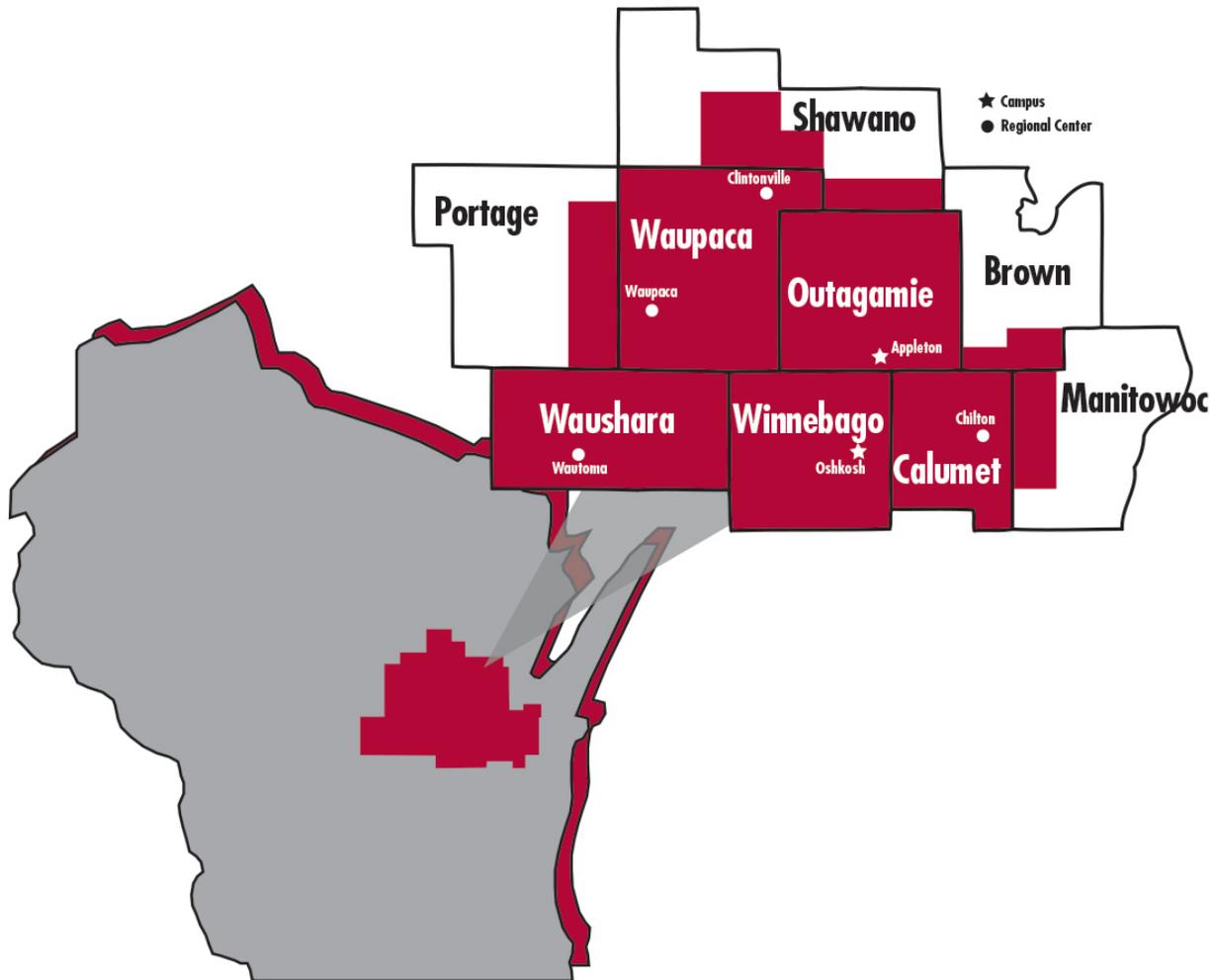
The management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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.

Strategic Plan 2016-2022:

The Strategic Plan 2016-2022 was originally adopted by the Board in August 2016 as a five-year plan ending in 2020. In 2020, the Strategic Plan was updated and extended until 2022. Key measures and targets associated with each direction noted below are monitored by the District's administration and the District Board.

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.
- Providing flexible and alternative delivery methods as a result of the global pandemic.

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

- Future state aid cuts are expected as the state of Wisconsin weathers the effects of the coronavirus pandemic.
- Unemployment rates increased from the prior year ranging from 5.1% in Calumet County to 6.8% in Brown County from historic lows of 2.9% and 3.3% respectively.
- 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 remain strong.
- The District operates under a state imposed tax levy limit which restricts growth in the operating levy to the value of net new construction.
- Per Wisconsin Act 145, enacted in fiscal 2015, a significant portion of funding for technical colleges previously paid by local property taxes was shifted to state support. While the legislation includes a mechanism to restore this levy authority if state funding is reduced in subsequent years, administration is cognizant of the negative image such a subsequent levy increase would have.

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

Major Initiatives

Surgical Technology Remodel at the Oshkosh Riverside Campus: The Surgical Technology program is being added to the College's offerings. The remodel project will provide the space to accommodate the needed operating simulation rooms, materials management and sterile equipment storage rooms, a classroom, and debriefing room. Surgical Technology will be an anchor program at Oshkosh Riverside, drawing more students to the facility. The remodel project also provides for two anesthesia systems, four surgical tables and an autoclave.

Electro-Mechanical Lab Remodel: The Electro-Mechanical Laboratory will be remodeled to increase student capacity and improve the overall efficiency of the space. Glass will be added to provide greater visibility to the lab and its equipment.

Cloud ERP System Implementation: An enterprise resource planning (ERP) system is the computer software platform used for routine business activities such as student enrollment, general accounting and payroll processing. In the second year of a multi-year plan, the District continues to develop a plan to migrate to cloud computing from the current enterprise system (PeopleSoft). The new system will improve Human Resource and payroll functions, reduce risk and provide information for better decision making. It will also enable staff to work more efficiently by having consistent, streamlined and modern practices.

Equity and Inclusion: The District's Equity Framework outlines milestones to achieve over the next several years in an effort to foster an inviting and supportive educational environment for everyone. Opportunities and achievements are possible for every student and staff regardless of individual abilities, differences, and backgrounds. This multi-year effort helps develop a culture of acceptance and changes challenges into opportunities. Student and staff interactions at the Oshkosh Riverside Campus will be enhanced with the renovation of a new Diversity and Inclusion Services Office and gathering space.

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. To adjust for the change from eight-year to ten-year timeframe, the District began 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

Fox Valley Technical College
Board of Trustees

President
Dr. Susan May

Community &
Legislative
Relations

National Criminal
Justice Training
Center

Becky Boulanger

Brad Russ

**Executive
Vice President/
CAO**

**Vice President
Finance &
Facilities/CFO**

**Vice President
Information
Technology
Services/CIO**

**Vice President
Human
Resources/
CHRO**

Dr. Chris Matheny

Amy Van Straten

Troy Kohl

Deb Gorman

- *Business Division
- *General Studies Division
- *Health Division
- *IT & Distance Learning Division
- *Manufacturing, Agriculture & Construction Division

- *Public Safety Division
- *Service Division & Academic Planning
- *Transportation Technologies Division
- *Student Services
- *Regional Campuses & Centers
- *K-12 Partnerships

- *College Marketing
- *Diversity & Inclusion Services
- *Global Education & Services
- *Business & Industry Services
- *Center for Instructional Excellence

- *Financial Services
- *Facilities & Operations
- *Security Services

- *Information Technology Services
- *Printing Services

- *Human Resources
- *Training & Development

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; 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, 2020, 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 proportionate share of the net pension liability (asset) and the schedule of 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 opinions on the financial statements that collectively comprise the District's basic financial statements. The 2020 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 supplementary information is the responsibility of management and was derived from and relates 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 2019 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 15, 2019. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 1, 2020, 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

December 1, 2020
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 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:

	2020	2019	Increase or (Decrease)		2018
			\$	%	
ASSETS					
Cash and investments	\$28,477	\$29,843	(\$1,367)	-4.6%	\$32,407
Net capital assets	144,537	145,234	(697)	-0.5%	143,621
Other assets	61,159	45,079	16,080	35.7%	57,600
Total assets	234,172	220,156	14,016	6.4%	233,629
Deferred Outflows of Resources	30,148	39,736	(9,588)	-24.1%	22,192
LIABILITIES					
Current liabilities	33,469	32,185	1,285	4.0%	33,258
Long-term liabilities	75,451	92,081	(16,630)	-18.1%	81,687
Total liabilities	108,920	124,266	(15,346)	-12.3%	114,945
Deferred Inflows of Resources	41,862	20,624	21,238	103.0%	24,462
NET POSITION					
Net investment in capital assets	68,817	65,322	3,495	5.4%	62,073
Restricted for:					
Debt service	16,911	16,607	304	1.8%	16,295
Unrestricted	27,809	33,073	(5,264)	-15.9%	38,045
Total net position	\$113,537	\$115,002	(\$1,465)	-1.3%	\$116,414

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

From 2019 to 2020, total assets increased by \$14.0 million, or 6.4%. Significant changes are as follows:

- ❖ Cash and investments decreased by \$1.4 million, or 4.6%. The primary driver of this decrease is the planned draw down of fund balance in the self-insurance fund of \$1.7 million.
- ❖ Other assets experienced a net increase of \$16.1 million, or 35.7%. 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) changed by \$28.2 million, resulting in a net pension asset of \$13.4 million at June 30, 2020 versus a \$14.8 million net pension liability June 30, 2019. The increase is primarily the result of higher market returns in 2019 compared to 2018. For additional information on the calculation of this net asset, see Note F in Notes to Basic Financial Statements.
 - Restricted cash increased \$3.7 million due to the timing of payments for capital purchases. For additional information, see Note D in the Notes to Basic Financial Statements.
 - Student accounts receivable decreased by \$629,000 due to the pandemic and closure of the District in March of 2020, which precipitated class cancellations and refunds.
 - General receivables which include contract and grant receivables decreased by \$794,000 and \$315,000 respectively. Again, this is due to the closure of the District in March of 2020 and cancellation of all offsite training commitments. Offsetting a portion of the receivable was an increase in the District's share of the Wisconsin Technical College's Employment Benefits Consortium (WTCEBC) of \$684,000 due to the consortium's favorable financial results.
 - Prepaid expenses decreased by \$437,000 due to removal of a deposit placed on a fire truck.

Deferred outflows of resources related to pension benefits and other post-employment benefits (OPEB) decreased by \$9.6 million, or 24.1%. The change is attributable to the net difference between projected versus actual earnings on investments, primarily the result of higher market returns in 2019 compared to 2018 in addition to contributions made subsequent to the measurement date of each. The pension fund accounts for \$9.0 million of the change. For additional information, see Notes F and G in the Notes to Basic Financial Statements.

From 2019 to 2020, total liabilities decreased by \$15.3 million, or 12.3%. Significant changes are as follows:

- ❖ Accrued payroll and other payroll related accruals increased by \$1.6 million due to several factors:
 - An advance payment to the Wisconsin Retirement System (WRS) in the previous fiscal year of \$884,000.
 - Accrued expenses for early retirement incentive offered in May 2020 resulting in additional expenses accrued but not paid at year-end of \$280,000.
 - Additional vacation accrued of \$281,000 due to the District's closure and cancellation of personal travel plans. The District extended the use period for employees to utilize their unused vacation.
- ❖ The net pension liability of \$14.8 million was replaced by a net asset of \$13.4 million, a change of \$28.2 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 \$2.7 million, resulting in a decrease in total debt outstanding.
- ❖ The total OPEB liability increased by \$641,000. The increase is primarily due to a one-time voluntary retirement package offered in May of 2020. The package was offered as a strategy to reduce the overall wage expense for the future budget year.

Deferred inflows of resources related to pension benefits and OPEB increased by \$21.2 million, or 103.0%. 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. The pension fund accounts for \$19.8 million of this change. For additional information, see Notes F and G in the Notes to Basic Financial Statements.

From 2019 to 2020 total net position decreased by \$1.5 million or 1.3%.

- ❖ The largest portion of the District's net position (60.6%) 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 \$697,000 in net capital assets combined with a decrease in debt related to capital assets of \$4.2 million contributed to the net increase of \$3.5 million in the amount invested in capital assets, net of related debt.
- ❖ Unrestricted position decreased \$5.3 million. In addition to the \$1.7 million planned draw down of self-insurance fund reserves, the pandemic and related campus closure caused unplanned reserve draws for Contracting (business and industry training & technical assistance) and for auxiliary services.

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:

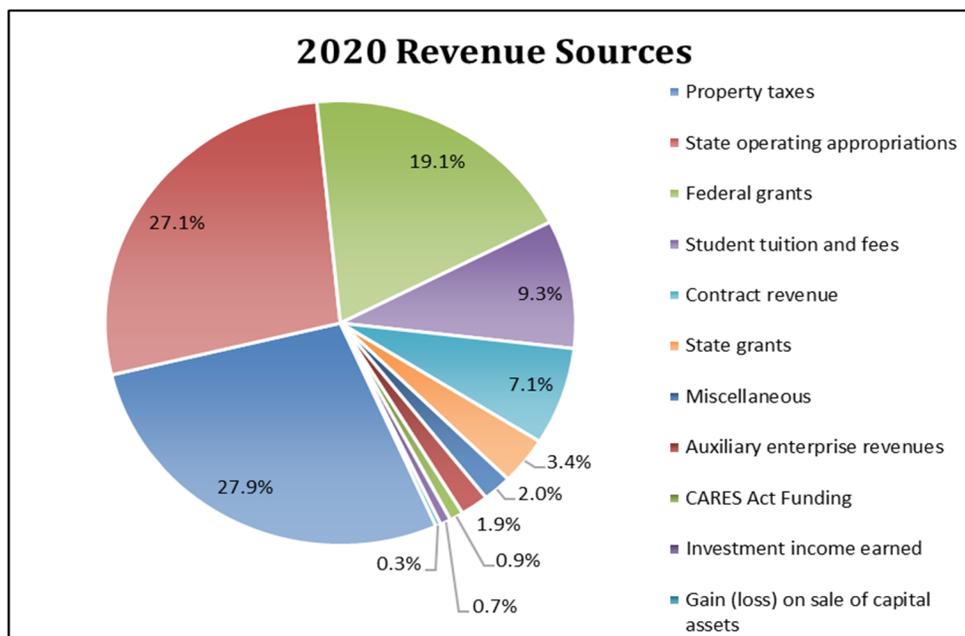
	2020	2019	Increase or (Decrease)		2018
			\$	%	
Operating Revenues:					
Student tuition and fees	\$13,713	\$13,709	\$4	0.0%	\$13,399
Federal grants	28,029	30,387	(2,358)	-7.8%	31,568
State grants	5,055	5,466	(411)	-7.5%	4,984
Contract revenue	10,440	11,080	(640)	-5.8%	10,633
Auxiliary enterprise revenues	2,849	3,776	(927)	-24.6%	3,698
Miscellaneous	2,925	2,971	(47)	-1.6%	4,395
Total operating revenues	\$63,010	\$67,388	(\$4,378)	-6.5%	\$68,676

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

Operating revenues are the charges for services offered by the District. During 2020, the District generated \$63.0 million of operating revenue. This is a decrease of \$4.4 million, or 6.5%, from 2019. Significant changes were as follows:

- ❖ Federal grant revenue decreased by \$2.4 million, or 7.8%.
 - The majority of the decrease was due to the reduction in funding received for student financial aid of \$1.6 million.
 - Federal multi-year grants routinely vary in magnitude from one year to the next. The following grants with a significant decrease in levels of activity from the Federal Department of Justice are: Missing Children's Assistance (including ICAC and AMBER), Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM/SMART) and Public Safety Partnership and Community Policing Grants (COPS).
- ❖ Auxiliary enterprise revenue decreased by \$927,000 or 24.6% due to the District's closure of operations during the pandemic. Areas with significant revenue decreases were Food Service, Global Education Services and Parent/Child Center of \$343,000, \$239,000 and \$162,000 respectively.

The graph below summarizes the District's 2020 operating and non-operating revenue sources with legend sorted by significance:



	2020	2019	Increase or (Decrease)		2018
			\$	%	
Operating Expenses:					
Instruction	\$82,117	\$82,230	(\$113)	-0.1%	\$76,577
Instructional resources	1,121	1,247	(125)	-10.0%	1,085
Student services	9,822	10,847	(1,025)	-9.5%	9,815
General institutional	20,203	18,873	1,330	7.0%	17,131
Physical plant	6,788	7,625	(836)	-11.0%	7,250
Auxiliary enterprise services	3,630	3,961	(331)	-8.4%	3,688
Depreciation	11,577	10,997	580	5.3%	10,438
Student aid	11,458	11,272	186	1.6%	11,782
Total operating expenses	\$146,716	\$147,051	(\$335)	-0.2%	\$137,766

* 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 2019 to 2020, total operating expenses decreased \$335,000, or 0.2%. Although the total change is insignificant, the following variances are noted:

- ❖ Instruction expenses decreased by \$113,000, or 0.1%. Although not significant as a whole, several offsetting changes contributed to this net decrease.
 - Adjustments made for the allocation of health insurance costs to instruction resulted in a net decrease in expenses of \$499,000 over the prior year. For additional information see Note H in the Notes to Basic Financial Statements.
 - The above decrease was offset by an increase in purchases of minor equipment of \$313,000 due to a change in capitalization threshold from \$2,000 to \$5,000 thus resulting in an increase in expenses that were previously considered capital in nature.
 - The annual adjustment recorded for the change in WRS pension decreased \$3.5 million and was partially offset by an increase in post-employment benefits of \$2.8 million from the prior year. For additional information see Notes F and G in the Notes to Basic Financial Statements.

- ❖ Student Services decreased by \$1.0 million or 9.5%.
 - Several key retirements occurred near the end of fiscal year 2019. Leadership roles were restructured, the Vice President of Student and Community Development position was not refilled and some management positions were temporarily vacant. The leadership reorganization for departments affected within this function resulted in salary and fringe savings in excess of \$423,000.
 - As a result of the global pandemic, the following changes occurred:
 - Global education costs were down by \$226,000 due to reduced student travel costs.
 - Student activity on campus decreased resulting in savings of contracted services in the health center of \$73,000 and decreased student funded in-person activities of \$61,000.
 - Uncollectible student fee expense increased by \$51,500 or 43%.
 - The annual adjustment recorded for the change in WRS pension decreased \$489,000 and was partially offset by an increase in post-employment benefits of \$395,000 from the prior year. For additional information see Notes F and G in the Notes to Basic Financial Statements.

- ❖ General institutional expenses increased by \$1.3 million, or 7.0%. Significant changes were as follows:
 - Accrued expenses for early retirement incentive offered in May 2020 resulted in additional payroll expenses of \$500,000.
 - Software licenses increased by \$194,000 due to centralizing costs and additional services needed due to the global pandemic.
 - Merit pay and vacation payouts were \$167,000 greater than the prior year.
 - Special payment arrangements accounted for additional \$284,000 in wage and fringe expense.
 - Workers compensation insurance premiums increased by \$131,000 or 12.2%.
 - The annual adjustment recorded for the change in WRS pension decreased \$942,000 and was partially offset by an increase in post-employment benefits of \$757,000 from the prior year. For additional information see Notes F and G in the Notes to Basic Financial Statements.
- ❖ Physical plant expenses decreased by \$836,000, or 11.0%. Significant changes were as follows:
 - Payroll expenses decreased by \$347,000 due to position vacancies and reorganization resulting in the shifting payroll and supervisory expenses to other functions.
 - Facility related service contracts decreased by \$269,000 due to campus closures. Where possible, contracts were temporarily suspended.
 - Utilities decreased by \$93,000 due to campus closures.

Non-operating revenues and expenses are not directly related to the operations of the District. Total non-operating revenues (expenses) increased \$3.8 million, or 4.9%, from 2019 to 2020. Notable items listed below:

- ❖ The receipt of \$1.4 million CARES Act funding under the Higher Education Emergency Relief Fund from the U.S. Department of Education. The CARES Act funding was intended to support the costs of shifting classes online, and for grants to students for food, housing, technology, or other education-related expenses. The Act covered expenses that were incurred during the period beginning March 13, 2020 through spring 2021. Primary expenditures covered in this fiscal year were student refunds and student aid.
- ❖ Gain on sale of capital assets includes a unique sale of a fully depreciated large-scale printing press for \$350,000.

	2020	2019	Increase or (Decrease)		2018
			\$	%	
Non-Operating Revenues:					
Property taxes	\$41,001	\$40,274	\$727	1.8%	\$39,471
State operating appropriations	39,863	38,794	1,069	2.8%	38,103
CARES Act Funding	1,390	0	1,390	100.0%	0
Gain (loss) on sale of capital assets	494	(395)	889	225.3%	(9)
Investment income earned	1,077	1,371	(294)	-21.5%	520
Subtotal of Non-Operating Revenues	83,825	80,044	3,781	4.7%	78,085
Non-Operating Expenses:					
Interest expense	1,686	1,691	(5)	-0.3%	1,752
Debt issuance costs	178	187	(9)	-5.0%	183
Subtotal of Non-Operating Expenses	1,863	1,878	(14)	-0.8%	1,935
Total Non-Operating Revenues (Expenses)	\$81,962	\$78,167	\$3,795	4.9%	\$76,150

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

Budget Variances in the General Fund

2020	Original Budget	Final Amended Budget	Actual (Budgetary Basis)	Increase or (Decrease) From Budget
Total revenues	\$84,407	\$85,685	\$84,272	(\$1,413)
Total expenditures	87,706	88,948	86,703	(2,245)
Other financing sources (uses)	2,601	2,543	2,415	(128)
Excess (deficiency)	(\$698)	(\$720)	(\$16)	\$704

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

There was one major adjustment to the original 2020 budget:

- ❖ General state aid for the Wisconsin Technical College System was increased by \$12.5 million in the 2019-21 state budget. The District's revenue and expenditure budgets were increased by \$1.2 million to reflect their portion of the increase. The additional funding was targeted to high-demand programs such as Veterinary Technician, Construction Management and Apprenticeship programs.

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

- ❖ Program (tuition) fees were \$947,000 less than budget. Total enrollments declined 4.5% in 2020, while the budget assumed flat enrollments. Fall-term enrollments declined 1.6%. Spring-term enrollments declined 10.3% due to COVID-19, the necessary conversion to online learning and the inability to offer hands-on learning until the campus could be re-opened with new safety protocols.
- ❖ Student Aviation Fees were \$407,000 less than budget. Significant flight time, and related revenue, was deferred due to COVID-related delays.
- ❖ Total non-salary expenditures were under budget by \$2.2 million.
 - The contingency budget was substantially unused (\$584,000).
 - Utilities expenditures were under budget due to the closing of all campuses from March 19 to May 31 (\$353,000).
 - Travel and professional growth expenditures were under budget because not only were all campuses essentially closed from March to May, travel was discouraged for safety reasons.
 - Contracted services expenditures were under budget due to lower-than-anticipated consulting costs. Consulting costs were impacted by the closing of all campuses in March, which caused some non-essential projects to be put on hold (\$262,000).

The factors listed above led to actual results that were \$704,000 better than budget.

Capital asset and long-term debt activity

The District's investment in capital assets as of June 30, 2020 was \$144.5 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 decrease in capital assets for the current fiscal year was approximately 0.5%, compared to a 1.1% increase in the prior year.

The District welcomed a new Pierce Quantum Fire Engine replacing a 25-year-old Fire Engine. The replacement of the engine will allow students to train with current technology in the Fire Protection Technician Program. In addition, construction has begun on the following projects that will be completed next year:

- ❖ *Electrician Apprenticeship addition.* This building addition at the south end of the Appleton Main Campus will be dedicated to lab activities. It will provide a residential wiring lab more than double the size of the existing lab, a new (first-time) commercial wiring lab, an updated/flexible industrial electrician lab and an open space for larger lab activities such as conduit bending. The addition will be approximately 5,100 square feet.
- ❖ *Electrical Apprenticeship remodel.* Related to the apprenticeship addition, two labs on the Appleton Main Campus will be repurposed into a classroom and shared with the Millwright Apprenticeship Program to add more capacity for the following areas they are currently sharing space with: Plumbing Apprenticeship, Manufacturing Operations and Automation Technology. The AC/DC drive and Programmable Logic Controller labs will be equipped with new (smaller) trainers, allowing these rooms to double as classrooms. There will be 48 new trainers in this space for a total equipment cost of \$438,920.

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

Unemployment rates during the global pandemic continue to raise concern in the District although the unemployment rate for Wisconsin was 7.0% compared to the national average of 10.0% per the Wisconsin Department of Workforce Development August 2020 report.

Another aspect related to the pandemic is the number of individuals homeschooling their children which may also have an effect on the numbers of adults available to continue their adult education while tending to their school-age children.

Dating back to July 3, 2019, the Wisconsin Governor Tony Evers signed into law 2019 Act 9, the biannual 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 was 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 8, 2020, the Department of Revenue provided the District's actual valuation factor of 1.50799% which allows the operating levy to increase \$838,053 for fiscal year 2021.

Also related to the Wisconsin 2013 Act 145, is Property Tax Relief Aid. The Act 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.

On July 14, 2020, Governor Evers authorized up to \$35 million in financial assistance to higher education institutions to be used for reimbursement of eligible, unbudgeted expenses made in response to the COVID-19 pandemic. The District has been allocated \$520,232 of these funds.

Data from the Wisconsin Technical College System's *Graduate Outcomes Report for the year 2019* stated that 93% of fiscal year's technical college graduates in the labor force were employed within six months of graduation and most of them (81%) were employed directly in their field of study. This statistic increased 2% from the prior year report. The report also notes a driving force in the state's local and regional economy is due to 93% of technical college graduates choosing to stay and work in Wisconsin. The reported median annual salary for 2019 graduates earning an Associate's degree was \$45,756. This is an increase of 4.8% 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, 2020

With Comparative Amounts as of June 30, 2019

	2020		2019	
	District	Foundation	District	Foundation
ASSETS				
Current Assets				
Cash and investments	\$ 28,476,625	\$ 15,296,061	\$ 29,843,264	\$ 14,200,415
Receivables				
Accounts	6,500,931	33,950	6,986,778	128,210
Property taxes	10,156,803	-	9,834,246	-
Federal and state aid	301,561	-	83,787	-
Student fees, net	9,390,171	-	10,019,164	-
Interest	80,455	-	95,068	-
Unconditional promises to give	-	78,116	-	96,697
Inventories	208,800	-	173,319	-
Prepaid items	940,612	-	1,377,165	-
Property held for investment	-	338,456	-	422,020
Total Current Assets	56,055,958	15,746,583	58,412,791	14,847,342
Noncurrent Assets				
Restricted cash and investments	20,166,424	-	16,509,245	-
Net pension asset	13,412,761	-	-	-
Unconditional promises to give	-	18,565	-	56,113
Capital assets				
Non-depreciable	4,111,410	841,204	2,877,964	841,204
Depreciable	140,425,251	4,063,609	142,356,138	4,213,584
Total Noncurrent Assets	178,115,846	4,923,378	161,743,347	5,110,901
TOTAL ASSETS	234,171,804	20,669,961	220,156,138	19,958,243
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension/OPEB	30,147,698	-	39,735,785	-
LIABILITIES				
Current Liabilities				
Accounts payable	1,887,605	559,462	2,223,498	547,369
Accrued payroll, payroll taxes and retirement	5,501,798	-	3,866,118	-
Accrued vacation	1,158,963	-	877,482	-
Accrued health and dental claims	54,000	-	54,000	-
Accrued interest	208,786	-	207,168	-
Unearned student fees	8,592,526	-	9,608,556	-
Other unearned revenue	1,130,663	-	416,950	-
Due to other organizations	258,594	-	211,291	-
Current portion of long-term liabilities	14,676,338	57,182	14,719,597	54,532
Total Current Liabilities	33,469,273	616,644	32,184,660	601,901
Long-term Liabilities				
Bonds and notes payable	63,415,000	215,613	66,180,000	272,554
Debt premium	4,893,057	-	4,579,812	-
Total OPEB liability	7,142,968	-	6,502,376	-
Net pension liability	-	-	14,807,942	-
Capital lease obligations	-	-	11,338	-
Total Long-term Liabilities	75,451,025	215,613	92,081,468	272,554
TOTAL LIABILITIES	108,920,298	832,257	124,266,128	874,455
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension/OPEB	41,861,859	-	20,623,597	-
NET POSITION				
Net investment in capital assets	68,816,899	4,632,018	65,322,073	4,727,702
Restricted for debt service	16,911,414	-	16,607,014	-
Restricted for scholarships and other activities	-	7,028,110	-	6,839,305
Unrestricted	27,809,032	8,177,576	33,073,111	7,516,781
TOTAL NET POSITION	\$ 113,537,345	\$ 19,837,704	\$ 115,002,198	\$ 19,083,788

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, 2020
With Comparative Amounts for the Year Ended June 30, 2019

	2020		2019	
	District	Foundation	District	Foundation
Operating Revenues				
Student program fees, net of scholarship allowances of \$6,966,755 and \$7,547,174 for 2020 and 2019	\$ 10,475,894	\$ -	\$ 10,335,289	\$ -
Student material fees, net of scholarship allowances of \$447,979 and \$497,975 for 2020 and 2019	673,627	-	681,946	-
Other student fees, net of scholarship allowances of \$1,704,861 and \$1,965,368 for 2020 and 2019	2,563,632	-	2,691,424	-
Federal grants	28,029,075	-	30,387,194	-
State grants	5,054,914	-	5,465,656	-
Contract revenue	10,439,725	-	11,080,140	-
Auxiliary enterprise revenues	2,848,501	-	3,775,616	-
Miscellaneous	2,924,609	3,381,330	2,971,162	3,373,222
Total Operating Revenues	63,009,977	3,381,330	67,388,427	3,373,222
Operating Expenses				
Instruction	82,116,831	-	82,230,263	-
Instructional resources	1,121,488	-	1,246,755	-
Student services	9,821,753	-	10,847,144	-
General institutional	20,202,780	2,851,015	18,872,634	2,699,620
Physical plant	6,788,206	-	7,624,508	-
Auxiliary enterprise services	3,629,800	-	3,960,824	-
Depreciation	11,576,758	149,975	10,996,713	149,975
Student aid	11,457,836	-	11,272,007	-
Total Operating Expenses	146,715,452	3,000,990	147,050,848	2,849,595
Operating Income (Loss)	(83,705,475)	380,340	(79,662,421)	523,627
Nonoperating Revenues (Expenses)				
Property taxes	41,001,136	-	40,273,853	-
State operating appropriations	39,863,291	-	38,794,081	-
CARES Act funding	1,389,726	-	-	-
Gain (loss) on sale of capital assets	494,223	-	(394,573)	-
Investment income earned	1,076,674	388,045	1,370,774	680,010
Interest expense	(1,685,624)	(14,469)	(1,690,560)	(20,251)
Bond issuance costs	(177,550)	-	(186,975)	-
Total Nonoperating Revenues (Expenses)	81,961,876	373,576	78,166,600	659,759
Income before Capital Contributions	(1,743,599)	753,916	(1,495,821)	1,183,386
Capital Contributions	278,746	-	84,370	-
Change in Net Position	(1,464,853)	753,916	(1,411,451)	1,183,386
Net Position - July 1	115,002,198	19,083,788	116,413,649	17,900,402
Net Position - June 30	\$ 113,537,345	\$ 19,837,704	\$ 115,002,198	\$ 19,083,788

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, 2020
With Comparative Amounts for the Year Ended June 30, 2019

	2020		2019	
	District	Foundation	District	Foundation
Cash Flows from Operating Activities				
Tuition and fees received	\$ 13,326,116	\$ -	\$ 14,045,938	\$ -
Federal and state grants received	32,962,877	-	35,733,572	-
Contract revenue received	11,609,848	-	10,618,038	-
Auxiliary enterprise revenues received	2,848,501	-	3,775,616	-
Other receipts	2,924,609	3,541,693	2,971,162	3,324,205
Payments to employees	(93,494,221)	-	(93,841,441)	-
Payments to suppliers	(37,052,868)	(2,838,922)	(39,972,691)	(2,625,511)
Net Cash Provided by (Used in) Operating Activities	(66,875,138)	702,771	(66,669,806)	698,694
Cash Flows from Noncapital Financing Activities				
Local property taxes received	40,678,579	-	39,746,707	-
State appropriations received	39,863,291	-	38,794,081	-
CARES Act funding received	2,006,777	-	-	-
Net Cash Provided by Noncapital Financing Activities	82,548,647	-	78,540,788	-
Cash Flows from Capital and Related Financing Activities				
Purchases of capital assets	(9,827,602)	-	(12,783,529)	-
Proceeds from disposal of capital assets	-	-	(52,254)	-
Proceeds from disposition in property held for investment	-	360,000	-	360,000
Expenditures on property held for investment	-	(285,062)	-	(354,089)
Proceeds from issuance of capital debt	11,900,000	-	11,800,000	-
Premium received on debt issuance	1,283,634	-	594,706	-
Debt issuance costs paid	(177,550)	-	(186,975)	-
Principal paid on capital debt	(14,998,343)	(54,291)	(14,521,304)	(218,257)
Interest paid on capital debt	(2,654,395)	(14,469)	(2,393,806)	(20,251)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(14,474,256)	6,178	(17,543,162)	(232,597)
Cash Flows Provided by Investing Activities				
Sales of long-term investments	60,539,404	3,116,292	64,724,295	7,344,289
Purchase of long-term investments	(53,756,753)	(4,089,740)	(63,925,804)	(7,583,513)
Investment income received	1,091,287	385,279	1,343,438	917,844
Net Cash Provided by (Used in) Investing Activities	7,873,938	(588,169)	2,141,929	678,620
Change in Cash and Cash Equivalents	9,073,191	120,780	(3,530,251)	1,144,717
Cash and Cash Equivalents - July 1	16,765,789	3,272,783	20,296,040	2,128,066
Cash and Cash Equivalents - June 30	\$ 25,838,980	\$ 3,393,563	\$ 16,765,789	\$ 3,272,783
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Cash and investments in current assets	\$ 28,476,625	\$ 15,296,061	\$ 29,843,264	\$ 14,200,415
Cash and investments in restricted assets	20,166,424	-	16,509,245	-
Less: investments	(22,804,069)	(11,902,498)	(29,586,720)	(10,927,632)
Cash and Cash Equivalents - June 30	\$ 25,838,980	\$ 3,393,563	\$ 16,765,789	\$ 3,272,783
Noncash Investing, Capital and Financing Activities				
Capital assets purchased by issuance of capital leases and contributions	\$ 278,746	\$ -	\$ 84,370	\$ -

(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

	2020		2019	
	District	Foundation	District	Foundation
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (83,705,475)	\$ 380,340	\$ (79,662,421)	\$ 523,627
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	11,576,758	149,975	10,996,713	149,975
Bad debt expense	-	2,872	-	4,285
(Gain) loss on sale of property held for investment	-	8,626	-	(9,583)
Changes in assets and liabilities				
Receivables				
Accounts	485,847	91,388	(392,048)	(98,791)
Federal and state aid	(217,774)	-	26,708	-
Student fees	628,993	-	299,162	-
Unconditional promises to give	-	57,477	-	55,072
Inventories	(35,481)	-	(55,670)	-
Prepaid items	436,553	-	(881,840)	-
OPEB liability	640,592	-	(1,554,468)	-
Pension related items	2,605,646	-	5,740,870	-
Accounts payable	(335,893)	12,093	9,467	74,109
Accrued payroll, payroll taxes, retirement and vacation	1,917,161	-	(1,082,859)	-
Accrued health and dental claims	-	-	-	-
Unearned student fees	(1,016,030)	-	38,117	-
Other unearned revenue	96,662	-	(145,986)	-
Due to other organizations	47,303	-	(5,551)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (66,875,138)</u>	<u>\$ 702,771</u>	<u>\$ (66,669,806)</u>	<u>\$ 698,694</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, 2020

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, evening and virtual 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, 2020

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, 2020

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended June 30, 2020, the District levied taxes at the following mill rate:

Operating purposes	\$ 0.608040
Debt service requirements	<u>0.415205</u>
	<u>\$ 1.023245</u>

The 2019 tax levy used to finance expenditures for the fiscal year ended June 30, 2020 was \$41,031,181.

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, 2020.

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, 2020. 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, 2020

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 differences between expected and actual experience and 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, 2020

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, 2020

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 \$48,643,049 on June 30, 2020 as summarized below:

Petty cash funds	\$ 7,783
Deposits with financial institutions	(597,066)
Investments	
U.S. Treasury Notes	6,668,731
Commercial paper	3,545,687
Bank note	127,777
Corporate bonds	5,144,787
Federal agency securities	2,447,380
Supranational	482,816
Asset backed securities	2,217,062
Certificates of deposit	5,172,692
Money market mutual funds	23,425,400
	<u>\$ 48,643,049</u>

Cash and investments are reported on June 30, 2020 as follows:

Statement of Net Position	
Cash and investments	\$ 28,476,625
Restricted cash and investments	20,166,424
Total cash and investments	<u>\$ 48,643,049</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, 2020

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, 2020, 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	\$ 6,668,731	\$ 6,668,731	\$ -	\$ -	\$ -	\$ -
Commercial paper	3,545,687	-	-	-	3,545,687	-
Bank note	127,777	-	-	-	127,777	-
Corporate bonds	5,144,787	-	653,980	3,282,904	1,207,903	-
Federal agency securities	2,447,380	-	-	2,447,380	-	-
Supranational	482,816	-	482,816	-	-	-
Asset back securities	2,217,062	-	2,217,062	-	-	-
Certificates of deposit	5,172,692	-	-	206,074	4,966,618	-
Money market mutual funds	23,425,400	-	23,425,400	-	-	-
Totals	\$ 49,232,332	\$ 6,668,731	\$ 26,779,258	\$ 5,936,358	\$ 9,847,985	\$ -

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE B - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

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

Interest Rate Risk

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

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	\$ 6,668,731	\$ 5,773,184	\$ 895,547	\$ -	\$ -
Commercial paper	3,545,687	3,545,687	-	-	-
Bank note	127,777	127,777	-	-	-
Corporate bonds	5,144,787	3,158,969	1,028,342	957,476	-
Federal agency securities	2,447,380	-	311,031	1,349,639	786,710
Supranational	482,816	-	432,522	50,294	-
Asset back securities	2,217,062	24,211	255,389	1,937,462	-
Certificates of deposit	5,172,692	4,760,502	-	412,190	-
Money market mutual funds	23,425,400	23,425,400	-	-	-
Totals	\$ 49,232,332	\$40,815,730	\$ 2,922,831	\$ 4,707,061	\$ 786,710

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>\$ 2,217,062</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

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, 2020 shown below:

	Total Assets at Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 6,668,731	\$ -	\$ 6,668,731	\$ -
Commercial paper	3,545,687	-	3,545,687	-
Bank note	127,777	-	127,777	-
Corporate bonds	5,144,787	-	5,144,787	-
Federal agency securities	2,447,380	-	2,447,380	-
Supranational	482,816	-	482,816	-
Asset back securities	2,217,062	-	2,217,062	-
Certificates of deposit	5,172,692	-	5,172,692	-
Money market mutual funds	23,425,400	-	23,425,400	-
Totals	<u>\$ 49,232,332</u>	<u>\$ -</u>	<u>\$ 49,232,332</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, 2020

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, 2020 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,923,817	\$ -	\$ -	\$ 1,923,817
Construction in progress	954,147	2,086,779	853,332	2,187,594
Total Capital assets, not being depreciated	<u>2,877,964</u>	<u>2,086,779</u>	<u>853,332</u>	<u>4,111,411</u>
Capital assets, being depreciated:				
Land improvements	18,593,120	785,461	-	19,378,581
Buildings and improvements	161,756,032	1,944,888	-	163,700,920
Intangible assets	619,398	34,256	211,083	442,571
Equipment	53,183,286	6,904,911	1,210,688	58,877,509
Subtotal	<u>234,151,836</u>	<u>9,669,516</u>	<u>1,421,771</u>	<u>242,399,581</u>
Less accumulated depreciation for:				
Land improvements	7,927,307	955,040	-	8,882,347
Buildings and improvements	54,341,595	4,553,425	-	58,895,020
Intangible assets	488,236	84,148	211,083	361,301
Equipment	29,038,560	5,984,145	1,187,043	33,835,662
Subtotal	<u>91,795,698</u>	<u>11,576,758</u>	<u>1,398,126</u>	<u>101,974,330</u>
Total capital assets, being depreciated, net	<u>142,356,138</u>	<u>(1,907,242)</u>	<u>23,645</u>	<u>140,425,251</u>
Net capital assets	<u>\$145,234,102</u>	<u>\$ 179,537</u>	<u>\$ 876,977</u>	144,536,662
Less capital related debt				(71,296,940)
Less capital related premiums				(4,411,485)
Less capital lease obligations				<u>(11,338)</u>
Net investment in capital assets				<u>\$ 68,816,899</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

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, 2020:

	June 30, 2019	Issued	Retired	June 30, 2020	Due Within One Year
General obligation debt					
Bonds	\$ 40,570,000		\$ 3,730,000	\$ 36,840,000	\$ 3,840,000
Notes	40,195,000	11,900,000	10,855,000	41,240,000	10,825,000
Total general obligation debt	80,765,000	11,900,000	14,585,000	78,080,000	14,665,000
Debt premium	4,579,812	1,283,634	970,389	4,893,057	-
Capital lease obligations	145,935	-	134,597	11,338	11,338
Net OPEB liability	6,502,376	640,592	-	7,142,968	-
Net pension liability	14,807,942	-	14,807,942	-	-
	<u>\$ 106,801,065</u>	<u>\$ 13,824,226</u>	<u>\$ 30,497,928</u>	<u>\$ 90,127,363</u>	<u>\$ 14,676,338</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, 2020 totaled \$78,080,000 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.

22,065,000

Total General Obligation Bonds

36,840,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes

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. 1,440,000

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. 225,000

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. 215,000

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. 325,000

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. 2,365,000

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. 690,000

August 2015 - \$7,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2022. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 2,690,000

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. 295,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes (Continued)

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. 310,000

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. 3,015,000

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. 790,000

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. 860,000

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. 4,325,000

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. 1,070,000

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. 1,070,000

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. 7,065,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes (Continued)

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.	1,300,000
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.	1,290,000
August 2019 - \$10,400,000 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, 2026. Proceeds used for construction of buildings, building improvements, remodeling, capital equipment and non-building capital projects.	10,400,000
September 2019 - \$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, 2026. Proceeds used for building improvements and remodeling.	<u>1,500,000</u>
Total General Obligation Promissory Notes	<u>41,240,000</u>
Total General Obligation Debt	<u>\$ 78,080,000</u>

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

Year Ended June 30	Principal	Interest	Total
2021	\$ 14,665,000	\$ 1,861,005	\$ 16,517,975
2022	12,145,000	1,554,044	13,699,044
2023	10,860,000	1,513,225	12,373,225
2024	9,865,000	1,186,700	11,051,700
2025	9,570,000	865,400	10,435,400
2026	8,720,000	550,350	9,270,350
2027	7,255,000	273,825	7,528,825
2028	5,000,000	75,000	5,075,000
	<u>\$ 78,080,000</u>	<u>\$ 7,879,549</u>	<u>\$ 85,951,519</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Legal Margin for New Indebtedness

The District's legal margin for creation of additional indebtedness on June 30, 2020 was as follows:

	Aggregate	Bonded
Equalized valuation of the District	\$41,610,859,600	\$41,610,859,600
Statutory limitation percentage	(x) 5%	(x) 2%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>\$ 2,080,542,980</u>	<u>\$ 832,217,192</u>
General obligation debt	\$ 78,080,000	\$ 36,840,000
Capital lease obligations	11,338	-
Less: Amounts available for financing general obligation debt Restricted for debt service	<u>16,911,414</u>	<u>16,911,414</u>
Net outstanding general obligation debt applicable to debt limitation	<u>\$ 61,179,924</u>	<u>\$ 19,928,586</u>

NOTE E - CAPITAL LEASE

The District has entered into lease agreements for the purpose of purchasing capital assets. At June 30, 2020, 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, 2020:

Fiscal Year Ending June 30,	Annual Requirements
2021	<u>\$ 11,357</u>
Total required minimum lease payments	11,357
Less: Amounts representing interest	19
Present value of future minimum lease payments	<u>\$ 11,338</u>

NOTE F - PENSION PLANS

1. Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE F - PENSION PLANS (continued)

Vesting: For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided: Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 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.

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
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
2019	0.0	(10.0)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE F - PENSION PLANS (continued)

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 \$4,321,151 in contributions from the District.

Contribution rates as of June 30, 2020 are:

Employee Category	2020	
	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.65%
Protective without Social Security	6.75%	16.25%

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

At June 30, 2020, the District reported an asset of \$13,412,761 for its proportionate share of the net pension asset. The net pension 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 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 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, 2019, the District's proportion was 0.41596968% (a decrease of 0.00025423% from the prior year).

For the year ended June 30, 2020, the District recognized pension expense of \$5,107,963.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,460,486	\$(12,741,270)
Net differences between projected and actual earnings on pension plan investments	-	(27,420,453)
Changes in assumptions	1,045,210	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	56,333	(30,413)
Employer contributions subsequent to the measurement date	2,382,627	-
Total	\$ 28,944,656	\$(40,192,136)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE F - PENSION PLANS (continued)

\$2,382,627 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended June 30	Net Deferred Outflow (Inflow) of Resources
2021	\$ (4,021,460)
2022	(3,026,496)
2023	474,606
2024	(7,056,757)

5. Actuarial Assumption

The total pension liability in the actuarial valuation used for the year ended June 30, 2020, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2020
Actuarial Valuation Date:	December 31, 2018
Measurement Date of Net Pension Liability (Asset):	December 31, 2019
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	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 on an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. Based on this experience study, actuarial assumptions used to measure the total pension liability change from the 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, 2019 is based upon a roll-forward of the liability calculated from the December 31, 2018 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class as of December 31, 2019 are summarized in the following table on the next page:

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

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%	8.0%	5.1%
Fixed Income	24.5%	4.9%	2.1%
Inflation Sensitive Assets	15.5%	4.0%	1.2%
Real Estate	9.0%	6.3%	3.5%
Private Equity/Debt	8.0%	10.6%	7.6%
Multi-Asset	4.0%	6.9%	4.0%
Total Core fund	<u>110.0%</u>	<u>7.5%</u>	<u>4.6%</u>
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	7.5%	4.6%
International Equities	30.0%	8.2%	5.3%
Total Variable Fund	<u>100.0%</u>	<u>7.8%</u>	<u>4.9%</u>

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.75%. Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single Discount rate. A single discount rate of 7.0% was used to measure the total pension liability for the current and 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 2.75% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2019. In describing this index, Fidelity notes that the Municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 7.0% 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%)
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District's proportionate share of the Net Pension Liability (Asset)	\$ 34,540,257	\$(13,412,761)	\$(49,263,158)
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Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE F - PENSION PLANS (continued)

6. Payable to the WRS

At June 30, 2020, the District reported a payable of \$1,160,489 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2020.

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 employee's 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, 2020

NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

Voluntary Early Retirement (VER) Program. The District offered to eligible employees who were at least age 60 with 15 years of service with a retirement date before June 30, 2021 the following: Health and dental insurance based upon the health plan election in place at the time of retirement. Coverage will continue until age 65 or Medicare-eligibility, whichever occurs first. The District will provide contributions up to \$8,000 for single and \$20,000 for family or employee plus one plans each fiscal year. Retirees are responsible for the difference between the total annual cost and the amount the District contributes.

Membership of the Plan at July 1, 2019 was 765 active participants and 60 retired participants.

The District's total OPEB liability at June 30, 2020 was \$7,142,968. The total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation:	2.5%
Salary Increases:	Salary inflation of 3.0% plus projected merit and longevity increase based on years of service
Medical Trend Rate:	7.5% decreasing by 0.5% per year down to 6.5%, then by 0.1% per year down to 5.0%, and level thereafter
Interest Discount Rate	3.5%*
Mortality	Wisconsin 2018 Mortality Table Based on an experience study using WRS experience from 2015-2017

*The 3.5 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, 2020, are as follows:

Changes in total OPEB liability for the year ended June 30, 2020, are as follows:

Balance at June 30, 2019	<u>\$ 6,502,376</u>
Changes for the year:	
Service cost	76,073
Interest	217,756
Changes of benefit terms	3,083,163
Differences between expected and actual experience	864,851
Effect of assumptions changes or inputs	(1,773,988)
Benefit payments	<u>(1,827,263)</u>
Net changes	<u>640,592</u>
Balance at June 30, 2020	<u>\$ 7,142,968</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

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 (2.5%) or 1 percentage point higher (4.5%) than the current rate.

	1% Decrease to Discount Rate (2.5%)	Current Discount Rate (3.5%)	1% Increase to Discount Rate (4.5%)
Distict's total OPEB liability	\$ 7,400,565	\$ 7,142,968	\$ 6,892,760

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 (6.5% decreasing to 4.0%)	Healthcare Cost Trend (7.5% decreasing to 5.0%)	1% Increase (8.5% decreasing to 6.0%)
Distict's total OPEB liability	\$ 6,998,452	\$ 7,142,968	\$ 7,303,118

For the year ended June 30, 2020 the District recognized OPEB expense of \$3,195,633. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 720,709	\$ (17,802)
Changes of assumptions	-	(1,651,921)
Employer contributions subsequent to the measurement date	482,333	-
Total	\$ 1,203,042	\$ (1,669,723)

\$482,333 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, 2021. The other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as shown on the next page:

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

Year ended June 30	Net Deferred Outflow (Inflow) of Resources
2020	\$ (181,359)
2021	(181,359)
2022	(181,359)
2023	(181,359)
2024	(181,358)
Thereafter	(42,220)

NOTE H - RISK MANAGEMENT

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

Districts Mutual Insurance Company

In July 2004 all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). DMI is a fully-assessable mutual company authorized under Wisconsin Statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$500,000,000 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.

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, 2020, the District paid a total premium of \$860,544.

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE H - RISK MANAGEMENT (Continued)

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 \$119,264.

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.

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, 2020, the District paid a total premium of \$11,434,844.

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

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

Dental Self-Insurance Program

District employees and employee dependents are eligible for dental benefits from the District's self-insurance fund. Funding is provided by charges to departments and employees. Fund expenses consist of payments to a third-party administrator for dental claims and administrative fees.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE H - RISK MANAGEMENT (Continued)

On June 30, 2020 net position of \$6,362,125 was available for future unreported claims. The claims liability of \$54,000 reported at June 30, 2020 is the estimated dental claims incurred but not paid or reported as of June 30, 2020. 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, 2020 and 2019 follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30
2019	\$ 54,000	\$ 891,680	\$ 891,680	\$ 54,000
2020	54,000	811,521	811,521	54,000

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

NOTE I - EXPENSES CLASSIFICATION

Expenses on the Statement of Revenues, Expenses and Changes in Net Position are classified by function. Alternatively, the expenses could also be shown by type or nature of expense for the year ended June 30, 2020:

	Amount
Salaries and wages	\$ 73,289,995
Fringe benefits	25,367,625
Travel, memberships and subscriptions	3,212,195
Supplies, printing and minor equipment	6,899,300
Contract services	7,520,229
Rentals	3,240,613
Insurance	1,036,280
Utilities	1,830,137
Depreciation	11,576,758
Student aid	11,457,836
Other expenses	1,284,484
Total Operating Expenses	<u>\$146,715,452</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

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, 2020 are:

Year Ending June 30,	Amount
2021	\$ 1,082,030
2022	987,797
2023	947,257
2024	910,861
2025	883,351
2026 - 2030	3,072,853
2031 - 2035	660,947
2036 - 2040	166,285
2041 - 2045	166,285
2046 - 2060	166,285
2051 - 2055	166,285
2056 - 2060	166,285
2061 - 2065	166,285
2066 - 2070	166,285
2071 - 2075	166,285
2076 - 2080	166,285
2081 - 2085	166,285
2086 - 2090	166,285
2091 - 2095	5,543
Total Required Minimum Lease Payments	<u>\$ 10,379,774</u>

Rent expense under all operating leases for the year ended June 30, 2020 totaled \$1,116,582.

Capital Projects

The District has commitments for capital projects as of June 30, 2020 totaling \$1,839,159.

NOTE K - CONTINGENT LIABILITIES

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

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, 2020 consist of the following:

	Cost	Fair Value	Excess of Fair Value Over Cost	Fair Value Method
Money market funds	\$ 51,500	\$ 51,500	\$ -	Level 2
Fixed income				
Corporate bond funds	3,805,525	4,116,877	311,352	Level 1
Pooled fixed income funds	169,636	159,952	(9,684)	Level 2
Total fixed income	<u>3,975,161</u>	<u>4,276,829</u>	<u>301,668</u>	
Equity				
Equity funds	6,912,960	7,521,906	608,946	Level 1
Total equity	<u>6,912,960</u>	<u>7,521,906</u>	<u>608,946</u>	
Total Investments	<u>\$ 10,939,621</u>	11,850,235	<u>\$ 910,614</u>	
Bank deposits		3,393,563		
Beneficial interest in investments held by Community Foundation		52,263		Level 3
Total Cash and Investments		<u>\$ 15,296,061</u>		

Net Investment income (loss) reported in the statement of revenues, expenses and changes in net position totaled \$388,045 and consisted of the following:

Market appreciation	\$ 273,554
Unrealized losses	123,273
Interest and dividend income	23,777
Investment fees	<u>(32,559)</u>
Investment return	<u>\$ 388,045</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE L - COMPONENT UNIT (Continued)

2. Beneficial Interest in Investments Held by Community Foundation

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

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

Beneficial interests in investments held by the Community Foundation for the Fox Valley Region, Inc. as of June 30, 2020 totaled \$52,263.

3. Promises to Give

Unconditional promises to give at June 30, 2020 are as follows:

Receivable in less than one year	\$ 78,116
Receivable in one to five years	19,104
Total unconditional promises to give	<u>97,220</u>
Less discount to net present value	539
Net Unconditional Promises to Give	<u>\$ 96,681</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, 2020 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	1,785,439	149,975	-	1,935,414
Net capital assets	<u>\$ 5,054,788</u>	<u>\$ (149,975)</u>	<u>\$ -</u>	<u>\$ 4,904,813</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

NOTE L - COMPONENT UNIT (Continued)

5. Notes Payable

The Foundation has a total of \$272,795 of long-term debt outstanding and consists of the following issue:

Notes payable to Fox Communities Credit Union, due in monthly installments of \$4,414 including interest at 4.75% with final payment due November 4, 2024.	\$ 272,795
Less amount due within one year	<u>57,182</u>
Total long-term debt	<u>\$ 215,613</u>

Scheduled principal payments on notes payable at June 30, 2020, including current maturities, are summarized as follows:

Year Ending	
<u>June 30,</u>	
2021	\$ 57,182
2022	59,961
2023	62,876
2024	65,931
2025	<u>26,845</u>
Total	<u>\$ 272,795</u>

6. Operating Leases

The Foundation leases several buildings to the District under noncancelable operating leases with automatic renewal terms. Rental income during 2020 from the District was \$563,104. Future minimum collections expected, by year and in the aggregate consist of the following at June 30, 2020:

Year Ending	
<u>June 30,</u>	
2021	\$ 563,104
2022	480,087
2023	476,915
2024	455,040
2025	427,530
Thereafter	<u>793,750</u>
	<u>\$ 3,196,426</u>

7. Temporary and Permanently Restricted Net Position

Net position with donor restriction for the stated purposes were as follows as of June 30, 2020.

	Temporary in Nature	Permanent in Nature	Total
Scholarships	\$ 2,295,581	\$ -	\$ 2,295,581
Activity funds	424,352	-	424,352
Instructional support	449,913	-	449,913
Endowments	675,322	3,182,942	3,858,264
	<u>\$ 3,845,168</u>	<u>\$ 3,182,942</u>	<u>\$ 7,028,110</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2020

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, 2020, the District issued general obligation promissory notes as follows:

Date	Interest Rate	Amount	Purpose
September 8, 2020	3%	\$ 7,500,000	General Obligation Promissory Notes. Proceeds used for purchase or construction of buildings, building remodeling or improvements, moveable equipment and other non-building capital projects.
September 8, 2020	3%	26,750,000	Taxable General Obligation Refunding Bonds. Proceeds used to finance the advance refunding of 2012A and 2012C Bonds.
		<u>\$ 34,250,000</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, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability			
Service cost	\$ 76,073	\$ 73,239	\$ 79,607
Interest	217,756	258,637	258,980
Changes of benefit terms	3,083,163	-	-
Effect of economic/demographic gains or losses	864,851	-	(26,418)
Effect of assumptions changes or inputs	(1,773,988)	(59,081)	(188,987)
Benefit payments	(1,827,263)	(1,827,263)	(2,132,478)
Net change in total OPEB liability	640,592	(1,554,468)	(2,009,296)
Total OPEB liability - Beginning	6,502,376	8,056,844	10,066,140
Total OPEB liability - Ending	<u>\$ 7,142,968</u>	<u>\$ 6,502,376</u>	<u>\$ 8,056,844</u>
Covered payroll	\$ 68,643,109	\$ 65,504,017	\$ 63,455,407
Total OPEB liability as a percentage of covered-employee payroll	10.41%	9.93%	12.70%

*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
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%
2020	0.41597%	(13,412,761)	65,977,110	(20.33%)	102.96%

*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	-	65,504,017	6.63%
2020	4,566,720	4,566,720	-	68,643,109	6.65%

*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, 2020

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.

NOTE C – WISCONSIN RETIREMENT SYSTEM BENEFIT TERMS

There were not changes of benefit terms for any participating employer in WRS.

NOTE D – WISCONSIN RETIREMENT SYSTEM ASSUMPTIONS

No significant change in assumptions were noted from the prior year.

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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 23,152,790	\$ 22,982,226	\$ 23,001,834	\$ -	\$ 23,001,834	\$ 19,608
Intergovernmental revenue						
State	39,093,218	40,222,431	40,133,219	-	40,133,219	(89,212)
Federal	16,000	16,000	17,040	-	17,040	1,040
Tuition and fees						
Statutory program fees	18,143,443	18,219,146	17,271,823	-	17,271,823	(947,323)
Material fees	1,176,000	1,176,000	1,099,518	-	1,099,518	(76,482)
Other student fees	2,155,700	2,340,700	1,818,301	-	1,818,301	(522,399)
Institutional	669,501	728,294	930,368	-	930,368	202,074
Total Revenues	84,406,652	85,684,797	84,272,103	-	84,272,103	(1,412,694)
Expenditures						
Instruction	54,702,003	56,198,259	55,080,438	-	55,080,438	1,117,821
Instructional resources	1,124,692	1,148,692	1,093,230	-	1,093,230	55,462
Student services	7,013,632	6,704,621	6,563,993	-	6,563,993	140,628
General institutional	17,743,595	18,106,868	17,808,364	-	17,808,364	298,504
Physical plant	7,122,009	6,789,311	6,157,184	-	6,157,184	632,127
Total Expenditures	87,705,931	88,947,751	86,703,209	-	86,703,209	2,244,542
Excess (Deficiency) of Revenues Over Expenditures	(3,299,279)	(3,262,954)	(2,431,106)	-	(2,431,106)	831,848
Other Financing Sources (Uses)						
Transfers in	2,935,936	2,935,936	2,807,961	-	2,807,961	(127,975)
Transfers out	(335,000)	(393,100)	(393,100)	-	(393,100)	-
Total Other Financing Sources (Uses)	2,600,936	2,542,836	2,414,861	-	2,414,861	(127,975)
Net Change in Fund Balance	(698,343)	(720,118)	(16,245)	-	(16,245)	703,873
Fund Balance - beginning	22,947,434	22,947,434	22,947,434	-	22,947,434	-
Fund Balance - ending	\$ 22,249,091	\$ 22,227,316	\$ 22,931,189	\$ -	\$ 22,931,189	\$ 703,873
Fund Balance						
Reserved for encumbrances			\$ 50,655			
Reserved for prepaid items			921,935			
Unreserved fund balance						
Designated for state aid fluctuations			1,299,230			
Designated for operations			20,659,369			
			<u>\$ 22,931,189</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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 1,348,620	\$ 1,272,121	\$ 1,284,403	\$ -	\$ 1,284,403	\$ 12,282
Intergovernmental revenue						
State	1,996,742	2,712,385	2,712,385	-	2,712,385	-
Federal	12,731,059	13,626,619	13,127,943	-	13,127,943	(498,676)
Tuition and fees						
Statutory program fees	166,111	166,111	170,826	-	170,826	4,715
Material fees	22,160	22,160	22,088	-	22,088	(72)
Other student fees	886,182	886,182	766,186	-	766,186	(119,996)
Institutional	10,435,529	12,270,275	10,837,187	-	10,837,187	(1,433,088)
Total Revenues	27,586,403	30,955,853	28,921,018	-	28,921,018	(2,034,835)
Expenditures						
Instruction	23,922,787	26,257,442	24,985,469	-	24,985,469	1,271,973
Instructional resources	-	4,938	4,938	-	4,938	-
Student services	1,537,283	1,650,080	1,650,080	-	1,650,080	-
General institutional	1,342,846	2,204,647	2,204,647	-	2,204,647	-
Physical plant	350,473	407,832	337,635	-	337,635	70,197
Total Expenditures	27,153,389	30,524,939	29,182,769	-	29,182,769	1,342,170
Excess of Revenues Over						
Expenditures	433,014	430,914	(261,751)	-	(261,751)	(692,665)
Other Financing Sources (Uses)						
Transfers in	144,090	143,796	143,796	-	143,796	-
Transfers out	(1,245,026)	(1,242,632)	(1,114,657)	-	(1,114,657)	127,975
Total Other Financing						
Sources (Uses)	(1,100,936)	(1,098,836)	(970,861)	-	(970,861)	127,975
Net Change in Fund Balance	(667,922)	(667,922)	(1,232,612)	-	(1,232,612)	(564,690)
Fund Balance - beginning	2,516,740	2,516,740	2,516,740	-	2,516,740	-
Fund Balance - ending	\$ 1,848,818	\$ 1,848,818	\$ 1,284,128	\$ -	\$ 1,284,128	\$ (564,690)
Fund Balance						
Reserved for prepaid items			\$ 17,559			
Unreserved fund balance						
Designated for operations			1,266,569			
			<u>\$ 1,284,128</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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 127,500	\$ 127,500	\$ 65,564	\$ -	\$ 65,564	\$ (61,936)
Intergovernmental revenue						
State	1,949,450	1,949,450	1,595,585	-	1,595,585	(353,865)
Federal	24,400,550	25,699,958	16,204,668	-	16,204,668	(9,495,290)
Tuition and fees						
Other student fees	1,798,334	1,798,334	1,684,006	-	1,684,006	(114,328)
Institutional	1,960,600	1,960,600	2,028,137	-	2,028,137	67,537
Total Revenues	30,236,434	31,535,842	21,577,960	-	21,577,960	(9,957,882)
Expenditures						
Student services	30,153,000	31,452,408	21,300,087	-	21,300,087	10,152,321
General institutional	268,635	268,635	262,702	-	262,702	5,933
Total Expenditures	30,421,635	31,721,043	21,562,789	-	21,562,789	10,158,254
Excess (Deficiency) of Revenues Over Expenditures	(185,201)	(185,201)	15,171	-	15,171	200,372
Other Financing Sources (Uses)						
Transfers in	185,201	185,201	101,854	-	101,854	(83,347)
Net Change in Fund Balance	-	-	117,025	-	117,025	117,025
Fund Balance - beginning	570,625	570,625	570,625	-	570,625	-
Fund Balance - ending	\$ 570,625	\$ 570,625	\$ 687,650	\$ -	\$ 687,650	\$ 117,025
Fund Balance						
Reserved for student financial assistance			\$ 270,595			
Reserved for student organizations			417,055			
			<u>\$ 687,650</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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Intergovernmental revenue						
State	\$ 315,756	\$ 448,116	\$ 477,016	\$ -	\$ 477,016	\$ 28,900
Federal	170,000	170,000	-	-	-	(170,000)
Institutional	76,098	173,256	258,494	-	258,494	85,238
Total Revenues	561,854	791,372	735,510	-	735,510	(55,862)
Expenditures						
Instruction	3,784,271	4,395,847	3,414,668	-	3,414,668	981,179
Instructional resources	590,399	707,743	388,577	-	388,577	319,166
Student services	-	-	-	-	-	-
General institutional	2,527,200	2,188,065	2,099,960	-	2,099,960	88,105
Physical plant	5,382,684	5,293,362	4,598,160	-	4,598,160	695,202
Auxiliary services	40,300	35,000	20,396	-	20,396	14,604
Total Expenditures	12,324,854	12,620,017	10,521,761	-	10,521,761	2,098,256
Excess (Deficiency) of Revenues Over Expenditures	(11,763,000)	(11,828,645)	(9,786,251)	-	(9,786,251)	2,042,394
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(137,000)	(137,000)	(136,286)	-	(136,286)	714
Long-term debt issued	11,900,000	11,900,000	11,900,000	-	11,900,000	-
Total Other Financing Sources (Uses)	11,763,000	11,763,000	11,763,714	-	11,763,714	714
Net Change in Fund Balance	-	(65,645)	1,977,463	-	1,977,463	2,043,108
Fund Balance - beginning	3,482,522	3,482,522	3,482,522	-	3,482,522	-
Fund Balance - ending	\$ 3,482,522	\$ 3,416,877	\$ 5,459,985	\$ -	\$ 5,459,985	\$ 2,043,108
Fund Balance						
Reserved for encumbrances			\$ 1,839,358			
Unreserved			3,620,627			
			<u>\$ 5,459,985</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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 16,649,335	\$ 16,649,335	\$ 16,649,335	\$ -	\$ 16,649,335	\$ -
Institutional	10,558	10,558	273,749	-	273,749	263,191
Total Revenues	16,659,893	16,659,893	16,923,084	-	16,923,084	263,191
Expenditures						
Physical plant	17,403,013	17,552,534	17,551,542	-	17,551,542	992
Excess (Deficiency) of Revenues Over Expenditures						
	(743,120)	(892,641)	(628,458)	-	(628,458)	264,183
Other Financing Sources						
Transfers in	137,000	137,000	136,286	-	136,286	(714)
Debt premium issued	168,050	1,283,600	1,283,634	-	1,283,634	34
Total Other Financing Sources	305,050	1,420,600	1,419,920	-	1,419,920	(680)
Net Change in Fund Balance	(438,070)	527,959	791,462	-	791,462	263,503
Fund Balance - beginning	17,059,239	17,059,239	17,059,239	-	17,059,239	-
Fund Balance - ending	\$ 16,621,169	\$ 17,587,198	\$ 17,850,701	\$ -	\$ 17,850,701	\$ 263,503
Fund Balance						
Reserved for debt service			<u>\$ 17,850,701</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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Federal	\$ 48,000	\$ 48,000	\$ 69,150	\$ -	\$ 69,150	\$ 21,150
Institutional	4,184,830	4,073,867	2,879,697	-	2,879,697	(1,194,170)
Total Revenues	4,232,830	4,121,867	2,948,847	-	2,948,847	(1,173,020)
Expenditures						
Auxiliary services	4,397,830	4,342,867	3,555,710	-	3,555,710	787,157
Excess (Deficiency) of Revenues Over Expenditures	(165,000)	(221,000)	(606,863)	-	(606,863)	(385,863)
Other Financing Sources (Uses)						
Transfers in	200,000	256,000	256,000	-	256,000	-
Transfers out	(200,000)	(200,000)	(200,000)	-	(200,000)	-
Total Other Financing Sources	-	56,000	56,000	-	56,000	-
Net Change in Fund Balance	(165,000)	(165,000)	(550,863)	-	(550,863)	(385,863)
Net Position - beginning	1,368,435	1,368,435	1,368,435	-	1,368,435	-
Net Position - ending	\$ 1,203,435	\$ 1,203,435	\$ 817,572	\$ -	\$ 817,572	\$ (385,863)
Net Position						
Unrestricted net position			<u>\$ 817,572</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, 2020

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Institutional	\$ 100,000	\$ 100,000	\$ 100,098	\$ -	\$ 100,098	\$ 98
Auxiliary revenue	13,027,000	13,027,000	12,817,380	-	12,817,380	(209,620)
Total Revenues	13,127,000	13,127,000	12,917,478	-	12,917,478	(209,522)
Expenditures						
Auxiliary services	13,318,139	13,318,139	13,112,038	-	13,112,038	206,101
Excess (Deficiency) of Revenues Over Expenditures	(191,139)	(191,139)	(194,560)	-	(194,560)	(3,421)
Other Financing Sources						
Transfers in	-	-	-	-	-	-
Transfers out	(1,685,201)	(1,685,201)	(1,601,854)	-	(1,601,854)	83,347
Total Other Financing Sources (Uses)	(1,685,201)	(1,685,201)	(1,601,854)	-	(1,601,854)	83,347
Net Change in Fund Balance	(1,876,340)	(1,876,340)	(1,796,414)	-	(1,796,414)	79,926
Net Position - beginning	8,414,059	8,414,059	8,414,059	-	8,414,059	-
Net Position - ending	\$ 6,537,719	\$ 6,537,719	\$ 6,617,645	\$ -	\$ 6,617,645	\$ 79,926
Net Position						
Unrestricted net position - reserved for self-insurance			\$ 6,362,125			
Unrestricted net position - print services			255,520			
Total Net Position			\$ 6,617,645			

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, 2020

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund
Revenues				
Local government - tax levy	\$ 23,001,834	\$ 1,284,403	\$ 65,564	\$ -
Intergovernmental revenue				
State	40,133,219	2,712,385	1,595,585	477,016
Federal	17,040	13,127,943	16,204,668	-
Tuition and fees				
Statutory program fees	17,271,823	170,826	-	-
Material fees	1,099,518	22,088	-	-
Other student fees	1,818,301	766,186	1,684,006	-
Institutional	930,368	10,837,187	2,028,137	258,494
Auxiliary revenue	-	-	-	-
Total Revenues	84,272,103	28,921,018	21,577,960	735,510
Expenditures				
Instruction	55,080,438	24,985,469	-	3,414,668
Instructional resources	1,093,230	4,938	-	388,577
Student services	6,563,993	1,650,080	21,300,087	-
General institutional	17,808,364	2,204,647	262,702	2,099,960
Physical plant	6,157,184	337,635	-	4,598,160
Auxiliary services	-	-	-	20,396
Depreciation	-	-	-	-
Student aid	-	-	-	-
Total Expenditures	86,703,209	29,182,769	21,562,789	10,521,761
Excess (Deficiency) of Revenues Over Expenditures	(2,431,106)	(261,751)	15,171	(9,786,251)
Other Financing Sources (Uses)				
Transfers in	2,807,961	143,796	101,854	-
Transfers out	(393,100)	(1,114,657)	-	(136,286)
Long-term debt issued	-	-	-	11,900,000
Debt premium issued	-	-	-	-
Total Other Financing Sources (Uses)	2,414,861	(970,861)	101,854	11,763,714
Net Change in Fund Balances	(16,245)	(1,232,612)	117,025	1,977,463
Capital contributions	-	-	-	-
Fund Balances/Net Position - beginning	22,947,434	2,516,740	570,625	3,482,522
Fund Balances/Net Position - ending	\$ 22,931,189	\$ 1,284,128	\$ 687,650	\$ 5,459,985

See Independent Auditor's Report.

Debt Service Fund	Enterprise Funds	Internal Service Fund	Total	Reconciling Items	Statement of Revenues, Expenses and Changes in Net Position
\$ 16,649,335	\$ -	\$ -	\$ 41,001,136	\$ -	\$ 41,001,136
-	-	-	44,918,205	-	44,918,205 (1)
-	69,150	-	29,418,801	-	29,418,801 (2)
-	-	-	17,442,649	(6,966,755)	10,475,894
-	-	-	1,121,606	(447,979)	673,627
-	-	-	4,268,493	(1,704,861)	2,563,632
273,749	2,879,697	100,098	17,307,730	(2,372,499)	14,935,231 (3)
-	-	12,817,380	12,817,380	(9,968,879)	2,848,501
<u>16,923,084</u>	<u>2,948,847</u>	<u>12,917,478</u>	<u>168,296,000</u>	<u>(21,460,973)</u>	<u>146,835,027</u>
-	-	-	83,480,575	(1,363,744)	82,116,831
-	-	-	1,486,745	(365,257)	1,121,488
-	-	-	29,514,160	(19,692,407)	9,821,753
-	-	-	22,375,673	(2,172,893)	20,202,780
17,551,542	-	-	28,644,521	(19,993,141)	8,651,380 (4)
-	3,555,710	13,112,038	16,688,144	(13,058,344)	3,629,800
-	-	-	-	11,576,758	11,576,758
-	-	-	-	11,457,836	11,457,836
<u>17,551,542</u>	<u>3,555,710</u>	<u>13,112,038</u>	<u>182,189,818</u>	<u>(33,611,192)</u>	<u>148,578,626</u>
<u>(628,458)</u>	<u>(606,863)</u>	<u>(194,560)</u>	<u>(13,893,818)</u>	<u>12,150,219</u>	<u>(1,743,599)</u>
136,286	256,000	-	3,445,897	(3,445,897)	-
-	(200,000)	(1,601,854)	(3,445,897)	3,445,897	-
-	-	-	11,900,000	(11,900,000)	-
1,283,634	-	-	1,283,634	(1,283,634)	-
<u>1,419,920</u>	<u>56,000</u>	<u>(1,601,854)</u>	<u>13,183,634</u>	<u>(13,183,634)</u>	<u>-</u>
791,462	(550,863)	(1,796,414)	(710,184)	(1,033,415)	(1,743,599)
-	-	-	-	278,746	278,746
<u>17,059,239</u>	<u>1,368,435</u>	<u>8,414,059</u>	<u>56,359,054</u>	<u>58,643,144</u>	<u>115,002,198</u>
<u>\$ 17,850,701</u>	<u>\$ 817,572</u>	<u>\$ 6,617,645</u>	<u>\$ 55,648,870</u>	<u>\$ 57,888,475</u>	<u>\$ 113,537,345 (5)</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements
To Basic Financial Statements
For the Year Ended June 30, 2020

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, 2020

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, 2020.

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

Operating	\$ 5,054,914
Non-operating	39,863,291
	\$ 44,918,205

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

Operating	\$ 28,029,075
Non-operating	1,389,726
	\$ 29,418,801

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

Contract revenue	\$ 10,439,725
Miscellaneous revenue	2,924,609
Gain (loss) on sale of capital assets	494,223
Investment income earned	1,076,674
	\$ 14,935,231

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

Physical plant	\$ 6,789,824
Interest expense	1,684,006
Bond issuance costs	177,550
	\$ 8,651,380

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

Budgetary basis fund balance	\$ 55,648,870
Adjustments	
General capital assets - cost	246,510,991
Accumulated depreciation on general capital assets	(101,974,330)
General obligation debt	(78,080,000)
Bond premium	(4,893,057)
Capital lease obligations	(11,338)
Net position in health insurance consortium	1,989,363
Accrued interest on debt payable	(208,786)
Total OPEB Liability	(7,142,968)
Net pension asset	13,412,761
Deferred outflows related to pension/OPEB	30,147,698
Deferred inflows related to pension/OPEB	(41,861,859)
Total Adjustments	57,888,475
Net Position per basic financial statements	\$ 113,537,345

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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net investment in capital assets	\$68,816,899	\$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
Restricted for debt service ^(a)	16,911,414	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
Restricted for pension benefits ^(b)	-	-	-	-	-	10,407,663	-	-	-	-
Unrestricted ^(c)	27,809,032	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
Total Net Position	\$113,537,345	\$115,002,198	\$116,413,649	\$109,008,144	\$121,147,277	\$117,541,097	\$88,003,388	\$81,454,830	\$74,113,981	\$70,951,838

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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenues										
Student program fees (net of scholarship allowances)	\$10,475,894	\$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
Student material fees (net of scholarship allowances)	673,627	681,946	738,221	766,163	724,965	623,275	664,450	603,183	633,117	648,301
Other student fees (net of scholarship allowances)	2,563,632	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
Federal grants	28,029,075	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
State grants	5,054,914	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
Contract revenue	10,439,725	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
Auxiliary enterprise revenues	2,848,501	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
Miscellaneous	2,924,609	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
Total operating revenues	\$63,009,977	\$67,388,427	\$68,675,945	\$67,096,804	\$70,228,828	\$73,648,239	\$77,964,533	\$78,707,421	\$79,206,462	\$79,248,352
Operating Expenses										
Instruction	\$82,116,831	\$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
Instructional resources	1,121,488	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
Student services	9,821,753	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
General institutional	20,202,780	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
Physical plant	6,788,206	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
Auxiliary enterprise services	3,629,800	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
Depreciation	11,576,758	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
Student aid	11,457,836	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
Total operating expenses	\$146,715,452	\$147,050,848	\$137,765,745	\$141,439,959	\$142,584,722	\$137,258,462	\$144,663,669	\$143,213,465	\$146,292,263	\$147,137,428
Operating loss	(\$83,705,475)	(\$79,662,421)	(\$69,089,800)	(\$74,343,155)	(\$72,355,894)	(\$63,610,223)	(\$66,699,136)	(\$64,506,044)	(\$67,085,801)	(\$67,889,076)
Nonoperating Revenues/(Expenses)										
Property taxes	\$41,001,136	\$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
State operating appropriations	39,863,291	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
CARES Act funding	1,389,726	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	494,223	(394,573)	(9,216)	(349,344)	85,888	46,785	56,327	203,761	363,631	73,170
Investment income earned	1,076,674	1,370,774	520,223	233,847	475,680	256,128	301,152	165,837	201,802	186,658
Interest expense	(1,685,624)	(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)
Bond issuance costs	(177,550)	(186,975)	(182,775)	(175,375)	(166,975)	(177,325)	(215,850)	(667,122)	(108,238)	-
Total nonoperating revenues/(expenses)	\$81,961,876	\$78,166,600	\$76,149,814	\$75,103,280	\$75,640,074	\$74,116,268	\$72,932,898	\$71,534,361	\$68,925,497	\$71,876,127
Income before Capital Contributions	(\$1,743,599)	(\$1,495,821)	\$7,060,014	\$760,125	\$3,284,180	\$10,506,045	\$6,233,762	\$7,028,317	\$1,839,696	\$3,987,051
Capital Contributions	278,746	84,370	345,991	248,845	322,000	108,105	314,796	312,532	1,579,960	402,211
Change in Net Position	(\$1,464,853)	(\$1,411,451)	\$7,406,005	\$1,008,970	\$3,606,180	\$10,614,150	\$6,548,558	\$7,340,849	\$3,419,656	\$4,389,262

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FOX VALLEY TECHNICAL COLLEGE DISTRICT

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

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

Fiscal Year	FVTC			Overlapping Rates ^(a)						
	Operational ^(b)	Debt Service	Total	County	Local ^(c)	Other School Districts	State	Gross Total	State Tax Relief	Net Tax Rate
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
2020	0.61	0.42	1.02	4.91	5.35	8.50	0.20	19.98	(1.56)	18.42

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 ^(a)	Total District Equalized Value ^(b)	Tax Rate ^(c)
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
2019	30,031,591	7,728,839	1,561,582	1,732,713	757,858	(1,506,819)	40,305,764	40,099,072	1.02325

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	2019			2010		
	Equalized Valuation	Rank	Percentage of Total Equalized Valuation	Equalized Valuation	Rank	Percentage of Total Equalized Valuation
Thomas Wright Enterprises (Outagamie County)	\$105,024,300	1	0.25%	\$61,405,722	4	0.16%
Fox River Shopping Center	96,034,900	2	0.23%	88,087,005	1	0.23%
Pfefferle Investments	94,637,800	3	0.23%	47,870,424	7	0.13%
Kimberly Clark ^(a)	86,469,994	4	0.21%	78,044,324	2	0.21%
Curwood, Inc. (Bemis)	64,895,596	5	0.16%	44,928,778	8	0.12%
Bergstrom (Winnebago County)	63,585,650	6	0.15%	-	-	-
Midwest Realty (Security Homes Inc.)	61,754,003	7	0.15%	70,778,613	3	0.19%
Dumke & Associates	61,307,910	8	0.15%	55,708,684	5	0.15%
Rollie Winters Properties	59,572,945	9	0.14%	53,176,537	6	0.14%
Oshkosh Corporation	57,254,315	10	0.14%	-	-	-
Thomas N. Rusch et al.	-	-	-	42,625,070	9	0.11%
Plank Investments/Eisenhower Properties/Kensington Properties	-	-	-	42,586,164	10	0.11%
Total	\$750,537,413		1.80%	\$585,211,321		1.55%
Total equalized property valuation for the District (TID In)	\$41,610,859,600			\$37,743,195,162		

(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 September 8, 2020. Provided by R. W. Baird & Co., Inc.

See Independent Auditor's Report

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Property Tax Levies and Collections^(a) Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Total Collections to Date ^(b)	
		Amount	Percentage of Levy	Amount	Percentage of Levy
2011	\$59,720,691	\$43,914,226	73.53%	\$59,720,691	100.00%
2012	59,720,691	44,179,875	73.98%	59,720,691	100.00%
2013	64,120,652	47,931,799	74.75%	64,120,652	100.00%
2014	64,702,517	48,636,733	75.17%	64,702,517	100.00%
2015	(c) 37,389,471	28,255,943	75.57%	37,389,471	100.00%
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%
2020	41,031,181	30,874,378	75.25%	41,031,181	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

Fiscal Year	Population ^(a)	Equalized Valuation ^(b)	Outstanding Debt ^(c)	Less Amounts Available ^(d)	Net Debt Outstanding	Percent of Net Debt to Equalized Valuation	Debt per Capita
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
2020	481,141	40,099,071,801	78,091,338	16,911,414	61,179,924	0.15%	127.16

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 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, 2019**

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt			
County of			
Brown	\$ 89,720,000	0.4%	\$ 358,880
Calumet	30,052,217	83.5%	25,093,601
Manitowoc	27,286,219	1.0%	272,862
Outagamie	68,402,650	96.8%	66,213,765
Portage	15,525,000	1.5%	232,875
Shawano	19,179,828	7.4%	1,419,307
Waupaca	32,500,000	97.0%	31,525,000
Waushara	3,300,500	77.8%	2,567,789
Winnebago	34,049,063	95.2%	32,414,708
Total All Counties	\$ 320,015,477		\$ 160,098,788
Cities within			
Calumet	\$ 26,190,764	100.0%	\$ 26,190,764
Outagamie	26,682,213	99.7%	26,609,274
Waupaca	25,269,804	100.0%	25,269,804
Waushara	2,757,920	100.0%	2,757,920
Winnebago	159,367,375	100.0%	159,367,375
Total All Cities	\$ 240,268,076		\$ 240,195,137
Villages within			
Calumet	\$ 11,145,564	100.0%	\$ 11,145,564
Outagamie	8,548,291	99.7%	8,524,923
Waupaca	3,291,313	100.0%	3,291,313
Waushara	2,753,472	100.0%	2,753,472
Winnebago	18,557,604	100.0%	18,557,604
Total All Villages	\$ 44,296,244		\$ 44,272,876
Towns within			
Brown	\$ 94,400	100.0%	\$ 94,400
Calumet	-	0.0%	-
Manitowoc	154,567	100.0%	154,567
Outagamie	33,172,146	99.7%	33,081,466
Portage	595,059	100.0%	595,059
Shawano	134,790	100.0%	134,790
Waupaca	369,340	100.0%	369,340
Waushara	336,577	96.1%	323,462
Winnebago	10,696,525	99.0%	10,591,040
Total All Towns	\$ 45,553,404		\$ 45,344,124

FOX VALLEY TECHNICAL COLLEGE DISTRICT

**Direct and Overlapping Debt
As of December 31, 2019**

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
School District of			
Appleton	\$ 79,077,100	100.0%	\$ 79,077,100
Brillion	13,230,000	100.0%	13,230,000
Chilton	11,333,000	100.0%	11,333,000
Clintonville	4,810,000	100.0%	4,810,000
Freedom	1,010,000	100.0%	1,010,000
Hilbert	11,743,825	100.0%	11,743,825
Hortonville	26,055,000	100.0%	26,055,000
Iola-Scandinavia	2,375,000	100.0%	2,375,000
Kaukauna	44,320,000	100.0%	44,320,000
Kimberly	16,700,000	100.0%	16,700,000
Little Chute	19,118,092	100.0%	19,118,092
Manawa-Little Wolf	11,805,000	100.0%	11,805,000
Marion	-	100.0%	-
Menasha Joint	34,437,750	100.0%	34,437,750
Neenah	-	100.0%	-
New London	1,690,000	100.0%	1,690,000
Omro	2,973,106	100.0%	2,973,106
Oshkosh	53,239,317	100.0%	53,239,317
Seymour	6,875,000	100.0%	6,875,000
Shiocton	1,840,000	100.0%	1,840,000
Stockbridge	1,022,645	100.0%	1,022,645
Waupaca	611,656	100.0%	611,656
Wautoma	4,515,000	100.0%	4,515,000
Westfield	700,000	100.0%	700,000
Weyauwega-Fremont	19,250,000	100.0%	19,250,000
Wild Rose	1,695,000	100.0%	1,695,000
Winneconne	14,180,000	100.0%	14,180,000
Wrightstown	1,412,290	100.0%	1,412,290
Total All School Districts	\$ 386,018,781		\$ 386,018,781
Subtotal overlapping debt	\$ 1,036,151,982		\$ 875,929,706
District direct debt	\$ 78,091,338	100.0%	\$ 78,091,338
Total direct and overlapping debt	\$ 1,114,243,320		\$ 954,021,044

Source: Survey of each government unit within the District's boundaries, June 2020

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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Equalized Valuation ^(a)	\$41,610,860	\$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
Debt limit - 5% of equalized valuation ^(b)	\$2,080,543	\$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
Aggregate indebtedness applicable to debt limit										
General obligation promissory notes and bonds	78,080	80,765	83,270	85,725	89,140	94,295	97,380	97,055	31,905	34,820
Capital leases	11	146	278	407	534	226	734	1,224	1,691	2,136
Less resources available to fund principal and interest payments ^(c)	(16,911)	(16,607)	(16,295)	(16,026)	(16,013)	(17,054)	(17,187)	(17,016)	(12,562)	(12,724)
Total net debt applicable to limit	61,180	64,304	67,253	70,106	73,661	77,467	80,927	81,263	21,034	24,232
Legal debt margin	\$2,019,363	\$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
Total net debt applicable to the limit as a percentage of debt limit	2.94%	3.26%	3.56%	3.90%	4.20%	4.50%	4.78%	4.82%	1.22%	1.39%
Debt limit - 2% of equalized valuation ^(b)	\$832,217	\$788,491	\$755,905	\$718,733	\$700,757	\$687,908	\$677,595	\$674,541	\$689,805	\$694,864
Gross bonded indebtedness applicable to debt limit										
Gross bonded debt	36,840	40,570	43,910	47,160	50,310	54,825	59,345	65,225	-	-
Less resources available to fund principal and interest payments	(16,911)	(16,607)	(16,295)	(16,026)	(16,013)	(17,054)	(17,187)	(17,016)	N/A	N/A
Total net debt applicable to limit	19,929	23,963	27,615	31,134	34,297	37,771	42,158	48,209	-	-
Legal debt margin	\$812,289	\$764,528	\$728,291	\$687,599	\$666,461	\$650,137	\$635,436	\$626,332	\$689,805	\$694,864
Total net debt applicable to the limit as a percentage of debt limit	2.39%	3.04%	3.65%	4.33%	4.89%	5.49%	6.22%	7.15%	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

Calendar Year	District Population^(a)	Personal Income (thousands of dollars)^{(b)(e)}	Per Capita Personal Income^{(b)(e)}	Public School Enrollment^{(c)(e)}	Annual Public High School Graduates^{(c)(e)}	Unemployment Rate^{(d)(e)}
2010	458,949	\$14,946,514	\$37,715	65,898	5,532	7.74%
2011	460,126	15,815,670	39,778	65,959	5,596	6.95%
2012	461,299	16,438,096	41,157	65,671	5,129	6.58%
2013	466,556	16,539,083	41,174	65,653	4,932	6.42%
2014	468,200	17,330,585	42,952	66,418	4,415	5.19%
2015	470,726	18,081,481	44,702	66,442	4,519	4.22%
2016	473,131	18,641,610	45,925	66,815	4,424	3.82%
2017	474,111	19,280,720	47,272	66,892	4,459	3.03%
2018	477,516	20,157,828	49,188	66,951	4,722	2.78%
2019	481,141	(f)	(f)	66,693	4,657	3.07%

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 2018 and revisions for 2010-2018 were released on November 14, 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	2020		2011	
		Employees	Rank	Employees	Rank
ThedaCare ^(a)	Health care providers	7,184	1	5,000	1
Oshkosh Corporation ^(b)	Truck and large vehicle manufacturer	6,500	2	2,504	5
Affinity Health Care ^(c)	Health care providers	5,172	3	4,300	2
Kimberly Clark ^(d)	Paper products manufacturer	2,000	4	2,592	4
Spectrum Software	Computer system designer	2,000	5	-	
Appleton Area School District	Education	1,918	6	1,700	6
Oshkosh Area School District ^(e)	Education	1,672	7	1,500	8
Miller Electric Manufacturing Co.	Welding equipment manufacturer	1,400	8	1,500	9
Outagamie County	Government	1,300	9	-	
University of Wisconsin - Oshkosh	Education	1,205	10	1,676	7
Fox River Shopping Center	Retail shopping mall	-		3,000	3
Sara Lee Foods (Hillshire Farms)	Meat Processing	-		1,380	10
Total		30,351		25,152	

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

(b) Includes Appleton and Oshkosh.

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

(d) 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.

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

Source: Preliminary Official Statement dated September 8, 2020. 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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
By Pay Groups:										
Full-time instructors	311	313	315	319	315	316	284	329	336	327
Part-time instructors	11	16	17	14	13	14	12	14	13	15
Management	180	191	182	165	156	145	135	121	119	121
Full-time support-union	261	281	281	274	272	262	231	248	249	248
Part-time support-union	37	35	37	37	35	31	32	33	37	40
Total	800	836	832	809	791	768	694	745	754	751

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.

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FOX VALLEY TECHNICAL COLLEGE DISTRICT

**Operating Statistics
Last Ten Fiscal Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Student enrollment ^(a)										
Associate degree	11,073	11,784	12,047	12,463	12,889	13,659	14,690	15,196	16,060	14,506
Technical diploma	3,230	3,211	3,256	3,250	3,383	3,468	3,344	3,260	3,150	3,310
Vocational adult	26,411	27,199	30,671	26,130	29,147	26,212	27,344	28,371	32,785	34,270
Non-postsecondary	1,092	1,530	2,139	2,294	2,138	2,034	1,927	2,009	2,479	5,050
Community services	2,103	2,045	1,508	1,481	1,191	673	532	866	814	821
Transcripted credit ^(b)	6,395	5,581	5,222	4,483	3,521	2,696	1,930	1,571	1,033	1,586
Total enrollment ^(c)	47,899	48,691	51,806	47,156	49,082	45,441	46,367	47,573	52,130	54,349
Percentage Change	-1.63%	-6.01%	9.86%	-3.92%	8.01%	-2.00%	-2.54%	-8.74%	-4.08%	11.86%
Full-time equivalent (FTE) enrollment ^(d)										
Associate degree	3,956	4,150	4,289	4,504	4,842	5,214	5,605	5,910	6,045	5,994
Technical diploma	671	666	670	707	669	670	669	640	650	659
Vocational adult	406	449	510	458	556	459	480	482	540	581
Non-postsecondary	302	311	320	348	341	322	226	246	257	579
Community services	15	23	23	24	9	7	7	9	10	10
Total full-time equivalent enrollments	5,349	5,599	5,812	6,042	6,418	6,673	6,986	7,288	7,501	7,823
Percentage Change	-4.46%	-3.66%	-3.81%	-5.86%	-3.83%	-4.48%	-4.15%	-2.83%	-4.12%	5.53%
Teachers ^(e)	424	437	435	435	435	430	450	481	495	526
FTE - Teacher ratio	12.6	12.8	13.3	13.9	14.8	15.5	15.5	15.1	15.2	14.9
Operating Expenditures ^(f)	\$115,885,978	\$113,634,926	\$110,803,413	\$109,252,189	\$107,171,620	\$104,136,832	\$110,083,566	\$107,197,934	\$104,831,814	\$106,539,249
Cost per FTE	\$21,664.49	\$20,296.05	\$19,065.25	\$18,082.90	\$16,699.80	\$15,605.82	\$15,757.51	\$14,708.22	\$13,975.87	\$13,618.72
Percentage Change	6.74%	6.46%	5.43%	8.28%	7.01%	-0.96%	7.13%	5.24%	2.62%	0.68%
Program Graduate follow-up statistics ^(g)										
Number of graduates	(e)	2,669	2,609	2,557	2,652	2,639	2,560	2,724	2,833	2,526
Number of follow-up respondents	(e)	1,889	1,831	1,970	2,085	2,005	1,807	1,972	2,223	1,933
Total number available for employment	(e)	1,209	1,309	1,423	156	1,505	1,499	1,490	1,877	1,482
Percent employed	(e)	94%	94%	95%	94%	94%	92%	89%	89%	88%
Percent employed in related occupation	(e)	84%	80%	84%	83%	85%	78%	79%	75%	75%
Percent employed in District	(e)	67%	64%	60%	63%	66%	63%	63%	65%	70%
Average annual salary	(e)	\$43,219	\$41,862	\$39,192	\$38,192	\$36,196	\$35,223	\$33,808	\$32,994	\$33,088
Age range of students	9 - 99	7 - 92	9 - 93	9 - 93	8 - 92	9 - 99	9 - 94	8 - 93	8 - 91	7 - 95
Average age of students	36	36	37	37	37	37	37	37	37	36

Notes:

- (a) Student enrollment reflects the duplicated count of individuals enrolled in FVTC courses.
- (b) Transcripted credits reflects the duplicated count of credits earned by high school students while in high school.
- (c) Any student enrolled in more than one program is counted only once in this total.
- (d) A full-time equivalent is equal to 30 annual student credits based on a mathematical calculation which varies by program and is subject to state approval and audit of student and course data.
- (e) Source: 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**

	2020	2019	2018 *	2017	2016	2015	2014	2013	2012	2011
Square Footage										
Campuses:										
Appleton Main Campus	603,341	603,341	603,341	603,701	603,701	603,701	588,805	528,805	519,505	519,505
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	27,053	26,721	26,721	26,721	26,721	26,721	26,721	26,721
ATW ARFF Training Center	9,020	-	-	-	-	-	-	-	-	-
Criminal Justice Office Space ^(a)	-	280	280	4,482	4,482	4,482	4,482	4,482	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	12,500	14,460	14,460	14,460	14,460	14,460	14,460	14,460
Fire Training Center ^(b)	-	-	-	-	-	-	6,000	6,000	6,000	6,000
J. J. Keller - Transportation Center	122,498	122,498	122,498	122,498	122,498	122,498	122,498	80,992	80,992	80,992
Public Safety Training Center	110,263	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	76,469	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	40,966	41,902	41,902	41,902	41,902	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 ^(b)	-	-	-	-	-	-	6,240	6,240	-	-
Regional Centers:										
Chilton Regional Center	21,800	21,800	21,800	21,800	21,800	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 ^(c)	-	-	-	-	-	-	-	-	20,900	20,900
Waupaca Regional Center	15,200	15,200	15,200	15,530	15,530	15,530	15,530	15,530	15,530	15,530
Wautoma Regional Center	12,483	12,483	3,142	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Other Locations:										
Appleton City Center Plaza ^(d)	-	-	-	-	4,400	4,400	4,400	4,400	4,400	4,400
Appleton Downtown-Pillars	2,000	2,000	-	-	-	-	-	-	-	-
New London Center	1,848	1,848	1,848	-	-	-	-	-	-	-

^(a) Lease ended December 2019

^(b) Leases ended January 2015

^(c) Lease ended August 2012

^(d) 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, 2020, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 1, 2020. 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”) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

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

Wipfli LLP

December 1, 2020
Madison, Wisconsin