



Annual Comprehensive Financial Report For the Fiscal Year ended June 30, 2023

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



www.fvtc.edu

Fox Valley Technical College District Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2023

Prepared by
Financial Services Department of Fox Valley Technical College

Contact

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INTRODUCTORY SECTION

FOX VALLEY TECHNICAL COLLEGE DISTRICT
June 30, 2023

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December 19, 2023

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 Annual Comprehensive Financial Report (ACFR) for the Fox Valley Technical College District (the District) for the fiscal year ended June 30, 2023, 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, 2023. The statements are the responsibility of the District's administration. As independent certified public accountants, Wipfli's role is to express an opinion on the basic financial statements. The audit provides a reasonable basis for financial statement users to rely on the information presented in the financial statements. Wipfli also, in accordance with Government Auditing Standards, issued a report on compliance and on internal control over financial reporting.

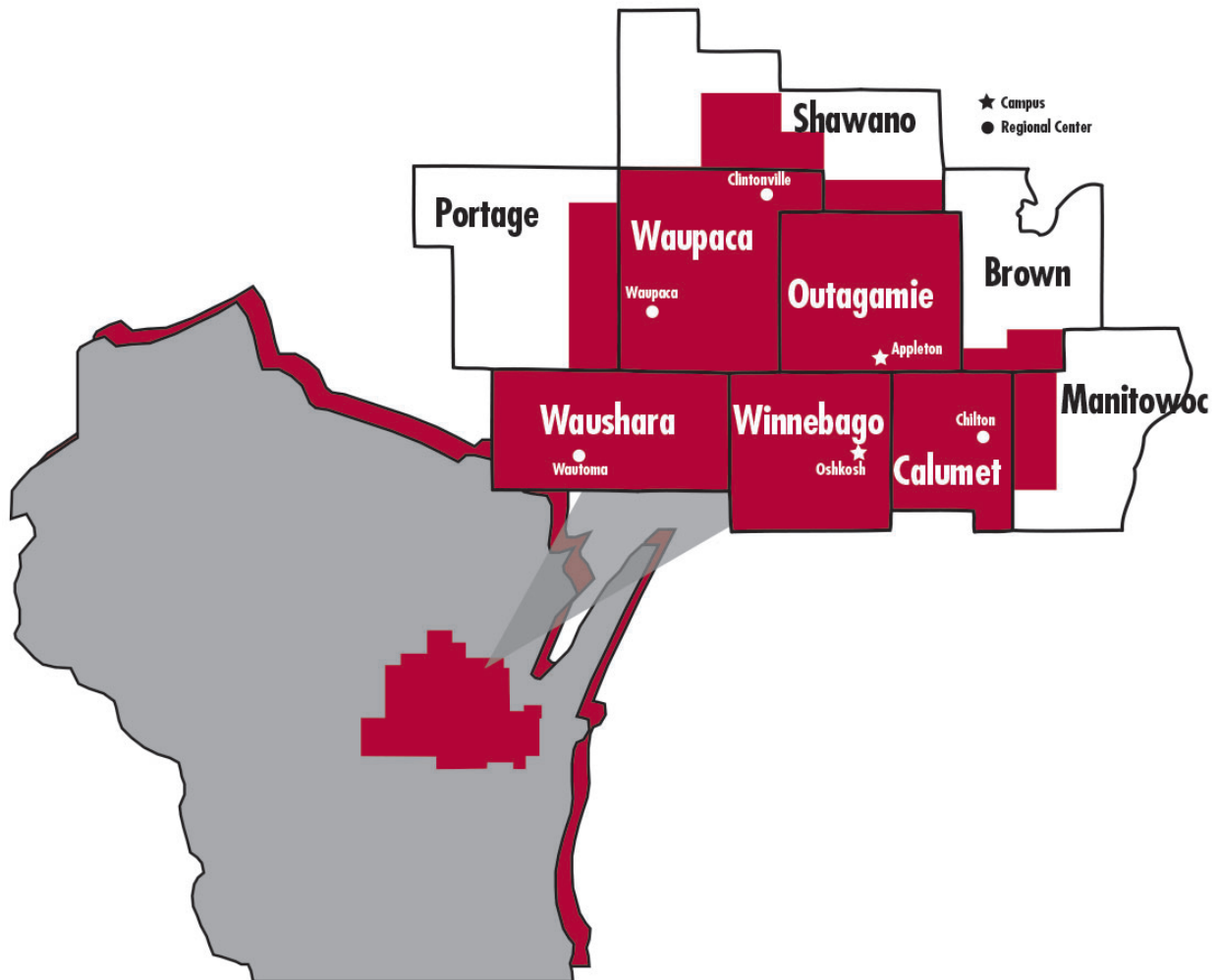
The management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE

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

Approximately 490,000 people live in the counties and portions of counties served by the District, using population data from the Wisconsin Department of Administration (DOA) 2022 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 District's partner in cultivating community relationships and philanthropic support that enhance the mission and vision of the District. 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.

Core Values

Our core values represent the desired educational environment and guide the development of institutional policies and practices. The FVTC community affirms the following values:

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

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

Culture of Caring and Belonging — We value a College culture that fosters caring, empathy, and understanding in a respectful, professional environment.

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

Diversity, Equity and Inclusion — We value an environment that attracts and supports a diverse educational community that fosters global awareness.

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

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

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

Strategic Directions & College Priorities

The 2022-25 Strategic Plan was approved by the District Board of Trustees in June 2022. Four focus areas will guide the work of the District through 2025: Focus on our Students, Focus on our Teams and Organization, Focus on our Regional Employers, and Focus on our K-12 and Community Partners. Key strategies and success measures have been identified for each focus area. Annual college priorities have been developed for each focus area to support the long-term achievement of the success measures. Mid-year progress and annual results are monitored by District administration and the Board of Trustees.

Budgetary Process and Control

The District's accounting system provides for budgetary control of revenues and expenditures which establishes a direct relationship between the financial budget and accounting reports. 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. 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.

State and National Economy

Economic conditions present additional challenges and concerns that the District has identified:

- The District operates under a state imposed tax levy limit which restricts growth in the operating levy to the value of net new construction.
- Over the past several years, a significant portion of funding for technical colleges has shifted from local to state support. While state 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.
- While District enrollment is slowly increasing after several years of decline, growth is slow and annual state-set tuition increases have been very modest.
- High inflation is resulting in significant increases to operating costs that cannot be offset by the relatively flat revenue described above.

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

Additional Information

Please refer to Management's Discussion & Analysis as well as the Notes to Basic Financial Statements for additional information about the District's financial condition.

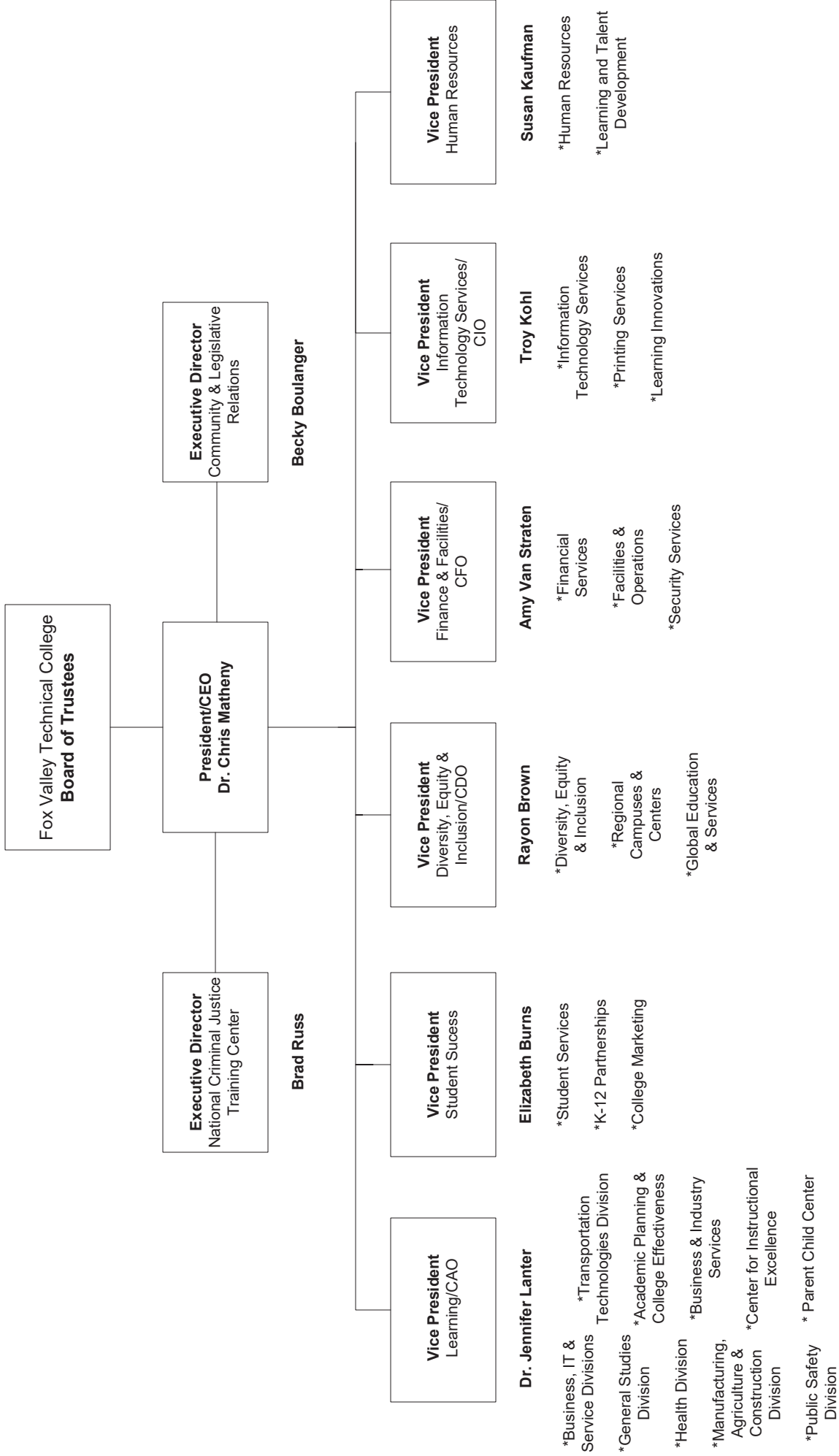
ACKNOWLEDGMENT

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. Christopher Matheny
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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Fox Valley Technical College District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Fox Valley Technical College District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Fox Valley Technical District Foundation, Inc., a discretely presented component unit of the District, were not audited in accordance with Government Auditing Standards.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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, and the schedules of proportionate share of the net pension liability (asset) and contributions – Wisconsin Retirement System, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Financial Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules listed in the table of contents as supplementary information and schedules of expenditures of federal awards and state financial assistance as required by Title 2 U.S. *Code of Federal Regulations (CFR) 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the budgetary comparison schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Financial Information

We have previously audited the District's 2022 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 20, 2022. In our opinion, the comparative information presented herein as of and for the year ended June 30, 2022, 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 our report dated December 19, 2023, on our consideration of the 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 on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Wipfli LLP

December 19, 2023
Madison, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Overview of the Financial Statements

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

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

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

The *statement of revenues, expenses and changes in net position* presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. In general, a public college such as the District will report an operating deficit or loss, as the financial reporting model classifies state appropriations and property taxes as non-operating revenues. The utilization of capital assets is reflected in the financial statements as depreciation and amortization, 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 Annual Financial Report (AFR).

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 Annual Financial Report (AFR).

On July 1, 2021, the District implemented GASB Statement No. 96 Subscription-Based Information Technology Arrangements (SBITA's). A SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The standard also provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. There was no impact on the beginning net position or fund balance as a result of this statement. For additional information see Notes C, D and F in the Notes to the Basic Financial Statements.

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

	2023	Restated 2022	\$	%	Restated 2021
ASSETS					
Cash and investments	\$22,372	\$25,099	(\$2,727)	-10.9%	\$24,241
Net capital assets	166,926	164,159	2,767	1.7%	152,451
Other assets	57,689	90,200	(32,512)	-36.0%	81,581
Total assets	<u>246,987</u>	<u>279,459</u>	<u>(32,472)</u>	<u>-11.6%</u>	<u>258,273</u>
Deferred Outflows of Resources	<u>75,091</u>	<u>61,852</u>	<u>13,238</u>	<u>21.4%</u>	<u>41,629</u>
LIABILITIES					
Current liabilities	36,922	34,766	2,156	6.2%	31,243
Long-term liabilities	101,100	86,744	14,356	16.5%	80,644
Total liabilities	<u>138,022</u>	<u>121,511</u>	<u>16,511</u>	<u>13.6%</u>	<u>111,887</u>
Deferred Inflows of Resources	<u>46,003</u>	<u>78,889</u>	<u>(32,886)</u>	<u>-41.7%</u>	<u>57,154</u>
NET POSITION					
Net investment in capital assets	78,861	76,518	2,343	3.1%	72,571
Restricted for:					
Debt service	18,487	18,244	243	1.3%	17,358
Net pension asset	-	14,438	(14,438)	-100.0%	6,959.07
Unrestricted	40,704	31,711	8,992	28.4%	33,974
Total net position	<u>\$138,052</u>	<u>\$140,911</u>	<u>(\$2,859)</u>	<u>-2.0%</u>	<u>\$130,861</u>

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

From 2022 to 2023, total assets decreased by \$32.5 million, or 11.6%. Although there are several smaller changes that offset each other, the primary change is due to the District's net share of the Wisconsin Retirement System (WRS). The net pension asset of \$32.3 million at June 30, 2022 became a net pension liability at June 30, 2023 of \$20.4 million. The change is primarily attributable to losses on investments due to less favorable market conditions during the measurement period, the calendar year 2022 in comparison to 2021. For additional information on the calculation of this net liability, see Note F in Notes to Basic Financial Statements.

Additional offsetting changes:

- ❖ Unrestricted cash as well as restricted cash and investments each decreased by \$2.7 million. The post-pandemic economy impacted project timelines in fiscal year 2022, causing higher costs and delays. Although the District is still experiencing delays, projects are progressing at a better pace.
- ❖ Related to and offsetting the above, non-depreciable and depreciable capital assets increased by \$2.9 million.
- ❖ Accounts receivable increased by \$1.5 million due to increased contract training.
- ❖ Prepaid expenditures increased by \$835,822, or 78%, primarily due to the timing of the annual insurance premium renewal.

Deferred outflows of resources increased by \$13.2 million, or 21.4%. Three items are classified in this category: pension benefits, other post-employment benefits (OPEB) and loss on bond refunding.

- ❖ The change related to pension benefits and other post-employment benefits (OPEB) is attributable to the net difference between projected versus actual earnings on investments, primarily the result of lower market returns in 2022 compared to 2021, in addition to contributions made after the measurement date of each. The pension fund accounts for \$13.6 million of that net change. For additional information, see Notes F and G in the Notes to Basic Financial Statements.

From 2022 to 2023, total liabilities increased by \$16.5 million, or 13.6%. Although there are several smaller changes that offset each other, the primary change is due to the District's net share of the Wisconsin Retirement System (WRS). The net pension asset of \$32.3 million at June 30, 2022 became a net pension liability at June 30, 2023 of \$20.4 million. The change is primarily attributable to investment performance in 2022 compared to 2021. For additional information on the calculation of this net liability, see Note F in Notes to Basic Financial Statements.

Additional changes to total liabilities:

- ❖ Accounts payable increased \$1.5 million, or 78%. This increase is primarily associated with the increase in prepaid expenses mentioned above, where fiscal year 2024 expenses were entered into the accounting system but not yet paid as of June 30, 2023, resulting in an increase to both accounts payable and prepaid expenses. The largest of these items was the annual insurance renewal of \$794,000.
- ❖ Principal payments made exceeded debt issued in the current year by \$2.7 million, resulting in a decrease in total debt outstanding.
- ❖ The total OPEB liability decreased by \$1.4 million. For additional information, see Note G in the Notes to Basic Financial Statements.
- ❖ Long-term lease obligations decreased by \$867,000. For additional information see Note E in the Notes to Basic Financial Statements.
- ❖ IT subscription obligations decreased by \$913,900. Note the prior year liability for IT subscription obligations was restated due to the implementation of GASB 96. For additional information see Note F in the Notes to Basic Financial Statements.

Deferred inflows of resources decreased by \$32.9 million, or 41.7%. This amount represents a reduction in pension liability of \$33.3 million and an increase in OPEB liability of \$397,000, 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 2022 to 2023 total net position decreased by \$2.9 million, or 2.0%.

- ❖ The largest portion of the District's net position (57.1%) reflects its net investment in capital assets (land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The net increase of \$2.3 million was primarily due to a \$5.0 million net increase in capital assets currently under construction (noted as construction in progress) offset by an increase of \$2.4 million of related debt.
- ❖ Restricted net position for net pension asset decreased by \$14.4 million. This was primarily a result of returns on investments due to unfavorable market conditions which resulted in the prior year net asset being reclassified to a net liability. For additional information see Note F in the Notes to Basic Financial Statements.
- ❖ Unrestricted position increased \$9.0 million, details of which are further described on the next pages.

Condensed Comparative Data and Overall Analysis

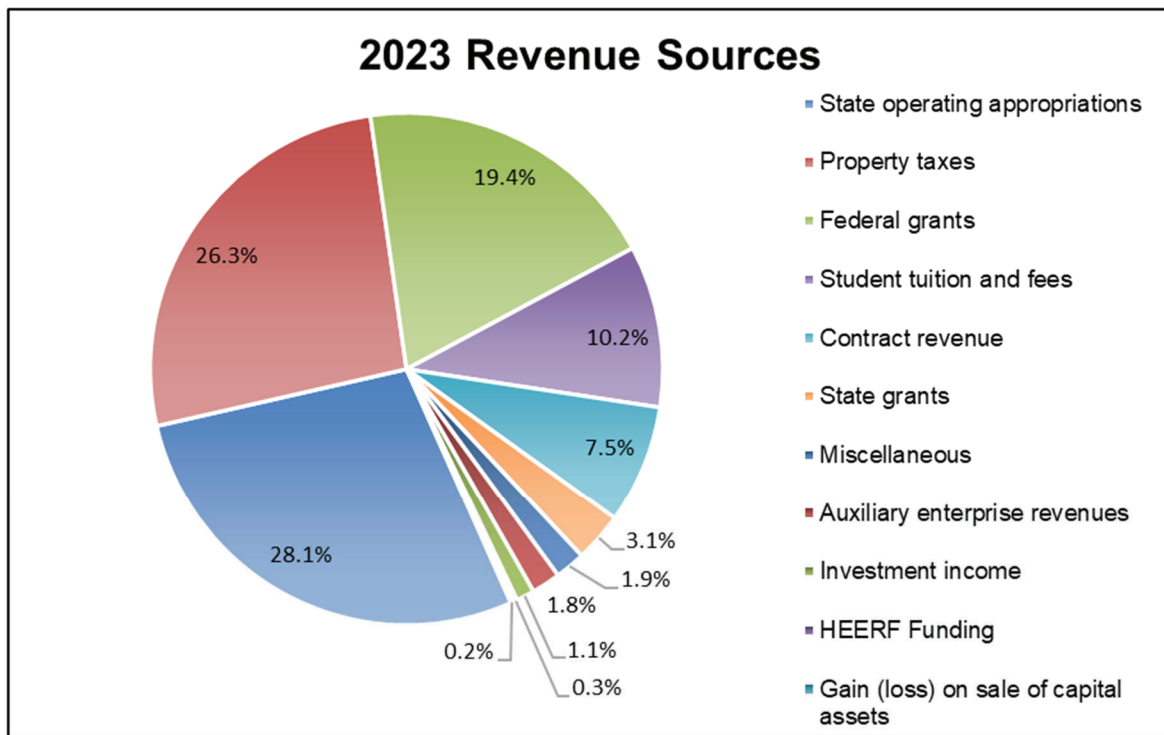
The following is a summary of the various components of the Statement of Revenues, Expenses and Changes in Net Position:

	2023	2022	Increase or (Decrease)		2021
			\$	%	
Operating Revenues:					
Student tuition and fees	\$15,748	\$14,370	\$1,378	9.6%	\$13,910
Federal grants	29,978	26,600	3,378	12.7%	25,773
State grants	4,797	4,745	53	1.1%	4,302
Contract revenue	11,617	10,905	712	6.5%	10,320
Auxiliary enterprise revenues	2,809	1,991	818	41.1%	1,944
Miscellaneous	2,941	2,728	213	7.8%	2,626
Total operating revenues	\$67,891	\$61,339	\$6,552	10.7%	\$58,874

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

Operating revenues are the charges for services offered by the District. During 2023, the District generated \$67.9 million in operating revenue. This is an increase of \$6.6 million, or 10.7%, from 2022. Although nothing of significance is noted here, federal and state grant activity varies from year to year based on program funding.

The graph below summarizes the District's 2023 operating and non-operating revenue sources with the legend sorted by significance:



Operating expenses are costs related to offering the programs of the District. From 2022 to 2023, total operating expenses increased \$12.3 million, or 8.6%. The following variances were noted:

	2023	2022	Increase or (Decrease)		2021
			\$	%	
Operating Expenses:					
Instruction	\$89,126	\$75,228	\$13,897	18.5%	\$74,074
Instructional resources	804	751	53	7.1%	694
Student services	10,433	10,416	17	0.2%	8,628
General institutional	18,796	17,717	1,079	6.1%	19,314
Physical plant	7,244	6,810	434	6.4%	6,014
Auxiliary enterprise services	3,226	2,298	928	40.4%	2,141
Depreciation and amortization	16,131	15,451	681	4.4%	12,079
Student aid	10,054	14,851	(4,796)	-32.3%	12,109
Total operating expenses	\$155,814	\$143,522	\$12,292	8.6%	\$135,053

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

- ❖ Instruction expenses increased by \$13.9 million, or 18.5%. The primary drivers are noted below:
 - The majority of the increase was due to the instruction-related allocation of the District's net share of the Wisconsin Retirement System (WRS) expense, resulting in an increase in expense of \$8.6 million.
 - Expenses related to federal grants managed by the National Criminal Justice Training Center increased by \$3.1 million. These grants vary from year to year based on funding and programs offered. The expense increase is consistent with the increase of \$3.4 million in federal revenues.
 - Lastly, salaries increased 4.7% for all regular staff and health insurance rates increased by 15%.
- ❖ Student aid expenses decreased \$4.8 million, or 32.3%. The decrease is primarily due to the final distribution of the Student Aid portion of the Higher Education Emergency Relief Fund (HEERF) authorized by the American Rescue Plan occurring in fiscal year 2022.

	2023	2022	Increase or (Decrease)		2021
			\$	%	
Non-Operating Revenues:					
Property taxes	\$40,557	\$40,591	(\$34)	-0.1%	\$41,921
State operating appropriations	43,336	41,644	1,692	4.1%	39,814
HEERF Funding	395	10,027	(9,632)	-96.1%	12,209
Gain (loss) on sale of capital assets	380	401	(20)	5.1%	110
Investment income earned	1,768	(158)	1,926	-1215.7%	93
Subtotal of Non-Operating Revenues	86,437	92,505	(6,068)	-6.6%	94,147
Non-Operating Expenses:					
Interest expense	1,191	707	484	68.4%	550
Debt issuance costs	224	265	(41)	-15.4%	490
Subtotal of Non-Operating Expenses	1,415	972	443	45.6%	1,040
Total Non-Operating Revenues (Expenses)	\$85,022	\$91,533	(\$6,511)	-7.1%	\$93,106

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

Non-operating revenues and expenses are not directly related to the operations of the District. Total non-operating revenues (expenses) decreased \$6.6 million, or 7.2 %, from 2022 to 2023. Notable items listed below:

- ❖ State operating appropriations increased by \$1.7 million or 4.1%. The bi-annual state budget increased state aid by \$1.0 million and the remainder of the increase was due to a prior year state aid adjustment received in the current year.
- ❖ The \$9.6 million decrease in Higher Education Emergency Relief Fund (HEERF) Funding reflects the final distribution of federal funds that the District received to provide financial aid to students and cover institutional expenses and revenue losses related to the COVID-19 pandemic.
- ❖ Investment income earned increased by \$1.9 million reflective of favorable market returns in comparison to the prior year.

Budget Variances in the General Fund

2023	Original Budget	Final Amended Budget	Actual (Budgetary Basis)	Increase or (Decrease) From Budget
Total revenues	\$86,106	\$86,251	\$87,481	\$1,230
Total expenditures	91,451	91,811	90,110	(1,701)
Other financing sources (uses)	4,145	4,145	2,086	(2,059)
Excess (deficiency)	(\$1,200)	(\$1,415)	(\$543)	\$872

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

When comparing the original budget to the final amended budget, the difference was primarily driven by a \$153,000 amendment to reflect the difference between the actual valuation factor of 1.74% and the budgeted increase of 1.5%. The valuation factor sets the limit for increasing the sum of operating levy and property tax relief aid. Both revenue and expenditures (contingency) were increased.

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

- ❖ Program (tuition) fees were \$490,000 greater than budget. District enrollments increased 4% in 2023.
- ❖ Investment income was \$694,000 greater than budget due to better-than-expected investment returns.
- ❖ Total non-salary expenditures were under budget by \$1.5 million.
 - The contingency budget of \$942,000 was unspent.
 - Insurance expenditures were under budget by \$211,000 due to lower-than-expected workers compensation insurance cost and lower aircraft insurance.
 - Utilities expenditures were under budget by \$136,000 due to ongoing energy conservation efforts as well as telephone expense savings.
- ❖ Other financing sources were under budget by \$2.1 million.
 - The budget included a \$2 million contribution from the Health and Dental Fund to the general fund which was not actually made. The Health and Dental Fund is an internal service fund, and its reserves are strategically managed to allow future flexibility.

The factors listed above led to actual results that were \$872,000 better than budget.

Capital assets and long-term debt activity

The District's investment in capital assets as of June 30, 2023, was \$166.9 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, land improvements, buildings and building improvements, intangible assets, equipment, and construction in progress.

Notable additions for the current year:

- ❖ *Oshkosh Science Labs Remodel.* The 2019 Oshkosh Riverside Space Study identified the opportunity to offer science classes in Oshkosh. The science lab remodel complements the Surgical Technology, Health Information Technology and Nursing programs. Lab based science courses available at the Riverside Campus benefit students in the General Studies transfer program with UW-Oshkosh and UW-Green Bay and those living in the Oshkosh area. Three existing classrooms were converted into a Biology/Micro-Biology classroom, a Chemistry/Anatomy and Physiology classroom, a cadaver lab, and a lab preparation room. The project also included funds for an autoclave and necessary equipment to furnish the labs.
- ❖ *Cooling Tower Replacement.* Cooling towers at the Main Campus were replaced to promote energy efficiency.
- ❖ *Oshkosh Medical Assistant and Nursing Lab Remodel.* The existing labs were updated to reflect state-of-the-art healthcare facilities in our District and to attract more health program students to the Riverside Campus. This project also included funds to furnish the labs with the necessary equipment.
- ❖ *Equipment additions:* Major equipment additions included a Mitsubishi fiber laser system, a new public address system, and a Mazak vertical machining center upgrade.

In addition, construction has begun on the following projects that will be completed next year:

- ❖ *Culinary Arts/Baking/Food Service Remodel (Main Campus).* The project includes enclosing kitchen labs, adding a corridor for intuitive, clear access to all areas, and separating food service operations from instruction. A second baking lab will be added to accommodate the recently approved AAS program. The space needed for freezers, coolers and dry storage will be optimized between different labs. The project also includes funds to furnish instructional equipment.
- ❖ *Bordini Electricity Technical Diploma (ETD) Remodel.* The remodeled space will provide a new industrial lab, two classrooms, and a generator lab.

The District is also continuing their ERP journey by implementing the Student portion of the Workday Cloud ERP System. This project is slated to take place over three years which will result in a single system for Human Resources, Finance and Student Administration to streamline business processes and provide secure, real-time information to improve decision making. The Workday Student system will manage student information and processes and improve the student experience through consistent easy to use processes. The Student ERP project began in April 2022 with multiple moves to production based on the student-life cycle milestones with the final move to production in September 2024. The District is contracting directly with Workday Professional Services for the project implementation.

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 a Aaa rating from Moody's Investors Service for its general obligation debt. This rating designates the District as having the least amount of credit risk in comparison to other debt. As quoted from Moody's Investors Service last report:

“The Aaa rating reflects the district’s very large, diverse tax base and healthy reserves. The district’s strong management and conservative budgeting continue to drive maintenance of healthy finances despite a longer-term declining enrollment trend and limits on raising revenue. The rating also incorporates the district’s low debt burden, moderate pension burden and low fixed costs.”

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

A complex mix of trends—changing demographics, an acceleration of baby boomer retirements, technological change, and lingering challenges associated with the pandemic--has resulted in the tightest labor market of modern times. In an environment where revenue is essentially flat, this impacts the ability of the District to attract and competitively compensate employees.

A tight labor market also affects the employers in our District, who are clamoring for skilled employees. The future prosperity of our region depends on access to skilled workers, and therefore the need for the District to produce graduates has never been greater.

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 Administration, 1825 N. Bluemound Drive, P.O. Box 2277, Appleton, WI 54912-2277.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Statement of Net Position

June 30, 2023

With Comparative Amounts as of June 30, 2022

	2023		2022 - Restated	
	District	Foundation	District	Foundation
ASSETS				
Current Assets				
Cash and investments	\$ 22,372,285	\$ 19,080,611	\$ 25,099,365	\$ 17,095,502
Receivables				
Accounts	6,969,127	819	5,500,110	819
Property taxes	8,750,303	-	9,204,887	-
Federal and state aid	345,961	-	209,312	-
Student fees, net	9,481,979	-	9,044,086	-
Interest	127,588	-	48,330	-
Unconditional promises to give	-	57,638	-	81,552
Inventories	206,281	-	211,326	-
Prepaid items	1,908,386	-	1,072,564	-
Property held for investment	-	445,609	-	536,140
Total Current Assets	50,161,910	19,584,677	50,389,980	17,714,013
Noncurrent Assets				
Restricted cash and investments	29,898,962	-	32,638,595	-
Net pension asset	-	-	32,271,110	-
Capital assets - Non-depreciable	11,913,509	841,204	6,210,024	841,204
Capital assets - Depreciable	155,012,165	3,613,681	157,948,908	3,763,657
Total Noncurrent Assets	196,824,636	4,454,885	229,068,637	4,604,861
TOTAL ASSETS	246,986,546	24,039,562	279,458,617	22,318,874
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding	433,005	-	519,606	-
Deferred outflows related to pension/OPEB	74,657,807	-	61,332,750	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	75,090,812	-	61,852,356	-
LIABILITIES				
Current Liabilities				
Accounts payable	3,374,088	600,999	1,891,119	510,573
Accrued payroll, payroll taxes and retirement	3,037,814	-	2,736,583	-
Accrued vacation	1,188,880	-	1,184,516	-
Accrued health and dental claims	55,000	-	55,000	-
Accrued interest	196,899	-	149,148	-
Unearned student fees	9,781,043	-	9,349,696	-
Other unearned revenue	206,990	-	396,242	-
Due to other organizations	245,500	-	291,483	-
Current portion of long-term liabilities	18,836,028	-	18,712,518	-
Total Current Liabilities	36,922,242	600,999	34,766,305	510,573
Long-term Liabilities				
Bonds and notes payable	60,840,000	-	63,590,000	-
Debt premium	3,049,957	-	3,167,317	-
Net pension liability	20,417,171	-	-	-
Total OPEB liability	3,846,173	-	5,259,462	-
Lease obligations	6,443,789	-	7,310,882	-
IT subscription obligations	6,502,906	-	7,416,806	-
Total Long-term Liabilities	101,099,996	-	86,744,467	-
TOTAL LIABILITIES	138,022,238	600,999	121,510,772	510,573
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension/OPEB	46,002,963	-	78,888,846	-
NET POSITION				
Net investment in capital assets	78,861,355	4,454,885	76,518,135	4,604,861
Restricted for debt service	18,487,265	-	18,244,026	-
Restricted for net pension asset	-	-	14,437,962	-
Restricted for scholarships and other activities	-	8,913,996	-	8,089,589
Unrestricted	40,703,537	10,069,682	31,711,232	9,113,851
TOTAL NET POSITION	\$ 138,052,157	\$ 23,438,563	\$ 140,911,355	\$ 21,808,301

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, 2023
With Comparative Amounts for the Year Ended June 30, 2022

	2023		2022 - Restated	
	District	Foundation	District	Foundation
Operating Revenues				
Student program fees, net of scholarship allowances of \$5,443,775 and \$5,363,748 for 2023 and 2022	\$ 12,257,968	\$ -	\$ 11,043,411	\$ -
Student material fees, net of scholarship allowances of \$312,031 and \$320,859 for 2023 and 2022	702,617	-	660,624	-
Other student fees, net of scholarship allowances of \$1,238,031 and \$1,294,901 for 2023 and 2022	2,787,727	-	2,666,069	-
Federal grants	29,979,865	-	26,600,067	-
State grants	4,797,463	-	4,744,800	-
Contract revenue	11,617,247	-	10,904,894	-
Auxiliary enterprise revenues	2,808,563	-	1,990,849	-
Miscellaneous	2,939,112	3,262,826	2,728,151	4,104,362
Total Operating Revenues	67,890,562	3,262,826	61,338,865	4,104,362
Operating Expenses				
Instruction	89,125,584	-	75,228,491	-
Instructional resources	803,736	-	750,730	-
Student services	10,433,108	-	10,416,353	-
General institutional	18,795,927	2,994,103	17,717,017	3,913,642
Physical plant	7,243,791	-	6,810,130	-
Auxiliary enterprise services	3,225,646	-	2,298,054	-
Depreciation and amortization	16,131,400	149,976	15,450,508	149,976
Student aid	10,054,414	-	14,850,583	-
Total Operating Expenses	155,813,606	3,144,079	143,521,866	4,063,618
Operating Income (Loss)	(87,923,044)	118,747	(82,183,001)	40,744
Nonoperating Revenues (Expenses)				
Property taxes	40,557,230	-	40,590,911	-
State operating appropriations	43,335,906	-	41,643,938	-
HEERF funding	395,460	-	10,027,414	-
Gain (loss) on sale of capital assets	380,497	-	400,822	-
Investment income earned	1,767,678	1,511,515	(158,442)	(2,194,448)
Interest expense	(1,190,790)	-	(707,073)	-
Bond issuance costs	(224,035)	-	(264,805)	-
Total Nonoperating Revenues (Expenses)	85,021,946	1,511,515	91,532,765	(2,194,448)
Income before Capital Contributions	(2,901,098)	1,630,262	9,349,764	(2,153,704)
Capital Contributions	41,900	-	700,559	-
Change in Net Position	(2,859,198)	1,630,262	10,050,323	(2,153,704)
Net Position - July 1	140,911,355	21,808,301	130,861,032	23,962,005
Net Position - June 30	\$ 138,052,157	\$ 23,438,563	\$ 140,911,355	\$ 21,808,301

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, 2023
With Comparative Amounts for the Year Ended June 30, 2022

	2023		2022 - Restated	
	District	Foundation	District	Foundation
Cash Flows from Operating Activities				
Tuition and fees received	\$ 15,741,766	\$ -	\$ 15,348,373	\$ -
Federal and state grants received	34,451,427	-	31,242,033	-
Contract revenue received	10,777,961	-	17,526,434	-
Auxiliary enterprise revenues received	2,808,563	-	1,990,849	-
Other receipts	2,939,112	3,247,186	2,728,151	4,418,334
Payments to employees	(96,883,882)	-	(94,234,064)	-
Payments to suppliers	(37,452,199)	(2,903,677)	(41,702,988)	(4,050,998)
Net Cash From Operating Activities	(67,617,252)	343,509	(67,101,212)	367,336
Cash Flows from Noncapital Financing Activities				
Local property taxes received	41,011,814	-	41,043,838	-
State appropriations received	43,335,906	-	41,643,938	-
CARES Act funding received	395,460	-	10,027,414	-
Net Cash From Noncapital Financing Activities	84,743,180	-	92,715,190	-
Cash Flows from Capital and Related Financing Activities				
Purchases of capital assets	(18,767,569)	-	(14,885,219)	-
Proceeds from disposal of capital assets	291,824	-	407,577	-
Proceeds from disposition in property held for investment	-	385,000	-	325,000
Expenditures on property held for investment	-	(254,915)	-	(421,468)
Issuance of capital debt	13,392,734	-	18,000,000	-
Premium received on debt issuance	841,567	-	1,190,887	-
Debt issuance costs paid	(224,035)	-	(264,805)	-
Principal paid on capital debt	(17,800,217)	-	(17,948,708)	-
Interest paid on capital debt	(2,015,365)	-	(1,750,586)	-
Net Cash From Capital and Related Financing Activities	(24,281,061)	130,085	(15,250,854)	(96,468)
Cash Flows from Investing Activities				
Sales of long-term investments	245,591,295	17,117,602	56,964,721	5,687,995
Purchase of long-term investments	(247,129,466)	(20,752,398)	(59,993,842)	(5,938,294)
Investment income received	1,688,420	459,185	(190,780)	271,530
Net Cash From Investing Activities	150,249	(3,175,611)	(3,219,901)	21,231
Change in Cash and Cash Equivalents	(7,004,884)	(2,702,017)	7,143,223	292,099
Cash and Cash Equivalents - July 1	35,096,699	4,273,178	27,953,476	3,981,079
Cash and Cash Equivalents - June 30	\$ 28,091,815	\$ 1,571,161	\$ 35,096,699	\$ 4,273,178
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position				
Cash and investments in current assets	\$ 22,372,285	\$ 19,080,611	\$ 25,099,365	\$ 17,095,502
Cash and investments in restricted assets	29,898,962	-	32,638,595	-
Less: investments	(24,179,432)	(17,509,450)	(22,641,261)	(12,822,324)
Cash and Cash Equivalents - June 30	\$ 28,091,815	\$ 1,571,161	\$ 35,096,699	\$ 4,273,178
Noncash Investing, Capital and Financing Activities				
Capital assets purchased by contributions	\$ 41,900	\$ -	\$ 700,559	\$ -

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Statement of Cash Flows (Continued)
For the Year Ended June 30, 2023
With Comparative Amounts for the Year Ended June 30, 2022

	2023		2022 - Restated	
	District	Foundation	District	Foundation
Reconciliation of Operating Income (Loss) to Net Cash From Operating Activities				
Operating income (loss)	\$ (87,923,044)	\$ 118,747	\$ (82,183,001)	\$ 40,744
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation and amortization	16,131,400	149,976	15,450,508	149,976
Bad debt expense	-	2,676	-	1,678
(Gain) loss on sale of property held for investment	-	(39,554)	-	(43,436)
Changes in assets and liabilities				
Receivables				
Accounts	(1,469,017)	-	7,059,910	20,180
Federal and state aid	(136,649)	-	58,278	-
Student fees	(437,893)	-	86,245	-
Unconditional promises to give	-	21,238	-	335,550
Inventories	5,045	-	16,408	-
Prepaid items	(835,822)	-	(83,153)	-
OPEB liability	(1,413,289)	-	(2,125,866)	-
Pension related items	6,477,341	-	(5,438,504)	-
Accounts payable	1,482,969	90,426	(268,578)	(137,356)
Accrued payroll, payroll taxes, retirement and vacation	305,595	-	(392,228)	-
Accrued health and dental claims	-	-	9,000	-
Unearned student fees	431,347	-	892,024	-
Other unearned revenue	(189,252)	-	(161,112)	-
Due to other organizations	(45,983)	-	(21,143)	-
Net Cash From Operating Activities	<u>\$ (67,617,252)</u>	<u>\$ 343,509</u>	<u>\$ (67,101,212)</u>	<u>\$ 367,336</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, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

1. Reporting Entity

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

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

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

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

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

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special purpose government engaged only in business-type activities. The District's basic financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

3. 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. Prior year amounts were restated to reflect the impact of the GASB Statement No. 96 as described in Note O.

4. Cash and Investments

Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with an original maturity of three months or less from date of acquisition are considered to be cash equivalents.

5. Property Taxes and Taxes Receivable

The District disseminates its property tax levy to city, village and town treasurers or clerks in October of the fiscal year for which the taxes are levied. The following dates are pertinent to the District's tax calendar.

Levy date	October 31
Assessment date	January 1
Lien date	August 31
Due dates:	
Taxes paid in one installment	January 31
Taxes paid in two installments	
First installment due	January 31
Second installment due	July 31
Settlement dates	Months of January, February and August

Under Section 38.16 of the Wisconsin Statutes, the District Board may levy a tax based on the full equalized value of taxable property within the area served by the District for the purposes of making capital improvements, acquiring equipment, and operating and maintaining schools. For the fiscal years 2014 and beyond, the District is prohibited from increasing tax levy by a percentage greater than the district's valuation factor. The valuation factor as defined by 38.16(3)(a)4 is a percentage equal to the greater of either zero percent or the percentage change in the district's January 1 equalized value due to the aggregate new construction, less improvements removed, in municipalities located in the district between the previous year and the current year, as determined by the department of revenue. Any unused levy authority (up to .5%) may be used in the next budget year. There is no cap on taxes levied for the purposes of paying principal and interest on general obligation debt issued by the District for capital improvements and equipment acquisitions.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For the year ended June 30, 2023, the District levied taxes at the following mill rate:

Operating purposes	\$ 0.473884
Debt service requirements	0.330170
	\$ 0.804054

The 2022 tax levy used to finance expenditures for the fiscal year ended June 30, 2023 was \$40,545,757.

6. Student Receivables, Fees and Tuition

Tuition and fees attributable to the summer semester are recognized as revenue based on the student class days occurring before and after June 30, 2023.

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, 2023. Amounts outstanding longer than the agreed upon payment terms are considered past due. The District determines its allowance for doubtful accounts by considering a number of factors including length of time amounts are past due, the District's previous loss history, and the student's ability to pay his or her obligation. The District writes off receivables when they become uncollectible.

7. Inventories

Inventories are recorded at cost, which approximates market, using primarily the first-in, first-out method. Inventories consist of food service supplies, auto parts and other expendable supplies held for resale or consumption. The cost is recorded as an expense at the time individual inventory items are consumed rather than when purchased while some inventory locations use the retail dollar inventory methods. Instructional and administrative inventories are accounted for as expenses when purchased.

8. Prepaid Items

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

9. Capital Assets

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

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

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Deferred Outflows/Inflows of Resources

Deferred outflow of resources are a consumption of net position by the District that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the District that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

11. Long Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses as incurred.

In the fund financial statements, governmental funds recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Leases

At the commencement of a lease, the District determines based on the criteria dictated in the GASB Statement No. 87 – Leases, if the lease is a finance purchased or a right-to-use lease liability. The District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease liabilities are reported with the long-term obligations on the statement of net position.

A finance purchased asset is initially measured as the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The asset is depreciated on a straight-line basis over the life of the lease which is considered the asset's useful life. The asset is reported with the District capital assets as land, land improvements, buildings and improvement or furniture and equipment.

An intangible right-to-use lease asset is initially measured as the initial amount of the lease liability adjusted for lease payment made at or before the lease commencement date, plus certain initial direct costs. The intangible right-to-use lease asset is amortized on a straight-line basis over the life of the lease. The intangible right-to-use asset is reported with the District capital assets in its own category called Leased Assets (right-to-use).

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to estimate the price of such components, the District treats the components as a single lease unit.

The District monitors changes in the circumstances that would require a re-measurement of its lease and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease.

13. Subscription Based Information Technology Arrangements

The District is a party to multiple subscription based information technology arrangements (SBITAs). If the contract provides the District the right to use the present service capacity and the right to direct the use of the identified asset, it is considered to be or contain a SBITA. Subscription-based assets and liabilities are recognized at the agreement commencement date based on the present value of the future payments over the expected contract term. The SBITA asset is also adjusted for any prepayments made and capitalizable initial implementation costs as incurred.

The SBITA liability is initially and subsequently recognized based on the present value of its future payments. Variable payments are included in the present value when the underlying rate or index is fixed and predictable for the life of the lease. Variable costs that depend on an unpredictable index are accounted for as expenses as they are incurred. Increases (decreases) to variable payments due to subsequent changes in an index or rate are recorded as an adjustment to expense in the period in which they are incurred.

The discount rate used is the implicit rate in the SBITA contract, if it is readily determinable, or the District's incremental borrowing rate.

For all underlying classes of assets, the District does not recognize SBITA assets and liabilities for short-term agreements that have a contract term of 12 months or less at contract commencement. Contracts containing termination clauses in which either party may terminate without cause and the notice period is less than 12 months are deemed short-term agreements with costs included in expense.

14. 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 G.
- 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 H.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. 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.

16. 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.

17. 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.

18. 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.

19. 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, HEERF funding, state appropriations and investment income.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

20. 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.

21. Other Post-Employment Benefits

The College also offers an OPEB plan for health insurance. The total other postemployment liability for this plan have been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits and OPEB expense. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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 \$52,271,247 on June 30, 2023 as summarized below:

Petty cash funds	\$ 3,893
Deposits with financial institutions	69,823
Investments	
U.S. Treasury Notes	9,931,876
Bank note	-
Commercial Paper	22,941,765
Corporate notes	1,344,822
Federal agency securities	537,269
Supranational	244,784
Asset backed securities	1,519,894
Municipal bonds	100,000
Certificates of deposit	99,129
Money market mutual funds	15,477,992
	<u>\$ 52,271,247</u>

Cash and investments are reported on June 30, 2023 as follows:

Statement of Net Position	
Cash and investments	\$ 22,372,285
Restricted cash and investments	29,898,962
Total cash and investments	<u>\$ 52,271,247</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE B - CASH AND INVESTMENTS (Continued)

Deposits and investments of the District are subject to various risks. Presented below is a discussion of the specific risks and the District's policy related to the risk.

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, 2023, the District did not have any cash deposits with financial institutions in excess of federal and state depository insurance limits.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. The District does not have an additional credit risk policy. Presented below is the actual rating as of year-end for each investment type.

Investment Type	Amount	Exempt From Disclosure	AAA	Aa	A	Not Rated
U.S. Treasury Notes	\$ 9,931,876	\$ 9,931,876	\$ -	\$ -	\$ -	\$ -
Commercial paper	22,941,765	-	22,941,765	-	-	-
Corporate notes	1,344,822	-	67,291	618,577	658,954	-
Federal agency securities	537,269	-	-	537,269	-	-
Supranational	244,784	-	244,784	-	-	-
Asset back securities	1,519,894	-	1,143,719	-	-	376,175
Municipal bonds	100,000	-	100,000	-	-	-
Certificates of deposit	99,129	-	-	99,129	-	-
Money market mutual funds	15,477,992	-	15,477,992	-	-	-
Totals	<u>\$ 52,197,531</u>	<u>\$ 9,931,876</u>	<u>\$39,975,551</u>	<u>\$ 1,254,975</u>	<u>\$ 658,954</u>	<u>\$ 376,175</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE B - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

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

Interest Rate Risk

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

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
U.S. Treasury notes	\$ 9,931,876	\$ 7,105,741	\$ 1,469,089	\$ 1,357,046	\$ -
Commercial paper	22,941,765	-	22,941,765	-	-
Corporate notes	1,344,822	-	634,800	710,022	-
Federal agency securities	537,269	-	130,156	222,386	184,727
Supranational	244,784	-	155,493	89,291	-
Asset back securities	1,519,894	-	11,291	1,483,896	24,707
Municipal bonds	100,000	100,000	-	-	-
Certificates of deposit	99,129	-	-	99,129	-
Money market mutual funds	15,477,992	15,477,992	-	-	-
Totals	\$ 52,197,531	\$ 22,683,733	\$ 25,342,594	\$ 3,961,770	\$ 209,434

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.	
	\$ 1,519,894

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE B - CASH AND INVESTMENTS (Continued)

Fair Value Measurements

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

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

Level 2 Inputs to the valuation methodology include:

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

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

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

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

Information regarding the fair value of assets measured at fair value on a recurring basis as of June 30, 2023 shown below:

	Total Assets at Fair Value	Level 1	Level 2	Level 3
U.S. Treasury Notes	\$ 9,931,876	\$ -	\$ 9,931,876	\$ -
Commercial paper	22,941,765	-	22,941,765	-
Corporate notes	1,344,822	-	1,344,822	-
Federal agency securities	537,269	-	537,269	-
Supranational	244,784	-	244,784	-
Asset back securities	1,519,894	-	1,519,894	-
Certificates of deposit	99,129	-	99,129	-
Money market mutual funds	15,477,992	-	15,477,992	-
Totals	<u>\$ 52,097,531</u>	<u>\$ -</u>	<u>\$ 52,097,531</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, 2023

NOTE B - CASH AND INVESTMENTS (Continued)

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

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

NOTE C - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance as Restated	Additions	Deductions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,923,817	\$ -	\$ -	\$ 1,923,817
Construction in progress	4,286,207	23,917,044	18,213,559	9,989,692
Total Capital assets, not being depreciated	<u>6,210,024</u>	<u>23,917,044</u>	<u>18,213,559</u>	<u>11,913,509</u>
Capital assets, being depreciated:				
Land improvements	17,166,071	1,578,054	586,781	18,157,344
Buildings and improvements	170,732,234	4,416,088	-	175,148,322
Intangible assets	2,587,792	185,319	34,256	2,738,855
Equipment	57,302,535	5,825,339	3,615,029	59,512,845
Leased Assets (Right of use)	19,066,614	247,453	534,449	18,779,618
IT subscription assets (Right of use)	11,304,455	975,315	283,333	11,996,437
Subtotal	<u>278,159,701</u>	<u>13,227,568</u>	<u>5,053,848</u>	<u>286,333,421</u>
Less accumulated depreciation and amortization for:				
Land improvements	7,278,050	893,607	586,781	7,584,876
Buildings and improvements	68,376,968	4,992,791	-	73,369,759
Intangible assets	496,300	887,775	34,256	1,349,819
Equipment	30,970,766	6,319,185	3,582,118	33,707,833
Leased Assets (Right of Use)	11,550,514	1,070,043	534,449	12,086,108
IT subscription assets (Right of use)	1,538,195	1,967,999	283,333	3,222,861
Subtotal	<u>120,210,793</u>	<u>16,131,400</u>	<u>5,020,937</u>	<u>131,321,256</u>
Total capital assets, being depreciated, net	<u>157,948,908</u>	<u>(2,903,832)</u>	<u>32,911</u>	<u>155,012,165</u>
Net capital assets	<u>\$ 164,158,932</u>	<u>\$ 21,013,212</u>	<u>\$ 18,246,470</u>	<u>166,925,674</u>
Less capital related debt				(69,473,509)
Less right to use lease liability				(7,572,886)
Less IT subscription liability				(8,359,867)
Less capital related premiums				<u>(2,658,057)</u>
Net investment in capital assets				<u><u>\$ 78,861,355</u></u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Notes to Basic Financial Statements
June 30, 2023

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, 2023:

	June 30, 2022 As Restated	Issued	Retired	June 30, 2023	Due Within One Year
General obligation debt					
Bonds	\$ 30,435,000	\$ -	\$ 4,475,000	\$ 25,960,000	\$ 4,605,000
Notes	48,735,000	13,100,000	11,105,000	50,730,000	11,245,000
Total general obligation debt	79,170,000	13,100,000	15,580,000	76,690,000	15,850,000
Debt premium	3,167,317	841,567	958,927	3,049,957	-
Net pension liability	-	20,417,171	-	20,417,171	-
Total OPEB liability	5,259,462	-	1,413,289	3,846,173	-
Lease liability - Right to use	8,412,847	295,092	1,135,053	7,572,886	1,129,097
IT subscription obligations	9,447,359	975,315	2,062,837	8,359,837	1,856,931
	<u>\$105,456,985</u>	<u>\$ 35,629,145</u>	<u>\$ 21,150,106</u>	<u>\$119,936,024</u>	<u>\$18,836,028</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, 2023 totaled \$76,690,000 and was comprised of the following issues:

Bonds

September 2020 - \$26,720,000 taxable general obligation refunding bonds payable at Cede and Co., New York, New York, with interest at 0.3 to 0.9% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2027.

\$ 25,960,000

Total General Obligation Bonds

25,960,000

Notes

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.

775,000

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.

205,000

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.

220,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes (Continued)

August 2017 - \$8,800,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2024. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 1,815,000

September 2017 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2024. Proceeds used for building improvements and remodeling. 440,000

October 2017 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2024. Proceeds used for building improvements and remodeling. 440,000

August 2018 - \$9,000,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2025. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 3,705,000

September 2018 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2025. Proceeds used for building improvements and remodeling. 680,000

October 2018 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0 to 4.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2025. Proceeds used for building improvements and remodeling. 675,000

August 2019 - \$10,400,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0 to 5.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2026. Proceeds used for construction of buildings, building improvements, remodeling, capital equipment and non-building capital projects. 5,625,000

September 2019 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 3.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2026. Proceeds used for building improvements and remodeling. 855,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes (Continued)

September 2020 - \$7,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 1.0 to 2.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2027. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 4,260,000

February 2021 - \$4,000,000 taxable 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, 2027. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 2,775,000

August 2021 - \$8,505,000 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, 2028. Proceeds used for building improvements, remodeling, capital equipment and non-building capital projects. 6,240,000

September 2021 - \$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, 2028. Proceeds used for building improvements and remodeling. 1,245,000

October 2021 - \$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, 2028. Proceeds used for building improvements and remodeling. 1,180,000

June 2022 - \$6,495,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 5.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2029. Proceeds used for projects including site improvements and software or upgrades, but not including buildings, site acquisition, or equipment. 6,495,000

August 2022 - \$8,600,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2029. Proceeds used for construction of buildings, building improvements, remodeling, capital equipment and non-building capital projects. 8,600,000

November 2022 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2029. Proceeds used for building improvements and remodeling. 1,500,000

(Continued)

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Notes (Continued)

December 2022 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0-5.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2030. Proceeds used for building improvements and remodeling. 1,500,000

February 2023 - \$1,500,000 general obligation promissory note payable at Cede and Co., New York, New York, with interest at 4.0% payable semiannually in June and December; principal payments are due on December 1 of each year until maturity on December 1, 2030. Proceeds used for building improvements and remodeling. 1,500,000

Total General Obligation Promissory Notes 50,730,000

Total General Obligation Debt \$ 76,690,000

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

Year Ended June 30	Principal	Interest	Total
2024	\$ 15,850,000	\$ 1,224,650	\$ 16,517,975
2025	14,715,000	1,388,754	16,103,754
2026	14,400,000	1,054,685	15,454,685
2027	13,035,000	731,370	13,766,370
2028	10,930,000	457,102	11,387,102
2029	4,600,000	253,950	4,853,950
2030	2,920,000	96,600	3,016,600
2031	240,000	12,000	252,000
	<u>\$ 76,690,000</u>	<u>\$ 5,219,111</u>	<u>\$ 81,352,436</u>

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new debt in an irrevocable trust to provide for the future debt service payments on the old debt. Accordingly, the trust account asset and liability for the defeased bonds are not included in the District's financial statements. At June 30, 2023 \$24,975,000 of the debt outstanding is considered defeased.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE D - LONG-TERM OBLIGATIONS (Continued)

Legal Margin for New Indebtedness

The District's legal margin for creation of additional indebtedness on June 30, 2023 was as follows:

	Aggregate	Bonded
Equalized valuation of the District	\$ 52,746,755,674	\$ 52,746,755,674
Statutory limitation percentage	(x) 5%	(x) 2%
General obligation debt limitation, per Section 67.03 of the Wisconsin Statutes	<u>\$ 2,637,337,784</u>	<u>\$ 1,054,935,113</u>
General obligation debt	\$ 76,690,000	\$ 25,960,000
Lease liability for right to use assets	7,572,886	-
IT subscription obligations	8,359,837	
Less: Amounts available for financing general obligation debt restricted for debt service	18,487,265	18,487,265
Net outstanding general obligation debt applicable to debt limitation	<u>\$ 74,135,458</u>	<u>\$ 7,472,735</u>

NOTE E - LEASES

Lease Liability: Right-to-use asset agreements

The District has entered into lease arrangements for equipment and building space. The District is required to make various monthly principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right-to-use asset if an interest rate was not provided in the lease agreement.

The District has fifteen building leases under long-term, noncancelable lease arrangements with interest rates ranging from 0.74%-3.17% and maturity dates through August 31, 2090.

The District has two equipment leases with an interest rate of 1.935% and maturity dates through October 31, 2025.

Total principal and interest costs for such leases for governmental funds were \$1,199,178 for the year ended June 30, 2023. The future minimum lease payment for these agreements are noted on the following page:

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE E - LEASES (Continued)

Year Ended June 30	Principal	Interest	Total
2024	\$ 1,129,097	\$ 55,240	\$ 1,184,337
2025	1,069,415	45,189	1,114,604
2026	915,727	36,694	952,421
2027	807,346	30,277	837,623
2028	571,511	24,862	596,373
2029-2033	1,530,110	77,900	1,608,010
2034-2038	110,920	55,366	166,286
2039-2043	115,102	51,183	166,285
2044-2048	119,441	46,844	166,285
2049-2053	123,945	42,340	166,285
2054-2058	128,618	37,667	166,285
2059-2063	133,468	32,818	166,286
5064-2068	138,500	27,786	166,286
2069-2073	143,722	22,564	166,286
2074-2078	149,141	17,145	166,286
2079-2083	154,764	11,521	166,285
2084-2088	160,599	5,686	166,285
2089-2093	71,460	597	72,057
	<u>\$ 7,572,886</u>	<u>\$ 621,679</u>	<u>\$ 8,194,565</u>

These lease agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. The assets acquired through right-to-use asset lease agreements are as follows:

Right-to-use assets:	
Leased asset - buildings	\$ 18,351,513
Leased asset - machinery and equipment	428,105
Subtotal	<u>18,779,618</u>
Less: accumulated amortization	12,086,108
Total	<u>\$ 6,693,510</u>

NOTE F – Subscription-Based Information Technology Arrangements (IT subscription obligations)

IT subscription obligations

The District has entered into contracts for information technology (IT) subscriptions. The District is required to make various monthly principal and interest payments. The District used the incremental borrowing rate as the interest rate for the right-to-use asset if an interest rate was not provided in the lease agreement.

The District has seventeen contracts under long-term, noncancelable subscription arrangements with interest rates ranging from 0.76%-3.17% and maturity dates through June 30, 2031.

Total principal and interest costs for such leases for governmental funds were \$1,199,178 for the year ended June 30, 2023. The future minimum lease payment for these agreements are noted on the following page:

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

**NOTE F – Subscription-Based Information Technology Arrangements (IT subscription obligations)
(continued)**

Year Ended June 30	Principal	Interest	Total
2024	\$ 1,856,931	\$ 87,012	\$ 1,943,943
2025	1,460,611	66,488	1,527,099
2026	1,087,230	50,332	1,137,562
2027	1,103,332	37,768	1,141,100
2028	959,185	26,247	985,432
2029-2033	1,892,548	32,713	1,925,261
	<u>\$ 8,359,837</u>	<u>\$ 300,560</u>	<u>\$ 8,660,397</u>

These agreements qualify as right-to-use assets for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the date of their inception. The assets acquired through right-to-use asset subscription-based technology arrangements are as follows:

Right-to-use assets:	
IT subscription assets	\$ 11,996,437
Less: accumulated amortization	<u>3,222,861</u>
Total	<u>\$ 8,773,576</u>

NOTE G - 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 Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

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

Benefits Provided: Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to receive a retirement benefit based on a formula factor, their final average earning, and creditable service.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE G - PENSION PLANS (continued)

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

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

The WRS also provides death and disability benefits for employees.

2. Post-Retirement Adjustments

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

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.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE G - PENSION PLANS (continued)

During the reporting period, the WRS recognized \$4,320,092 in contributions from the District.

Contribution rates as of June 30, 2023 are:

Employee Category	2023	
	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At June 30, 2023, the District reported a liability of \$20,417,171 for its proportionate share of the net pension liability. The net pension liability 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 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 was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the District's proportion was 0.38539663% (a decrease of 0.01498021% from the prior year).

For the year ended June 30, 2023, the District recognized pension expense of \$10,436,763.

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,518,229	\$ (42,721,651)
Net differences between projected and actual earnings on pension plan investments	34,684,060	-
Changes in assumptions	4,014,861	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	327,847	(80,183)
Employer contributions subsequent to the measurement date	2,418,578	-
Total	<u>\$ 73,963,575</u>	<u>\$ (42,801,834)</u>

\$2,418,578 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE G - PENSION PLANS (continued)

Year ended June 30	Net Deferred Outflow (Inflow) of Resources
2024	\$ 1,229,800
2025	5,967,783
2026	6,141,285
2027	15,404,294

5. Actuarial Assumptions

The total pension liability in the actuarial valuation used for the year ended June 30, 2023, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset):	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

** No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based on an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the December 31, 2021 actuarial valuation.

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE G - PENSION PLANS (continued)

Asset Allocation Targets and Expected Returns*

As of December 31, 2022

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
<u>Core Fund Asset Class</u>			
Public Equity	48.0%	7.6%	5.0%
Public Fixed Income	25.0%	5.3%	2.7%
Inflation Sensitive Assets	19.0%	3.6%	1.1%
Real Estate	8.0%	5.2%	2.6%
Private Equity/Debt	15.0%	9.6%	6.9%
Total Core fund***	<u>115.0%</u>	<u>7.4%</u>	<u>4.8%</u>
<u>Variable Fund Asset Class</u>			
U.S. Equities	70.0%	7.2%	4.6%
International Equities	30.0%	8.1%	5.5%
Total Variable Fund	<u>100.0%</u>	<u>7.7%</u>	<u>5.1%</u>

*Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations.

**New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.5%.

***The investment policy used for the core fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 municipal bond 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 liability (asset) to changes in the discount rate. The following table on the next page presents the District's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8 percent, as well as what the District's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE G - PENSION PLANS (continued)

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
District's proportionate share of the Net Pension Liability (Asset)	\$ 67,763,927	\$ 20,417,171	\$ (12,153,335)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>

6. Payable to the WRS

At June 30, 2023, the District reported a payable of \$858,583 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2023.

NOTE H - POST-EMPLOYMENT RETIREMENT BENEFIT

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

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

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE H - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

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.

Voluntary Early Retirement (VER) Program.

The District offered to eligible employees who were at least age 60 with 15 years of service with a retirement date before June 30, 2020 the following: Health and dental insurance based upon the health plan election in place at the time of retirement. Coverage will continue until age 65 or Medicare-eligibility, whichever occurs first. The District will provide contributions up to \$8,000 for single and \$20,000 for family or employee plus one plans each fiscal year. Retirees are responsible for the difference between the total annual cost and the amount the District contributes.

The District offered a second VER to eligible employees in the Adult Basic Education (ABE) or English Language Learners (ELL) departments who would have turned at least age 60 and have attained at least 20 years of service by June 30, 2022. The retirement date needed to be no later than June 30, 2021. The benefit offered: health and dental insurance based upon the health plan election in place at the time of retirement. Coverage will continue until age 65 or Medicare-eligibility, whichever occurs first. The District will provide contributions up to \$8,000 for single and \$20,000 for family or employee plus one plans each fiscal year. Retirees are responsible for the difference between the total annual cost and the amount the District contributes.

Membership of the Plan on the actuarial valuation date, June 30, 2021 was 705 active participants and 72 retired participants.

The District's total OPEB liability at June 30, 2023 was \$3,846,173. The total OPEB liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was determined using the following assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Inflation:	2.50%
Salary Increases:	Salary inflation of 3.0% plus projected merit and longevity increase based on years of service
Medical Trend Rate:	6.5% decreasing by 0.1% per year down to 5.0%, then level thereafter
Interest Discount Rate	4.00%*
Mortality	Wisconsin 2018 Mortality Table Based on an experience study using WRS experience from 2015-2017

*The 4.00% discount rate used to measure the total OPEB liability was based upon the S&P Municipal Bond 20-Year High Grade Index as of the week of the measurement date.

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE H - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

Changes in the total OPEB liability for the year ended June 30, 2023, are as follows:

Balance at June 30, 2022	<u>\$ 5,259,462</u>
Changes for the year:	
Service cost	106,156
Interest	115,707
Changes of benefit terms	-
Differences between expected and actual experience	(1,038,770)
Effect of assumptions changes or inputs	(256,347)
Benefit payments	<u>(340,035)</u>
Net changes	<u>(1,413,289)</u>
Balance at June 30, 2023	<u>\$ 3,846,173</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 (3.00%) or 1 percentage point higher (5.00%) than the current rate.

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
District's total OPEB liability	\$ 3,996,763	\$ 3,846,173	\$ 3,699,658

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 (5.5% decreasing to 4.0%)	Healthcare Cost Trend (6.5% decreasing to 5.0%)	1% Increase (7.5% decreasing to 6.0%)
District's total OPEB liability	\$ 3,736,719	\$ 3,846,173	\$ 3,968,359

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE H - POST-EMPLOYMENT RETIREMENT BENEFIT (Continued)

For the year ended June 30, 2023 the District recognized OPEB expense of (\$484,638). At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 288,283	\$ 2,303,473
Changes of assumptions	143,729	897,656
Employer contributions subsequent to the measurement date	262,220	-
Total	\$ 694,232	\$ 3,201,129

\$262,220 reported as deferred outflows related to OPEB resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. The other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense:

Year ended June 30	Net Deferred Outflow (Inflow) of Resources
2024	\$ (706,501)
2025	(706,500)
2026	(554,980)
2027	(584,001)
2028	(217,135)
Thereafter	-

NOTE I - RISK MANAGEMENT

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

Districts Mutual Insurance Company

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

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

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE I - RISK MANAGEMENT (Continued)

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

For the year ended June 30, 2023, the District paid a total premium of \$848,845.

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 \$1,000,000 per occurrence. Total premiums paid by the District were \$182,332.

2. As of July 1, 2015, the District joined together with other technical colleges in the state to form the Wisconsin Technical College Employee Benefits Consortium (WTCEBC). WTCEBC is a public entity risk pool that the District participates in to provide health insurance coverage to its employees. The main purpose of WTCEBC is to jointly self-insure certain risks up to an agreed upon retention limit and to obtain excess catastrophic coverage and aggregate stop-loss reinsurance over the selected retention limit. The District pays WTCEBC a monthly premium based on the number of participants and the type of coverage that has been elected. Individual claims below \$100,000 are self-funded by the District. Any individual claim exceeding \$100,000 but less than \$977,584 is shared in a pooled layer among all of the colleges participating in the consortium. Individual claims exceeding \$250,000 and aggregate claims exceeding \$977,584 are subject to reinsurance.

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

For the year ended June 30, 2023, the District paid a total premium of \$13,470,396.

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

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE I - 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. Fund expenses consist of payments to a third-party administrator for dental claims and administrative fees.

On June 30, 2023 net position of \$2,407,016 was available for future unreported claims. The claims liability of \$55,000 reported at June 30, 2023 is the estimated dental claims incurred but not paid or reported as of June 30, 2023. This estimate 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, 2023 and 2022 follows:

	Liability July 1	Current Year Claims and Changes in Estimates	Claim Payments	Liability June 30
2022	\$ 46,000	865,158	\$ 856,158	\$ 55,000
2023	55,000	864,237	864,237	55,000

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 J - 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, 2023:

	Amount
Salaries and wages	\$ 73,622,231
Fringe benefits	28,631,302
Travel, memberships and subscriptions	3,664,629
Supplies, printing and minor equipment	8,376,528
Contract services	8,813,134
Rentals	859,496
Insurance	1,047,020
Utilities	2,182,802
Depreciation and amortization	16,131,400
Student aid	10,054,477
Other expenses	2,430,587
Total Operating Expenses	<u>\$ 155,813,606</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE K - COMMITMENTS

Capital Projects

The District has commitments for capital projects as of June 30, 2023 totaling \$6,904,535.

NOTE L - CONTINGENT LIABILITIES

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

NOTE M - 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 Johnson Financial Group. Cash and investments at June 30, 2023 consist of the following:

	Cost	Fair Value	Excess of Fair Value Over Cost	Fair Value Method
Money market funds	\$ 1,598,882	\$ 1,598,882	\$ -	Level 2
Fixed income				
Pooled fixed income funds	287,183	287,183	-	Level 2
Treasuries	1,906,694	1,906,694	-	Level 2
Corporate bond funds	5,123,527	5,123,527	-	Level 1
Total fixed income	<u>7,317,404</u>	<u>7,317,404</u>	-	
Equity				
Equity funds	8,541,165	8,541,165	-	Level 1
Total equity	<u>8,541,165</u>	<u>8,541,165</u>	-	
Total Investments	<u>\$ 17,457,451</u>	17,457,451	<u>\$ -</u>	
Bank deposits		1,571,161		
Beneficial interest in investments held by Community Foundation		51,999		Level 3
Total Cash and Investments		<u>\$ 19,080,611</u>		

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE M - COMPONENT UNIT (Continued)

Net Investment income (loss) reported in the statement of revenues, expenses and changes in net position totaled \$1,511,515 and consisted of the following:

Realized gains	\$ (103,740)
Unrealized gains (losses)	1,156,071
Interest and dividend income	502,502
Investment fees	(43,318)
Investment return	<u>\$ 1,511,515</u>

2. Beneficial Interest in Investments Held by Community Foundation

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

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

Beneficial interests in investments held by the Community Foundation for the Fox Valley Region, Inc. as of June 30, 2023 totaled \$51,999.

3. Promises to Give

Unconditional promises to give at June 30, 2023 are as follows:

Receivable in less than one year	\$ 57,330
Receivable in one to five years	308
Total unconditional promises to give	<u>57,638</u>
Less discount to net present value	-
Net Unconditional Promises to Give	<u>\$ 57,638</u>

Promises to give receivable in more than one year are discounted at .10% to 3.00%. A reserve for uncollectible amounts was deemed not necessary by management.

4. Capital Assets

Changes in capital assets for the year ended June 30, 2023 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	2,235,366	149,976	-	2,385,342
Net capital assets	<u>\$ 4,604,861</u>	<u>\$ (149,976)</u>	<u>\$ -</u>	<u>\$ 4,454,885</u>

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE M - COMPONENT UNIT (Continued)

5. Operating Leases

The Foundation leases several buildings to the District under noncancelable operating leases with automatic renewal terms. Rental income during 2023 from the District was \$557,946. Future minimum collections expected, by year and in the aggregate consist of the following at June 30, 2023:

Year Ending June 30,	
2024	\$ 562,691
2025	536,834
2026	430,991
2027	345,000
2028	103,750
	<u>\$ 1,979,266</u>

6. Donor and Perpetual Restrictions of Net Position

Net position with donor restriction for the stated purposes were as follows as of June 30, 2023.

	Donor restricted purpose	Perpetual in nature	Total
Scholarships	\$ 2,251,522	\$ -	\$ 2,251,522
Activity funds	647,994	-	647,994
Instructional support	484,791	-	484,791
Endowments	1,007,930	4,521,759	5,529,689
	<u>\$ 4,392,237</u>	<u>\$ 4,521,759</u>	<u>\$ 8,913,996</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, 2023, the District issued general obligation promissory notes as follows:

Date	Interest Rate	Amount	Purpose
August 1, 2023	4-5%	\$ 13,500,000	General Obligation Promissory Notes. Proceeds used for building construction, building remodeling or improvements, moveable equipment and other non-building projects.
November 7, 2023	5%	1,500,000	General Obligation Promissory Notes. Proceeds used for building remodeling or improvements.
December 12, 2023	tbd	1,500,000	General Obligation Promissory Notes. Proceeds used for building remodeling or improvements.
		<u>\$ 16,500,000</u>	

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Notes to Basic Financial Statements

June 30, 2023

NOTE O – OTHER INFORMATION

In May 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (GASB 96)*. The primary objective of GASB 96 is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA's) for government end users. GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The requirements of GASB 96 are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter. There was no impact on the beginning net position or fund balance as a result of this statement.

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, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability						
Service cost	\$ 106,156	\$ 241,865	\$ 193,203	\$ 76,073	\$ 73,239	\$ 79,607
Interest	115,707	164,504	244,944	217,756	258,637	258,980
Changes of benefit terms			-	3,083,163	-	-
Effect of economic/demographic gains or losses	(1,038,770)	(2,142,969)	-	864,851	-	(26,418)
Effect of assumptions changes or inputs	(256,347)	687	286,546	(1,773,988)	(59,081)	(188,987)
Benefit payments	(340,035)	(389,953)	(482,333)	(1,827,263)	(1,827,263)	(2,132,478)
Net change in total OPEB liability	(1,413,289)	(2,125,866)	242,360	640,592	(1,554,468)	(2,009,296)
Total OPEB liability - Beginning	5,259,462	7,385,328	7,142,968	6,502,376	8,056,844	10,066,140
Total OPEB liability - Ending	\$ 3,846,173	\$ 5,259,462	\$ 7,385,328	\$ 7,142,968	\$ 6,502,376	\$ 8,056,844
Covered payroll	\$ 68,345,078	\$ 68,062,588	\$ 66,154,074	\$ 68,643,109	\$ 65,504,017	\$ 63,455,407
Total OPEB liability as a percentage of covered-employee payroll	5.63%	7.73%	11.16%	10.41%	9.93%	12.70%

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

See independent 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%
2019	0.41622%	14,807,942	64,604,731	22.92%	96.45%
2020	0.41597%	(13,412,761)	65,977,110	(20.33%)	102.96%
2021	0.40697%	(25,407,453)	65,048,970	(39.06%)	105.26%
2022	0.40038%	(32,271,110)	68,365,759	(47.20%)	106.02%
2023	0.38540%	20,417,171	66,461,843	30.72%	95.72%

*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%
2019	4,339,828	4,339,828	-	65,504,017	6.63%
2020	4,566,720	4,566,720	-	68,643,109	6.65%
2021	4,465,400	4,465,400	-	66,154,074	6.75%
2022	4,322,509	4,322,509	-	68,062,588	6.35%
2023	4,621,853	4,621,853	-	68,345,078	6.76%

* 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
Notes to Required Supplemental Information
For the Year Ended June 30, 2023

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.

Benefit terms:

There were no changes of benefit terms since the implementation of GASB No. 75.

Benefit assumptions:

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, mortality assumptions were changed to reflect updated trends transitioning from the Wisconsin's 2012 Mortality Table to the 2018 WRS Experience Mortality table.

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.

Benefit terms:

There were no changes of benefit terms for any participating employer in WRS.

Benefit assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the 2018 WRS Experience Mortality table.

See independent auditor's report

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, 2023

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 23,659,457	\$ 22,769,332	\$ 22,780,987	\$ -	\$ 22,780,987	\$ 11,655
Intergovernmental revenue						
State	42,149,752	43,143,697	43,529,566	-	43,529,566	385,869
Federal	10,000	10,000	8,965	-	8,965	(1,035)
Tuition and fees						
Statutory program fees	16,998,276	16,998,276	17,488,391	-	17,488,391	490,115
Material fees	1,004,500	1,004,500	990,088	-	990,088	(14,412)
Other student fees	1,778,478	1,778,478	1,454,621	-	1,454,621	(323,857)
Institutional	506,000	547,128	1,228,023	-	1,228,023	680,895
Total Revenues	86,106,463	86,251,411	87,480,641	-	87,480,641	1,229,230
Expenditures						
Instruction	56,615,375	56,837,127	56,449,749	-	56,449,749	387,378
Instructional resources	934,877	949,667	846,674	-	846,674	102,993
Student services	7,733,090	7,704,088	6,907,187	-	6,907,187	796,901
General institutional	20,368,751	20,226,282	19,811,771	-	19,811,771	414,511
Physical plant	5,799,155	6,094,260	6,094,259	-	6,094,259	1
Total Expenditures	91,451,248	91,811,424	90,109,640	-	90,109,640	1,701,784
Excess (Deficiency) of Revenues Over Expenditures	(5,344,785)	(5,560,013)	(2,628,999)	-	(2,628,999)	2,931,014
Other Financing Sources (Uses)						
Transfers in	4,145,120	5,498,898	3,469,891	-	3,469,891	(2,029,007)
Transfers out	-	(1,353,778)	(1,384,066)	-	(1,384,066)	(30,288)
Total Other Financing Sources (Uses)	4,145,120	4,145,120	2,085,825	-	2,085,825	(2,059,295)
Net Change in Fund Balance	(1,199,665)	(1,414,893)	(543,174)	-	(543,174)	871,719
Fund Balance - beginning	26,084,858	26,084,858	26,084,858	-	26,084,858	-
Fund Balance - ending	\$ 24,885,193	\$ 24,669,965	\$ 25,541,684	\$ -	\$ 25,541,684	\$ 871,719
Fund Balance						
Nonspendable for prepaid items			\$ 1,733,666			
Restricted for encumbrances			175,765			
Assigned for state aid fluctuations			1,297,426			
Unassigned for future operations			22,334,827			
			<u>\$ 25,541,684</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, 2023

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 950,204	\$ 999,551	\$ 995,215	\$ -	\$ 995,215	\$ (4,336)
Intergovernmental revenue						
State	1,383,225	2,734,562	2,511,962	-	2,511,962	(222,600)
Federal	14,141,384	16,551,415	17,077,104	-	17,077,104	525,689
Tuition and fees						
Statutory program fees	195,688	195,688	213,352	-	213,352	17,664
Material fees	23,939	23,939	24,560	-	24,560	621
Other student fees	998,835	998,835	1,081,378	-	1,081,378	82,543
Institutional	12,123,297	12,123,297	11,858,395	-	11,858,395	(264,902)
Total Revenues	29,816,572	33,627,287	33,761,966	-	33,761,966	134,679
Expenditures						
Instruction	26,067,425	29,370,805	29,069,468	-	29,069,468	301,337
Student services	1,244,689	1,687,040	1,687,040	-	1,687,040	-
General institutional	27,550	89,458	89,458	-	89,458	-
Physical plant	243,900	246,976	126,487	-	126,487	120,489
Total Expenditures	27,583,564	31,394,279	30,972,453	-	30,972,453	421,826
Excess of Revenues Over Expenditures	2,233,008	2,233,008	2,789,513	-	2,789,513	556,505
Other Financing Sources (Uses)						
Transfers in	-	15,000	15,000	-	15,000	-
Transfers out	(3,233,008)	(3,248,008)	(3,308,002)	-	(3,308,002)	(59,994)
Total Other Financing Sources (Uses)	(3,233,008)	(3,233,008)	(3,293,002)	-	(3,293,002)	(59,994)
Net Change in Fund Balance	(1,000,000)	(1,000,000)	(503,489)	-	(503,489)	496,511
Fund Balance - beginning	2,108,828	2,108,828	2,108,828	-	2,108,828	-
Fund Balance - ending	\$ 1,108,828	\$ 1,108,828	\$ 1,605,339	\$ -	\$ 1,605,339	\$ 496,511
Fund Balance						
Unassigned for future operations			<u>\$ 1,605,339</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, 2023

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 127,500	\$ 127,500	\$ 131,654	\$ -	\$ 131,654	\$ 4,154
Intergovernmental revenue						
State	1,949,450	1,949,450	1,996,859	-	1,996,859	47,409
Federal	24,400,550	24,400,550	12,958,731	-	12,958,731	(11,441,819)
Tuition and fees						
Other student fees	1,360,500	1,360,500	1,489,759	-	1,489,759	129,259
Institutional	1,940,500	1,940,500	1,975,092	-	1,975,092	34,592
Total Revenues	29,778,500	29,778,500	18,552,095	-	18,552,095	(11,226,405)
Expenditures						
Student services	29,970,017	29,973,017	18,304,461	-	18,304,461	11,668,556
General institutional	198,950	215,015	215,015	-	215,015	-
Total Expenditures	30,168,967	30,188,032	18,519,476	-	18,519,476	11,668,556
Excess (Deficiency) of Revenues Over Expenditures						
	(390,467)	(409,532)	32,619	-	32,619	442,151
Other Financing Sources (Uses)						
Transfers in	185,000	185,000	23,807	-	23,807	(161,193)
Net Change in Fund Balance	(205,467)	(224,532)	56,426	-	56,426	280,958
Fund Balance - beginning	1,562,453	1,562,453	1,562,453	-	1,562,453	-
Fund Balance - ending	\$ 1,356,986	\$ 1,337,921	\$ 1,618,879	\$ -	\$ 1,618,879	\$ 280,958
Fund Balance						
Restricted for student financial assistance			\$ 270,574			
Restricted for student organizations			1,348,305			
			<u>\$ 1,618,879</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, 2023

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Intergovernmental revenue						
State	\$ 136,906	\$ 136,906	\$ 94,982	\$ -	\$ 94,982	\$ (41,924)
Federal	100,000	151,250	230,974	-	230,974	79,724
Institutional	56,245	289,902	847,147	-	847,147	557,245
Total Revenues	<u>293,151</u>	<u>578,058</u>	<u>1,173,103</u>	<u>-</u>	<u>1,173,103</u>	<u>595,045</u>
Expenditures						
Instruction	3,050,346	3,973,811	3,681,634	-	3,681,634	292,177
Instructional resources	342,600	621,003	355,571	-	355,571	265,432
General institutional	1,951,077	5,607,635	5,607,634	-	5,607,634	1
Student services	-	718,229	718,229	-	718,229	-
Physical plant	7,012,705	8,505,989	8,019,503	-	8,019,503	486,486
Total Expenditures	<u>12,356,728</u>	<u>19,426,667</u>	<u>18,382,571</u>	<u>-</u>	<u>18,382,571</u>	<u>1,044,096</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(12,063,577)</u>	<u>(18,848,609)</u>	<u>(17,209,468)</u>	<u>-</u>	<u>(17,209,468)</u>	<u>1,639,141</u>
Other Financing Sources (Uses)						
Transfers in	-	3,546,177	3,546,177	-	3,546,177	-
Transfers out	-	(3,511,677)	(3,511,677)	-	(3,511,677)	-
Long-term debt issued	11,600,000	13,100,000	13,392,734	-	13,392,734	292,734
Total Other Financing Sources (Uses)	<u>11,600,000</u>	<u>13,134,500</u>	<u>13,427,234</u>	<u>-</u>	<u>13,427,234</u>	<u>292,734</u>
Net Change in Fund Balance	(463,577)	(5,714,109)	(3,782,234)	-	(3,782,234)	1,931,875
Fund Balance - beginning	<u>13,059,410</u>	<u>13,059,410</u>	<u>13,059,410</u>	<u>-</u>	<u>13,059,410</u>	<u>-</u>
Fund Balance - ending	<u>\$ 12,595,833</u>	<u>\$ 7,345,301</u>	<u>\$ 9,277,176</u>	<u>\$ -</u>	<u>\$ 9,277,176</u>	<u>\$ 1,931,875</u>
Fund Balance						
Restricted for encumbrances			\$ 6,904,535			
Unassigned for future operations			2,372,641			
			<u>\$ 9,277,176</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, 2023

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Local government - tax levy	\$ 16,647,572	\$ 16,649,374	\$ 16,649,374	\$ -	\$ 16,649,374	\$ -
Institutional	11,827	41,323	442,645	-	442,645	401,322
Total Revenues	16,659,399	16,690,697	17,092,019	-	17,092,019	401,322
Expenditures						
Physical plant	18,629,599	18,954,453	18,954,453	-	18,954,453	-
Excess (Deficiency) of Revenues Over Expenditures						
	(1,970,200)	(2,263,756)	(1,862,434)	-	(1,862,434)	401,322
Other Financing Sources						
Transfers in	1,168,888	1,168,888	1,199,177	-	1,199,177	30,289
Debt premium issued	177,575	213,900	841,567	-	841,567	627,667
Total Other Financing Sources	1,346,463	1,382,788	2,040,744	-	2,040,744	657,956
Net Change in Fund Balance	(623,737)	(880,968)	178,310	-	178,310	1,059,278
Fund Balance - beginning	18,505,854	18,505,854	18,505,854	-	18,505,854	-
Fund Balance - ending	\$ 17,882,117	\$ 17,624,886	\$ 18,684,164	\$ -	\$ 18,684,164	\$ 1,059,278
Fund Balance						
Restricted for debt service			<u>\$ 18,684,164</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, Expenses and Changes in Net Position -
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Federal	\$ 53,000	\$ 53,000	\$ 99,551	\$ -	\$ 99,551	\$ 46,551
Institutional	2,624,051	2,989,015	3,073,126	-	3,073,126	84,111
Total Revenues	2,677,051	3,042,015	3,172,677	-	3,172,677	130,662
Expenses						
Auxiliary services	2,580,051	3,145,015	3,145,015	-	3,145,015	-
Excess (Deficiency) of Revenues Over Expenses						
	97,000	(103,000)	27,662	-	27,662	130,662
Other Financing Sources (Uses)						
Transfers in	(62,000)	138,000	138,000	-	138,000	-
Transfers out	-	(234,500)	(234,500)	-	(234,500)	-
Total Other Financing Sources	(62,000)	(96,500)	(96,500)	-	(96,500)	-
Net Change in Fund Balance	35,000	(199,500)	(68,838)	-	(68,838)	130,662
Net Position - beginning	1,974,604	1,974,604	1,974,604	-	1,974,604	-
Net Position - ending	\$ 2,009,604	\$ 1,775,104	\$ 1,905,766	\$ -	\$ 1,905,766	\$ 130,662
Net Position						
Unrestricted net position			<u>\$ 1,905,766</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, Expenses and Changes in Net Position -
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance Positive (Negative)
Revenues						
Auxiliary revenue	\$ 15,179,085	\$ 15,139,085	\$ 14,777,997	\$ -	\$ 14,777,997	\$ (361,088)
Total Revenues	15,179,085	15,139,085	14,777,997	-	14,777,997	(361,088)
Expenses						
Auxiliary services	15,547,488	16,062,202	16,062,202	-	16,062,202	-
Excess (Deficiency) of Revenues Over Expenses						
	(368,403)	(923,117)	(1,284,205)	-	(1,284,205)	(361,088)
Other Financing Sources						
Transfers in	-	70,000	70,000	-	70,000	-
Transfers out	(2,204,000)	(2,274,000)	(23,807)	-	(23,807)	2,250,193
Total Other Financing Sources (Uses)	(2,204,000)	(2,204,000)	46,193	-	46,193	2,250,193
Net Change in Fund Balance	(2,572,403)	(3,127,117)	(1,238,012)	-	(1,238,012)	1,889,105
Net Position - beginning	3,788,984	3,788,984	3,788,984	-	3,788,984	-
Net Position - ending	\$ 1,216,581	\$ 661,867	\$ 2,550,972	\$ -	\$ 2,550,972	\$ 1,889,105
Net Position						
Unrestricted net position - restricted for self-insurance			\$ 2,439,407			
Unrestricted net position - print services			111,565			
Total Net Position			\$ 2,550,972			

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, 2023

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund
Revenues				
Local government - tax levy	\$ 22,780,987	\$ 995,215	\$ 131,654	\$ -
Intergovernmental revenue				
State	43,529,566	2,511,962	1,996,859	94,982
Federal	8,965	17,077,104	12,958,731	230,974
Tuition and fees				
Statutory program fees	17,488,391	213,352	-	-
Material fees	990,088	24,560	-	-
Other student fees	1,454,621	1,081,378	1,489,759	-
Institutional	1,228,023	11,858,395	1,975,092	847,147
Auxiliary revenue	-	-	-	-
Total Revenues	87,480,641	33,761,966	18,552,095	1,173,103
Expenditures/Expenses				
Instruction	56,449,749	29,069,468	-	3,681,634
Instructional resources	846,674	-	-	355,571
Student services	6,907,187	1,687,040	18,304,461	718,229
General institutional	19,811,771	89,458	215,015	5,607,634
Physical plant	6,094,259	126,487	-	8,019,503
Auxiliary services	-	-	-	-
Depreciation and amortization	-	-	-	-
Student aid	-	-	-	-
Total Expenditures	90,109,640	30,972,453	18,519,476	18,382,571
Excess (Deficiency) of Revenues Over Expenditures/Expenses	(2,628,999)	2,789,513	32,619	(17,209,468)
Other Financing Sources (Uses)				
Transfers in	3,469,891	15,000	23,807	3,546,177
Transfers out	(1,384,066)	(3,308,002)	-	(3,511,677)
Long-term debt issued	-	-	-	13,392,734
Debt premium issued	-	-	-	-
Total Other Financing Sources (Uses)	2,085,825	(3,293,002)	23,807	13,427,234
Net Change in Fund Balances	(543,174)	(503,489)	56,426	(3,782,234)
Capital contributions	-	-	-	-
Fund Balances/Net Position - beginning	26,084,858	2,108,828	1,562,453	13,059,410
Fund Balances/Net Position - ending	\$ 25,541,684	\$ 1,605,339	\$ 1,618,879	\$ 9,277,176

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
\$ 16,649,374	\$ -	\$ -	\$ 40,557,230	\$ -	\$ 40,557,230
-	-	-	48,133,369	-	48,133,369 (1)
-	99,551	-	30,375,325	-	30,375,325 (2)
-	-	-	17,701,743	(5,443,775)	12,257,968
-	-	-	1,014,648	(312,031)	702,617
-	-	-	4,025,758	(1,238,031)	2,787,727
442,645	3,073,126	-	19,424,428	(2,719,894)	16,704,534 (3)
-	-	14,777,997	14,777,997	(11,969,434)	2,808,563
17,092,019	3,172,677	14,777,997	176,010,498	(21,683,165)	154,327,333
-	-	-	89,200,851	(75,267)	89,125,584
-	-	-	1,202,245	(398,509)	803,736
-	-	-	27,616,917	(17,183,809)	10,433,108
-	-	-	25,723,878	(6,927,951)	18,795,927
18,954,453	-	-	33,194,702	(24,536,086)	8,658,616 (4)
-	3,145,015	16,062,202	19,207,217	(15,981,571)	3,225,646
-	-	-	-	16,131,400	16,131,400
-	-	-	-	10,054,414	10,054,414
18,954,453	3,145,015	16,062,202	196,145,810	(38,917,379)	157,228,431
(1,862,434)	27,662	(1,284,205)	(20,135,312)	17,234,214	(2,901,098)
1,199,177	138,000	70,000	8,462,052	(8,462,052)	-
-	(234,500)	(23,807)	(8,462,052)	8,462,052	-
-	-	-	13,392,734	(13,392,734)	-
841,567	-	-	841,567	(841,567)	-
2,040,744	(96,500)	46,193	14,234,301	(14,234,301)	-
178,310	(68,838)	(1,238,012)	(5,901,011)	2,999,913	(2,901,098)
-	-	-	-	41,900	41,900
18,505,854	1,974,604	3,788,984	67,084,991	73,826,364	140,911,355
\$ 18,684,164	\$ 1,905,766	\$ 2,550,972	\$ 61,183,980	\$ 76,868,177	\$ 138,052,157 (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, 2023

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.

The District did not have any major violation of legal or contractual provisions for the fiscal year ended June 30, 2023.

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, 2023

Budgets and Budgetary Accounting (Continued)

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

Operating	\$ 4,797,463
Non-operating	43,335,906
	\$ 48,133,369

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

Operating	\$ 29,979,865
Non-operating	395,460
	\$ 30,375,325

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

Contract revenue	\$ 11,617,247
Miscellaneous revenue	2,939,112
Gain (loss) on sale of capital assets	380,497
Investment income earned	1,767,678
	\$ 16,704,534

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

Physical plant	\$ 7,243,791
Interest expense	1,190,790
Bond issuance costs	224,035
	\$ 8,658,616

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

Budgetary basis fund balance	\$ 61,183,980
Adjustments	
General capital assets - cost	298,246,930
Accumulated depreciation and amortization on general capital assets	(131,321,256)
General obligation debt	(76,690,000)
Bond premium	(3,049,957)
Lease obligations	(7,572,886)
IT subscription obligations	(8,359,837)
Net position in health insurance consortium	987,577
Accrued interest on debt payable	(196,899)
Total OPEB Liability	(3,846,173)
Net pension liability	(20,417,171)
Loss of refunding	433,005
Deferred outflows related to pension/OPEB	74,657,807
Deferred inflows related to pension/OPEB	(46,002,963)
Total Adjustments	76,868,177
Net Position per basic financial statements	\$ 138,052,157

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net investment in capital assets	\$78,861,355	\$76,518,135	\$72,570,558	\$68,816,899	\$65,322,073	\$62,072,933	\$56,033,368	\$55,951,323	\$49,444,803	\$44,696,782
Restricted for debt service	18,487,265	18,244,026	17,357,508	16,911,414	16,607,014	16,295,261	16,025,729	16,013,340	17,053,774	17,186,849
Restricted for pension benefits ^(a)	-	14,437,962	6,959,065	-	-	-	-	-	10,407,663	-
Unrestricted ^(b)	40,703,537	31,711,232	33,973,901	27,809,032	33,073,111	38,045,455	36,949,047	49,182,614	40,634,857	26,119,757
Total Net Position	\$138,052,157	\$140,911,355	\$130,861,032	\$113,537,345	\$115,002,198	\$116,413,649	\$109,008,144	\$121,147,277	\$117,541,097	\$88,003,388

Notes:

(a) 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.

(b) The District implemented the following GASB Statements and restated prior year unrestricted net position to reflect the change:
 GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2018.
 GASB Statement No. 87, *Leases* for the year ended June 30, 2022.
 GASB Statement No. 96, *Subscription-based information technology arrangements* for the year ended June 30, 2023.

See Independent Auditor's Report

FOX VALLEY TECHNICAL COLLEGE DISTRICT

Schedule of Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Operating Revenues										
Student program fees (net of scholarship allowances)	\$12,257,968	\$11,043,411	\$10,653,990	\$10,475,894	\$10,335,289	\$10,195,860	\$10,288,997	\$9,839,905	\$9,685,491	\$10,575,379
Student material fees (net of scholarship allowances)	702,617	660,624	634,864	673,627	681,946	738,221	766,163	724,965	623,275	664,450
Other student fees (net of scholarship allowances)	2,787,727	2,666,069	2,621,044	2,563,632	2,691,424	2,464,767	2,344,447	2,194,034	2,004,531	2,313,664
Federal grants	29,979,865	26,600,067	25,772,840	28,029,075	30,387,194	31,567,700	33,246,787	37,458,363	42,256,029	46,680,639
State grants	4,797,463	4,744,800	4,301,890	5,054,914	5,465,656	4,983,771	4,617,201	5,634,046	4,633,935	4,999,264
Contract revenue	11,617,247	10,904,894	10,319,962	10,439,725	11,080,140	10,632,506	10,162,376	8,798,938	8,739,656	7,318,793
Auxiliary enterprise revenues	2,808,563	1,990,849	1,944,261	2,848,501	3,775,616	3,697,856	3,412,155	3,213,401	3,144,119	2,890,284
Miscellaneous	2,939,112	2,728,151	2,625,630	2,924,609	2,971,162	4,395,264	2,258,678	2,365,176	2,561,203	2,522,060
Total operating revenues	\$67,890,562	\$61,338,865	\$58,874,481	\$63,009,977	\$67,388,427	\$68,675,945	\$67,096,804	\$70,228,828	\$73,648,239	\$77,964,533
Operating Expenses										
Instruction	\$89,125,584	\$75,228,491	\$74,074,088	\$82,116,831	\$82,230,263	\$76,577,127	\$76,489,538	\$76,087,448	\$70,918,968	\$75,322,588
Instructional resources	803,736	750,730	694,261	1,121,488	1,246,755	1,084,764	1,147,755	1,299,224	1,024,218	1,221,049
Student services	10,433,108	10,416,353	8,627,875	9,821,753	10,847,144	9,814,999	10,509,226	9,672,917	9,031,945	10,316,698
General institutional	18,795,927	17,717,017	19,313,716	20,202,780	18,872,630	17,131,145	18,578,348	19,830,391	18,214,252	17,457,111
Physical plant	7,243,791	6,810,130	6,014,476	6,788,206	7,624,508	7,249,934	8,293,303	7,823,346	7,481,397	8,908,582
Auxiliary enterprise services	3,225,646	2,298,054	2,140,675	3,629,800	3,960,824	3,688,062	3,615,355	3,304,706	3,031,900	2,994,348
Depreciation and amortization	16,131,400	15,450,508	12,078,966	11,576,758	10,996,713	10,438,005	9,936,436	9,619,836	8,852,471	7,408,223
Student aid	10,054,414	14,850,583	12,108,900	11,457,836	11,272,007	11,781,709	12,869,998	14,946,854	18,703,311	21,035,070
Total operating expenses	\$155,813,606	\$143,521,866	\$135,052,957	\$146,715,452	\$147,050,848	\$137,765,745	\$141,439,959	\$142,584,722	\$137,258,462	\$144,663,669
Operating loss	(\$87,923,044)	(\$82,183,001)	(\$76,178,476)	(\$83,705,475)	(\$79,662,421)	(\$69,089,800)	(\$74,343,155)	(\$72,355,894)	(\$63,610,223)	(\$66,699,136)
Nonoperating Revenues/(Expenses)										
Property taxes	\$40,557,230	\$40,590,911	\$41,921,027	\$41,001,136	\$40,273,853	\$39,470,584	\$38,779,966	\$38,232,892	\$37,678,413	\$65,630,953
State operating appropriations	43,335,906	41,643,938	39,813,505	39,863,291	38,794,081	38,103,049	38,484,280	39,048,921	38,503,970	9,422,101
HEERF funding	395,460	10,027,414	12,209,329	1,389,726	-	-	-	-	-	-
Gain (loss) on sale of capital assets	380,497	400,822	109,841	494,223	(394,573)	(9,216)	(349,344)	85,888	46,785	56,327
Investment income earned	1,767,678	(158,442)	93,088	1,076,674	1,370,774	520,223	233,847	475,680	256,128	301,152
Interest expense	(1,190,790)	(707,073)	(550,327)	(1,685,624)	(1,690,560)	(1,752,051)	(1,870,094)	(2,036,332)	(2,191,703)	(2,261,785)
Bond issuance costs	(224,035)	(264,805)	(490,093)	(177,550)	(186,975)	(182,775)	(175,375)	(166,975)	(177,325)	(215,850)
Total nonoperating revenues/(expenses)	\$85,021,946	\$91,532,765	\$93,106,370	\$81,961,876	\$78,166,600	\$76,149,814	\$75,103,280	\$75,640,074	\$74,116,268	\$72,932,898
Income before Capital Contributions	(\$2,901,098)	\$9,349,764	\$16,927,894	(\$1,743,599)	(\$1,495,821)	\$7,060,014	\$760,125	\$3,284,180	\$10,506,045	\$6,233,762
Capital Contributions	41,900	700,559	395,793	278,746	84,370	345,991	248,845	322,000	108,105	314,796
Change in Net Position	(\$2,859,198)	\$10,050,323	\$17,323,687	(\$1,464,853)	(\$1,411,451)	\$7,406,005	\$1,008,970	\$3,606,180	\$10,614,150	\$6,548,558

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FOX VALLEY TECHNICAL COLLEGE DISTRICT

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

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

Fiscal Year	FVTC			Overlapping Rates ^(a)						
	Operational ^(b)	Debt Service	Total	County	Local ^(c)	Other School Districts	State	Gross Total	State Tax Relief	Net Tax Rate
2014	1.50	0.47	1.97	5.54	5.41	9.54	0.20	22.66	(1.50)	21.16
2015	0.62	0.50	1.12	5.57	5.46	9.71	0.20	22.06	(1.49)	20.58
2016	0.63	0.49	1.12	5.50	5.50	9.65	0.20	21.97	(1.68)	20.29
2017	0.64	0.48	1.11	5.50	5.56	9.36	0.20	21.73	(1.65)	20.08
2018	0.63	0.46	1.08	5.45	5.50	9.03	0.20	21.26	(1.74)	19.52
2019	0.62	0.44	1.06	5.38	5.44	8.70	0.20	20.78	(1.66)	19.12
2020	0.61	0.42	1.02	4.91	5.35	8.50	0.20	19.98	(1.56)	18.42
2021	0.60	0.39	0.99	4.75	5.29	8.39	0.20	19.62	(1.47)	18.15
2022	0.53	0.37	0.90	4.52	5.16	7.92	0.20	18.70	(1.38)	17.33
2023	0.43	0.30	0.74	4.12	4.90	7.28	2.00	19.04	(1.22)	17.81

Source: Wisconsin Department of Revenue, Division of State and Local Finance, Bureau of Local Government Services.

Notes:

(a) Overlapping rates are those of local and county governments that apply to property owners within the District. Not all overlapping rates apply to all property owners within the District. For example, the county rate is made up of the rates for parts of Calumet, Outagamie, Waupaca, Waushara, and Winnebago Counties. The individual county rates apply only to the property owners within each of those counties. These overlapping tax rates are an average of the rates for each municipality making up the detail in this column since each government can have a different rate.

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

For fiscal years 2015 and beyond, the growth in the sum of operating levy plus property tax relief aid is limited to the district's valuation factor (percentage change in net new construction).

(c) Cities, towns, villages, and other special taxing districts (e.g., utility districts).

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FOX VALLEY TECHNICAL COLLEGE DISTRICT
Equalized Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Year Ended December 31	Residential	Commercial	Manufacturing	Other	Personal Property	TID's	Total Equalized Value^(a)	Total District Equalized Value^(b)	Tax Rate^(c)
2013	\$23,737,066	\$6,289,393	\$1,441,343	\$1,583,619	\$1,003,784	(\$1,089,854)	\$32,965,350	\$32,786,202	1.97347
2014	24,252,750	6,294,309	1,437,216	1,594,514	994,736	(1,123,731)	33,449,794	33,265,574	1.12397
2015	24,807,739	6,418,434	1,431,971	1,601,326	958,567	(1,102,740)	34,115,296	33,931,537	1.11782
2016	25,543,188	6,504,070	1,498,773	1,643,379	937,235	(1,162,097)	34,964,547	34,771,330	1.11496
2017	26,847,998	6,967,742	1,510,972	1,657,057	1,004,703	(1,344,023)	36,644,448	36,446,534	1.08434
2018	28,259,712	7,377,785	1,518,307	1,703,309	750,100	(1,352,367)	38,256,847	38,067,280	1.05628
2019	30,031,591	7,728,839	1,561,582	1,732,713	757,858	(1,506,819)	40,305,764	40,099,072	1.02325
2020	31,657,779	8,350,966	1,648,293	1,740,554	798,735	(1,839,708)	42,356,618	42,149,655	0.99379
2021	34,406,147	8,510,498	1,720,320	1,762,214	799,555	(2,021,401)	45,177,332	44,952,932	0.90291
2022	39,337,563	9,301,599	1,768,850	1,910,275	797,309	(2,320,112)	50,795,483	50,426,644	0.73819

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

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
2014	\$64,702,517	\$48,636,733	75.17%	\$64,702,517	100.00%
2015	37,389,471	28,255,943	75.57%	37,389,471	100.00%
2016	37,929,226	28,573,180	75.33%	37,929,226	100.00%
2017	38,768,621	29,368,617	75.75%	38,768,621	100.00%
2018	39,520,514	30,213,414	76.45%	39,520,514	100.00%
2019	40,209,543	30,375,296	75.54%	40,209,543	100.00%
2020	41,031,181	30,874,378	75.25%	41,031,181	100.00%
2021	41,888,005	32,230,191	76.94%	41,888,005	100.00%
2022	40,588,303	31,383,416	77.32%	40,588,303	100.00%
2023	40,545,757	31,795,544	78.42%	40,545,757	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
2014	466,556	\$32,786,202,317	\$98,113,731	\$17,186,849	\$80,926,882	0.25%	\$173.46
2015	468,200	33,265,574,421	94,520,677	17,053,774	77,466,903	0.23%	165.46
2016	470,726	33,931,537,136	89,673,957	16,013,340	73,660,617	0.22%	156.48
2017	473,131	34,771,330,493	86,132,192	16,025,729	70,106,463	0.20%	148.18
2018	474,111	36,446,534,387	83,547,869	16,295,261	67,252,608	0.18%	141.85
2019	477,516	38,067,280,411	80,910,935	16,607,014	64,303,921	0.17%	134.66
2020	481,141	40,099,071,801	78,091,338	16,911,414	61,179,924	0.15%	127.16
2021	481,173	42,149,654,524	85,718,304	17,357,508	68,360,796	0.16%	142.07
2022 ^(e)	0	44,952,932,467	97,030,206	18,244,026	78,786,180	0.18%	#DIV/0!
2023	490,639	50,426,643,575	92,622,723	18,487,265	74,135,458	0.15%	151.10

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.

(e) Population estimate not available because the 5-year ACS data was not released by the US Census Bureau due to the COVID-19 pandemic. Outstanding debt was restated due to implementation of GASB 96.

See Independent Auditor's Report

FOX VALLEY TECHNICAL COLLEGE DISTRICT

**Direct and Overlapping Debt
As of December 31, 2022**

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
Overlapping debt			
County of			
Brown	\$ 57,910,000	0.4%	\$ 231,640
Calumet	41,415,000	83.4%	34,540,110
Manitowoc	22,330,000	0.9%	200,970
Outagamie	55,475,000	95.2%	52,812,200
Portage	6,675,000	1.5%	100,125
Shawano	15,588,641	7.4%	1,153,559
Waupaca	22,511,729	97.8%	22,016,471
Waushara	89,500,000	78.7%	70,436,500
Winnebago	29,253,823	105.3%	30,804,276
Total All Counties	\$ 340,659,193		\$ 212,295,851
Cities within			
Calumet	43,422,835	100.0%	\$ 43,422,835
Outagamie	21,501,968	99.7%	21,435,312
Waupaca	36,499,564	95.1%	34,714,735
Waushara	1,295,000	100.0%	1,295,000
Winnebago	167,033,362	100.0%	167,033,362
Total All Cities	\$ 269,752,729		\$ 267,901,244
Villages within			
Calumet	\$ 11,002,466	100.0%	\$ 11,002,466
Outagamie	12,436,132	99.7%	12,397,580
Waupaca	123,044	100.0%	123,044
Waushara	2,412,779	100.0%	2,412,779
Winnebago	41,516,551	100.0%	41,516,551
Total All Villages	\$ 67,490,972		\$ 67,452,420
Towns within			
Brown	\$ -	100.0%	\$ -
Calumet	99,747	81.1%	80,855
Manitowoc	636,233	100.0%	636,233
Outagamie	21,536,900	99.7%	21,470,136
Portage	407,670	100.0%	407,670
Shawano	243,146	100.0%	243,146
Waupaca	102,019	98.2%	100,213
Waushara	345,512	98.4%	339,915
Winnebago	8,991,696	99.0%	8,902,678
Total All Towns	\$ 32,362,923		\$ 32,180,846

FOX VALLEY TECHNICAL COLLEGE DISTRICT

**Direct and Overlapping Debt
As of December 31, 2022**

Governmental Unit	Debt Outstanding	Percentage Applicable to the District	Amount Applicable to the District
School District of			
Appleton	\$ 6,360,000	100.0%	\$ 6,360,000
Brillion	9,297,000	100.0%	9,297,000
Chilton	24,720,000	100.0%	24,720,000
Clintonville	25,720,000	100.0%	25,720,000
Freedom	530,000	100.0%	530,000
Hilbert	24,668,115	100.0%	24,668,115
Hortonville	66,193,726	100.0%	66,193,726
Iola-Scandinavia	1,370,000	100.0%	1,370,000
Kaukauna	18,664,332	100.0%	18,664,332
Kimberly	9,490,000	100.0%	9,490,000
Little Chute	16,277,406	100.0%	16,277,406
Manawa-Little Wolf	-	100.0%	-
Marion	-	100.0%	-
Menasha Joint	18,409,082	100.0%	18,409,082
Neenah	150,950,000	100.0%	150,950,000
New London	1,425,000	100.0%	1,425,000
Omro	10,568,159	100.0%	10,568,159
Oshkosh	143,964,181	100.0%	143,964,181
Seymour	5,905,000	100.0%	5,905,000
Shiocton	1,315,000	100.0%	1,315,000
Stockbridge	310,280	100.0%	310,280
Waupaca	-	100.0%	-
Wautoma	3,560,000	100.0%	3,560,000
Westfield	30,000	100.0%	30,000
Weyauwega-Fremont	16,665,000	100.0%	16,665,000
Wild Rose	17,250,000	100.0%	17,250,000
Winneconne	11,010,000	100.0%	11,010,000
Wrightstown	24,021,061	100.0%	24,021,061
Total All School Districts	\$ 608,673,342		\$ 608,673,342
Subtotal overlapping debt	\$ 1,318,939,159		\$ 1,188,503,703
District direct debt	\$ 92,622,723	100.0%	\$ 92,622,723
Total direct and overlapping debt	\$ 1,411,561,882		\$ 1,281,126,426

Source: Survey of each government unit within the District's boundaries, June 2022

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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Equalized Valuation^(a)	\$52,746,756	\$46,974,225	\$43,989,362	\$41,610,860	\$39,424,525	\$37,795,272	\$35,936,674	\$35,037,874	\$34,395,417	\$33,879,731
Debt limit - 5% of equalized valuation ^(b)	\$2,637,338	\$2,348,711	\$2,199,468	\$2,080,543	\$1,971,226	\$1,889,764	\$1,796,834	\$1,751,894	\$1,719,771	\$1,693,987
Aggregate indebtedness applicable to debt limit										
General obligation promissory notes and bonds	76,690	79,170	76,660	78,080	80,765	83,270	85,725	89,140	94,295	97,380
Capital leases	7,572	8,413	9,058	11	146	278	407	534	226	734
IT subscription obligations	8,360	9,447								
Less resources available to fund principal and interest payments ^(c)	(18,487)	(18,244)	(17,358)	(16,911)	(16,607)	(16,295)	(16,026)	(16,013)	(17,054)	(17,187)
Total net debt applicable to limit	74,135	78,786	68,360	61,180	64,304	67,253	70,106	73,661	77,467	80,927
Legal debt margin	\$2,563,203	\$2,269,925	\$2,131,108	\$2,019,363	\$1,906,922	\$1,822,511	\$1,726,727	\$1,678,233	\$1,642,304	\$1,613,059
Total net debt applicable to the limit as a percentage of debt limit	2.81%	3.35%	3.11%	2.94%	3.26%	3.56%	3.90%	4.20%	4.50%	4.78%
Debt limit - 2% of equalized valuation^(b)	\$1,054,935	\$939,485	\$879,787	\$832,217	\$788,491	\$755,905	\$718,733	\$700,757	\$687,908	\$677,595
Gross bonded indebtedness applicable to debt limit										
Gross bonded debt	25,960	30,435	34,745	36,840	40,570	43,910	47,160	50,310	54,825	59,345
Less resources available to fund principal and interest payments	(18,487)	(18,244)	(17,358)	(16,911)	(16,607)	(16,295)	(16,026)	(16,013)	(17,054)	(17,187)
Total net debt applicable to limit	7,473	12,191	17,387	19,929	23,963	27,615	31,134	34,297	37,771	42,158
Legal debt margin	\$1,047,462	\$927,294	\$862,400	\$812,289	\$764,528	\$728,291	\$687,599	\$666,461	\$650,137	\$635,436
Total net debt applicable to the limit as a percentage of debt limit	0.71%	1.30%	1.98%	2.39%	3.04%	3.65%	4.33%	4.89%	5.49%	6.22%

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.

(d) The District implemented GASB Statement No. 87, Leases for the year ended June 30, 2022. The District's prior year lease liability was restated to reflect this change.

(e) The District implemented GASB Statement No. 96, Subscription-based information technology arrangements for the year ended June 30, 2022. The District's prior year lease liability was restated to reflect this change.

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)}
2013	466,556	\$16,537,665	\$41,060	65,653	4,932	6.42%
2014	468,200	17,340,853	42,826	66,418	4,415	5.19%
2015	470,726	18,107,273	44,580	66,442	4,519	4.22%
2016	473,131	18,635,638	45,684	66,815	4,424	3.82%
2017	474,111	19,183,748	46,778	66,892	4,459	3.03%
2018	477,516	20,034,525	48,649	66,951	4,722	2.78%
2019	481,141	20,883,589	50,981	66,693	4,657	3.07%
2020	481,173	22,024,943	53,161	66,244	4,626	5.46%
2021 ^(g)	0	23,416,345	56,440	64,190	4,519	4.10%
2022	490,639	(f)	(f)	63,948	4,628	0.00%

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 2019 and revisions for 2010-2018 were released November 17, 2010
- (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.
- (g) Population estimate not available because the 5-year ACS data was not released by the US Census Bureau due to the COVID

See Independent Auditor's Report

FOX VALLEY TECHNICAL COLLEGE DISTRICT

**Principal Employers
Current Year and Nine Years Prior**

Employer	Type of Business	2023		2014	
		Employees	Rank	Employees	Rank
ThedaCare ^(a)	Health care providers	6,800	1	6,000	1
Oshkosh Corporation ^(b)	Truck and large vehicle manufacturer	6,091	2		
Affinity Health Care ^(c)	Health care providers	3,900	3	4,300	2
Kimberly Clark	Paper products manufacturer	2,475	4	2,881	3
Spectrum Software	Computer system designer	2,000	5	2,000	4
Appleton Area School District	Education	1,934	6	1,641	6
Expera Specialty Solutions (aka Thilmany LLC)	Specialty papers	1,800	7		
Oshkosh Area School District ^(d)	Education	1,470	7		
Plexus Corporation and Affiliates	Electronic design, manufacturing & testing	1,450	8	1,400	8
Outagamie County	Government	1,300	9		
University of Wisconsin - Oshkosh	Education	1,205	10		
Miller Electric Manufacturing Co.	Welding equipment manufacturer			1,426	7
JJ Keller & Associates	Commercial printing & publishing			1,300	10
Thrivent Investment Management	Insurance and investments			1,800	5
Pierce Manufacturing	Fire and utility truck bodies			1,300	9
Total		29,220		24,048	

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

(b) Includes Appleton and Oshkosh.

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

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

Source: Preliminary Official Statement dated June 30, 2023. 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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
By Pay Groups:										
Full-time instructors	297	293	300	311	313	315	319	315	316	284
Part-time instructors	4	15	16	11	16	17	14	13	14	12
Management	206	188	190	180	191	182	165	156	145	135
Full-time support	257	266	259	261	281	281	274	272	262	231
Part-time support	20	23	23	37	35	37	37	35	31	32
Total	784	784	788	800	836	832	809	791	768	694

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

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

* Numbers include only filled positions at the time of the report, and is based on the individual's contract hours and weeks.

Excludes adjunct faculty, seasonal employees, and vacant positions.

See Independent Auditor's Report

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Operating Statistics
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Student enrollment ^(a)	9,446	9,682	9,727	11,073	11,784	12,047	12,463	12,889	13,659	14,690
Associate degree	3,143	2,967	3,095	3,230	3,211	3,256	3,250	3,383	3,468	3,344
Technical diploma	31,442	30,611	25,104	26,411	27,199	30,671	26,130	29,147	26,212	27,344
Vocational adult	1,922	1,704	1,563	1,092	1,530	2,138	2,294	2,034	2,034	1,927
Non-postsecondary	763	722	337	2,103	2,045	1,508	1,191	1,191	532	532
Community services	6,749	6,496	6,398	6,395	5,581	5,222	4,483	3,521	2,696	1,930
Transcribed credit ^(b)	52,431	52,178	44,239	47,899	48,691	51,806	47,156	49,082	45,441	46,367
Total enrollment ^(c)	0.48%	17.95%	-7.64%	-1.63%	-6.01%	9.86%	-3.92%	8.01%	-2.00%	-2.54%
Percentage Change										
Full-time equivalent (FTE) enrollment ^(d)	3,689	3,583	3,706	3,956	4,150	4,289	4,504	4,842	5,214	5,605
Associate degree	698	651	621	671	666	670	707	669	670	668
Technical diploma	457	455	344	406	449	510	458	556	459	480
Vocational adult	270	232	184	302	311	348	341	322	322	226
Non-postsecondary	11	12	4	15	23	23	24	9	7	7
Community services	5,125	4,932	4,858	5,349	5,599	5,812	6,042	6,418	6,673	6,986
Total full-time equivalent enrollments	3.90%	1.53%	-9.18%	-4.46%	-3.66%	-3.81%	-5.86%	-3.83%	-4.48%	-4.15%
Percentage Change										
Teachers ^(e)	415	415	419	424	437	435	435	435	430	450
FTE - Teacher ratio	12.3	11.9	11.6	12.6	12.8	13.3	13.9	14.8	15.5	15.5
Operating Expenditures ^(f)	\$ 121,082,093	\$ 115,315,921	\$ 112,582,742	\$ 115,885,978	\$ 113,634,926	\$ 110,803,413	\$ 109,252,189	\$ 107,171,620	\$ 104,136,832	\$ 110,083,566
Cost per FTE	\$23,625.77	\$23,379.22	\$23,174.28	\$21,664.49	\$20,296.05	\$19,065.25	\$18,082.90	\$16,699.80	\$15,605.82	\$15,757.51
Percentage Change	1.05%	0.88%	6.97%	6.74%	6.46%	5.43%	8.28%	7.01%	-0.96%	7.13%
Program Graduate follow-up statistics ^(g)										
Number of graduates	(g)	2,434	2,884	2,523	2,669	2,609	2,557	2,652	2,639	2,560
Number of follow-up respondents	(g)	1,198	1,774	1,709	1,889	1,831	1,970	2,085	2,005	1,807
Total number available for employment	(g)	937	1,076	988	1,209	1,309	1,423	1,566	1,505	1,499
Percent employed	(g)	93%	92%	93%	94%	94%	95%	94%	94%	92%
Percent employed in related occupation	(g)	82%	81%	81%	84%	80%	84%	83%	85%	78%
Percent employed in District	(g)	61%	64%	69%	67%	64%	60%	63%	66%	63%
Average annual salary	(g)	\$51,812	\$46,455	\$44,534	\$43,219	4186200%	\$39,192	\$38,192	\$36,196	\$35,223
Age range of students	8 - 87	6-86	9 - 85	9 - 99	7 - 92	9 - 93	9 - 93	8 - 92	9 - 99	9 - 94
Average age of students	37	31	34	36	36	37	37	37	37	37

Notes:

- (a) Student enrollment reflects the duplicated count of individuals enrolled in FVTC courses.
- (b) Transcribed credits reflects the duplicated count of credits earned by high school students while in high school.
- (c) Any student enrolled in more than one program is counted only once in this total.
- (d) A full-time equivalent is equal to 30 annual student credits based on a mathematical calculation which varies by program and is subject to state approval and audit of student and course data.
- (e) Source: FVTC Internal report Position Summary - FTE Basis.
- (f) Source: General Fund and Special Revenue Aidable Fund on a Budgetary Basis
- (g) Based upon a survey of graduates conducted approximately six months to 1 year after graduation. Statistics include graduates of the associate and technical diploma programs. Current year statistics are not available as of the publishing of this report.

See Independent Auditor's Report

FOX VALLEY TECHNICAL COLLEGE DISTRICT

**Campus Statistics
Last Ten Fiscal Years**

	2023	2022	2021	2020	2019	2018 *	2017	2016	2015	2014
Square Footage										
Campuses:										
Appleton Main Campus	603,341	603,341	603,341	603,341	603,341	603,341	603,701	603,701	603,701	588,805
Oshkosh Riverside Campus	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786	66,786
Facilities:										
Advanced Manufacturing Technology Center	27,053	27,053	27,053	27,053	27,053	27,053	26,721	26,721	26,721	26,721
ATW ARFF Training Center	9,020	9,020	9,020	9,020	-	-	-	-	-	-
Criminal Justice Office Space ^(a)	-	-	-	-	280	280	4,482	4,482	4,482	4,482
D. J. Bordini Center	78,813	78,813	78,813	78,813	78,813	78,813	78,813	78,813	78,813	78,813
FABTECH Education Center	12,500	12,500	12,500	12,500	12,500	12,500	14,460	14,460	14,460	14,460
Fire Training Center ^(b)	-	-	-	-	-	-	-	-	-	6,000
J. J. Keller - Transportation Center	122,498	122,498	122,498	122,498	122,498	122,498	122,498	122,498	122,498	122,498
Public Safety Training Center	110,263	110,263	110,263	110,263	110,263	110,263	111,295	111,295	111,295	-
S. J. Spanbauer Center	76,469	76,469	76,469	76,469	76,469	76,469	76,469	76,469	76,469	76,469
S. J. Spanbauer Center - Eight Bay Hangar	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030	11,030
Service Motor Company Agriculture Center	40,966	40,966	40,966	40,966	40,966	40,966	41,902	41,902	41,902	41,902
Community First Career Exploration and Financial Literacy Center	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Wildland Fire Training Center ^(b)	-	-	-	-	-	-	-	-	-	6,240
Regional Centers:										
Chilton Regional Center	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	21,800	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
Waupaca Regional Center	15,200	15,200	15,200	15,200	15,200	15,200	15,530	15,530	15,530	15,530
Wautoma Regional Center	12,483	12,483	12,483	12,483	12,483	3,142	2,050	2,050	2,050	2,050
Other Locations:										
Appleton City Center Plaza ^(c)	-	-	-	-	-	-	-	4,400	4,400	4,400
Appleton Downtown-Pillars	2,000	2,000	2,000	2,000	2,000	-	-	-	-	-
New London Center	1,848	1,848	1,848	1,848	1,848	1,848	-	-	-	-

^(a) Lease ended December 2019
^(b) Leases ended January 2015
^(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 the Fox Valley Technical College District (the “District”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated December 19, 2023. 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.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of 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. 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests 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.

Wipfli LLP

December 19, 2023
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 District District
Appleton, Wisconsin

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Fox Valley Technical College District's (the "District") compliance with the types of compliance requirements described identified as subject to audit in the *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, 2023. 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.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and State Program

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* (the "Uniform Guidance"); and *State of Wisconsin Single Audit Guidelines*, issued by the Wisconsin Department of Administration. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Wisconsin Single Audit Guidelines* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the *State of Wisconsin Single Audit Guidelines* we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of Wisconsin Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the *State of Wisconsin Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

December 19, 2023
Madison, Wisconsin

Fox Valley Technical College District

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal AL Number	Assistance Program	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
U.S. Department of Agriculture								
Farm Business Management and Benchmarking Competitive Grants Program								
<i>Passed through the University of Missouri</i>								
10.319	Expanding Farming Benchmarking Results through Collaborations and Mentoring	C00071254-5	09-01-20 - 08-31-23	99,790	6,469	-	-	6,469
10.319	Breaking Down Barriers for Farm Financial Benchmarking	C00074740-1	09-01-21 - 08-31-23	97,917	21,128	-	-	21,128
10.319	Amplifying the Relevancy of Financial Benchmarking	C00078727-1	09-01-22 - 08-31-23	97,518	62,759	-	-	62,759
Total - Farm Business Management and Benchmarking Competitive Program				295,225	90,356	-	-	90,356
Child and Adult Care Food Program								
<i>Passed through the State of Wisconsin Department of Public Instruction</i>								
10.558			10-01-22 - 09-30-23	13,029	13,029	7,418	-	20,446
Total - U.S. Department of Agriculture				308,254	103,385	7,418	-	110,802
U.S. Department of the Interior								
<i>Bureau of Indian Affairs</i>								
15.114			07-01-22 - 06-30-23	84,701	84,701	-	-	84,701
Total - U.S. Department of the Interior				84,701	84,701	-	-	84,701
U.S. Department of Justice								
Emmett Till Cold Case Investigations Training & Technical Assistance Program FY 2021								
<i>Emmett Till Cold Case Investigations Training & Technical Assistance Program FY 2021</i>								
16.031		15PBJA-21-GK-03615-EMME	10-01-21 - 09-30-24	1,365,527	177,672	-	-	177,672
OVW Technical Assistance Initiative								
<i>OVW Training & Technical Assistance Initiative FY 2017</i>								
16.526		2017-TA-AX-K068	10-01-17 - 03-31-23	450,000	25,293	-	24,600	25,293
16.526		2017-TA-AX-K068	10-01-19 - 03-31-23	625,000	243,878	-	-	243,878
Total - OVW Technical Assistance Initiative				1,075,000	289,171	-	24,600	289,171
Missing Children's Assistance								
<i>Internet Crimes Against Children Specialized Training on Tools & Technology FY 2019</i>								
16.543		2019-MC-FX-K007	10-01-19 - 09-30-23	500,000	58,690	-	-	58,690
16.543		2019-MC-FX-K007	10-01-20 - 09-30-23	500,000	313,062	-	-	313,062
16.543		2019-MC-FX-K007	10-01-21 - 09-30-23	375,000	309,026	-	-	309,026
16.543		2019-MC-FX-K010	10-01-19 - 09-30-23	2,000,000	104,021	-	-	104,021
16.543		2019-MC-FX-K010	10-01-20 - 09-30-23	2,000,000	306,815	-	-	306,815
16.543		2019-MC-FX-K010	10-01-21 - 09-30-23	1,700,000	1,551,502	-	-	1,551,502
16.543		2020-MC-FX-K001	10-01-20 - 09-30-23	1,800,000	424,697	-	68,263	424,697
16.543		2020-MC-FX-K001	10-01-21 - 09-30-23	1,800,000	1,427,044	-	-	1,427,044
16.543		2020-MC-FX-K001	10-01-21 - 09-30-23	1,800,000	375,824	-	-	375,824
16.543		2020-MC-FX-K002	10-01-20 - 09-30-23	2,000,000	336,203	-	-	336,203
16.543		2020-MC-FX-K002	10-01-21 - 09-30-23	1,850,000	1,030,376	-	-	1,030,376
16.543		2020-MC-FX-K002	10-01-22 - 09-30-23	1,850,000	650,711	-	-	650,711
16.543		2020-MC-FX-K003	10-01-20 - 09-30-23	4,400,000	1,844,368	-	37,805	1,844,368
16.543		2020-MC-FX-K003	10-01-21 - 09-30-23	4,400,000	2,159,254	-	-	2,159,254
16.543		2020-MC-FX-K003	10-01-22 - 09-30-23	4,400,000	471,738	-	-	471,738
16.543		15P JDP-21-GK-03270-MECP	10-01-21 - 09-30-23	900,000	454,552	-	99,119	454,552
16.543		15P JDP-22-GK-03093-MECP	10-01-22 - 12-31-23	500,000	105,551	-	-	105,551
16.543		15P JDP-22-GK-03094-MECP	10-01-22 - 12-31-23	1,500,000	241,770	-	-	241,770
Total - Missing Children's Assistance				34,275,000	12,165,205	-	205,187	12,165,205
Crime Victim Assistance/Discretionary Grants								
<i>American Indian/Alaska Native Training & Technical Assistance Program FY 2018</i>								
16.582		2018-MU-BX-K064	10-01-18 - 09-30-22	2,150,000	23,646	-	4,961	23,646
<i>Passed through the Wisconsin Department of Justice</i>								
16.582		2018-VT-04-16483	01-01-21 - 09-30-22	21,408	17,736	-	-	17,736
Total - Crime Victim Assistance/Discretionary Grants				2,171,408	41,382	-	4,961	41,382
Justice System Infrastructure Program for Indian Tribes								
<i>Tribal Corrections Capacity Building-Community Corrections Capacity FY 2021</i>								
16.586		2018-S4-BX-K002	10-01-21 - 09-30-23	300,000	212,597	-	303	212,597
16.586		15PBJA-22-GK-01133-TRIB	10-01-22 - 09-30-24	1,000,000	59,970	-	2,392	59,970
Total - Justice System Infrastructure Program for Indian Tribes				1,300,000	272,568	-	2,695	272,568
Tribal Justice Systems								
<i>Tribal Corrections Capacity Building-Community Corrections Capacity FY 2018-2020</i>								
16.608		2018-S4-BX-K002	10-01-18 - 09-30-23	900,000	12,534	-	6,573	12,534

Fox Valley Technical College District

Schedule of Expenditures of Federal Awards

Year ended June 30, 2023

Federal AL Number	Assistance Program	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
16.608	Tribal Justice System Capacity Building-Strategic Planning FY 2019-2020	2019-IC-BX-K002	10-01-19 - 09-30-24	964,998	129,166	-	16,152	129,166
16.608	Tribal Justice System Capacity Building-Strategic Planning FY 2021	2019-IC-BX-K002	10-01-21 - 09-30-24	800,000	403,827	-	76,844	403,827
16.608	Tribal Justice System Capacity Building-Strategic Planning FY 2022	2019-IC-BX-K002	10-01-22 - 09-30-24	500,000	37,528	-	-	37,528
16.608	Tribal Justice Training & Technical Assistance: Alcohol & Substance Abuse Crime FY 2019	2019-MU-BX-K031	10-01-19 - 09-30-24	1,250,000	42,110	-	32,080	42,110
16.608	Tribal Justice Training & Technical Assistance: Alcohol & Substance Abuse Crime FY 2020	2019-MU-BX-K031	10-01-20 - 09-30-24	400,000	150,860	-	-	150,860
16.608	Tribal Justice Training & Technical Assistance: Alcohol & Substance Abuse Crime FY 2021	2019-MU-BX-K031	10-01-21 - 09-30-24	1,200,000	444,352	-	-	444,352
<i>Passed through the University of North Dakota</i>								
16.608	Tribal Justice Training & Technical Assistance: Responding to Violent Crime	Sub of 2019-IC-BX-K003	10-01-19 - 09-30-24	50,000	5,683	-	-	5,683
Total - Tribal Justice Systems				6,064,998	1,226,060	-	131,649	1,226,060
16.710	Public Safety Partnership and Community Policing Grants	15JCOPS-22-GK-03550-INDI	09-01-22 - 08-31-24	200,000	22,674	-	-	22,674
16.710	COPS Tribal Resources Grant Program (TRGP) 2022	15JCOPS-22-GK-03549-PPSE	09-01-22 - 08-31-24	300,000	54,674	-	-	54,674
Total - Public Safety Partnership and Community Policing Grants				500,000	77,348	-	-	77,348
16.752	Economic, High-Tech, and Cyber Crime Prevention	15PBJA-21-GK-03995-INTF	10-01-21 - 09-30-23	445,932	142,292	-	-	142,292
<i>Internet of Things National Training and Technical Assistance Program FY 2021</i>								
VOCA Tribal Victim Services Set-Aside Program								
16.841	Tribal Set-Aside Training & Technical Assistance Program FY 2018	2018-VO-GX-K001	10-01-18 - 09-30-22	1,325,000	67,074	-	48,700	67,074
16.841	Tribal Set-Aside Training & Technical Assistance Program FY 2020	2018-VO-GX-K001	10-01-20 - 09-30-22	750,000	104,971	-	-	104,971
16.841	Tribal Set-Aside Training & Technical Assistance Program FY 2021	2018-VO-GX-K001	10-01-21 - 09-30-22	1,000,000	693,406	-	130,873	693,406
Total - VOCA Tribal Victim Services Set-Aside Program				3,075,000	865,451	-	179,573	865,451
Total - U.S. Department of Justice				50,272,865	15,237,148	-	548,665	15,237,148
U.S. Department of Labor								
Workforce Investment Act Cluster								
WIA Adult Program								
17.258	<i>Passed through the Bay Area Workforce Development Board</i> Youth & Young Adult Career Pathway Development Services	22OUTYTHCS	07-01-22 - 06-30-23	35,521	26,502	-	-	26,502
17.259	<i>Passed through the Bay Area Workforce Development Board</i> Youth & Young Adult Career Pathway Development Services	22OUTYTHCS	07-01-22 - 06-30-23	91,338	43,409	-	-	43,409
Apprenticeship USA Grants								
<i>Passed through the Wisconsin Technical College System Board</i>								
17.285	FVTC Operational Enhancements to Support Apprenticeship Expansion	12-436-155-252	07-01-21 - 06-30-23	43,152	30,014	-	-	30,014
Total - U.S. Department of Labor				170,011	99,925	-	-	99,925
U.S. Department of State								
Academic Exchange Programs - Undergraduate Programs								
19.009	<i>Passed through Northern Virginia Community College</i> Community College Initiative Program (CCI) FY2023	SECAGD22CA0021	07-01-22 - 06-30-23	231,184	232,342	48,070	-	280,412
<i>Passed through World Learning</i>								
19.009	Increase and Diversify Education Abroad for U.S. Students (IDEAS) Program	IDEAS21-FVTC01	09-01-22 - 08-31-24	34,682	11,792	-	-	11,792
Total - U.S. Department of State				265,866	244,134	48,070	-	292,204
U.S. Department of Transportation								
National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements								
20.614	<i>Passed through Johns Hopkins University</i> Innovative Approaches to Advancing Traffic Safety and Enforcement	693JU92250017	09-29-22 - 09-28-27	700,000	35,072	-	-	35,072
Interagency Hazardous Materials Public Sector Training and Planning Grants								
20.703	<i>Passed through the Wisconsin Technical College System Board</i> FVTC Hazardous Materials Emergency Preparedness Grant	12-488-138-232	05-01-22 - 10-31-22	7,311	7,309	-	-	7,309
20.703	Interagency Hazardous Materials Public Sector Training & Planning Grants		07-01-22 - 06-30-23	5,500	5,500	-	-	5,500
Total - Interagency Hazardous Materials Public Sector Training and Planning Grants				12,811	12,809	-	-	12,809

Fox Valley Technical College District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Assistance Program	Federal AL Number	Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
U.S. Department of the Treasury				Total - U.S. Department of Transportation	712,811	47,881	-	47,881
Coronavirus State and Local Fiscal Recovery Funds								
<i>Passed through Fox Valley Technical College Foundation</i>								
COVID-19; Outagamie County Rescue Plan - Emergency Assistance for Students	21.027	OC-2021NP-69	11-01-21 - 06-30-23	25,000	4,267	-	-	4,267
<i>Passed through Goodwill North Central Wisconsin</i>								
COVID-19; Workforce Innovation/Career EXCELERate	21.027		06-20-22 - 06-30-25	3,037,750	374,156	-	-	374,156
<i>Passed through the Wisconsin Technical College System Board</i>								
COVID-19; Meat Processing Specialist Certificate	21.027	12-008-138-253	06-01-22 - 12-30-24	140,887	63,520	-	-	63,520
Total - U.S. Department of Treasury				3,203,637	441,942	-	-	441,942
U.S. Department of Veterans Affairs								
Post-9/11 Veterans Educational Assistance	64.028		07-01-22 - 06-30-23	5,632	3,604	-	-	3,604
Total - U.S. Department of Veterans Affairs				5,632	3,604	-	-	3,604
U.S. Environmental Protection Agency								
Performance Partnership Grants	66.605	BG97550718	05-15-23 - 09-15-23	14,904	1,285	-	-	1,285
Total - U.S. Environmental Protection Agency				14,904	1,285	-	-	1,285
U.S. Department of Education								
Adult Education - Basic Grants to States								
<i>Passed through the Wisconsin Technical College System Board</i>								
Adult Education/ELL Comprehensive Regional Service	84.002	12-371-146-122	07-01-21 - 09-30-22	326,348	27,566	-	-	27,566
Adult Education/ELL Comprehensive Regional Service	84.002	12-371-146-123	07-01-22 - 06-30-23	311,755	311,755	-	-	834,394
Integrated English Literacy & Civics Education (IELEC)	84.002	12-372-146-163	07-01-22 - 06-30-23	75,000	25,000	522,639	-	100,000
Adult Corrections - Incarcerated	84.002	12-373-146-113	07-01-22 - 06-30-23	55,000	55,000	18,333	-	73,333
Innovative Integrated Education and Training (IET)	84.002	12-375-146-183	07-01-22 - 06-30-23	34,682	12,217	4,073	-	16,290
Total - Adult Education - Basic Grants to States				802,785	481,539	570,045	-	1,051,583
Career and Technical Education - Basic Grants to States								
<i>Passed through the Wisconsin Technical College System Board</i>								
Perkins Support Services for Student Success	84.048	12-388-150-232	07-01-21 - 09-30-22	523,965	23,478	-	-	23,478
Perkins Career Prep	84.048	12-453-150-213	07-01-22 - 06-30-23	54,421	54,421	-	-	54,421
Perkins Support Services for Student Success	84.048	12-455-150-233	07-01-22 - 06-30-23	547,773	547,773	319,623	-	867,396
Perkins NTO Recruitment and Retention Services	84.048	12-457-150-263	07-01-22 - 06-30-23	36,518	36,518	-	-	36,518
Perkins Strengthening Career & Technical Ed-Information Systems Security Specialist	84.048	12-456-150-253	07-01-22 - 06-30-23	146,073	146,073	-	-	146,073
Perkins Capacity Building for Equity & Inclusion	84.048	12-454-150-223	07-01-22 - 06-30-23	63,016	63,016	-	-	63,016
Total - Career and Technical Education - Basic Grants to States				1,371,766	871,279	319,623	-	1,190,902
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		07-01-22 - 06-30-23	28,148	28,148	-	-	28,148
Higher Education Emergency Relief Fund								
COVID-19 ARP Emergency Student Aid	84.425E	P425E200962-20B	07-01-20 - 06-30-23	5,688,420	309,237	-	-	309,237
Student Financial Assistance Cluster								
Federal Supplemental Educational Opportunity Grants								
SEOG Grants	84.007		07-01-22 - 06-30-23	305,793	305,793	101,481	-	407,274
SEOG Grants - Administrative Cost				315,104	9,311	-	-	9,311
Total - Federal Supplemental Educational Opportunity Grants				315,104	315,104	101,481	-	416,585
Federal Work-Study Program								
	84.033		07-01-22 - 06-30-23	71,748	71,748	39,484	-	111,232

Fox Valley Technical College District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2023

Assistance Program		Grant Number	Grant Period	Federal Grant Amount	Federal Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
Federal AL Number								
Federal Pell Grant Program								
84.063	PELL Grants		07-01-22 - 06-30-23	6,038,831	6,038,831	-	-	6,038,831
84.063	PELL Grants - Administrative Fee		07-01-22 - 06-30-23	8,965	8,965	-	-	8,965
	Total - Federal Pell Grant Program			6,047,796	6,047,796	-	-	6,047,796
Federal Direct Student Loans								
84.268	Direct Subsidized Loans		07-01-22 - 06-30-23	3,280,608	3,280,608	-	-	3,280,608
84.268	Direct Unsubsidized Loans		07-01-22 - 06-30-23	2,804,929	2,804,929	-	-	2,804,929
84.268	Direct PLUS Loans		07-01-22 - 06-30-23	25,425	25,425	-	-	25,425
	Total - Federal Direct Student Loans			6,110,962	6,110,962	-	-	6,110,962
	Total - Student Financial Assistance Cluster			12,545,610	12,545,610	-	-	12,666,575
	Total - U.S. Department of Health and Human Services			20,436,729	14,235,813	1,030,632	-	15,266,445
U.S. Department of Health and Human Services								
Temporary Assistance for Needy Families								
93.558	WI Shares Program		07-01-22 - 06-30-23	4,566	4,566	-	-	4,566
John H. Chafee Foster Care Program for Successful Transition to Adulthood								
<i>Passed through the Bay Area Workforce Development Board</i>								
93.674	Bay Area Workforce Development - Independent Living	437003-G18-0001192-R03-01 437003-G18-0001192-R04-01	10-01-22 - 12-31-23	125,575	73,593	-	-	73,593
93.674	Youth & Young Adult Career Pathway Development Services	22OJTYTHCS	07-01-22 - 06-30-23	-	27,609	-	-	27,609
	Total - John H. Chafee Foster Care Program for Successful Transition to Adulthood			125,575	101,202	-	-	101,202
	Total - U.S. Department of Health and Human Services			130,141	105,768	-	-	105,768
U.S. Department of Homeland Security								
Assistance to Firefighters Grant								
<i>Passed through the Wisconsin Technical College System Board</i>								
97.044	Assistance to Firefighters		12-01-22 - 11-30-23	29,525	29,525	4,429	-	33,954
	Total - U.S. Department of Homeland Security			29,525	29,525	4,429	-	33,954
	TOTAL FEDERAL AWARDS			75,635,077	30,635,112	1,090,549	548,665	31,725,661

Reconciliation of Federal Revenue to Basic Financial Statements

Operating Revenues	29,979,865
Nonoperating Revenues	395,460
Add: Hazardous Materials Public Sector Training & Planning Grants	5,500
Deduct: Child Care Counts Funds-not Single Audit reportable	(81,956)
Elimination of Grant Funded Student Fees	336,240
Rounding	3
Difference	<u>0</u>

Fox Valley Technical College District

Schedule of Expenditures of State Awards

Year ended June 30, 2023

Assistance Program									
Wisconsin Department of Transportation	State ID Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures	
Motorcycle Safety									
Wisconsin Motorcycle Safety Program Basic & Introductory Fall 2022	20.395(4)(AQ)	MG-2022-FVTC-00023	07-01-22 - 12-31-22	12,537	12,401	42,233	-	54,635	
Wisconsin Motorcycle Safety Program Basic & Introductory Spring 2023	20.395(4)(AQ)	MCG-R1-2023-FVTC-00046	01-01-23 - 06-30-23	15,000	25,558	53,212	-	78,770	
Wisconsin Motorcycle Safety Program Basic Rider 2 Fall 2022	20.395(4)(AQ)	MG-2022-FVTC-00024	07-01-22 - 12-31-22	1,999	960	661	-	1,621	
Wisconsin Motorcycle Safety Program Basic Rider 2 Spring 2023	20.395(4)(AQ)	MCG-R1-2023-FVTC-00047	01-01-23 - 06-30-23	2,000	365	964	-	1,329	
		Total - Wisconsin Department of Transportation		31,535	39,285	97,070	-	136,355	
Wisconsin Department of Veterans Affairs									
Veterans Employment and Entrepreneurship Grant Program									
Passed through the Fox Valley Technical College Foundation									
E-seed Entrepreneurial Training: Veterans Edition Innovation Accelerator	20.485(2)(QM)		01-01-22 - 10-31-22	89,650	26,916	-	-	26,916	
E-seed Entrepreneurial Training: Veterans Edition Innovation Accelerator	20.485(2)(QM)		12-12-22 - 06-30-23	99,970	72,161	-	-	72,161	
		Total - Wisconsin Department of Veterans Affairs		189,620	99,077	-	-	99,077	
Higher Education Aids Board									
Wisconsin Grant	235.102		07-01-22 - 06-30-23	1,786,644	1,786,644	-	-	1,786,644	
Remission of Fees for Veterans and Dependents	235.105		07-01-22 - 06-30-23	144,031	144,031	-	-	144,031	
Minority Undergraduate Retention	235.107		07-01-22 - 06-30-23	12,970	12,970	-	-	12,970	
Academic Excellence Scholarship	235.109		07-01-22 - 06-30-23	6,188	6,188	5,625	-	11,813	
Talent Incentive Program	235.114		07-01-22 - 06-30-23	36,300	36,300	-	-	36,300	
Nursing Student Loan	235.117		07-01-22 - 06-30-23	13,200	13,200	-	-	13,200	
Technical Excellence Scholarship	235.119		07-01-22 - 06-30-23	133,389	133,389	133,387	-	266,776	
Indian Student Assistance	235.132		07-01-22 - 06-30-23	550	550	-	-	550	
		Total - Higher Education Aids Board		2,133,272	2,133,272	139,012	-	2,272,284	
Wisconsin Department of Public Instruction									
Minority Group Scholarships									
DPI-Career Exploration Camps: Summer 2022	255.903	DPI-255.903	07-01-21 - 06-30-23	30,288	2,833	-	-	2,833	
DPI-Career Exploration Camps: Summer 2023	255.903	DPI-255.903	07-01-22 - 06-30-23	30,288	15,369	-	-	15,369	
		Total - Wisconsin Department of Public Instruction		60,576	18,202	-	-	18,202	
Wisconsin Technical College System Board									
Emergency Assistance									
FVTC Student Emergency Assistance	292.104	12-450-104-113	07-01-22 - 06-30-23	20,655	20,504	-	-	20,504	
State Aids for Technical Colleges									
292.105			07-01-22 - 06-30-23	10,591,261	10,591,261	-	-	10,591,261	
Grants to District Boards									
Advancing to Edtech 3.0: Improving Student Learner Outcomes	292.124	12-437-124-182	10-21-21 - 09-30-22	150,000	20,294	-	-	20,294	
Agriculture/Natural Resources Initiative	292.124	12-056-124-183	06-01-23 - 05-31-24	12,576	10,127	-	-	10,127	
Airframe & Powerplant Mechanics	292.124	12-446-124-133	07-01-22 - 06-30-24	228,000	117,196	-	-	117,196	
American Association of Colleges & Universities Conference Leadership Grant	292.124	12-029-124-183	01-01-23 - 06-30-23	3,000	3,000	-	-	3,000	
Baking & Pastry Associate Degree	292.124	12-449-124-143	07-01-22 - 06-30-24	75,936	38,681	-	-	38,681	
Career Pathways and Partnerships in Rural Healthcare	292.124	12-443-124-123	07-01-22 - 06-30-23	66,066	66,066	16,516	-	82,582	
Developing Associate of Arts & Science Articulations	292.124	12-490-124-183	07-01-22 - 06-30-23	143,034	89,545	-	-	89,545	
Developing Markets - Activity	292.124	12-322-124-141	07-01-20 - 09-30-22	147,176	10,056	-	-	10,056	
Digital Court Reporter	292.124	12-378-124-132	07-01-21 - 06-30-23	79,466	52,184	-	-	52,184	
FVTC & Gateway Aeronautics-Pilot Training	292.124	12-380-124-132	07-01-21 - 06-30-23	500,000	268,536	-	-	268,536	
FVTC & WCTC Diesel Equipment Technology	292.124	12-447-124-133	07-01-22 - 06-30-24	500,000	133,649	-	74,954	133,649	
FVTC Knowledge Networks	292.124	12-385-124-152	07-01-21 - 09-30-22	73,063	23,956	-	2,350	23,956	
FVTC Student Support Services	292.124	12-384-124-162	07-01-21 - 09-30-22	225,000	38,598	-	-	38,598	
FVTC Truck Driver Training Project	292.124	12-002-128-113	07-01-22 - 06-30-23	89,937	89,937	-	-	89,937	
Improving Student Learning Outcomes with Edtech 3.0	292.124	12-452-124-153	07-01-22 - 06-30-23	73,063	73,063	36,532	-	109,595	
Industrial Metrology Technician Apprenticeship	292.124	12-448-124-143	07-01-22 - 06-30-24	124,064	61,527	-	-	61,527	
Online Agribusiness Agron Tech	292.124	12-379-124-132	07-01-21 - 06-30-23	343,598	102,953	-	-	102,953	
Re-engagement Campaign for Credential Completion	292.124	12-491-124-193	07-01-22 - 09-30-23	200,000	118,933	-	-	118,933	
SkillsUSA Project FY2023	292.124	12-039-124-183	03-01-23 - 02-29-24	6,300	6,300	-	-	6,300	

Fox Valley Technical College District

Schedule of Expenditures of State Awards

Year ended June 30, 2023

Assistance Program	State ID Number	Grant Number	Grant Period	State Grant Amount	State Revenue	Match	Passed Through to Sub-Recipients	Total Expenditures
Surgical Technology	292.124	12-382-124-142	07-01-21 - 06-30-23	200,000	138,696	-	-	138,696
Veterinary Technician Expansion	292.124	12-4465-124-133	07-01-22 - 06-30-24	272,000	139,209	-	-	139,209
Workforce Advancement Training								
Achieving Operational Excellence through Skill Development	292.124	12-407-124-172	07-01-21 - 11-30-22	143,973	30,093	-	-	30,093
Career Path Cohorts for Industrial Maintenance	292.124	12-478-124-173	07-01-22 - 08-31-23	152,770	152,770	-	-	152,770
Continuous Improvement & Quality	292.124	12-482-124-173	07-01-22 - 08-31-23	107,741	107,741	-	-	107,741
High Value Technical Skills	292.124	12-409-124-172	07-01-21 - 11-30-22	167,376	30,789	-	-	30,789
High Value Technical Skills	292.124	12-481-124-173	07-01-22 - 08-31-23	144,749	144,108	-	-	144,108
Industrial Maintenance: Cohorts for Credits	292.124	12-408-124-172	07-01-21 - 08-31-22	141,118	632	-	-	632
Metal Fabrication Career Pathways	292.124	12-410-124-172	07-01-21 - 11-30-22	75,085	13,149	-	-	13,149
Metal Fabrication Pathways	292.124	12-480-124-173	07-01-22 - 08-31-23	73,925	43,159	-	-	43,159
Specialized Healthcare: A Career Pathway Partnership	292.124	12-405-124-172	07-01-21 - 11-30-22	132,427	35,196	-	-	35,196
Specialized Healthcare: A Career Pathway	292.124	12-477-124-173	07-01-22 - 08-31-23	96,169	77,212	-	-	77,212
Workforce Leaders: Core Skills to Foster Performance & Encourage Pathways	292.124	12-406-124-172	07-01-21 - 11-30-22	168,310	57,423	-	-	57,423
Workforce Leaders	292.124	12-479-124-173	07-01-22 - 08-31-23	126,214	109,289	-	-	109,289
Passed through Chippewa Valley Technical College								
Skills USA	292.124	01-377-124-183	10-01-22 - 09-30-23	4,000	3,302	-	-	3,302
Passed through the Northeast Wisconsin Technical College								
Computer Support Specialist	292.124	13-126-124-132	07-01-21 - 06-30-23	110,000	57,057	-	-	57,057
Fire Fighter Training 2%								
Property Tax Relief Aid	292.137		07-01-22 - 06-30-23	49,629	49,629	-	-	49,629
Wisconsin Department of Natural Resources								
Aids in Lieu of Taxes	292.162		07-01-22 - 06-30-23	32,203,603	32,203,603	-	-	32,203,603
State Aid in lieu of Property Taxes	370.503		07-01-22 - 06-30-23	38,192	38,192	-	-	38,192
Wisconsin Department of Workforce Development								
Vocational Rehabilitation Program	445.509		07-01-22 - 06-30-23	7,618	7,618	-	-	7,618
Department of Vocational Rehab			07-01-22 - 06-30-23	7,618	7,618	-	-	7,618
Wisconsin Department of Revenue								
State Aid-Personal Property Tax	835.103		07-01-22 - 06-30-23	221,034	221,034	-	-	221,034
State Aid-Personal Property Tax	835.109		07-01-22 - 06-30-23	281,816	281,816	-	-	281,816
State Aid-Computers			07-01-22 - 06-30-23	502,850	502,850	-	-	502,850
TOTAL STATE AWARDS				50,984,947	48,167,919	289,130	77,304	48,457,049

Reconciliation of State Revenue to Basic Financial Statements

Operating Revenues	4,797,463
Nonoperating Revenues	43,335,906
Elimination of Grant Funded Student Fees	34,551
Rounding	(1)
Difference	(0)

FOX VALLEY TECHNICAL COLLEGE DISTRICT
Notes to the Schedules of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

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, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of Wisconsin *Single Audit Guidelines*. Because the Schedule presents only a selected portion of the operation of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE B - SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenditures in the schedules are presented in accordance with the accrual basis of accounting and are in agreement with amounts reported in the Fox Valley Technical College District’s 2022-2023 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, 2023

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?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported

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

<u>Name of Federal Major Program or Cluster</u>	<u>AL No.</u>
Missing Children’s Assistance	16.543

Dollar threshold used to distinguish between Type A and Type B programs:	
Federal	\$919,053

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, 2023

Section I – Summary of Auditors’ Results (Continued)

State Awards

Internal control over financial reporting:
 Material weaknesses identified? No
 Significant deficiencies identified? None reported

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

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

Identification of major state programs:

<u>Name of State Program</u>	<u>State I.D. Number</u>
State Aids for Vocational, Technical, and Adult Education	292.105
Property Tax Relief Aid	292.162

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, 2023

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

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

Name and signature of partner 

Brian Anderson, CPA

Date of report December 19, 2023