



# 20

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT

# 15

*For fiscal years ending  
June 30, 2015 and 2014*

**Moraine Park Technical College District**  
**Fond du Lac, Wisconsin**

# **Comprehensive Annual Financial Report**

**for the fiscal years ended June 30, 2015 and 2014**

**Official Issuing Report:**

Bonnie Baerwald, CPA  
President

**Report Prepared By:**

Carrie Kasubaski, CPA  
Vice President of Finance and Administration

**Assisted By:**

Accounting/Financial Services staff  
Marketing staff  
Office Services staff  
Schenck, SC

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# **INTRODUCTORY SECTION**

December 16, 2015

To the Citizens and Board of Directors  
of the Moraine Park Technical College District

The Comprehensive Annual Financial Report for the Moraine Park Technical College District (hereafter referred to as "College", "MPTC" or "District") for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge, the enclosed data is accurate and reported in a manner designed to present fairly the financial position and results of operations of the District. We have included all disclosures necessary to enable you to understand the District's financial activities.

The District is required to undergo an annual single audit to conform to the provisions of U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the State Single Audit Guidelines issued by the State of Wisconsin. Information related to this single audit, including the schedules of expenditures of federal awards and state awards, schedule of findings and questioned costs and independent auditors' reports on the internal control and compliance with certain provisions of laws, regulations, contracts and grants is included in the single audit section of this report.

This annual report includes all financial activity of the District in conformity with Generally Accepted Accounting Principles (GAAP). This annual report is consistent with legal reporting requirements of the State of Wisconsin. Besides meeting legal reporting requirements, the annual report is intended to present a summary of the significant District financial data in a format which meets the varying needs of District citizens, students, employees, taxpayers, financial institutions, bond rating agencies and intergovernmental agencies, including the Wisconsin Technical College System. We believe this presentation will provide better information to the user of the Comprehensive Annual Financial Report (CAFR).

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditors' report.

## REPORTING ENTITY

The Moraine Park Technical College District (also known as Moraine Park Technical College) is one of 16 districts in the Wisconsin Technical College System. This system began as the first statewide occupational school system in the United States as the result of state legislation passed in 1911. The system continues to receive strong support from organized labor, agriculture and business and industry.

Since 1911, Moraine Park Technical College has been helping people acquire the knowledge and skills necessary to prepare them for a rewarding future in the world of business, industry and service occupations. Our campuses in Fond du Lac, West Bend and Beaver Dam have well-equipped, state-of-the-art educational and computer laboratories, highly experienced instructors and a curricula which is continually updated with assistance from MPTC's advisory committees. Our mission is to ensure that our students will acquire the knowledge and skills to become and remain employable in today's competitive job market.

235 North National Avenue • PO Box 1940 • Fond du Lac, WI 54936-1940 • Phone 920-922-8611  
700 Gould Street • Beaver Dam, WI 53916-1994 • Phone 920-887-1101  
2151 North Main Street • West Bend, WI 53090-1598 • Phone 262-334-3413

[morainepark.edu](http://morainepark.edu)

The main campus and District administrative offices are located on the northeast side of Fond du Lac, while two branch campuses are located in West Bend and Beaver Dam. In addition, MPTC leases facilities for regional centers in Jackson and Ripon.

The District offers a variety of associate of applied science degree programs, two-year and one-year vocational diploma programs, apprenticeship programs, technical certificates and other adult education services. Students who graduated in 2014 from the College's associate degree or technical diploma programs experienced a 77% job placement rate.

The College is accredited by The Higher Learning Commission and a member of the North Central Association. Programs and courses are approved by the Wisconsin Technical College System Board and endorsed by the Veterans Administration, the American Association of Community Colleges and the Wisconsin Board of Nursing and Division of Nurses. Other selected programs are accredited by the National League of Nursing and other professional organizations.

## **VISION, MISSION, VALUE STATEMENTS AND 2011-16 GOAL STATEMENTS**

### ***Vision***

Moraine Park Technical College will be a respected and preferred educational leader.

### ***Mission***

Innovative education for an evolving workforce and community.

### ***Value Statements***

Collaboration – We value collaboration and communication among students, staff and community partners to strengthen our District and communities.

Lifelong Learning – We value learning as a lifelong journey in the pursuit of personal and professional growth.

Innovation – We value innovation and creativity to remain a leader in global technical education.

Integrity – We value fair, honest, respectful and ethical behaviors.

Inclusiveness – We value inclusiveness and respect for all, providing accessible education to diverse learners. We believe that team work is critical, that each member is important to accomplishing our mission.

Student-Centered – We value a responsive and supportive environment providing the rigor and relevance necessary to advance student learning, development and student.

Accountability – We value individual and shared responsibility for our actions and ensuring the future of Moraine Park, both academically and fiscally.

Continuous Improvement – We value informed decisions which promote sustainability, continuous improvement and effective and efficient use of resources.

### ***2011-16 Goal Statements***

#### **Achieve Performance Excellence**

Promote an environment of continuous improvement and sustainability.

#### **Enhance Student Success**

Promote a learning environment dedicated to student achievement.

#### **Strengthen Community Connections**

Seek and develop opportunities that positively impact our communities.



## 2014-15 STRATEGIC PLAN – COLLEGE GOALS AND OUTCOMES

MPTC is an organization where accomplishments flow from its vision and outcome-based strategic plan. Highlights from 2014-15 include the following:

### Goal 1: Achieve Performance Excellence

- The Innovation 2020 strategic planning document was completed to include organization key metrics.
- Updated the crisis communication plan and conducted drills with executive staff.
- Received and managed numerous federal and state grants involving various industries including manufacturing, information technology, healthcare and others.
- Completed various information technology projects including the evaluation of a data center disaster recovery plan.
- Created a College-wide Title IX rollout plan, including new staff and student training, policies/procedures and an update of the AA/EO website information.
- Implemented a new outcomes-based funding model based on new criteria approved by the Governor's office.
- Collaborated with WTCS colleagues to form the Wisconsin Technical College Employee Benefit Consortium.
- Remodeled approximately 1,000 square feet of office space for academic managers to improve accessibility, promote open communication and strengthen service to students.

### Goal 2: Enhance Student Success

- Implemented a new online learning website and mobile application.
- Student health care licensure exam pass rates exceed 90%.
- Instituted a petition process for admission to Allied Health programs which has led to a higher completion rate.
- Hired a full-time Student Veteran Specialist to devote time and guidance to our Veterans to improve the transition from military life to college located in a new Veterans Welcome Center.
- Completed a student services center addition and remodel at the Fond du Lac campus to consolidate student services.
- Collaborated with area high school to create a K-12 Learning for Independence Program which works with IEP students with learning disabilities from 18-21 years of age to move them from a high school environment to a college experience.

### Goal 3: Strengthen Community Connections

- Appointed three new District Board members representing communities throughout the District.
- Supported service learning projects that establish community connections such as the sponsored Pink Pumpkin Walk to benefit breast cancer research.
- Finalized transfer articulation agreements for five MPTC programs with Marian University.
- Enhanced program offerings available for the communities by conducting two business forums and 11 webinars connecting with over 80 companies and 150 participants.
- Represented the College on the Well City Fond du lac Project Management Committee, Advisory Board, Well Workplace University and Learning Circles.
- Partnered with University of Wisconsin Fond Du Lac, Marian University and Ripon College to provide a Higher Education Diversity Initiative Team (HEDIT) conference.

## **FACILITIES AND CAPITAL INITIATIVES**

### Fond du Lac Campus

#### *New Student Services Addition*

A new one stop student services center addition and a more architecturally prominent main entrance was completed. This addition is located on the west side of the C-building in close proximity to the visitor parking lot. The addition provides a handicap accessible entrance that is easily identifiable for students and new customers. Following the “One-Stop Shop” student services model implemented earlier on the Beaver Dam and West Bend campuses, this model consolidates student services including registration, financial aid, assessment, and special services. An additional investment in landscaping also occurred to complement the new addition.

Once staff were relocated to the new student services addition, the District completed extensive remodeling to adjacent spaces for departments that collaborate closely with student services including student life, registrar, diversity services, and the SSS TRIO grant services. The remodeled space includes offices, a conference room, and a workroom with a focus on efficient services and shared resources.

#### *Building Automation System Upgrade*

A new web based building automation system was purchased and phase one of a two year implementation was completed.

#### *Updated Surveillance Security System*

Installed a new enhanced system which integrates with existing access control systems. The new technology provides the ability to be monitored and controlled from mobile devices.

### West Bend Campus

#### *Backup Generator*

Installed a new emergency generator system for the campus to provide electrical power for the data center and critical plant operation components.

## **ACCREDITATION**

The Higher Learning Commission (HLC) of the North Central Association of Colleges and Schools accredits Moraine Park Technical College. The College received a comprehensive evaluation under the Program to Evaluate and Advance Quality (PEAQ) in 1994-95, but later decided the new Academic Quality Improvement Program (AQIP) pathway for accreditation introduced in 1999 was a better match. AQIP is structured around quality improvement principles and processes and involves a structured set of goal-setting, networking, and accountability activities.

Since joining the Higher Learning Commission’s Academic Quality Improvement Program (AQIP) in 2001, Moraine Park has participated in the following Accreditation activities:

- Attended four Strategy Forums (2002, 2006, 2010, 2014) with the next scheduled forum in 2017.
- Transitioned to an innovative electronic portfolio and submitted three Systems Portfolios for appraisal (2005, 2009, 2013) with the next scheduled in 2018.
- Received accredited reaffirmation for the next 8-year cycle to be reviewed for reaffirmation in the 2022-23 academic years.
- Maintained accreditation status in good standing since 2001.
- Continues to make progress annually on action projects that are reported to the AQIP review team. Current action projects include:
  - Develop a process for using data to enhance decision making through Business Intelligence
  - Develop and implement a process to track student progress and achievement
  - College Council: Transformation of a Culture

In the coming months, college teams will continue to devote resources to improving processes identified in recent feedback reports and will review annual update feedback for Action Projects as submitted to the

Higher Learning Commission. Additionally, as HLC has transitioned to an 8-year AQUIP cycle, the college will adapt its own accreditation timeline and respond to the processes related to the new cycle and its schedule of events and activities.

## **ECONOMIC CONDITION**

The information presented in the financial statements and footnotes is supplemented by information provided below on other factors which may impact financial operations of the College for this year and the future.

### **State and Local Economy**

The Wisconsin economy grew at a steady pace in 2014. The forecast calls for continued growth in terms of jobs in 2015. Wisconsin personal income was expected to post growth of 3.4% in 2014 and will grow 3.0% in 2015. In addition, employment in Wisconsin is expected to show positive growth throughout the forecast period, rising 1.3% in 2014 with steady growth between 2015 and 2017 (Wisconsin Economic Outlook, May 2015).

After four years of declines in property values, 2014 reported an increase of over 2% in valuation within the District. Prior years experienced a drop in values totaling 2.16% for 2010, 1.83% in 2011, 3.51% in 2012, and a fourth year decrease of 1.29% for 2013. College administration expects property value growth of approximately 2% for 2015.

### **State Administration**

Governor Scott Walker created a new funding model beginning July 2013. In the 2013-15 biennial budget, Governor Walker introduced outcome-based funding for distribution of Wisconsin general state aids. During 2013-14, State office officials and system leaders defined the following nine metrics for consideration to distribute these outcome-based dollars in future years:

- 1) Job Placement – The placement rate of students in jobs related to students' programs of study
- 2) High Demand Fields – The number of degrees and certificates awarded in high-demand fields
- 3) Industry-Validated Curriculum – The number of programs or courses with industry-validated curriculum
- 4) Adult Basic Education (ABE) Transition – The transition of adult students from basic education to skills training
- 5) ABE Services and Success – The number of adult students served by basic education courses, adult high school or English language learning courses, or courses that combine basic skills and occupational training as a means of expediting basic skills remediation, and the success rate of adult students completing such courses
- 6) Dual Enrollment – Participation in dual enrollment programs
- 7) Workforce Training – The workforce training provided to businesses and individuals
- 8) Collaboration – Participation in statewide or regional collaboration or efficiency initiatives
- 9) Special Populations – Training or other services provided to special populations or demographic groups that can be considered unique to the district

The District selected seven of the nine criteria as funding allocation measurements for the 2014-15 fiscal year. For 2014-15, outcome-funding allocations represent 10% of the general state aid dollars. At this time, the rate increase is set at a minimum 10% increase for future years until the allocation for performance-based funding reaches 100% of state aid payments.

In addition, the budget includes the elimination of the \$1.50 operational mill cap. Instead, the District's operational tax levy growth will be limited to net new construction of the District as defined by the Wisconsin Department of Revenue. For 2014-15, the tax levy growth was limited to .96679% of the previous year's operational levy dollars.

### **Strategic Planning**

Since 2010, the College has focused on a set of strategic goals and related outcomes that set direction from 2011 to 2016. As the community's technical college, it was important to gather feedback from those the College serves to ensure its direction aligns with the community's needs. At that time, listening

sessions were held throughout the District with business and community leaders, students and staff. Additional surveys were held throughout the summer and fall to gather feedback from those not able to attend the listening sessions. Overall, a new 2011-2016 College vision, mission, and value statements were created to direct the College's planning for the next five years.

As part of this plan, only three college goals were created emphasizing the need to focus annual resources on a few strategic initiatives. Under direction from College leadership, the 2014-15 strategic plan was revised to align outcomes and initiatives with the College's goals.

In 2013-14 the College created a new vision, mission and strategic priorities for 2015-2020. Known as Innovation 2020, the plan was generated from the input of District staff, faculty and students and will serve as the road map to drive Moraine Park in a forward, positive direction beginning in 2015-16. College reserves remain at approximately 28% of expenditures and are within the board recommended guideline of 25%.

### **Fiscal Planning**

Despite the financial restrictions imposed by the State, MPTC maintains a favorable credit rating. In August 2015, Moody's Investors Service assigned an Aaa rating to the District for a general obligation debt sale. The report indicated that "the Aaa rating reflects the District's large tax base located near major employment centers; above average wealth indices; well managed financial operations supported by healthy reserve levels; and manageable debt and pension obligations" (Global Credit Research 13 Jan 2015).

To address these fiscal challenges, MPTC continually uses the following tools to assist with future directional planning of the College:

- An extensive strategic plan which includes goals and measurable outcomes. All systems utilize this plan to create system-wide and departmental plans which are directly linked to these College goals.
- Annual follow-up studies including graduate placements, employer satisfaction reports, and environmental scanning instruments are used to monitor changes in the labor markets, demographics, technology and academia.
- The College utilizes numerous sources for identifying new program needs. These include the College's annual environmental scan, district employment projections data, business and advisory committee input, and peer institution data.
- Academic staff utilize several program assessment tools to measure various aspects of program viability include FTEs, enrollment, student placement statistics, student persistence and status of assessment measures. Programs not meeting certain measures are suspended and may be terminated in the future.
- The College developed a Facility Master plan in 2006 which is updated annually to create a logical plan for facility building and maintenance projects.
- The Wisconsin Technical College System office requires a three-year facilities plan on an annual basis. This document is updated annually after the master facility plan is reviewed and updated.
- A Technology project plan identifies major technology projects for the College within the next three years and is also updated annually. Projects include application development, network services, and user support services.

These challenges in mind, the long-term financial planning established by the College in conjunction with the District Board will allow Moraine Park to effectively meet the financial needs of operations in the future. The overall current financial position is positive, and MPTC is committed to maintaining a positive status in the future.

## **MANAGEMENT SYSTEMS AND CONTROLS**

Moraine Park Technical College is committed to the development of good management systems and controls. Every effort is made to employ qualified personnel. Likewise, systems are conscientiously developed to enable MPTC employees to function effectively, while providing appropriate levels of supervision and segregation of duties.

### **Accounting System**

Management of the College is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse, and to ensure the reliability of financial and accounting records to allow for the preparation of financial statements in conformity with generally accepted accounting principles. 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 the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

In addition, as a recipient of state and federal financial assistance, the District is responsible for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs.

We believe the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgetary System**

The District's annual budget is prepared in accordance with the requirements of the Wisconsin Technical College System Board. Budgetary responsibility is delegated to the managers of various cost centers of MPTC. Each year staff prepare, present and modify budget plans for the forthcoming year.

At the time the District Board adopts the budget, it establishes the dollar amount of the operational tax levy, not the final mill rate, since valuation figures are not available until October. In addition, the Board may adjust the levy amounts prior to setting the tax rates in October based on more current information. Budgeted amounts are controlled by function within fund; modification or changes to the budget require approval by a two-thirds vote of the District Board. The District also maintains an encumbrance system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

### **Cash Management**

The District Board adopted an overall investment policy delegating investment responsibility to the Vice President, Finance and Administration. The policy permits investments in any instruments allowed within the Wisconsin Administrative Code. Idle cash during the year was invested in certificates of deposit.

The College has a handling procedure to ensure all employees who handle cash follow specified procedures to safeguard cash and to protect employees from inappropriate charges of mishandling funds by defining employee responsibilities. All employees who handle cash are required to annually acknowledge and confirm the understanding and compliance with this procedure. This procedure is expected to increase internal controls related to all aspects of cash management.

### **Risk Management**

Since July 2004, the District maintains a comprehensive risk management program through Districts Mutual Insurance Company (DMI). DMI is an insurance company jointly created by all sixteen Wisconsin technical colleges. Through DMI, risk management services include an insurance program for property, cyber risk, casualty, and liability, an active safety committee, risk control services, risk management training and specialized services in the District's risk management efforts. In addition, the District also

maintains a self-insurance fund which is used to cover the deductible on liability coverage and on small claims for lost or stolen items that fall below the deductible limits.

During 2011–12, the College started the creation of a comprehensive business continuity plan. The entire project is expected to be complete in 2015-16 and will identify gaps within the College that could create severe risk for operational continuity both short and long-term. As the project progresses, MPTC will begin addressing identified needs as part of the annual budget planning process.

### **Independent Audit**

State statutes require an annual audit by independent certified public accountants, in addition to meeting the requirements of OMB Circular A-133 and the State Single Audit Guidelines. The accounting firm of Schenck SC was selected by the District Board to perform the annual audit. The audit report on the basic financial statements is included in the financial section of this report. The auditors' reports that relate specifically to the single audit are included in the single audit section.

### **EXCELLENCE IN FINANCIAL REPORTING**

The District will submit this Comprehensive Annual Financial Report to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting. To be awarded this honor, the financial reporting entity must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. This report satisfies both the generally accepted accounting principles and applicable legal requirements.

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to Moraine Park Technical College District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. A Certificate of Achievement is valid for a period of one year only. This is the 21st consecutive year that Moraine Park Technical College District has received a Certificate of Achievement. We believe our current report continues to conform to the program's requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

### **ACKNOWLEDGMENT**

The timely preparation of this report was accomplished through the cooperative and concerted efforts of MPTC's Accounting/Financial Services, Office Services, and Marketing departments and with the professional services of the District's independent audit firm, Schenck SC. We express our appreciation to our dedicated staff for their many long hours in the preparation of this report. In addition, we convey our appreciation to the MPTC Board of Directors for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Bonnie Baerwald, CPA  
President



Carrie Kasubaski, CPA  
Vice President, Finance and Administration



Government Finance Officers Association


**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Moraine Park Technical  
College District, Wisconsin**

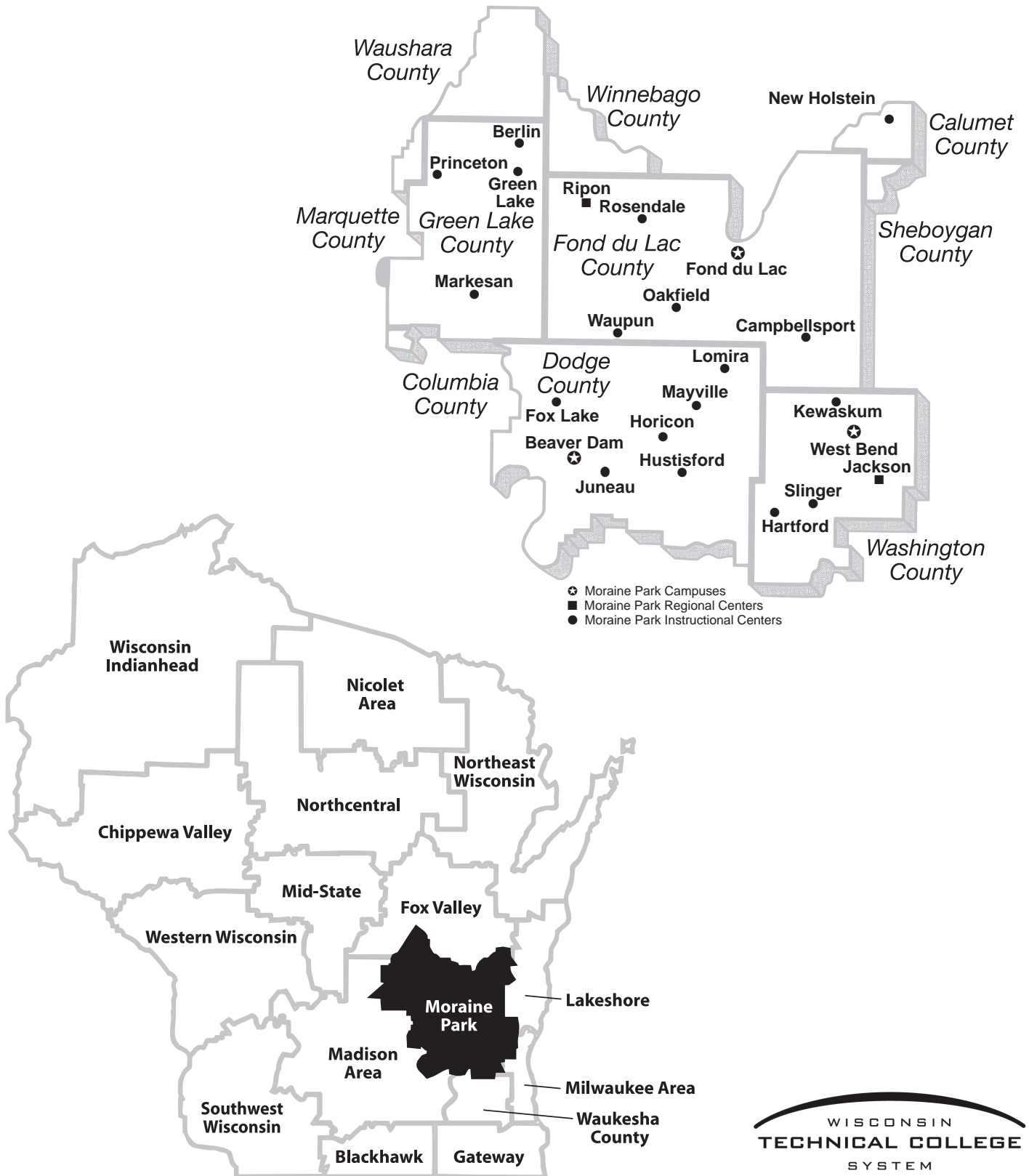
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**



Executive Director/CEO

# Moraine Park Technical College District District and State Maps





**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**

**BOARD MEMBERSHIP**  
(As of June 30, 2015)

**DISTRICT BOARD**

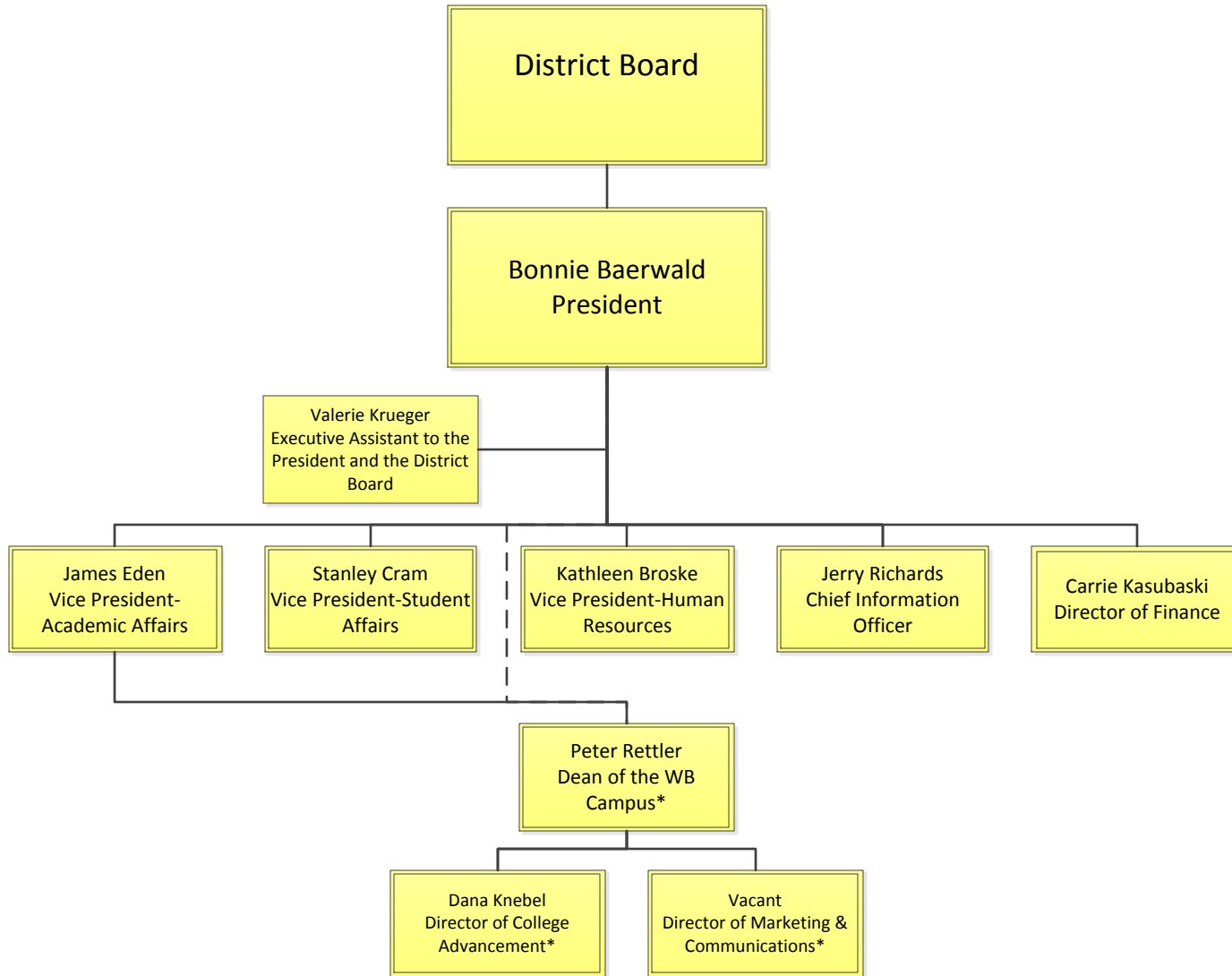
<i>Chairperson</i>	<i>Vernon Jung, Jr.</i>	<i>Additional Member</i>
<i>Vice Chairperson</i>	<i>Mike Miller</i>	<i>Elected Official</i>
<i>Secretary</i>	<i>Mike Staral</i>	<i>Employer Member</i>
<i>Treasurer</i>	<i>Jodine Deppisch</i>	<i>Employer Member</i>
<i>Member</i>	<i>Donna Goetz</i>	<i>Employee Member</i>
<i>Member</i>	<i>Kim Krueger</i>	<i>Employee Member</i>
<i>Member</i>	<i>Judy Lux</i>	<i>Additional Member</i>
<i>Member</i>	<i>Lowell Prill</i>	<i>Additional Member</i>
<i>Member</i>	<i>Richard Zimman, Ph.D.</i>	<i>School Administrator</i>

**BOARD FINANCE COMMITTEE**

*Jodine Deppisch, Chairperson*

*Donna Goetz*  
*Vernon Jung*  
*Kim Krueger*  
*Judy Lux*  
*Mike Miller*  
*Lowell Prill*  
*Mike Staral*  
*Richard Zimman, Ph.D.*

# President's Unit



\*Interim reporting structure until January 2016

# **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

To the District Board  
Moraine Park Technical College District  
Fond du Lac, Wisconsin

### Report on the Financial Statements

We have audited the accompanying financial statements of the Moraine Park Technical College District ("the District") as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of June 30, 2015 and 2014, and the respective changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As discussed in Note L, 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*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules relating to pensions and other post-employment benefits on pages 17 through 30 and 61 through 64 be presented to supplement the basic financial statements. Such information, although not 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 of America, 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.

### *Other 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 financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards and schedule of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration, and other information, such as the introductory and statistical section are also not a required part of the basic financial statements.

The supplementary information and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 of America. In our opinion, the supplementary information, the schedules of expenditures of federal awards and the schedule of state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2014, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or 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.



Certified Public Accountants

Sheboygan, Wisconsin  
December 2, 2015

## MORaine PARK TECHNICAL COLLEGE DISTRICT Management's Discussion and Analysis

Moraine Park Technical College District's Management's Discussion and Analysis (MD&A) of its financial condition provides an overview of financial activity, identifies changes in financial positions, and assists the reader of the financial statements in focusing on noteworthy financial issues.

While maintaining its financial health is crucial to the long-term viability of the District, the primary mission of a public institution of higher education is to provide education and training. Therefore, net position is accumulated only as required to ensure that there are sufficient reserve funds for future operations and implementation of new programs. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

This annual report consists of a series of financial statements, prepared in accordance with generally accepted accounting principles, as stated in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*.

### Statement of Revenues, Expenses, and Changes in Net Position

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 Moraine Park Technical College will report an operating deficit or loss, as the financial reporting model classifies state appropriations and property taxes as non-operating revenues. The utilization of capital assets is reflected in the financial statements as depreciation which amortizes the cost of an asset over its expected useful life.

The following is a condensed version of the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2015, 2014, and 2013 (dollars in thousands):

	2015	2014	Increase (Decrease) 2015-2014	2013 (Restated)	Increase (Decrease) 2014-2013
<b>Revenues</b>					
<b>Operating revenues</b>					
Tuition and fees	\$ 4,591	\$ 4,402	\$ 189	\$ 4,536	\$ (134)
State and federal grants	14,461	14,563	(102)	14,732	(169)
Contract revenue	3,393	3,423	(30)	3,247	176
Auxiliary revenues	591	2,445	(1,854)	2,412	33
Miscellaneous	922	1,106	(184)	984	122
<b>Total operating revenues</b>	<b>23,958</b>	<b>25,939</b>	<b>(1,981)</b>	<b>25,911</b>	<b>28</b>
<b>Non-operating revenues</b>					
Property taxes	15,981	36,397	(20,416)	36,465	(68)
State operating appropriation	24,202	3,114	21,088	3,024	90
Investment income	113	84	29	89	(5)
<b>Total non-operating revenues</b>	<b>40,296</b>	<b>39,595</b>	<b>701</b>	<b>39,578</b>	<b>17</b>
<b>Capital contributions - state and federal grants</b>					
	173	239	(65)	111	128
<b>Total revenues</b>	<b>64,427</b>	<b>65,773</b>	<b>(1,345)</b>	<b>65,600</b>	<b>173</b>

	2015	2014	Increase (Decrease) 2015-2014	2013 (Restated)	Increase (Decrease) 2014-2013
<b>Expenses</b>					
<b>Operating expenses</b>					
Instruction	\$ 25,439	\$ 25,160	\$ 279	\$ 26,336	\$ (1,176)
Instructional resources	1,854	2,310	(456)	1,920	390
Student services	6,593	6,273	320	6,180	93
General institutional	10,171	10,752	(581)	11,123	(371)
Physical plant	3,679	4,102	(423)	3,812	290
Auxiliary enterprise services	266	2,417	(2,151)	2,440	(23)
Depreciation	2,700	2,784	(84)	2,305	479
Student aid	7,038	7,507	(469)	7,949	(442)
Total operating expenses	57,740	61,305	(3,565)	62,065	(760)
<b>Non-operating expenses</b>					
Loss on disposal of capital assets	341	807	(466)	241	566
Interest expense	525	541	(16)	599	(58)
Total non-operating expenses	866	1,348	(482)	840	508
Total expenses	58,606	62,653	(4,047)	62,905	(252)
Increase in net position	5,821	3,120	2,702	2,695	425
Net position – beginning of the year as originally reported	54,835	51,715		49,208	
Cumulative effect of change in accounting principle	8,117	-	\$ 8,117	(188)	\$ (188)
Net position – beginning of the year (as restated)	62,952	51,715		49,208	
Net position – end of the year	\$ 68,773	\$ 54,835		\$ 51,715	

#### Fiscal Year 2015 Compared to 2014

Operating revenues are the charges for services offered by the District. During 2015, Moraine Park generated more than \$24.0 million of operating revenues. This was a decrease of over \$2 million, or almost 8% compared to the prior year. Significant items were as follows:

- Auxiliary revenues experienced over a 75% decrease due to the outsourcing of the bookstore operations effective for the new fiscal year.
- Miscellaneous revenue decreased almost 17% compared to 2014 as a result of the ending of the Wisconsin Covenant grant funding with the close of fiscal year 2014.

Operating expenses are costs related to offering the programs of the District. During 2015, operating expenses decreased over \$3.5 million or approximately 6% from the prior year. The decrease was primarily due to a combination of the following:

- The impact of the outsourcing of the bookstore operations significantly reduced the supply costs by over 67% and contractor service related costs by 20%.
- Postage and duplicating/printing costs decreased over 33% demonstrating the awareness of related costs and finding alternative methods to paper.
- Bank and merchant service charges have decreased over \$90,000 almost 50% as a direct result of the new contract for merchant services taking effect in the fiscal year.
- Student aid decreased almost \$500,000 in correlation with the 6% reduction in student enrollment.

- A reduction of over \$350,000 in software maintenance and contracted services related to information technology outsourcing changes and a new Learning Management System conversion.
- One of the few areas for increased expenses was travel related costs of over \$100,000 or 19% from the previous year.

Non-operating revenues and expenses are items not directly related to providing instruction. The most significant components of non-operating revenues and expenses include the following:

- The shifting of revenue from property taxes to state aid resulted from a change in funding sources introduced by the Governor. In addition state aids did increase overall as a result of new performance based funding criterion used in the calculation of the state aid calculations.
- Non-operating expenses are primarily a function of disposal activity of capital assets and interest paid on the College's long-term debt. During 2015 there was a decrease in the amount of major equipment disposals that were not fully depreciated resulting in a decrease in the loss on sale of capital assets. Interest expense decreased due in part to lower interest rates.

Overall the net position increased over \$5.8 million as a result of the above activity. In addition, as a result of implementing GASB Statement No. 68 and No. 71 in 2015, the beginning net position is restated as shown in the financial statements. The cumulative effective of this change results in an increase to net position of over \$8 million.

#### Fiscal Year 2014 Compared to 2013

During 2014, Moraine Park generated more than \$25.9 million of operating revenues. This was a consistent with the prior year, with a minimum increase of \$28,000. Significant items were as follows:

- Tuition and fee income, as reported in the basic financial statements, decreased by \$134,000, or 3% from 2013. A combination of a slight decrease in FTE's and financial aid contributed to the decline. These declines were offset by a tuition rate increase (set by the WTCS system) of 4.5%.
- Contract revenues experienced an increase of over 5% from the prior year. A significant factor in this was the continued efforts to reach high school students as part of the Career Prep contract as well as an increase in customized training contracts.
- Miscellaneous revenue increased over 12% compared to 2013 as a result of increases in various scholarship disbursements, funding of the insurance liability and debt proceeds.

Operating expenses are costs related to offering the programs of the District. During 2014, operating expenses decreased over \$750,000 or slightly more than 1% from the prior year. The decrease was primarily due to a combination of the following:

- The new Fond du Lac Services main entrance remodeling costs increased the physical plant expenses by 8%.
- The completion of previous year projects increased the depreciable assets and related costs over 20% from the previous year.
- The above expense increases were offset by various decreases, most notably in the instruction related expenses with a decrease of over \$1.1 million. An additional decrease in the amount reported as student aid which is calculated for financial statement purposes based on the distribution of 2014 financial aid between amounts applied to fees and amounts refunded to students. The overall decrease in financial aid disbursements of approximately 6% from 2013 was a primary factor in this calculation.

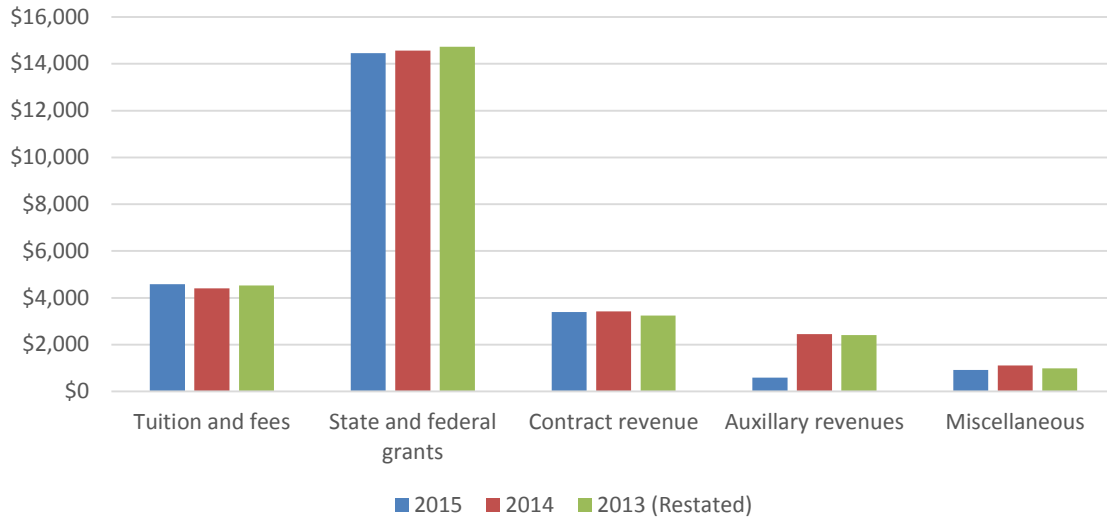
Non-operating revenues and expenses are items not directly related to providing instruction. The most significant components of non-operating revenues and expenses include the following:



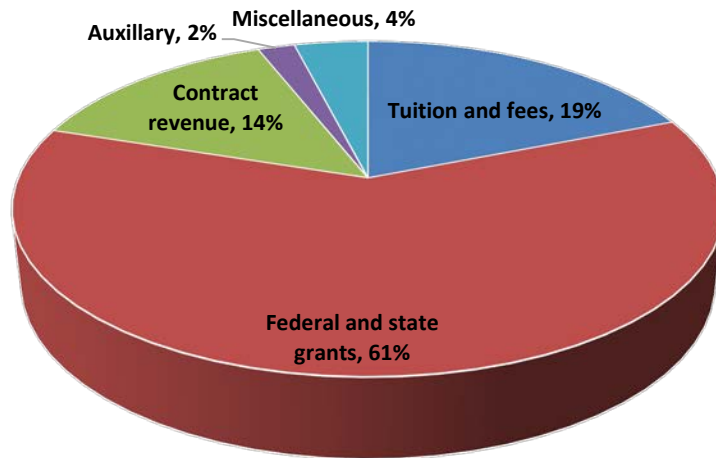
- Capital contributions from state and federal grant revenue increased primarily due to the federal TAACCCT2 Making the Future: The Wisconsin Strategy grant initiative activities completed throughout the year.
- Non-operating expenses are primarily a function of disposal activity of capital assets and interest paid on the College's long-term debt. During 2014 there was an increase in the amount of major equipment disposals that were not fully depreciated and for which minimal proceeds were received resulting in an increase in the loss on sale of capital assets. Interest expense decreased due in part to lower interest rates.

Overall the net position increased over \$3.1 million as a result of the above activity.

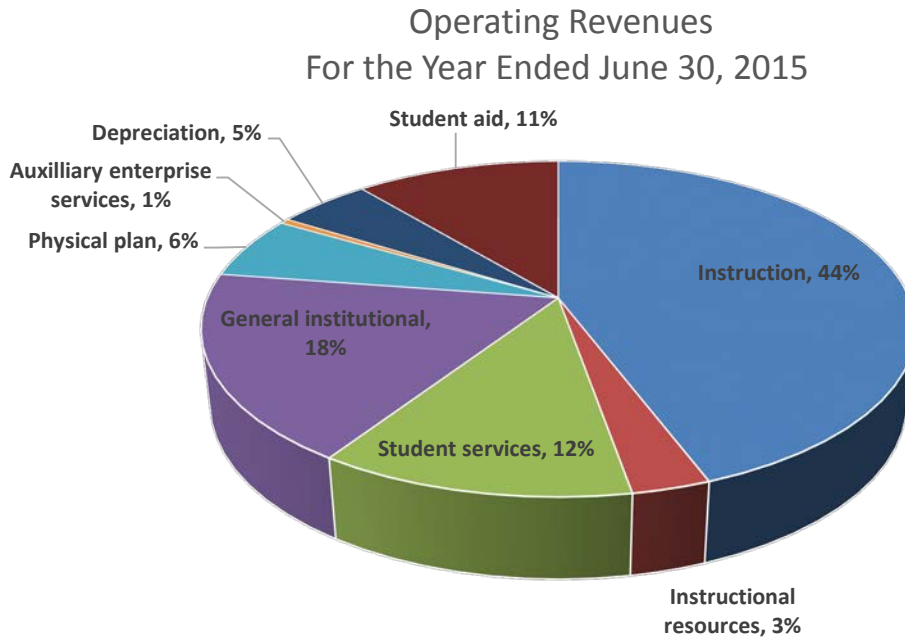
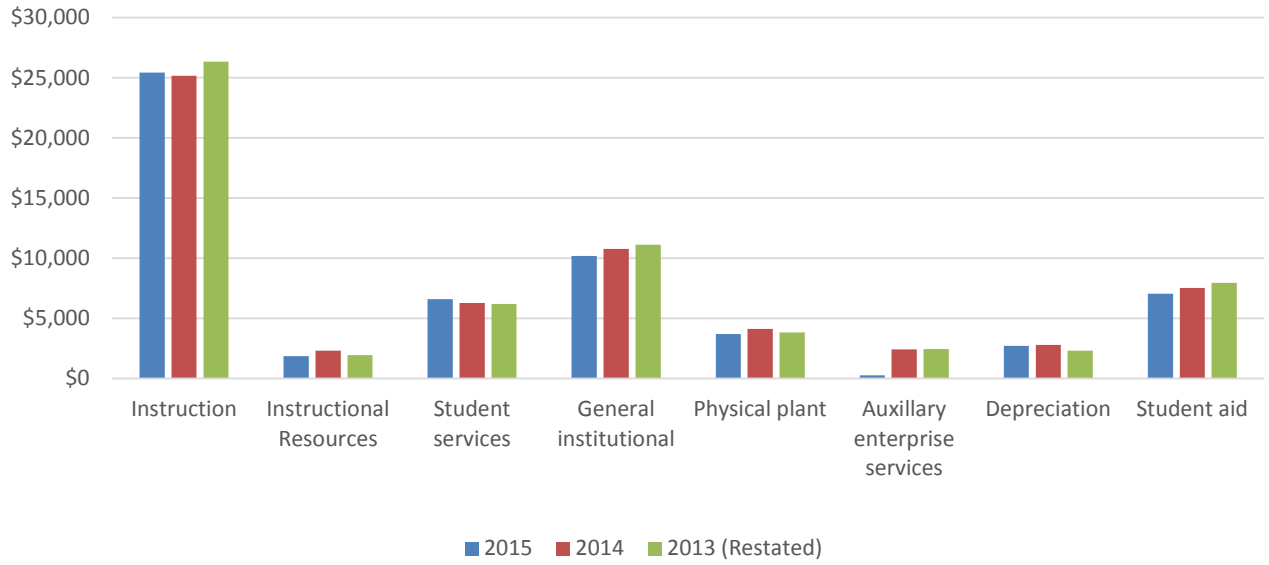
**Comparison of Operating Revenues  
For the Years Ended June 30, 2015, 2014, and 2013  
(dollars in thousands)**



**Operating Revenues  
For the Year Ended June 30, 2015**



**Comparison of Operating Expenses  
For the Years Ended June 30, 2015, 2014, and 2013  
(dollars in thousands)**



## Statement of Cash Flows

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

The following schedule shows the major components of the Statement of Cash Flows for the years ended June 30, 2015, 2014, and 2013.

	2015	2014	Increase (Decrease) 2015-2014	2013 (Restated)	Increase (Decrease) 2014-2013
Net cash used in operating activities	\$ (32,273)	\$ (33,625)	\$ 1,352	\$ (34,492)	\$ 867
Net cash provided by non-capital financing activities	45,560	39,666	5,894	39,369	297
Net cash used in capital and related financing activities	(5,516)	(6,357)	841	(3,621)	(2,736)
Net cash provided by investing activities	113	84	29	89	(5)
Net increase (decrease) in cash and cash equivalents	7,884	(232)	<u>\$ 8,116</u>	1,345	<u>\$ (1,577)</u>
Cash and cash equivalents – beginning of the year	<u>19,382</u>	<u>19,614</u>		<u>18,269</u>	
Cash and cash equivalents – end of the year	<u>\$ 27,266</u>	<u>\$ 19,382</u>		<u>\$ 19,614</u>	

### Fiscal Year 2015 Compared to 2014

During the fiscal year ended June 30, 2015, the District had a net increase in cash and cash equivalents of approximately \$7.9 million. Factors contributing to the increase included the following:

- As in previous years, the largest component of cash used in operating activities was payments to employees for salaries/wages and benefits. Overall payments in this category remained relatively consistent, with a slight increase of 1% from the previous year.
- Another significant component of operating cash flows was payments to suppliers, which decreased by 19% from 2014. Contributing largely to the decrease was a reduction in supplies and minor equipment purchases due to the outsourcing of the bookstore.
- All property taxes received are categorized as cash flows from non-capital financing activities. Cash flow from tax levy was dramatically decreased by 42% from the prior year due to the shifting of funding from tax levy to state appropriations as a result of the Governor's budget. As a result, state appropriations, increased to over \$24 million compared to \$3 million in 2014.
- The cash used in capital and related financing activities is primarily made up of two categories of cash flows: purchases of capital assets and debt activity (debt proceeds and principal and interest payments). Capital purchases decreased during the year. Both proceeds from issuance of debt and interest paid on the debt decreased with an increase on the principal payments. Further information is provided in Note D. The combined effect of these changes resulted in an overall net decrease in the category of cash used in capital and related financing activities as compared to 2014.

Overall, the District had a net increase in cash and cash equivalents of approximately \$7.9 million.

### Fiscal Year 2014 Compared to 2013

During the fiscal year ended June 30, 2014, the District had a net decrease in cash and cash equivalents of approximately \$232,000. Factors contributing to the decrease included the following:

- As in previous years, the largest component of cash used in operating activities was payments to employees for salaries/wages and benefits. Overall payments in this category remained relatively consistent, with a slight decrease of 1% from the previous year.
- Another significant component of operating cash flows was payments to suppliers, which decreased by 13% from 2013. Contributing largely to the decrease was a reduction in supplies and minor equipment purchases.
- All property taxes received are categorized as cash flows from non-capital financing activities. Cash flow from tax levy was consistent with 2013 as both tax levy revenue and related year-end receivables did not fluctuate significantly from the prior year. The other major item in this category, state appropriations, increased slightly in 2014 based on an allocation formula using FTE and expenditure information for all 16 technical colleges.
- The cash used in capital and related financing activities is primarily made up of two categories of cash flows: purchases of capital assets and debt activity (debt proceeds and principal and interest payments). Capital purchases increased during the year. Both proceeds from issuance of debt and interest paid on the debt decreased with an increase on the principal payments. Further information is provided in Note D. The combined effect of these changes resulted in an overall net increase in the category of cash used in capital and related financing activities as compared to 2013.

Overall, the District had a net decrease in cash and cash equivalents of approximately \$232,000.

## Statement of Net Position

The Statement of Net Position includes all assets (items that the District owns and amounts owed to the District by others), deferred outflows(inflows) of resources and liabilities (amounts owed to others by the District and what has been collected from others for which a service has not yet been performed). This statement is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service to the District – regardless of when cash is exchanged.

The following is a condensed version of the Statement of Net Position as of June 30, 2015, 2014, and 2013 (dollars in thousands).

	2015	2014	Increase (Decrease) 2015-2014	2013 (Restated)	Increase (Decrease) 2014-2013
<b>Assets</b>					
Cash and cash equivalents	\$ 27,266	\$ 19,128	\$ 8,138	\$ 19,614	\$ (486)
Net capital assets	49,468	47,148	2,320	45,058	2,090
Other assets	21,283	21,499	(216)	20,171	1,328
<b>Total assets</b>	<b>98,017</b>	<b>87,775</b>	<b>10,242</b>	<b>84,843</b>	<b>2,932</b>
<b>Deferred Outflows of Resources</b>					
Deferred outflows related to pension	3,705	-	3,705	-	-
<b>Liabilities</b>					
Current liabilities	\$ 14,404	\$ 14,710	\$ (306)	\$ 15,323	\$ (613)
Long-term liabilities	18,545	18,230	315	17,805	425
<b>Total liabilities</b>	<b>32,949</b>	<b>32,940</b>	<b>9</b>	<b>33,128</b>	<b>(188)</b>
<b>Net Position</b>					
Net investment in capital assets	34,863	27,997	6,866	26,031	1,966
Restricted for debt service	697	483	214	349	134
Restricted for pension benefits	8,175	-	8,175	-	-
Unrestricted	25,038	26,355	(1,317)	25,335	1,020
<b>Total net position</b>	<b>\$ 68,773</b>	<b>\$ 54,835</b>	<b>\$ 13,938</b>	<b>\$ 51,715</b>	<b>\$ 3,120</b>

### Fiscal Year 2015 Compared to 2014

Details of the changes in assets, deferred outflows of resources, liabilities, and net position between 2015 and 2014 include the following:

- Assets increased over \$10 million, or 11.7%, during 2015.
  - Cash and cash equivalents (including restricted cash) increased 42.5% as a result of the factors discussed in the Statement of Cash Flows above.
  - Net capital assets increased almost 5% as a result of net 2015 asset additions exceeding depreciation for the year.
  - The other assets category is largely made up of receivable balances, the largest of these being property taxes at \$4.1 million and student fees at \$4.2 million at June 30, 2015. Receivable balances remain consistent with 2014..
  - Another item included in other assets for 2015 is a long-term other post-employment benefits asset of over \$5.1 million which represents the cumulative difference between the annual other post-employment benefits (OPEB) cost and Moraine Park’s contributions toward these costs. OPEB is discussed in more detail in Note F.
  - As a result of implementing GASB 68 and 71 pension regulation, a net pension asset was recorded. The 2015 beginning net position was restated by approximately \$8 million. The 2015 amount of \$4.5 million is the current year’s portion of the asset.

- In 2015 a deferred outflows of resources of \$3.7 million was required as a result of implementing GASB 68 and 71 pension regulation. In future years, this amount will decrease as a portion of this amount is amortized annually.
- Liabilities decreased by a minimal amount of \$9,000 from 2014 to 2015.
  - Current liabilities decreased by 2% from the prior year. This is a result of a combination of decreases and increases. A significant increase in accrued health, dental and vision insurance claims is due to timing of claims and was offset slightly by a decrease in the accrued vacation. Accounts payable was decreased by over 23.7% due to the timing of payments relate to purchasing of capital assets. The reduction of current portion of long term debt is reflective of the debt refunding and is discussed further in Note D.
  - Long-term debt increased slightly from the previous year. The increase is the net effect of over \$6.3 million in new debt incurred in 2014-15 and the debt principal payments of approximately \$6.1 million made during the year based on the maturity schedules of the debt issued by the District over the last 10 years as reflected in the Note D.
- Net position increased almost \$14 million, or 25% from 2014 to 2015.
  - As a result of implementing GASB Statement Nos. 68 and 71 in 2015, \$8.1 million is restricted for pension benefits.
  - Net investment in capital assets increased \$6.9 million due to the increase in capital assets and repayment of general obligation notes payable used to finance capital acquisitions.
  - Restricted for debt service increased due to unanticipated premiums paid of over \$116,000 by underwriters for the two note issues sold in 2014-15.
  - Unrestricted net position decreased almost 5% from the prior year reflecting the efforts to reduce operating expenses while revenues remained consistent from the prior year.

#### Fiscal Year 2014 Compared to 2013

Details of the changes in assets, liabilities, and net position between 2014 and 2013 include the following:

- Assets increased almost \$3 million, or 3.4%, during 2014.
  - Cash and cash equivalents (including restricted cash) decreased 2.5% as a result of the factors discussed in the Statement of Cash Flows above.
  - Inventories decreased almost 95% due to the sale of the bookstore inventory items as it relates to the outsourcing of the bookstore to Neebo.
  - Net capital assets increased almost 5% as a result of net 2014 asset additions exceeding depreciation for the year.
  - The other assets category is largely made up of receivable balances, the largest of these being property taxes at \$9.5 million at June 30, 2014. Overall year-end receivable balances increased due to a significant change in the Accounts Receivable asset related to the timing of the Department of Corrections contract year end payment.
  - Another item included in other assets for 2014 is a long-term other post-employment benefits asset of over \$4.2 million which represents the cumulative difference between the annual other post-employment benefits (OPEB) cost and Moraine Park’s contributions toward these costs. OPEB is discussed in more detail in Note F.
- Liabilities decreased slightly by \$188,000 from 2013 to 2014.

- Current liabilities decreased by 4% from the prior year. This is a result of a combination of decreases and increases. A significant increase in accrued health, dental and vision insurance claims is due to timing of claims and was offset slightly by a decrease in the accrued vacation. Further offset to the overall liability increase was a decrease in unearned revenue, amounts due to other organizations and the current portion of long-term debt due within the next year. The reduction of current portion of long term debt is reflective of the debt refunding and is discussed further in Note D.
- Long-term debt decreased slightly from the previous year. The decrease is the net effect of over \$6.1 million in new debt incurred in 2013-14 and the debt principal payments of approximately \$6.3 million made during the year based on the maturity schedules of the debt issued by the District over the last 10 years as reflected in the Note D.
- Net position increased approximately \$3.1 million, or 6% from 2013 to 2014.
  - Net investment in capital assets increased \$2 million due to the increase in capital assets and repayment of general obligation notes payable used to finance capital acquisitions.
  - Restricted for debt service increased due to unanticipated premiums paid of over \$116,000 by underwriters for the two note issues sold in 2013-14.
  - Unrestricted net position increased by 4% from the prior year reflecting the efforts to reduce operating expenses while revenues remained consistent from the prior year.

### **Capital Assets and Debt Administration**

The District's investment in capital assets as of June 30, 2015 and 2014 was \$49,468,343 and \$47,148,396 (net of accumulated depreciation), respectively. This includes land and land improvements, construction in progress, buildings and improvements, and moveable equipment. Significant building projects capitalized in fiscal year 2015 included a remodeling the previous student services area to be used for financial aid and other related student services. Additional information on the District's capital assets can be found in Note C.

At the end of the 2015 and 2014 fiscal years, the District had total general obligation debt outstanding of \$23,310,000 and \$23,140,000, respectively. The District bonds and notes maintained a rating of Aaa as awarded by Moody's Investors Services, and the District has continued to meet all of its debt service requirements. During 2015 the District issued, refunded and paid off general obligation promissory notes. All general obligation debt for equipment is repaid in five years, while debt related to building and remodeling is repaid in 10 years. The debt is secured by the full faith and credit of the unlimited taxing powers of the District. The current debt adequately replaces and expands the equipment and facility needs of the District. Additional information on the District's long-term debt can be found in Note D.

### **Financial Position**

The District continued to improve its financial position during the year ended June 30, 2015 evidenced by an increase in net position of almost \$6 million. The District does not anticipate having to obtain short-term borrowing for cash flow purposes, which is consistent with previous years. The District also has diversified sources of revenues consisting of property taxes, state aid, student fees, federal and state grants, and other sources to meet the expenses of the District. With a diversity of revenues and a favorable location near major employment centers, Moraine Park will continue to obtain the resources to adequately finance normal enrollment over the next decade.

### **Economic Factors**

The Wisconsin Department of Revenue indicates that the economy continues to grow at a steady pace with the forecast calling for steady growth between 2015 and 2017. Wisconsin's employment is expected to grow 1.5% in 2015. Overall, experts predict real Gross Domestic Product growth of 2.7% in 2016 and 2.6% in 2017. Solid growth of the labor force and low oil prices are fueling strong consumer spending which will continue through 2015. (Wisconsin Economic Outlook, May, 2015).



The unemployment rate in Wisconsin was 4.8% in February, 2015, one percent point lower than the 5.8% unemployment rate one year earlier. The forecast for Wisconsin's unemployment rate should average 5.0% in 2015 and slightly below 5% in 2016. The decline is mostly the result of job gains being larger than the increases of the labor force. (Wisconsin Economic Outlook, May 2015).

The Wisconsin housing section is experiencing continued increase at the state and national levels. National forecasters predict 17.0% and 16.0% growth in 2015 and 2016, respectively. This trend is evident in Wisconsin with building permits in Wisconsin increasing 14.7% in 2013 but slightly lower at 5.4% in 2014. The forecast calls for a 9.2% growth of building permits in 2015 and 13.0% in 2016. (Wisconsin Economic Outlook, May, 2015).

Finally, the report also indicates that Wisconsin personal income will grow 3.4% in 2014 and 3.0% in 2015, slightly below the forecasted growth of national personal income. Wages and salaries, which are the biggest component of personal income, are projected to grow 3.2% in 2014 and 3.9% in 2015, compared to 4.5% and 4.9% nationwide.

Since College enrollments are countercyclical to the economy, preliminary data indicates that laid off workers are returning to work after retraining opportunities or when job training dollars expire. College officials saw a decrease of 3.3%, 11.0%, 3.1%, 1.9% and 6.0% in the past five years following a significant 12.8% increase of 3,648 FTEs during the 2010 recession peak. Officials are expecting continuing declines through 2016 and are working on action plans to increase retention and enrollment growth for 2015-16 and beyond. In addition to decreases in enrollment, there are some other challenges and critical concerns that the College has identified:

- The state's 2013-15 biennium budget eliminated the operating rate cap and replaced the rate cap with strict levy limits, allowing for levy growth associated with net new construction only. Since the District had historically levied well below the cap of 1.5 mills, it lost retained millage and has foregone any growth related to appreciation of property values. Pending future construction efforts, fiscal challenges will be significant as tax levy revenues support over 63% of the operational expenditures. College officials will continue to educate state representatives on the importance of local control and fiscal growth to meet the ever-changing needs of Wisconsin's workforce.
- The state's budget also included the transition of state aids to a new performance-based funding model. State office representatives defined the criteria, but state aid distributions will now be dispersed on competitive criteria for service areas that are distinctly different throughout the state. Current law dictates that the performance-funded model will continue until 100% of the aid is allocated through the competitive criteria.
- For 2014-15, the Governor utilized \$406 million in state surplus to buy down the tax levy of the Wisconsin Technical College System (WTCS). In essence, the system became primarily state funded for the first time in its history.
- Slow growth in the number of high school graduates throughout the District will mean significant competition for these students as it relates to post-secondary education.
- Today's students are ill-prepared for the modern world of work. Many possess a strong tech savvy background, but lack the basic human "soft skills" needed to function in a global workforce. As such, the College consistently needs to train students on "soft skills" throughout their academic curricula.
- Unfunded or partially-reimbursed mandates related to remedial services, veteran remissions, course options, and senior discounts will continue to erode District resources as these services are growing exponentially.
- The mandate for other post-employment benefits reporting and new GASB disclosures on pension plans will prompt additional financial planning and funding to offset the long-term financial impact.

- Health insurance costs in comparison to economic growth will continue to rise. These increases will force changes to benefit packages creating more competition for new hires.
- Continuing efforts to introduce sustainability components to all building projects and services at the College will increase up-front costs. Although return on investment is substantiated, resources for the initial investment may be significant.
- The recession has drastically impacted investment revenue and minimized opportunity to use investment income as an alternative revenue stream.
- The impact of technology and resulting productivity of employers in the market require continuous improvement of the College's existing infrastructure and programs including the development of new programs in response to evolving occupations and advancing technology.
- The need to remain current with expanding technology is great. Technology-related expenses to include mobile technology applications are a key requirement in providing a competitive, top-notch education.

Despite these challenges, the staff members continually work to improve the financial condition of the College by working on existing and new opportunities as indicated below:

- Expand articulation agreements, college pathways, and joint efforts with college members of the UW System and private colleges to provide seamless transition for students as they continue to pursue advanced degrees.
- College administrators are meeting with state/local officials and business leaders to educate all on the impact the WTCS has on local economic recovery and workforce training.
- The College has been a statewide leader in dual credit offerings to high school students within the District; these offerings allow high school students the opportunity to earn both high school and college credit through these efforts - thereby saving taxpayer dollars.
- The College is also a leader in business and industry training. Efforts continue to meet with local officials and business leaders to not only provide customized training, but also to create strategic partnerships by competing for and receiving Wisconsin Advanced Training and other grants offered by the State of Wisconsin.
- The College continues to take advantage of state and federal funding opportunities that make sense for fiscal viability within the goal of enhancing student success. In 2014-15, the College successfully sought and received over \$1.2 million on Blueprint for Prosperity grants offered by the State of Wisconsin.
- Staff members constantly review programs and services in order to meet the demands of the District and the State's workforce demands. Strong emphasis is placed on the retention efforts, recruitment of part-time adult learners, second career training for baby boomer retirees and assessing the success of each student.
- Retirement studies conducted in Fond du Lac County, Washington County and for healthcare workers throughout the Fox Valley region indicate a mass exodus of workers is upon us, and will continue for the next 15 years. Moraine Park has an excellent opportunity to engage with external partners to develop solutions for training an incoming middle-skilled workforce.
- Moraine Park's primary counties have significantly higher numbers of residents age 25 and older with an educational attainment of high school or equivalent. Clearly, the College has opportunities to grow the educational attainment level in the District's adult market.
- Joining statewide efforts within the Wisconsin Technical College System to save resources as demonstrated by the following:

- State purchasing consortium group – efforts have generated more than \$400,000 in savings alone for the College during 2014-15
- Districts Mutual Insurance Company – an insurance company created by the sixteen technical colleges in Wisconsin to provide all services related to full risk management services including administration of general liability, property, auto, worker's compensation, and educator's legal liability insurance lines; projected savings since inception in 2004 equates to more than \$13 million
- Joint library consortium that allows all members to access centralized databases and electronic subscriptions at significantly reduced costs
- Effective July 1, 2015 the College is collaborating with other technical colleges on a joint insurance consortium to obtain health care and related services with significant discounts through the use of joint purchasing.

Overall, the College is confident that its long-term financial condition is stable. Operational reserves are strong and for 2014-15 represent over 28% of operational expenses on a budgetary basis. Finally, the debt burden is reasonable and is structured to be paid back in a relatively short, aggressive timeframe. The College is positioned to maintain a positive financial structure within this slow economic recovery and for several years in the foreseeable future.

### **Contacting the District's Financial Management**

The financial report is designed to provide a general overview of the District's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Vice President – Finance and Administration, 235 N. National Avenue, Fond du Lac, WI 54935.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**STATEMENTS OF NET POSITION**  
As of June 30, 2015 and 2014

	2015	2014
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 19,738,952	\$ 13,815,413
Accounts receivable	1,733,332	2,159,345
Property taxes receivable	4,103,007	9,479,472
Federal and state aid receivable	793,414	447,752
Student fees receivable	4,243,325	4,232,682
Inventories	31,214	32,989
Prepaid expenses	790,439	655,698
Total current assets	31,433,683	30,823,351
Non-current Assets		
Restricted cash and cash equivalents	7,526,716	5,566,598
Other post-employment benefits	5,118,515	4,236,523
Net pension asset	4,469,667	-
Capital assets	85,480,189	81,244,974
Less accumulated depreciation	(36,011,846)	(34,096,579)
Total non-current assets	66,583,241	56,951,516
<b>TOTAL ASSETS</b>	<b>98,016,924</b>	<b>87,774,867</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pension	3,705,563	-
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	1,744,794	2,287,151
Accrued payroll, payroll taxes, and retirement	2,005,160	1,917,646
Accrued vacation	390,559	416,073
Accrued health, dental and vision claims	916,863	637,800
Accrued interest	118,449	125,609
Unearned revenue - student fees	4,013,007	4,067,691
Other unearned revenue	35,629	33,378
Due to other organizations	36,200	4,780
Due to student organizations	378,333	309,823
General obligation debt - current portion	4,765,000	4,910,000
Total current liabilities	14,403,994	14,709,951
Long-term Liabilities		
General obligation debt	18,545,000	18,230,000
<b>TOTAL LIABILITIES</b>	<b>32,948,994</b>	<b>32,939,951</b>
<b>NET POSITION</b>		
Net investment in capital assets	34,862,712	27,997,249
Restricted for debt service	697,232	482,863
Restricted for pension benefits	8,175,230	-
Unrestricted	25,038,319	26,354,804
<b>TOTAL NET POSITION</b>	<b>\$ 68,773,493</b>	<b>\$ 54,834,916</b>

The accompanying notes are an integral part of these statements.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
For the years ended June 30, 2015 and 2014

	2015	2014
Operating Revenues		
Student program fees, net of scholarship allowances of \$3,906,576 and \$4,387,903 for 2015 and 2014, respectively	\$ 3,859,611	\$ 3,737,760
Student material fees, net of scholarship allowances of \$209,909 and \$242,946 for 2015 and 2014, respectively	207,385	206,951
Other student fees, net of scholarship allowances of \$530,441 and \$537,127 for 2015 and 2014, respectively	524,063	457,543
Federal grants	11,960,713	12,508,216
State grants	2,500,094	2,054,963
Contract revenue	3,393,497	3,422,878
Auxiliary enterprise revenues	591,036	2,444,915
Miscellaneous	921,840	1,106,235
Total operating revenues	23,958,239	25,939,461
Operating expenses		
Instruction	25,438,611	25,160,313
Instructional resources	1,854,253	2,310,329
Student services	6,592,987	6,272,598
General institutional	10,171,173	10,752,146
Physical plant	3,679,525	4,101,860
Auxiliary enterprise services	265,843	2,417,417
Depreciation	2,699,872	2,783,757
Student aid	7,038,024	7,507,330
Total operating expenses	57,740,288	61,305,750
Operating loss	(33,782,049)	(35,366,289)
Non-operating revenues (expenses)		
Property taxes	15,981,243	36,397,241
State operating appropriations	24,202,382	3,114,310
Loss on disposal of capital assets	(340,598)	(807,207)
Investment income earned	112,696	84,104
Interest expense	(525,375)	(541,278)
Total non-operating revenues (expenses)	39,430,348	38,247,170
Income before contributions	5,648,299	2,880,881
Capital contributions - state and federal grants	173,467	239,309
CHANGE IN NET POSITION	5,821,766	3,120,190
Net position - beginning of the year as originally reported	54,834,916	51,714,726
Cumulative effect of change in accounting principle (Note L)	8,116,811	-
Net position - beginning of the year as restated	62,951,727	51,714,726
Net position - end of the year	\$ 68,773,493	\$ 54,834,916

The accompanying notes are an integral part of these statements.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**STATEMENTS OF CASH FLOWS**  
For the years ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Tuition and fees received	\$ 4,525,732	\$ 4,413,365
Federal and state grants received	14,115,145	14,808,784
Contract revenue received	3,819,510	1,951,317
Payments to employees	(36,585,905)	(36,508,512)
Payments to suppliers	(19,663,005)	(21,826,374)
Auxiliary enterprise revenue received	591,036	2,444,915
Other receipts	924,091	1,091,354
Net cash used in operating activities	(32,273,396)	(33,625,151)
Cash flows from non-capital financing activities		
Property taxes received	21,357,708	36,551,742
State appropriations received	24,202,382	3,114,310
Net cash provided by non-capital financing activities	45,560,090	39,666,052
Cash flows from capital and related financing activities		
Federal and state appropriations received for capital assets	173,467	239,309
Purchases of capital assets	(5,350,447)	(5,917,976)
Proceeds on sale of capital assets	23,782	16,630
Proceeds from issuance of capital debt	6,325,000	6,175,000
Principal paid on capital debt	(6,155,000)	(6,330,000)
Interest paid on capital debt	(532,535)	(540,344)
Net cash used in capital and related financing activities	(5,515,733)	(6,357,381)
Cash flows from investing activities		
Investment income received	112,696	84,104
Net increase (decrease) in cash and cash equivalents	7,883,657	(232,376)
Cash and cash equivalents - beginning of the year	19,382,011	19,614,387
Cash and cash equivalents - end of the year	\$ 27,265,668	\$ 19,382,011
Reconciliation of cash and cash equivalents to the statement of net position		
Cash and cash equivalents	\$ 19,738,952	\$ 13,815,413
Restricted cash and cash equivalents	7,526,716	5,566,598
Total cash and cash equivalents	\$ 27,265,668	\$ 19,382,011

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**STATEMENTS OF CASH FLOWS - CONTINUED**  
For the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (33,782,049)	\$ (35,366,289)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	2,699,872	2,783,757
Changes in assets and liabilities:		
Accounts receivable	426,013	(1,471,561)
Federal and state aid receivable	(345,662)	245,605
Student fees receivable	(10,643)	266,312
Inventories	1,775	596,505
Prepaid expenses	(134,741)	124,013
Accounts payable	(576,110)	245,289
Accrued payroll, payroll taxes, and retirement	87,514	38,493
Accrued vacation	(25,514)	(50,264)
Accrued health, dental and vision claims	279,063	182,131
Unearned revenue - student fees	(54,684)	(255,201)
Other unearned revenue	2,251	(14,881)
Due to other organizations	31,420	(22,014)
Due to student organizations	68,510	62,190
Net pension asset and deferred outflows related to pension	(58,419)	-
Other post-employment benefits	(881,992)	(989,236)
	<u>(881,992)</u>	<u>(989,236)</u>
Net cash used in operating activities	<u>\$ (32,273,396)</u>	<u>\$ (33,625,151)</u>

The accompanying notes are an integral part of these statements.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**STATEMENTS OF FIDUCIARY NET POSITION**  
**POST-EMPLOYMENT BENEFITS TRUST**  
As of June 30, 2015 and 2014

	2015	2014
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 8,653	\$ 9,638
Non-current Assets		
Investments	6,019,269	5,680,156
TOTAL ASSETS	6,027,922	5,689,794
<b>NET POSITION</b>		
Held in Trust for post-employment benefits	\$ 6,027,922	\$ 5,689,794

The accompanying notes are an integral part of these statements.



**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**POST-EMPLOYMENT BENEFITS TRUST**  
For the years ended June 30, 2015 and 2014

	2015	2014
<b>ADDITIONS</b>		
Contributions		
MPTC	\$ 200,000	\$ 400,000
Investment Income		
Interest	1	1
Dividends	146,137	162,988
Net change in fair value of investments	21,645	612,403
Total investment income	167,783	775,392
Total additions	367,783	1,175,392
 <b>DEDUCTIONS</b>		
Administrative expenses	29,655	26,004
 Change in Net Position	338,128	1,149,388
 <b>NET POSITION HELD IN TRUST FOR POST-EMPLOYMENT BENEFITS:</b>		
Beginning of year	5,689,794	4,540,406
End of year	\$ 6,027,922	\$ 5,689,794

The accompanying notes are an integral part of these statements.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Moraine Park Technical College was organized in 1911. In 1967 MPTC dropped its status as a city institution and became an area district under the Wisconsin Vocational, Technical and Adult Education system. In April 1994 Moraine Park Technical College became officially known as the Moraine Park Technical College District. Three campuses located at West Bend, Beaver Dam, and Fond du Lac, two regional centers in Jackson and Ripon, as well as several centers throughout the District offer associate degree programs in technical education, vocational programs and a wide range of courses in adult education.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to public colleges and universities as well as those prescribed by the Wisconsin Technical College System Board (WTCSB). The following is a summary of the significant accounting policies:

1. Reporting Entity

The District Board (Board) oversees the operations of the District under provisions of Chapter 38 of the Wisconsin Statutes. The District includes all of Fond du Lac and Green Lake counties, major portions of Dodge and Washington counties, and parts of Calumet, Sheboygan, Waushara, Winnebago, Marquette, and Columbia counties. The Board consists of nine members appointed by county board chairpersons of the ten counties within 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 policy and directives.

In November 2010, GASB issued statement No. 61, "The Financial Reporting Entity: Omnibus." This statement amends GASB issued Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 14, "The Financial Reporting Entity," to provide additional guidance to determine whether certain organizations for which the District is not financially accountable should be reported as component units based on the nature and significance of their relationship with the District. Generally, it requires reporting as a component unit when an organization that raises and holds economic resources for the direct benefit of a governmental unit.

The Moraine Park Foundation, Inc. (Foundation) is 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 has an independent board and is not fiscally accountable to the District. The financial resources of the Foundation are not significant to the District as a whole and accordingly, financial information related to the Foundation is not presented in these financial statements.

2. 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. Accordingly, the District's 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 years for which they are levied. Grants and similar items

**MORAIN PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All significant inter-District transactions have been eliminated.

3. Accounting Estimates

The preparation of basic financial statements in conformity with GAAP requires the District to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

4. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all investments with an original maturity of three months or less to be cash equivalents. To facilitate cash management, cash is combined in common operating accounts.

Investments are stated at cost, which approximates fair value.

5. Property Tax and Taxes Receivable

The District disseminates its property tax levy to city, village, and town clerks in October of the fiscal year for which the taxes are levied. Property taxes are recognized as District revenue when it is measurable and available. Installment payments associated with principal and interest due on general obligation notes and bonds payable after June 30 are considered deferred revenue. The following dates are pertinent to the District's tax calendar:

Levy date	October 31
Assessment date	January 1
Due dates	January 31 (full) January 31 and July 31 (installments)
Lien date	August 31
Settlement dates	February and August

The District recognizes the property tax levy as revenue in the fiscal year for which the taxes were levied, except for tax levy collections applicable to debt service funding for the subsequent year. These collections do not meet the revenue recognition criteria and are reported as deferred property taxes at June 30, 2015.

Through 2013, Section 38.16 of the Wisconsin Statutes allowed the District Board to levy a tax not to exceed a rate of \$1.50 per \$1,000 of 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. The mill rate limitation was not applicable to taxes levied for the purposes of paying principal and interest on general obligation notes and bonds payable issued by the District. Effective for 2014, the District's ability to raise additional operational revenues is restricted to net new construction growth rates. The restriction does not include limits to debt service expenditures and the \$1.50 per \$1,000 operational mill rate cap was repealed. For the years ended June 30, 2015 and 2014, the District levied taxes at the following mill rates:

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

	<u>Year ended June 30, 2015</u>	<u>Year ended June 30, 2014</u>
Operating purposes	\$ .42112	\$ 1.130990
Debt service requirements	<u>.25356</u>	<u>.25907</u>
Total	<u>\$ .67469</u>	<u>\$ 1.56897</u>

The 2014 tax levy used to finance the fiscal year ended June 30, 2015 was \$15,965,042. The 2013 tax levy used to finance the prior year was \$36,337,317.

6. Inventories

Inventories are valued at the lower of cost (first-in, first-out basis) or market. Such inventories consist of the contents of the food service supplies, auto parts, and certain other supplies. Instructional and administrative inventories are recorded as expenses when purchased.

7. Prepaid Expenses

Prepaid expenses represent payments made by the District for which benefits extend beyond June 30.

8. Capital Assets

Capital assets are valued at the historical cost or estimated historical cost if actual cost history is not available. Donated capital assets are valued at their estimated fair value on the date donated.

The costs of maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are charged to operations as incurred. Equipment assets having a cost of \$5,000 or more per unit and building or remodeling projects of \$15,000 or more are capitalized. Depreciation on capital assets is provided in amounts sufficient to relate the cost of the depreciable assets to operations on the straight-line basis over the estimated service lives, which range from 5 to 15 years for equipment, 20 years for land improvements, and 50 years for buildings and improvements.

9. Accumulated Unpaid Vacation, Income Protection, and Other Employee Benefit Amounts

Vacation:

District employees earn vacation in varying amounts based on years of service and hours or days worked. Vacation earned is forfeited if not taken within six months following the end of the fiscal year in which it was earned.

Income Protection:

District employees earn income protection annually. Income protection allows employees to take paid leave for personal illnesses, deaths in the family, attendance at funerals, temporary medical disabilities, or other personal obligations. Any unused portion is allowed to accumulate to a maximum number of days, but is lost upon retirement or termination. Accumulated unpaid amounts are not accrued.

Retirement Plan:

The District has a retirement plan covering substantially all of its employees which is funded through contributions to the Wisconsin Retirement System. All contributions made by the District on behalf of its employees are reported as expenses when incurred.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Post-retirement health, dental and life benefits:

Upon retirement, District employees meeting a minimum age and length of service requirement may participate in the District's group health and dental insurance plans. The District pays 70% of the health premiums and 90% of the dental premiums (100% for persons who retired prior to July 1, 2006) until age 65. If a retiree and spouse participate in a health risk assessment or complete an annual physical with blood work, the District pays 90% of the health premiums. At age 65, a dental plan is available through COBRA continuation for 18 months. Life insurance premiums are paid in full by the District for employees who retired prior to July 1, 2009 until a death benefit is paid. At June 30, 2015 and 2014, the District had 209 and 216 retirees receiving benefits, respectively. Additional information regarding the District's other post-employment benefits is included in Note F.

10. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' 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.

11. Tuition and Fees and Student Accounts Receivable

Tuition and fees are recorded as revenue in the period in which the related activity or instruction takes place. Revenues for the summer semester are prorated on the basis of student class days occurring before and after June 30.

The District's student fees receivable is stated at amounts due from students, net of an allowance for doubtful accounts, if appropriate. 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. At June 30, 2015, the District has determined that an allowance for doubtful accounts is not necessary based on the above criteria, which is consistent with the prior year.

12. State and Federal Revenues

The District receives funding pursuant to 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 the Federal and State Single Audit Act guidelines.

13. Unearned Revenues

Unearned revenues include amounts received for tuition and fees prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

14. Scholarship Allowances and Student Financial Aid

All financial aid awarded to students, including loans and private scholarships, is reflected in the 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 students in the form of

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition.

15. Deferred Outflows/Inflows of Resources

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

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

16. Net Position

Net position is classified according to restrictions or availability of assets for satisfaction of District obligations. Restricted net position is resources which the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Net investment in capital assets represent the amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, ore improvement of those assets and any capital related deferred inflows of resources.

When an expense is incurred that can be paid using either restricted or unrestricted resources, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

17. Classification of Revenue and Expense

The District has classified its revenues and expenses as either operating or non-operating according to the following criteria:

**Operating revenues and expenses** include activities that have the characteristics of exchange transactions to provide goods or services related to the District's principal ongoing operations. Operating revenues include student tuition and fees, net of scholarship allowances, sales and services of auxiliary enterprises, and most federal, state, and local grants and contracts. Operating expenses include the cost of providing educational services, student aid, administrative expenses, and depreciation on capital assets.

**Non-operating revenues and expenses** include activities that have the characteristics of non-exchange transactions. Nonoperating revenues are classified as defined by GASB Statement No. 9, *Reporting Cash Flow of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. These revenues include the local property tax levy, state appropriations, investment income, and any grants and contracts not classified as operating revenue or restricted by the grantor to be used exclusively for

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

capital expenses. Nonoperating expenses include interest on long-term obligations and losses on the disposal of capital assets.

NOTE B: CASH AND INVESTMENTS

Cash and investments of the District consist of 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. Investments in the post-employment benefit trust fund may be invested in other types of investments as authorized under Wisconsin Statute 881.01, "Uniform Prudent Investor Act".

The carrying amount of the District's cash and investments totaled \$33,293,590 and \$25,071,805 as of June 30, 2015 and 2014, respectively, as summarized below:

	2015	2014
Petty cash funds	\$ 5,532	\$ 5,402
Interest bearing demand deposits	9,915,136	14,076,609
Certificates of deposit	17,345,000	5,300,000
Investments		
Money market mutual fund	8,653	9,638
Mutual funds – equity	3,951,525	3,734,277
Mutual funds – fixed income	2,067,744	1,945,879
	\$ 33,293,590	\$ 25,071,805

Reconciliation to the basic financial statements:

	2015	2014
Statements of net position		
Cash and cash equivalents	\$ 19,738,952	\$ 13,815,413
Restricted cash and cash equivalents	7,526,716	5,566,598
Fiduciary fund statements of net position		
Post-employment benefits trust	6,027,922	5,689,794
	\$ 33,293,590	\$ 25,071,805

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

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE B: CASH AND INVESTMENTS - CONTINUED**

**Custodial Credit Risk:** Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government 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 risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investment policy minimizes credit risk by limiting investments to the safest type of securities.

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 time and savings deposits and \$250,000 for demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State or Wisconsin are insured by the FDIC in the amount of \$250,000 per official custodian per depository institution. 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, 2015 and 2014, \$26,631,295 and \$18,587,620 of the District's deposits with financial institutions were in excess of federal and state depository insurance limits and uncollateralized (or collateralized with securities held by the pledging financial institution or its trust department or agent but not in the District's name).

**Credit Risk:** Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investments in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of June 30, 2015 for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Money market mutual fund	\$ 8,653	\$ -	\$ 8,653	\$ -	\$ -
Mutual funds - fixed income	2,067,744	-	-	-	2,067,744
<b>Totals</b>	<b>\$ 2,076,397</b>	<b>\$ -</b>	<b>\$ 8,653</b>	<b>\$ -</b>	<b>\$ 2,067,744</b>

Presented below is the actual rating as of June 30, 2014 for each investment type.

Investment Type	Amount	Exempt from Disclosure	AAA	Aa	Not Rated
Money market mutual fund	\$ 9,638	\$ -	\$ 9,638	\$ -	\$ -
Mutual funds - fixed income	1,945,879	-	-	-	1,945,879
<b>Totals</b>	<b>\$ 1,955,517</b>	<b>\$ -</b>	<b>\$ 9,638</b>	<b>\$ -</b>	<b>\$ 1,945,879</b>



**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE B: CASH AND INVESTMENTS - CONTINUED**

**Interest Rate Risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the maturity of any security to no more than one year from the date of purchase. Presented below are the maturities as of June 30, 2015 for each investment type.

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Money market mutual fund	\$ 8,653	\$ 8,653	\$ -	\$ -	\$ -
Mutual funds - fixed income	2,067,744	2,067,744	-	-	-
<b>Totals</b>	<b>\$ 2,076,397</b>	<b>\$ 2,076,397</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Presented below are the maturities as of June 30, 2014 for each investment type.

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Money market mutual fund	\$ 9,638	\$ 9,638	\$ -	\$ -	\$ -
Mutual funds - fixed income	1,945,879	1,945,879	-	-	-
<b>Totals</b>	<b>\$ 1,955,517</b>	<b>\$ 1,955,517</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE C: CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended June 30, 2015:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Non-depreciable capital assets				
Land	\$ 830,602	\$ -	\$ -	\$ 830,602
Construction in progress	1,032,678	-	1,032,678	-
Total non-depreciable capital assets	<u>1,863,280</u>	<u>-</u>	<u>1,032,678</u>	<u>830,602</u>
Depreciable capital assets				
Land improvements	1,646,195	-	-	1,646,195
Buildings and improvements	59,306,684	4,430,584	527,993	63,209,275
Equipment	18,428,816	1,986,294	620,993	19,794,117
Total depreciable capital assets	<u>79,381,695</u>	<u>6,416,878</u>	<u>1,148,986</u>	<u>84,649,587</u>
Total cost of capital assets	81,244,975	6,416,878	2,181,664	85,480,189
Less accumulated depreciation for				
Land improvements	854,243	66,779	-	921,022
Buildings and improvements	20,985,483	1,513,315	243,421	22,255,377
Equipment	12,127,737	1,071,369	541,184	12,835,447
Total accumulated depreciation	<u>34,096,579</u>	<u>2,699,872</u>	<u>784,605</u>	<u>36,011,846</u>
Net capital assets	47,148,396	<u>\$ 2,997,926</u>	<u>\$1,397,058</u>	49,468,343
Less related long-term debt	<u>(19,151,147)</u>			<u>(14,605,631)</u>
Net investment in capital assets	<u>\$27,997,249</u>			<u>\$34,862,712</u>

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE C: CAPITAL ASSETS - CONTINUED**

The following is a summary of changes in capital assets for the year ended June 30, 2014:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Non-depreciable capital assets				
Land	\$ 830,602	\$ -	\$ -	\$ 830,602
Construction in progress	-	1,032,678	-	1,032,678
Total non-depreciable capital assets	<u>830,602</u>	<u>1,032,678</u>	<u>-</u>	<u>1,863,280</u>
Depreciable capital assets				
Land improvements	1,646,195	-	-	1,646,195
Buildings and improvements	58,505,607	2,327,616	1,526,539	59,306,684
Equipment	18,219,946	2,337,504	2,128,634	18,428,816
Total depreciable capital assets	<u>78,371,748</u>	<u>4,665,120</u>	<u>3,655,173</u>	<u>79,381,695</u>
Total cost of capital assets	79,202,350	5,697,798	3,655,173	81,244,975
Less accumulated depreciation for				
Land improvements	781,267	72,976	-	854,243
Buildings and improvements	20,305,095	1,484,366	803,978	20,985,483
Equipment	13,057,796	1,226,415	2,027,358	12,256,853
Total accumulated depreciation	<u>34,144,158</u>	<u>2,783,757</u>	<u>2,831,336</u>	<u>34,096,579</u>
Net capital assets	45,058,192	<u>\$ 2,914,041</u>	<u>\$ 823,837</u>	47,148,396
Less related long-term debt	<u>(19,027,016)</u>			<u>(19,151,147)</u>
Net investment in capital assets	<u>\$ 26,031,176</u>			<u>\$27,997,249</u>

**MORaine PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE D: GENERAL LONG-TERM OBLIGATIONS**

Long-term obligations of the District consist of general obligation notes payable. Changes in these liabilities during the years ended June 30, 2015 and 2014 are summarized below:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2015</u>	<u>Due within one year</u>
General obligation notes payable	<u>\$ 23,140,000</u>	<u>\$ 6,325,000</u>	<u>\$ 6,155,000</u>	<u>\$ 23,310,000</u>	<u>\$ 4,765,000</u>
	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2014</u>	<u>Due within one year</u>
General obligation notes payable	<u>\$ 23,295,000</u>	<u>\$ 6,175,000</u>	<u>\$ 6,330,000</u>	<u>\$ 23,140,000</u>	<u>\$ 4,910,000</u>

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the District. General long-term debt obligations at June 30, 2015 and 2014 are comprised of the following individual issues:

	<u>Balance June 30, 2015</u>	<u>Balance June 30, 2014</u>
\$1,850,000 general obligation promissory notes dated May 1, 2005 to Harris Trust and Savings Bank for building expansion, remodeling and improvement projects and acquisition of moveable equipment. Semi-annual interest payments ranging from 3.0% to 3.75% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2015.	\$ -	\$ 175,000
\$3,000,000 general obligation promissory notes dated October 1, 2005 to Piper Jaffray, Inc. for building remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments ranging from 3.3% to 3.65% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2015.	-	100,000
\$1,830,000 general obligation promissory notes dated May 9, 2007 to R.W. Baird & Co., Inc. for building expansion, remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments of 4.0% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Refinanced in April, 2015.	-	615,000

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE D: GENERAL LONG-TERM OBLIGATIONS – CONTINUED

	Balance June 30, 2015	Balance June 30, 2014
<p>\$2,745,000 general obligation promissory notes dated October 10, 2007 to R.W. Baird &amp; Co., Inc. for building remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments ranging from 3.75% to 4.0% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Refinanced in April, 2015.</p>	\$ -	\$ 625,000
<p>\$1,500,000 general obligation promissory notes dated June 10, 2008 to R.W. Baird &amp; Co., Inc. for building expansion, remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments of 4.5% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2018.</p>	525,000	685,000
<p>\$2,365,000 general obligation promissory notes dated October 8, 2008 to Bankers Bank for building remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments of 3.0% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2018.</p>	285,000	370,000
<p>\$3,425,000 general obligation promissory notes dated May 6, 2009 to R.W. Baird &amp; Co., Inc. for building expansion, remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments of 2.7% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2019.</p>	1,580,000	1,935,000
<p>\$2,315,000 general obligation promissory notes dated October 8, 2009 to R.W. Baird &amp; Co., Inc. for building remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments ranging from 2.0% to 2.5% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2015.</p>	-	320,000
<p>\$2,615,000 general obligation promissory notes dated May 12, 2010 to R.W. Baird &amp; Co., Inc. for building remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments ranging from 2.0% to 3.0% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2020.</p>	1,350,000	1,585,000
<p>\$1,905,000 general obligation promissory notes dated October 6, 2010 to R.W. Baird &amp; Co., Inc. for building remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments ranging from 1.0% to 2.0% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2015.</p>	-	345,000

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE D: GENERAL LONG-TERM OBLIGATIONS – CONTINUED

	Balance June 30, 2015	Balance June 30, 2014
<p>\$4,935,000 general obligation promissory notes dated June 8, 2011 to R.W. Baird &amp; Co., Inc. for building expansion, remodeling and improvement projects, the acquisition of moveable equipment and the refunding of bonds issued in 2001. Semi-annual interest payments ranging from 2.0% to 3.0% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2021.</p>	\$ 2,280,000	\$ 2,980,000
<p>\$1,830,000 general obligation promissory notes dated September 7, 2011 to R.W. Baird &amp; Co., Inc. for building expansion, remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments ranging from 1.0% to 2.0% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2016.</p>	300,000	585,000
<p>\$2,905,000 general obligation promissory notes dated June 6, 2012 to UMB Bank N.A., for building expansion, remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments ranging from 1.25% to 1.85% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2022.</p>	2,140,000	2,405,000
<p>\$4,000,000 general obligation promissory notes dated October 10, 2012 to UMB Bank N.A., for remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments ranging from 1.00% to 1.65% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2022.</p>	2,325,000	2,720,000
<p>\$2,855,000 general obligation promissory notes dated June 27, 2013 to UMB Bank N.A., for building expansion, the acquisition of moveable equipment and the refunding of notes issued in 2006 and 2007. Semi-annual interest payments ranging from 1.25% to 2.20% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2023.</p>	1,860,000	2,360,000
<p>\$3,975,000 general obligation promissory notes dated October 10, 2013 to Piper Jaffray., for general remodeling, EMT, facilities/printing and equipment. Semi-annual interest payments ranging from 2.00% to 2.75% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2023.</p>	2,725,000	3,135,000

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE D: GENERAL LONG-TERM OBLIGATIONS – CONTINUED

	Balance June 30, 2015	Balance June 30, 2014
\$2,200,000 general obligation promissory notes dated June 16, 2014 to BOSC, Inc., for the Fond du Lac main entrance expansion and equipment. Semi-annual interest payments ranging from 2.00% to 2.25% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2024.	\$ 2,015,000	\$ 2,200,000
\$2,980,000 general obligation promissory notes dated September 10, 2014 to BMO Capital Markets, for general remodeling and equipment. Semi-annual interest payments ranging from 2.00% to 2.25% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2024.	2,580,000	-
\$3,345,000 general obligation promissory notes dated February 11, 2015 to FTN Financial Capital Markets, for the Fond du Lac student services remodel, equipment and the refunding of notes issued in 2007 and 2008. Semi-annual interest payments ranging from 1.00% to 2.00% are to be made on October 1 and April 1 of each year. Varying principal payments are due annually on April 1. Final maturity in April 2024.	3,345,000	-
	\$23,310,000	\$23,140,000

Aggregate maturities of principal and interest of the general obligation debt are as follows:

Years ending June 30,	Principal	Interest	Total
2016	\$ 4,765,000	\$ 473,795	\$ 5,238,795
2017	3,825,000	382,748	4,207,748
2018	3,260,000	312,432	3,572,432
2019	2,910,000	244,589	3,154,589
2020	2,395,000	180,815	2,575,815
2021-2024	6,155,000	279,352	6,434,352
	\$ 23,310,000	\$ 1,873,731	\$ 25,183,731

Wisconsin State Statutes limit the total general obligation debt of Moraine Park Technical College District to 5% of the equalized valuation of taxable property within the District and further limit the District's bonded indebtedness to 2% of equalized valuation.

At June 30, 2015, the District's aggregate general obligation debt and aggregate bonded indebtedness (net of resources available to fund the debts) was \$22,734,854 and \$0. The 5% and 2% limits as of June 30, 2015 were \$1,217,702,035 and \$487,080,814 respectively.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE D: GENERAL LONG-TERM OBLIGATIONS – CONTINUED

At June 30, 2014, the District's aggregate general obligation debt and aggregate bonded indebtedness (net of resources available to fund the debts) was \$22,778,030 and \$0, respectively. The 5% and 2% limits as of June 30, 2014 were \$1,193,665,222 and \$477,466,089.

During February 2015, the District refunded two general obligation promissory notes issued May 9, 2007 and October 10, 2007. The District issued \$845,000 of general obligation promissory notes to call the refunded debt. The current refunding was undertaken to reduce total debt service payments over the next two years by \$878,294 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$38,921.

NOTE E: PENSION PLAN

a. 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.

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

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

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

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

The WRS also provides death and disability benefits for employees.

b. 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



**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE E: PENSION PLAN - CONTINUED

(the “floor”) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

c. 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. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$1,737,530 in contributions from the District.

Contribution rates as of June 30, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At June 30, 2015, the District reported an asset of \$4,469,667 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District’s proportion of the net pension asset was based on the District’s share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the District’s proportion was .18196942% which was a decrease of .00189408% from its proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$1,760,344.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE E: PENSION PLAN - CONTINUED

At June 30, 2015, the District reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 647,963
Changes in assumptions	
Net differences between projected and actual earnings on pension plan investments	2,164,429
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,876
Employer contributions subsequent to the measurement date	865,295
Total	\$ 3,705,563

\$865,295 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31	Deferred Outflow of Resources
2015	\$ 648,167
2016	648,167
2017	648,167
2018	648,167
2019	247,600

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE E: PENSION PLAN - CONTINUED

e. Actuarial Assumption

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

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

Actuarial assumptions are based upon an experience study conducted in 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

<u>Asset Class</u>	<u>Long-Term Real Rate of Return</u>	<u>Target Allocation</u>
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

*Single Discount rate.* A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2015 and 2014

**NOTE E: PENSION PLAN - CONTINUED**

the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease to Discount Rate (6.2%)	Current Discount Rate (7.2%)	1% Increase to Discount Rate (8.2%)
District's proportionate share of the net pension liability (asset)	\$ 12,609,700	\$ (4,469,667)	\$ (17,958,260)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

f. Payable to the WRS

At June 30, 2015 the District reported a payable of \$70,545 for the outstanding amount of contributions to the pension plan for the year ended June 30, 2015.

**NOTE F: OTHER POST-EMPLOYMENT BENEFITS**

*Annual Other Post-Employment Benefits (OPEB) Cost and Net OPEB Obligation:*

The District's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB Statement No. 45, for this single-employer defined benefit plan. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a closed amortization period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation (asset).

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE F: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED**

	2015	2014
Annual required contribution	\$ 156,840	\$ 302,967
Interest on net OPEB	(254,191)	(194,837)
Adjustment to annual required contribution	307,779	235,912
Annual OPEB cost (expense)	210,428	344,042
Contributions made	(1,092,420)	(1,333,278)
Change in net OPEB obligation	(881,992)	(989,236)
OPEB obligation (asset) – beginning of the year	(4,236,523)	(3,247,287)
OPEB obligation (asset) – end of the year	\$ (5,118,515)	\$ (4,236,523)

The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2015
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar, 30 year open amortization
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	6.0%
Inflation rate	3.0%
Healthcare cost trend rate (medical)	10.0% (initial) 5.0% (ultimate)
Healthcare cost trend rate (dental)	4.0% (initial) 4.0% (ultimate)

*Trend Information:*

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for the past three years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Percentage of ARC Contributed	Net OPEB Obligation (Asset)
June 30, 2013	\$690,025	144.8%	150.3%	\$(3,247,287)
June 30, 2014	344,042	387.5%	440.1%	(4,236,523)
June 30, 2015	210,428	519.1%	696.5%	(5,118,515)

*Funded Status:*

The funded status of the plan for the past year is shown below.

Actuarial Valuation Date	Valuation Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (Asset)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
June 30, 2015	\$6,027,922	\$5,727,450	\$(300,412)	105.2%	\$18,368,152	-1.64%

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE F: OTHER POST-EMPLOYMENT BENEFITS - CONTINUED**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

An irrevocable trust, the MPTC Post-Employment Benefits Trust, was created in June 2010 to begin funding this liability. During 2014-15 the College transferred \$200,000 into the trust. Total net position held in the trust at June 30, 2015 was \$6,027,922. A separate audited post-employment benefit plan report has not been prepared.

**NOTE G: RISK MANAGEMENT**

*Self Insurance*

The District is exposed to various risks of loss related to employee health, dental, and vision care, for which the District is self-insured. The accrued liability for insurance claims represents an estimate of the eventual loss on claims arising prior to year-end, including claims incurred but not yet reported. It is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The amount of the liability is estimated by the District's third party administrator based on prior experience and actual claims submitted subsequent to year end. Changes in the claims liability for the 2014-15 and 2013-14 fiscal years were:

	2015	2014
Accrued claims - beginning of year	\$ 637,800	\$ 455,669
Current year claims and changes in estimate	6,286,874	6,084,646
Claim payments	(6,007,811)	(5,902,515)
Accrued claims – end of year	\$ 916,863	\$ 637,800

*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 \$400,000,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the minimum 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 \$2,500 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.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE G: RISK MANAGEMENT - CONTINUED

During 2004-2008, all member colleges were assessed an annual premium that included a capitalization component to establish reserves for the company. Since inception, members have provided capital contributions of \$4,484,665. 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, 2015, the District paid a total premium of \$273,551, which included no capitalization component. For 2014 total premiums were \$281,117 which included no capitalization component.

Audited financial statements for DMI can be obtained from Districts Mutual Insurance Company, 212 W. 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 from DMI for its participating members:

- Foreign liability: \$1,000,000 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, funds transfer fraud, theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses; \$2,500 deductible for investigation; \$10,000 deductible for employee dishonesty, forgery, and fraud.
- Business travel accident insurance: Coverage for local board of director members. \$1,000,000 aggregate, \$100,000 for scheduled losses, exposure and disappearance coverage.

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

**MORAIN PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

**NOTE H: JOINT VENTURE**

The District has implemented a computerized library database through a joint venture with Gateway and Waukesha County (WCTC) Technical Colleges by forming the Wisconsin Public Access Library System (WisPALS) in the fall of 1989. Since 1997 and as of June 30, 2015, eight additional technical colleges have joined. WisPALS is governed by the eleven colleges' presidents and librarians with each college having an equal vote. Through the joint venture each college owns one-eleventh of the computer hardware and software that comprises WisPALS; however, the computer hardware and software is permanently housed at WCTC's Pewaukee campus.

The District's share of the operating costs was \$69,033 and \$68,405 for the years ended June 30, 2015 and 2014, respectively. The fund balance for the joint venture increased \$748 in the current year. WisPALS has no joint venture debt outstanding.

The WisPALS financial statements can be obtained through Gateway Technical College District, 3520 30th Avenue, Racine, WI 53144.

**NOTE I: COMMITMENTS AND CONTINGENCIES**

Intergovernmental awards received by the District are subject to audit and adjustment by the funding agency or their representatives. If grant revenues are received for expenditures which are subsequently disallowed, the District may be required to repay the revenues to the funding agency. In the opinion of management, liabilities resulting from such disallowed expenditures, if any, will not be material to the accompanying financial statements at June 30, 2015.

The District has commitments for capital projects as of June 30, 2015 totaling \$760,962. As of June 30, 2014, the commitments for capital projects were \$1,791,376.

The District has operating leases which are year-to-year agreements for instructional facilities and equipment. Rent expense under all operating leases for the years ended June 30, 2015 and 2014 was \$91,288 and \$100,566, respectively.

**NOTE J: EXPENSE CLASSIFICATION**

Expenses on the Statements of Revenues, Expenses, and Changes in Net Position are classified by function. Alternatively, the expenses could also be shown by type of expense as follows for the years ended June 30, 2015 and June 30, 2014:

	2015	2014
Salaries and wages	\$ 26,484,375	\$ 26,172,381
Fringe benefits	9,502,182	9,517,255
Travel, memberships, and subscriptions	671,448	564,067
Supplies	2,204,815	3,463,396
Contracted services	7,674,894	9,603,966
Rentals – facilities and equipment	91,288	102,686
Credit	94,635	186,626
Insurance	294,484	329,318
Utilities	889,977	993,809
Depreciation	2,699,872	2,783,757
Student aid	7,038,024	7,507,330
Other expenses	94,294	81,159
	\$ 57,740,288	\$ 61,305,750



**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2015 and 2014

NOTE K: SUBSEQUENT EVENTS

On August 19, 2015, the Board of Directors authorized the sale of \$2,600,000 in general obligation promissory notes for the purpose of financing building remodeling and improvement projects and the acquisition of moveable equipment. The notes were issued September 16, 2015.

NOTE L: CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

The District has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, which revised and established new financial reporting requirements for governments that provide their employees with pension benefits. The new standard recognizes pension costs as employment services are provided, rather than when the pensions are funded. Financial statements for the year ended June 30, 2014, have not been restated. The cumulative effect of this change was to increase the June 30, 2015 net position of the governmental activities by \$8,116,811.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POST-EMPLOYMENT BENEFIT PLAN**  
For the year ended June 30, 2015

Actuarial Valuation Date June 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (2 - 1)	Funded Ratio (1 / 2)	(3) Covered Payroll	UAAL as a % of Covered Payroll ((2 - 1) / 3)
2009	\$ -	\$ 9,828,010	\$ 9,828,010	0.00%	(a)	-
2010	1,250,000	9,238,644	7,988,644	13.53%	23,088,470	34.60%
2011	2,920,488	9,343,150	6,422,662	31.26%	23,609,312	27.20%
2012	3,891,684	9,188,265	5,296,581	42.36%	22,246,471	23.81%
2013	4,540,406	6,980,733	2,440,327	65.04%	21,664,596	11.26%
2014	5,689,794	6,253,960	564,166	90.98%	19,252,470	2.93%
2015	6,027,922	5,727,450	(300,412)	105.20%	18,368,152	-1.64%

(a) Information not available.

See Notes to Required Supplementary Information.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**OTHER POST-EMPLOYMENT BENEFIT PLAN**  
For the year ended June 30, 2015

<u>Year Ended June 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2009	\$ 1,011,349	\$ 1,182,157	85.6%
2010	2,066,989	996,984	207.3%
2011	2,027,417	920,407	220.3%
2012	1,863,155	908,580	205.1%
2013	999,260	664,944	150.3%
2014	1,333,278	302,967	440.1%
2015	1,092,420	156,840	696.5%

See Notes to Required Supplementary Information.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET**  
**WISCONSIN RETIREMENT SYSTEM**  
**Last 10 Fiscal Years\***

	2015
Proportion of the net pension asset	0.1820%
Proportionate share of the net pension asset	\$4,469,667
Covered-employee payroll	\$24,821,863
Plan fiduciary net position as a percentage of the total pension asset	102.74%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See Notes to Required Supplementary Information.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS**  
**WISCONSIN RETIREMENT SYSTEM**  
 Last 10 Fiscal Years\*

	2015
Contractually required contributions	\$1,737,530
Contributions in relation to the contractually required contributions	\$1,737,530
Contribution deficiency (excess)	\$0
Covered-employee payroll	\$24,821,863
Contributions as a percentage of covered-employee payroll	7.00%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

See Notes to Required Supplementary Information.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
For the year ended June 30, 2015

NOTE A: SCHEDULE OF FUNDING PROGRESS

The decrease in the Actuarial Accrued Liability between the 2012 and 2013 actuarial valuations is due to changes in benefit terms including increases in deductibles and employee contributions towards benefits.

NOTE B: GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT NOS. 68 AND 71

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. Information for prior years is not available.

NOTE C: WISCONSIN RETIREMENT SYSTEM

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

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## **SUPPLEMENTARY INFORMATION**

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The following supplementary information is provided to document Moraine Park Technical College'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 college. At the end of this section is a reconciliation between the two methods.

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## **GENERAL FUND**

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The General Fund is the operating fund of the District. It is used to account for all financial resources, except those accounted for in another fund.

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**MORAINÉ PARK 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, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
<b>Revenues</b>						
Local government - tax levy	\$ 9,582,591	\$ 9,571,279	\$ 9,572,480	\$ -	\$ 9,572,480	\$ 1,201
Intergovernmental revenue						
State	24,212,728	24,330,016	24,269,334	-	24,269,334	(60,682)
Federal	21,000	21,000	24,347	-	24,347	3,347
Tuition and fees						
Statutory program fees	8,445,326	7,814,750	7,766,187	-	7,766,187	(48,563)
Material fees	447,000	415,795	417,294	-	417,294	1,499
Other student fees	1,136,975	1,045,925	1,054,504	-	1,054,504	8,579
Institutional	3,248,358	3,538,325	3,690,228	-	3,690,228	151,903
<b>Total revenues</b>	<b>47,093,978</b>	<b>46,737,090</b>	<b>46,794,374</b>	<b>-</b>	<b>46,794,374</b>	<b>57,284</b>
<b>Expenditures</b>						
Instruction	23,954,566	22,500,000	22,502,703	(9,675)	22,493,028	6,972
Instructional resources	2,424,839	1,800,000	1,805,075	(14,341)	1,790,734	9,266
Student services	5,611,130	5,600,000	5,470,151	35,469	5,505,620	94,380
General institutional	11,660,062	10,900,000	10,817,681	28,746	10,846,427	53,573
Physical plant	3,443,381	3,408,228	3,203,979	42,604	3,246,583	161,645
<b>Total expenditures</b>	<b>47,093,978</b>	<b>44,208,228</b>	<b>43,799,589</b>	<b>82,803</b>	<b>43,882,392</b>	<b>325,836</b>
Excess (deficiency) of revenues over expenditures	-	2,528,862	2,994,785	(82,803)	2,911,982	383,120
<b>Other financing uses</b>						
Transfers out	-	(5,907,272)	(5,907,272)	-	(5,907,272)	-
<b>Net change in fund balance</b>	<b>-</b>	<b>(3,378,410)</b>	<b>(2,912,487)</b>	<b>(82,803)</b>	<b>(2,995,290)</b>	<b>383,120</b>
Fund balance at July 1, 2014	14,861,070	15,638,086	15,690,176	(52,090)	15,638,086	-
<b>Fund balance at June 30, 2015</b>	<b>\$ 14,861,070</b>	<b>\$ 12,259,676</b>	<b>\$ 12,777,689</b>	<b>\$ (134,893)</b>	<b>\$ 12,642,796</b>	<b>\$ 383,120</b>
<b>Fund balance</b>						
Reserved for encumbrances			\$ 134,893			
Reserved for prepaid items			543,229			
Unreserved fund balance						
Designated for state aid fluctuations			355,563			
Designated for subsequent year			177,781			
Designated for subsequent years			284,580			
Designated for operations			11,281,643			
			<u>\$ 12,777,689</u>			

## **SPECIAL REVENUE AIDABLE FUND**

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The Special Revenue Aidable Fund is used to account for the proceeds and related financial activities of specific revenue sources (other than debt service, major capital projects, or expendable trusts) that are restricted to expenditures for designated purposes because of legal or regulatory provisions.

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**MORAINÉ PARK 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, 2015**

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
<b>Revenues</b>						
Local government - tax levy	\$ 411,097	\$ 386,988	\$ 386,988	\$ -	\$ 386,988	\$ -
Intergovernmental revenue						
State	951,728	1,436,248	1,579,060	-	1,579,060	142,812
Federal	1,332,725	1,401,319	1,498,878	-	1,498,878	97,559
Institutional	200,000	200,000	30,331	-	30,331	(169,669)
Total revenues	<u>2,895,550</u>	<u>3,424,555</u>	<u>3,495,257</u>	<u>-</u>	<u>3,495,257</u>	<u>70,702</u>
<b>Expenditures</b>						
Instruction	1,688,930	2,461,285	2,461,285	-	2,461,285	-
Student services	1,152,368	1,206,538	1,031,233	-	1,031,233	175,305
General institutional	54,252	56,732	56,732	-	56,732	-
Total expenditures	<u>2,895,550</u>	<u>3,724,555</u>	<u>3,549,250</u>	<u>-</u>	<u>3,549,250</u>	<u>175,305</u>
Excess (deficiency) of revenues over expenditures	-	(300,000)	(53,993)	-	(53,993)	246,007
<b>Other financing sources</b>						
Transfers in	-	300,000	300,000	-	300,000	-
Net change in fund balance	-	-	246,007	-	246,007	246,007
Fund balance at July 1, 2014	<u>448,942</u>	<u>395,014</u>	<u>395,014</u>	<u>-</u>	<u>395,014</u>	<u>-</u>
Fund balance at June 30, 2015	<u>\$ 448,942</u>	<u>\$ 395,014</u>	<u>\$ 641,021</u>	<u>\$ -</u>	<u>\$ 641,021</u>	<u>\$ 246,007</u>
<b>Fund balance</b>						
Reserved for prepaid items			\$ 8,700			
Unreserved fund balance						
Designated for subsequent year			<u>632,321</u>			
			<u>\$ 641,021</u>			

## **SPECIAL REVENUE NON-AIDABLE FUND**

---

The Special Revenue Non-Aidable Fund is used to account for expendable trust funds held by the District in a trustee/agent capacity, primarily for student activities and financial aid.

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**MORAINÉ PARK 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, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
<b>Revenues</b>						
Local government - tax levy	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ 20,000	\$ -
Intergovernmental revenue						
State	910,795	910,795	854,082	-	854,082	(56,713)
Federal	13,434,540	13,434,540	10,517,488	-	10,517,488	(2,917,052)
Institutional	397,000	397,000	391,130	-	391,130	(5,870)
<b>Total revenues</b>	<b>14,762,335</b>	<b>14,762,335</b>	<b>11,782,700</b>	<b>-</b>	<b>11,782,700</b>	<b>(2,979,635)</b>
<b>Expenditures</b>						
Student services	14,760,000	14,760,000	11,764,950	-	11,764,950	2,995,050
<b>Net change in fund balance</b>	<b>2,335</b>	<b>2,335</b>	<b>17,750</b>	<b>-</b>	<b>17,750</b>	<b>15,415</b>
Fund balance at July 1, 2014	45,672	15,840	15,840	-	15,840	-
Fund balance at June 30, 2015	<u>\$ 48,007</u>	<u>\$ 18,175</u>	<u>\$ 33,590</u>	<u>\$ -</u>	<u>\$ 33,590</u>	<u>\$ 15,415</u>
<b>Fund balance</b>						
Reserved for student financial assistance			<u>\$ 33,590</u>			

## **CAPITAL PROJECTS FUND**

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The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of capital facilities and major equipment other than those financed by the Enterprise and Internal Service funds.

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**MORAINÉ PARK 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, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
<b>Revenues</b>						
Local government - tax levy	\$ 14,712	\$ 1,775	\$ 1,775	\$ -	\$ 1,775	\$ -
Intergovernmental revenue						
State	45,103	218,671	66,103	-	66,103	(152,568)
Federal	57,488	57,488	107,364	-	107,364	49,876
Institutional	93,780	234,659	208,692	-	208,692	(25,967)
<b>Total revenues</b>	<b>211,083</b>	<b>512,593</b>	<b>383,934</b>	<b>-</b>	<b>383,934</b>	<b>(128,659)</b>
<b>Expenditures</b>						
Instruction	1,988,562	2,117,163	1,744,980	(4,192)	1,740,788	376,375
Instructional resources	352,333	352,333	294,863	47,514	342,377	9,956
Student services	77,807	93,330	96,053	(2,723)	93,330	-
General institutional	894,629	1,086,765	940,730	146,035	1,086,765	-
Physical plant	2,514,950	2,678,950	3,079,064	(1,217,049)	1,862,015	816,935
<b>Total expenditures</b>	<b>5,828,281</b>	<b>6,328,541</b>	<b>6,155,690</b>	<b>(1,030,415)</b>	<b>5,125,275</b>	<b>1,203,266</b>
Excess (deficiency) of revenues over expenditures	(5,617,198)	(5,815,948)	(5,771,756)	1,030,415	(4,741,341)	1,074,607
<b>Other financing sources</b>						
Long term debt issued	5,480,000	5,480,000	5,480,000	-	5,480,000	-
Transfers in	-	5,007,272	5,007,272	-	5,007,272	-
<b>Total other financing sources</b>	<b>5,480,000</b>	<b>10,487,272</b>	<b>10,487,272</b>	<b>-</b>	<b>10,487,272</b>	<b>-</b>
Net change in fund balance	(137,198)	4,671,324	4,715,516	1,030,415	5,745,931	1,074,607
Fund balance at July 1, 2014	2,325,785	2,197,478	3,988,853	(1,791,375)	2,197,478	-
Fund balance at June 30, 2015	<u>\$ 2,188,587</u>	<u>\$ 6,868,802</u>	<u>\$ 8,704,369</u>	<u>\$ (760,960)</u>	<u>\$ 7,943,409</u>	<u>\$ 1,074,607</u>
<b>Fund balance</b>						
Reserved for encumbrances			\$ 760,960			
Reserved for prepaid items			2,939			
Reserved for capital projects			<u>7,940,470</u>			
			<u>\$ 8,704,369</u>			



## **DEBT SERVICE FUND**

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

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**MORAINE PARK 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, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
<b>Revenues</b>						
Local government - tax levy	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 6,000,000	\$ -
Institutional	5,000	5,000	119,552	-	119,552	114,552
<b>Total revenues</b>	<b>6,005,000</b>	<b>6,005,000</b>	<b>6,119,552</b>	<b>-</b>	<b>6,119,552</b>	<b>114,552</b>
<b>Expenditures</b>						
Physical plant	6,000,513	6,000,513	5,912,343	-	5,912,343	88,170
<b>Excess of revenues over expenditures</b>	<b>4,487</b>	<b>4,487</b>	<b>207,209</b>	<b>-</b>	<b>207,209</b>	<b>202,722</b>
<b>Other financing sources (uses)</b>						
Payment to current noteholder	-	(845,000)	(845,000)	-	(845,000)	-
Long term debt issued	-	845,000	845,000	-	845,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>4,487</b>	<b>4,487</b>	<b>207,209</b>	<b>-</b>	<b>207,209</b>	<b>202,722</b>
Fund balance at July 1, 2014	576,303	608,472	608,472	-	608,472	-
<b>Fund balance at June 30, 2015</b>	<b>\$ 580,790</b>	<b>\$ 612,959</b>	<b>\$ 815,681</b>	<b>\$ -</b>	<b>\$ 815,681</b>	<b>\$ 202,722</b>
<b>Fund balance</b>						
Reserved for debt service			<u>\$ 815,681</u>			

## **ENTERPRISE FUNDS**

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The Enterprise Funds are used to account for operations that provide services which are financed primarily by user charges or activities where periodic measurement of net income is appropriate for capital maintenance, public policy, management control, or other purposes. The District's enterprise funds are used to account for the operations of the bookstore, vending machines, parts department, and other activities.

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**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**ENTERPRISE FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the year ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
Revenues						
Auxiliary revenue	\$ 209,800	\$ 600,000	\$ 591,036	\$ -	\$ 591,036	\$ (8,964)
Expenditures						
Auxiliary services	175,400	267,771	264,627	3,144	267,771	-
Excess (deficiency) of revenues over expenditures	34,400	332,229	326,409	(3,144)	323,265	(8,964)
Other financing sources						
Transfers in	-	600,000	600,000	-	600,000	-
Net change in position	34,400	932,229	926,409	(3,144)	923,265	(8,964)
Net position at July 1, 2014	968,206	949,629	949,629	-	949,629	-
Net position at June 30, 2015	<u>\$ 1,002,606</u>	<u>\$ 1,881,858</u>	<u>\$ 1,876,038</u>	<u>\$ (3,144)</u>	<u>\$ 1,872,894</u>	<u>\$ (8,964)</u>
Net position						
Unrestricted			<u>\$ 1,876,038</u>			

## **INTERNAL SERVICE FUNDS**

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The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District on a cost reimbursement basis. At present, the District has two Internal Service Funds. One is used to account for the transactions of the District's self-insured employee health, dental, and vision coverage programs. The other accounts for all costs associated with copiers and usage by District departments.

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**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**INTERNAL SERVICE FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN NET POSITION - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the year ended June 30, 2015

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
Revenues						
Auxiliary revenue	\$ 7,185,000	\$ 6,821,181	\$ 6,821,181	\$ -	\$ 6,821,181	\$ -
Expenditures						
Auxiliary services	6,699,000	7,345,327	7,345,327	-	7,345,327	-
Net change in position	486,000	(524,146)	(524,146)	-	(524,146)	-
Net position at July 1, 2014	5,769,691	5,218,968	5,218,968	-	5,218,968	-
Net position at June 30, 2015	<u>\$ 6,255,691</u>	<u>\$ 4,694,822</u>	<u>\$ 4,694,822</u>	<u>\$ -</u>	<u>\$ 4,694,822</u>	<u>\$ -</u>
Net position						
Unrestricted			<u>\$ 4,694,822</u>			

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS**  
**FINANCIAL STATEMENTS TO BASIC FINANCIAL STATEMENTS**  
For the year ended June 30, 2015

	General Fund	Special Revenue Aidable Fund	Special Revenue Non-Aidable Fund	Capital Projects Fund	Debt Service Fund	Enterprise Funds	Internal Service Funds	Total	Reconciling Items	Statement of revenues, expenses, and changes in net position
<b>Revenues</b>										
Local government - tax levy	\$ 9,572,480	\$ 386,988	\$ 20,000	\$ 1,775	\$ 6,000,000	\$ -	\$ -	\$ 15,981,243	\$ -	\$ 15,981,243
Intergovernmental revenue										
State	24,269,334	1,579,060	854,082	66,103	-	-	-	26,768,579	-	26,768,579 (1)
Federal	24,347	1,498,878	10,517,488	107,364	-	-	-	12,148,077	(80,000)	12,068,077 (2)
Tuition and fees										
Statutory program fees	7,766,187	-	-	-	-	-	-	7,766,187	(3,906,576)	3,859,611
Material fees	417,294	-	-	-	-	-	-	417,294	(209,909)	207,385
Other student fees	1,054,504	-	-	-	-	-	-	1,054,504	(530,441)	524,063
Institutional	3,690,228	30,331	391,130	208,692	119,552	-	-	4,439,933	(1,385,176)	3,054,757 (3)
Auxiliary revenue	-	-	-	-	-	591,036	6,821,181	7,412,217	(6,821,181)	591,036
<b>Total revenues</b>	<b>46,794,374</b>	<b>3,495,257</b>	<b>11,782,700</b>	<b>383,934</b>	<b>6,119,552</b>	<b>591,036</b>	<b>6,821,181</b>	<b>75,988,034</b>	<b>(12,933,283)</b>	<b>63,054,751</b>
<b>Expenditures</b>										
Instruction	22,493,028	2,461,285	-	1,740,788	-	-	-	26,695,101	(1,549,228)	25,145,873
Instructional resources	1,790,734	-	-	342,377	-	-	-	2,133,111	(328,324)	1,804,787
Student services	5,505,620	1,031,233	11,764,950	93,330	-	-	-	18,395,133	(11,818,260)	6,576,873
General institutional	10,846,427	56,732	-	1,086,765	-	-	-	11,989,924	(1,976,567)	10,013,357
Physical plant	3,246,583	-	-	1,862,015	5,912,343	-	-	11,020,941	(7,332,585)	3,688,356 (4)
Auxiliary services	-	-	-	-	-	267,771	7,345,327	7,613,098	(7,347,255)	265,843
Depreciation	-	-	-	-	-	-	-	-	2,699,872	2,699,872
Student aid	-	-	-	-	-	-	-	-	7,038,024	7,038,024
<b>Total expenditures</b>	<b>43,882,392</b>	<b>3,549,250</b>	<b>11,764,950</b>	<b>5,125,275</b>	<b>5,912,343</b>	<b>267,771</b>	<b>7,345,327</b>	<b>77,847,308</b>	<b>(20,614,323)</b>	<b>57,232,985</b>
Excess (deficiency) of revenues over expenditures	2,911,982	(53,993)	17,750	(4,741,341)	207,209	323,265	(524,146)	(1,859,274)	7,681,040	5,821,766
<b>Other financing sources (uses)</b>										
Transfers in (out)	(5,907,272)	300,000	-	5,007,272	-	600,000	-	-	-	-
Payment to current noteholder	-	-	-	-	(845,000)	-	-	(845,000)	845,000	-
Long term debt issued	-	-	-	5,480,000	845,000	-	-	6,325,000	(6,325,000)	-
<b>Total other financing sources (uses)</b>	<b>(5,907,272)</b>	<b>300,000</b>	<b>-</b>	<b>10,487,272</b>	<b>-</b>	<b>600,000</b>	<b>-</b>	<b>5,480,000</b>	<b>(5,480,000)</b>	<b>-</b>
<b>Net change in fund balance/net position</b>	<b>(2,995,290)</b>	<b>246,007</b>	<b>17,750</b>	<b>5,745,931</b>	<b>207,209</b>	<b>923,265</b>	<b>(524,146)</b>	<b>3,620,726</b>	<b>2,201,040</b>	<b>5,821,766</b>
Fund balance/net position at July 1, 2014, as originally reported	15,638,086	395,014	15,840	2,197,478	608,472	949,629	5,218,968	25,023,487	29,811,429	54,834,916
Cumulative effect of change in accounting principle	-	-	-	-	-	-	-	-	8,116,811	8,116,811
Fund balances/net position at July 1, 2014, as restated	15,638,086	395,014	15,840	2,197,478	608,472	949,629	5,218,968	25,023,487	37,928,240	62,951,727
Fund balance/net position at June 30, 2015	\$ 12,642,796	\$ 641,021	\$ 33,590	\$ 7,943,409	\$ 815,681	\$ 1,872,894	\$ 4,694,822	\$ 28,644,213	\$ 40,129,280	\$ 68,773,493 (5)

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL**  
**STATEMENTS TO BASIC FINANCIAL STATEMENTS**  
For the year ended June 30, 2015

**BUDGETS AND BUDGETARY ACCOUNTING**

The District's fund structure used in preparing the basic financial statements is different than the fund structure used for budgetary accounting. Annual budgets are adopted for all funds in accordance with the requirements of the Wisconsin Technical College System Board. The District follows the procedures listed below in adopting annual budgets for all funds in accordance with legal requirements.

- Annual budget requests by departments are submitted to the President's Cabinet during January. After all the requests are reviewed, the President submits the proposed budget to the District Board.
- Public hearings are conducted on the proposed budget prior to District Board approval.
- In accordance with State Statute 38.12, the budget is legally enacted through approval by the District Board prior to July 1.
- Budget amendments made 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 public notice published in the District's official newspaper within 10 days according to Wisconsin Statutes.
- Management exercises control over budgeted expenditures by fund and function (e.g., instruction, instructional resources, student services, etc.), as presented in the accompanying financial statements. Expenditures may not exceed funds available or appropriated. Unused appropriations lapse at the end of each fiscal year.

Formal budgetary integration is employed as a planning device for all funds. MPTC adopts an annual operating budget that is prepared on a different basis from the basic financial statements. The budget differs from GAAP by recognizing encumbrances as expenditures and property taxes levied that relate to debt service funding for the subsequent year as revenue. Also, the budget does not incorporate changes related to GASB Statement Nos. 34, 35, 37, and 38 as listed previously in Note A to the financial statements.

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

Operating	\$ 2,500,094
Non-operating	
State operating appropriations	24,202,382
Capital contributions (state portion)	<u>66,103*</u>
	<u>\$ 26,768,579</u>

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

Operating	\$ 11,960,713
Capital contributions (federal portion)	<u>107,364*</u>
	<u>\$ 12,068,077</u>

\* Shown as one line item totaling \$173,467 on basic financial statements.



**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL**  
**STATEMENTS TO BASIC FINANCIAL STATEMENTS – CONTINUED**  
For the year ended June 30, 2015

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

Contract revenue	\$ 3,393,497
Miscellaneous	921,840
Loss on disposal of capital assets	(1,373,276)
Investment income earned	<u>112,696</u>
	<u>\$ 3,054,757</u>

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

Physical plant	\$ 3,162,981
Interest expense	<u>525,375</u>
	<u>\$ 3,688,356</u>

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

Budgetary basis fund balance/net position	\$ 28,644,213
General capital assets capitalized – cost	85,199,308
Accumulated depreciation on general capital assets	(35,834,321)
Net pension asset	4,469,667
Deferred outflows related to pension	3,705,563
General obligation notes payable	(23,310,000)
Accrued interest on notes payable	(118,449)
Long-term OPEB asset	5,118,515
Encumbrances outstanding at year end	<u>898,997</u>
Net position per basic financial statements	<u>\$ 68,773,493</u>

# **STATISTICAL SECTION**

The statistical section 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.

The statistical section contains information related to the following categories:

*Financial Trends*

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed.

*Revenue Capacity*

These schedules contain information to aid the reader in assessing 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 levels 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.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

NET POSITION BY COMPONENT  
Last Ten Fiscal Years  
(accrual basis of accounting)

	2015	2014	2013 (Restated)	2012	2011	2010	2009	2008	2007	2006
Net investment in capital assets	\$34,862,712	\$27,997,249	\$26,031,176	\$ 23,815,330	\$ 22,392,527	\$ 21,169,867	\$ 20,433,749	\$ 18,846,368	\$ 17,442,598	\$ 17,539,006
Restricted for debt service	697,232	482,863	348,351	257,862	135,494	200,811	60,491	171,867	389,162	173,182
Restricted for pension benefits	8,175,230	-	-	-	-	-	-	-	-	-
Unrestricted	<u>25,038,319</u>	<u>26,354,804</u>	<u>25,335,199</u>	<u>25,134,759</u>	<u>25,357,216</u>	<u>23,321,996</u>	<u>19,673,843</u>	<u>17,731,354</u>	<u>14,994,957</u>	<u>12,985,319</u>
Total Net Position	<u>\$ 68,773,493</u>	<u>\$ 54,834,916</u>	<u>\$ 51,714,726</u>	<u>\$ 49,207,951</u>	<u>\$ 47,885,237</u>	<u>\$ 44,692,674</u>	<u>\$ 40,168,083</u>	<u>\$ 36,749,589</u>	<u>\$ 32,826,717</u>	<u>\$ 30,697,507</u>

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**

**CHANGES IN NET POSITION  
Last Ten Fiscal Years**

	2015	2014	2013 (Restated)	2012	2011	2010	2009	2008	2007	2006
<b>Operating Revenues</b>										
Student program fees, net of scholarship allowances	\$ 3,859,611	\$ 3,737,760	\$ 3,840,830	\$ 3,910,248	\$ 4,443,515	\$ 5,043,326	\$ 4,445,699	\$ 3,568,597	\$ 2,688,721	\$ 3,581,464
Student material fees, net of scholarship allowances	207,385	206,951	215,970	222,027	254,516	290,024	269,795	211,695	166,770	235,090
Other student fees, net of scholarship allowances	524,063	457,543	478,855	509,948	587,976	717,727	621,989	543,994	387,013	411,224
Federal grants	11,960,713	12,508,216	12,786,015	14,078,300	15,390,614	12,577,041	8,461,436	7,362,268	6,649,353	6,534,329
State grants	2,500,094	2,054,963	1,946,266	1,602,153	1,594,831	1,649,303	1,609,053	1,381,354	1,371,697	1,512,399
Contract revenue	3,393,497	3,422,878	3,247,325	2,959,294	2,861,942	3,024,552	3,304,784	3,313,553	3,214,444	2,941,047
Auxiliary enterprise revenues	591,036	2,444,915	2,412,418	2,606,817	2,961,871	3,241,917	2,766,754	2,518,154	2,460,683	2,469,942
Miscellaneous	921,840	1,106,235	983,655	860,502	1,065,326	709,701	662,027	540,425	704,695	422,709
Total operating revenues	23,958,239	25,939,461	25,911,334	26,749,289	29,160,591	27,253,591	22,141,537	19,440,040	17,643,376	18,108,204
<b>Operating expenses</b>										
Instruction	25,145,873	25,160,313	26,336,097	26,729,423	27,228,728	26,909,652	25,388,159	24,324,920	24,034,908	22,963,130
Instructional resources	1,804,787	2,310,329	1,920,013	2,008,717	2,363,444	2,117,607	1,932,608	2,074,652	2,022,672	1,887,566
Student services	6,496,873	6,272,598	6,179,774	6,416,632	6,463,390	5,528,914	5,295,808	4,748,804	4,426,438	4,124,639
General institutional	10,013,357	10,752,146	11,122,967	11,180,309	11,188,398	11,395,594	10,955,635	9,872,114	10,239,128	9,170,863
Physical plant	3,162,981	4,101,860	3,812,120	3,846,962	3,854,442	4,158,279	3,436,929	3,366,545	3,757,623	3,856,601
Auxiliary enterprise services	265,843	2,417,417	2,439,387	2,614,739	2,925,760	2,941,473	2,692,247	2,464,624	2,468,609	2,524,529
Depreciation	2,699,872	2,783,757	2,305,394	2,230,649	2,117,849	2,028,612	1,959,415	1,815,504	1,722,739	1,972,332
Student aid	7,038,024	7,507,330	7,948,743	8,598,564	8,930,216	7,130,490	4,851,847	3,909,936	2,832,629	4,010,350
Total operating expenses	56,627,610	61,305,750	62,064,495	63,625,995	65,072,227	62,210,621	56,512,648	52,577,099	51,504,746	50,510,010
Operating loss	(32,669,371)	(35,366,289)	(36,153,161)	(36,876,706)	(35,911,636)	(34,957,030)	(34,371,111)	(33,137,059)	(33,861,370)	(32,401,806)
<b>Non-operating revenues (expenses)</b>										
Property taxes	15,981,243	36,397,241	36,465,081	35,959,981	36,059,442	35,073,334	33,701,800	32,394,755	31,154,753	29,671,623
State operating appropriations	24,202,382	3,114,310	3,023,949	2,935,635	4,203,845	4,697,471	4,717,435	4,867,628	4,840,047	5,163,811
Gain/(loss) on sale of capital assets	(1,373,276)	(807,207)	(241,381)	(173,901)	(593,068)	(34,205)	(142,802)	(57,888)	(3,227)	(46,376)
Investment income earned	112,696	84,104	88,969	83,418	94,368	112,259	241,898	610,604	777,886	505,136
Interest expense	(525,375)	(541,278)	(599,067)	(685,715)	(845,018)	(883,834)	(929,746)	(988,517)	(979,757)	(906,254)
Total non-operating revenues	38,397,670	38,247,170	38,737,551	38,119,418	38,919,569	38,965,025	37,588,585	36,826,582	35,789,702	34,387,940
Income before capital contributions	5,728,299	2,880,881	2,584,390	1,242,712	3,007,933	4,007,995	3,217,474	3,689,523	1,928,332	1,986,134
Capital contributions - state and federal grants	173,467	239,309	110,520	80,002	184,630	516,596	201,020	233,349	200,878	33,404
Change in net position before special item	\$ 5,901,766	\$ 3,120,190	\$ 2,694,910	\$ 1,322,714	\$ 3,192,563	\$ 4,524,591	\$ 3,418,494	\$ 3,922,872	\$ 2,129,210	\$ 2,019,538
Cumulative effect of change in accounting principle (1)	8,116,811	-	(188,135)	-	-	-	-	-	-	-
<b>CHANGE IN NET POSITION</b>	<b>\$ 14,018,577</b>	<b>\$ 3,120,190</b>	<b>\$ 2,506,775</b>	<b>\$ 1,322,714</b>	<b>\$ 3,192,563</b>	<b>\$ 4,524,591</b>	<b>\$ 3,418,494</b>	<b>\$ 3,922,872</b>	<b>\$ 2,129,210</b>	<b>\$ 2,019,538</b>

(1) The District implemented GASB 68 and 71 beginning with the fiscal year ended June 30, 2015 and GASB 65 beginning with the fiscal year ended June 30, 2013.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**DISTRIBUTION OF REAL PROPERTY ON AN EQUALIZED VALUE BASIS  
DODGE, FOND DU LAC, GREEN LAKE, AND WASHINGTON COUNTIES (1)  
Last Ten Calendar Years (Jan. 1 to Dec. 31)**

(Amounts in thousands)

Year	Residential	Commercial	Manufacturing	Agricultural and Other	Undeveloped	Forest	Personal Property	Total	District Equalized Valuation (2)	Total Direct Tax Rate
2005	18,850,881.0	3,261,925.4	791,022.6	1,145,038.6	160,361.5	101,008.6	498,736.3	24,808,974.0	20,228,965.2	1.42791
% of Total	76.1%	13.1%	3.2%	4.6%	0.6%	0.4%	2.0%			
2006	20,712,650.3	3,613,206.9	804,390.8	1,216,541.0	189,718.7	87,951.2	529,168.9	27,153,627.8	22,118,648.6	1.36957
% of Total	76.3%	13.3%	3.0%	4.5%	0.7%	0.3%	1.9%			
2007	21,967,110.3	3,858,810.8	834,029.4	1,262,537.1	200,164.2	81,816.6	583,132.5	28,787,600.9	23,503,676.7	1.34014
% of Total	76.3%	13.4%	2.9%	4.4%	0.7%	0.3%	2.0%			
2008	22,626,696.4	4,198,481.9	860,230.4	1,268,923.2	192,994.3	80,637.5	645,916.6	29,873,880.3	24,401,644.4	1.34277
% of Total	75.7%	14.1%	2.9%	4.2%	0.6%	0.3%	2.2%			
2009	22,636,229.0	4,375,567.3	886,378.7	1,269,118.4	189,435.8	76,674.2	672,636.6	30,106,040.0	24,599,146.1	1.38568
% of Total	75.3%	14.5%	2.9%	4.2%	0.6%	0.3%	2.2%			
2010	22,144,570.5	4,235,850.4	886,502.6	1,261,611.6	182,828.8	70,938.4	644,506.6	29,426,808.9	24,060,945.2	1.45589
% of Total	75.3%	14.4%	3.0%	4.3%	0.6%	0.2%	2.2%			
2011	21,722,216.8	4,203,614.0	888,321.6	1,246,917.2	181,011.5	68,958.4	617,015.0	28,928,054.5	23,617,193.7	1.48102
% of Total	75.2%	14.5%	3.1%	4.3%	0.6%	0.2%	2.1%			
2012	20,715,776.6	4,161,536.3	903,592.6	1,249,239.5	186,358.1	63,584.9	637,151.1	27,917,239.1	22,821,371.0	1.54062
% of Total	74.2%	14.9%	3.2%	4.5%	0.7%	0.2%	2.3%			
2013	20,204,797.6	4,151,057.7	916,713.4	1,271,591.2	188,585.8	67,696.8	610,082.1	27,410,524.6	22,513,821.0	1.56897
% of Total	73.9%	15.1%	3.3%	4.6%	0.7%	0.2%	2.2%			
2014	20,696,535.7	4,149,245.4	964,160.9	1,319,044.6	188,606.3	67,542.2	636,710.1	28,021,845.2	23,002,043.5	0.67468
% of Total	73.9%	14.8%	3.4%	4.7%	0.7%	0.2%	2.3%			

Source: Wisconsin Department of Revenue, Bureau of Local Financial Assistance.

- Notes:
- (1) The District is comprised of all or the majority of four counties (Dodge, Fond du Lac, Green Lake, and Washington), which make up over 97% of the District's equalized valuation, and parts of six other counties (Calumet, Columbia, Marquette, Sheboygan, Waushara, and Winnebago). Real property values are presented for all of Dodge, Fond du Lac, Green Lake, and Washington counties. Therefore, the above total column will be greater than the District Equalized Valuation column which includes only the in-District valuation for the four counties.
  - (2) Due to varying assessment policies in the municipalities contained in the District, the District uses equalized value of taxable property for tax levy purposes. The equalized value of property approximates estimated actual (full) value of taxable property in the State of Wisconsin. The District Equalized Valuation is the equalized value of property, excluding tax incremental financing districts, within the District. Amount shown is for the four counties listed only.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Years

(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District direct rates										
Operational	\$ 0.42112	\$ 1.30990	\$ 1.28490	\$ 1.24206	\$ 1.21929	\$ 1.15715	\$ 1.10184	\$ 1.09180	\$ 1.10228	\$ 1.15469
Debt Service	0.25356	0.25907	0.25572	0.23896	0.2366	0.22853	0.24093	0.24834	0.26729	0.27322
Total Direct Rate	0.67468	1.56897	1.54062	1.48102	1.45589	1.38568	1.34277	1.34014	1.36957	1.42791
<b>Calumet County</b>										
T Brothertown	21.11	21.25	21.39	20.48	20.11	19.31	18.46	18.20	18.03	18.52
T Charlestown	21.11	21.29	21.49	20.16	19.88	19.19	18.38	18.27	18.09	18.51
T New Holstein	18.42	18.01	18.14	17.65	17.60	16.69	15.70	15.54	15.20	15.67
C New Holstein	25.60	26.51	25.82	25.11	24.78	23.95	22.62	21.80	21.90	21.70
<b>Columbia County</b>										
T Marcellon	18.83	20.29	19.62	19.21	18.52	17.61	15.67	15.22	14.40	15.21
T Scott	17.75	19.92	19.41	19.24	18.66	17.33	15.86	15.92	15.66	15.81
<b>Dodge County</b>										
T Ashippun	19.12	20.61	20.77	19.66	19.15	18.27	16.76	16.51	16.63	17.36
T Beaver Dam	16.23	17.50	17.71	17.41	18.11	16.76	16.07	15.94	16.19	17.47
T Burnett	19.34	20.95	20.08	20.01	19.94	19.02	18.04	18.07	17.71	18.74
T Calamus	18.65	19.76	20.04	20.16	20.21	18.75	17.66	17.93	18.32	18.64
T Chester	18.84	20.32	19.90	19.11	19.17	17.32	16.48	16.67	16.47	17.70
T Clyman	21.15	22.04	21.43	21.14	21.12	19.99	18.87	19.79	19.85	20.73
T Elba	20.20	21.59	20.85	20.17	19.48	18.01	17.24	17.96	17.86	18.53
T Fox Lake	19.81	21.22	20.95	20.03	20.02	18.09	17.25	17.54	17.62	19.07
T Herman	19.58	21.42	21.02	20.58	20.50	19.00	17.92	19.26	19.25	20.07
T Hubbard	18.95	20.30	19.57	19.15	18.91	18.10	17.14	17.50	17.35	18.63
T Hustisford	19.55	20.82	19.91	19.20	19.12	18.38	17.79	18.71	18.94	20.19
T Lebanon	19.84	21.45	21.30	20.49	19.84	18.62	17.83	18.03	18.01	18.87
T Leroy	20.02	21.10	21.11	21.00	20.26	18.68	18.00	19.17	19.16	20.69
T Lomira	19.45	20.10	19.20	19.74	19.23	18.07	17.33	17.32	16.75	18.91
T Lowell	21.25	22.57	22.12	22.00	22.22	21.46	19.78	20.56	20.35	21.32
T Oak Grove	20.23	21.71	20.91	20.85	20.99	20.03	18.96	19.51	19.43	20.36
T Rubicon	18.11	18.93	19.52	19.27	19.74	18.62	17.80	18.04	18.32	18.73
T Shields	19.18	20.56	20.73	20.47	19.48	18.01	17.23	16.71	16.75	17.70
T Theresa	19.40	20.53	20.14	20.51	19.90	18.53	17.46	17.83	17.52	19.50
T Trenton	18.06	19.54	19.38	18.85	19.30	17.81	17.03	17.07	17.14	18.61
T Westford	17.40	18.27	18.56	18.13	18.28	17.05	16.07	16.34	16.77	18.10
T Williamstown	14.35	15.42	15.41	15.40	14.73	13.80	13.25	13.81	13.42	14.71
V Brownsville	21.27	22.22	21.61	21.77	21.23	19.72	18.40	20.27	19.81	21.80
V Clyman	30.93	31.69	30.26	29.74	30.13	28.32	25.52	26.55	26.25	27.35

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Years

(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
V Hustisford	26.80	27.42	25.33	23.77	23.35	22.61	21.69	22.48	22.50	23.69
V of Iron Ridge	21.32	23.22	21.87	21.72	21.39	20.93	19.94	19.84	19.44	20.63
V Kekoskee	17.10	18.10	18.04	17.79	17.18	16.35	15.95	15.80	15.54	17.16
V Lomira	21.63	22.47	21.95	22.81	22.01	20.43	19.08	19.11	17.73	19.62
V Lowell	29.17	28.80	27.74	27.50	25.94	26.68	23.72	25.20	25.44	26.63
V Neosho	21.35	22.29	21.61	21.11	20.61	19.86	19.39	19.54	19.53	19.93
V Reeseville	23.23	24.51	23.81	23.56	23.56	22.31	21.09	21.97	22.03	22.68
V Theresa	19.80	20.70	20.95	21.31	20.55	19.04	18.01	18.38	18.35	20.27
C Beaver Dam	25.00	25.36	25.16	24.32	24.64	22.41	21.51	21.40	22.26	24.05
C Fox Lake	26.70	28.95	29.58	28.55	26.51	24.17	23.47	24.09	24.06	25.24
C Hartford	22.69	23.67	24.51	23.81	24.51	22.99	21.78	22.16	22.93	23.50
C Horicon	26.28	28.23	25.90	26.39	25.66	24.40	23.00	23.23	23.04	24.41
C Juneau	28.83	29.93	28.96	28.72	27.68	26.20	24.84	25.83	25.52	27.04
C Mayville	24.95	25.81	25.59	24.85	24.07	22.74	21.82	21.46	21.15	22.86
C Waupun	23.78	25.59	24.41	23.40	23.63	21.68	20.81	21.30	21.28	22.73
Fond du Lac County										
T Alto	20.85	21.91	21.46	22.40	21.06	19.18	18.14	17.88	17.63	18.66
T Ashford	20.04	20.88	19.96	18.96	18.58	17.78	17.52	16.67	16.51	17.31
T Auburn	19.12	20.30	19.47	18.28	18.08	17.35	16.92	16.33	16.02	16.90
T Byron	19.69	20.37	19.93	19.48	19.08	17.63	16.38	16.48	16.76	17.09
T Calumet	18.63	19.48	18.85	18.38	18.34	17.59	16.28	15.83	15.20	15.89
T Eden	19.93	20.79	19.87	18.86	18.58	17.79	17.68	17.49	17.67	18.23
T Eldorado	19.73	21.03	21.57	19.37	20.55	20.03	18.72	18.89	18.89	20.69
T Empire	18.93	20.25	19.66	18.69	18.33	17.42	16.84	16.63	16.28	16.92
T Fond du Lac	19.75	21.02	20.70	19.97	19.95	18.50	17.66	16.78	16.49	17.18
T Forest	19.12	19.98	19.06	18.02	17.71	17.02	16.83	16.31	15.68	16.64
T Friendship	17.53	18.09	18.15	17.61	16.88	15.52	15.68	15.39	15.08	15.95
T Lamartine	20.57	21.33	21.69	20.08	20.53	19.23	18.62	18.75	19.43	19.69
T Marshfield	18.23	19.09	18.47	18.05	17.95	17.13	15.94	15.81	15.20	15.79
T Metomen	21.76	22.43	21.76	20.93	21.14	20.34	18.89	19.01	19.44	20.32
T Oakfield	21.78	22.02	22.32	21.41	20.85	19.12	19.17	19.21	20.59	19.22
T Osceola	19.36	20.14	19.22	18.21	17.90	17.02	16.87	16.01	15.50	15.98
T Ripon	23.95	24.08	23.45	23.32	22.99	21.84	20.09	19.13	19.95	19.88
T Rosendale	21.29	21.83	21.70	20.75	21.25	20.65	19.33	19.38	19.67	20.87
T Springvale	19.84	21.25	20.82	19.44	20.99	20.08	18.65	18.87	18.88	20.46
T Taycheedah	18.94	20.31	19.78	18.49	18.38	17.32	16.36	16.38	15.89	16.43
T Waupun	19.90	21.36	20.84	19.94	20.06	18.08	17.19	17.10	16.84	17.76
V Brandon	24.73	26.25	26.41	24.65	26.47	25.60	23.23	23.24	23.08	24.94
V Campbellsport	27.11	27.65	26.00	24.57	23.93	23.12	22.31	21.41	21.44	22.46



**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Years

(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
V of Eden	18.64	19.49	18.59	17.56	17.26	16.48	16.33	15.46	15.15	15.75
V Fairwater	24.27	26.47	26.51	25.13	24.53	21.14	20.25	20.15	18.74	19.24
V Mount Calvary	19.08	19.67	18.93	18.51	18.53	17.92	16.44	14.63	13.91	14.44
V North Fond du Lac	24.69	25.44	25.31	24.62	23.55	22.13	22.14	21.88	21.65	23.68
V Oakfield	25.80	25.99	26.45	25.33	25.75	23.53	23.55	23.30	24.49	23.08
V Rosendale	20.10	21.86	21.93	20.26	22.13	21.54	20.16	20.30	20.09	21.73
V Saint Cloud	21.97	22.88	22.21	21.63	21.52	21.34	19.24	18.72	18.13	18.93
C Fond du Lac	25.28	26.15	25.39	24.29	23.76	22.47	21.68	21.87	21.70	22.50
C Ripon	26.65	26.78	26.07	25.91	24.62	23.73	22.11	22.52	23.30	23.50
C Waupun	24.15	25.90	24.59	23.54	23.78	21.67	20.72	21.02	20.89	22.04
Green Lake County										
T Berlin	16.45	17.09	17.04	16.01	15.71	15.27	14.23	14.37	14.70	15.85
T Brooklyn	14.94	15.61	15.13	14.15	13.98	13.34	12.91	13.44	13.73	15.29
T Green Lake	18.29	19.30	19.15	17.50	16.96	15.84	15.26	15.86	15.32	16.59
T Kingston	21.77	23.89	23.70	21.95	21.32	20.00	19.23	19.69	18.51	19.54
T Mackford	21.51	23.84	23.94	22.25	21.67	20.18	19.50	20.23	19.51	20.20
T Manchester	20.44	22.72	22.69	20.97	20.36	18.84	18.21	18.71	17.62	18.45
T Marquette	20.09	22.03	21.85	20.07	19.47	18.34	17.67	17.95	16.55	17.50
T Princeton	16.87	18.33	18.05	16.26	15.64	15.29	14.99	15.00	14.70	15.55
T Saint Marie	17.85	19.44	19.20	17.51	16.91	16.53	16.22	16.14	15.84	16.59
T Seneca	18.94	19.61	19.54	18.45	18.14	17.67	16.60	16.82	16.91	18.08
V Kingston	22.48	24.36	24.36	22.73	22.03	20.59	19.69	20.15	18.87	20.01
V Marquette	21.39	23.25	23.18	21.49	20.16	19.00	18.04	18.52	17.46	18.19
C Berlin	25.85	26.21	25.97	24.58	24.31	23.80	22.73	22.45	22.72	24.19
C Green Lake	18.31	18.35	17.94	17.28	17.34	16.62	16.25	17.27	17.67	19.12
C Markesan	27.12	27.80	28.00	26.57	25.20	23.75	23.33	23.61	22.63	23.93
C Princeton	27.82	29.55	28.29	26.03	24.40	23.50	22.99	19.12	18.77	19.62
Marquette County										
T Buffalo	17.27	19.67	18.65	17.55	17.17	17.45	16.49	15.91	15.43	16.19
T Mecan	17.26	19.67	18.71	17.61	17.20	17.36	16.49	15.91	15.49	16.17
T Montello	17.20	19.59	18.57	17.59	17.21	17.40	16.44	15.87	15.30	16.03
T Neshkoro	17.62	20.30	19.24	18.11	18.23	16.63	15.75	16.01	15.70	16.91
Sheboygan County										
T Greenbush	16.44	17.91	17.26	16.46	16.23	15.15	14.39	14.71	15.01	16.08
T Russell	18.55	18.62	18.23	17.92	18.03	17.50	16.53	16.83	17.26	17.70
Washington County										
T Addison	15.70	17.63	17.34	16.70	16.65	15.89	15.42	15.27	15.43	16.14
T Barton	15.19	16.83	16.06	15.63	15.61	14.49	13.62	13.60	13.42	13.99

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**

Last Ten Years

(Rate per \$1,000 of Equalized Value)

	Calendar Year Taxes are Payable									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
T Erin	14.83	16.38	15.94	15.79	16.42	15.67	14.99	14.97	14.95	15.57
T Farmington	14.48	16.36	15.59	14.64	14.81	14.25	13.60	13.65	13.17	14.36
T Hartford	15.49	17.11	17.00	16.57	16.54	15.72	14.77	14.90	15.01	15.45
T Jackson	15.10	16.78	16.56	16.12	16.24	15.16	13.98	13.74	13.72	14.41
T Kewaskum	15.60	17.50	16.89	15.97	16.08	15.51	14.70	14.72	14.37	15.67
T Polk	13.61	15.50	15.17	14.58	14.66	14.03	13.58	13.40	13.41	14.17
T Richfield (now V of Richfield)	-	-	-	-	-	-	-	15.26	15.34	16.24
T Trenton	14.64	16.34	15.60	15.22	15.11	13.92	12.99	12.88	12.74	13.14
T Wayne	14.56	16.27	15.69	14.71	14.85	14.33	13.56	13.71	13.45	14.69
T West Bend	14.12	15.95	15.24	14.72	14.80	13.82	13.15	13.02	12.95	13.43
V Jackson	20.80	22.42	21.30	20.56	20.16	18.71	17.57	16.84	16.55	16.97
V Kewaskum	19.80	21.70	20.97	19.57	19.58	19.02	17.89	17.95	17.49	18.98
V Newburg	20.36	21.86	19.17	19.13	18.55	17.53	16.23	16.07	15.72	16.15
V Richfield (formerly T of Richfield)	15.35	16.84	16.87	16.69	17.03	16.18	15.47	-	-	-
V Slinger	19.71	21.49	21.05	20.25	20.20	19.11	18.52	18.48	18.50	19.71
C Hartford	20.21	21.80	21.67	21.13	21.05	19.74	18.51	19.01	19.34	19.83
C West Bend	20.71	22.38	21.77	21.16	21.26	19.73	18.83	18.77	18.55	18.93
Waushara County										
T Aurora	19.34	19.85	19.63	18.99	18.58	18.07	16.72	16.93	17.25	18.32
T Bloomfield	18.38	19.32	18.96	17.79	17.53	17.49	15.98	16.69	16.51	17.11
T Leon	18.35	18.97	18.57	18.08	17.41	17.12	15.64	16.20	16.37	17.24
T Marion	18.67	19.20	18.55	18.09	17.01	16.93	15.26	15.78	15.80	16.82
T Poy Sippi	19.07	19.58	19.33	18.72	18.30	17.76	16.40	16.64	16.98	18.07
T Saxeville	18.70	19.29	18.90	18.35	17.85	17.47	16.15	16.68	17.01	17.77
T Warren	20.81	19.75	19.45	18.87	18.18	17.85	16.29	16.78	16.96	18.04
C Berlin	26.38	26.57	26.17	25.23	24.86	24.29	22.94	22.67	22.94	24.28
Winnebago County										
T Nekimi	18.64	18.85	18.81	18.28	18.58	17.41	16.62	16.86	16.64	16.63
T Nepeuskun	21.19	21.78	22.00	21.65	21.47	20.89	19.79	19.16	19.35	19.78
T Rushford	19.08	20.32	20.87	20.68	19.80	18.82	18.21	18.88	18.15	18.30
T Utica	20.91	21.64	21.82	21.35	20.06	18.89	18.26	17.31	17.05	18.15

Source: Town, Village, and City Taxes, Wisconsin Department of Revenue.

- Notes:
- (1) The operational property tax levies for all District funds except the debt service fund. Prior to 2014, the operational rate could not exceed \$1.50.
  - (2) Tax rates shown for overlapping governments are the Full Value Rates - Gross. This rate is the total property tax divided by the full value of all taxable general property in the municipality, excluding tax incremental financing (TIF) districts. Total property tax includes state taxes and special charges on counties and tax districts, state trust fund loans, general county and county special purpose taxes, local taxes, county special charges, special purpose district taxes, and school taxes (elementary, secondary, and technical college). It reflects the amount of surplus funds applied (if any) by a tax district to reduce any of the above appointments or charges. It does not include special assessments and charges to individuals, delinquent taxes, omitted taxes, forest crop taxes, managed forest land taxes, or occupational taxes.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	29,707,291	22,223,699	74.81%	7,483,592	29,707,291	100.00%
2007	31,132,841	22,997,196	73.87%	8,135,645	31,132,841	100.00%
2008	32,378,155	23,789,394	73.47%	8,588,761	32,378,155	100.00%
2009	33,673,281	24,319,177	72.22%	9,354,104	33,673,281	100.00%
2010	35,016,845	25,123,660	71.75%	9,893,185	35,016,845	100.00%
2011	35,997,317	25,935,809	72.05%	10,061,508	35,997,317	100.00%
2012	35,947,317	26,137,048	72.71%	9,810,269	35,947,317	100.00%
2013	36,147,317	26,513,344	73.35%	9,633,973	36,147,317	100.00%
2014	36,337,317	26,703,344	73.49%	9,633,973	36,337,317	100.00%
2015	15,965,042	11,762,876	73.68%	-	11,762,876	73.68%

Note: Under Wisconsin law, personal property taxes and first installment real estate taxes are collected by city, village, and town treasurers/clerks, who then make settlement with the county treasurer for certain purposes. Second installment real estate taxes and delinquent taxes are collected by the county treasurer who then makes settlement with city, village, and town treasurers/clerks before retaining any for county purposes. In practice, any delinquent real estate taxes are withheld from the county's share. Therefore, the District will receive 100% of its levy upon receipt of the final settlement from the county treasurer.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**PRINCIPAL PROPERTY TAXPAYERS  
Current Year and Nine Years Ago**

Name of Business	Type of Business	Year Ended June 30, 2015			Year Ended June 30, 2006		
		2014 Equalized Valuation	Rank	Percent of MPTC Total Equalized Valuation	2004 Equalized Valuation	Rank	Percent of MPTC Total Equalized Valuation
IPD LLC	Project management, machine design	\$ 93,739,417	1	0.38	\$ -		- %
Wal-Mart Stores	Retail	78,562,331	2	0.32	20,587,159	8	0.09
West Bend Mutual Insurance Co.	Insurance	63,252,900	3	0.26	-		-
Quad Graphics Inc.	Commercial lithographic printing	58,557,508	4	0.24	78,563,497	1	0.33
Mercury Marine/Brunswick	Manufacturer of marine motors, parts	51,730,404	5	0.21	33,333,936	2	0.14
Agnesian Healthcare	Health care	45,000,015	6	0.18	21,638,948	7	-
Michels Pipeline Construction	Pipeline construction	28,652,252	7	0.12	-		-
Cabela's Retail Inc.	Retail store	27,640,700	8	0.11	-		-
Mayville Engineering Co.	Custom stamping	24,376,643	9	0.10	-		-
ARHC AMHTDW101 LLC (formerly PMZ Hartford LLC)	Commercial	24,350,000	10	0.10	-		-
Aurora Medical Group	Health care	-		-	26,727,600	3	0.11
John Deere	Manufacture of lawn tractors	-		-	26,142,783	4	0.11
John Mark Apartment Complexes	Apartment buildings	-		-	25,851,091	5	0.11
Menards, Inc	Building materials	-		-	23,910,100	6	0.10
VH Enterprises	Warehouse	-		-	20,503,371	9	0.09
Fond du Lac LLC	Warehouse	-		-	19,830,530	10	0.07
	<b>Total</b>	<b>\$ 495,862,170</b>		<b>2.04%</b>	<b>\$ 297,089,015</b>		<b>1.26%</b>

Source: RW Baird & Co.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**ENROLLMENT STATISTICS  
Last Ten Fiscal Years**

Student Enrollment (1)

<u>Year Ended June 30,</u>	<u>Associate Degree</u>	<u>Technical Diploma</u>	<u>Vocational Adult</u>	<u>Community Service</u>	<u>Non-Post Secondary</u>	<u>Total</u>	<u>Unduplicated Total</u>
2006	32,032	8,153	13,331	29	7,728	61,273	22,305
2007	28,053	7,785	13,132	6	7,687	56,663	20,516
2008	27,637	7,638	13,175	8	8,522	56,980	20,020
2009	29,102	7,885	12,167	49	8,361	57,564	18,490
2010	33,133	7,911	11,513	1,445	9,984	63,986	18,784
2011	32,459	7,135	10,930	1,325	9,163	61,012	18,712
2012	27,951	7,570	9,446	1,652	8,483	55,102	17,279
2013	27,172	7,131	7,989	2,279	9,797	54,368	16,223
2014	25,473	7,341	8,380	2,366	8,752	52,312	16,232
2015	23,566	6,698	8,167	1,633	8,542	48,606	15,203

Full-time Equivalent (2)

<u>Year Ended June 30,</u>	<u>Associate Degree</u>	<u>Technical Diploma</u>	<u>Vocational Adult</u>	<u>Community Service</u>	<u>Non-Post Secondary</u>	<u>Total</u>
2006	2,245	665	125	-	228	3,263
2007	2,133	642	124	-	222	3,121
2008	2,086	634	130	-	244	3,094
2009	2,240	647	109	-	237	3,233
2010	2,620	642	108	9	269	3,648
2011	2,571	593	100	8	254	3,526
2012	2,205	609	84	7	233	3,138
2013	2,129	559	76	9	269	3,042
2014	2,071	581	80	10	241	2,983
2015	1,943	533	82	8	237	2,803

Notes:

- (1) Student enrollment represents the duplicated count of citizens enrolled in District courses per the Student Headcount Summary by Aid Category and Instructional Division (VE215572) report from the WTCS client reporting system. The unduplicated total is per the Student Headcount Summary by Course Aid Category (VE215512) report.
- (2) Full-time equivalent data per the FTE Student Summary by Aid Category and Instructional Division (VE215570A) report from the WTCS client reporting system. A full-time equivalent is basically equal to 30 annual student credits based on a mathematical calculation which varies somewhat by program and which is subject to state approval and audit of student and course data.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF PER CREDIT PROGRAM FEES CHARGED**  
**Last Ten Fiscal Years**

<u>Year</u>	<u>Post Secondary Vocational Adult</u>		<u>Non-Aidable (2)</u>
	<u>Resident</u>	<u>Out of State (1)</u>	
2005-06	80.50	510.30	65.00
2006-07	87.00	536.30	65.00
2007-08	92.05	570.55	65.00
2008-09	97.05	497.20	80.00
2009-10	101.40	505.45	175.00
2010-11	106.00	53.00	180.00
2011-12	111.85	55.95	195.00
2012-13	116.90	58.45	202.00
2013-14	122.20	61.10	202.00
2014-15	125.85	62.95	212.00

**Additional Per Credit Fees**

Material Fees

Fees for instructional materials consumed by students and instructors are required by s.38.24(1)(c), Wisconsin Statutes. These materials fees are to be charged to all students on a uniform basis unless exempted by state statute, administrative code, or State Board action. There are various fee categories ranging from \$4.00 per credit to \$300 per credit. Courses are assigned to one of the material fee categories based on the amount of instructional materials required for the course. The minimum fee that is to be charged for any non-exempt enrollment is \$4.00, regardless of the credit value.

Supplemental Fees

A supplemental fee is charged to all students enrolling in post secondary courses. This fee supports Student Senate, clubs and associations, and the College Life department. The fee was 7% of program fees for the 2014-15 academic year.

Notes:

- (1) Out-of-state tuition excludes those students covered by reciprocal agreements.
- (2) During 2009-10 the WTCS evaluated the utilization of professional development and avocational courses, requiring that many courses be transitioned to the avocational category which operates under different pricing regulations whereby fees are not set by the WTCS. Previous to this time, Moraine Park had not run avocational courses in many years and had not evaluated appropriate pricing until required by the State to transition courses and price appropriately.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**RATIO OF OUTSTANDING DEBT BY TYPE**  
Last Ten Fiscal Years

Year ended June 30,	District Population (1)	Equalized Valuation - TID In	General Obligation Notes	General Obligation Bonds	Debt Service Fund Assets Available	Net Total Debt (2)		
						Amount	Percent of Equalized Valuation	Per Capita
2006	300,232	21,503,125,449	19,810,000	3,780,000	173,182	23,416,818	0.11	78
2007	302,625	23,523,243,255	19,970,000	3,490,000	389,162	23,070,838	0.10	76
2008	304,520	24,944,655,971	19,225,000	3,185,000	171,867	22,238,133	0.09	73
2009	306,507	25,919,263,048	20,095,000	2,860,000	60,491	22,894,509	0.09	75
2010	307,917	26,124,030,330	20,580,000	2,515,000	200,811	22,894,189	0.09	74
2011	308,423	25,560,469,384	22,790,000	-	-	22,790,000	0.09	73
2012	307,008	25,115,841,233	22,485,000	-	111,668	22,373,332	0.09	73
2013	301,626	24,291,662,323	23,295,000	-	222,883	23,072,117	0.09	76
2014	308,813	23,873,304,438	23,140,000	-	361,970	22,778,030	0.10	74
2015	309,030	24,354,040,697	23,310,000	-	575,146	22,734,854	0.09	74

Notes:

(1) Source: Wisconsin Department of Administration. Figures represent population estimates available from the prior calendar year end. For example, year ended June 30, 2015 population estimates are calendar year 2014 population estimates.

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

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
For the Year Ended June 30, 2015**

Name of Entity (1)	Net Debt Outstanding	Percent Applicable to District (2)	Outstanding Debt Applicable to District
Calumet County	\$ 7,365,000	8.48%	\$ 624,552
Columbia County	17,625,000	0.10	17,625
Dodge County	35,935,000	78.94	28,367,089
Fond du Lac County	64,010,000	100	64,010,000
Green Lake County	18,075,000	100	18,075,000
Marquette County	12,502,328	1.92	240,045
Sheboygan County	29,135,000	0.09	26,222
Washington County	12,535,000	76.16	9,546,656
Waushara County	4,600,000	9.25	425,500
Winnebago County	31,262,956	0.95	296,998
Total Cities	240,224,881	100	240,224,881
Total Towns	10,077,460	Varies	9,217,584
Total Villages	50,439,757	100	50,439,757
Total School Districts	227,570,736	Varies	224,024,357
Total Sanitary Districts	5,473,475	100	5,473,475
Subtotal, overlapping debt			651,009,741
District Direct Debt			
General Obligation Notes			23,310,000
General Obligation Bonds			-
Subtotal, District direct debt			23,310,000
Total direct and overlapping debt			\$ 674,319,741

**Statistical Summary**

2014 Equalized Valuation - TID In	<u>\$ 24,354,040,697</u>
Direct District Indebtedness	23,310,000
Overlapping and Underlying Indebtedness	<u>651,009,741</u>
Total Direct, Overlapping and Underlying Indebtedness	<u>\$ 674,319,741</u>
Direct, Overlapping and Underlying Indebtedness as a Percentage of Equalized Value	2.77%
Population of District	309,030
Direct, Overlapping and Underlying Indebtedness - Per Capita	<u>\$ 2,182.05</u>

Source: R.W. Baird & Co.

Notes:

- (1) 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 located within the District boundaries. This process recognizes 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 the repaying the debt, of each overlapping government.
- (2) The percentage of overlapping debt applicable to the District is the equalized property value of the property of the overlapping government located in the District as a percentage of total equalized value of all property for the overlapping government.



**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**

**LEGAL DEBT MARGIN INFORMATION**

**Legal Debt Margin Calculations for Fiscal year 2014**

2014 Equalized Valuation - TID In \$ 24,354,040,697

Total Debt

Total debt limit (5% of equalized valuation) \$ 1,217,702,035

Debt applicable to limit:

General obligation notes 23,310,000  
 General obligation bonds -  
 Less: debt service funds available (GAAP Basis) 575,146

Total amount of debt applicable to debt limit 22,734,854

Legal total debt margin \$ 1,194,967,181

Bonded Indebtedness

Total debt limit (2% of equalized valuation) \$ 487,080,814

Debt applicable to limit:

General obligation bonds -  
 Less: debt service funds available for bonds  
 (GAAP basis) -

Total amount of debt applicable to debt limit -

Legal total debt margin \$ 487,080,814

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

Total Debt

Year	Debt Limit	Total net debt applicable to the limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2006	1,075,156,272	23,416,818	1,051,739,454	2.18
2007	1,176,162,163	23,070,838	1,153,091,325	1.96
2008	1,247,232,799	22,238,133	1,224,994,666	1.78
2009	1,295,963,152	22,894,509	1,273,068,643	1.77
2010	1,306,201,517	22,894,189	1,283,307,328	1.75
2011	1,278,023,469	22,790,000	1,255,233,469	1.78
2012	1,255,792,062	22,373,332	1,233,418,730	1.78
2013	1,214,583,118	23,072,117	1,191,511,001	1.90
2014	1,193,665,222	22,778,030	1,170,887,192	1.91
2015	1,217,702,035	22,734,854	1,194,967,181	1.87

Bonded Indebtedness

Year	Debt Limit	Total net debt applicable to the limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2006	430,062,509	3,752,250	426,310,259	0.87
2007	470,464,865	3,432,107	467,032,758	0.73
2008	498,893,119	3,160,574	495,732,545	0.63
2009	518,385,261	2,852,463	515,532,798	0.55
2010	522,480,607	2,493,132	519,987,475	0.48
2011	511,209,388	-	511,209,388	-
2012	502,316,825	-	502,316,825	-
2013	485,833,247	-	485,833,247	-
2014	477,466,089	-	477,466,089	-
2015	487,080,814	-	487,080,814	-

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**DEMOGRAPHIC STATISTICS FOR DODGE, FOND DU LAC, GREEN LAKE, AND WASHINGTON COUNTIES (1)  
For the Calendar Years Ended June 30, 2005 to 2014**

Year	Dodge County					Fond du Lac County				
	Population (2)	Personal Income (3) (000's)	Per Capita Personal Income (4)	Unemployment Rate (5)	Public School Enrollment (6)	Population (2)	Personal Income (3) (000's)	Per Capita Personal Income (4)	Unemployment Rate (5)	Public School Enrollment (6)
2005	88,748	2,463,875	27,763	5.0%	8,028	100,180	3,215,463	32,097	4.7%	15,043
2006	89,063	2,522,272	28,320	5.0%	8,176	100,716	3,250,875	32,278	4.7%	15,854
2007	89,225	2,697,765	30,236	5.1%	8,123	101,174	3,475,319	34,350	4.8%	15,771
2008	89,810	2,877,980	32,045	4.9%	8,216	101,740	3,649,137	35,867	4.7%	15,772
2009	90,022	2,818,366	31,308	9.3%	8,382	102,151	3,541,333	34,668	8.9%	15,668
2010	89,962	2,927,502	32,542	8.9%	8,406	102,385	3,765,312	36,776	8.2%	15,393
2011	88,789	3,110,733	35,035	7.8%	8,429	101,740	3,766,440	37,020	7.2%	15,270
2012	88,692	3,364,199	37,931	7.3%	8,496	101,955	4,018,578	39,415	6.6%	15,415
2013	88,875	3,462,150	38,955	7.2%	8,385	101,984	4,160,801	40,799	6.3%	15,369
2014	89,203	(7)	(7)	5.6%	8,387	102,424	(7)	(7)	5.0%	15,381

Year	Green Lake County					Washington County				
	Population (2)	Personal Income (3) (000's)	Per Capita Personal Income (4)	Unemployment Rate (5)	Public School Enrollment (6)	Population (2)	Personal Income (3) (000's)	Per Capita Personal Income (4)	Unemployment Rate (5)	Public School Enrollment (6)
2005	19,375	582,401	30,059	5.8%	3,277	125,940	4,740,197	37,639	4.2%	19,348
2006	19,353	597,655	30,882	5.5%	3,288	127,871	5,038,068	39,400	4.2%	19,817
2007	19,446	623,121	32,044	5.5%	3,230	129,316	5,295,779	40,952	4.3%	19,917
2008	19,416	655,216	33,746	5.4%	3,171	130,493	5,601,414	42,925	4.2%	19,913
2009	19,728	645,746	32,732	9.5%	3,038	131,066	5,336,197	40,714	8.6%	20,147
2010	19,772	644,162	32,580	9.3%	3,085	131,343	5,666,106	43,140	8.0%	20,074
2011	19,091	724,819	37,967	8.1%	3,167	132,206	5,978,473	45,221	6.9%	20,215
2012	19,106	786,664	41,174	7.6%	3,164	132,482	6,352,885	47,953	6.4%	20,173
2013	19,093	832,592	43,607	5.9%	3,188	132,612	6,495,547	48,982	6.1%	20,036
2014	19,114	(7)	(7)	4.6%	3,152	133,071	(7)	(7)	4.6%	20,111

Notes:

- (1) Dodge, Fond du Lac, Green Lake, and Washington comprise over 97% of the District's total equalized valuation. The District includes all or the majority of these four counties and parts of six other counties (Calumet, Columbia, Marquette, Sheboygan, Waushara, and Winnebago).
- (2) Source: Wisconsin Department of Administration compiled by Institutional Research Department of the District.
- (3) Source: US Department of Commerce, Bureau of Economic Analysis.
- (4) Calculated value: Population / Personal Income.
- (5) Source: Wisconsin Department of Workforce Development.
- (6) Source: Wisconsin Department of Public Instruction.
- (7) Information not yet available.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**PRINCIPAL EMPLOYERS**  
Current Year and Nine Years Ago

Name of Business	Type of Business	Year Ended June 30, 2015			Year Ended June 30, 2006		
		Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Agnesian Health Care	Health care	3,497	1	1.0	2,100	3	0.70
Mercury Marine/Brunswick	Manufacturer of marine motors, parts	3,200	2	1.04	3,500	2	1.17
Wal-Mart Stores	Retail	1,949	3	0.63	-	-	-
Wisconsin Department of Corrections	Dodge, Waupun, Fox Lake, Fond du Lac, and	1,815	4	0.59	1,516	4	0.50
John Deere	Manufacturer of lawn tractors	1,650	5	0.53	1,180	6	0.39
Alliance Laundry System	Manufacturer of commercial laundry equipment	1,528	6	0.49	-	-	-
Quad/Graphics Inc. (Dodge and Washington)	Commercial lithographic printing	1,500	7	0.49	4,469	1	1.49
West Bend Mutual Insurance Co	Insurance	1,100	8	0.36	-	-	-
Tecstar MFG Co	Manufacturer of plastic	1,035	9	0.33	-	-	-
JF Ahern Co (Fond du lac County only)	Construction	1,000	10	0.32	-	-	-
Wisconsin Department of Corrections	Fond du Lac, Taycheedah Correctional Facility	-	-	-	1,254	5	0.42
Michels Corporation	Underground utility construction	-	-	-	1,069	7	0.36
G&L USA LLC	Automated machining and assembly systems	-	-	-	1,069	8	0.36
West Bend Joint School District No. 1	Government	-	-	-	1,000	9	0.33
Serigraph Inc	Graphic art printing company	-	-	-	1,000	10	0.33
Total		<u>18,274</u>		<u>5.91%</u>	<u>18,157</u>		<u>6.05%</u>

Source: RW Baird & Co.

MORAIN PARK TECHNICAL COLLEGE DISTRICT

FULL TIME EMPLOYEES BY EQUAL EMPLOYMENT OPPORTUNITY CLASSIFICATION  
Last Ten Fiscal Years

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
<u>Administrative/Managerial</u>				47	50	43	42	37	38	39
Number of females				30	30	30	27	25	24	28
Percent females				63.83%	60.00%	69.77%	64.29%	67.57%	63.16%	71.79%
Number of minorities				3	3	1	1	1	1	1
Percent minorities				6.38%	6.00%	2.33%	2.38%	2.70%	2.63%	2.56%
<u>Faculty</u>	149	139	141	144	144	145	142	143	140	139
Number of females	79	72	74	75	74	76	75	76	72	71
Percent females	53.02%	51.80%	52.48%	52.08%	51.39%	52.41%	52.80%	53.15%	50.71%	51.00%
Number of minorities	1	1	3	4	6	6	6	6	6	6
Percent minorities	0.67%	0.72%	2.13%	2.78%	4.17%	4.14%	4.22%	4.20%	4.29%	4.32%
<u>Professional/Noninstruction</u>				46	39	41	38	37	41	40
Number of females				33	28	28	29	28	30	27
Percent females				71.74%	71.79%	68.29%	76.32%	75.68%	73.17%	67.50%
Number of minorities				2	2	2	2	2	2	3
Percent minorities				4.35%	7.14%	4.88%	5.26%	5.41%	4.88%	7.50%
<u>Secretarial/Clerical</u>				68	103	106	102	103	97	95
Number of females				65	98	96	95	98	91	90
Percent females				95.59%	95.15%	90.57%	93.18%	95.15%	93.81%	94.74%
Number of minorities				1	0	0	0	1	1	1
Percent minorities				1.47%	0.00%	0.00%	0.00%	0.97%	1.03%	1.05%
<u>Technical/Para-professional</u>				43	16	18	12	10	12	12
Number of females				38	12	14	8	7	9	9
Percent females				88.37%	75.00%	77.78%	66.66%	70.00%	75.00%	75.00%
Number of minorities				0	0	0	0	0	0	0
Percent minorities				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Skilled Trades</u>				1	1	1	1	0	0	0
Number of females				0	0	0	0	0	0	0
Percent females				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Number of minorities				0	0	0	0	0	0	0
Percent minorities				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Service/Maintenance</u>				21	23	28	26	27	26	26
Number of females				9	9	24	13	13	13	13
Percent females				42.86%	39.13%	85.71%	50.00%	48.15%	50.00%	50.00%
Number of minorities				0	0	0	0	0	0	0
Percent minorities				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Library Technicians</u>	3	3	3							
Number of females	3	3	3							
Percent females	100%	100.00%	100.00%							
Number of minorities	1	1	1							
Percent minorities	33.33%	33.33%	33.33%							
<u>Librarians</u>	3	3	3							
Number of females	0	0	0							
Percent females	0	0	0							
Number of minorities	0	1	1							
Percent minorities	0.00%	33.33%	33.33%							
<u>Student &amp; Academic Affairs &amp; Other Education Services</u>	20	22	22							
Number of females	14	18	17							
Percent females	70.00%	81.82%	77.27%							
Number of minorities	1	2	2							
Percent minorities	5.00%	9.09%	9.09%							
<u>Management</u>	46	40	36							
Number of females	27	24	23							
Percent females	58.70%	60.00%	63.89%							
Number of minorities	2	1	1							
Percent minorities	4.35%	2.50%	2.78%							

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**FULL TIME EMPLOYEES BY EQUAL EMPLOYMENT OPPORTUNITY CLASSIFICATION - CONTINUED**  
Last Ten Fiscal Years

	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
<u>Business &amp; Financial Operations</u>	12	10	13							
Number of females	9	7	11							
Percent females	75.00%	70.00%	84.62%							
Number of minorities	0	0	0							
Percent minorities	0.00%	0.00%	0.00%							
<u>Computer, Engineering &amp; Science</u>	16	17	19							
Number of females	3	5	6							
Percent females	18.75%	29.41%	31.58%							
Number of minorities	0	0	0							
Percent minorities	0.00%	0.00%	0.00%							
<u>Community, Social Service, Legal, Arts, Design, Entertainment, Sports &amp; Media</u>	13	15	11							
Number of females	11	13	6							
Percent females	84.62%	86.67%	54.55%							
Number of minorities	0	1	1							
Percent minorities	0.00%	6.67%	9.09%							
<u>Service</u>	20	18	18							
Number of females	9	10	10							
Percent females	45.00%	55.56%	55.56%							
Number of minorities	0	1	0							
Percent minorities	0.00%	5.56%	0.00%							
<u>Sales &amp; Related</u>	2	3	4							
Number of females	2	3	4							
Percent females	100.00%	100.00%	100.00%							
Number of minorities	0	0	0							
Percent minorities	0.00%	0.00%	0.00%							
<u>Office &amp; Administrative Support</u>	92	92	101							
Number of females	86	88	92							
Percent females	93.48%	0.00%	91.09%							
Number of minorities	2	0	0							
Percent minorities	2.17%	0.00%	0.00%							
<u>Natural Resources, Construction &amp; Maintenance</u>	6	6	5							
Number of females	0	0	0							
Percent females	0.00%	0.00%	0.00%							
Number of minorities	0	1	0							
Percent minorities	0.00%	16.67%	0.00%							
<u>Production, Transportation, and Material Moving</u>	1	1	1							
Number of females	0	0	0							
Percent females	0.00%	0.00%	0.00%							
Number of minorities	0	0	0							
Percent minorities	0.00%	0.00%	0.00%							
<u>Total</u>	383	369	377	370	378	382	363	357	354	351
Number of females	243	243	246	250	251	268	247	247	239	238
Percent females	63.45%	65.85%	65.25%	67.57%	66.40%	70.16%	68.04%	69.19%	67.51%	67.78%
Number of minorities	7	9	9	10	11	9	9	10	10	11
Percent minorities	1.83%	2.44%	2.39%	2.70%	2.91%	2.36%	2.48%	2.80%	2.82%	3.13%

Source: IPEDS report. Categories changed to match standard occupational classifications in 2013 from 7 to 13 categories.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**

**OPERATIONAL EXPENDITURES PER FULL-TIME EQUIVALENT (FTE) STUDENT  
Last Ten Fiscal Years**

<u>Year</u>	<u>Operational Expenditures (1)</u>		<u>Student Enrollments</u>		<u>Expenditures per FTE</u>	
	<u>Amount 000's</u>	<u>Percent Increase (Decrease)</u>	<u>FTE's</u>	<u>Percent Increase (Decrease)</u>	<u>Per FTE</u>	<u>Percent Increase (Decrease)</u>
2006	40,020	3.73	3,263	(4.35)	12,265	8.45
2007	41,514	2.46	3,121	(0.87)	13,301	3.35
2008	42,534	2.46	3,094	4.49	13,747	3.16
2009	45,851	7.65	3,233	12.84	14,182	(4.60)
2010	49,359	2.70	3,648	(3.34)	13,530	6.26
2011	50,692	(5.75)	3,526	(11.00)	14,377	5.91
2012	47,779	1.57	3,138	(3.06)	15,226	4.77
2013	48,529	0.86	3,042	(1.94)	15,953	2.85
2014	48,945	(3.09)	2,983	(6.03)	16,408	3.13
2015	47,431		2,803		16,922	

Notes:

- (1) For the purposes of this compilation, operational expenditures is based on the budgetary expenditures from the District's General and Special Revenue Aidable funds.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**

**PROGRAM GRADUATE FOLLOW-UP STATISTICS (1)  
Last Ten Fiscal Years**

<u>Year</u>	<u>Number of Graduates Surveyed</u>	<u>Number of Follow-up Respondents</u>	<u>Number Available for Employment</u>	<u>Percent Employed</u>	<u>Percent Employed in Related Occupations</u>	<u>Percent Employed in District</u>	<u>Average Monthly Salary</u>
2005	1,091	764	469	92.0	83.3	62.0	2,511
2006	1,106	847	549	90.0	76.0	59.0	2,613
2007	1,163	904	532	93.0	81.0	56.0	2,930
2008	1,172	721	405	89.0	83.0	55.0	2,970
2009	986	644	453	83.0	78.5	50.0	3,041
2010	1,030	742	548	94.0	68.3	58.0	2,879
2011	1,080	781	573	89.0	74.0	57.0	2,864
2012	1,110	895	640	88.0	77.0	56.0	2,873
2013	1,020	657	389	92.0	81.0	56.0	2,768
2014	1,190	766	467	95.0	77.0	60.0	3,089

Notes:

(1) Schedule is based on a survey of MPTC graduates conducted approximately six months after graduation. Therefore, 2014-15 statistics are not available. Statistics include graduates of the District's postsecondary vocational-technical programs. The data does not reflect the activities of students who complete only portions of their program.

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**

**SQUARE FOOTAGE OF DISTRICT FACILITIES**  
Last Ten Fiscal Years

Campus	Address	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Beaver Dam	700 Gould Street Beaver Dam, WI 53916-1994	69,072	69,072	69,072	61,889	61,889	60,768	53,968	53,968	49,668	47,698
Fond du Lac	235 N National Avenue Fond du Lac, WI 54936-1940	307,267	302,055	302,055	302,055	302,055	301,814	301,814	301,814	301,814	301,814
District Office Building	235 N National Avenue Fond du Lac, WI 54936-1940	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600	8,600
West Bend	2151 North Main Street West Bend, WI 53095-1598	156,491	156,491	156,491	147,541	140,035	131,554	131,554	125,054	125,054	125,054
Jackson Regional Center (leased)	N173 W21150 Northwest Passage Way Jackson, WI 53037	9,736	9,736	-----Not Applicable-----							
Ripon Regional Center (leased)	850 Tiger Drive Ripon, WI 54971-0313	----- Not Available -----									

Source: MPTC Facilities department.

Note: The College also offers classes at numerous Instructional Centers throughout the District.



**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**INSURANCE COVERAGE SUMMARY**  
**Fiscal Year 2014-15**  
(Unaudited)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
Property Coverage	DMI	7/1/14 - 6/30/15	Covers all real and personal property, all risk; \$25,000 Deductible		
			Blanket Property Limit (Per Occurrence)	\$ 400,225,000	\$ 55,740
			Certified Terrorism	400,225,000	
			Non-Certified Terrorism	400,225,000	
			Accounts Receivable	25,225,000	
			Fine Arts	15,225,000	
			Valuable Papers and Records	25,225,000	
			Extra Expense	25,225,000	
			Electronic Data Processing Equipment	20,225,000	
			Miscellaneous Unnamed Locations	25,000,000	
			Newly Acquired Property (180 days reporting)	25,225,000	
			Building Ordinance including Demolition & ICC & Increased Time to Rebuild	25,225,000	
			Debris Removal - the greater of 25% of the loss or \$15,000,000	15,000,000	
			Earth Movement and Volcanic Action (Annual Aggregate)	25,225,000	
			Flood and Water Damage (Annual Aggregate)	25,225,000	
			Flood in FEMA Zones designated using letters A or V (Annual Aggregate)	25,225,000	
			Property in the Course of Construction	20,225,000	
			Transit	2,725,000	
			Ingress/Egress (1 mile limitation, 30 days limitation)	5,225,000	
			Interruption by Civil Authority (1 mile radius limitation, 30 day limitation)	5,225,000	
			Leasehold Interest	2,725,000	
			Service Interruption - Property Damage & Time Element	10,000,000	
			Combined (Water, Communication including overhead transmission lines, Power including overhead transmission lines)		
			Mobile Equipment	1,000,000	
			Expediting Expenses	5,000,000	
			Pollutant Clean-Up and Removal (Annual Aggregate)	1,225,000	
			Claims Preparation Expenses (Subject to max. 5% of combined PD & TE Loss)	250,000	
			Defense Costs	250,000	
			Exhibition, Exposition, Fair or Trade Show	1,225,000	
			Fire Department Service Charges	475,000	
Protection of Property	325,000				
Radioactive Contamination	250,000				
Royalties	250,000				
Equipment Breakdown	DMI	7/1/14 - 6/30/15	Comprehensive coverage; \$25,000 deductible	\$ 100,000,000	\$ 2,744
			Combined property/time element	1,000,000	
			Property Damage	Included	
			Off-Premises Property Damage	25,000	
			Business Income	Included	
			Extra Expense	Included	
			Service Interruption	1,000,000	

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**INSURANCE COVERAGE SUMMARY**  
**Fiscal Year 2014-15**  
(Unaudited)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
			Contingent Business Income	25,000	
			Perishable Goods (Spoilage/Ammonia Contamination)	250,000	
			Data Restoration	250,000	
			Demolition	1,000,000	
			Ordinance or Law	1,000,000	
			Expediting Expenses	250,000	
			Hazardous Substances	250,000	
			Newly Acquired Locations (365 days)	15,000,000	
			Broad Comprehensive Coverage (Including Production Machines, Computer Equipment)	Included	
			Repair or Replacement	Yes	
			Green Upgrade	25,000	
<b>Workers' Compensation</b>	<b>DMI</b>	<b>7/1/14 - 6/30/15</b>	<b>Workers' Compensation - Wisconsin Benefits</b>	<b>Statutory</b>	
			- Bodily injury by accident, each accident	\$ 100,000	\$ 160,485
			<b>Employer's Liability</b>		
			- Bodily injury by disease, policy limit	500,000	
			- Bodily injury by disease, each employee	100,000	
<b>General Liability (Includes Professional, Automobile and Educators Legal Liability)</b>	<b>DMI</b>	<b>7/1/14 - 6/30/15</b>	Each occurrence limit	\$ 5,000,000	\$ 51,957
			Fire Damage limit (any one fire)	500,000	
			Limited Above Ground Pollution Liability		
			- Each Claim and Policy Aggregate	1,000,000	
			Under/Uninsured motorists	100,000	
			Garagekeepers Legal Liability (ACV up to \$350,000)	350,000	
			- Comprehensive deductible (each customer auto/each event)	500/2,500	
			- Collision deductible (each customer auto)	500	
			Policy Deductible	5,000	
			Automobile Physical Damage Deductible	2,500	
<b>Educators Legal Liability (includes, Directors &amp; Officers, Employment Practices, and Employee Benefits Liability)</b>	<b>DMI</b>	<b>7/1/14 - 6/30/15</b>	- Per Wrongful act and aggregate limit	\$ 5,000,000	
			- Per wrongful act and aggregate deductible	100,000	
<b>Campus Violent Acts</b>	<b>DMI</b>	<b>7/1/14 - 6/30/15</b>	Policy Aggregate Limit	\$ 250,000	\$ 760
			Policy Deductible	25,000	
			Equipment or Property Improvements	25,000	
<b>Cyber Liability</b>	<b>DMI</b>	<b>8/1/14 - 6/30/15</b>	Policy Aggregate Limit of Liability	\$ 1,000,000	\$ 3,179
			Coverage for Privacy Breach and Response Services	500,000	
			Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	500,000	
			Per Claim Deductible	25,000	
			Deductible for Computer Expert Services, Legal Services, Public Relations and Crisis Management Expense	10,000	
<b>Crime</b>	<b>National Union Fire</b>	<b>7/1/14 - 6/30/15</b>	Employee Theft	\$ 750,000	\$ 2,514

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**INSURANCE COVERAGE SUMMARY**  
**Fiscal Year 2014-15**  
(Unaudited)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage	Annual Premium
	Insurance Company		Forgery or Alteration	750,000	
			ERISA Fidelity	750,000	
			On Premises/In-Transit	500,000	
			Computer Fraud	750,000	
			Computer Program and Electronic Data Restoration	100,000	
			Funds Transfer Fraud	750,000	
			Personal Accounts Forgery or Alteration	750,000	
			Identity Fraud Expense Reimbursement	25,000	
			Claim Expense	25,000	
			Employee Dishonesty	25,000	
			Employee Dishonesty per Incidence Deductible	10,000	
<b>Foreign Travel Liability</b>	<b>ACE American Insurance Company</b>	<b>7/1/14 - 6/30/15</b>	Foreign general liability - Each occurrence	\$ 1,000,000	\$ 3,206
			General Aggregate	5,000,000	
			Personal and Advertising Injury - Aggregate	1,000,000	
			Products - Completed Operations - Aggregate	2,000,000	
			Premises Damage Limit - Each Occurrence	1,000,000	
			Medical Expense Limit - Any one person	25,000	
			Contingent Auto Liability - Combined Single Limit		
			- Each Accident	1,000,000	
			Foreign Hired Auto Physical Damage		
			- Any One Accident	50,000	
			- Any one policy period	50,000	
			Foreign Employee Benefits Liability (\$1,000 Deductible)		
			- Each Claim	1,000,000	
			- Aggregate	1,000,000	
			Foreign Voluntary Workers' Compensation		
			- State of Hire Benefits	Statutory	
			- North American	State of Hire Benefits	
			- Third Country Nationals	Country of Origin	
			- Local Nationals	Country of Origin	
			Foreign Employers Liability		
			- Bodily injury by accident, each accident	1,000,000	
			- Bodily injury by disease, each employee	1,000,000	
			- Bodily injury by disease, policy limit	1,000,000	
			Executive Assistance (per covered person)	1,000,000	
			Kidnap and Extortion (per cause of loss)	250,000	
<b>Business Travel Accident (for local Boards of Director Members)</b>	<b>CIGNA</b>	<b>7/1/14 - 6/30/15</b>	Principal Sum	100,000	\$ 284
			- Loss of Life		
			- Other Covered Losses as scheduled		
<b>TOTAL ANNUAL PREMIUMS</b>					<b>\$ 280,869</b>

# **SINGLE AUDIT SECTION**



**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2015

Assistance Program	Federal Catalog Number	Dst/Lcl Grant Number	Grant Period	Federal Grant Amount	Federal		Match	Total Expenditures
					Revenue	Expenditures		
<b>U.S. Department of the Interior, Bureau of Indian Affairs:</b>								
INDIAN EMPLOYMENT ASSISTANCE	15.108							
Bureau of Indian Affairs Grants			7/1/14 - 6/30/15	\$ -	\$ 8,597	\$ 8,597	\$ -	\$ 8,597
<b>Total 15.108</b>				-	8,597	8,597	-	8,597
<b>U.S. Department of Labor:</b>								
<b>WIA Cluster</b>								
WIA ADULT PROGRAM	17.258							
<i>Passed through Workforce Development Board of South Central Wisconsin</i>								
Training Navigator			7/1/14 - 6/30/15	11,250	6,500	3,809	(2,691)	3,809
WIA YOUTH PROGRAM	17.259							
<i>Passed through Workforce Development Board of South Central Wisconsin</i>								
Middle College			7/1/14 - 6/30/15	37,000	37,000	30,076	(6,924)	30,076
Training Navigator			7/1/14 - 6/30/15	7,250	7,250	4,248	(3,002)	4,248
WIA DISLOCATED WORKER PROGRAM	17.278							
<i>Passed through Workforce Development Board of South Central Wisconsin</i>								
Training Navigator			7/1/14 - 6/30/15	6,500	11,250	6,593	(4,657)	6,593
<b>Total WIA Cluster</b>				50,750	55,500	40,917	(14,583)	40,917
<b>TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE CAREER AND TRAINING GRANTS (TAA CCCT)</b>								
<i>Passed through Northeast Wisconsin Technical College</i>	17.282							
TAA Welding			10/1/12-9/30/16	151,086	165,857	165,857	-	165,857
TAA Interface			10/1/13-9/30/17	526,089	464,493	464,493	-	464,493
<i>Passed through Northeast Wisconsin Technical College</i>								
TAA ACT for Healthcare			10/1/14-9/30/18	217,070	40,919	40,919	-	40,919
TAA Exceeding the Cap			10/1/14-9/30/18	41,976	14,081	14,081	-	14,081
<b>Total 17.282</b>				936,221	685,350	685,350	-	685,350
<b>U.S. Department Transportation:</b>								
INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	20.703							
<i>Passed through Wisconsin Technical College System</i>								
Hazardous Materials Training			7/1/14 - 6/30/15	-	9,297	9,297	-	9,297
<b>Total 20.703</b>				-	9,297	9,297	-	9,297
<b>National Science Foundation:</b>								
EDUCATION AND HUMAN RESOURCES	47.076							
Interactive Media Design Program		1103972	2/1/11 - 1/31/15	192,830	6,770	12,524	5,485	12,255
<i>Passed through University of Wisconsin System</i>								
Manufacturing and Engineering Technology and Technician Education (METTE) Project		369K154	9/15/13 - 8/31/14	30,000	3,037	3,200	163	3,200
Manufacturing and Engineering Technology and Technician Education (METTE) Project		369K154	9/15/14 - 8/31/15	30,000	7,494	7,494	-	7,494
<b>Total 47.076</b>				252,830	17,301	23,218	5,648	22,949
ADULT EDUCATION - BASIC GRANTS TO STATES	84.002							
<i>Passed through Wisconsin Technical College System Board</i>								
Adult Basic Education		10-501-146-125	7/1/14 - 6/30/15	255,780	255,780	397,961	142,181	397,961
Community Connections		10-503-146-165	7/1/14 - 6/30/15	18,385	18,385	18,385	34	18,419
Institutionalized Individuals		10-510-146-115	7/1/14 - 6/30/15	40,905	40,905	55,295	14,390	55,295

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS -CONTINUED**  
For the year ended June 30, 2015

Assistance Program	Federal Catalog Number	Dst/Lcl Grant Number	Grant Period	Federal Grant Amount	Federal		Match	Total Expenditures
					Revenue	Expenditures		
<i>Passed through Moraine Park Technical College</i>								
WTCS Joint Meeting of AA/EEO Officers and WTCS Diversity Services		10-840-124-195	7/1/14 - 6/30/15	11,500	5,619	5,365	(254)	5,365
<b>Total 84.002</b>				326,570	320,689	477,006	156,351	477,040
<b>TRIO Cluster</b>								
TRIO Student Support Services	84.042	P042A100735	9/1/10 - 8/31/15	1,100,000	208,400	208,400	(14,696)	193,704
<b>Total TRIO Cluster</b>				1,100,000	208,400	208,400	(14,696)	193,704
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES								
<i>Passed through Wisconsin Technical College System Board</i>								
Career Prep		10-004-150-215	7/1/14 - 6/30/15	40,846	40,513	40,513	-	40,513
Strengthening Career and Technical Education Programs		10-601-150-255	7/1/14 - 6/30/15	53,655	52,706	52,706	-	52,706
Student Success		10-602-150-235	7/1/14 - 6/30/15	201,207	185,127	404,936	219,809	404,936
Increasing Enrollment & Retention of Students in Nontraditional Occupations		10-607-150-265	7/1/14 - 6/30/15	13,414	13,414	13,587	173	13,587
<b>Total 84.048</b>				309,122	291,760	511,742	219,982	511,742
<b>U.S. Department of Education:</b>								
<b>Student Financial Aid Cluster</b>								
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (SEOG)								
SEOG Grants	84.007	P007A144522	7/1/14 - 6/30/15	59,345	65,000	65,000	-	65,000
<b>Total 84.007</b>				59,345	65,000	65,000	-	65,000
FEDERAL WORK-STUDY PROGRAM								
Federal Work Study Program	84.033	P033A144522	7/1/14 - 6/30/15	56,900	51,922	51,928	6	51,928
Federal Work Study Program Administration		P033A144522	7/1/14 - 6/30/15	-	6,570	6,570	-	6,570
<b>Total 84.033</b>				56,900	58,492	58,498	6	58,498
FEDERAL PELL GRANT PROGRAM								
PELL	84.063	P063P133169	7/1/13 - 6/30/14	4,707,681	16,479	16,479	-	16,479
PELL		P063P143169	7/1/14 - 6/30/15	4,320,414	4,309,284	4,309,283	(1)	4,309,283
PELL Administration			7/1/14 - 6/30/15	-	7,310	7,310	-	7,310
<b>Total 84.063</b>				4,320,414	4,333,073	4,316,593	(1)	4,333,072
FEDERAL DIRECT STUDENT LOANS								
Direct Loans	84.268	P268K143169	7/1/13 - 6/30/14	6,378,885	(6,165)	(6,165)	-	(6,165)
Direct Loans		P268K153169	7/1/14 - 6/30/15	6,769,441	5,982,371	5,982,371	-	5,982,371
<b>Total 84.268</b>				13,148,326	5,976,206	5,976,206	-	5,976,206
Veterans Administration - Reporting Fee	N/A		7/1/14 - 6/30/15	-	1,170	1,170	-	1,170
<b>Total Student Financial Aid Cluster</b>				17,584,985	10,433,941	10,417,467	5	10,433,946
<i>Passed through Wisconsin Department of Children and Families</i>								
Race to the Top	84.416		11/1/14 - 12/31/16	89,188	30,742	30,742	-	30,742
<b>TOTAL FEDERAL AWARDS</b>				<b>\$ 20,649,666</b>	<b>\$ 12,068,077</b>	<b>\$ 12,412,736</b>	<b>\$ 350,016</b>	<b>\$ 12,418,093</b>

See Notes to Schedule of Expenditures of Federal Awards

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2015

NOTE A: SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

NOTE B: RECONCILIATION OF FEDERAL REVENUE

A schedule reconciling total federal awards as reported on the Schedule of Expenditures of Federal Awards to the amounts as reported in the Basic Financial Statements follows:

	<u>Federal Revenue</u>	<u>Match</u>	<u>Total Expenditures</u>
Schedule of Expenditures of Federal Awards	\$ <u>12,068,077</u>	\$ <u>350,016</u>	\$ <u>12,418,093</u>
Basic Financial Statements	\$ <u>12,068,077</u> <sup>(1)</sup>	\$ <u>350,016</u>	\$ <u>12,418,093</u>

The District had no subrecipients for federal revenues during the fiscal year ended June 30, 2015.

(1) Federal grant revenue is presented on the basic financial statements as follows:

Operating	\$ 11,960,713
Capital contributions (federal portion)	<u>107,364</u>
	<u>\$ 12,068,077</u>

NOTE C: OVERSIGHT AGENCY

The U.S. Department of Education has been designated as the Federal oversight agency for the District.



**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
For the year ended June 30, 2015

Assistance Program	State Catalog Number	Dst/Lcl Grant Number	Grant Period	State Grant Amount	State		Match	Total Expenditures
					Revenue	Expenditures		
<b>Wisconsin Department of Transportation:</b>								
Beginning Motorcycle Drivers Education	20.395(4)(aq)	M/C-10-10-665-V	4/1/14 - 11/1/14	\$ 1,391	\$ 1,391	\$ 1,391	\$ 9,742	\$ 11,133
Beginning Motorcycle Drivers Education	20.395(4)(aq)	M/C-10-10-665-V	4/1/15 - 11/1/15	-	-	-	8,200	8,200
<b>Total 20.395(4)(aq)</b>				<u>1,391</u>	<u>1,391</u>	<u>1,391</u>	<u>17,942</u>	<u>19,333</u>
<b>Wisconsin Higher Education Aids Board:</b>								
Wisconsin Higher Education Grant	235.102		7/1/14 - 6/30/15	798,212	798,212	798,212	-	798,212
Remission of Fees for Veterans and Dependents	235.105		7/1/14 - 6/30/15	38,335	38,335	38,335	-	38,335
Minority Undergraduate Retention Grant	235.107		7/1/14 - 6/30/15	3,245	3,245	3,245	-	3,245
Covenant Scholars	235.108		7/1/14 - 6/30/15	9,250	9,250	9,250	-	9,250
Academic Excellence Scholarship	235.109		7/1/14 - 6/30/15	2,250	2,250	2,250	2,250	4,500
Hearing & Visually Handicapped Student Grant	235.112		7/1/14 - 6/30/15	1,800	1,800	1,800	-	1,800
Talent Incentive Program	235.114		7/1/14 - 6/30/15	19,725	19,725	19,725	-	19,725
Nursing Student Stipend Loan	235.117		7/1/14 - 6/30/15	12,000	12,000	12,000	-	12,000
Covenant Foundation	235.131		7/1/14 - 6/30/15	6,500	6,500	6,500	-	6,500
Indian Student Assistance Grant	235.132		7/1/14 - 6/30/15	1,100	1,100	1,100	-	1,100
<b>Total 235.102-132</b>				<u>892,417</u>	<u>892,417</u>	<u>892,417</u>	<u>2,250</u>	<u>894,667</u>
<b>Wisconsin Technical College System:</b>								
State Aids for Vocational, Technical and Adult Education	292.105		7/1/14 - 6/30/15	3,410,103	3,410,103	3,410,103	33,476,338	36,886,441
WORKFORCE ADVANCEMENT TRAINING GRANTS	292.116							
Advanced Manufacturing CNC/Fabrication Technologies Project		10-795-116-114	7/1/13 - 8/31/14	120,139	9,175	9,175	-	9,175
Leadership Development Project		10-797-116-114	7/1/13 - 8/31/14	108,740	18,326	18,326	306	18,632
Amerequip Leadership Development		10-700-124-175	7/1/14 - 8/31/15	23,036	6,437	6,437	-	6,437
Bradley Advanced Manufacturing		10-701-124-175	7/1/14 - 8/31/15	60,920	36,471	36,471	4,513	40,984
Marchant Schmidt Project Management		10-702-124-175	7/1/14 - 8/31/15	14,588	6,468	6,468	-	6,468
Continuous Improvement Consortium		10-703-124-175	7/1/14 - 8/31/15	56,017	53,475	53,475	644	54,119
Innovative Leadership Consortium		10-704-124-175	7/1/14 - 8/31/15	40,880	34,946	34,946	911	35,857
Manufacturing Blueprint Reading Consortium		10-705-124-175	7/1/14 - 8/31/15	27,279	20,315	20,315	289	20,604
Supervisory Team Building Consortium		10-706-124-175	7/1/14 - 8/31/15	54,330	43,986	43,986	-	43,986
Rust-Oleum Continuous Improvement		10-707-124-175	7/1/14 - 8/31/15	22,588	14,762	14,762	-	14,762
<b>Total 292.116</b>				<u>528,517</u>	<u>244,361</u>	<u>244,361</u>	<u>6,663</u>	<u>251,024</u>
Grants to District Boards - Career Pathways	292.124							
ABC Carpentry		10-210-124-115	7/1/14 - 6/30/15	14,000	14,000	14,000	-	14,000
Career Pathways: Seamless Transition		10-300-124-125	7/1/14 - 6/30/15	82,061	82,061	82,061	27,681	109,742
Career Pathway Bridges for 7 METTE Programs		10-301-124-125	7/1/14 - 6/30/15	215,103	215,103	215,103	71,867	286,970
Addressing Employer needs for Nursing Assistant and Associate Degree Nursing		10-451-124-135	7/1/14 - 6/30/15	296,913	294,349	294,349	-	294,349
Implementation of an Innovative Community of Learners Student Support Model		10-030-124-165	7/1/14 - 6/30/15	307,640	280,064	280,064	93,355	373,419
Grants to District Boards - Professional Development								
Customized Employee Growth Plans		10-020-124-155	7/1/14 - 6/30/15	54,252	54,252	54,252	-	54,252
<u>Passed through Moraine Park Technical College</u>								
Heating, Ventilation and Air Condition Related Programs		10-839-124-185	7/1/14 - 6/30/15	17,000	14,645	14,645	(732)	13,913
<u>Passed through Lakeshore Technical College</u>								
Advanced Manufacturing Network - NE		10-552-124-185	7/1/14 - 8/31/15	50,443	50,443	50,443	(1)	50,442
<b>Total 292.124</b>				<u>1,037,412</u>	<u>1,004,917</u>	<u>1,004,917</u>	<u>192,170</u>	<u>1,197,087</u>
Fire Fighter Training 2%	292.137		7/1/14 - 6/30/15	-	28,617	28,617	-	28,617
Property Tax Relief Act	292.162		7/1/14 - 6/30/15	20,713,698	20,713,698	20,713,698	16,479,831	37,193,529

**MORAIN PARK TECHNICAL COLLEGE DISTRICT**  
**SCHEDULE OF EXPENDITURES OF STATE AWARDS - CONTINUED**  
For the year ended June 30, 2015

Assistance Program	State Catalog Number	Dst/Lcl Grant Number	Grant Period	State Grant Amount	State		Match	Total Expenditures
					Revenue	Expenditures		
<b>Wisconsin Campus Compact</b>								
Lemonade Day	Unknown	531015	3/4/15-5/07/15	350	350	350	(35)	315
<b>Wisconsin Department of Natural Resources:</b>								
Aids in Lieu of Taxes	370.503		7/1/14 - 6/30/15	24,868	24,868	24,868	-	24,868
<b>Wisconsin Department of Workforce Development</b>	445.109	BP142TC-MP						
Wisconsin Fast Forward								
Blueprint for Prosperity - MP1 Manufacturing: Tool & Die Technology Apprenticeship			7/11/14 - 5/31/16	193,460	116,720	116,720	(5,558)	111,162
Blueprint for Prosperity - MP2 Manufacturing Skills Academics:			7/11/14 - 5/31/16	755,476	206,494	206,494	(9,356)	197,138
Industrial Maintenance, General Production Assembly, Automation, Robotic Welding								
Blueprint for Prosperity - MP3 Healthcare: Medical Coding			7/11/14 - 5/31/15	134,177	70,930	70,930	(3,378)	67,552
<b>Total</b>				<u>1,083,113</u>	<u>394,144</u>	<u>394,144</u>	<u>(18,292)</u>	<u>375,852</u>
<b>Wisconsin Department of Revenue:</b>								
State Aid - Computers	835.109		7/1/14 - 6/30/15	52,713	53,713	53,713	-	53,713
<b>TOTAL STATE AWARDS</b>				<b>\$ <u>27,744,582</u></b>	<b>\$ <u>26,768,579</u></b>	<b>\$ <u>26,768,579</u></b>	<b>\$ <u>50,156,867</u></b>	<b>\$ <u>76,925,446</u></b>

See Notes to Schedule of Expenditures of State Awards

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS**  
For the year ended June 30, 2015

**NOTE A: SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of State Awards is prepared on the accrual basis of accounting.

**NOTE B: RECONCILIATION OF STATE REVENUE**

A schedule reconciling total state awards as reported on the Schedule of Expenditures of State Awards to the amounts as reported in the Basic Financial Statements follows:

	<u>State Revenue</u>	<u>Match</u>	<u>Total Expenditures</u>
Schedule of Expenditures of State Awards	\$ <u>26,768,579</u>	\$ <u>50,156,867</u>	\$ <u>76,925,446</u>
Basic Financial Statements	\$ <u>26,768,579</u> <sup>(1)</sup>	\$ <u>50,156,867</u>	\$ <u>76,925,446</u>

The District had no subrecipients for state revenues during the fiscal year ended June 30, 2014.

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

Operating	\$ 2,500,094
Non-operating	
State operating appropriations	24,202,382
Capital contributions (state portion)	<u>66,103</u>
	<u>\$26,768,579</u>

**NOTE C: OVERSIGHT AGENCY**

The Wisconsin Technical College System Board has been designated as the state oversight agency for the District.

**MORAINE PARK TECHNICAL COLLEGE DISTRICT**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2015

**Section I - Summary of Auditors' Results**

**Basic Financial Statements**

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to basic financial statements noted?	No

**Federal Awards and State Financial Assistance**

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Type of auditors' report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	No
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> ?	No
Identification of major federal and state programs:	

CFDA Number	Name of Federal Programs or Cluster
	<i>Student Financial Aid Program Cluster</i>
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal College Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

State ID Number	Name of State Programs
235.102	Wisconsin Higher Education Grant
235.114	Talent Incentive Program
235.117	Nursing Student Stipend Loan
292.105	State Aids for Technical Colleges
292.116	Workforce Advancement Training Program
292.124	Grants to District Boards - Career Pathways
292.124	Grants to District Boards - Professional Development
292.162	Property Tax Relief Aid
445.109	Wisconsin Fast Forward

Audit threshold used to determine between A and Type B programs:	
Federal	\$300,000
State	\$100,000
Audit qualified as a low-risk auditee	Yes

**MORAIN PARK TECHNICAL COLLEGE DISTRICT**  
Schedule of Findings and Questioned Costs (Continued)  
For the Year Ended June 30, 2015

**Section II - Basic Financial 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 and Questioned Costs**

Finding Number	OMB Circular A-133 Findings	Questioned Costs
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There were no findings required to be reported in accordance with the OMB Circular A-133 findings

Finding Number	State Single Audit Guidelines Findings	Questioned Costs
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There were no findings required to be reported in accordance with the *State Single Audit Guidelines*.

**Section IV - Other Issues**


Does the auditors' 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 (i.e. material non-compliance, non-material non-compliance, questioned costs, material weakness, reportable condition, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*?

- Wisconsin Technical College System Board No
- Wisconsin Department of Natural Resources No
- Wisconsin Department of Transportation No
- Wisconsin Higher Education Aids Board No
- Wisconsin Department of Workforce Development No
- Wisconsin Department of Revenue No

Was a Management Letter or other document conveying audit comments issued as a result of this audit? Yes

Name and signature of Shareholder


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Bryan Grunewald, CPA

Date of report

December 2, 2015

**MORAINÉ PARK TECHNICAL COLLEGE DISTRICT**  
Schedule of Prior Year Audit Findings and Corrective Action Plan  
For the Year Ended June 30, 2015

**Status of Prior Year Audit Findings**

There were no audit findings for the year ended June 30, 2014.

**Corrective Action Plan for Audit Findings**

None required for the year ended June 30, 2015.

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**INDEPENDENT AUDITORS' 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 District Board  
Moraine Park Technical College District  
Fond du Lac, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 Moraine Park Technical College District, as of and for the years ended June 30, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Moraine Park Technical College District's basic financial statements, and have issued our report thereon which included an emphasis of matter paragraph as indicated on page 15 dated December 2, 2015.

**Internal Control Over Financial Reporting**

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Moraine Park Technical College District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our 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 Moraine Park Technical College 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 Moraine Park Technical College District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Certified Public Accountants

Sheboygan, Wisconsin  
December 2, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133 AND THE STATE SINGLE AUDIT GUIDELINES**

To the District Board  
Moraine Park Technical College District  
Fond du Lac, Wisconsin

**Report on Compliance for Each Major Federal and State Program**

We have audited Moraine Park Technical College District's compliance with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration that could have a direct and material effect on each of Moraine Park Technical College District's major federal and state programs for the year ended June 30, 2015. Moraine Park Technical College District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Moraine Park Technical College District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, OMB Circular A-133 and the *State Single Audit Guidelines* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about Moraine Park Technical College District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal and State Program**

In our opinion, Moraine Park Technical College 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, 2015.

## Report on Internal Control Over Compliance

Management of Moraine Park Technical College District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Moraine Park Technical College District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal or state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Moraine Park Technical College District's 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 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 attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants

Sheboygan, Wisconsin  
December 2, 2015



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