



Comprehensive Annual Financial Report

For the Fiscal Year ended June 30, 2018



Fox Valley Technical College
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Fox Valley Technical College District Comprehensive Annual Financial Report for the Fiscal Year ended June, 30, 2018

Prepared by
Financial Services Department of Fox Valley Technical College

Contact

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INTRODUCTORY SECTION

FOX VALLEY TECHNICAL COLLEGE DISTRICT

June 30, 2018

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December 18, 2018

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

Wisconsin State statutes require the district board of each technical college to annually authorize an audit of the district and to submit an audit report to the Wisconsin Technical College System Board no later than six months following the end of the fiscal year. The District is also required to undergo an annual single audit to conform to the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. The Comprehensive Annual Financial Report (CAFR) for the Fox Valley Technical College District (the District) for the fiscal year ended June 30, 2018, 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, 2018. The statements are the responsibility of the District's administration. As independent certified public accountants, Wipfli's role is to express an opinion on the basic financial statements. The audit provides a reasonable basis for financial statement users to rely on the information presented in the financial statements. Wipfli also, in accordance with Government Auditing Standards, issued a report on compliance and on internal control over financial reporting.

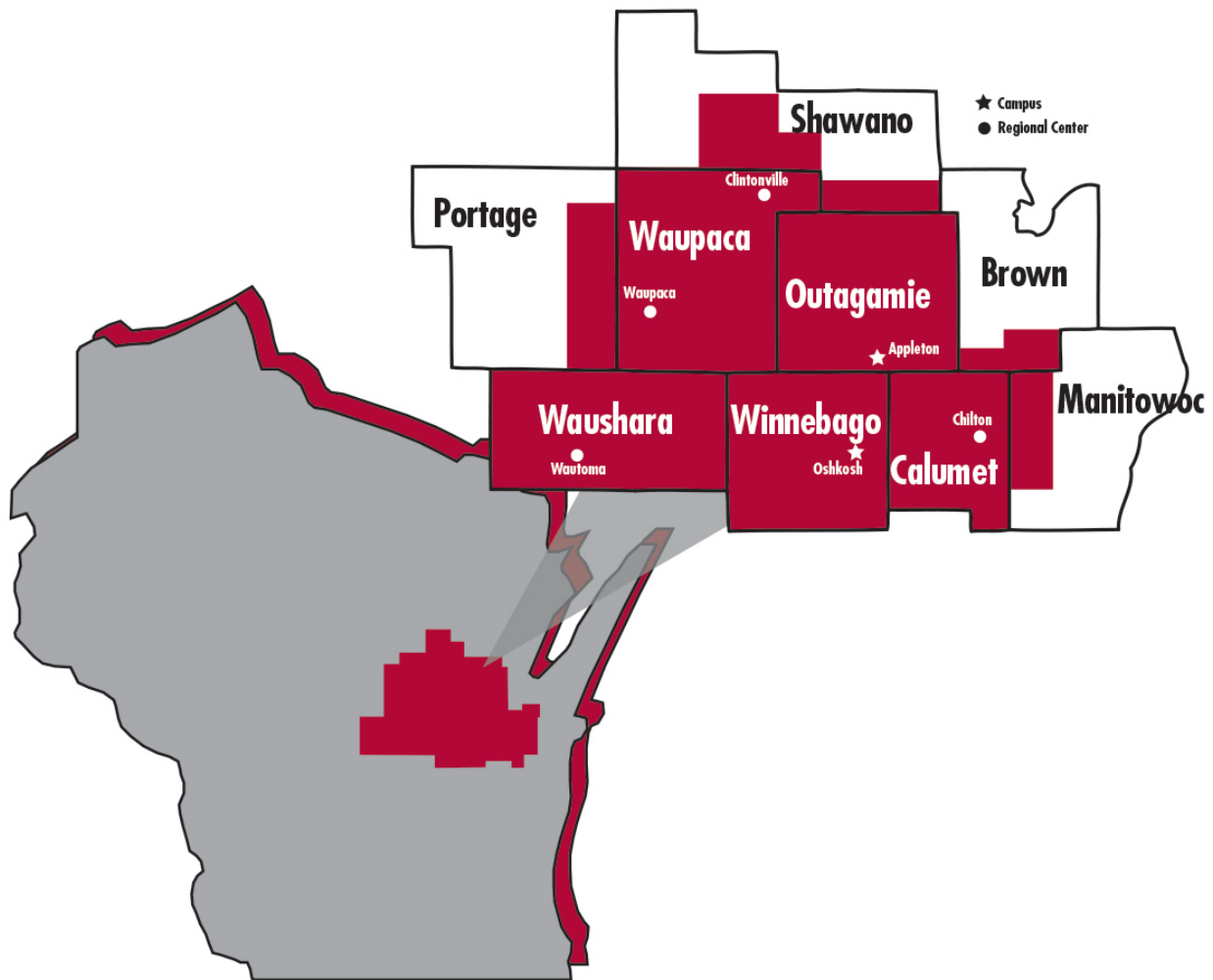
Please direct your attention to Management's Discussion and Analysis (MD&A), found in the Financial Section of the CAFR. The purpose of the MD&A is to provide users of the District's basic financial statements with a narrative introduction, overview, and analysis of those statements.

PROFILE

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

Approximately 480,000 people live in the counties and portions of counties served by the District, using population data from the Wisconsin Department of Administration (DOA) 2017 Population Estimates. Twenty-eight K-12 districts and thirty-five public and private high schools are located within the District's boundaries. The District serves approximately 50,000 people annually.

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



Our Mission is to:

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

Our Vision is to be:

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

Values

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

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

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

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

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

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

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

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

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

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

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

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

The above directions are supported by core Foundational College Strategies:

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

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

Purposes

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

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

Budgetary Process and Control

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

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

FINANCIAL CONDITION

Local Economy

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

The District is a vital source of support to address the community's workforce development and education needs, including:

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

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

- With unemployment rates at a historic low ranging from 2.5% in Calumet County to 3.0% in Shawano, Waupaca, Waushara and Winnebago Counties, District enrollment levels are continuing to trend down. In addition to the reduction in revenue as a result of these enrollment declines, employer needs for a skilled workforce are stronger than ever.
- The District operates under a state imposed tax levy limit which restricts growth in the operating levy to the value of net new construction.
- Per Wisconsin Act 145, enacted in fiscal 2015, a significant portion of funding for technical colleges previously paid by local property taxes was shifted to state support. While the legislation includes a mechanism to restore this levy authority if state funding is reduced in subsequent years, administration is cognizant of the negative image such a subsequent levy increase would have. The amount shifted is also a flat revenue source.

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

Major Initiatives

Wautoma Regional Center. A new regional center has been constructed and opened for students in August 2018. The 12,000 square-foot facility is located adjacent to Wautoma High School and has a welding/metal fab lab, nursing lab, industrial lab and four classrooms. This facility also provides for the expansion of program offerings in truck driving, industrial maintenance and nursing assistant in addition to continued offerings in adult basic education, agriculture, welding, business and personal enrichment. The Wautoma School District Administrative offices and Workforce Development Center are co-located in this new Wautoma Regional Center.

Midwest Aircraft Rescue and Fire Fighting (ARFF) Complex. Working in partnership with both the Appleton International Airport and Oshkosh Corporation, the District will soon add a Midwest Aircraft Rescue and Fire Fighting (ARFF) facility near its Public Safety Training Center. Planning has begun

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

Cosmetology & Esthetician Programs. These new programs will be launched in January of 2019 to address the need for affordable, state-aligned training to assist students in successfully obtaining state licensure upon graduation from an academically accredited program. In preparation for the launch, approximately 6,400 square feet will be remodeled to create a shared clinical space and lab classrooms for the new programs and the existing Therapeutic Massage Program. The clinic will support the three technical diplomas in the simulation of a day spa environment for student clinical experiences. Community members will have access to their services.

JA (Junior Achievement) Wisconsin. The District will be partnering with JA Wisconsin to establish a Career Discovery Center which will be housed in the facility currently known as the Sustainable Technology Center (STC). The District will provide an initial, one-time capital investment for HVAC improvements, architectural fees and related in-kind staff time to support the first phase of the Center's development.

Reaccreditation. The District is on an eight year cycle of AQIP Pathway activities. The AQIP Pathway is one of three options institutions have for maintaining accreditation with the Higher Learning Commission (HLC). 2018-19 is Year 3 of the AQIP Pathway cycle, which involved the submission of the fourth AQIP Systems Portfolio in September of 2018. A team of Higher Learning Commission (HLC) trained peer reviewers will provide feedback to the District in the form of a System Appraisal report by the end of the Fall semester. The report serves as the basis for considering areas of focus for our continuous improvement efforts.

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



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, 2018, 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, 2018, 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.

Change in Accounting Principle

As discussed in Note A to the financial statements, the District adopted new accounting guidance GASB Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The 2018 budgetary comparison schedules listed in the table of contents as supplementary information, and the other information, such as the introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration and are not a required part of the basic financial statements. The supplementary information and schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Report on Summarized Financial Information

We have previously audited the District's 2017 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 13, 2017. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2018, on our consideration of Fox Valley Technical College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Wipfli LLP

November 6, 2018
Madison, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Overview of the Financial Statements

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

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

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

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

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

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

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

On July 1, 2017 the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This guidance establishes new financial reporting requirements for governments that provide their employees with postemployment benefits other than pensions (other postemployment benefits or OPEB). For the District's purpose, OPEB relates to retiree health care benefits. The new standard parallels the pension standards GASB 67-68, including similar terminology, methodologies and reporting requirements. The new standard recognizes the benefit costs as employment services are provided, rather than when the benefits are funded. To reflect this change, the prior year information has been restated as the related information was previously reported in the footnotes of the financial statements. On June 30, 2018 and 2017 the total OPEB liability reported is \$8.1 million and \$10.1 million, respectively. This amount is measured using a single actuarial cost-attribution method based on entry age and projected future payments are discounted to actuarial present value. Due to the actuarial difference in the actuarial valuation date and the District's financial statement measurement date, deferred inflows and deferred outflows as it relates to the value of the OPEB have been recorded on the District's financial statements. Note the deferred inflows/outflows also include information related to pension benefits. For additional information see Notes F and G in the Notes to Basic Financial Statements in addition to Notes to Required Supplemental Information.

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

	2018	2017	Increase or (Decrease)		2016
			\$	%	
ASSETS					
Cash and investments	\$32,407	\$30,618	\$1,789	5.8%	\$35,783
Net capital assets	143,621	140,129	3,492	2.5%	135,770
Other assets	57,600	47,360	10,240	21.6%	50,674
Total assets	233,629	218,108	15,521	7.1%	222,227
Deferred Outflows of Resources	20,365	24,066	(3,701)	-15.4%	35,891
LIABILITIES					
Current liabilities	33,258	34,091	(833)	-2.4%	35,140
Long-term liabilities	81,687	90,162	(8,475)	-9.4%	87,432
Total liabilities	114,945	124,253	(9,308)	-7.5%	122,572
Deferred Inflows of Resources	24,462	10,740	13,722	127.8%	14,398
NET POSITION					
Net investment in capital assets	66,203	60,655	5,548	9.1%	55,951
Restricted for:					
Debt service	16,295	16,026	270	1.7%	16,013
Unrestricted	32,088	30,500	1,588	5.2%	49,183
Total net position	\$114,586	\$107,180	\$7,406	6.9%	\$121,147

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

From 2017 to 2018, total assets increased by \$15.5 million, or 7.1%. Several offsetting changes occurred during the year:

- ❖ Cash and investments increased by \$1.8 million, or 5.8%. Two notable events contributed to this increase:
 - The District participates in an employee benefits consortium which was created in 2015. The District's claims experience since the formation of the consortium has led to a fund surplus which resulted in excess reserves of \$4.5 million being returned to the District in June.
 - The District recently changed purchasing card vendors. This change affected the monthly settlement due dates by one week which resulted in lower balances of cash and accounts payable at month end. Previously, the monthly balance due was paid the first week of the following month.
- ❖ Net capital assets increased by \$3.5 million, or 2.5%. This net increase is a result of \$11.3 million in new depreciable assets placed into service in the current year less accumulated depreciation. Notable to the current year is the inclusion of the Wautoma Regional Center as construction in progress of \$2.4 million. Also included in construction in progress are two other large remodel projects for Chemistry and Science labs of \$338,000 and \$327,000.
- ❖ Other assets experienced a net increase of \$10.2 million, or 21.6%. There are several factors that contributed to this net change:
 - The District's net share of the WRS (Wisconsin Retirement System) net pension asset (obligation) increased by \$15.7 million, resulting in a net pension asset of \$12.3 million at June 30, 2018 versus a \$3.4 million liability at June 30, 2017. The increase is primarily the result of higher market returns in 2017 compared to 2016. For additional information on the calculation of this net asset, see Note F in Notes to Basic Financial Statements.
 - The District's net receivable from the Wisconsin Technical College Employee Benefit Consortium (WTCEBC) decreased by \$1.9 million. As noted previously, the District joined several other colleges and created this consortium in 2015. The net receivable represents the net amount of premiums paid in excess of incurred claims and expenses. For additional information, see Note H in the Notes to Basic Financial Statements.
 - Prepaid expenses increased by \$384,000 due to an increased number of subscription based software agreements offering multiyear discounts.

Deferred outflows of resources related to pension benefits decreased by \$3.7 million, or 15.4%. The change is mostly attributable to the net difference between projected versus actual earnings on investments as a result of stronger market conditions in 2017. For additional information, see Note F in the Notes to Basic Financial Statements.

From 2017 to 2018, total liabilities decreased by \$9.3 million, or 7.5%.

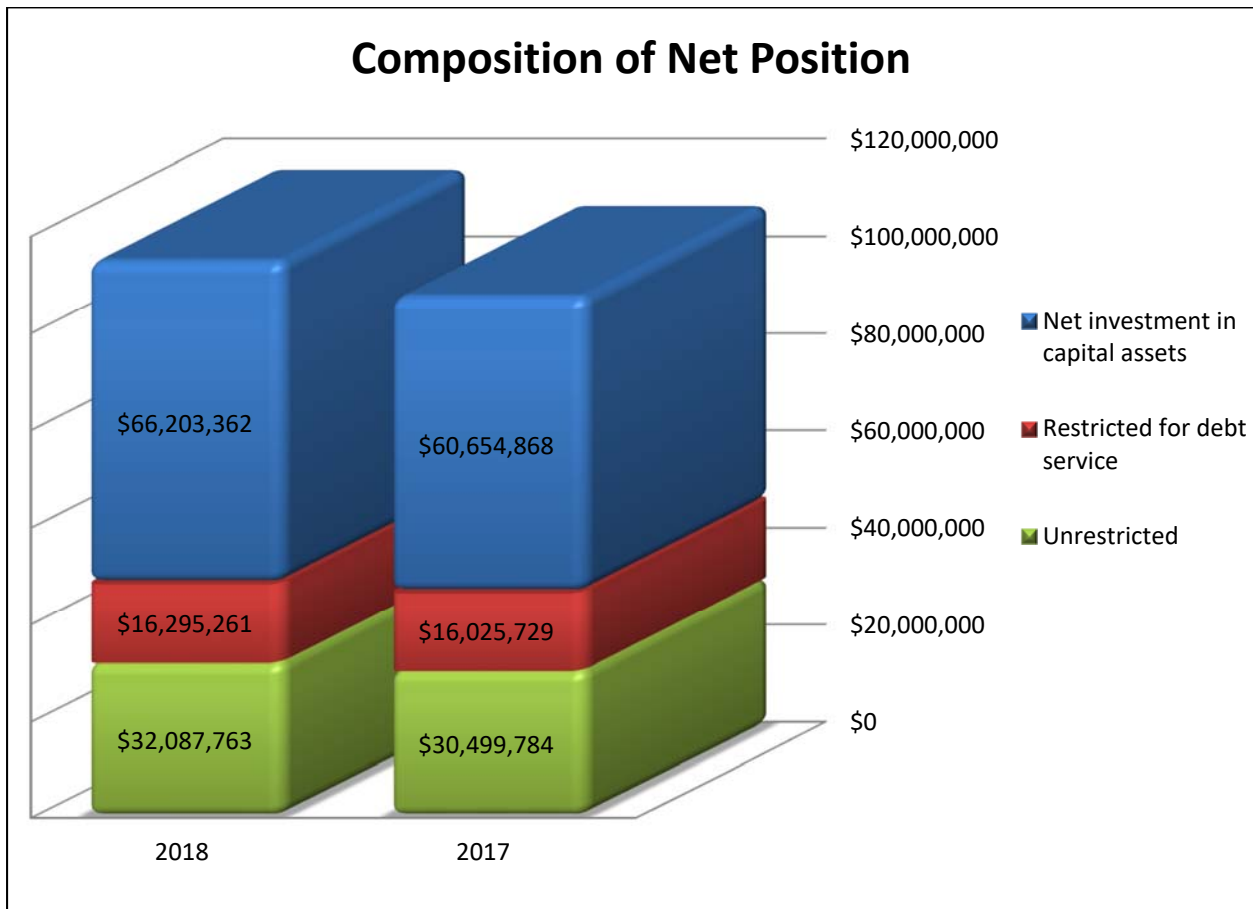
- ❖ Accounts payable decreased by \$1.4 million due to the change in purchasing card vendors and the related payment terms. The monthly payment was previously due 7 days after the close of the statement resulting in the payment being drawn the following month. The new payment due date is one day after the statement close reducing the amount of outstanding payables each month end.
- ❖ As noted above, the net pension liability of \$3.4 million was replaced by a net asset of \$12.3 million, or a change of \$15.7 million. As part of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, this actuarially determined amount is required to be placed on the District's books to provide a full understanding of the District's proportionate share of collective pension amounts. For additional information, see Note F in Notes to Basic Financial Statements.
- ❖ Principal payments on long term debt exceeded the amount of debt issued in the current year by \$2.5 million, resulting in a decrease in total debt outstanding.
- ❖ The total OPEB liability decreased by \$2.0 million. Since no changes have been made to the benefit plan, the decrease is primarily due to benefit payments made during the year.

Deferred inflows of resources related to pension benefits and OPEB increased by \$13.7 million, or 127.8%. This amount represents additional liabilities as of the measurement date, including investment gains that have not yet been recognized in the annual expense and changes in assumptions and differences between projected and actual experience. This amount will be amortized on an annual basis. For additional information, see Notes F and G in the Notes to Basic Financial Statements.

From 2017 to 2018, total net position increased by \$7.4 million, or 6.9%.

- ❖ The largest portion of the District's net position (57.8%) 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 \$3.5 million in net capital assets combined with a decrease in debt related to capital assets of \$2.0 million contributed to the net increase of \$5.5 million in the amount invested in capital assets, net of related debt.

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



Condensed Comparative Data and Overall Analysis

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

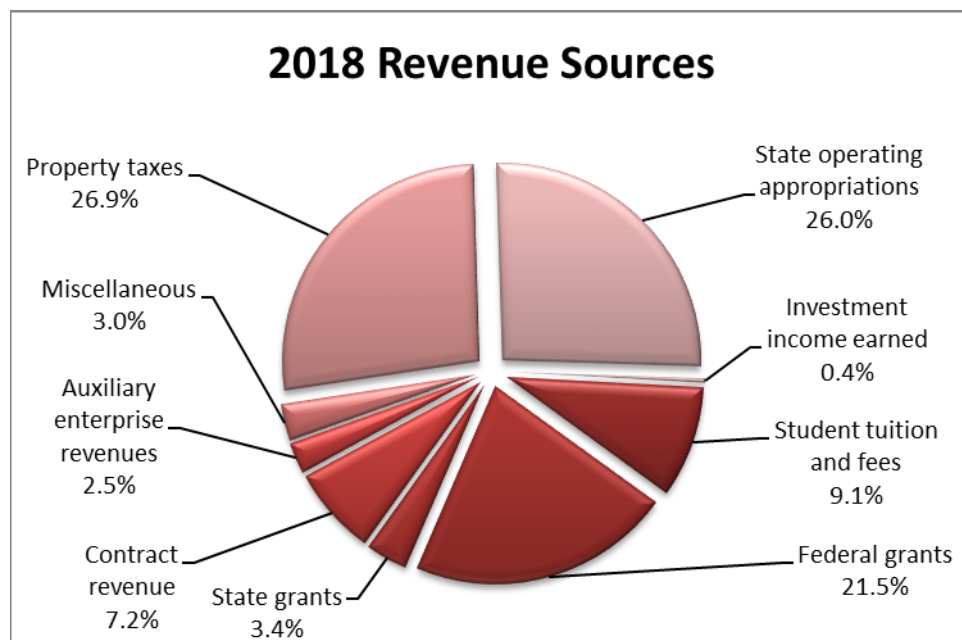
	2018	2017	Increase or (Decrease)		2016
			\$	%	
Operating Revenues:					
Student tuition and fees	\$13,399	\$13,400	(\$1)	0.0%	\$12,759
Federal grants	31,568	33,247	(1,679)	-5.1%	37,458
State grants	4,984	4,617	367	7.9%	5,634
Contract revenue	10,633	10,162	470	4.6%	8,799
Auxiliary enterprise revenues	3,698	3,412	286	8.4%	3,213
Miscellaneous	4,395	2,259	2,137	94.6%	2,365
Total operating revenues	\$68,676	\$67,097	\$1,579	2.4%	\$70,229

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

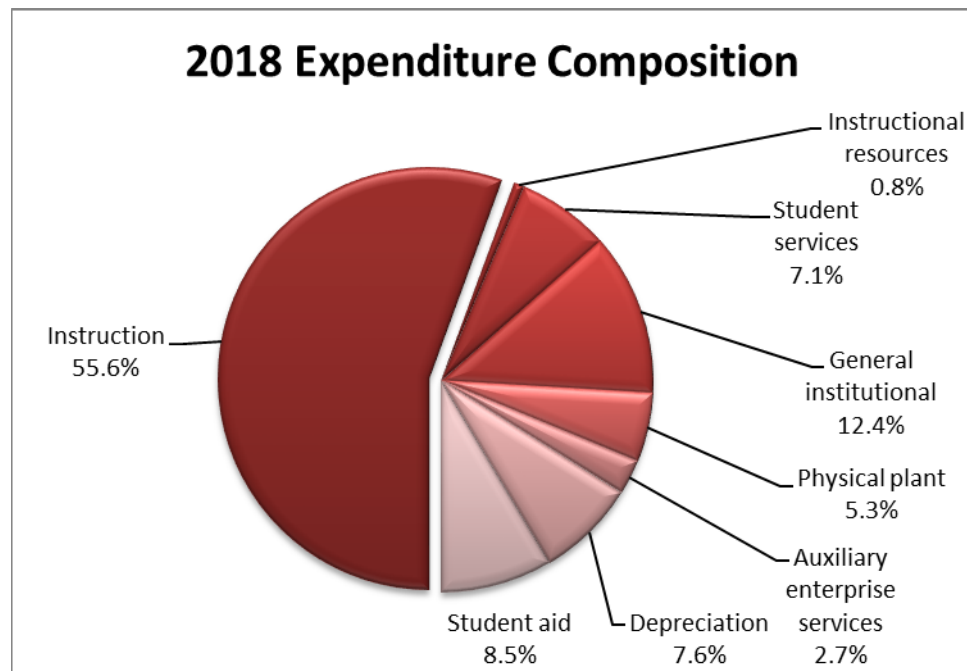
Operating revenues are the charges for services offered by the District. During 2018, the District generated \$68.7 million of operating revenue. This is an increase of \$1.6 million, or 2.4%, from 2017. Significant changes were as follows:

- ❖ Federal grant revenue decreased by \$1.7 million, or 5.1%. The majority of this decrease is due to the reduction in funding received for student financial aid resulting from lower student enrollment.
- ❖ Miscellaneous revenue increased by \$2.1 million, or 94.6%, as a result of a \$1.8 million fundraising contribution from the Fox Valley Technical College Foundation for the new Wautoma Regional Center.

The graph below summarizes the District's 2018 operating and non-operating revenue sources:



The graph below categorizes the District's 2018 operating expenses by function.



	2018	2017	Increase or (Decrease)		2016
			\$	%	
Operating Expenses:					
Instruction	\$76,577	\$76,490	\$88	0.1%	\$76,087
Instructional resources	1,085	1,148	(63)	-5.5%	1,299
Student services	9,815	10,509	(694)	-6.6%	9,673
General institutional	17,131	18,578	(1,447)	-7.8%	19,830
Physical plant	7,250	8,293	(1,043)	-12.6%	7,823
Auxiliary enterprise services	3,688	3,615	73	2.0%	3,305
Depreciation	10,438	9,936	502	5.0%	9,620
Student aid	11,782	12,870	(1,088)	-8.5%	14,947
Total operating expenses	<u>\$137,766</u>	<u>\$141,440</u>	<u>(\$3,674)</u>	<u>-2.6%</u>	<u>\$142,585</u>

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

Operating expenses are costs related to offering the programs of the District. From 2017 to 2018, total operating expenses decreased \$3.7 million, or 2.6%. Significant changes were as follows:

- ❖ General institutional expenses decreased by \$1.4 million, or 7.8%. Significant changes were as follows:
 - The Wisconsin Retirement System (WRS) pension adjustment allocated to this function decreased \$727,000. This allocation was calculated based on a percentage of total benefit costs by expense category. For additional information see Note F in the Notes to Basic Financial Statements.
 - The cost of health and dental insurance for retirees declined by \$465,000 due to fewer retirees under the age of 65, the age at which they pay 100% of the health insurance premium or find alternative coverage.

- ❖ Physical plant expenditures decreased by \$1.0 million, or 12.6%.
 - Minor equipment and furniture purchases decreased by \$353,000.
 - Payments for items capitalized as fixed assets for audit purposes increased by \$341,000 resulting in a decrease of Physical Plant expenditures. The District capitalizes building remodel projects that are \$15,000 or greater. For additional information on the Districts Capital Assets see Note C in the Notes to Basic Financial Statements.
 - Utility costs and snow plowing were lower due to a mild winter and less than average snow fall by \$123,000 and \$113,000, respectively.
- ❖ Student aid expenditures decreased by \$1.1 million, or 8.5%. The majority of the decrease was attributable to a decrease in Stafford loans of \$1.4 million. Several factors contribute to this decrease. The overall decline in FTE's for the District, due primarily to the District's decline in enrollment.

	2018	2017	Increase or (Decrease)		2016
			\$	%	
Non-Operating Revenues:					
Property taxes	\$39,471	\$38,780	\$691	1.8%	\$38,233
State operating appropriations	38,103	38,484	(381)	-1.0%	39,049
Gain (loss) on sale of capital assets	(9)	(349)	340	-97.4%	86
Investment income earned	520	234	286	122.5%	476
Subtotal of Non-Operating Revenues	78,085	77,149	936	1.2%	77,843
Non-Operating Expenses:					
Interest expense	1,752	1,870	(118)	-6.3%	2,036
Debt issuance costs	183	175	7	4.2%	167
Subtotal of Non-Operating Expenses	1,935	2,045	(111)	-5.4%	2,203
Total Non-Operating Revenues (Expenses)	\$76,150	\$75,103	\$1,047	1.4%	\$75,640

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

Non-operating revenues and expenses are not directly related to the operations of the District. Total non-operating revenues (expenses) increased \$1.0 million, or 1.4%, from 2017 to 2018. There were no significant changes.

Budget Variances in the General Fund

2018	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Amended Budget</u>	<u>Actual</u> <u>(Budgetary Basis)</u>	<u>Increase or</u> <u>(Decrease)</u> <u>From Budget</u>
Total revenues	\$81,968	\$82,159	\$81,436	(\$723)
Total expenditures	85,157	85,427	82,681	2,746
Other financing sources (uses)	2,342	2,290	2,304	(14)
Excess (deficiency)	<u>(\$847)</u>	<u>(\$978)</u>	<u>\$1,059</u>	<u>(\$2,037)</u>

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

The 2018 budget was amended to accommodate two new strategic investments. These are investments supported by the Board of Trustees with the understanding that operating reserves may be used if needed to cover any shortfall between incremental revenues and incremental expenditures. As a result, budgeted revenues, expenditures and the deficiency all increased.

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

- ❖ State Aid received was \$231,000 less than budget. The budget for state aid is set conservatively but actual aid can deviate from budget substantially due to the way the state allocates state aid amongst the sixteen technical colleges.
- ❖ Program (tuition) fees were \$626,000 less than budget. Total enrollments declined 3.9% in 2018, while the budget assumed flat enrollments.
- ❖ Salary and fringe expenditures were under budget by \$1.2 million. The favorable variance is attributable to faculty position vacancies and the overall decline in enrollments, which translated to a reduction in spending on adjunct instructors. The District also had favorable budget variances on management and support staff salaries due to temporary position vacancies.
- ❖ Total non-salary expenditures were under budget by \$1.6 million. The contingency budget was substantially unused and utilities expenditures were under budget due to the mild winter and energy-conservation projects. The cost of snow removal and de-icing services was under budget due to less than average snowfall.

The factors listed above led to actual results that were \$2.0 million better than budget.

Capital asset and long-term debt activity

The District's investment in capital assets as of June 30, 2018 was \$143.6 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and building improvements, intangible assets, equipment, and construction in progress. The total increase in capital assets for the current fiscal year was approximately 2.5%, compared to 3.2% the prior year.

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

- ❖ Natural Resources classrooms and labs were updated for more efficient layout. The space currently occupied by the Natural Resources Program has not been comprehensively updated since the original construction in 1970. Approximately 11,000 square feet was remodeled.
- ❖ Physics and Biology labs were relocated and updated with modern fume hoods and furniture upgrades to support each lab environment. As part of the remodel, a continuous lab support and storage space was created adjacent to the rear of each lab. Similar to the Natural Resource area, this area had not been comprehensively updated since 1970. Approximately 8,700 square feet was remodeled.

Currently under construction is a new regional facility located adjacent to Wautoma High School. The new center was made possible in part due to the partnership with the high school and the Fox Valley Technical College Foundation fundraising efforts, which contributed \$1.8 million towards the project. This 12,000 square foot facility will offer truck driving, industrial maintenance and nursing assistant, in addition to continued programming in adult basic education, agriculture, welding, business and personal enrichment.

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 despite a large planned draw in fiscal 2017. This 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

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 11, 2018, the Department of Revenue provided the District's actual valuation factor of 1.66554% which allows the operating levy to increase \$925,156 for fiscal year 2019.

The Wisconsin 2013 Act 145 shifted \$406 million in funding for the technical college system from property taxes to state aid. Known as property tax relief 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.

The August unemployment rate for Wisconsin was 3.1% compared to the national average of 3.9%. Historically in times of low or declining unemployment rates, the demand for the District's resources and training decreases as many individuals are employed versus seeking retraining. The District is well aware of this relationship and is constantly pursuing additional growth opportunities as well as monitoring overall costs of instructional delivery.

Lastly, the Wisconsin Technical College System's *Graduate Outcomes Report for 2017 Graduates* states that 94% of fiscal year 2017's technical college graduates in the labor force were employed within six months of graduation and most of them (79%) were employed directly in their field of study. The report also notes a driving force in the state's local and regional economy is due to 94% of technical college graduates choosing to stay and work in Wisconsin. The reported median annual salary for 2017 graduates earning an Associate's degree was \$41,000. This is an increase of 4.4% 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, 2018

With Comparative Amounts as of June 30, 2017

	2018		2017	
	District	Foundation	District	Foundation
ASSETS				
Current Assets				
Cash and investments	\$ 32,407,231	\$ 13,055,698	\$ 30,618,387	\$ 13,539,955
Receivables				
Accounts	6,594,730	33,704	8,590,947	167,250
Property taxes	9,307,100	-	9,400,004	-
Federal and state aid	110,495	-	182,659	-
Student fees, net	10,318,326	-	10,397,060	-
Interest	67,732	-	61,506	-
Unconditional promises to give	-	131,456	-	213,276
Inventories	117,649	-	146,603	-
Prepaid items	495,325	-	113,062	-
Property held for investment	-	418,348	-	363,123
Total Current Assets	59,418,588	13,639,206	59,510,228	14,283,604
Noncurrent Assets				
Restricted cash and investments	18,274,020	-	18,468,549	-
Net pension asset	12,315,047	-	-	-
Unconditional promises to give	-	75,036	-	79,949
Capital assets				
Non-depreciable	5,949,946	841,204	2,929,662	476,204
Depreciable	137,670,919	4,363,559	137,199,235	4,513,535
Total Noncurrent Assets	174,209,932	5,279,799	158,597,446	5,069,688
TOTAL ASSETS	233,628,520	18,919,005	218,107,674	19,353,292
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	20,364,714	-	24,065,750	-
LIABILITIES				
Current Liabilities				
Accounts payable	2,210,860	473,261	3,604,722	370,319
Accrued payroll, payroll taxes and retirement	4,952,798	-	4,852,730	-
Accrued vacation	876,533	-	947,149	-
Accrued health and dental claims	54,000	-	54,000	-
Accrued interest	176,419	-	207,321	-
Unearned student fees	9,570,439	-	9,388,565	-
Other unearned revenue	562,936	-	452,393	125,000
Due to other organizations	217,141	-	199,904	-
Current portion of long-term liabilities	14,636,934	218,512	14,384,324	210,492
Total Current Liabilities	33,258,060	691,773	34,091,108	705,811
Long-term Liabilities				
Bonds and notes payable	68,765,000	326,830	71,470,000	545,107
Debt premium	4,719,101	-	4,934,790	-
Net OPEB liability	8,056,844	-	10,066,141	-
Net pension liability	-	-	3,412,967	-
Capital lease obligations	145,935	-	277,868	-
Total Long-term Liabilities	81,686,880	326,830	90,161,766	545,107
TOTAL LIABILITIES	114,944,940	1,018,603	124,252,874	1,250,918
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension/OPEB	24,461,908	-	10,740,169	-
NET POSITION				
Net investment in capital assets	66,203,362	-	60,654,868	-
Restricted for debt service	16,295,261	-	16,025,729	-
Restricted for scholarships and other activities	-	6,434,101	-	6,058,117
Unrestricted	32,087,763	11,466,301	30,499,784	12,044,257
TOTAL NET POSITION	\$ 114,586,386	\$ 17,900,402	\$ 107,180,381	\$ 18,102,374

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, 2018
With Comparative Amounts for the Year Ended June 30, 2017

	2018		2017	
	District	Foundation	District	Foundation
Operating Revenues				
Student program fees, net of scholarship allowances of \$7,944,532 and \$8,289,915 for 2018 and 2017	\$ 10,195,860	\$ -	\$ 10,288,997	\$ -
Student material fees, net of scholarship allowances of \$575,211 and \$617,301 for 2018 and 2017	738,221	-	766,163	-
Other student fees, net of scholarship allowances of \$1,920,527 and \$1,888,933 for 2018 and 2017	2,464,767	-	2,344,447	-
Federal grants	31,567,700	-	33,246,787	-
State grants	4,983,771	-	4,617,201	-
Contract revenue	10,632,506	-	10,162,376	-
Auxiliary enterprise revenues	3,697,856	-	3,412,155	-
Miscellaneous	4,395,264	4,036,415	2,258,678	4,757,551
Total Operating Revenues	68,675,945	4,036,415	67,096,804	4,757,551
Operating Expenses				
Instruction	76,577,127	-	76,489,538	-
Instructional resources	1,084,764	-	1,147,755	-
Student services	9,814,999	-	10,509,226	-
General institutional	17,131,145	4,944,501	18,578,348	3,229,908
Physical plant	7,249,934	-	8,293,303	-
Auxiliary enterprise services	3,688,062	-	3,615,355	-
Depreciation	10,438,005	149,976	9,936,436	149,976
Student aid	11,781,709	-	12,869,998	-
Total Operating Expenses	137,765,745	5,094,477	141,439,959	3,379,884
Operating Income (Loss)	(69,089,800)	(1,058,062)	(74,343,155)	1,377,667
Nonoperating Revenues (Expenses)				
Property taxes	39,470,584	-	38,779,966	-
State operating appropriations	38,103,049	-	38,484,280	-
Gain (loss) on sale of capital assets	(9,216)	-	(349,344)	-
Investment income earned	520,223	884,893	233,847	1,137,805
Interest expense	(1,752,051)	(28,803)	(1,870,094)	(44,541)
Bond issuance costs	(182,775)	-	(175,375)	-
Total Nonoperating Revenues (Expenses)	76,149,814	856,090	75,103,280	1,093,264
Income before Capital Contributions	7,060,014	(201,972)	760,125	2,470,931
Capital Contributions	345,991	-	248,845	-
Change in Net Position	7,406,005	(201,972)	1,008,970	2,470,931
Net Position - July 1, as restated	107,180,381	18,102,374	106,171,411	15,631,443
Net Position - June 30	\$ 114,586,386	\$ 17,900,402	\$ 107,180,381	\$ 18,102,374

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, 2018

With Comparative Amounts for the Year Ended June 30, 2017

	2018		2017	
	District	Foundation	District	Foundation
Cash Flows from Operating Activities				
Tuition and fees received	\$ 13,659,456	\$ -	\$ 13,725,820	\$ -
Federal and state grants received	36,734,178	-	38,084,241	-
Contract revenue received	10,689,105	-	10,278,684	-
Auxiliary enterprise revenues received	3,697,856	-	3,412,155	-
Other receipts	4,395,264	4,095,918	2,258,678	4,900,819
Payments to employees	(87,064,320)	-	(89,239,685)	-
Payments to suppliers	(40,338,820)	(4,841,559)	(41,545,127)	(3,168,434)
Net Cash Provided by (Used in) Operating Activities	(58,227,281)	(745,641)	(63,025,234)	1,732,385
Cash Flows from Noncapital Financing Activities				
Local property taxes received	39,563,488	-	38,736,009	-
State appropriations received	38,103,049	-	38,484,280	-
Net Cash Provided by Noncapital Financing Activities	77,666,537	-	77,220,289	-
Cash Flows from Capital and Related Financing Activities				
Purchases of capital assets	(13,677,456)	(365,001)	(14,340,109)	-
Proceeds from disposal of capital assets	333,103	-	192,730	-
Proceeds from disposition in property held for investment	-	317,500	-	239,496
Expenditures on property held for investment	-	(336,949)	-	(271,784)
Proceeds from issuance of capital debt	11,800,000	-	10,900,000	-
Premium received on debt issuance	594,706	-	335,740	-
Debt issuance costs paid	(182,775)	-	(175,375)	-
Principal paid on capital debt	(14,633,168)	(210,256)	(14,690,610)	(600,907)
Interest paid on capital debt	(2,593,348)	(28,803)	(2,652,825)	(44,541)
Net Cash (Used in) Capital and Related Financing Activities	(18,358,938)	(623,509)	(20,430,449)	(677,736)
Cash Flows from Investing Activities				
Sales of long-term investments	22,173,999	13,310,622	9,588,455	11,288,584
Purchase of long-term investments	(33,644,092)	(11,519,552)	(8,806,689)	(12,194,374)
Investment income received	513,997	230,840	230,151	171,810
Net Cash Provided by (Used in) Investing Activities	(10,956,096)	2,021,910	1,011,917	(733,980)
Change in Cash and Cash Equivalents	(9,875,778)	652,760	(5,223,477)	320,669
Cash and Cash Equivalents - July 1	30,171,818	1,475,306	35,395,295	1,154,637
Cash and Cash Equivalents - June 30	<u>\$ 20,296,040</u>	<u>\$ 2,128,066</u>	<u>\$ 30,171,818</u>	<u>\$ 1,475,306</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Cash and investments in current assets	\$ 32,407,231	\$ 13,055,698	\$ 30,618,387	\$ 13,539,955
Cash and investments in restricted assets	18,274,020	-	18,468,549	-
Less: investments	(30,385,211)	(10,927,632)	(18,915,118)	(12,064,649)
Cash and Cash Equivalents - June 30	<u>\$ 20,296,040</u>	<u>\$ 2,128,066</u>	<u>\$ 30,171,818</u>	<u>\$ 1,475,306</u>
Noncash Investing, Capital and Financing Activities				
Capital assets purchased by issuance of capital leases and contributions	<u>\$ 248,845</u>	<u>\$ -</u>	<u>\$ 969,954</u>	<u>\$ -</u>

(Continued)

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

	2018		2017	
	District	Foundation	District	Foundation
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating income (loss)	\$ (69,089,800)	\$ (1,058,062)	\$ (74,343,155)	\$ 1,377,667
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	10,438,005	149,976	9,936,436	149,976
Bad debt expense	-	4,580	-	8,464
Changes in assets and liabilities				
Receivables				
Accounts	1,996,217	128,966	(1,957,789)	(133,868)
Federal and state aid	72,164	-	137,750	-
Student fees	78,734	-	697,624	-
Unconditional promises to give	-	86,733	-	143,672
Gain on sale of property held for investment	-	(35,776)	-	-
Inventories	28,954	-	(16,712)	-
Prepaid items	(382,263)	-	166,934	-
OPEB liability	(2,009,297)	-	(1,416,756)	-
Pension related items	1,694,761	-	4,747,757	-
Accounts payable	(1,393,862)	102,942	(51,740)	61,474
Accrued payroll, payroll taxes, retirement and vacation	29,452	-	(585,968)	-
Accrued health and dental claims	-	-	(2,000)	-
Unearned student fees	181,874	-	(371,411)	-
Other unearned revenue	110,543	(125,000)	82,503	125,000
Due to other organizations	17,237	-	(48,707)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (58,227,281)</u>	<u>\$ (745,641)</u>	<u>\$ (63,025,234)</u>	<u>\$ 1,732,385</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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Reporting Entity

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

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

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

The District has determined whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. Generally, GASB requires reporting, as a component unit, an organization that raises and holds economic resources for the direct benefit of a governmental unit.

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

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

2. New Accounting Pronouncement

Management adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement was released in June 2015 and replaces GASB Statement No. 45. GASB Statement No. 75 is effective for employer fiscal years beginning after June 15, 2017.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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.

4. 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.

5. 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.

6. 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended June 30, 2018, the District levied taxes at the following mill rate:

Operating purposes	\$ 0.627527
Debt service requirements	0.456815
	<u>\$ 1.084342</u>

The 2017 tax levy used to finance expenditures for the fiscal year ended June 30, 2018 was \$39,520,514.

7. 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, 2018.

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, 2018. 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.

8. 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.

9. Prepaid Items

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

10. Capital Assets

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

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

	Capitalization Threshold	Years
<u>Assets</u>		
Land improvements	\$ 15,000	15 - 20
Buildings and improvements	15,000	20 - 50
Intangible assets	5,000	3
Equipment	5,000	4 - 20

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has 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.

12. 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.

13. 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.

14. 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. 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.

16. 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.

17. 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.

18. 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, 2018

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. 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 \$50,681,251 on June 30, 2018 as summarized below:

Petty cash funds	\$ 10,670
Deposits with financial institutions	(290,194)
Investments	
U.S. Treasury Notes	13,421,589
Commercial paper	17,978,247
Bank note	250,228
Corporate bonds	4,747,832
Federal agency securities	1,073,157
Asset backed securities	1,668,206
Wisconsin Local Government Investment Pool (LGIP)	27,939
Certificates of deposit	3,351,074
Money market mutual funds	8,442,503
	<u>\$ 50,681,251</u>

Cash and investments are reported on June 30, 2018 as follows:

Statement of Net Position	
Cash and investments	\$ 32,407,231
Restricted cash and investments	18,274,020
Total cash and investments	<u>\$ 50,681,251</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, 2018

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, 2018, \$5,485 of the District's deposits with financial institutions were in excess of federal and state depository insurance limits and in excess of collateral deposits and are therefore subject to custodial credit risk.

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	\$ 13,421,589	\$13,421,589	\$ -	\$ -	\$ -	\$ -
Commercial paper	17,978,247	-	7,127,735	-	10,850,512	-
Bank note	250,228	-	-	250,228	-	-
Corporate bonds	4,747,832	-	423,847	2,844,104	1,479,881	-
Federal agency securities	1,073,157	-	-	1,073,157	-	-
Asset back securities	1,668,206	-	1,668,206	-	-	-
External investment pools	27,939	-	-	-	-	27,939
Certificates of deposit	3,351,074	-	-	125,880	3,225,194	-
Money market mutual funds	8,442,503	-	8,442,503	-	-	-
Totals	<u>\$ 50,960,775</u>	<u>\$13,421,589</u>	<u>\$17,662,291</u>	<u>\$ 4,293,369</u>	<u>\$15,555,587</u>	<u>\$ 27,939</u>

Concentration of Credit Risk

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE B - CASH AND INVESTMENTS (Continued)

Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 13,421,589	\$ 8,871,235	\$ 3,442,226	\$ 1,108,128	\$ -
Commercial paper	17,978,247	17,978,247	-	-	-
Bank note	250,228	250,228	-	-	-
Corporate bonds	4,747,832	802,788	1,429,545	2,515,499	-
Federal agency securities	1,073,157	-	500,154	175,155	397,848
Asset back securities	1,668,206	-	-	1,542,955	125,251
External investment pools	27,939	27,939	-	-	-
Certificates of deposit	3,351,074	3,225,194	-	125,880	-
Money market mutual funds	8,442,503	8,442,503	-	-	-
Totals	<u>\$ 50,960,775</u>	<u>\$ 39,598,134</u>	<u>\$ 5,371,925</u>	<u>\$ 5,467,617</u>	<u>\$ 523,099</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

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

Highly Sensitive Investments	Fair Value at Year End
Mortgage and asset backed securities	
These securities are subject to early payment in a period of declining interest rates.	
The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.	
	<u>\$ 1,668,206</u>

Investment in Wisconsin Local Government Investment Pool

The District has investments in the Wisconsin local government investment pool of \$27,939 at year-end. The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2018, the fair value of the District's share of the LGIP's assets was substantially equal to the carrying value. The LGIP operates and reports to participants on the amortized cost basis. LGIP pool shares are bought and redeemed at \$1 based on the amortized cost of the investments in the LGIP. The investment in LGIP is not subject to the fair value hierarchy disclosures.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE B - CASH AND INVESTMENTS (Continued)Fair Value Measurements

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Information regarding the fair value of assets measured at fair value on a recurring basis as of June 30, 2018 shown below:

	Total Assets at Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 13,421,589		\$ 13,421,589	\$ -
Commercial paper	17,978,247	-	17,978,247	-
Bank note	250,228	-	250,228	-
Corporate bonds	4,747,832	-	4,747,832	-
Federal agency securities	1,073,157	-	1,073,157	-
Asset back securities	1,668,206	-	1,668,206	-
Certificates of deposit	3,351,074	-	3,351,074	-
Money market mutual funds	8,442,503	-	8,442,503	-
Totals	<u>\$ 50,932,836</u>	<u>\$ -</u>	<u>\$ 50,932,836</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, 2018

NOTE B - CASH AND INVESTMENTS (Continued)

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

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

NOTE C - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,768,241	\$ 170,000	\$ 14,424	\$ 1,923,817
Construction in progress	1,161,421	3,844,633	979,925	4,026,129
Total Capital assets, not being depreciated	2,929,662	4,014,633	994,349	5,949,946
Capital assets, being depreciated:				
Land improvements	17,509,748	610,581	-	18,120,329
Buildings and improvements	148,723,668	4,965,565	-	153,689,233
Intangible assets	2,725,454	36,495	1,518,534	1,243,415
Equipment	44,597,310	5,639,367	2,316,177	47,920,500
Subtotal	213,556,180	11,252,008	3,834,711	220,973,477
Less accumulated depreciation for:				
Land improvements	6,114,626	906,104	-	7,020,730
Buildings and improvements	45,815,254	4,209,261	-	50,024,515
Intangible assets	2,171,743	341,924	1,518,534	995,133
Equipment	22,255,322	4,980,717	1,973,859	25,262,180
Subtotal	76,356,945	10,438,006	3,492,393	83,302,558
Total capital assets, being depreciated, net	137,199,235	814,002	342,318	137,670,919
Net capital assets	<u>\$ 140,128,897</u>	<u>\$ 4,828,635</u>	<u>\$ 1,336,667</u>	143,620,865
Less capital related debt				(77,139,635)
Less capital lease obligations				<u>(277,868)</u>
Net investment in capital assets				<u>\$ 66,203,362</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

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, 2018:

	June 30, 2017	Issued	Retired	June 30, 2018	Due Within One Year
General obligation debt					
Bonds	\$ 47,160,000	\$ -	\$ 3,250,000	\$ 43,910,000	\$ 3,340,000
Notes	38,565,000	11,800,000	11,005,000	39,360,000	11,165,000
Total general obligation debt	85,725,000	11,800,000	14,255,000	83,270,000	14,505,000
Debt premium	4,934,790	594,706	810,395	4,719,101	-
Capital lease obligations	407,192	-	129,323	277,869	131,934
Net OPEB liability	10,066,141	-	2,009,297	8,056,844	-
Net pension liability	3,412,967	-	3,412,967	-	-
	<u>\$ 104,546,090</u>	<u>\$ 12,394,706</u>	<u>\$ 20,616,982</u>	<u>\$ 96,323,814</u>	<u>\$ 14,636,934</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, 2018 totaled \$83,270,000 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.

29,135,000

Total General Obligation Bonds

43,910,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes

July 2012 - \$11,480,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0 to 4.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2019. Proceeds used for purchase or construction of buildings including additions or enlargements, building remodeling or improvement, moveable equipment and non-building capital projects. 2,720,000

August 2013 - \$11,475,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0 to 4.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2020. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 4,155,000

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. 655,000

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. 630,000

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. 630,000

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. 4,580,000

May 2015 - \$1,900,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2022. Proceeds used to for the purchase or construction of buildings, building additions, enlargements, remodeling and improvements, acquisition of sites and equipment. 1,125,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes (Continued)

August 2015 - \$7,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2022. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 4,395,000

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. 900,000

October 2015 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0 to 3.0%, payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2020. Proceeds used for building improvements and remodeling. 900,000

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. 4,440,000

September 2016 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2023. Proceeds used for building improvements and remodeling. 1,165,000

October 2016 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 2.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2023. Proceeds used for building improvements and remodeling. 1,265,000

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. 8,800,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes (Continued)

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.

1,500,000

Total General Obligation Promissory Notes

39,360,000

Total General Obligation Debt

\$ 83,270,000

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

Year Ended June 30	Principal	Interest	Total
2019	\$ 14,505,000	\$ 2,060,694	\$ 16,565,694
2020	12,240,000	1,857,675	14,097,675
2021	11,105,000	1,516,475	12,621,475
2022	8,855,000	1,218,025	10,073,025
2023	7,695,000	979,650	8,674,650
2024	6,720,000	773,000	7,493,000
2025	6,300,000	574,625	6,874,625
2026	5,320,000	395,700	5,715,700
2027	5,530,000	232,950	5,762,950
2028	5,000,000	75,000	5,075,000
	<u>\$ 83,270,000</u>	<u>\$ 9,683,794</u>	<u>\$ 92,953,794</u>

Legal Margin for New Indebtedness

The District's legal margin for creation of additional indebtedness on June 30, 2018 was as follows:

	Aggregate	Bonded
Equalized valuation of the District	\$ 37,795,272,487	\$ 37,795,272,487
Statutory limitation percentage	(x) 5%	(x) 2%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>\$ 1,889,763,624</u>	<u>\$ 755,905,450</u>
General obligation debt	\$ 83,270,000	\$ 43,910,000
Capital lease obligations	277,869	-
Less: Amounts available for financing general obligation debt		
Restricted for debt service	16,295,261	16,295,261
Net outstanding general obligation debt applicable to debt limitation	<u>\$ 67,252,608</u>	<u>\$ 27,614,739</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE E - CAPITAL LEASE

The District has entered into lease agreements for the purpose of purchasing capital assets. At June 30, 2018, the District had \$277,868 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, 2018:

Fiscal Year Ending June 30,	Annual Requirements
2019	\$ 136,286
2020	136,286
2021	11,358
Total required minimum lease payments	283,930
Less: Amounts representing interest	6,061
Present value of future minimum lease payments	<u>\$ 277,869</u>

NOTE F - PENSION PLANS

1. Plan Description

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

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

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

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

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

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

The WRS also provides death and disability benefits for employees.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

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

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged in the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$4,195,880 in contributions from the District.

Contribution rates as of June 30, 2018 are:

Employee Category	2018	
	Employee	Employer
General (including teachers, executives, and elected officials)	6.70%	6.70%
Protective with Social Security	6.70%	10.70%
Protective without Social Security	6.70%	14.90%

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE F - PENSION PLANS (continued)

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

At June 30, 2018, the District reported an asset of \$12,315,047 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of the calendar year that falls within the District's fiscal year and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation one year prior to that date rolled forward to the measurement date. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, the District's proportion was 0.4147711% (an increase of 0.000696% from the prior year).

For the year ended June 30, 2018, the District recognized pension expense of \$5,664,461.

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,646,575	\$ 7,318,949
Changes in assumptions	2,433,213	-
Net differences between projected and actual earnings on pension plan investments	-	16,925,887
Changes in proportion and differences between employer contributions and proportionate share of contributions	149,790	25,081
Employer contributions subsequent to the measurement date	2,135,136	-
Total	<u>\$ 20,364,714</u>	<u>\$ 24,269,917</u>

\$2,135,136 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/addition to the net pension asset in the year ended June 30, 2019. 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
2019	\$ 1,379,375
2020	(59,517)
2021	(4,190,848)
2022	(3,198,855)
2023	29,506

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE F - PENSION PLANS (continued)

5. Actuarial Assumption

The total pension liability in the actuarial valuation used for the years ended June 30, 2018, were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2018
Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Asset:	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	WI 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2016 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 actuarial valuation.

Long-term expected Return on Plan Assets. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2017 are summarized in the following table:

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	50%	8.2%	5.3%
Fixed Income	25%	4.2%	1.4%
Inflation Sensitive Assets	16%	3.8%	1.0%
Real Estate	8%	6.5%	3.6%
Private Equity/Debt	8%	9.4%	6.5%
Multi-Asset	4%	6.5%	3.6%
Total Core fund	110%	7.3%	4.4%
<u>Variable Fund Asset Class</u>			
U.S. Equities	70%	7.5%	4.6%
International Equities	30%	7.8%	4.9%
Total Variable Fund	100%	7.9%	5.0%

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.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE F - PENSION PLANS (continued)

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the net pension asset to changes in the discount rate. The following presents the District's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the District's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

2018		
	Discount Rate	Net Pension Liability (Asset)
1% decrease to the rate	6.2%	\$ 31,863,232
Current discount rate	7.2%	(12,315,047)
1% increase to the rate	8.2%	(45,891,906)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

6. Payable to the WRS

At June 30, 2018, the District reported a payable of \$1,287,251 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2018.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT

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

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

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

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

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

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

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

The District's total OPEB liability at June 30, 2018 was \$8,056,844. The total OPEB liability was measured as of June 30, 2017 and was determined by an actuarial valuation as of June 30, 2016 and rolled forward to June 30, 2017. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation:	3.20%
Salary Increases:	Projected merit and longevity increase based on years of service
Medical Trend Rate:	Medical inflation based on "Getzen" published model
Employee Turnover/Withdrawal:	Ten-year select and ultimate rates of WRS for University employees
Interest Discount Rate	3.58%*
Mortality	Wisconsin 2012 Mortality Table Based on an experience study using WRS experience from 2012-2014

*The 3.58 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, 2018, are as follows:

Balance at June 30, 2017	<u>\$ 10,066,140</u>
Changes for the year:	
Service cost	79,607
Interest	258,980
Effect of economic/demographic gains or losses	(26,418)
Effect of assumptions changes or inputs	(188,987)
Benefit payments	<u>(2,132,478)</u>
Net changes	<u>(2,009,296)</u>
Balance at June 30, 2018	<u><u>\$ 8,056,844</u></u>

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.58%) or 1 percentage point higher (4.58%) than the current rate.

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Distict's total OPEB liability	\$ 8,316,829	\$ 8,056,844	\$ 7,805,562

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

	1% Decrease	Current Trend Rate	1% Increase
Distict's total OPEB liability	\$ 7,749,293	\$ 8,056,844	\$ 8,388,012

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE G - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

For the year ended June 30, 2018 the District recognized OPEB expense of \$315,173. At June 30, 2018, the District reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources
Differences between expected and actual experience	\$ (23,546)
Changes of assumptions	(168,445)
Total	<u>\$ (191,991)</u>

The amount reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year ended June 30	Net Deferred Outflow (Inflow) of Resources
2019	\$ (23,414)
2020	(23,414)
2021	(23,414)
2022	(23,414)
2023	(23,414)
Thereafter	(74,921)

NOTE H - RISK MANAGEMENT

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

Districts Mutual Insurance Company

In July 2004 all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). DMI is a fully-assessable mutual company authorized under Wisconsin Statute 611 to provide property, casualty, and liability insurance and risk management services to its members. The scope of insurance protection provided by DMI is broad, covering property at \$500,225,000 per occurrence; cyber risk at \$3,000,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence and workers' compensation at the statutorily required limits.

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

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

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE H - RISK MANAGEMENT (Continued)

For the year ended June 30, 2018, the District paid a total premium of \$771,353.

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

Supplemental Insurance

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

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

- Foreign liability: \$5,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses; \$1,000 deductible for employee benefits.
- Crime: \$750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; \$500,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses.

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

Other Insurance

In addition, the District maintains professional liability insurance to cover services on campus with a limit of \$1,000,000 per claim and in aggregate, and aircraft and hull liability with coverage of \$10,000,000 per occurrence. Total premiums on these policies total \$5,459 and \$72,737 respectively.

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

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

For the year ended June 30, 2018, the District paid a total premium of \$12,267,055.

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE H - RISK MANAGEMENT (Continued)

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

Dental Self-Insurance Program

District employees and employee dependents are eligible for dental benefits from the District's self-insurance fund. Funding is provided by charges to departments and employees. There were approximately 895 participants and 1,496 "covered" participants in the Dental Plan at June 30, 2018. Fund expenses consist of payments to a third-party administrator for dental claims and administrative fees.

On June 30, 2018 net position of \$9,028,230 was available for future unreported claims. The claims liability of \$54,000 reported at June 30, 2018 is the estimated dental claims incurred but not paid or reported as of June 30, 2018. 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, 2018 and 2017 follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30
2017	\$ 56,000	\$ 875,825	\$ 877,825	\$ 54,000
2018	54,000	839,687	839,687	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, 2018:

	Amount
Salaries and wages	\$ 69,081,397
Fringe benefits	17,697,839
Travel, memberships and subscriptions	3,941,352
Supplies, printing and minor equipment	11,248,547
Contract services	6,839,161
Rentals	2,741,115
Insurance	943,842
Utilities	2,112,497
Depreciation	10,438,005
Student aid	11,781,709
Other expenses	940,281
Total Operating Expenses	<u>\$ 137,765,745</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE J - COMMITMENTSOperating Leases

The District leases classroom space under various terms. These leases are classified as operating leases. The future minimum payments as of June 30, 2018 are:

Year Ending June 30,	Amount
2019	\$ 1,047,528
2020	956,187
2021	712,239
2022	548,690
2023	545,518
2024 - 2028	2,358,963
2029 - 2033	875,213
2034 - 2038	250,134
2039 - 2043	153,968
2044 - 2048	153,968
2049 - 2053	153,968
2054 - 2058	153,968
2059 - 2063	153,968
2064 - 2068	153,968
2069 - 2073	153,968
2074 - 2078	153,968
2079 - 2083	153,968
2084 - 2088	153,968
2089 - 2093	66,719
Total Required Minimum Lease Payments	<u>\$ 8,900,871</u>

Rent expense under all operating leases for the years ended June 30, 2018 totaled \$1,137,065.

Capital Projects

The District has commitments for capital projects as of June 30, 2018 totaling \$3,431,210.

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, 2018

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, 2018 consist of the following:

	Cost	Fair Value	Excess of Fair Value Over Cost	Fair Value Method
Cash and cash equivalents	\$ 75,300	\$ 75,300	\$ -	Level 2
Fixed income				
Pooled fixed income funds	602,922	587,333	(15,589)	Level 1
Corporate bonds	3,107,885	3,115,871	7,986	Level 2
Total fixed income	3,710,807	3,703,204	(7,603)	
Equity				
Common stocks	558,365	695,818	137,453	Level 1
Equity funds	5,415,531	6,397,296	981,765	Level 1
Total equity	5,973,896	7,093,114	1,119,218	
Total Investments	<u>\$ 9,760,003</u>	10,871,618	<u>\$ 1,111,615</u>	
Bank deposits		2,128,066		
Beneficial interest in investments held by Community Foundation		56,014		Level 3
Total Cash and Investments		<u>\$ 13,055,698</u>		

Net Investment income (loss) reported in the statement of revenues, expenses and changes in net position totaled \$884,893 and consisted of the following:

Market appreciation	\$ 663,744
Unrealized losses	256,188
Interest and dividend income	14,585
Investment fees	(49,624)
Investment return	<u>\$ 884,893</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

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, 2018 totaled \$56,014.

3. Promises to Give

Unconditional promises to give at June 30, 2018 are as follows:

Receivable in less than one year	\$ 131,456
Receivable in one to five years	78,313
Total unconditional promises to give	209,769
Less discount to net present value	3,277
Net Unconditional Promises to Give	<u>\$ 206,492</u>

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

4. Capital Assets

Changes in capital assets for the year ended June 30, 2018 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	1,485,488	149,976	-	1,635,464
Net capital assets	<u>\$ 4,989,739</u>	<u>\$ (149,976)</u>	<u>\$ -</u>	<u>\$ 5,204,763</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

NOTE L - COMPONENT UNIT (Continued)

5. Notes Payable

The Foundation has a total of \$545,342 of long-term debt outstanding and consists of the following issues:

Notes payable to Community First Credit Union, due in monthly installments of \$13,094 including interest at 3.75% with final payment due December 1, 2019.	\$ 166,507
Notes payable to Fox Communities Credit Union, due in bi-weekly installments of \$2,645 including interest at 4.75% with final payment due November 4, 2024.	<u>378,835</u>
Total	545,342
Less amount due within one year	<u>218,512</u>
Total long-term debt	<u><u>\$ 326,830</u></u>

Scheduled principal payments on notes payable at June 30, 2018, including current maturities, are summarized as follows:

Year Ending <u>June 30.</u>	
2019	\$ 218,512
2020	54,532
2021	57,182
2022	59,961
2023	62,876
Thereafter	<u>92,279</u>
Total	<u><u>\$ 545,342</u></u>

6. Operating Leases

The Foundation leases several buildings to the District under noncancelable operating leases with automatic renewal terms. Rental income during 2018 from the District was \$559,979. Future minimum collections expected, by year and in the aggregate consist of the following at June 30, 2018:

Year Ending <u>June 30.</u>	
2019	\$ 563,104
2020	535,594
2021	453,064
2022	370,047
2023	366,875
Thereafter	<u>1,483,750</u>
	<u><u>\$ 3,772,434</u></u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2018

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

Net position is temporarily or permanently restricted for the following purposes at June 30, 2018.

	Temporarily Restricted	Permanently Restricted	Total
Scholarships	\$ 2,252,433	\$ -	\$ 2,252,433
Activity funds	555,894	-	555,894
Instructional support	393,865	-	393,865
Endowments	629,969	2,601,940	3,231,909
	<u>\$ 3,832,161</u>	<u>\$ 2,601,940</u>	<u>\$ 6,434,101</u>

NOTE M – PRIOR YEAR RESTATEMENT

As a result of the implementation of GASB Statement No. 75, the District has restated beginning net position as follows:

	District
Balance at June 30, 2017, as previously reported	\$ 122,156,247
Subtract previously reported net OPEB asset	(4,909,725)
Subtract restated beginning total OPEB liability	(10,066,141)
Balance at June 30, 2017, as restated	<u>\$ 107,180,381</u>

NOTE N - 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, 2018, the District issued general obligation promissory notes as follows:

Date	Interest Rate	Amount	Purpose
August 1, 2018	4%	\$ 9,000,000	Proceeds used for building remodeling and improvements, moveable equipment and other non-building capital projects.
September 11, 2018	3%	1,500,000	Proceeds used for building remodeling and improvements.
October 10, 2018	3 - 4%	1,500,000	Proceeds used for building remodeling and improvements.
		<u>\$ 12,000,000</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, 2017
<hr/>	
Total OPEB Liability	
Service cost	\$ 79,607
Interest	258,980
Effect of economic/demographic gains or losses	(26,418)
Effect of assumptions changes or inputs	(188,987)
Benefit payments	<u>(2,132,478)</u>
Net change in total OPEB liability	(2,009,296)
Total OPEB liability - Beginning	<u>10,066,140</u>
Total OPEB liability - Ending	<u><u>\$ 8,056,844</u></u>
Covered payroll	\$ 63,455,407
Total OPEB liability as a percentage of covered-employee payroll	13%

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

See Independent Auditor's 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%

*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 Auditor's 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%

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

See Independent Auditor's Report
See Notes to Required Supplemental Information

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Required Supplemental Information
For the Year Ended June 30, 2018

NOTE A - OTHER POST-EMPLOYMENT BENEFITS

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

NOTE B – WISCONSIN RETIREMENT SYSTEM

The District implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions - *An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68* for the fiscal year ended June 30, 2015. The standards allow the District to present as many years as are available until ten fiscal years are presented.

SUPPLEMENTAL INFORMATION

The following supplemental information is provided to document the District's compliance with budgetary requirements. This accountability is an essential requirement to maintain the public trust. The method of accounting used for budgetary compliance monitoring is substantially different from the method of preparing the basic financial statements of the District. At the end of this section is reconciliation between the two methods.

GENERAL FUND

The General Fund is the primary operating fund of the District and its accounts reflect all financial activity not accounted for in another fund.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 21,525,571	\$ 21,248,253	\$ 21,216,664	\$ -	\$ 21,216,664	\$ (31,589)
Intergovernmental revenue						
State	38,474,594	38,648,150	38,417,609	-	38,417,609	(230,541)
Federal	22,000	22,000	15,415	-	15,415	(6,585)
Tuition and fees						
Statutory program fees	18,320,818	18,604,692	17,978,537	-	17,978,537	(626,155)
Material fees	1,341,165	1,341,165	1,288,367	-	1,288,367	(52,798)
Other student fees	1,746,667	1,756,667	1,928,693	-	1,928,693	172,026
Institutional	537,579	537,579	590,631	-	590,631	53,052
Total Revenues	81,968,394	82,158,506	81,435,916	-	81,435,916	(722,590)
Expenditures						
Instruction	52,565,516	52,881,722	51,929,861	-	51,929,861	951,861
Instructional resources	1,139,497	1,139,454	1,028,688	-	1,028,688	110,766
Student services	6,944,611	7,115,825	6,795,064	-	6,795,064	320,761
General institutional	17,431,176	17,060,712	16,360,276	-	16,360,276	700,436
Physical plant	7,077,085	7,229,316	6,567,390	-	6,567,390	661,926
Total Expenditures	85,157,885	85,427,028	82,681,279	-	82,681,279	2,745,749
Excess (Deficiency) of Revenues Over Expenditures	(3,189,491)	(3,268,522)	(1,245,363)	-	(1,245,363)	2,023,159
Other Financing Sources (Uses)						
Transfers in	2,722,376	2,722,376	2,736,569	-	2,736,569	14,193
Transfers out	(380,000)	(432,068)	(432,068)	-	(432,068)	-
Total Other Financing Sources (Uses)	2,342,376	2,290,308	2,304,501	-	2,304,501	14,193
Net Change in Fund Balance	(847,115)	(978,214)	1,059,138	-	1,059,138	2,037,352
Fund Balance - July 1, 2017	21,779,396	21,779,396	21,779,396	-	21,779,396	-
Fund Balance - June 30, 2018	\$ 20,932,281	\$ 20,801,182	\$ 22,838,534	\$ -	\$ 22,838,534	\$ 2,037,352
Fund Balance						
Reserved for encumbrances			\$ 231,979			
Reserved for prepaid items			490,889			
Unreserved fund balance						
Designated for state aid fluctuations			1,202,949			
Designated for operations			20,912,717			
			<u>\$ 22,838,534</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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 1,486,220	\$ 1,486,220	\$ 1,486,220	\$ -	\$ 1,486,220	\$ -
Intergovernmental revenue						
State	2,073,368	2,690,944	2,731,392	-	2,731,392	40,448
Federal	11,236,209	12,557,677	12,633,128	-	12,633,128	75,451
Tuition and fees						
Statutory program fees	104,369	104,369	161,855	-	161,855	57,486
Material fees	16,840	16,840	25,065	-	25,065	8,225
Other student fees	578,131	578,131	685,138	-	685,138	107,007
Institutional	10,160,662	11,582,724	11,004,795	-	11,004,795	(577,929)
Total Revenues	25,655,799	29,016,905	28,727,593	-	28,727,593	(289,312)
Expenditures						
Instruction	21,829,864	25,161,244	25,161,240	-	25,161,240	4
Instructional resources	6,862	6,862	5,877	-	5,877	985
Student services	1,876,143	1,965,902	1,641,124	-	1,641,124	324,778
General institutional	1,054,620	997,895	982,041	-	982,041	15,854
Physical plant	285,934	334,694	331,852	-	331,852	2,842
Total Expenditures	25,053,423	28,466,597	28,122,134	-	28,122,134	344,463
Excess of Revenues Over Expenditures	602,376	550,308	605,459	-	605,459	55,151
Other Financing Sources (Uses)						
Transfers in	120,000	172,068	157,534	-	157,534	(14,534)
Transfers out	(1,222,376)	(1,222,376)	(1,237,009)	-	(1,237,009)	(14,633)
Total Other Financing Sources (Uses)	(1,102,376)	(1,050,308)	(1,079,475)	-	(1,079,475)	(29,167)
Net Change in Fund Balance	(500,000)	(500,000)	(474,016)	-	(474,016)	25,984
Fund Balance - July 1, 2017	3,139,316	3,139,316	3,139,316	-	3,139,316	-
Fund Balance - June 30, 2018	\$ 2,639,316	\$ 2,639,316	\$ 2,665,300	\$ -	\$ 2,665,300	\$ 25,984
Fund Balance						
Reserved for prepaid items			\$ 3,030			
Unreserved fund balance						
Designated for operations			2,662,270			
			<u>\$ 2,665,300</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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 132,271	\$ 132,271	\$ 113,930	\$ -	\$ 113,930	\$ (18,341)
Intergovernmental revenue						
State	1,919,450	1,919,450	1,638,725	-	1,638,725	(280,725)
Federal	27,864,864	27,864,864	18,725,852	-	18,725,852	(9,139,012)
Tuition and fees						
Other student fees	1,763,940	1,763,940	1,771,463	-	1,771,463	7,523
Institutional	1,512,100	1,512,100	1,787,003	-	1,787,003	274,903
Total Revenues	33,192,625	33,192,625	24,036,973	-	24,036,973	(9,155,652)
Expenditures						
Student services	32,923,538	32,923,538	23,814,371	-	23,814,371	9,109,167
General institutional	269,087	269,087	233,704	-	233,704	35,383
Total Expenditures	33,192,625	33,192,625	24,048,075	-	24,048,075	9,144,550
Excess (Deficiency) of Revenues Over Expenditures	-	-	(11,102)	-	(11,102)	(18,300,202)
Other Financing Sources (Uses)						
Transfers in	-	-	8,525	-	8,525	8,525
Net Change in Fund Balance	-	-	(2,577)	-	(2,577)	(18,291,677)
Fund Balance - July 1, 2017	494,669	494,669	494,669	-	494,669	-
Fund Balance - June 30, 2018	<u>\$ 494,669</u>	<u>\$ 494,669</u>	<u>\$ 492,092</u>	<u>\$ -</u>	<u>\$ 492,092</u>	<u>\$ (18,291,677)</u>
Fund Balance						
Reserved for student financial assistance			\$ 270,599			
Reserved for student organizations			221,493			
			<u>\$ 492,092</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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ -	\$ 4,435	\$ 4,435	\$ -	\$ 4,435	\$ -
Intergovernmental revenue						
State	282,594	319,316	299,094	-	299,094	(20,222)
Federal	15,500	45,057	152,181	-	152,181	107,124
Institutional	94,454	1,868,506	1,939,362	-	1,939,362	70,856
Total Revenues	392,548	2,237,314	2,395,072	-	2,395,072	157,758
Expenditures						
Instruction	3,493,235	3,647,448	3,532,281	-	3,532,281	115,167
Instructional resources	396,076	438,979	394,169	-	394,169	44,810
Student services	13,332	36,150	36,150	-	36,150	-
General institutional	1,748,431	1,700,877	1,683,564	-	1,683,564	17,313
Physical plant	6,904,474	9,910,205	9,775,667	-	9,775,667	134,538
Total Expenditures	12,555,548	15,733,659	15,421,831	-	15,421,831	311,828
Excess (Deficiency) of Revenues Over Expenditures	(12,163,000)	(13,496,345)	(13,026,759)	-	(13,026,759)	469,586
Other Financing Sources (Uses)						
Transfers in	-	-	14,974	-	14,974	14,974
Transfers out	(137,000)	(137,000)	(136,286)	-	(136,286)	714
Long-term debt issued	11,800,000	11,800,000	11,800,000	-	11,800,000	-
Total Other Financing Sources (Uses)	11,663,000	11,663,000	11,678,688	-	11,678,688	15,688
Net Change in Fund Balance	(500,000)	(1,833,345)	(1,348,071)	-	(1,348,071)	485,274
Fund Balance - July 1, 2017	6,074,088	6,074,088	6,074,088	-	6,074,088	-
Fund Balance - June 30, 2018	\$ 5,574,088	\$ 4,240,743	\$ 4,726,017	\$ -	\$ 4,726,017	\$ 485,274
Fund Balance						
Reserved for encumbrances			\$ 3,431,210			
Unreserved			1,294,807			
			<u>\$ 4,726,017</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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 16,649,335	\$ 16,649,335	\$ 16,649,335	\$ -	\$ 16,649,335	\$ -
Institutional	5,723	49,514	147,241	-	147,241	97,727
Total Revenues	16,655,058	16,698,849	16,796,576	-	16,796,576	97,727
Expenditures						
Physical plant	17,085,754	17,129,545	17,129,545	-	17,129,545	-
Excess (Deficiency) of Revenues Over Expenditures	(430,696)	(430,696)	(332,969)	-	(332,969)	97,727
Other Financing Sources						
Transfers in	137,000	137,000	136,286	-	136,286	(714)
Debt premium issued	183,525	183,525	594,706	-	594,706	411,181
Total Other Financing Sources	320,525	320,525	730,992	-	730,992	410,467
Net Change in Fund Balance	(110,171)	(110,171)	398,023	-	398,023	508,194
Fund Balance - July 1, 2017	16,240,263	16,240,263	16,240,263	-	16,240,263	-
Fund Balance - June 30, 2018	\$ 16,130,092	\$ 16,130,092	\$ 16,638,286	\$ -	\$ 16,638,286	\$ 508,194
Fund Balance Reserved for debt service			<u>\$ 16,638,286</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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Federal	\$ 25,000	\$ 25,000	\$ 41,124	\$ -	\$ 41,124	\$ 16,124
Institutional	3,435,134	3,565,719	3,745,174	-	3,745,174	179,455
Total Revenues	3,460,134	3,590,719	3,786,298	-	3,786,298	195,579
Expenditures						
Auxiliary services	3,625,279	3,755,864	3,755,864	-	3,755,864	-
Excess (Deficiency) of Revenues Over Expenditures	(165,145)	(165,145)	30,434	-	30,434	195,579
Other Financing Sources (Uses)						
Transfers in	190,000	190,000	190,000	-	190,000	-
Transfers out	-	-	(8,525)	-	(8,525)	(8,525)
Total Other Financing Sources	190,000	190,000	181,475	-	181,475	(8,525)
Net Change in Fund Balance	24,855	24,855	211,909	-	211,909	187,054
Net Position - July 1, 2017	923,799	923,799	923,799	-	923,799	-
Net Position - June 30, 2018	\$ 948,654	\$ 948,654	\$ 1,135,708	\$ -	\$ 1,135,708	\$ 187,054
Net Position						
Unrestricted net position			<u>\$ 1,135,708</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, 2018

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Institutional	\$ 50,162	\$ 50,162	\$ 64,115	\$ -	\$ 64,115	\$ 13,953
Auxiliary revenue	14,078,228	14,078,228	13,762,127	-	13,762,127	(316,101)
Total Revenues	14,128,390	14,128,390	13,826,242	-	13,826,242	(302,148)
Expenditures						
Auxiliary services	14,410,626	14,410,626	9,532,442	-	9,532,442	4,878,184
Excess (Deficiency) of Revenues Over Expenditures	(282,236)	(282,236)	4,293,800	-	4,293,800	4,576,036
Other Financing Sources						
Transfers in	70,000	70,000	70,000	-	70,000	-
Transfers out	(1,500,000)	(1,500,000)	(1,500,000)	-	(1,500,000)	-
Total Other Financing Sources (Uses)	(1,430,000)	(1,430,000)	(1,430,000)	-	(1,430,000)	-
Net Change in Fund Balance	(1,712,236)	(1,712,236)	2,863,800	-	2,863,800	4,576,036
Net Position - July 1, 2017	6,513,024	6,513,024	6,513,024	-	6,513,024	-
Net Position - June 30, 2018	<u>\$ 4,800,788</u>	<u>\$ 4,800,788</u>	<u>\$ 9,376,824</u>	<u>\$ -</u>	<u>\$ 9,376,824</u>	<u>\$ 4,576,036</u>
Net Position						
Unrestricted net position - reserved for self-insurance			\$ 9,030,229			
Unrestricted net position - print services			346,595			
Total Net Position			<u>\$ 9,376,824</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, 2018

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund
Revenues				
Local government - tax levy	\$ 21,216,664	\$ 1,486,220	\$ 113,930	\$ 4,435
Intergovernmental revenue				
State	38,417,609	2,731,392	1,638,725	299,094
Federal	15,415	12,633,128	18,725,852	152,181
Tuition and fees				
Statutory program fees	17,978,537	161,855	-	-
Material fees	1,288,367	25,065	-	-
Other student fees	1,928,693	685,138	1,771,463	-
Institutional	590,631	11,004,795	1,787,003	1,939,362
Auxiliary revenue	-	-	-	-
Total Revenues	81,435,916	28,727,593	24,036,973	2,395,072
Expenditures				
Instruction	51,929,861	25,161,240	-	3,532,281
Instructional resources	1,028,688	5,877	-	394,169
Student services	6,795,064	1,641,124	23,814,371	36,150
General institutional	16,360,276	982,041	233,704	1,683,564
Physical plant	6,567,390	331,852	-	9,775,667
Auxiliary services	-	-	-	-
Depreciation	-	-	-	-
Student aid	-	-	-	-
Total Expenditures	82,681,279	28,122,134	24,048,075	15,421,831
Excess (Deficiency) of Revenues Over Expenditures	(1,245,363)	605,459	(11,102)	(13,026,759)
Other Financing Sources (Uses)				
Transfers in	2,736,569	157,534	8,525	14,974
Transfers out	(432,068)	(1,237,009)	-	(136,286)
Long-term debt issued	-	-	-	11,800,000
Debt premium issued	-	-	-	-
Total Other Financing Sources (Uses)	2,304,501	(1,079,475)	8,525	11,678,688
Net Change in Fund Balances	1,059,138	(474,016)	(2,577)	(1,348,071)
Capital contributions	-	-	-	-
Fund Balances/Net Position - beginning	21,779,396	3,139,316	494,669	6,074,088
Fund Balances/Net Position - ending	\$ 22,838,534	\$ 2,665,300	\$ 492,092	\$ 4,726,017

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	\$ -	\$ -	\$ 39,470,584	\$ -	\$ 39,470,584	
-	-	-	43,086,820	-	43,086,820	(1)
-	41,124	-	31,567,700	-	31,567,700	(2)
-	-	-	18,140,392	(7,944,532)	10,195,860	
-	-	-	1,313,432	(575,211)	738,221	
-	-	-	4,385,294	(1,920,527)	2,464,767	
147,241	3,745,174	64,115	19,278,321	(3,739,544)	15,538,777	(3)
-	-	13,762,127	13,762,127	(10,064,271)	3,697,856	
16,796,576	3,786,298	13,826,242	171,004,670	(24,244,085)	146,760,585	
-	-	-	80,623,382	(4,046,255)	76,577,127	
-	-	-	1,428,734	(343,970)	1,084,764	
-	-	-	32,286,709	(22,471,710)	9,814,999	
-	-	-	19,259,585	(2,128,440)	17,131,145	
17,129,545	-	-	33,804,454	(24,619,694)	9,184,760	(4)
-	3,755,864	9,532,442	13,288,306	(9,600,244)	3,688,062	
-	-	-	-	10,438,005	10,438,005	
-	-	-	-	11,781,709	11,781,709	
17,129,545	3,755,864	9,532,442	180,691,170	(40,990,599)	139,700,571	
(332,969)	30,434	4,293,800	(9,686,500)	16,746,514	7,060,014	
136,286	190,000	70,000	3,313,888	(3,313,888)	-	
-	(8,525)	(1,500,000)	(3,313,888)	3,313,888	-	
-	-	-	11,800,000	(11,800,000)	-	
594,706	-	-	594,706	(594,706)	-	
730,992	181,475	(1,430,000)	12,394,706	(12,394,706)	-	
398,023	211,909	2,863,800	2,708,206	4,351,808	7,060,014	
-	-	-	-	345,991	345,991	
16,240,263	923,799	6,513,024	55,164,555	52,015,826	107,180,381	
\$ 16,638,286	\$ 1,135,708	\$ 9,376,824	\$ 57,872,761	\$ 56,713,625	\$ 114,586,386	(5)

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements
To Basic Financial Statements
For the Year Ended June 30, 2018

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, 2018

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, 2018.

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

Operating	\$ 4,983,771
Non-operating	38,103,049
	<u>\$ 43,086,820</u>

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

Operating	<u>\$ 31,567,700</u>
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- (3) Institutional revenue is reported as four separate line items on the basic financial statements:

Contract revenue	\$ 10,632,506
Miscellaneous revenue	4,395,264
Gain (loss) on sale of capital assets	(9,216)
Investment income earned	520,223
	<u>\$ 15,538,777</u>

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

Physical plant	\$ 7,249,934
Interest expense	1,752,051
Bond issuance costs	182,775
	<u>\$ 9,184,760</u>

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

Budgetary basis fund balance	<u>\$ 57,872,761</u>
Adjustments	
General capital assets - cost	226,923,422
Net pension asset	12,315,047
Accumulated depreciation on general capital assets	(83,302,557)
General obligation debt	(83,270,000)
Bond premium	(4,719,101)
Capital lease obligations	(277,869)
Net position in health insurance consortium	1,375,141
Accrued interest on debt payable	(176,420)
OPEB Liability	(8,056,844)
Deferred outflows related to pension	20,364,714
Deferred inflows related to pension/OPEB	(24,461,908)
Total Adjustments	<u>56,713,625</u>
Net Position per basic financial statements	<u>\$ 114,586,386</u>

See Independent Auditor's Report

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net investment in capital assets	\$66,203,362	\$60,654,868	\$55,951,323	\$49,444,803	\$44,696,782	\$39,705,591	\$39,365,161	\$34,191,036	\$30,152,151	\$29,423,558
Restricted for debt service ^(a)	16,295,261	16,025,729	16,013,340	17,053,774	17,186,849	17,015,573	12,562,115	12,724,346	13,317,804	9,725,502
Restricted for pension benefits ^(b)	-	-	-	10,407,663	-	-	-	-	-	-
Unrestricted ^(c)	32,087,763	30,499,784	49,182,614	40,634,857	26,119,757	24,733,666	22,186,705	24,036,456	10,021,971	11,851,443
Total Net Position	\$114,586,386	\$107,180,381	\$121,147,277	\$117,541,097	\$88,003,388	\$81,454,830	\$74,113,981	\$70,951,838	\$53,491,926	\$51,000,503

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Revenues										
Student program fees (net of scholarship allowances)	\$10,195,860	\$10,288,997	\$9,839,905	\$9,685,491	\$10,575,379	\$9,663,635	\$9,735,842	\$9,855,269	\$9,063,644	\$9,028,130
Student material fees (net of scholarship allowances)	738,221	766,163	724,965	623,275	664,450	603,183	633,117	648,301	621,473	660,742
Other student fees (net of scholarship allowances)	2,464,767	2,344,447	2,194,034	2,004,531	2,313,664	2,190,272	2,101,877	2,224,262	2,126,423	2,281,580
Federal grants	31,567,700	33,246,787	37,458,363	42,256,029	46,680,639	48,201,924	50,536,747	50,358,595	38,393,205	29,611,240
State grants	4,983,771	4,617,201	5,634,046	4,633,935	4,999,264	5,070,732	4,958,859	4,868,933	4,078,736	3,737,188
Contract revenue	10,632,506	10,162,376	8,798,938	8,739,656	7,318,793	7,093,356	6,206,678	5,920,890	5,672,323	6,383,011
Auxiliary enterprise revenues	3,697,856	3,412,155	3,213,401	3,144,119	2,890,284	3,015,704	2,949,466	3,006,031	2,647,818	2,474,138
Miscellaneous	4,395,264	2,258,678	2,365,176	2,561,203	2,522,060	2,868,615	2,083,876	2,366,071	1,538,521	1,688,705
Total operating revenues	\$68,675,945	\$67,096,804	\$70,228,828	\$73,648,239	\$77,964,533	\$78,707,421	\$79,206,462	\$79,248,352	\$64,142,143	\$55,864,734
Operating Expenses										
Instruction	\$76,577,127	\$76,489,538	\$76,087,448	\$70,918,968	\$75,322,588	\$74,561,811	\$76,292,582	\$79,525,720	\$74,367,386	\$70,213,397
Instructional resources	1,084,764	1,147,755	1,299,224	1,024,218	1,221,049	1,270,111	1,019,218	1,359,909	1,739,545	1,675,096
Student services	9,814,999	10,509,226	9,672,917	9,031,945	10,316,698	10,080,334	10,011,291	9,463,103	8,384,457	7,626,729
General institutional	17,131,145	18,578,348	19,830,391	18,214,252	17,457,111	18,159,304	16,739,317	16,034,205	14,731,671	13,279,771
Physical plant	7,249,934	8,293,303	7,823,346	7,481,397	8,908,582	5,592,058	7,318,874	7,342,459	6,753,122	6,247,064
Auxiliary enterprise services	3,688,062	3,615,355	3,304,706	3,031,900	2,994,348	3,077,768	3,114,283	3,193,360	2,693,083	2,386,914
Depreciation	10,438,005	9,936,436	9,619,836	8,852,471	7,408,223	6,755,320	6,867,483	6,352,326	6,014,521	5,424,617
Student aid	11,781,709	12,869,998	14,946,854	18,703,311	21,035,070	23,716,759	24,929,215	23,866,346	13,137,284	9,358,669
Total operating expenses	\$137,765,745	\$141,439,959	\$142,584,722	\$137,258,462	\$144,663,669	\$143,213,465	\$146,292,263	\$147,137,428	\$127,821,069	\$116,212,257
Operating loss	(\$69,089,800)	(\$74,343,155)	(\$72,355,894)	(\$63,610,223)	(\$66,699,136)	(\$64,506,044)	(\$67,085,801)	(\$67,889,076)	(\$63,678,926)	(\$60,347,523)
Nonoperating Revenues/(Expenses)										
Property taxes	\$39,470,584	\$38,779,966	\$38,232,892	\$37,678,413	\$65,630,953	\$64,193,987	\$59,808,571	\$59,834,714	\$54,219,184	\$54,197,948
State operating appropriations	38,103,049	38,484,280	39,048,921	38,503,970	9,422,101	9,261,977	9,496,084	13,132,966	12,573,737	12,163,947
Gain (loss) on sale of capital assets	(9,216)	(349,344)	85,888	46,785	56,327	203,761	363,631	73,170	(21,919)	7,599
Investment income earned	520,223	233,847	475,680	256,128	301,152	165,837	201,802	186,658	328,476	1,108,376
Interest expense	(1,752,051)	(1,870,094)	(2,036,332)	(2,191,703)	(2,261,785)	(1,624,079)	(836,353)	(1,351,381)	(1,504,067)	(1,839,924)
Bond issuance costs	(182,775)	(175,375)	(166,975)	(177,325)	(215,850)	(667,122)	(108,238)	-	-	-
Total nonoperating revenues/(expenses)	\$76,149,814	\$75,103,280	\$75,640,074	\$74,116,268	\$72,932,898	\$71,534,361	\$68,925,497	\$71,876,127	\$65,595,411	\$65,637,946
Income before Capital Contributions	\$7,060,014	\$760,125	\$3,284,180	\$10,506,045	\$6,233,762	\$7,028,317	\$1,839,696	\$3,987,051	\$1,916,485	\$5,290,423
Capital Contributions	345,991	248,845	322,000	108,105	314,796	312,532	1,579,960	402,211	-	-
Change in Net Position	\$7,406,005	\$1,008,970	\$3,606,180	\$10,614,150	\$6,548,558	\$7,340,849	\$3,419,656	\$4,389,262	\$1,916,485	\$5,290,423

See Independent Auditor's Report

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

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

Fiscal Year	FVTC			Overlapping Rates ^(a)						
	Operational ^(b)	Debt Service	Total	County	Local ^(c)	Other School Districts	State	Gross Total	State Tax Relief	Net Tax Rate
2009	1.50	0.18	1.68	5.08	4.79	8.10	0.20	19.85	(1.45)	18.40
2010	1.50	0.22	1.72	5.22	4.93	8.71	0.20	20.78	(1.42)	19.36
2011	1.50	0.28	1.78	5.37	5.08	9.18	0.20	21.61	(1.43)	20.18
2012	1.50	0.29	1.79	5.46	5.21	9.16	0.20	21.82	(1.45)	20.37
2013	1.50	0.47	1.97	5.59	5.34	9.43	0.20	22.53	(1.50)	21.03
2014	1.50	0.47	1.97	5.54	5.41	9.54	0.20	22.66	(1.50)	21.16
2015	0.62	0.50	1.12	5.57	5.46	9.71	0.20	22.06	(1.49)	20.58
2016	0.63	0.49	1.12	5.50	5.50	9.65	0.20	21.97	(1.68)	20.29
2017	0.64	0.48	1.11	5.50	5.56	9.36	0.20	21.73	(1.65)	20.08
2018	0.63	0.46	1.08	5.45	5.50	9.03	0.20	21.26	(1.74)	19.52

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).

See Independent Auditor's Report

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)
2008	\$24,593,374	\$6,329,331	\$1,492,674	\$1,555,321	\$1,039,342	(\$1,373,400)	\$33,636,641	\$33,441,678	1.68253
2009	24,718,058	6,382,332	1,474,662	1,598,961	1,029,558	(1,229,605)	33,973,965	33,793,328	1.71542
2010	24,450,482	6,434,874	1,435,429	1,590,763	1,006,876	(1,178,100)	33,740,324	33,560,983	1.77947
2011	24,364,277	6,283,649	1,452,942	1,596,386	959,134	(1,164,908)	33,491,480	33,353,718	1.79053
2012	23,731,700	6,214,341	1,427,475	1,563,461	953,042	(1,164,908)	32,725,111	32,558,306	1.96941
2013	23,737,066	6,289,393	1,441,343	1,583,619	1,003,784	(1,089,854)	32,965,350	32,786,202	1.97347
2014	24,252,750	6,294,309	1,437,216	1,594,514	994,736	(1,123,731)	33,449,794	33,265,574	1.12397
2015	24,807,739	6,418,434	1,431,971	1,601,326	958,567	(1,102,740)	34,115,296	33,931,537	1.11782
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

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	2017			2008		
	Equalized Valuation	Rank	Percentage of Total Equalized Valuation	Equalized Valuation	Rank	Percentage of Total Equalized Valuation
Fox River Shopping Center	\$91,333,617	1	0.24%	\$88,925,511	1	0.26%
Thomas Wright Enterprises (Outagamie County)	74,997,321	2	0.20%	56,770,772	4	0.16%
Dumke & Associates	71,483,848	3	0.19%	45,667,027	9	0.13%
Kimberly Clark	69,060,985	4	0.18%	84,153,593	2	0.24%
R. Winters Associates	66,649,579	5	0.18%	53,738,053	6	0.15%
Curwood, Inc. (Bemis)	64,947,429	6	0.17%	52,059,803	8	0.15%
Midwest Realty (Security Homes Inc.)	62,325,487	7	0.16%	75,978,992	3	0.22%
Bergstrom (Winnebago County)	51,731,728	8	0.14%	-	-	-
Thomas N. Rusch et al.	46,043,514	9	0.12%	52,243,249	7	0.15%
Pfefferle Investments	45,013,489	10	0.12%	54,842,328	5	0.16%
Mills Properties	-	-	-	44,560,585	10	0.13%
Total	<u>\$643,586,997</u>		<u>1.70%</u>	<u>\$608,939,913</u>		<u>1.75%</u>
Total equalized property valuation for the District (TID In)	\$37,795,272,487			\$34,819,444,809		

Source: Preliminary Official Statement dated October 23, 2018. 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
2009	\$56,226,559	\$41,506,188	73.82%	\$56,226,559	100.00%
2010	57,969,724	42,554,143	73.41%	57,969,724	100.00%
2011	59,720,691	43,914,226	73.53%	59,720,691	100.00%
2012	59,720,691	44,179,875	73.98%	59,720,691	100.00%
2013	64,120,652	47,931,799	74.75%	64,120,652	100.00%
2014	64,702,517	48,636,733	75.17%	64,702,517	100.00%
2015	^(c) 37,389,471	28,255,943	75.57%	37,389,471	100.00%
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%

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
2009	455,565	\$33,441,677,759	\$38,767,089	\$9,725,502	\$29,041,587	0.09%	\$63.75
2010	457,464	33,793,327,840	38,028,710	13,317,804	24,710,906	0.07%	54.02
2011	458,949	33,560,983,112	36,495,661	12,724,346	23,771,315	0.07%	51.80
2012	460,126	33,353,717,586	33,596,483	12,562,115	21,034,368	0.06%	45.71
2013	461,299	32,558,306,438	98,278,624	17,015,573	81,263,051	0.25%	176.16
2014	466,556	32,786,202,317	98,113,731	17,186,849	80,926,882	0.25%	173.46
2015	468,200	33,265,574,421	94,520,677	17,053,774	77,466,903	0.23%	165.46
2016	470,726	33,931,537,136	89,673,957	16,013,340	73,660,617	0.22%	156.48
2017	473,131	34,771,330,493	86,132,192	16,025,729	70,106,463	0.20%	148.18
2018	474,111	36,446,534,387	83,547,869	16,295,261	67,252,608	0.18%	141.85

Notes:

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

(b) TID (Tax Incremental District) Out, excluding value of exempt computer equipment. Equalized valuations are shown on a calendar year basis for the prior year (i.e. 2017 fiscal year would be 2016 calendar year information).

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

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

See Independent Auditor's Report

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Direct and Overlapping Debt As of December 31, 2017

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt			
County of			
Brown	\$ 109,101,933	0.4%	\$ 436,408
Calumet	15,370,878	83.4%	12,819,312
Manitowoc	24,931,289	0.9%	224,382
Outagamie	64,108,442	97.7%	62,633,948
Portage	9,135,000	1.5%	137,025
Shawano	1,446,791	7.6%	109,956
Waupaca	21,190,000	96.2%	20,384,780
Waushara	3,339,125	77.8%	2,597,839
Winnebago	33,662,195	94.4%	31,777,112
Total All Counties	\$ 282,285,653		\$ 131,120,762
Cities within			
Calumet	\$ 20,721,759	100.0%	\$ 20,721,759
Outagamie	16,883,207	99.7%	16,836,158
Waupaca	22,506,743	100.0%	22,506,743
Waushara	2,441,380	100.0%	2,441,380
Winnebago	173,599,093	100.0%	173,599,093
Total All Cities	\$ 236,152,182		\$ 236,105,133
Villages within			
Calumet	\$ 7,810,172	100.0%	\$ 7,810,172
Outagamie	5,352,284	99.7%	5,337,369
Waupaca	1,415,450	100.0%	1,415,450
Waushara	1,265,913	100.0%	1,265,913
Winnebago	16,580,328	100.0%	16,580,328
Total All Villages	\$ 32,424,147		\$ 32,409,232
Towns within			
Brown	\$ -	0.0%	\$ -
Calumet	-	0.0%	-
Manitowoc	221,405	100.0%	221,405
Outagamie	21,479,371	99.7%	21,419,513
Portage	233,066	100.0%	233,066
Shawano	315,693	100.0%	315,693
Waupaca	605,570	100.0%	605,570
Waushara	543,788	99.3%	540,177
Winnebago	10,746,602	99.0%	10,637,426
Total All Towns	\$ 34,145,495		\$ 33,972,851

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Direct and Overlapping Debt As of December 31, 2017

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
School District of			
Appleton	\$ 87,912,946	100.0%	\$ 87,912,946
Brillion	10,170,000	100.0%	10,170,000
Chilton	18,439,100	100.0%	18,439,100
Clintonville	7,880,000	100.0%	7,880,000
Freedom	335,000	100.0%	335,000
Hilbert	17,230,244	100.0%	17,230,244
Hortonville	30,285,000	100.0%	30,285,000
Iola-Scandinavia	3,695,000	100.0%	3,695,000
Kaukauna	52,095,000	100.0%	52,095,000
Kimberly	23,865,000	100.0%	23,865,000
Little Chute	21,206,686	100.0%	21,206,686
Manawa-Little Wolf	-	100.0%	-
Marion	606,164	100.0%	606,164
Menasha Joint	44,517,500	100.0%	44,517,500
Neenah	100,000	100.0%	100,000
New London	4,255,000	100.0%	4,255,000
Omro	5,606,618	100.0%	5,606,618
Oshkosh	58,889,467	100.0%	58,889,467
Seymour	1,992	100.0%	1,992
Shiocton	254,957	100.0%	254,957
Stockbridge	1,634,331	100.0%	1,634,331
Waupaca	9,120,000	100.0%	9,120,000
Wautoma	4,785,000	100.0%	4,785,000
Westfield	900,000	100.0%	900,000
Weyauwega-Fremont	29,880,000	100.0%	29,880,000
Wild Rose	2,240,000	100.0%	2,240,000
Winneconne	16,355,000	100.0%	16,355,000
Wrightstown	4,014,946	100.0%	4,014,946
Total All School Districts	\$ 456,274,951		\$ 456,274,951
Subtotal overlapping debt	\$ 1,041,282,428		\$ 889,882,928
District direct debt	\$ 83,547,869	100.0%	\$ 83,547,869
Total direct and overlapping debt	\$ 1,124,830,297		\$ 973,430,797

Source: Survey of each government unit within the District's boundaries, June 2018

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)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Equalized Valuation^(a)										
	\$37,795,272	\$35,936,674	\$35,037,874	\$34,395,417	\$33,879,731	\$33,727,057	\$34,490,268	\$34,743,195	\$35,027,477	\$34,819,445
Debt limit - 5% of equalized valuation^(b)	\$1,889,764	\$1,796,834	\$1,751,894	\$1,719,771	\$1,693,987	\$1,686,353	\$1,724,513	\$1,737,160	\$1,751,374	\$1,740,972
Aggregate indebtedness applicable to debt limit										
General obligation promissory notes and bonds	83,270	85,725	89,140	94,295	97,380	97,055	31,905	34,820	38,005	38,390
Capital leases	278	407	534	226	734	1,224	1,691	2,136	24	377
Less resources available to fund principal and interest payments ^(c)	(16,295)	(16,026)	(16,013)	(17,054)	(17,187)	(17,016)	(12,562)	(12,724)	(13,318)	(9,726)
Total net debt applicable to limit	67,253	70,106	73,661	77,467	80,927	81,263	21,034	24,232	24,711	29,041
Legal debt margin	\$1,822,511	\$1,726,727	\$1,678,233	\$1,642,304	\$1,613,059	\$1,605,089	\$1,703,480	\$1,712,928	\$1,726,663	\$1,711,931
Total net debt applicable to the limit as a percentage of debt limit	3.56%	3.90%	4.20%	4.50%	4.78%	4.82%	1.22%	1.39%	1.41%	1.67%
Debt limit - 2% of equalized valuation^(b)	\$755,905	\$718,733	\$700,757	\$687,908	\$677,595	\$674,541	\$689,805	\$694,864	\$700,550	\$696,389
Gross bonded indebtedness applicable to debt limit										
Gross bonded debt	43,910	47,160	50,310	54,825	59,345	65,225	-	-	-	-
Less resources available to fund principal and interest payments	(16,295)	(16,026)	(16,013)	(17,054)	(17,187)	(17,016)	N/A	N/A	N/A	N/A
Total net debt applicable to limit	27,615	31,134	34,297	37,771	42,158	48,209	-	-	-	-
Legal debt margin	\$728,291	\$687,599	\$666,461	\$650,137	\$635,436	\$626,332	\$689,805	\$694,864	\$700,550	\$696,389
Total net debt applicable to the limit as a percentage of debt limit	3.65%	4.33%	4.89%	5.49%	6.22%	7.15%	0.00%	0.00%	0.00%	0.00%

Notes:

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

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

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

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

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)}
2008	455,565	\$14,741,409	\$37,594	68,662	5,371	4.51%
2009	457,464	14,446,465	36,559	66,035	5,469	8.17%
2010	458,949	14,816,896	37,384	65,898	5,532	7.74%
2011	460,126	15,678,429	39,424	65,959	5,596	6.95%
2012	461,299	16,253,268	40,665	65,671	5,129	6.58%
2013	466,556	16,350,711	40,675	65,653	4,932	6.42%
2014	468,200	17,070,034	42,269	66,418	4,415	5.19%
2015	470,726	17,784,051	43,930	66,442	4,519	4.22%
2016	473,131	18,291,239	45,043	66,815	4,424	3.82%
2017	474,111	(f)	(f)	66,892	4,459	3.03%

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 2016 and revisions for 2010-2015 were released on November 16, 2017.

(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	2018		2009	
		Employees	Rank	Employees	Rank
ThedaCare ^(a)	Health care providers	6,800	1	5,300	1
Affinity Health Care ^(b)	Health care providers	3,900	2	-	
Kimberly Clark ^(c)	Paper products manufacturer	3,200	3	4,500	2
Spectrum Software	Computer system designer	2,000	4	-	
Thrivent Investment Management	Insurance and investments	2,000	4	-	
Appleton Area School District	Education	1,897	5	1,750	6
Expera Specialty Solutions (aka Thilmany LLC)	Specialty papers	1,800	6	-	
Oshkosh Corporation	Truck and large vehicle manufacturer	1,700	7	2,355	4
Oshkosh Area School District	Education	1,481	8	1,580	8
Miller Electric Manufacturing Co.	Welding equipment manufacturer	1,400	9	1,500	10
JJ Keller & Associates	Commercial printing & publishing	1,400	9	-	
University of Wisconsin - Oshkosh	Education	1,354	10	1,650	7
Fox River Shopping Center	Retail shopping mall	-		3,000	3
Curwood, Inc. (Bemis)	Plastics container manufacturer	-		1,800	5
Appleton Coated LLC	Coated papers manufacturer	-		1,535	9
Total		28,932		24,970	

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

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

(c) Kimberly-Clark announced the closing of its Neenah non-woven mill facility. The closing is expected to take place in August, 2019. The facility employs 110 people. Kimberly-Clark also plans to close its Cold Spring Road location. The Cold Spring Road facility is located in the Village of Fox Crossing and employs approximately 500 people. No closing date has been announced for the Cold Spring Road location.

Source: Outagamie, Waupaca and Winnebago Counties, and municipality official statements. 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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
By Pay Groups:										
Full-time instructors	315	319	315	316	284	330	333	327	320	307
Part-time instructors	25	19	19	20	12	13	12	15	18	22
Management	183	166	157	150	134	119	120	119	110	106
Full-time support-union	281	275	272	262	232	248	248	247	243	237
Part-time support-union	56	54	55	50	32	33	37	40	44	43
Total	860	833	818	798	694	743	750	748	735	715

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

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

See Independent Auditor's Report

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Operating Statistics Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Student enrollment ^(a)										
Associate degree	12,047	12,463	12,889	13,659	14,690	15,196	16,060	14,506	13,925	12,827
Technical diploma	3,256	3,250	3,383	3,468	3,344	3,260	3,150	3,310	3,402	3,397
Vocational adult	30,671	26,130	29,147	26,212	27,344	28,371	32,785	34,270	28,452	27,862
Non-postsecondary	2,139	2,294	2,138	2,034	1,927	2,009	2,479	5,050	5,401	5,174
Community services	1,508	1,481	1,191	673	532	866	814	821	964	856
Transcripted credit ^(b)	5,222	4,483	3,521	2,696	1,930	1,571	1,033	1,586	1,690	1,158
Total enrollment ^(c)	51,806	47,156	49,082	45,441	46,367	47,573	52,130	54,349	48,587	46,464
Percentage Change	9.86%	-3.92%	8.01%	-2.00%	-2.54%	-8.74%	-4.08%	11.86%	4.57%	-2.72%
Full-time equivalent (FTE) enrollment ^(d)										
Associate degree	4,289	4,504	4,842	5,214	5,605	5,910	6,045	5,994	5,579	4,690
Technical diploma	670	707	669	670	669	640	650	659	655	647
Vocational adult	510	458	556	459	480	482	540	581	555	555
Non-postsecondary	320	348	341	322	226	246	257	579	612	580
Community services	23	24	9	7	7	9	10	10	12	12
Total full-time equivalent enrollments	5,812	6,042	6,418	6,673	6,986	7,288	7,501	7,823	7,413	6,486
Percentage Change	-3.81%	-5.86%	-3.83%	-4.48%	-4.15%	-2.83%	-4.12%	5.53%	14.30%	6.30%
Teachers ^(e)	435	435	435	430	450	481	495	526	513	475
FTE - Teacher ratio	13.3	13.9	14.8	15.5	15.5	15.1	15.2	14.9	14.5	13.7
Operating Expenditures ^(f)	\$110,803,421	\$109,252,189	\$107,171,620	\$104,136,832	\$110,083,566	\$107,197,934	\$104,831,814	\$106,539,249	\$100,269,258	\$96,597,915
Cost per FTE	\$19,065.25	\$18,082.90	\$16,699.80	\$15,605.82	\$15,757.51	\$14,708.22	\$13,975.87	\$13,618.72	\$13,526	\$14,894
Percentage Change	5.43%	8.28%	7.01%	-0.96%	7.13%	5.24%	2.62%	0.68%	-9.18%	-1.16%
Program Graduate follow-up statistics ^(g)										
Number of graduates	(e)	2,557	2,652	2,639	2,560	2,724	2,833	2,526	2,371	2,083
Number of follow-up respondents	(e)	1,970	2,085	2,005	1,807	1,972	2,223	1,933	1,858	1,607
Total number available for employment	(e)	1,423	156	1,505	1,499	1,490	1,877	1,482	1,472	1,288
Percent employed	(e)	95%	94%	94%	92%	89%	89%	88%	85%	85%
Percent employed in related occupation	(e)	84%	83%	85%	78%	79%	75%	75%	70%	73%
Percent employed in District	(e)	60%	63%	66%	63%	63%	65%	70%	69%	67%
Average annual salary	(e)	\$39,192	\$38,192	\$36,196	\$35,223	\$33,808	\$32,994	\$33,088	\$32,939	\$32,282
Age range of students	9 - 93	9 - 93	8 - 92	9 - 99	9 - 94	8 - 93	8 - 91	7 - 95	7 - 90	9 - 95
Average age of students	37	37	37	37	37	37	37	36	36	37

Notes:

- Student enrollment reflects the duplicated count of individuals enrolled in FVTC courses.
- Transcripted credits reflects the duplicated count of credits earned by high school students while in high school.
- Any student enrolled in more than one program is counted only once in this total.
- 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.
- Source: FVTC internal report Position Summary - FTE Basis.
- Source: General Fund and Special Revenue Aidable Fund on a Budgetary Basis.
- 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

	2018 *	2017	2016	2015	2014	2013	2012	2011	2010	2009
Square Footage										
Campuses:										
Appleton Main Campus	603,341	603,701	603,701	603,701	588,805	528,805	519,505	519,505	508,425	508,425
Oshkosh Riverside Campus	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786
Facilities:										
Advanced Manufacturing Technology Center	27,053	26,721	26,721	26,721	26,721	26,721	26,721	26,721	-	-
Criminal Justice Office Space	280	4,482	4,482	4,482	4,482	4,482	3,500	3,500	3,500	3,500
D. J. Bordini Center	78,813	78,813	78,813	78,813	78,813	78,813	78,813	78,813	78,813	78,813
FABTECH Education Center	12,500	14,460	14,460	14,460	14,460	14,460	14,460	14,460	14,460	14,460
Fire Training Center ^(a)	-	-	-	-	6,000	6,000	6,000	6,000	6,000	6,000
J. J. Keller - Transportation Center	122,498	122,498	122,498	122,498	122,498	80,992	80,992	80,992	80,992	80,992
Public Safety Training Center	110,263	111,295	111,295	111,295	-	-	-	-	-	-
S. J. Spanbauer Center	76,469	76,469	76,469	76,469	76,469	76,469	68,174	68,174	68,174	68,174
S. J. Spanbauer Center - Eight Bay Hangar	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030
Service Motor Company Agriculture Center	40,966	41,902	41,902	41,902	41,902	29,194	29,194	29,194	29,194	29,194
Sustainable Technology Center	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Wildland Fire Training Center ^(a)	-	-	-	-	6,240	6,240	-	-	-	-
Regional Centers:										
Chilton Regional Center	21,800	21,800	21,800	19,760	19,760	19,760	19,760	19,760	19,760	19,760
Clintonville Regional Center	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500
Neeah Regional Center - Kellett Center ^(b)	-	-	-	-	-	-	20,900	20,900	20,900	20,900
Waupaca Regional Center	15,200	15,530	15,530	15,530	15,530	15,530	15,530	15,530	15,530	15,530
Wautoma Regional Center	3,142	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050	2,050
Other Locations:										
Appleton City Center Plaza ^(c)	-	-	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400

(a) Leases ended January 2015

(b) Lease ended August 2012

(c) Lease ended June 2016

* 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, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 2018. The financial statements of the Fox Valley Technical College Foundation, Inc. (the "Foundation"), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

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

Wipfli LLP

November 6, 2018
Madison, Wisconsin

SINGLE AUDIT SECTION

Independent Auditor's Report on Compliance For Each Major Federal and State Program and on Internal Control Over Compliance Required by Uniform Guidance and the State Single Audit Guidelines

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

Report on Compliance for Each Major Federal and State Program

We have audited Fox Valley Technical College District's (the "District") compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration, that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2018. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

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

Auditor's Responsibility

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

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

Opinion

In our opinion, the Fox Valley Technical College District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal and state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control with the types of requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control in accordance with the Uniform Guidance and *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

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



Wipfli LLP

November 6, 2018
Madison, Wisconsin

Fox Valley Technical College District

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

Assistance Program		Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
U.S. Department of Agriculture									
Child and Adult Care Food Program									
Passed through the State of Wisconsin Department of Public Instruction		10.558		07-01-17 - 06-30-18	16,026	16,026	59,873	-	75,899
Total - U.S. Department of Agriculture					16,026	16,026	59,873	-	75,899
U.S. Department of the Interior									
Indian Education Higher Education Grant Program									
Bureau of Indian Affairs		15.114		07-01-17 - 06-30-18	162,586	162,586	-	-	162,586
Total - U.S. Department of the Interior					162,586	162,586	-	-	162,586
U.S. Department of Justice									
Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)									
SMART Promoting Evidence Integration in Sex Offender Management FY 2015		16.203	2015-AW-BX-K005	10-01-15 - 09-30-18	250,000	41,421	-	-	41,421
SMART Promoting Evidence Integration in Sex Offender Management FY 2017		16.203	2015-AW-BX-K005	10-01-17 - 09-30-18	500,000	21,442	-	-	21,442
Total - Comprehensive Approaches to Sex Offender Management Discretionary Grant (CASOM)					750,000	62,863	-	-	62,863
Office on Violence Against Women Technical Assistance Initiative									
OVW Training & Technical Assistance Initiative FY 2017		16.526	2017-TA-AX-K068	10-01-17 - 09-30-19	450,000	52,194	-	8,211	52,194
Juvenile Justice and Delinquency Prevention-Allocation to States									
Passed through the Florida Department of Juvenile Justice									
Disproportionate Minority Contact		16.540	SUB2011JFFX034	04-01-14 - 09-30-17	445,358	53,876	(14,264)	-	39,612
Missing Children's Assistance									
AMBER Training & Technical Assistance Program FY 2015		16.543	2013-MU-MU-K011	10-01-15 - 09-30-17	2,401,884	9,913	-	-	9,913
AMBER Training & Technical Assistance Program FY 2016		16.543	2013-MU-MU-K011	10-01-16 - 09-31-18	2,400,000	752,292	-	37,735	752,292
Internet Crimes Against Children Program Support FY 2014		16.543	2014-MC-FX-K003	10-01-14 - 03-31-18	2,000,000	82,342	-	-	82,342
Internet Crimes Against Children Program Support FY 2015		16.543	2014-MC-FX-K003	10-01-15 - 09-31-18	2,000,000	283,831	-	-	283,831
Internet Crimes Against Children Program Support FY 2016		16.543	2014-MC-FX-K003	10-01-16 - 09-31-18	2,000,000	1,120,822	-	-	1,120,822
Missing & Exploited Children Training & Technical Assistance Program FY 2014		16.543	2014-MC-FX-K046	10-01-14 - 01-31-18	2,000,000	11,971	-	-	11,971
Missing & Exploited Children Training & Technical Assistance Program FY 2015		16.543	2014-MC-FX-K046	10-01-15 - 01-31-18	1,500,000	141,480	-	4,322	141,480
Missing & Exploited Children Training & Technical Assistance Program FY 2016		16.543	2014-MC-FX-K046	10-01-16 - 01-31-18	1,800,000	1,032,173	-	59,989	1,032,173
Internet Crimes Against Children Specialized Training on Tools & Technology FY 2016		16.543	2016-MC-FX-K025	10-01-16 - 09-30-18	400,000	208,721	-	-	208,721
Internet Crimes Against Children Specialized Training on Tools & Technology FY 2017		16.543	2016-MC-FX-K025	10-01-17 - 09-30-18	400,000	232,913	-	-	232,913
Internet Crimes Against Children Entry Level & Core Training FY 2016		16.543	2016-MC-FX-K026	10-01-16 - 09-30-18	1,100,000	540,437	-	-	540,437
Internet Crimes Against Children Entry Level & Core Training FY 2017		16.543	2016-MC-FX-K026	10-01-17 - 09-30-18	1,100,000	488,084	-	-	488,084
Missing & Exploited Children Training & Technical Assistance Program FY 2017		16.543	2017-MC-FX-K003	10-01-17 - 09-30-18	1,800,000	906,396	-	24,746	906,396
AMBER Training & Technical Assistance Program FY 2017		16.543	2017-MC-FX-K003	10-01-17 - 09-30-18	2,400,000	1,520,154	-	45,796	1,520,154
Internet Crimes Against Children Program Support FY 2017		16.543	2017-MC-FX-K004	10-01-17 - 09-30-18	2,000,000	1,010,752	-	-	1,010,752
Total - Missing Children's Assistance					25,301,884	8,322,281	-	172,588	8,322,281
National Institute of Justice Research, Evaluation, and Development Project Grants									
Passed through the University of Massachusetts									
Information Sharing & Its Effect on Tracking Sex Offenders & Community Awareness		16.560	S5100000028482	02-01-15 - 12-31-19	67,742	18,882	-	-	18,882
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program									
Tribal Justice System Capacity Building-Strategic Planning FY 2013		16.580	2012-IC-BX-K004	10-01-13 - 09-30-19	918,003	3,657	-	-	3,657
Crime Victim Assistance/Discretionary Grants									
American Indian/Alaska Native Training & Technical Assistance Program FY 2015		16.582	2015-MU-GX-K075	10-01-15 - 09-30-18	2,000,000	721,144	-	237,229	721,144
American Indian/Alaska Native Training & Technical Assistance Program FY 2016		16.582	2015-MU-GX-K075	10-01-16 - 09-30-18	500,000	(66)	-	-	(66)
Total - Crime Victim Assistance/Discretionary Grants					2,500,000	721,078	-	237,229	721,078
Tribal Court Assistance Program									
Tribal Justice System Capacity Building-Strategic Planning FY 2016		16.608	2016-IC-BX-K002	10-01-16 - 03-31-19	625,000	196,336	-	112,855	196,336
Indian Country Alcohol and Drug Prevention									
Indian Alcohol & Substance Training & Technical Assistance FY 2013		16.616	2013-AC-BX-K001	10-01-13 - 09-30-18	900,000	34,139	-	29,508	34,139

Fox Valley Technical College District

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

Assistance Program		Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
Public Safety Partnership and Community Policing Grants									
COPS Tribal Resource Grant Program FY 2011		16.710	2011-HE-WX-K001	10-01-11 - 02-28-19	998,662	61,870	-	-	61,870
COPS National Indian Youth Police Academy FY 2013		16.710	2013-HE-WX-K003	09-01-13 - 08-31-18	199,893	3,222	-	-	3,222
COPS Tribal Community Policing Training & Technical Assistance Project FY 2015		16.710	2015-HE-WX-K004	09-01-15 - 08-31-18	300,000	138,441	-	-	138,441
COPS Online Training Development FY 2017		16.710	2017-CK-WX-K007	09-01-17 - 08-31-19	313,487	38,844	-	-	38,844
COPS Tribal Community Policing Training & Technical Assistance Project FY 2017		16.710	2017-HE-WX-K001	09-01-17 - 08-31-19	450,000	103,435	-	-	103,435
Total - Public Safety Partnership and Community Policing Grants					2,262,042	345,812	-	-	345,812
Edward Byrne Memorial Justice Assistance Grant Program									
<i>Passed through the Police Foundation</i>									
Law Enforcement National Initiatives: Improving Responses to CJ Issues FY 2016		16.738	SUB2016MUBXK005	10-01-16 - 09-30-18	380,000	288,451	-	-	288,451
Law Enforcement National Initiatives: Improving Responses to CJ Issues FY 2017		16.738	SUB2016MUBXK005	10-01-17 - 09-30-19	400,000	25,060	-	-	25,060
					780,000	293,511	-	-	293,511
Support for Adam Walsh Act Implementation Grant Program									
SORNA Tribal Training & Technical Assistance Program FY 2013		16.750	2013-AW-BX-K002	10-01-13 - 09-30-18	1,000,000	37,585	-	-	37,585
SORNA Tribal Training & Technical Assistance Program FY 2015		16.750	2013-AW-BX-K002	10-01-15 - 09-30-18	500,000	186,600	-	-	186,600
SORNA Tribal Training & Technical Assistance Program FY 2014		16.750	2014-AW-BX-K001	10-01-14 - 01-31-19	500,000	39,629	-	-	39,629
SORNA Workshops & National Symposium FY 2016		16.750	2016-AW-BX-K001	08-01-16 - 07-31-19	750,000	137,419	-	-	137,419
SORNA Tribal Training & Technical Assistance Program FY 2017		16.750	2017-AW-BX-K001	10-01-17 - 09-30-20	1,000,000	47,749	-	5,887	47,749
Total - Support for Adam Walsh Act Implementation Grant Program					3,750,000	448,982	-	5,887	448,982
Edward Byrne Memorial Competitive Grant Program									
Tribal Justice System Planning Process (TJSP) FY 2014		16.751	2012-IC-BX-K004	10-01-14 - 09-30-19	896,692	224,620	-	86,442	224,620
Tribal Justice System Planning Process (TJSP) FY 2015		16.751	2012-IC-BX-K004	10-01-15 - 09-30-19	625,000	97,415	-	6,256	97,415
Tribal Justice Systems Capacity Building Training & Technical Assistance FY 2014		16.751	2012-MU-BX-K002	10-01-14 - 09-30-18	400,000	108,118	-	-	108,118
Tribal Justice Systems Capacity Building Training & Technical Assistance FY 2015		16.751	2012-MU-BX-K002	10-01-15 - 09-30-18	300,000	76,664	-	-	76,664
Indian Alcohol & Substance Abuse Training & Technical Assistance FY 2014		16.751	2013-AC-BX-K001	10-01-14 - 09-30-18	650,000	203,206	-	-	203,206
Indian Alcohol & Substance Abuse Training & Technical Assistance FY 2015		16.751	2013-AC-BX-K001	10-01-15 - 09-30-18	300,000	107,469	-	-	107,469
Total - Edward Byrne Memorial Competitive Grant Program					3,171,692	817,492	-	92,698	817,492
Total - U.S. Department of Justice					41,921,721	11,371,103	(14,264)	658,976	11,356,839
U.S. Department of Labor									
Trade Adjustment Assistance Community College and Career Training (TAACCT) Grants									
<i>Passed through Chippewa Valley Technical College</i>									
Advancing Careers & Training for Healthcare (ACT for Healthcare)		17.282	TC264551460A55	10-01-14 - 03-31-18	263,228	69,932	-	-	69,932
Workforce Investment Act Cluster									
WIA Youth Activities									
<i>Passed through the Bay Area Workforce Development Board</i>									
Bay Area DWD Youth Case Management		17.259	18FVTCSSISOS	07-01-17 - 06-30-18	157,941	150,771	-	-	150,771
Total - U.S. Department of Labor					421,169	220,703	-	-	220,703
U.S. Department of State									
Academic Exchange Programs - Undergraduate Programs									
<i>Passed through the International Research & Exchanges Board (IREX)</i>									
Tunisia Community College Scholarship Program 2017-2018		19.009	SECAGD14CA1101	07-01-17 - 06-30-18	51,440	47,703	-	-	47,703
Global Undergraduate Exchange Program in Pakistan Spring 2018		19.009	SECAGD16CA1144	07-01-17 - 06-30-18	7,918	3,092	-	-	3,092
Total - Academic Exchange Programs - Undergraduate Programs					59,358	50,795	-	-	50,795
Public Diplomacy Programs									
<i>Passed through the American Councils for International Education</i>									
Year of Exchange in America for Russians (YEAR) Program		19.040	SLMAQM17CA2043	08-01-17 - 06-30-18	51,400	36,964	-	-	36,964
Total - U.S. Department of State					110,758	87,759	-	-	87,759

Fox Valley Technical College District

Schedule of Expenditures of Federal Awards

Year ended June 30, 2018

Assistance Program		Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
U.S. Department of Transportation									
<i>Passed through the Wisconsin Technical College System Board</i>									
Interagency Hazardous Materials Public Sector Training & Planning Grants		20.703		07-01-17 - 06-30-18	7,142	7,142	-	-	7,142
			Total - U.S. Department of Transportation		7,142	7,142	-	-	7,142
National Science Foundation									
<i>Education and Human Resources</i>									
<i>Passed through Collin County Community College District</i>									
National Center for Convergence Technology		47.076	DUE1205077	08-15-12 - 07-31-17	210,289	7,008	-	-	7,008
			Total - National Science Foundation		210,289	7,008	-	-	7,008
U.S. Department of Education									
<i>Adult Education - Basic Grants to States</i>									
<i>Passed through Homeless Connections</i>									
Homeless Connections Adult Education Program		84.002	93001149158	07-01-17 - 06-30-18	33,784	33,784	-	-	33,784
<i>Passed through the Wisconsin Technical College System Board</i>									
Adult Basic Education Comprehensive Services		84.002	12135146128	07-01-17 - 06-30-18	235,416	235,416	710,700	-	946,116
Basic Computer Skills Pre-assessment Revisions		84.002	12206146138	07-01-17 - 06-30-18	3,300	3,182	-	-	3,182
ELL Civics Literacy Project--Focus on Bridges to Education & Careers		84.002	12137146168	07-01-17 - 06-30-18	11,173	11,173	-	-	11,173
Incarcerated Adult Basic Education Program		84.002	12136146118	07-01-17 - 06-30-18	41,031	41,031	13,677	-	54,708
			Total - Adult Education - Basic Grants to States		324,704	324,586	724,377	-	1,048,963
Higher Education Institutional Aid									
		84.031		07-01-17 - 06-30-18	3,045	3,045	-	-	3,045
Career & Technical Education Basic Grants to States									
<i>Passed through the Wisconsin Technical College System Board</i>									
Perkins Business Management Student Success		84.048	12110150258	07-01-17 - 06-30-18	139,503	139,503	-	-	139,503
Perkins Career Prep Initiative		84.048	12108150218	07-01-17 - 06-30-18	47,076	47,076	-	-	47,076
Perkins Counseling & Support Services for Student Success		84.048	12109150238	07-01-17 - 06-30-18	523,137	523,137	340,102	-	863,239
Perkins NTO Recruitment & Retention Services		84.048	12111150268	07-01-17 - 06-30-18	34,876	34,876	-	-	34,876
			Total - Career & Technical Education Basic Grants to States		744,592	744,592	340,102	-	1,084,694
Rehabilitation Services Vocational Rehabilitation Grants to States									
<i>Passed through the Wisconsin Department of Workforce Development</i>									
Rehabilitation Services-Vocational Rehabilitation Grants to States		84.126		07-01-17 - 06-30-18	78,409	78,409	-	-	78,409
Student Financial Assistance Cluster									
Federal Supplemental Educational Opportunity Grants									
SEOG Grants		84.007		07-01-17 - 06-30-18	164,346	164,346	54,782	-	219,128
SEOG Grants-Administrative Cost		84.007		07-01-17 - 06-30-18	9,875	9,875	-	-	9,875
			Total - Federal Supplemental Educational Opportunity Grants		174,221	174,221	54,782	-	229,003
Federal Work-Study Program									
College Work Study		84.033		07-01-17 - 06-30-18	231,008	231,008	75,625	-	306,633
College Work Study-Administrative Cost		84.033		07-01-17 - 06-30-18	6,602	6,602	-	-	6,602
			Total - Federal Work-Study Program		237,610	237,610	75,625	-	313,235
Federal Pell Grant Program									
PELL Grants		84.063		07-01-17 - 06-30-18	7,789,000	7,789,000	-	-	7,789,000
PELL Grants - Administrative Fee		84.063		07-01-17 - 06-30-18	12,370	12,370	-	-	12,370
			Total - Federal Pell Grant Program		7,801,370	7,801,370	-	-	7,801,370
Federal Direct Student Loans									
Direct PLUS Loans		84.268		07-01-17 - 06-30-18	177,461	177,461	-	-	177,461
Direct Subsidized Loans		84.268		07-01-17 - 06-30-18	5,647,023	5,647,023	-	-	5,647,023
Direct Unsubsidized Loans		84.268		07-01-17 - 06-30-18	4,459,542	4,459,542	-	-	4,459,542
			Total - Federal Direct Student Loans		10,284,026	10,284,026	-	-	10,284,026
Total - Student Financial Assistance Cluster					18,497,227	18,497,227	130,407	-	18,627,634
Total - U.S. Department of Education					19,647,977	19,647,859	1,194,886	-	20,842,745

Fox Valley Technical College District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2018

Assistance Program											Passed Through to	
Federal Catalog Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Sub-Recipients	Total Expenditures					
<u>U.S. Department of Health and Human Services</u>												
Temporary Assistance for Needy Families												
Passed through the Wisconsin Department of Children & Families												
93.558		07-01-17 - 06-30-18	19,934	19,934	-	-	19,934					
93.558		07-01-17 - 06-30-18	5,164	5,164	-	-	5,164					
Total - U.S. Department of Health and Human Services			25,098	25,098	-	-	25,098					
<u>U.S. Department of Homeland Security</u>												
Assistance to Firefighters Grant												
Passed through the Wisconsin Technical College System Board												
97.044	12172153118	11-28-17 - 04-06-18	29,557	29,557	4,435	-	33,992					
Total - U.S. Department of Homeland Security			29,557	29,557	4,435	-	33,992					
			62,552,323	31,574,841	1,244,930	658,976	32,819,771					
TOTAL FEDERAL AWARDS												

Reconciliation of Federal Revenue to Basic Financial Statements

Basic Financial Statements	31,567,700
Add: Hazardous Materials Public Sector Training & Planning Grants	7,142
Rounding	(1)
	<u>31,574,841</u>

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

Fox Valley Technical College District

Schedule of Expenditures of State Awards

Year ended June 30, 2018

Assistance Program	State Catalog Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
Wisconsin Department of Transportation								
Motorcycle Safety								
Motorcycle Basic Rider Course 2018	20.395(4)(AQ)	0000004593	07-01-17 - 06-30-18	38,472	23,327	45,198	-	68,525
		Total - Wisconsin Department of Transportation		38,472	23,327	45,198	-	68,525
Wisconsin Department of Veterans Affairs								
Veterans Employment and Entrepreneurship Grants								
<i>Passed through the Fox Valley Technical College Foundation</i>								
E-seed Entrepreneurial Training: Veterans Edition (ENVoy) Project	20.485(2)(QM)		03-21-17 - 12-31-17	36,520	28,213	-	-	28,213
E-seed Entrepreneurial Training: Veterans Edition (ENVoy) Project	20.485(2)(QM)		01-01-18 - 12-31-18	89,400	12,237	-	-	12,237
		Total - Wisconsin Department of Veterans Affairs		125,920	40,450	-	-	40,450
Higher Education Aids Board								
Wisconsin Tuition Grants	235.101		07-01-17 - 06-30-18	1,783	1,783	-	-	1,783
Wisconsin Higher Education Grant	235.102		07-01-17 - 06-30-18	1,387,117	1,387,117	-	-	1,387,117
Remission of Fees for Veterans and Dependents	235.105		07-01-17 - 06-30-18	260,012	260,012	-	-	260,012
Minority Undergraduate Retention	235.107		07-01-17 - 06-30-18	17,000	17,000	-	-	17,000
Academic Excellence Scholarship	235.109		07-01-17 - 06-30-18	2,250	2,250	2,250	-	4,500
Handicapped Student Grant	235.112		07-01-17 - 06-30-18	1,800	1,800	-	-	1,800
Talent Incentive Program	235.114		07-01-17 - 06-30-18	68,852	68,852	-	-	68,852
Nursing Student Loan	235.117		07-01-17 - 06-30-18	12,000	12,000	-	-	12,000
Technical Excellence Scholarship	235.119		07-01-17 - 06-30-18	111,379	111,379	111,379	-	222,758
Indian Student Assistance	235.132		07-01-17 - 06-30-18	15,325	15,325	-	-	15,325
		Total - Higher Education Aids Board		1,877,518	1,877,518	113,629	-	1,991,147
Wisconsin Department of Public Instruction								
Minority Group Scholarships								
Latinas Empowered Through Transformative Ideas in Education (LETTIE)	255.903	FY16-766802PSP	07-01-15 - 06-30-18	29,000	-	692	-	692
DPI Latina & Hmong Camps (LETTIE & HERO)	255.903	FY17-18-766802PCS310	07-01-17 - 06-30-19	22,721	22,721	-	-	22,721
		Total - Wisconsin Department of Public Instruction		51,721	22,721	692	-	23,413
Wisconsin Technical College System Board								
Emergency Assistance								
FVTC Student Emergency Assistance	292.104	12-122-104-118	07-01-17 - 06-30-18	37,391	37,391	-	-	37,391
State Aid for Technical Colleges	292.105		07-01-17 - 06-30-18	8,666,401	8,666,401	-	-	8,666,401
Grants to District Boards								
Next Generation Dual Credit Career Pathways for Adults	292.124	12-113-124-128	07-01-17 - 06-30-18	199,505	199,505	66,502	-	266,007
Accelerated Career Pathway for Diversity in Criminal Justice	292.124	12-114-124-128	07-01-17 - 06-30-18	132,369	129,339	44,123	-	173,462
Expanding the Talent Pipeline in High Demand Occupations	292.124	12-115-124-128	07-01-17 - 06-30-18	598,085	598,085	199,362	13,096	797,447
Culinary Arts Retention Initiative	292.124	12-116-124-138	07-01-17 - 06-30-18	154,450	154,450	-	-	154,450
Technology Infusion in Agriculture Education	292.124	12-117-124-138	07-01-17 - 06-30-18	194,301	194,301	-	-	194,301
FVTC & MPCTC Welding Consortium ABE+Welding Quick Start	292.124	12-119-124-138	07-01-17 - 06-30-18	588,227	588,227	-	260,456	588,227
Information Systems Security Specialist	292.124	12-120-124-148	07-01-17 - 06-30-18	189,713	189,713	-	-	189,713
Neurodiagnostic Technology Training	292.124	12-121-124-148	07-01-17 - 06-30-18	10,287	10,287	-	-	10,287
Professional Development S Prize Project	292.124	12-123-124-158	07-01-17 - 06-30-18	74,312	74,312	37,156	-	111,468
FVTC Student Support Services	292.124	12-124-124-168	07-01-17 - 06-30-18	225,000	225,000	75,063	-	300,063
WTCS/UW Collaborative Face to Face Transfer Meeting	292.124	12-173-124-198	07-01-17 - 06-30-18	1,295	1,294	-	-	1,294
Early Childhood Education State Leadership/Curriculum Review Project	292.124	12-176-124-188	10-24-17 - 10-24-18	6,000	5,076	-	-	5,076
ABC Electrician Apprentice Expansion	292.124	12-178-124-118	07-01-17 - 06-30-18	28,270	28,118	-	-	28,118
Maintenance Technician & Millwright Apprentice Expansions	292.124	12-179-124-118	07-01-17 - 06-30-18	28,965	28,965	-	-	28,965
Steamfitter Service Apprentice Expansion	292.124	12-180-124-118	07-01-17 - 06-30-18	18,462	18,388	-	-	18,388
Tool & Die Apprentice & Millwright Apprentice Expansions	292.124	12-181-124-118	07-01-17 - 06-30-18	2,680	2,680	-	-	2,680
Assessing & Implementing Closed Captioning Strategies	292.124	12-211-124-198	02-15-18 - 02-15-19	20,000	2,911	-	-	2,911

Fox Valley Technical College District

Schedule of Expenditures of State Awards

Year ended June 30, 2018

Assistance Program	State Catalog Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
<u>Workforce Advancement Training</u>								
Transportation	292.124	12-028-124-177	07-01-16 - 08-31-17	22,027	1,529	-	-	1,529
Skills to Achieve Operational Excellence	292.124	12-059-124-177	07-01-16 - 08-31-17	154,138	5,718	-	-	5,718
Skills to Achieve Operational Excellence	292.124	12-151-124-178	07-01-17 - 08-31-18	159,914	125,517	-	-	125,517
First-line Leadership: Core Skills to Boost Performance & Pathways	292.124	12-152-124-178	07-01-17 - 08-31-18	195,256	183,114	-	-	183,114
Transportation	292.124	12-153-124-178	07-01-17 - 08-31-18	30,322	20,330	-	-	20,330
Construction	292.124	12-154-124-178	07-01-17 - 08-31-18	21,735	20,156	-	-	20,156
Healthcare	292.124	12-155-124-178	07-01-17 - 08-31-18	42,102	13,569	-	-	13,569
Advanced Manufacturing Employee Skills & Productivity Training	292.124	12-165-124-177	07-01-17 - 08-31-17	49,998	49,998	-	-	49,998
<u>Passed through Northeast Wisconsin Technical College</u>								
The Advanced Manufacturing Network	292.124	13-440-124-188	11-12-17 - 11-12-18	10,800	687	-	-	687
		Total - Grants to District Boards		3,158,213	2,871,269	422,206	273,552	3,293,475
Truck Driving Training Program								
	292.128	12-167-128-118	07-01-17 - 06-30-18	35,322	35,322	-	-	35,322
Fire Fighter Training 2%								
	292.137		07-01-17 - 06-30-18	54,548	54,548	-	-	54,548
Property Tax Relief Aid								
	292.162		07-01-17 - 06-30-18	29,119,516	29,119,516	-	-	29,119,516
		Total - Wisconsin Technical College System Board		41,071,391	40,784,447	422,206	273,552	41,206,653
<u>Wisconsin Department of Natural Resources</u>								
State Aid in lieu of Property Taxes	370.503		07-01-17 - 06-30-18	42,210	42,210	-	-	42,210
		Total - Wisconsin Department of Natural Resources		42,210	42,210	-	-	42,210
<u>Wisconsin Department of Workforce Development</u>								
Rehabilitation Services Vocational Rehabilitation Grants to States								
<i>Passed through the Wisconsin Department of Workforce Development</i>								
Rehabilitation Services-Vocational Rehabilitation Grants to States	445.509		07-01-17 - 06-30-18	21,221	21,221	-	-	21,221
		Total - Wisconsin Department of Workforce Development		21,221	21,221	-	-	21,221
<u>Wisconsin Department of Revenue</u>								
State Aid-Computers	835.109		07-01-17 - 06-30-18	274,922	274,922	-	-	274,922
		Total - Wisconsin Department of Revenue		274,922	274,922	-	-	274,922
TOTAL STATE AWARDS				43,503,375	43,086,816	581,725	273,552	43,668,541

Reconciliation of State Revenue to Basic Financial Statements

State Operating Appropriations	38,103,049
State Grants included in Operating Revenue	4,983,771
Rounding	(4)
	<u>43,086,816</u>

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Notes to the Schedules of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

NOTE A - BASIS OF PRESENTATION

The accompany Schedules of Expenditures of Federal and State Awards includes the federal and state grant activity of Fox Valley Technical College District ("the District") under programs of federal and state government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)) and State of Wisconsin *Single Audit Guidelines*. Because the Schedule presents only a selected portion of the operation of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the accrual basis of accounting and are in agreement with amounts reported in the Fox Valley Technical College District's 2017-2018 basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Match represents District contributions to federal and state programs and includes adjustments for prior year transactions.

NOTE C – INDIRECT COST RATE

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

NOTE D - OVERSIGHT AGENCIES

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section I – Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

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

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$947,245

Auditee qualified as low-risk auditee?	Yes
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FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section I – Summary of Auditors' Results (Continued)

State Awards

Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the <i>State of Wisconsin Single Audit Guidelines</i> ?	No
Identification of major state programs:	
<u>Name of State Program</u>	<u>State I.D. Number</u>
State Aids for Vocational, Technical, and Adult Education	292.105
Property Tax Relief Aid	292.162
Talent Incentive Program	235.114
Wisconsin Higher Education Grants	235.102
Grants to District Boards	292.124
Dollar threshold used to distinguish between Type A and Type B programs:	
State	\$250,000

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

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

Section III – Federal Award and State Financial Assistance Findings

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section IV – Other Issues

Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?

No

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

Wisconsin Department of Children and Families

No

Wisconsin Department of Revenue

No

Wisconsin Department of Workforce Development

No

Wisconsin Higher Education Aids Board

No

Wisconsin Technical College System

No

Wisconsin Department of Transportation

No

Wisconsin Department of Veteran Affairs

No

Wisconsin Department of Public Instruction

No

Wisconsin Department of Natural Resources

No

Was a management letter or other document conveying audit comments issued as a result of this audit?

No

Name and signature of partner



Dan Walker, CPA

Date of report

November 6, 2018

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Schedule of Prior Year Findings and Corrective Action Plan
For the Year Ended June 30, 2018

Schedule of Prior Year Findings

None

Corrective Action Plan

None required