



MORAINÉ PARK
TECHNICAL COLLEGE

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TECHNICAL COLLEGE

2016 **COMPREHENSIVE ANNUAL** **FINANCIAL REPORT**

For fiscal years ending June 30, 2016 and 2015

Moraine Park Technical College

Fond du Lac, WI

Comprehensive Annual Financial Report For Fiscal Years Ended June 30, 2016 and 2015

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Official Issuing Report

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Moraine Park Technical College

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INTRODUCTORY SECTION



January 9, 2017

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

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, 2016, 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 the Federal Uniform Guidance 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.

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 2015 from the District's associate degree or technical diploma programs experienced an 86% job placement rate.

The District 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 AND VALUE 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.

2015-16 STRATEGIC PLAN – COLLEGE GOALS AND OUTCOMES

The District focused on four strategic priorities for the 2015-16 fiscal year, which are as follows:

1. Build a supportive culture to make MPTC an employer of choice
2. Improve student success through innovative programming, delivery and services
3. Strengthen MPTC's K-16 and community connections
4. Advance the efficient and effective use of technology

The following highlights some of the District's most notable achievements towards those priorities.

College Priority: Build a supportive culture to make MPTC an employer of choice

- Developed and administered a comprehensive five-year Employee Engagement and Talent Management Plan.
- Administered the Personal Assessment of College Environment (PACE) Survey, which assess progress and highlights areas for growth.
- Established the College Council Cross-Functional Team.

- Implemented a new Employee Learning Management System which is integrated with a new Performance Management System. Training was provided to employees and supervisors on both systems.
- Awarded the Wellness Council of America (WELCOA) “Well Workplace” Gold designation. This award recognizes quality and excellence in worksite health promotion.
- Updated management salary ranges and compensation strategy for 2016-17 reflecting extensive market-based research for all of these positions.
- Established market-based compensation program with three salary grades for faculty for 2016-17.
- Security efforts were expanded to include full-time security officer coverage on all main campuses.

College Priority: Improve student success through innovative programming, delivery and service

- The Moraine Park Foundation helped students succeed through student scholarships and emergency financial assistance.
- Created a responsive website solution allowing users to access website information via any mobile device.
- Coordinated and implemented “Tech Effect” Statewide efforts with the Wisconsin Technical College System to promote the following career areas:
 - Focus on Energy – Electrical Power Distribution
 - Wind Energy Technology
 - Focus on Information Technology (IT)
 - Interactive Media Design
- New Associate Degrees in:
 - Medical Office Management
 - Health & Wellness
 - Information Technology-Web Design
 - Information Technology-Mobile Applications.
- New imbedded one-year technical diploma – Heating, Ventilation and Air Conditioning (HVAC) Installation Technician.
- MPTC was selected as the training provider for three Wisconsin Fast Forward grant awards to District businesses, resulting in a re-launch of Computer Numerical Control (CNC) and Welding boot camps.
- Launched a Career Pathway Model aligned with employer needs and contained stackable credentials enabling students to be employed earlier in their chosen career field.
- International Education hosted study abroad experiences in Jamaica, Germany, Ireland, Belize, and London/Paris, for 30 students and 6 faculty members. Moraine Park provided six \$2,500 scholarships to students enabling them to participate in the study abroad experience.

- Recruiter Customer Relationship Management software (CRM) was successfully implemented in December 2015. This CRM supports the entire recruiting and admissions lifecycle providing an improved, proactive and engaging admissions process. The new online application with Recruiter is dynamic and easy to complete and submit.
- Formation of Strategic Enrollment Management (SEM) multi-year enrollment/retention team to improve processes and increase enrollment and retention. The first year includes development of Strategic Enrollment Management Plan.
- Moraine Park was ranked 9th in the country in the 2016 Military Times, Best for Vets, Career and Technical Colleges. Methodology used in ranking are training for staff on serving Veterans, how involved colleges military staff members are, staff support, academic support, Student Veterans of America or Veterans Club, military course completion, retention and graduation Rates, and excellent student to faculty ratio.
- For the 6th consecutive year, Moraine Park made Victory Media's 2016 list of Military Friendly Schools for its commitment in serving veterans as students. This prestigious award recognizes the top 15 percent of colleges, universities, and trade schools nationwide who embrace America's veterans as students.
- Diversity and Inclusion Cross-Functional Team developing affirmative action/equal opportunity Strategic Plan

College Priority: Strengthen MPTC's K-16 and community connections

- Produced first issue of president's quarterly "Community Connections" e-newsletter in August 2015. Succeeding issues produced in November 2015 and March 2016.
- Hosted an Additive Manufacturing Conference, introducing over 150 area high school students to cutting edge technology.
- Expanded the Volunteer Income Tax Assistance (VITA) tax preparation course to the West Bend campus, which experienced great success.
- Launched a college, jail, prison consortium serving over 370 incarcerated adults, generating 90 full-time equivalents (FTEs), sharing College curriculum, and offering four instructional collaboration meetings.
- Launched a "train the trainer/teacher" program to assist area high school technical education teachers to teach MPTC welding courses and achieve certification to offer courses for dual credits. Dodgeland High School and West Bend West High School are piloting the program, serving over 70 students in this innovative instruction model
- Outsourced mass media buying duties through a new marketing agency of record allowing District staff to focus more effort on ensuring our District residents receive electronic communications through social media and digital outlets.
- MPTC was designated as the first Fair Trade Technical College in the United States in May 2015 through a service learning project in an Ethics class.

- MPTC doubled the registration and participation at the Pink Pumpkin Run (PPR) from 300 to 600, raising money for Breast Cancer Recovery and a PPR MPTC Scholarship through our Foundation.
- The Fond du Lac Campus hosted the annual “Walk to End Alzheimer’s” event.

College Priority: Advance the efficient and effective use of technology

- Developed and implemented new Moraine Park Technical College Cloud-Sourced Blog. Includes development of Content Calendar for public relations, blog, and social content and training session for District staff.
- All existing credit card machines were replaced with a secure Europay, MasterCard and Visa (EMV) chip-enabled machine.
- Budget reporting tools were developed to assist in effectively managing District resources.
- Launched a Data Re-engineering Project with goals of: current state process documentation; future state process documentation with supporting training manuals; a data warehouse free from process-related data concerns; documentation of project decisions; and information to support administrative software decisions.
- Created an Institutional Review Board to monitor and approve all research projects and ensure the District is compliance with Federal requirements and standards.
- Developed and implementing Project Management Methodology for Information Technology (IT). This is a process-oriented, methodical, and well-established industry best practice that will ensure we are selecting and delivering those projects that are best aligned with our stated mission, values, and strategic goals.
- Completed Technology Satisfaction Town Hall meetings with staff in January 2016 and students in March 2016. Action items have been identified to improve customer satisfaction model.

FACILITIES AND CAPITAL INITIATIVES

Beaver Dam Campus

Weld Shop HVAC Replacement

The makeup air unit in the weld shop on the Beaver Dam campus was replaced.

Air Compressor Replacement

The air compressor which serves the weld shop was installed

Campus Data Center

A data center room was added on the Beaver Dam campus. It is for housing the critical computing systems which will provide a climate controlled secured area and fire suppression.

Fond du Lac Campus

Bookstore Remodel

The district outsources the college bookstore operations. As part of the original agreement with the vendor the district committed funds to upgrade the bookstore on the Fond du Lac campus. The remodeled bookstore provides sufficient space between aisles and displays to meet American Disability Act (ADA) standards.

Building Automations System (BAS) Upgrade Phase II

The District has invested in a new building automation system (BAS) on the Fond du Lac campus. The new system is web based and the cost to implement this is less than half the cost to maintain the existing. This is the second phase of a two year implementation.

West Bend Campus

Updated Surveillance Security System

A new digital surveillance security system was installed on the West Bend campus. The new system replaces an outdated one which was limited in performance. The new enhanced system integrates the access control and video surveillance systems and has the ability to be monitored and controlled with mobile devices.

Parking Lot Upgrade

Parking lot maintenance is completed on a timely basis to prevent major repairs and replacement. As part of this initiative sections of asphalt were replaced, lots were seal coated and striped.

ACCREDITATION

Moraine Park Technical College is accredited by the Higher Learning Commission (HLC). The District received a comprehensive evaluation under the Program to Evaluate and Advance Quality (PEAQ) in 1994-95, and later moved to the Academic Quality Improvement Program (AQIP) pathway for accreditation. The AQIP Pathway is one of three options institutions may select to maintain accreditation. The focus is on quality assurance and institutional improvement, with an added emphasis on helping institutions achieve continuous quality improvement. The AQIP Pathway follows an eight-year cycle.

Since selecting HLC's Academic Quality Improvement Program (AQIP) in 2001, Moraine Park has participated in the following pathway activities:

- 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:
 - College Council Cross-Functional Team
 - Faculty Credentials and Professional Development
 - Strategic Enrollment Management
- Received accredited reaffirmation for the next 8-year cycle to be reviewed for reaffirmation in the 2022-23 academic years.
- Attended four Strategy Forums (2002, 2006, 2010, and 2014) with the next scheduled forum in 2017.
- Submitted three Systems Portfolios for appraisal (2005, 2009, and 2013) with the next scheduled in 2018.

In the coming months, college teams will continue to devote resources to improving processes identified in recent feedback reports, maintain annual Action Projects, attend strategy forum, and submit the Systems Portfolio.

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 District for this year and the future.

State and Local Economy

The Wisconsin economy is expected to have steady growth between 2015 and 2017 (Wisconsin Economic Outlook, May 2015). These expectations have been realized in 2015 with an increase in job growth and decreased unemployment. Wisconsin per capita personal income also increased by 3.4% from 2014. The local economy has had similar results. Counties within the District have slightly lower unemployment rates than the state average of 5% as reported in March of 2016 (Wisconsin Department of Workforce Development). Healthcare and educational sectors have seen the largest increase in job growth over the last 12 months.

Property values increased over 1.7% in 2015. This is the second consecutive year of increase 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. District administration expects property value growth of approximately 2.5% for 2016.

State Administration

2013 Wisconsin Act 20 as part of the 2013-15 biennial budget included major changes to the higher education funding in the state. It required a portion of the overall general state aid distributed to the Wisconsin Technical College System to be allocated individually to each college based on the outcomes with respect to the following criteria:

- 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

In the 2015-17 biennial budget, a tenth criteria was also added for the credit for prior learning. The District selected seven of the nine criteria as funding allocation measurements for the 2015-16 year. The act included a phased in approach for the percentage of allocations over the years. It began with 10% of the general state aid dollars available in 2014-15, 20% in 2015-16 and 30% in 2016-17.

In addition, a change to the levy limit was also included in the 2013-15 biennial budget which limits the operational tax levy growth to net new construction of the District as defined by the Wisconsin Department of Revenue. For 2015-16, the tax levy growth was limited to .99911% of the previous year's operational levy dollars.

Strategic Planning

In 2013-14 the District 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 serves as the general framework within which the District operates and plans for the future. This plan is an integral part of the fiscal planning as highlighted below. District 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 District:

- 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 District 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 District utilizes numerous sources for identifying new program needs. These include the 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 District 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 District 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 District 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 District 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.

The District 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.

Independent Audit

State statutes require an annual audit by independent certified public accountants, in addition to meeting the requirements of the Federal Uniform Guidance 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, 2015. 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 22ND 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

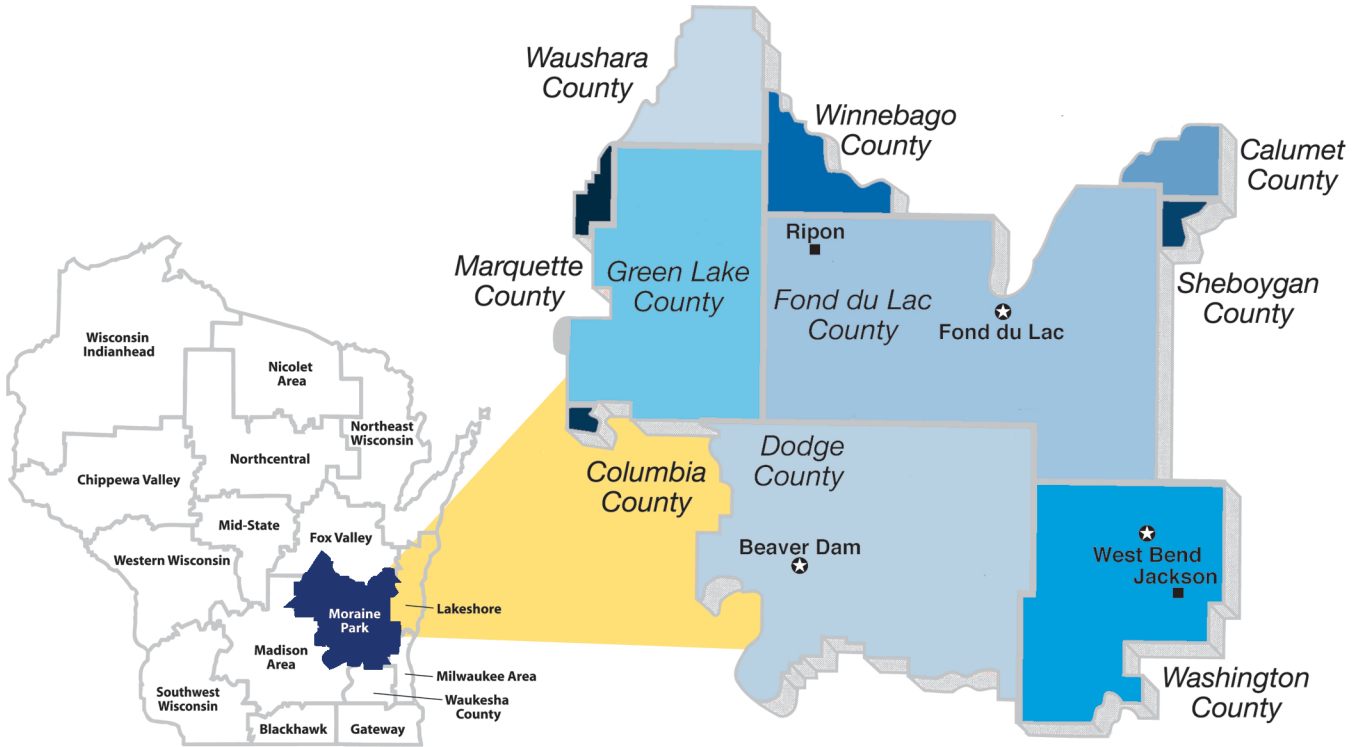
**Moraine Park Technical College District
Wisconsin**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Moraine Park Technical College District



- ★ Moraine Park Campuses
- Moraine Park Regional Centers

Moraine Park Technical College

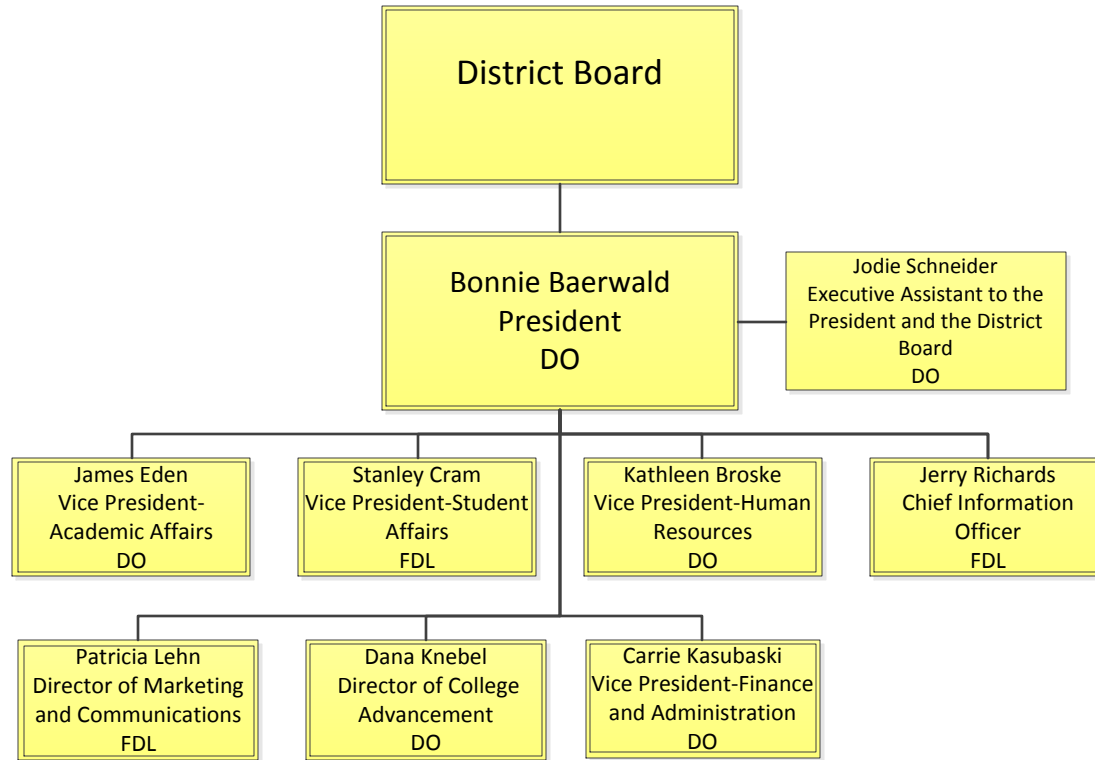
Board Membership For the Year Ended June 30, 2016

Officers	Name	Membership Type ^(a)	Geographical Area Representation
Chairperson	Vernon Jung, Jr.	Additional Member	Kewaskum
Vice Chairperson	Mike Miller	Elected Official	West Bend
Secretary	Mike Staral	Employer Member	West Bend
Treasurer	Kim Krueger	Employee Member	Randolph
Member	Candy Fields	Employee Member	Mt. Calvary
Member	Judy Lux	Additional Member	Fond du Lac
Member	Lisa Olson, Ph.D.	School District Administrator	Hartford
Member	Lowell Prill	Additional Member	Brandon
Member	Bur Zeratsky	Employer Member	Green Lake

Notes

(a) The current MPTC Board is composed of nine (9) Members, all of whom are District residents. The membership consists of two (2) employers who have power to employ or discharge two (2) employees who do not have power to employ or discharge, three (3) additional members, one (1) public school administrator from a school system in the district and one (1) elected official. Board members are appointed by an Appointment Committee consisting of the chair of each of the ten (10) counties in the District. Members of the Board serve three-year terms. Regular meetings of the Board are held on the second Wednesday of each month and, by State Statute, are open to the public. Periodic meetings are scheduled at other times, if necessary, to conduct business on timely issues. Board members receive no compensation for their services but are reimbursed for actual and necessary expenses in the performance of their duties.

President's Unit



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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 year ended June 30, 2016 and 2015, 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, 2016 and 2015, 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 B, the District implemented GASB Statement No. 72, *Fair Value Measurement and Application*. 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 on pages 21 through 38 and the schedules relating to pensions and other postemployment benefits on pages 79 through 82 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 an opinion 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration and 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 January 9, 2017, 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

Schenck SC

Certified Public Accountants

Sheboygan, Wisconsin
January 9, 2017

Moraine Park Technical College

Management 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*.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements include the following: 1) statement of net position, 2) statement of revenues, expenses, and changes in net position, 3) statement of cash flows and 4) notes to the financial statements. The District's annual financial report also contains other supplementary information in addition to the basic financial statements themselves to detail fund financial information and the District's compliance with its approved budget.

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.

Moraine Park Technical College

Management Discussion and Analysis

The following is a condensed version of the Statement of Net Position as of June 30, 2016, 2015, and 2014 (dollars in thousands).

	2016	2015	Increase/(Decrease)		2014	Increase/(Decrease)	
			\$	%		\$	%
			2015-2014			2014-2013	
Assets:							
Cash and cash equivalents	\$ 29,633	\$ 27,266	\$ 2,367	8.7%	\$ 19,128	\$ 8,138	42.5%
Net capital assets	49,661	49,468	193	0.4%	47,148	2,320	4.9%
Other assets	17,527	21,283	(3,756)	-17.6%	21,499	(216)	-1.0%
Total assets	96,821	98,017	(1,196)	-1.2%	87,775	10,242	11.7%
Deferred Outflows of Resources	15,707	3,705	12,002		-	-	-
Total Assets and Deferred Outflows of Resources	\$ 112,528	\$ 101,722	\$ 10,806	10.6%	\$ 87,775	\$ 13,947	15.9%
Liabilities:							
Current Liabilities	14,622	14,404	218	1.5%	14,710	(306)	-2.1%
Noncurrent liabilities	20,818	18,545	2,273	12.3%	18,230	315	1.7%
Total liabilities	35,440	32,949	2,491	7.6%	32,940	9	0.0%
Deferred Inflows of Resources	6,235	-	6,235		-	-	-
Net position:							
Net investment in capital assets	37,862	34,863	2,999	8.6%	27,997	6,866	24.5%
Restricted	754	5,167	(4,413)	-85.4%	483	4,684	969.8%
Unrestricted	32,237	28,743	3,494	12.2%	26,355	2,388	9.1%
Total net position	70,853	68,773	2,080	3%	54,835	13,938	25%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 112,528	\$ 101,722	\$ 10,806	11%	\$ 87,775	\$ 13,947	16%

Moraine Park Technical College

Management Discussion and Analysis

Fiscal Year 2016 Compared to 2015

Details of the changes in assets, deferred outflows/inflows of resources, liabilities, and net position between 2016 and 2015 include the following:

- Assets decreased approximately \$1.2 million, or 1.2%, during 2016.
 - Cash and cash equivalents (including restricted cash) increased 8.7% as a result of the factors discussed in the Statement of Cash Flows below.
 - Net capital assets increased almost .4% as a result of net 2016 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 \$4.2 million and student fees at \$5.0 million at June 30, 2016.
 - Another item included in other assets for 2016 is a long-term other post-employment benefits asset of over \$5.6 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.
 - In 2016 a deferred outflows of resources of \$15.7 million was required as a result of GASB 68 and 71 pension regulation, this is an increase of \$12 million from the previous year.
- Liabilities increased by \$2.5 million from 2015 to 2016.
 - Current liabilities increased 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 mostly by a decrease in the unearned revenue for student fees due to timing as well.
 - Non-current liabilities increased by 12%. This is a result of GASB 68 and 71 pension regulation. The District's portion of the net pension liability to be recorded is \$3.0 million. Last year the District recorded a \$4.5 million pension asset as their portion.
 - In 2016 a deferred inflows of resources of \$6.2 million was required as a result of GASB 68 and 71 pension regulation, this is a 100% increase from the previous year.

Moraine Park Technical College

Management Discussion and Analysis

- Net position increased \$2 million, or 3% from 2015 to 2016.
 - Net investment in capital assets increased \$3 million due to the increase in capital assets and repayment of general obligation notes payable used to finance capital acquisitions.
 - Unrestricted net position increased over 12% from the prior year reflecting the efforts to reduce operating expenses while revenues remained consistent from the prior year. In addition, the restricted for pension benefits for 2015 and 2016 was reclassified to unrestricted net position.

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 below.
 - 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.

Moraine Park Technical College

Management Discussion and Analysis

- 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.

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.

Moraine Park Technical College

Management Discussion and Analysis

The following is a condensed version of the Statement of Revenues, Expenses, and Changes in Net Position for the years ended June 30, 2016, 2015, and 2014 (dollars in thousands):

	2016	2015	Increase / (Decrease)		2014	Increase / (Decrease)	
			\$	%		\$	%
			2016 - 2015			2015 - 2014	
Operating Revenues:							
Tuition & fees	\$ 4,583	\$ 4,591	\$ (8)	-0.2%	\$ 4,402	\$ 189	4.3%
Federal and state grants	13,759	14,461	(702)	-4.9%	14,563	(102)	-0.7%
Contract revenues	3,533	3,393	140	4.1%	3,423	(30)	-0.9%
Auxiliary enterprise revenues	192	591	(399)	-67.5%	2,445	(1,854)	-75.8%
Miscellaneous	966	922	44	4.8%	1,106	(184)	-16.6%
Operating revenues	<u>23,033</u>	<u>23,958</u>	<u>(925)</u>	<u>-3.9%</u>	<u>25,939</u>	<u>(1,981)</u>	<u>-7.6%</u>
Non-operating Revenues							
Property taxes	16,182	15,981	201	1.3%	36,397	(20,416)	-56.1%
State operating appropriations	24,093	24,202	(109)	-0.5%	3,114	21,088	677.2%
Investment income	132	113	19	16.8%	84	29	34.5%
Non-operating revenues	<u>40,407</u>	<u>40,296</u>	<u>111</u>	<u>0.3%</u>	<u>39,595</u>	<u>701</u>	<u>1.8%</u>
Capital Contributions							
Federal and state capital grants	<u>305</u>	<u>173</u>	<u>132</u>	<u>76.3%</u>	<u>239</u>	<u>(66)</u>	<u>-27.6%</u>
Total Revenues	<u>\$ 63,745</u>	<u>\$ 64,427</u>	<u>\$ (682)</u>	<u>-1.1%</u>	<u>\$ 65,773</u>	<u>\$ (1,346)</u>	<u>-2.0%</u>
Operating Expenses							
Instruction	\$ 26,918	\$ 25,439	\$ 1,479	5.8%	\$ 25,160	\$ 279	1.1%
Instructional resources	2,296	1,854	442	23.8%	2,310	(456)	-19.7%
Student services	7,073	6,593	480	7.3%	6,273	320	5.1%
General institutional	11,437	10,171	1,266	12.4%	10,752	(581)	-5.4%
Physical plant	3,926	3,679	247	6.7%	4,102	(423)	-10.3%
Auxiliary enterprise services	342	266	76	28.6%	2,417	(2,151)	-89.0%
Depreciation	2,888	2,700	188	7.0%	2,784	(84)	-3.0%
Student aid	6,248	7,038	(790)	-11.2%	7,507	(469)	-6.2%
Operating expense	<u>61,128</u>	<u>57,740</u>	<u>3,388</u>	<u>5.9%</u>	<u>61,305</u>	<u>(3,565)</u>	<u>-5.8%</u>
Non-operating Expenses:							
Loss on disposal of capital assets	43	341	(298)	-87.4%	807	(466)	-57.7%
Interest expense	<u>494</u>	<u>525</u>	<u>(31)</u>	<u>-5.9%</u>	<u>541</u>	<u>(16)</u>	<u>-3.0%</u>
Non-operating Expenses:	<u>537</u>	<u>866</u>	<u>(329)</u>	<u>-38.0%</u>	<u>1,348</u>	<u>(482)</u>	<u>-35.8%</u>
Total Expenses	<u>61,665</u>	<u>58,606</u>	<u>3,059</u>	<u>5.2%</u>	<u>62,653</u>	<u>(4,047)</u>	<u>-6.5%</u>
Change in net position	2,080	5,821	<u>(3,741)</u>	<u>-64.3%</u>	3,120	<u>2,701</u>	<u>86.6%</u>
Net Position							
Beginning of year	68,773	54,835			51,715		
Cumulative effect of change in accounting principle	-	8,117 *			-		
End of year	<u>\$ 70,853</u>	<u>\$ 68,773</u>			<u>\$ 54,835</u>		

*Net Position has been restated as of July 1, 2014 to reflect implementation of GASB Statement No. 68 Accounting and Financial Reporting for Pensions and the related GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68.

Moraine Park Technical College

Management Discussion and Analysis

Fiscal Year 2016 Compared to 2015

Operating revenues are the charges for services offered by the District. During 2016, Moraine Park generated \$23.0 million of operating revenues. This was a decrease of less than \$1 million, or almost 4% compared to the prior year. Significant items were as follows:

- The federal and state grants revenue decreased by 4.9% from last year. The majority of this was due to a decrease in Pell grants for student aid.

Operating expenses are costs related to offering the programs of the District. During 2016, operating expenses increased over \$3.3 million or approximately 6% from the prior year. The increase was primarily due to a combination of the following:

- Maintenance License and Agreements increased by almost \$1 million. This was due to timing and expensing of prepaid amounts.
- Building Maintenance and Repair increased by \$.2 million in 2016, this was due to unexpected major equipment repair costs and deferred maintenance items that were safety or security issues.
- Pension expense increased by \$1.6 million from 2015 to 2016.

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:

- Non-operating expenses are primarily a function of disposal activity of capital assets and interest paid on the District's long-term debt. During 2016 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 \$2 million as a result of the above activity. In addition, as a result of implementing GASB Statement No. 68 and No. 71 in 2015.

Moraine Park Technical College

Management Discussion and Analysis

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.

Moraine Park Technical College

Management Discussion and Analysis

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:

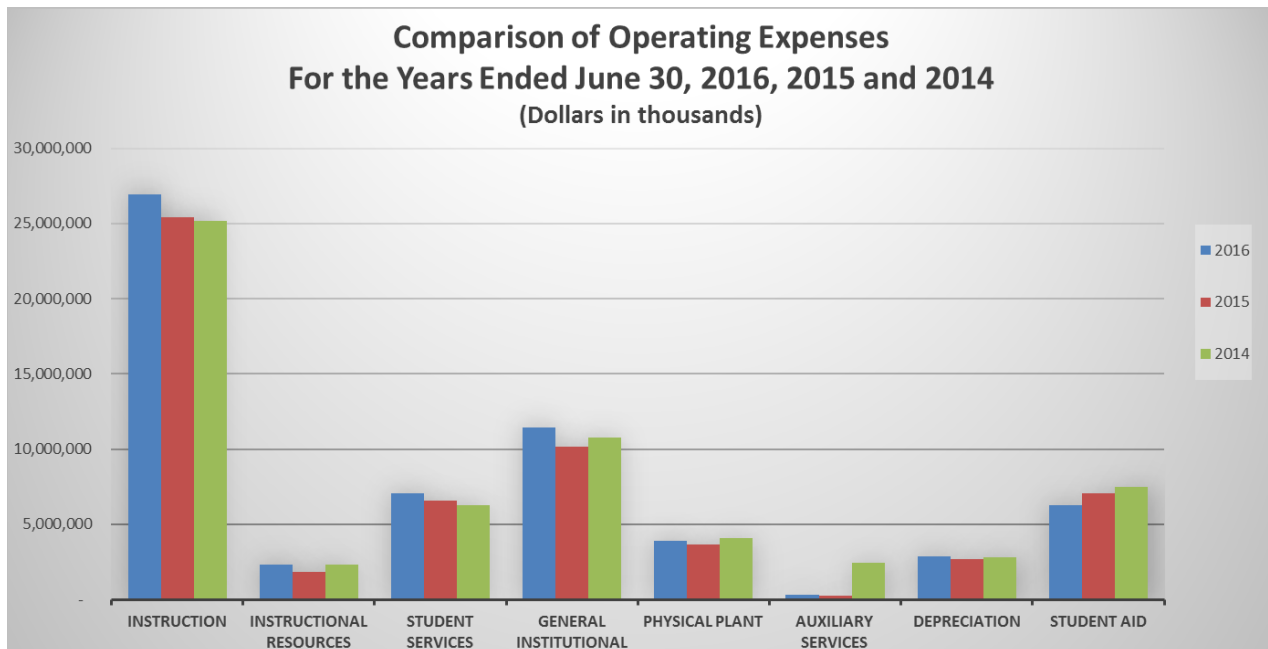
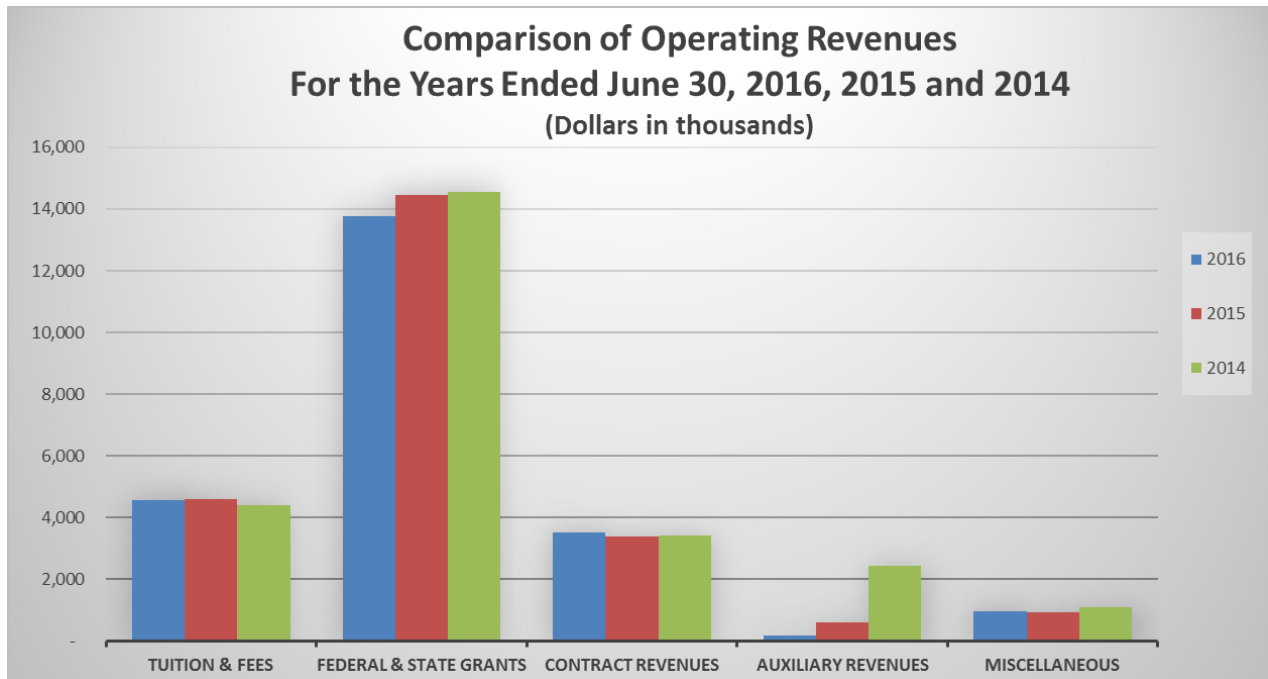
- The shifting of revenue from property taxes to state aid resulted from a change in funding sources introduced by the Governor. In addition state aids did increase overall as a result of new performance based funding criterion used in the calculation of the state aid calculations.
- Non-operating expenses are primarily a function of disposal activity of capital assets and interest paid on the District'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.

Moraine Park Technical College

Management Discussion and Analysis

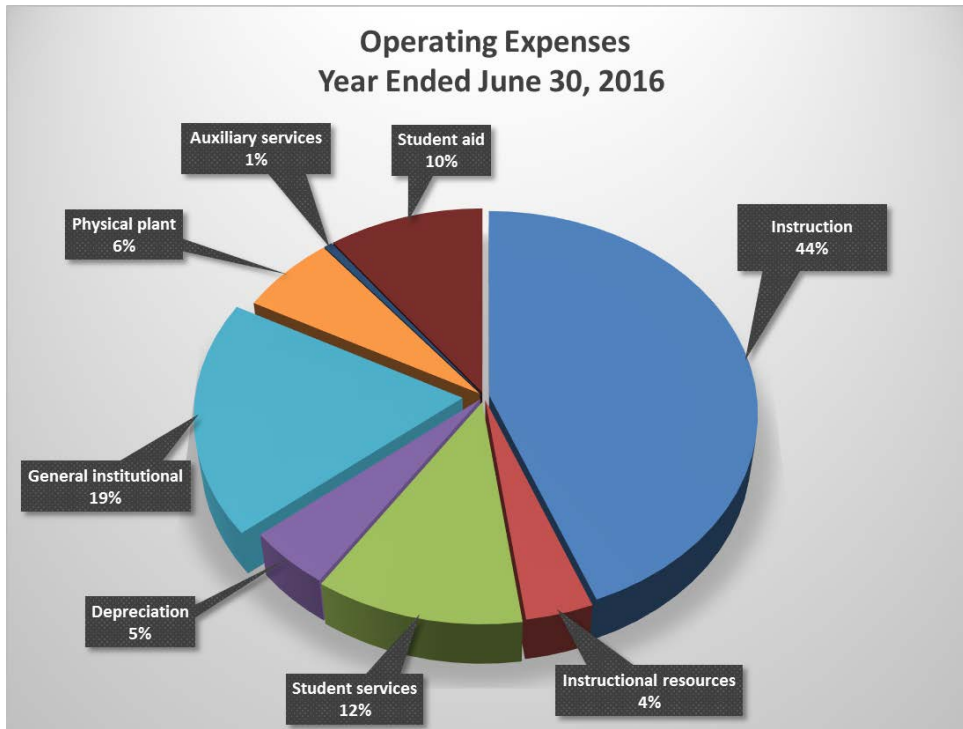
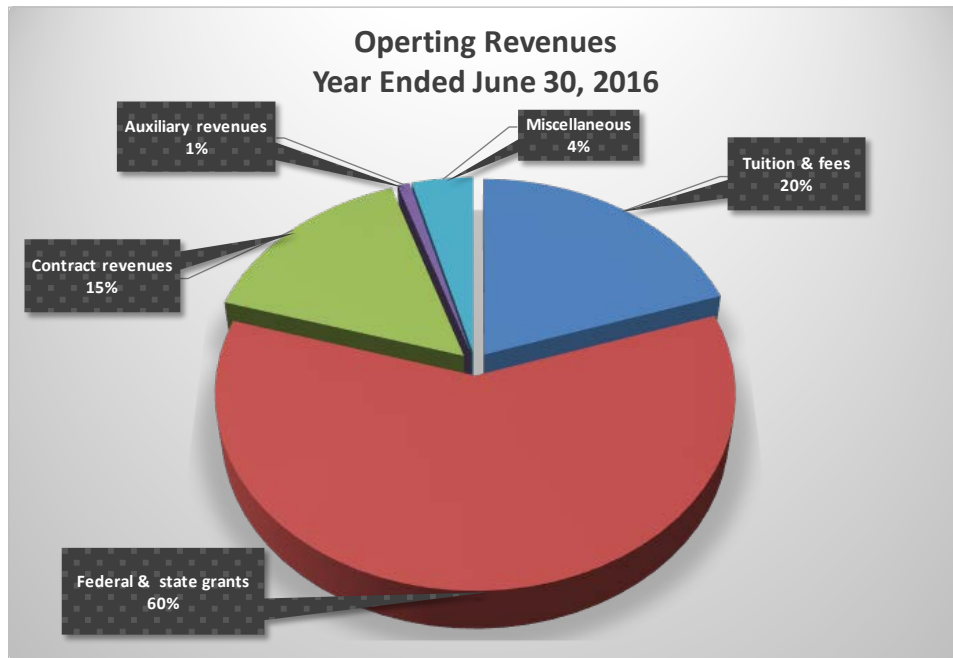
Below is a graphical illustration comparing operating revenues by type and expenses by function for the fiscal years ended June 30, 2016, 2015 and 2014:



Moraine Park Technical College

Management Discussion and Analysis

Below is a graphical illustration of total operating revenues and expenses for the fiscal year ended June 30, 2016:



Moraine Park Technical College

Management Discussion and Analysis

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, 2016, 2015, and 2014.

	2016	2015	Increase / (Decrease)		2014	Increase / (Decrease)	
			\$	%		\$	%
			2016-2015			2015-2014	
Cash used in operating activities	\$ (34,012)	\$ (32,273)	\$ (1,739)	5.4%	\$ (33,625)	\$ 1,352	-4.0%
Cash provided by non-capital financing activities	40,100	45,560	(5,460)	-12.0%	39,666	5,894	14.9%
Cash provided by (used in) capital and related financing activities	(3,852)	(5,516)	1,664	-30.2%	(6,357)	841	-13.2%
Cash provided by investing activities	131	113	18	15.9%	84	29	34.5%
Net increase (decrease) in cash and cash equivalents	2,367	7,884	(5,517)	-70.0%	(232)	8,116	-3498.3%
Cash and cash equivalents - Beginning of year	27,266	19,382			19,614		
Cash and cash equivalents - End of year	\$ 29,633	\$ 27,266			\$ 19,382		

Fiscal Year 2016 Compared to 2015

During the fiscal year ended June 30, 2016, the District had a net increase in cash and cash equivalents of approximately \$2.4 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 an increase of 3% from the previous year.
- 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 2015.

Overall, the District had a net increase in cash and cash equivalents of approximately \$2.4 million.

Moraine Park Technical College

Management Discussion and Analysis

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.

Moraine Park Technical College

Management Discussion and Analysis

Capital Assets

The District's investment in capital assets includes land, land improvements, buildings, furniture and equipment, computer software, and construction in progress. The change in capital assets is shown below as of June 30, 2016, 2015 and 2014 (dollars in thousands):

	2016	2015	Increase / (Decrease)		2014	Increase / (Decrease)	
			\$	%		\$	%
			2016 - 2015			2015 - 2014	
Capital assets not being depreciated:							
Land	\$ 831	\$ 831	\$ -	0.0%	\$ 831	\$ -	0.0%
Construction in progress	412	-	412	100.0%	1,033	(1,033)	-100.0%
Total capital assets not being depreciated	1,243	831	412	49.6%	1,864	(1,033)	-55.4%
Capital assets being depreciated, net:							
Land improvements	874	725	149	20.6%	792	(67)	-8.5%
Buildings and building improvements	40,332	40,953	(621)	-1.5%	38,320	2,633	6.9%
Furniture and equipment	7,212	6,959	19,794	284.4%	6,172	787	12.8%
Total capital assets being depreciated, net	48,418	48,637	19,322	39.7%	45,284	3,353	7.4%
Net capital assets	\$ 49,661	\$ 49,468	\$ 19,734	39.9%	\$ 47,148	2,320	4.9%

Additional information on the District's capital assets can be found in Note C.

Debt Administration

At the end of the current fiscal year, the District had total debt outstanding of \$22.7 million which is backed by the full faith and credit of the District (dollars in thousands).

The District's total general obligation debt outstanding as of June 30, 2016, 2015 and 2014 respectively is as follows:

	2016	2015	Increase / (Decrease)		2014	Increase / (Decrease)	
			\$	%		\$	%
			2016-2015			2015-2014	
General obligation notes	\$ 22,745	\$ 23,310	\$ (565)	-2.4%	\$ 23,140	\$ 170	0.7%

The District's total debt decreased by less than \$1 million or 2.4% during the current fiscal year as the District issued \$4.8 million of general obligation debt to finance capital asset additions while retiring \$5.4 million through property taxes levied for debt service.

The District's notes continue to maintain a Moody's Investors Service Aaa rating and the average life of debt ranges from five to ten years. All general obligation debt for equipment is repaid in five years, while debt related to building and remodeling is repaid in 10 years. Additional information on the District's long-term debt can be found in Note D.

Moraine Park Technical College

Management Discussion and Analysis

Financial Position

The District continued to improve its financial position during the year ended June 30, 2016 evidenced by an increase in net position of almost \$2 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.

Overall, the District is confident that its long-term financial condition is stable. Operational reserves are strong and for 2015-16 represent over 29% 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 District is positioned to maintain a positive financial structure within this slow economic recovery and for several years in the foreseeable future.

Economic Factors

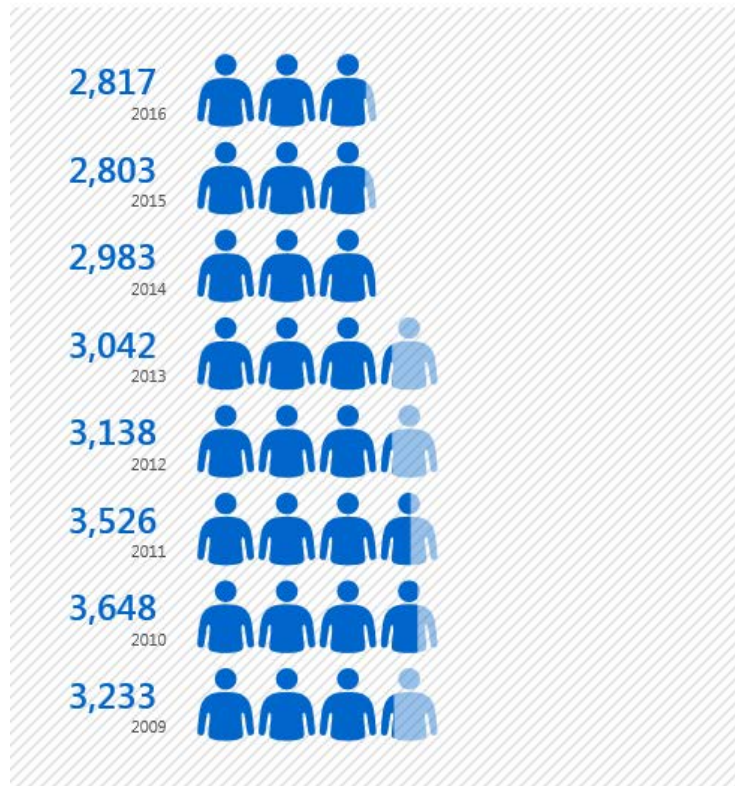
The District is now more reliant on the tuition revenue generated by enrollments than ever before. Enrollments can fluctuate significantly based on the economy. While the District experienced a 12.8% enrollment spike in fiscal year 2010 associated with the broader national economic downturn, enrollment trends have since fallen. Enrollment began declining in fiscal 2011 by 3.3%, with the largest decline occurring in fiscal year 2012 of 11%. Since 2012, enrollments continued to decline until fiscal year 2016 where we saw a .5% increase to 2,817 full-time equivalent students (FTEs). Officials are working on action plans to increase retention and enrollment growth beyond fiscal year 2016.

Moraine Park Technical College

Management Discussion and Analysis

Below is a graphical presentation of the annual FTEs since 2009:

Full-time equivalent Students



In addition to decreases in enrollment, there are some other challenges and critical concerns that the District has identified:

- 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 District 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.

Moraine Park Technical College

Management Discussion and Analysis

- 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 District 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 District'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 District 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.
- District 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 District 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 District 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.

Moraine Park Technical College

Management Discussion and Analysis

- 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 District 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 \$206,000 in savings alone for the District during 2015-16
 - 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 \$14 million
 - Joint library consortium that allows all members to access centralized databases and electronic subscriptions at significantly reduced costs
 - Effective July 1, 2015 the District started 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.

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.

Moraine Park Technical College

Statements of Net Position

As of June 30, 2016 and 2015

	2016	2015
Assets		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 22,045,913	\$ 19,738,952
Accounts receivable	482,368	1,733,332
Property taxes receivable	4,279,146	4,103,007
Federal and state aid receivable	805,566	793,414
Student fees receivable	4,961,464	4,243,325
Inventories	31,052	31,214
Prepaid expenses	1,379,929	790,439
Total current assets	33,985,438	31,433,683
<i>Non-current Assets</i>		
Restricted cash and cash equivalents	7,586,892	7,526,716
Other post-employment benefits	5,587,455	5,118,515
Net pension asset	-	4,469,667
Capital assets	88,074,900	85,480,189
Less accumulated depreciation	(38,413,638)	(36,011,846)
Total non-current assets	62,835,609	66,583,241
Total Assets	96,821,047	98,016,924
Deferred Outflows of Resources		
Deferred outflows related to pension	15,707,059	3,705,563
Total Assets and Deferred Outflows of Resources	\$ 112,528,106	\$ 101,722,487
Liabilities		
<i>Current Liabilities</i>		
Accounts payable	\$ 1,743,214	\$ 1,744,794
Accrued payroll, payroll taxes, and retirement	2,033,462	2,005,160
Accrued vacation	396,885	390,559
Accrued health, dental and vision claims	1,172,259	916,863
Accrued interest	114,016	118,449
Unearned revenue - student fees	3,721,961	4,013,007
Other unearned revenue	32,089	35,629
Due to other organizations	58,713	36,200
Due to student organizations	460,079	378,333
General obligation debt - current portion	4,890,000	4,765,000
Total current liabilities	14,622,678	14,403,994
<i>Non-current Liabilities</i>		
Net pension liability	2,962,723	-
General obligation debt	17,855,000	18,545,000
Total long-term liabilities	20,817,723	18,545,000
Total Liabilities	35,440,401	32,948,994
Deferred Inflows of Resources		
Deferred inflows related to pension	6,235,001	-
Net Position		
Net investment in capital assets	37,862,120	34,862,712
Restricted for debt service	753,997	697,232
Restricted for pension benefits	-	4,469,667
Unrestricted	32,236,587	28,743,882
Total Net Position	70,852,704	68,773,493
Total Liabilities, Deferred Inflow of Resources and Net Position	\$ 112,528,106	\$ 101,722,487

The accompanying notes are an integral part of these statements.

Moraine Park Technical College

Statements of Revenues, Expenses and Changes in Net Position

For the years ended June 30, 2016 and 2015

	2016	2015
Operating Revenues		
Student program fees, net of scholarship allowances of \$3,753,060 and \$3,906,576 for 2016 and 2015, respectively	\$ 3,851,111	\$ 3,859,611
Student material fees, net of scholarship allowances of \$213,269 and \$209,909 for 2016 and 2015, respectively	218,841	207,385
Other student fees, net of scholarship allowances of \$499,825 and \$530,441 for 2016 and 2015, respectively	512,883	524,063
Federal grants	11,147,661	11,960,713
State grants	2,611,428	2,500,094
Contract revenue	3,532,604	3,393,497
Auxiliary enterprise revenues	191,898	591,036
Miscellaneous	966,219	921,840
Total operating revenues	23,032,644	23,958,239
Operating expenses		
Instruction	26,917,639	25,438,611
Instructional resources	2,296,409	1,854,253
Student services	7,073,692	6,592,987
General institutional	11,436,696	10,171,173
Physical plant	3,925,883	3,679,525
Auxiliary enterprise services	341,809	265,843
Depreciation	2,887,720	2,699,872
Student aid	6,248,512	7,038,024
Total operating expenses	61,128,360	57,740,288
Operating loss	(38,095,716)	(33,782,049)
Non-operating revenues (expenses)		
Property taxes	16,182,316	15,981,243
State operating appropriations	24,093,314	24,202,382
Loss on disposal of capital assets	(42,835)	(340,598)
Investment income earned	131,363	112,696
Interest expense	(494,496)	(525,375)
Total non-operating revenues (expenses)	39,869,662	39,430,348
Income before contributions	1,773,946	5,648,299
Capital contributions - state and federal grants	305,265	173,467
Change in Net Position	2,079,211	5,821,766
Net position - beginning of the year	68,773,493	62,951,727
Net position - end of the year	\$ 70,852,704	\$ 68,773,493

The accompanying notes are an integral part of these statements.

Moraine Park Technical College

Statements of Cash Flows

For the years ended June 30, 2016 and 2015

	2016	2015
Cash flows from operating activities		
Tuition and fees received	\$ 3,573,650	\$ 4,525,732
Federal and state grants received	13,746,937	14,115,145
Contract revenue received	4,783,568	3,819,510
Payments to employees	(36,759,701)	(36,585,905)
Payments to suppliers	(20,510,594)	(19,663,005)
Auxiliary enterprise revenue received	191,898	591,036
Other receipts	962,679	924,091
Net cash used in operating activities	(34,011,564)	(32,273,396)
Cash flows from non-capital financing activities		
Property taxes received	16,006,177	21,357,708
State appropriations received	24,093,314	24,202,382
Net cash provided by non-capital financing activities	40,099,491	45,560,090
Cash flows from capital and related financing activities		
Federal and state appropriations received for capital assets	305,265	173,467
Purchases of capital assets	(3,149,487)	(5,350,447)
Proceeds on sale of capital assets	55,998	23,782
Proceeds from issuance of capital debt	4,800,000	6,325,000
Principal paid on capital debt	(5,365,000)	(6,155,000)
Interest paid on capital debt	(498,929)	(532,535)
Net cash used in capital and related financing activities	(3,852,153)	(5,515,733)
Cash flows from investing activities		
Investment income received	131,363	112,696
Net increase in cash and cash equivalents	2,367,137	7,883,657
Cash and cash equivalents - beginning of the year	27,265,668	19,382,011
Cash and cash equivalents - end of the year	\$ 29,632,805	\$ 27,265,668
Reconciliation of cash and cash equivalents to the statement of net position		
Cash and cash equivalents	\$ 22,045,913	\$ 19,738,952
Restricted cash and cash equivalents	7,586,892	7,526,716
Total cash and cash equivalents	\$ 29,632,805	\$ 27,265,668

The accompanying notes are an integral part of these statements.

Moraine Park Technical College

Statements of Cash Flows (Continued)

For the years ended June 30, 2016 and 2015

	2016	2015
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (38,095,716)	\$ (33,782,049)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	2,887,720	2,699,872
Changes in assets and liabilities:		
Accounts receivable	1,250,964	426,013
Federal and state aid receivable	(12,152)	(345,662)
Student fees receivable	(718,139)	(10,643)
Inventories	162	1,775
Prepaid expenses	(589,490)	(134,741)
Accounts payable	(31,565)	(576,110)
Accrued payroll, payroll taxes, and retirement	322,612	87,514
Accrued vacation	6,326	(25,514)
Accrued health, dental and vision claims	(38,914)	279,063
Unearned revenue - student fees	(291,046)	(54,684)
Other unearned revenue	(3,540)	2,251
Due to other organizations	22,513	31,420
Due to student organizations	81,746	68,510
Pension related asset/liability and deferred outflows/inflows	1,665,895	(58,419)
Other post-employment benefits	(468,940)	(881,992)
	\$ (34,011,564)	\$ (32,273,396)

The accompanying notes are an integral part of these statements.

Moraine Park Technical College

Statements of Fiduciary Net Position

As of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 12,029	\$ 8,653
Non-current Assets		
Investments	<u>5,996,239</u>	<u>6,019,269</u>
Total Assets	<u>6,008,268</u>	<u>6,027,922</u>
Net Position		
Held in Trust for post-employment benefits	<u>\$ 6,008,268</u>	<u>\$ 6,027,922</u>

The accompanying notes are an integral part of these statements.

Moraine Park Technical College

Statements of Changes in Fiduciary Net Position Post-Employment Benefits Trust

For the years ended June 30, 2016 and 2015

	2016	2015
Additions		
Contributions		
MPTC	\$ -	\$ 200,000
Investment Income		
Interest	18	1
Dividends	127,633	146,137
Net change in fair value of investments	(17,757)	21,645
Total investment income	109,894	167,783
Total additions	109,894	367,783
Deductions		
Administrative expenses	29,548	29,655
Trust fund disbursements	100,000	-
Total deductions	129,548	29,655
Change in Net Position	(19,654)	338,128
Net Position Held in Trust for Post-Employment Benefits		
Beginning of year	6,027,922	5,689,794
End of year	\$ 6,008,268	\$ 6,027,922

The accompanying notes are an integral part of these statements.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

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
- 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, "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.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2016.

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, 2016 and 2015, the District levied taxes at the following mill rates:

	<u>2016</u>	<u>2015</u>
Operating purposes	\$0.42669	\$0.42113
Debt service requirements	0.24509	0.25356
Totals	<u>\$0.67178</u>	<u>\$0.67469</u>

The 2015 tax levy used to finance the fiscal year ended June 30, 2016 was \$16,171,556. The 2014 tax levy used to finance the prior year was \$15,965,042.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 acquisition 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 Vacation, Income Protection, and Other Employee Benefits

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.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Accumulated Vacation, Income Protection, and Other Employee Benefits (Continued)

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.

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, 2016 and 2015, the District had 210 and 209 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, liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' 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.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2016, 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 cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

18. Reclassifications

Certain amounts in the prior year financial statements have been reclassified to conform with the presentation in the current year financial statements with no change in previously reported net position, changes in net position, fund balance or changes in fund balance.

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*".

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE B: CASH AND INVESTMENTS (Continued)

The carrying amount of the District's cash and investments totaled \$35,641,073 and \$33,293,590 as of June 30, 2016 and 2015, respectively, as summarized below:

	2016	2015
Petty cash funds	\$ 5,023	\$ 5,532
Interest bearing demand deposits	29,027,782	9,915,136
Certificates of deposit	600,000	17,345,000
Investments		
Money market mutual fund	12,035	8,653
Mutual funds – equity	3,495,086	3,951,525
Mutual funds – fixed income	2,501,147	2,067,744
	\$ 35,641,073	\$ 33,293,590

Reconciliation to the basic financial statements:

	2016	2015
Statements of net position		
Cash and cash equivalents	\$ 22,045,913	\$ 19,738,952
Restricted cash and cash equivalents	7,586,892	7,526,716
Fiduciary fund statements of net position		
Post-employment benefits trust	6,008,268	6,027,922
	\$ 35,641,073	\$ 33,293,590

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

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

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 of 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, 2016 and 2015, \$28,506,617 and \$26,631,295 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, 2016 for each investment type.

	Fair Value	Exempt from Disclosure	AAA	Aa	Not Rated
Money Market Mutual Fund	\$ 12,035	\$ -	\$ 12,035	\$ -	\$ -
Mutual Funds - Fixed Income	2,501,147	-	-	-	2,501,147
Totals	<u>\$ 2,513,182</u>	<u>\$ -</u>	<u>\$ 12,035</u>	<u>\$ -</u>	<u>\$ 2,501,147</u>

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE B: CASH AND INVESTMENTS (Continued)

Credit Risk (Continued)

Presented below is the actual rating as of June 30, 2015 for each investment type.

	Fair Value	Exempt from Disclosure	AAA	Aa	Not Rated
Money Market Mutual Fund	\$ 8,653	\$ -	\$ 8,653	\$ -	\$ -
Mutual Funds - Fixed Income	<u>2,067,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,067,744</u>
Totals	<u>\$ 2,076,397</u>	<u>\$ -</u>	<u>\$ 8,653</u>	<u>\$ -</u>	<u>\$ 2,067,744</u>

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, 2016 and 2015 for each investment type.

	2016				
	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-3	4-7	More than 7
Money Market Mutual Fund	\$ 12,035	\$ 12,035	\$ -	\$ -	\$ -
Mutual Funds - Fixed Income	<u>2,501,147</u>	<u>2,501,147</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 2,513,182</u>	<u>\$ 2,513,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

	2015				
	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-3	4-7	More than 7
Money Market Mutual Fund	\$ 8,653	\$ 8,653	\$ -	\$ -	\$ -
Mutual Funds - Fixed Income	<u>2,067,744</u>	<u>2,067,744</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 2,076,397</u>	<u>\$ 2,076,397</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE B: CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The District implemented GASB Statement No. 72, *Fair Value Measurement and Application*, for the year ending June 30, 2016. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs.

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments			
Money Market Mutual Fund	\$ -	\$ 12,035	\$ -
Mutual Funds - Fixed Income	-	2,501,147	-
Total investments by fair value level	<u>\$ -</u>	<u>\$ 2,513,182</u>	<u>\$ -</u>

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE C: CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2016:

	2016			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 830,602	\$ -	\$ -	\$ 830,602
Construction in progress	-	412,257	-	412,257
Total capital assets not being depreciated	830,602	412,257	-	1,242,859
Capital assets being depreciated:				
Land Improvements	1,646,195	213,389	-	1,859,584
Buildings and building improvements	63,209,275	974,172	-	64,183,447
Furniture and equipment	19,794,117	1,579,652	584,759	20,789,010
Total capital assets being depreciated	84,649,587	2,767,213	584,759	86,832,041
Total cost of capital assets	85,480,189	3,179,470	584,759	88,074,900
Less accumulated depreciation for:				
Land Improvements	921,022	65,418	-	986,440
Buildings and building improvements	22,255,377	1,594,490	-	23,849,867
Furniture and equipment	12,835,447	1,227,812	485,928	13,577,331
Total accumulated depreciation	36,011,846	2,887,720	485,928	38,413,638
Net capital assets	49,468,343	\$ 291,750	\$ 98,831	49,661,262
Less outstanding debt related to capital assets	(14,605,631)			(11,799,142)
Net assets invested in capital assets	\$ 34,862,712			\$ 37,862,120

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE C: CAPITAL ASSETS (Continued)

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

	2015			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated:				
Land	\$ 830,602	\$ -	\$ -	\$ 830,602
Construction in progress	1,032,678	-	1,032,678	-
Total capital assets not being depreciated	<u>1,863,280</u>	<u>-</u>	<u>1,032,678</u>	<u>830,602</u>
Capital assets being depreciated:				
Land Improvements	1,646,195	-	-	1,646,195
Buildings and building improvements	59,306,684	4,430,584	527,993	63,209,275
Furniture and equipment	18,428,816	1,986,294	620,993	19,794,117
Total capital assets being depreciated	<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	<u>81,244,975</u>	<u>6,416,878</u>	<u>2,181,664</u>	<u>85,480,189</u>
Less accumulated depreciation for:				
Land Improvements	854,243	66,779	-	921,022
Buildings and building improvements	20,985,483	1,513,315	243,421	22,255,377
Furniture and equipment	12,256,853	1,119,778	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>\$ 3,717,006</u>	<u>\$ 1,397,059</u>	49,468,343
Less outstanding debt related to capital assets				<u>(14,605,631)</u>
Net assets invested in capital assets	<u>\$ 27,997,249</u>			<u>\$ 34,862,712</u>

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

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, 2016 and 2015 are summarized below:

	2016				
	Balance 7/1/2015	Additions	Reductions	Balance 6/30/2016	Amounts Due Within One Year
General obligation notes	<u>\$ 23,310,000</u>	<u>\$ 4,800,000</u>	<u>\$ 5,365,000</u>	<u>\$ 22,745,000</u>	<u>\$ 4,890,000</u>

	2015				
	Balance 7/1/2014	Additions	Reductions	Balance 6/30/2015	Amounts Due Within One Year
General obligation notes	<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>

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE D: GENERAL LONG-TERM OBLIGATIONS (Continued)

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, 2016 and 2015 are comprised of the following individual issues:

	Balance June 30, 2016	Balance June 30, 2015
<p>\$1,830,000 general obligation promissory notes dated September 7, 2011 to R.W. Baird & 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
<p>\$1,500,000 general obligation promissory notes dated June 10, 2008 to R.W. Baird & Co., Inc. for building expansion, remodeling and improvement projects and the acquisition of moveable equipment. Semi-annual interest payments of 4.5% 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>	360,000	525,000
<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>	195,000	285,000
<p>\$3,425,000 general obligation promissory notes dated May 6, 2009 to R.W. Baird & 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>	1,210,000	1,580,000
<p>\$2,615,000 general obligation promissory notes dated May 12, 2010 to R.W. Baird & 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>	1,105,000	1,350,000

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE D: GENERAL LONG-TERM OBLIGATIONS (Continued)

	<u>Balance June 30, 2016</u>	<u>Balance June 30, 2015</u>
<p>\$4,935,000 general obligation promissory notes dated June 8, 2011 to R.W. Baird & 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>	1,565,000	2,280,000
<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>	1,865,000	2,140,000
<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>	1,920,000	2,325,000
<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>	1,355,000	1,860,000
<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>	2,300,000	2,725,000

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE D: GENERAL LONG-TERM OBLIGATIONS (Continued)

	Balance June 30, 2016	Balance June 30, 2015
<p>\$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.</p>	1,820,000	2,015,000
<p>\$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.</p>	2,155,000	2,580,000
<p>\$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.</p>	2,695,000	3,345,000
<p>\$2,600,000 general obligation promissory notes dated September 16, 2015 to BOSC Inc, for general district remodeling and equipment. 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 2019.</p>	2,000,000	-
<p>\$2,200,000 general obligation promissory notes dated June 8, 2016 to BOSC, Inc., for the Fond du Lac student services addition - Phase II and equipment. Semi-annual interest payments ranging from 1.70% 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 2026.</p>	2,200,000	-
	\$ 22,745,000	\$ 23,310,000

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE D: GENERAL LONG-TERM OBLIGATIONS (Continued)

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

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2017	\$ 4,890,000	\$ 456,064	\$ 5,346,064
2018	4,045,000	372,067	4,417,067
2019	3,645,000	288,524	3,933,524
2020	2,600,000	210,050	2,810,050
2021	2,385,000	155,525	2,540,525
2022-2026	<u>5,180,000</u>	<u>210,458</u>	<u>5,390,458</u>
Totals	<u>\$ 22,745,000</u>	<u>\$ 1,692,688</u>	<u>\$ 24,437,688</u>

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, 2016, the District's aggregate general obligation debt and aggregate bonded indebtedness (net of resources available to fund the debts) was \$22,099,757 and \$0. The 5% and 2% limits as of June 30, 2016 were \$1,241,513,672 and \$496,605,469 respectively.

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, respectively. The 5% and 2% limits as of June 30, 2015 were \$1,217,702,035 and \$487,080,814.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE E: PENSION PLAN

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.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE E: PENSION PLAN (Continued)

Post-Retirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2006	0.8%	3.0%
2007	3.0	10.0
2008	6.6	0.0
2009	(2.1)	(42.0)
2010	(1.3)	22.0
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0

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.

The District's contributions to the pension plan were \$1,801,281 and \$1,737,530 for the years ended June 30, 2016 and 2015, respectively.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE E: PENSION PLAN (Continued)

Contributions (Continued)

Contribution rates as of June 30, 2016 and 2015 are:

<u>Employee Category</u>	<u>2016</u>		<u>2015</u>	
	<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.8%	6.8%	7.0%	7.0%
Executives & Elected Officials	7.7%	7.7%	7.75%	7.75%
Protective with Social Security	6.8%	9.5%	7.0%	10.1%
Protective without Social Security	6.8%	13.1%	7.0%	13.7%

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

At June 30, 2016 and 2015 the District reported a net pension liability of \$2,962,723 and a net pension asset of \$4,469,667, respectively, for its proportionate share of the net pension liability (asset). The WRS net pension liability (asset) was measured as of December 31, 2015, and the total pension liability (asset) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to December 31, 2015. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension liability (asset) was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2015, the District's proportion was 0.18232362% which was an increase of 0.00035420% from its proportion measured as of December 31, 2014.

For the years ended June 30, 2016 and 2015, the District recognized pension expense of \$3,584,966 and \$1,760,344, respectively.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE E: PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

At June 30, 2016, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 500,235	\$ 6,235,001
Changes in assumptions	2,072,850	-
Net differences between projected and actual earnings on pension plan investments	12,127,077	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,616	-
Employer contributions subsequent to the measurement date	<u>958,281</u>	<u>-</u>
Total	<u>\$ 15,707,059</u>	<u>\$ 6,235,001</u>

\$958,281 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a decrease in the net pension liability (asset) in the year ended June 30, 2017.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE E: PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2016	\$ 3,829,381	\$ 1,508,882
2017	3,829,381	1,508,882
2018	3,829,381	1,508,882
2019	3,193,452	1,508,882
2020	67,183	199,473

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE E: PENSION PLAN (Continued)

Actuarial Assumption

The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2014
Measurement Date of Net Pension Liability (Asset):	December 31, 2015
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.20%
Discount Rate:	7.20%
Salary Increases:	
Inflation	3.20%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.10%

* *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, 2015 is based upon a roll-forward of the liability calculated from the December 31, 2014 actuarial valuation.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE E: PENSION PLAN (Continued)

Actuarial Assumption (Continued)

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:

Retirement Funds								
Asset Allocation Targets and Expected Returns								
As of December 31, 2015								
<u>Core Fund Asset Class</u>	<u>Current Asset Allocation %</u>		<u>Destination Target Asset Allocation %</u>		<u>Long-Term Expected Nominal Rate of Return %</u>		<u>Long-Term Expected Real Rate of Return %</u>	
U.S. Equities	27	%	23	%	7.6	%	4.7	%
International Equities	24.5		22		8.5		5.6	
Fixed Income	27.5		37		4.4		1.6	
Inflation Sensitive Assets	10		20		4.2		1.4	
Real Estate	7		7		6.5		3.6	
Private Equity/Debt	7		7		9.4		6.5	
Multi-Asset	4		4		6.7		3.8	
Total Core Fund	107	%	120	%	7.4	%	4.5	%
<u>Variable Fund Asset Class</u>								
U.S. Equities	70	%	70	%	7.6	%	4.7	%
International Equities	30		30		8.5		5.6	
Total Variable Fund	100	%	100	%	7.9	%	5.0	%
New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%								
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations								

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE E: PENSION PLAN (Continued)

Single Discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. 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 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 7.2%, 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 (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
District's proportionate share of the net pension liability (asset)	\$ 20,780,599	\$ 2,962,723	\$ (10,953,355)

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

Payable to the WRS

The District reported a payable to the pension plan as of June 30, 2016 and 2015 in the amount of \$256,943 and \$70,545, respectively, for its share and the employees' share of the June 2016 and 2015 legally required contributions to the plan. This amount is included in payroll related liabilities on the Statements of Net Position.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 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).

	<u>2016</u>	<u>2015</u>
Annual required contribution	\$ 96,260	\$ 156,840
Interest on net OPEB obligation	(307,111)	(254,191)
Adjustment of annual required contribution	<u>371,855</u>	<u>307,779</u>
Annual OPEB cost	161,004	210,428
Contributions made	<u>(629,944)</u>	<u>(1,092,420)</u>
Increase in net OPEB obligation	(468,940)	(881,992)
Net OPEB obligation (asset) - beginning of year	<u>(5,118,515)</u>	<u>(4,236,523)</u>
Net OPEB obligation (asset) - end of year	<u>\$ (5,587,455)</u>	<u>\$ (5,118,515)</u>

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE F: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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:

<i>Valuation date:</i>	June 30, 2016
<i>Actuarial cost method:</i>	Projected Unit Credit
<i>Amortization method:</i>	Level Dollar, 30 year open amortization
<i>Remaining amortization period:</i>	30 years
<i>Actuarial assumptions:</i>	
Investment rate of return	6.00%
Inflation rate	3.00%
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	Percentage of ARC Contributed	Net OPEB Obligation (Asset)
June 30, 2014	\$ 344,042	387.50%	440.10%	\$ (4,236,523)
June 30, 2015	210,428	519.10%	696.50%	(5,118,515)
June 30, 2016	161,004	391.30%	654.40%	(5,587,455)

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE F: OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funded Status:

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

Actuarial accrued liability (AAL)	\$ 5,895,220
Actuarial value of plan assets	<u>6,008,268</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ (113,048)</u>
Funded ratio (Actuarial value of plan assets/AAL)	101.92%
Covered payroll	\$ 16,823,466
UAAL as a percentage of covered payroll	-0.7%

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. Total net position held in the trust at June 30, 2016 was \$6,008,268. A separate audited post-employment benefit plan report has not been prepared.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE G: RISK MANAGEMENT

Insurance Consortium

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

The claims liability of \$1,106,804 reported at June 30, 2016 is based on the requirements of Governmental Accounting Standards Board 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. Changes in the fund's claims liability amount in fiscal year 2016 was

	<u>Beginning of Fiscal Year Liability</u>	<u>Current Year Claims and Changes In Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
2015-16	-	6,601,448	5,494,644	1,106,804

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.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE G: RISK MANAGEMENT (Continued)

Districts Mutual Insurance Company (Continued)

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.

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, 2016, the District paid a total premium of \$272,633, which included no capitalization component. For 2015 total premiums were \$273,551 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.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

NOTE G: RISK MANAGEMENT (Continued)

Supplemental Insurance (Continued)

- 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.

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, 2016, 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 \$69,482 and \$69,033 for the years ended June 30, 2016 and 2015, 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 WiLS, 1360 Regent Street, Madison, WI 53715.

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, 2016.

The District has commitments for capital projects as of June 30, 2016 totaling \$1,529,292. As of June 30, 2015, the commitments for capital projects were \$760,962.

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, 2016 and 2015 was \$85,394 and \$91,288, respectively.

Moraine Park Technical College

Notes to Financial Statements For the Years Ended June 30, 2016 and 2015

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, 2016 and June 30, 2015:

	<u>2016</u>	<u>2015</u>
Salaries and wages	\$ 27,315,633	\$ 26,484,375
Fringe benefits	11,757,600	9,502,182
Travel, memberships, and subscriptions	762,533	671,448
Supplies, printing, and minor equipment	2,116,261	2,204,815
Contracted services	7,607,614	7,674,894
Rentals, repairs, and maintenance	620,943	91,288
Credit	133,086	94,635
Insurance	291,222	294,484
Utilities	841,128	889,977
Depreciation	2,887,720	2,699,872
Student aid	6,248,512	7,038,024
Other	546,108	94,294
Total operating expenses	<u>\$ 61,128,360</u>	<u>\$ 57,740,288</u>

NOTE K: SUBSEQUENT EVENTS

On September 21, 2016, the Board of Directors authorized the sale of \$3,680,000 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 October 19, 2016.

NOTE L: UPCOMING ACCOUNTING PRONOUNCEMENTS

In June 2015, the GASB issued two new standards addressing accounting and financial reporting for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. The District will, after adoption of GASB No. 75, recognize on the face of the financial statements its net OPEB liability. GASB No. 74 is effective for fiscal years beginning after June 15, 2016, whereas GASB No. 75 is effective one year later. The District is currently evaluating the impact these standards will have on the financial statements when adopted.

Moraine Park Technical College

Schedule of Funding Progress Other Post-Employment Benefits Trust

For the year ended June 30, 2016

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)
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%
2016	6,008,268	5,895,220	(113,048)	101.92%	16,823,466	-0.67%

See Notes to Required Supplementary Information.

Moraine Park Technical College

Schedule of Employer Contributions Other Post-Employment Benefits Plan

For the year ended June 30, 2016

<u>Year Ended June 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2016	629,944	96,260	654.4%

See Notes to Required Supplementary Information.

Moraine Park Technical College

Schedule of Proportionate Share of the Net Pension Liability (Asset) Wisconsin Retirement System

Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (asset)	0.1823262%	0.18196942%
Proportionate share of the net pension liability (asset)	\$2,962,723	\$(4,469,667)
Covered-employee payroll	\$26,489,426	\$24,821,863
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.20%	102.74%

* The District implemented GASB Statement Nos. 68 and 71 for the year ended June 30, 2015. Information for prior years is not available. 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.

Moraine Park Technical College

Schedule of Contributions Wisconsin Retirement System

Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$1,801,281	\$1,737,530
Contributions in relation to the contractually required contributions	\$1,801,281	\$1,737,530
Contribution deficiency (excess)	\$0	\$0
Covered-employee payroll	\$26,489,429	\$24,821,863
Contributions as a percentage of covered-employee payroll	6.60%	7.00%

* The District implemented GASB Statement Nos. 68 and 71 for the year ended June 30, 2015. Information for prior years is not available. 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.

Moraine Park Technical College

Notes to Required Supplementary Information For the Year Ended June 30, 2016

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: WISCONSIN RETIREMENT SYSTEM

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

SUPPLEMENTARY INFORMATION

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.

GENERAL FUND

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.

Moraine Park Technical College

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) - General Fund

For the year ended June 30, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
Revenues						
Local government - tax levy	\$ 9,828,187	\$ 9,828,648	\$ 9,851,595	\$ -	\$ 9,851,595	\$ 22,947
Intergovernmental revenue						
State	24,509,746	24,204,700	24,175,101	-	24,175,101	(29,599)
Federal	21,000	25,000	9,449	-	9,449	(15,551)
Tuition and fees						
Statutory program fees	7,932,380	7,484,000	7,604,171	-	7,604,171	120,171
Material fees	423,000	405,000	432,110	-	432,110	27,110
Other student fees	1,123,341	1,041,000	1,012,708	-	1,012,708	(28,292)
Institutional	3,406,177	3,352,000	3,882,105	-	3,882,105	530,105
Total revenues	47,243,831	46,340,348	46,967,239	-	46,967,239	626,891
Expenditures						
Instruction	23,875,515	23,661,796	22,141,963	(4,000)	22,137,963	1,523,833
Instructional resources	2,227,983	2,215,090	2,004,104	-	2,004,104	210,986
Student services	5,893,946	5,873,521	5,688,113	(35,469)	5,652,644	220,877
General institutional	11,753,022	11,121,797	11,107,416	(28,745)	11,078,671	43,126
Physical plant	3,550,221	3,597,675	3,264,889	234,365	3,499,254	98,421
Total expenditures	47,300,687	46,469,879	44,206,486	166,150	44,372,636	2,097,243
Excess (deficiency) of revenues over expenditures	(56,856)	(129,531)	2,760,753	(166,150)	2,594,603	2,724,134
Other Financing Uses						
Transfers out	-	(2,550,000)	(2,550,000)	-	(2,550,000)	-
Net change in fund balance	(56,856)	(2,679,531)	210,753	(166,150)	44,603	2,724,134
Fund balance at July 1, 2015	12,642,796	12,642,796	12,777,689	(134,893)	12,642,796	-
Fund balance at June 30, 2016	<u>\$ 12,585,940</u>	<u>\$ 9,963,265</u>	<u>\$ 12,988,442</u>	<u>\$ (301,043)</u>	<u>\$ 12,687,399</u>	<u>\$ 2,724,134</u>
Fund balance						
Reserved for encumbrances			\$ 301,043			
Reserved for prepaid items			1,125,292			
Unreserved fund balance						
Designated for state aid fluctuations			355,563			
Designated for subsequent year			284,580			
Designated for subsequent years			177,780			
Designated for operations			10,744,184			
			<u>\$ 12,988,442</u>			

SPECIAL REVENUE AIDABLE FUND

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.

Moraine Park Technical College

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Special Revenue Aidable Fund

For the year ended June 30, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
Revenues						
Local government - tax levy	\$ 419,445	\$ 415,193	\$ 415,193	\$ -	\$ 415,193	\$ -
Intergovernmental revenue						
State	1,224,788	1,781,299	1,672,504	-	1,672,504	(108,795)
Federal	1,804,863	1,559,095	1,617,074	-	1,617,074	57,979
Institutional	200,000	200,000	270,347	-	270,347	70,347
Total revenues	<u>3,649,096</u>	<u>3,955,587</u>	<u>3,975,118</u>	<u>-</u>	<u>3,975,118</u>	<u>19,531</u>
Expenditures						
Instruction	2,659,240	2,954,231	2,954,231	-	2,954,231	-
Student services	957,092	968,592	917,806	-	917,806	50,786
General institutional	32,764	32,764	30,804	-	30,804	1,960
Total expenditures	<u>3,649,096</u>	<u>3,955,587</u>	<u>3,902,841</u>	<u>-</u>	<u>3,902,841</u>	<u>52,746</u>
Net change in fund balance	-	-	72,277	-	72,277	72,277
Fund balance at July 1, 2015	<u>681,245</u>	<u>641,021</u>	<u>641,021</u>	<u>-</u>	<u>641,021</u>	<u>-</u>
Fund balance at June 30, 2016	<u>\$ 681,245</u>	<u>\$ 641,021</u>	<u>\$ 713,298</u>	<u>\$ -</u>	<u>\$ 713,298</u>	<u>\$ 72,277</u>
Fund balance						
Reserved for prepaid items			1,563			
Unreserved fund balance						
Designated for subsequent year			<u>711,735</u>			
			<u>\$ 713,298</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.

Moraine Park Technical College

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Special Revenue Non-Aidable Fund

For the year ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance</u>
Revenues						
Local government - tax levy	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -	\$ (15,000)
Intergovernmental revenue						
State	899,800	899,800	857,136	-	857,136	(42,664)
Federal	12,326,250	12,176,250	9,521,138	-	9,521,138	(2,655,112)
Institutional	451,000	451,000	356,519	-	356,519	(94,481)
Total revenues	<u>13,692,050</u>	<u>13,542,050</u>	<u>10,734,793</u>	<u>-</u>	<u>10,734,793</u>	<u>(2,807,257)</u>
Expenditures						
Student services	<u>13,705,800</u>	<u>13,705,800</u>	<u>10,766,826</u>	<u>-</u>	<u>10,766,826</u>	<u>2,938,974</u>
Excess (deficiency) of revenues over expenditures	(13,750)	(163,750)	(32,033)	-	(32,033)	131,717
Other Financing Sources						
Transfers in	-	150,000	150,000	-	150,000	-
Net change in fund balance	(13,750)	(13,750)	117,967	-	117,967	131,717
Fund balance at July 1, 2015	<u>10,590</u>	<u>33,590</u>	<u>33,590</u>	<u>-</u>	<u>33,590</u>	<u>-</u>
Fund balance at June 30, 2016	<u>\$ (3,160)</u>	<u>\$ 19,840</u>	<u>\$ 151,557</u>	<u>\$ -</u>	<u>\$ 151,557</u>	<u>\$ 131,717</u>
Fund balance						
Reserved for student financial assistance			<u>\$ 151,557</u>			

CAPITAL PROJECTS FUND

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.

Moraine Park Technical College

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Capital Projects Fund

For the year ended June 30, 2016

	Original Budget	Amended Budget	Actual	Adjustment to Budgetary Basis	Actual on a Budgetary Basis	Variance
Revenues						
Local government - tax levy	\$ 15,528	\$ 15,528	\$ 15,528	\$ -	\$ 15,528	\$ -
Intergovernmental revenue						
State	70,318	70,318	197,202	-	197,202	126,884
Federal	7,400	7,400	108,063	-	108,063	100,663
Institutional	35,000	35,000	75,726	-	75,726	40,726
Total revenues	<u>128,246</u>	<u>128,246</u>	<u>396,519</u>	<u>-</u>	<u>396,519</u>	<u>268,273</u>
Expenditures						
Instruction	1,502,559	1,580,877	1,584,585	(3,708)	1,580,877	-
Instructional resources	334,373	433,769	500,538	(66,769)	433,769	-
Student services	36,388	36,388	26,739	-	26,739	9,649
General institutional	1,092,992	1,092,992	1,055,605	(150,535)	905,070	187,922
Physical plant	2,422,500	2,476,907	1,487,563	989,344	2,476,907	-
Total expenditures	<u>5,388,812</u>	<u>5,620,933</u>	<u>4,655,030</u>	<u>768,332</u>	<u>5,423,362</u>	<u>197,571</u>
Excess (deficiency) of revenues over expenditures	<u>(5,260,566)</u>	<u>(5,492,687)</u>	<u>(4,258,511)</u>	<u>(768,332)</u>	<u>(5,026,843)</u>	<u>465,844</u>
Other Financing Sources						
Long-term debt issued	5,100,000	4,800,000	4,800,000	-	4,800,000	-
Transfers in	300,000	1,700,000	1,700,000	-	1,700,000	-
Total other financing sources	<u>5,400,000</u>	<u>6,500,000</u>	<u>6,500,000</u>	<u>-</u>	<u>6,500,000</u>	<u>-</u>
Net change in fund balance	139,434	1,007,313	2,241,489	(768,332)	1,473,157	465,844
Fund balance at July 1, 2015	<u>6,400,982</u>	<u>7,943,409</u>	<u>8,704,369</u>	<u>(760,960)</u>	<u>7,943,409</u>	<u>-</u>
Fund balance at June 30, 2016	<u>\$ 6,540,416</u>	<u>\$ 8,950,722</u>	<u>\$ 10,945,858</u>	<u>\$ (1,529,292)</u>	<u>\$ 9,416,566</u>	<u>\$ 465,844</u>
Fund balance						
Reserved for encumbrances			\$ 1,529,292			
Reserved for capital projects			9,416,566			
			<u>\$ 10,945,858</u>			

DEBT SERVICE FUND

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.

Moraine Park Technical College

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Debt Service Fund

For the year ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance</u>
Revenues						
Local government - tax levy	\$ 5,900,000	\$ 5,900,000	\$ 5,900,000	\$ -	\$ 5,900,000	\$ -
Institutional	5,000	5,000	85,191	-	85,191	80,191
Total revenues	<u>5,905,000</u>	<u>5,905,000</u>	<u>5,985,191</u>	<u>-</u>	<u>5,985,191</u>	<u>80,191</u>
Expenditures						
Physical plant	<u>5,942,692</u>	<u>5,942,692</u>	<u>5,932,864</u>	<u>-</u>	<u>5,932,864</u>	<u>9,828</u>
Net change in fund balance	(37,692)	(37,692)	52,327	-	52,327	90,019
Fund balance at July 1, 2015	<u>761,059</u>	<u>815,681</u>	<u>815,681</u>	<u>-</u>	<u>815,681</u>	<u>-</u>
Fund balance at June 30, 2016	<u>\$ 723,367</u>	<u>\$ 777,989</u>	<u>\$ 868,008</u>	<u>\$ -</u>	<u>\$ 868,008</u>	<u>\$ 90,019</u>
Fund balance						
Reserved for debt service			<u>\$ 868,008</u>			

ENTERPRISE FUNDS

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.

Moraine Park Technical College

Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual
(Non-GAAP Budgetary Basis) - Enterprise Fund

For the year ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance</u>
Revenues						
Auxiliary revenue	\$ 218,221	\$ 218,221	\$ 191,898	\$ -	\$ 191,898	\$ (26,323)
Expenditures						
Auxiliary services	203,201	345,659	348,803	(3,144)	345,659	-
Excess (deficiency) of revenues over expenditures	15,020	(127,438)	(156,905)	3,144	(153,761)	(26,323)
Other Financing Sources (Uses)						
Transfer in (out)	(300,000)	300,000	300,000	-	300,000	-
Change in net position	(284,980)	172,562	143,095	3,144	146,239	(26,323)
Net position at July 1, 2015	1,368,779	1,872,894	1,876,038	(3,144)	1,872,894	-
Net position at June 30, 2016	<u>\$ 1,083,799</u>	<u>\$ 2,045,456</u>	<u>\$ 2,019,133</u>	<u>\$ -</u>	<u>\$ 2,019,133</u>	<u>\$ (26,323)</u>
Net position Unrestricted			<u>\$ 2,019,133</u>			

INTERNAL SERVICE FUNDS

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.

Moraine Park Technical College

Schedule of Revenues, Expenditures and Changes in Net Position - Budget and Actual (Non-GAAP Budgetary Basis) - Internal Service Fund

For the year ended June 30, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Adjustment to Budgetary Basis</u>	<u>Actual on a Budgetary Basis</u>	<u>Variance</u>
Revenues						
Auxiliary revenue	\$ 531,000	\$ 531,000	\$ 546,318	\$ -	\$ 546,318	\$ 15,318
Expenditures						
Auxiliary services	1,117,446	1,218,448	509,992	-	509,992	708,456
Excess (deficiency) of revenues over expenditures	(586,446)	(687,448)	36,326	-	36,326	723,774
Other Financing Sources						
Transfer in	-	400,000	400,000	-	400,000	-
Net change in position	(586,446)	(287,448)	436,326	-	436,326	723,774
Net position at July 1, 2015	5,410,505	4,694,822	4,694,822	-	4,694,822	-
Net position at June 30, 2016	<u>\$ 4,824,059</u>	<u>\$ 4,407,374</u>	<u>\$ 5,131,148</u>	<u>\$ -</u>	<u>\$ 5,131,148</u>	<u>\$ 723,774</u>
Net position Unrestricted			<u>\$ 5,131,148</u>			

Moraine Park Technical College

Schedule to Reconcile Budget (Non-GAAP Budgetary Basis) Financial Statements to Basic Financial Statements

For the year ended June 30, 2016

	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
Revenues										
Local government - tax levy	\$ 9,851,595	\$ 415,193	\$ -	\$ 15,528	\$ 5,900,000	\$ -	\$ -	\$ 16,182,316	\$ -	\$ 16,182,316
Intergovernmental revenue										
State	24,175,101	1,672,504	857,136	197,202	-	-	-	26,901,943	-	26,901,943 ⁽¹⁾
Federal	9,449	1,617,074	9,521,138	108,063	-	-	-	11,255,724	-	11,255,724 ⁽²⁾
Tuition and fees										
Statutory program fees	7,604,171	-	-	-	-	-	-	7,604,171	(3,753,060)	3,851,111
Material fees	432,110	-	-	-	-	-	-	432,110	(213,269)	218,841
Other student fees	1,012,708	-	-	-	-	-	-	1,012,708	(499,825)	512,883
Institutional	3,882,105	270,347	356,519	75,726	85,191	-	-	4,669,888	(39,702)	4,630,186 ⁽³⁾
Auxiliary revenue	-	-	-	-	-	191,898	546,318	738,216	(546,318)	191,898
Total revenues	46,967,239	3,975,118	10,734,793	396,519	5,985,191	191,898	546,318	68,797,076	(5,052,174)	63,744,902
Expenditures										
Instruction	22,137,963	2,954,231	-	1,580,877	-	-	-	26,673,071	244,568	26,917,639
Instructional resources	2,004,104	-	-	433,769	-	-	-	2,437,873	(141,464)	2,296,409
Student services	5,652,644	917,806	10,766,826	26,739	-	-	-	17,364,015	(10,290,324)	7,073,692
General institutional	11,078,671	30,804	-	905,070	-	-	-	12,014,545	(577,849)	11,436,696
Physical plant	3,499,254	-	-	2,476,907	5,932,864	-	-	11,909,025	(7,445,811)	4,463,214 ⁽⁴⁾
Auxiliary services	-	-	-	-	-	345,659	509,992	855,651	(513,842)	341,809
Depreciation	-	-	-	-	-	-	-	-	2,887,720	2,887,720
Student aid	-	-	-	-	-	-	-	-	6,248,512	6,248,512
Total expenditures	44,372,636	3,902,841	10,766,826	5,423,362	5,932,864	345,659	509,992	71,254,180	(9,588,490)	61,665,691
Excess (deficiency) of revenues over expenditures	2,594,603	72,277	(32,033)	(5,026,843)	52,327	(153,761)	36,326	(2,457,104)	4,536,315	2,079,211
Other Financing Sources (Uses)										
Transfers in (out)	(2,550,000)	-	150,000	1,700,000	-	300,000	400,000	-	-	-
Long term debt issued	-	-	-	4,800,000	-	-	-	4,800,000	(4,800,000)	-
Total other financing sources (uses)	(2,550,000)	-	150,000	6,500,000	-	300,000	400,000	4,800,000	(4,800,000)	-
Net change in fund balance/net position	44,603	72,277	117,967	1,473,157	52,327	146,239	436,326	2,342,896	(263,685)	2,079,211
Fund balances/net position at July 1, 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
Fund balance/net position at June 30, 2016	\$ 12,687,399	\$ 713,298	\$ 151,557	\$ 9,416,566	\$ 868,008	\$ 2,019,133	\$ 5,131,148	\$ 30,987,109	\$ 39,865,595	\$ 70,852,704 ⁽⁵⁾

Moraine Park Technical College

Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements to Basic Financial Statements For the Year Ended June 30, 2016

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.

Moraine Park Technical College

Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements to Basic Financial Statements For the Year Ended June 30, 2016

BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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 revenues	\$ 2,611,427
Non-operating	
State operating appropriations	24,093,314
Capital contributions (state portion)	<u>197,202</u>
Total	<u>\$ 26,901,943</u>

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

Operating	\$ 11,147,661
Capital contributions (federal portion)	<u>108,063</u> *
Total	<u>\$ 11,255,724</u>

* Shown as one line item totaling \$305,265 on basic financial statements.

Moraine Park Technical College

Schedule to Reconcile Budget (Non-GAAP Budgetary) Basis Financial Statements to Basic Financial Statements For the Year Ended June 30, 2016

BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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

Contact revenue	\$ 3,532,604
Miscellaneous	966,219
Investment income earned	<u>131,363</u>
	<u>\$ 4,630,186</u>

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

Physical plant	\$ 3,925,883
Loss on disposal of capital assets	42,835
Interest Expense	<u>494,496</u>
	<u>\$ 4,463,214</u>

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

Budgetary basis fund balance / net position	\$ 30,987,109
General capital assets capitalized at cost	87,801,490
Accumulated depreciation on general capital assets	(38,191,510)
Net pension liability	(2,962,723)
Deferred outflows and inflows related to pension	9,472,058
General obligation notes payable	(22,745,000)
Other liabilities	(812,494)
Accrued interest on notes payable	(114,016)
Long-term OPEB Asset	5,587,455
Encumbrances outstanding at year end	<u>1,830,335</u>
Net position per basic financial statement	<u>\$ 70,852,704</u>

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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)

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013 (Restated)</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net investment in capital assets	\$37,862,120	\$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
Restricted for debt service	753,997	697,232	482,863	348,351	257,862	135,494	200,811	60,491	171,867	389,162
Restricted for pension benefits	-	4,469,667	-	-	-	-	-	-	-	-
Unrestricted	<u>32,236,587</u>	<u>28,743,882</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>
Total Net Position	<u>\$ 70,852,704</u>	<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>

Moraine Park Technical College District

Changes in Net Position

Last Ten Fiscal Years

	2016	2015	2014	2013 (Restated)	2012	2011	2010	2009	2008	2007
Operating Revenues										
Student program fees, net of scholarship allowances	\$ 3,851,111	\$ 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
Student material fees, net of scholarship allowances	218,841	207,385	206,951	215,970	222,027	254,516	290,024	269,795	211,695	166,770
Other student fees, net of scholarship allowances	512,883	524,063	457,543	478,855	509,948	587,976	717,727	621,989	543,994	387,013
Federal grants	11,147,661	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
State grants	2,611,428	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
Contract revenue	3,532,604	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
Auxiliary enterprise revenues	191,898	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
Miscellaneous	966,219	921,840	1,106,235	983,655	860,502	1,065,326	709,701	662,027	540,425	704,695
Total operating revenues	<u>23,032,644</u>	<u>23,958,239</u>	<u>25,939,461</u>	<u>25,911,334</u>	<u>26,749,289</u>	<u>29,160,591</u>	<u>27,253,591</u>	<u>22,141,537</u>	<u>19,440,040</u>	<u>17,643,376</u>
Operating expenses										
Instruction	26,917,639	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
Instructional resources	2,296,409	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
Student services	7,073,692	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
General institutional	11,436,696	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
Physical plant	3,925,883	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
Auxiliary enterprise services	341,809	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
Depreciation	2,887,720	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
Student aid	6,248,512	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
Total operating expenses	<u>61,128,360</u>	<u>56,627,610</u>	<u>61,305,750</u>	<u>62,064,495</u>	<u>63,625,995</u>	<u>65,072,227</u>	<u>62,210,621</u>	<u>56,512,648</u>	<u>52,577,099</u>	<u>51,504,746</u>
Operating loss	(38,095,716)	(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)
Non-operating revenues (expenses)										
Property taxes	16,182,316	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
State operating appropriations	24,093,314	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
Gain/(loss) on sale of capital assets	(42,835)	(1,373,276)	(807,207)	(241,381)	(173,901)	(593,068)	(34,205)	(142,802)	(57,888)	(3,227)
Investment income earned	131,363	112,696	84,104	88,969	83,418	94,368	112,259	241,898	610,604	777,886
Interest expense	(494,496)	(525,375)	(541,278)	(599,067)	(685,715)	(845,018)	(883,834)	(929,746)	(988,517)	(979,757)
Total non-operating revenues	<u>39,869,662</u>	<u>38,397,670</u>	<u>38,247,170</u>	<u>38,737,551</u>	<u>38,119,418</u>	<u>38,919,569</u>	<u>38,965,025</u>	<u>37,588,585</u>	<u>36,826,582</u>	<u>35,789,702</u>
Income before capital contributions	1,773,946	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
Capital Contributions										
Capital federal and state appropriations	305,265	173,467	239,309	110,520	80,002	184,630	516,596	201,020	233,349	200,878
Change in net position before special item	2,079,211	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
Cumulative effect of change in accounting principle (1)	-	8,116,811	-	(188,135)	-	-	-	-	-	-
CHANGE IN NET POSITION	\$ 2,079,211	\$ 14,018,577	\$ 3,120,190	\$ 2,506,775	\$ 1,322,714	\$ 3,192,563	\$ 4,524,591	\$ 3,418,494	\$ 3,922,872	\$ 2,129,210

(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

Equalized Value Of Taxable Property ^{(1) (2)}

For the Fiscal Years Ended June 30, 2006 to 2015

(Amounts in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Real Estate:										
Residential	\$ 21,132,759	\$ 20,696,536	\$ 20,204,798	\$ 20,715,777	\$ 21,722,217	\$ 22,144,571	\$ 22,636,229	\$ 22,626,696	\$ 21,967,110	\$ 20,712,650
Commercial	4,292,737	4,149,245	4,151,058	4,161,536	4,203,614	4,235,850	4,375,567	4,198,482	3,858,811	3,613,207
Manufacturing	1,002,271	964,161	916,713	903,593	888,322	886,503	886,379	860,230	834,029	804,391
Agricultural and Other	1,332,430	1,319,045	1,271,591	1,249,240	1,246,917	1,261,612	1,269,118	1,268,923	1,262,537	1,216,541
Undeveloped	200,209	188,606	188,586	186,358	181,012	182,829	189,436	192,994	200,164	189,719
Forest	71,087	67,542	67,697	63,585	68,958	70,938	76,674	80,638	81,817	87,951
Total Real Estate	28,031,492	27,385,135	26,800,443	27,280,088	28,311,040	28,782,302	29,433,403	29,227,964	28,204,468	26,624,459
Total Personal Property	455,392	636,710	610,082	637,151	617,015	644,507	672,637	645,917	583,133	529,169
Total Real Estate and Personal Property	\$ 28,486,884	\$ 28,021,845	\$ 27,410,525	\$ 27,917,239	\$ 28,928,055	\$ 29,426,809	\$ 30,106,040	\$ 29,873,880	\$ 28,787,601	\$ 27,153,628
Total District Equalized Valuation	\$ 24,072,618	\$ 23,002,044	\$ 22,513,821	\$ 22,821,371	\$ 23,617,194	\$ 24,060,945	\$ 24,599,146	\$ 24,401,644	\$ 23,503,677	\$ 22,118,649
Total Direct Tax Rate	\$ 0.672	\$ 0.675	\$ 1.569	\$ 1.541	\$ 1.481	\$ 1.456	\$ 1.386	\$ 1.343	\$ 1.340	\$ 1.370

- 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 Total Real Estate and Personal Property will be greater than the Total District Equalized Valuation in 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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
District direct rates										
Operational	\$ 0.42669	\$ 0.42112	\$ 1.30990	\$ 1.28490	\$ 1.24206	\$ 1.21929	\$ 1.15715	\$ 1.10184	\$ 1.09180	\$ 1.10228
Debt Service	0.24509	0.25356	0.25907	0.25572	0.23896	0.2366	0.22853	0.24093	0.24834	0.26729
Total Direct Rate	0.67178	0.67468	1.56897	1.54062	1.48102	1.45589	1.38568	1.34277	1.34014	1.36957
Calumet County										
T Brothertown	20.82	21.11	21.25	21.39	20.48	20.11	19.31	18.46	18.20	18.03
T Charlestown	20.80	21.11	21.29	21.49	20.16	19.88	19.19	18.38	18.27	18.09
T New Holstein	18.80	18.42	18.01	18.14	17.65	17.60	16.69	15.70	15.54	15.20
C New Holstein	25.89	25.60	26.51	25.82	25.11	24.78	23.95	22.62	21.80	21.90
Columbia County										
T Marcellon	18.77	18.83	20.29	19.62	19.21	18.52	17.61	15.67	15.22	14.40
T Scott	18.04	17.75	19.92	19.41	19.24	18.66	17.33	15.86	15.92	15.66
Dodge County										
T Ashippun	18.98	19.12	20.61	20.77	19.66	19.15	18.27	16.76	16.51	16.63
T Beaver Dam	15.96	16.23	17.50	17.71	17.41	18.11	16.76	16.07	15.94	16.19
T Burnett	19.05	19.34	20.95	20.08	20.01	19.94	19.02	18.04	18.07	17.71
T Calamus	18.52	18.65	19.76	20.04	20.16	20.21	18.75	17.66	17.93	18.32
T Chester	18.89	18.84	20.32	19.90	19.11	19.17	17.32	16.48	16.67	16.47
T Clyman	21.05	21.15	22.04	21.43	21.14	21.12	19.99	18.87	19.79	19.85
T Elba	19.82	20.20	21.59	20.85	20.17	19.48	18.01	17.24	17.96	17.86
T Fox Lake	20.23	19.81	21.22	20.95	20.03	20.02	18.09	17.25	17.54	17.62
T Herman	18.91	19.58	21.42	21.02	20.58	20.50	19.00	17.92	19.26	19.25
T Hubbard	19.08	18.95	20.30	19.57	19.15	18.91	18.10	17.14	17.50	17.35
T Hustisford	19.60	19.55	20.82	19.91	19.20	19.12	18.38	17.79	18.71	18.94
T Lebanon	20.01	19.84	21.45	21.30	20.49	19.84	18.62	17.83	18.03	18.01
T Leroy	20.81	20.02	21.10	21.11	21.00	20.26	18.68	18.00	19.17	19.16
T Lomira	20.03	19.45	20.10	19.20	19.74	19.23	18.07	17.33	17.32	16.75
T Lowell	21.41	21.25	22.57	22.12	22.00	22.22	21.46	19.78	20.56	20.35
T Oak Grove	20.23	20.23	21.71	20.91	20.85	20.99	20.03	18.96	19.51	19.43
T Rubicon	18.27	18.11	18.93	19.52	19.27	19.74	18.62	17.80	18.04	18.32
T Shields	18.75	19.18	20.56	20.73	20.47	19.48	18.01	17.23	16.71	16.75
T Theresa	20.83	19.40	20.53	20.14	20.51	19.90	18.53	17.46	17.83	17.52
T Trenton	17.94	18.06	19.54	19.38	18.85	19.30	17.81	17.03	17.07	17.14
T Westford	18.45	17.40	18.27	18.56	18.13	18.28	17.05	16.07	16.34	16.77
T Williamstown	15.14	14.35	15.42	15.41	15.40	14.73	13.80	13.25	13.81	13.42
V Brownsville	22.49	21.27	22.22	21.61	21.77	21.23	19.72	18.40	20.27	19.81
V Clyman	30.82	30.93	31.69	30.26	29.74	30.13	28.32	25.52	26.55	26.25

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
V Hustisford	26.91	26.80	27.42	25.33	23.77	23.35	22.61	21.69	22.48	22.50
V of Iron Ridge	21.22	21.32	23.22	21.87	21.72	21.39	20.93	19.94	19.84	19.44
V Kekoskee	17.99	17.10	18.10	18.04	17.79	17.18	16.35	15.95	15.80	15.54
V Lomira	22.97	21.63	22.47	21.95	22.81	22.01	20.43	19.08	19.11	17.73
V Lowell	28.92	29.17	28.80	27.74	27.50	25.94	26.68	23.72	25.20	25.44
V Neosho	21.12	21.35	22.29	21.61	21.11	20.61	19.86	19.39	19.54	19.53
V Reeseville	23.66	23.23	24.51	23.81	23.56	23.56	22.31	21.09	21.97	22.03
V Theresa	21.01	19.80	20.70	20.95	21.31	20.55	19.04	18.01	18.38	18.35
C Beaver Dam	24.61	25.00	25.36	25.16	24.32	24.64	22.41	21.51	21.40	22.26
C Fox Lake	26.64	26.70	28.95	29.58	28.55	26.51	24.17	23.47	24.09	24.06
C Hartford	22.91	22.69	23.67	24.51	23.81	24.51	22.99	21.78	22.16	22.93
C Horicon	26.20	26.28	28.23	25.90	26.39	25.66	24.40	23.00	23.23	23.04
C Juneau	29.27	28.83	29.93	28.96	28.72	27.68	26.20	24.84	25.83	25.52
C Mayville	26.28	24.95	25.81	25.59	24.85	24.07	22.74	21.82	21.46	21.15
C Waupun	23.75	23.78	25.59	24.41	23.40	23.63	21.68	20.81	21.30	21.28
Fond du Lac County										
T Alto	20.98	20.85	21.91	21.46	22.40	21.06	19.18	18.14	17.88	17.63
T Ashford	20.09	20.04	20.88	19.96	18.96	18.58	17.78	17.52	16.67	16.51
T Auburn	19.06	19.12	20.30	19.47	18.28	18.08	17.35	16.92	16.33	16.02
T Byron	20.14	19.69	20.37	19.93	19.48	19.08	17.63	16.38	16.48	16.76
T Calumet	19.09	18.63	19.48	18.85	18.38	18.34	17.59	16.28	15.83	15.20
T Eden	19.94	19.93	20.79	19.87	18.86	18.58	17.79	17.68	17.49	17.67
T Eldorado	19.46	19.73	21.03	21.57	19.37	20.55	20.03	18.72	18.89	18.89
T Empire	19.16	18.93	20.25	19.66	18.69	18.33	17.42	16.84	16.63	16.28
T Fond du Lac	19.99	19.75	21.02	20.70	19.97	19.95	18.50	17.66	16.78	16.49
T Forest	19.15	19.12	19.98	19.06	18.02	17.71	17.02	16.83	16.31	15.68
T Friendship	17.30	17.53	18.09	18.15	17.61	16.88	15.52	15.68	15.39	15.08
T Lamartine	20.25	20.57	21.33	21.69	20.08	20.53	19.23	18.62	18.75	19.43
T Marshfield	18.65	18.23	19.09	18.47	18.05	17.95	17.13	15.94	15.81	15.20
T Metomen	22.29	21.76	22.43	21.76	20.93	21.14	20.34	18.89	19.01	19.44
T Oakfield	21.34	21.78	22.02	22.32	21.41	20.85	19.12	19.17	19.21	20.59
T Osceola	19.32	19.36	20.14	19.22	18.21	17.90	17.02	16.87	16.01	15.50
T Ripon	24.00	23.95	24.08	23.45	23.32	22.99	21.84	20.09	19.13	19.95
T Rosendale	21.05	21.29	21.83	21.70	20.75	21.25	20.65	19.33	19.38	19.67
T Springvale	19.65	19.84	21.25	20.82	19.44	20.99	20.08	18.65	18.87	18.88
T Taycheedah	19.10	18.94	20.31	19.78	18.49	18.38	17.32	16.36	16.38	15.89
T Waupun	19.93	19.90	21.36	20.84	19.94	20.06	18.08	17.19	17.10	16.84
V Brandon	24.68	24.73	26.25	26.41	24.65	26.47	25.60	23.23	23.24	23.08
V Campbellsport	26.95	27.11	27.65	26.00	24.57	23.93	23.12	22.31	21.41	21.44

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
V of Eden	18.69	18.64	19.49	18.59	17.56	17.26	16.48	16.33	15.46	15.15
V Fairwater	23.80	24.27	26.47	26.51	25.13	24.53	21.14	20.25	20.15	18.74
V Mount Calvary	19.65	19.08	19.67	18.93	18.51	18.53	17.92	16.44	14.63	13.91
V North Fond du Lac	24.95	24.69	25.44	25.31	24.62	23.55	22.13	22.14	21.88	21.65
V Oakfield	25.59	25.80	25.99	26.45	25.33	25.75	23.53	23.55	23.30	24.49
V Rosendale	20.20	20.10	21.86	21.93	20.26	22.13	21.54	20.16	20.30	20.09
V Saint Cloud	22.53	21.97	22.88	22.21	21.63	21.52	21.34	19.24	18.72	18.13
C Fond du Lac	25.79	25.28	26.15	25.39	24.29	23.76	22.47	21.68	21.87	21.70
C Ripon	26.77	26.65	26.78	26.07	25.91	24.62	23.73	22.11	22.52	23.30
C Waupun	24.13	24.15	25.90	24.59	23.54	23.78	21.67	20.72	21.02	20.89
Green Lake County										
T Berlin	16.42	16.45	17.09	17.04	16.01	15.71	15.27	14.23	14.37	14.70
T Brooklyn	14.75	14.94	15.61	15.13	14.15	13.98	13.34	12.91	13.44	13.73
T Green Lake	17.79	18.29	19.30	19.15	17.50	16.96	15.84	15.26	15.86	15.32
T Kingston	21.07	21.77	23.89	23.70	21.95	21.32	20.00	19.23	19.69	18.51
T Mackford	20.83	21.51	23.84	23.94	22.25	21.67	20.18	19.50	20.23	19.51
T Manchester	19.97	20.44	22.72	22.69	20.97	20.36	18.84	18.21	18.71	17.62
T Marquette	19.63	20.09	22.03	21.85	20.07	19.47	18.34	17.67	17.95	16.55
T Princeton	17.97	16.87	18.33	18.05	16.26	15.64	15.29	14.99	15.00	14.70
T Saint Marie	18.99	17.85	19.44	19.20	17.51	16.91	16.53	16.22	16.14	15.84
T Seneca	18.89	18.94	19.61	19.54	18.45	18.14	17.67	16.60	16.82	16.91
V Kingston	21.79	22.48	24.36	24.36	22.73	22.03	20.59	19.69	20.15	18.87
V Marquette	20.72	21.39	23.25	23.18	21.49	20.16	19.00	18.04	18.52	17.46
C Berlin	25.96	25.85	26.21	25.97	24.58	24.31	23.80	22.73	22.45	22.72
C Green Lake	18.07	18.31	18.35	17.94	17.28	17.34	16.62	16.25	17.27	17.67
C Markesan	27.14	27.12	27.80	28.00	26.57	25.20	23.75	23.33	23.61	22.63
C Princeton	28.94	27.82	29.55	28.29	26.03	24.40	23.50	22.99	19.12	18.77
Marquette County										
T Buffalo	19.11	17.27	19.67	18.65	17.55	17.17	17.45	16.49	15.91	15.43
T Mecan	19.39	17.26	19.67	18.71	17.61	17.20	17.36	16.49	15.91	15.49
T Montello	19.09	17.20	19.59	18.57	17.59	17.21	17.40	16.44	15.87	15.30
T Neshkoro	19.60	17.62	20.30	19.24	18.11	18.23	16.63	15.75	16.01	15.70
Sheboygan County										
T Greenbush	16.47	16.44	17.91	17.26	16.46	16.23	15.15	14.39	14.71	15.01
T Russell	18.41	18.55	18.62	18.23	17.92	18.03	17.50	16.53	16.83	17.26
Washington County										
T Addison	15.57	15.70	17.63	17.34	16.70	16.65	15.89	15.42	15.27	15.43
T Barton	15.11	15.19	16.83	16.06	15.63	15.61	14.49	13.62	13.60	13.42

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									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
T Erin	14.56	14.83	16.38	15.94	15.79	16.42	15.67	14.99	14.97	14.95
T Farmington	14.40	14.48	16.36	15.59	14.64	14.81	14.25	13.60	13.65	13.17
T Hartford	15.36	15.49	17.11	17.00	16.57	16.54	15.72	14.77	14.90	15.01
T Jackson	14.89	15.10	16.78	16.56	16.12	16.24	15.16	13.98	13.74	13.72
T Kewaskum	15.40	15.60	17.50	16.89	15.97	16.08	15.51	14.70	14.72	14.37
T Polk	13.87	13.61	15.50	15.17	14.58	14.66	14.03	13.58	13.40	13.41
T Richfield (now V of Richfield)	-	-	-	-	-	-	-	-	15.26	15.34
T Trenton	14.68	14.64	16.34	15.60	15.22	15.11	13.92	12.99	12.88	12.74
T Wayne	14.43	14.56	16.27	15.69	14.71	14.85	14.33	13.56	13.71	13.45
T West Bend	14.17	14.12	15.95	15.24	14.72	14.80	13.82	13.15	13.02	12.95
V Jackson	20.65	20.80	22.42	21.30	20.56	20.16	18.71	17.57	16.84	16.55
V Kewaskum	19.86	19.80	21.70	20.97	19.57	19.58	19.02	17.89	17.95	17.49
V Newburg	20.29	20.36	21.86	19.17	19.13	18.55	17.53	16.23	16.07	15.72
V Richfield (formerly T of Richfield)	14.89	15.35	16.84	16.87	16.69	17.03	16.18	15.47	-	-
V Slinger	19.40	19.71	21.49	21.05	20.25	20.20	19.11	18.52	18.48	18.50
C Hartford	20.11	20.21	21.80	21.67	21.13	21.05	19.74	18.51	19.01	19.34
C West Bend	20.70	20.71	22.38	21.77	21.16	21.26	19.73	18.83	18.77	18.55
Waushara County										
T Aurora	19.56	19.34	19.85	19.63	18.99	18.58	18.07	16.72	16.93	17.25
T Bloomfield	18.16	18.38	19.32	18.96	17.79	17.53	17.49	15.98	16.69	16.51
T Leon	18.29	18.35	18.97	18.57	18.08	17.41	17.12	15.64	16.20	16.37
T Marion	18.52	18.67	19.20	18.55	18.09	17.01	16.93	15.26	15.78	15.80
T Poy Sippi	18.97	19.07	19.58	19.33	18.72	18.30	17.76	16.40	16.64	16.98
T Saxeville	18.57	18.70	19.29	18.90	18.35	17.85	17.47	16.15	16.68	17.01
T Warren	20.76	20.81	19.75	19.45	18.87	18.18	17.85	16.29	16.78	16.96
C Berlin	26.44	26.38	26.57	26.17	25.23	24.86	24.29	22.94	22.67	22.94
Winnebago County										
T Nekimi	18.32	18.64	18.85	18.81	18.28	18.58	17.41	16.62	16.86	16.64
T Nepeuskun	21.05	21.19	21.78	22.00	21.65	21.47	20.89	19.79	19.16	19.35
T Rushford	19.15	19.08	20.32	20.87	20.68	19.80	18.82	18.21	18.88	18.15
T Utica	20.65	20.91	21.64	21.82	21.35	20.06	18.89	18.26	17.31	17.05

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
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%	4,202,166	15,965,042	100.00%
2016	16,171,556	11,892,410	73.54%	-	11,892,410	73.54%

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, 2016			Year Ended June 30, 2007		
		2015 Equalized Valuation	Rank	Percent of MPTC Total Equalized Valuation	2006 Equalized Valuation	Rank	Percent of MPTC Total Equalized Valuation
IPD LLC	Project management, machine design	\$ 93,739,417	1	0.38%	\$ -		- %
Wal-Mart Tores	Retail	93,009,095	2	0.37%	20,587,159	8	0.09%
West Bend Mutual Insurance Co.	Insurance	63,874,400	3	0.26%	-		-
Quad Graphics Inc.	Commercial lithographic printing	58,557,508	4	0.24%	78,563,497	1	0.33%
Agnesian Healthcare	Health care	55,591,199	6	0.22%	21,638,948	7	0.09%
Mercury Marine/Brunswick	Manufacturer of marine motors, parts	52,934,239	5	0.21%	33,333,936	2	0.14%
Michels Pipeline Construction	Pipeline construction	28,652,252	7	0.12%	-		-
Cabela's Retail Inc.	Retail store	27,985,500	8	0.11%	-		-
John Mark Apartment Complexes	Apartment buildings	24,589,291	9	0.10%	25,851,091	5	0.11%
Mayville Engineering Co.	Custom stamping	24,376,643	9	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%
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	0.08%
Total		<u>\$ 523,309,544</u>		<u>2.11%</u>	<u>\$ 297,089,015</u>		<u>1.26%</u>

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>
2007	10,683	2,979	8,920	6	3,628	26,216	23,282
2008	10,391	2,908	8,638	8	3,789	25,734	22,646
2009	10,354	2,937	7,216	37	3,539	24,083	21,021
2010	10,907	2,933	6,838	723	3,883	25,284	21,605
2011	10,903	2,854	7,064	767	3,458	25,046	21,550
2012	10,105	2,705	6,193	1,017	3,149	23,169	19,975
2013	10,325	2,673	4,910	1,314	3,466	22,688	19,190
2014	9,685	2,536	5,507	1,435	3,113	22,276	19,057
2015	9,072	2,318	5,693	1,051	2,897	21,031	18,042
2016	8,656	2,196	6,171	1,289	3,227	21,539	18,553

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>
2007	2,133	642	124	1	221	3,121
2008	2,086	634	130	-	244	3,094
2009	2,240	647	108	1	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
2016	1,927	473	100	9	308	2,817

Notes:

- (1) Student enrollment represents the duplicated count of citizens enrolled in District courses. This data is from the Wisconsin Technical College System (WTCS) client report "Headcount Summary by Aid Category" (CLI572B). Previous year's numbers have been updated to reflect this state report.
- (2) Full-time equivalent data per the FTE Student Summary by Aid Category and Instructional Division (CLI570A) 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>	
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
2015-16	128.40	64.20	214.00

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 \$4.50 per credit to \$350 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 \$4.50, 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 2015-16 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
2007	337,003	\$ 23,523,243,255	\$ 19,970,000	\$ 3,490,000	\$ 389,162	\$ 23,070,838	10%	76
2008	339,161	24,944,655,971	19,225,000	3,185,000	171,867	22,238,133	9%	73
2009	341,459	25,919,263,048	20,095,000	2,860,000	60,491	22,894,509	9%	75
2010	342,967	26,124,030,330	20,580,000	2,515,000	200,811	22,894,189	9%	74
2011	343,462	25,560,469,384	22,790,000	-	-	22,790,000	9%	73
2012	341,826	25,115,841,233	22,485,000	-	111,668	22,373,332	9%	73
2013	342,235	24,291,662,323	23,295,000	-	222,883	23,072,117	9%	67
2014	342,564	23,873,304,438	23,140,000	-	361,970	22,778,030	10%	66
2015	343,812	24,354,040,697	23,310,000	-	575,146	22,734,854	9%	66
2016	345,379	24,830,273,433	22,745,000	-	645,243	22,099,757	9%	64

Notes:

(1) Source: Wisconsin Department of Administration compiled by Institutional Research Department of the District. Figures represent population estimates available from the prior calendar year end. For example, year ended June 30, 2016 population estimates are calendar year 2015 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, 2016

Name of Entity ⁽¹⁾	Net Debt Outstanding	Percent Applicable to District ⁽²⁾	Outstanding Debt Applicable to District
Calumet County	\$ 17,420,000	8.28%	\$ 1,442,376
Columbia County	42,750,000	0.10%	42,750
Dodge County	33,130,000	79.00%	26,172,700
Fond du Lac County	59,610,000	100.00%	59,610,000
Green Lake County	17,310,000	100.00%	17,310,000
Marquette County	11,424,703	2.07%	236,491
Sheboygan County	32,730,000	0.10%	32,730
Washington County	9,465,000	75.57%	7,152,701
Waushara County	3,875,000	9.29%	359,988
Winnebago County	27,993,037	0.97%	271,532
Total Cities	232,742,258	100.00%	232,742,258
Total Villages	36,211,583	100.00%	36,211,583
Total Towns	11,168,628	Varies	10,306,306
Total School Districts	227,570,736	Varies	224,024,357
Total Sanitary Districts	5,473,475	100.00%	5,473,475
Subtotal, overlapping debt			621,389,247
District Direct Debt			
General Obligation Notes			22,745,000
General Obligation Bonds			-
Subtotal, District direct debt			22,745,000
Total direct and overlapping debt			<u>\$ 644,134,247</u>

Statistical Summary

2015 Equalized Valuation - TID In	<u>\$ 24,830,273,433</u>
Direct District Indebtedness	22,745,000
Overlapping and Underlying Indebtedness	<u>621,389,247</u>
Total Direct, Overlapping and Underlying Indebtedness	<u>\$ 644,134,247</u>
Direct, Overlapping and Underlying Indebtedness as a Percentage of Equalized Value	2.59%
Population of District	345,379
Direct, Overlapping and Underlying Indebtedness - Per Capita	<u>\$ 1,865.01</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.

Moraine Park Technical College District

Legal Debt Margin Information

Last Ten Fiscal Years

Legal Debt Margin Calculations for Fiscal year 2016

2015 Equalized Valuation - TID In \$ 24,830,273,433

Total Debt

Total debt limit (5% of equalized valuation)	\$ 1,241,513,672
Debt applicable to limit:	
General obligation notes	22,745,000
General obligation bonds	-
Less: debt service funds available (GAAP Basis)	<u>645,243</u>
Total amount of debt applicable to debt limit	<u>22,099,757</u>
Legal total debt margin	<u>\$ 1,219,413,915</u>

Bonded Indebtedness

Total debt limit (2% of equalized valuation)	\$ 496,605,469
Debt applicable to limit:	
General obligation bonds	-
Less: debt service funds available for bonds (GAAP basis)	<u>-</u>
Total amount of debt applicable to debt limit	<u>-</u>
Legal total debt margin	<u>\$ 496,605,469</u>

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
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%
2016	1,241,513,672	22,099,757	1,219,413,915	1.78%

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
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	0%
2012	502,316,825	-	502,316,825	0%
2013	485,833,247	-	485,833,247	0%
2014	477,466,089	-	477,466,089	0%
2015	487,080,814	-	487,080,814	0%
2016	496,605,469	-	496,605,469	0%

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, 2006 to 2015

Dodge County						Fond du Lac County				
Year	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⁾
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	3,526,654	39,535	5.6%	8,387	102,424	4,318,062	42,159	5.0%	15,381
2015	89,595	(7)	(7)	4.5%	8,315	103,124	(7)	(7)		

Green Lake County						Washington County				
Year	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⁾
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	820,198	42,911	4.6%	3,152	133,071	6,471,214	48,630	4.6%	20,111
2015	19,174	(7)	(7)	5.4%	3,067	133,486	(7)	(7)	3.8%	20,058

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. Figures represent population estimates available from the prior calendar year end. For example, year ended June 30, 2016 population estimates are calendar year 2015 population estimates.
- (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, 2016			Year Ended June 30, 2007		
		Number of Employees	Rank	Percent of District Population	Number of Employees	Rank	Percent of District Population
Agnesian Health Care	Health care	3,278	1	0.95%	2,100	4	0.62%
Mercury Marine/Brunswick	Manufacturer of marine motors, parts	3,204	2	0.93%	3,500	2	1.04%
Quad/Graphics Inc. (Dodge and Washington)	Commercial lithographic printing	2,700	3	0.78%	4,469	1	1.33%
Wal-Mart Stores	Retail	1,793	4	0.52%	-	-	-
Alliance Laundry System	Manufacturer of commercial laundry equipment	1,521	5	0.44%	-	-	-
Wisconsin Department of Corrections	Dodge, Waupun, Fox Lake, Fond du Lac, and	1,499	6	0.43%	2,770	3	0.82%
John Deere	Manufacturer of lawn tractors	1,200	7	0.35%	1,180	5	0.35%
West Bend Mutual Insurance Co	Insurance	1,100	8	0.32%	-	-	-
Tecstar MFG Co	Manufacturer of plastic	1,050	9	0.30%	-	-	-
Fond du Lac School District	Education	1,019	10	0.30%	-	-	-
Michels Corporation	Underground utility construction	-	-	-	1,069	6/7	0.32%
G&L USA LLC	Automated machining and assembly systems	-	-	-	1,069	6/7	0.32%
Moraine Park Technical College	Education	-	-	-	1,014	8	0.30%
West Bend Joint School District No. 1	Government	-	-	-	1,000	9/10	0.30%
Serigraph Inc	Graphic art printing company	-	-	-	1,000	9/10	0.30%
Total		18,364		5.32%	19,171		5.69%

Source: RW Baird & Co.

Moraine Park Technical College District

Full Time Employees by Equal Employment Opportunity Classification

Last Ten Fiscal Years

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Administrative/Managerial										
Number of females					47	50	43	42	37	38
Percent females					30	30	30	27	25	24
Number of minorities					63.83%	60.00%	69.77%	64.29%	67.57%	63.16%
Percent minorities					3	3	1	1	1	1
					6.38%	6.00%	2.33%	2.38%	2.70%	2.63%
Faculty										
Number of females	145	149	139	141	144	144	145	142	143	140
Percent females	55.17%	53.02%	51.80%	52.48%	52.08%	51.39%	52.41%	52.80%	53.15%	50.71%
Number of minorities	6	1	1	3	4	6	6	6	6	6
Percent minorities	4.14%	0.67%	0.72%	2.13%	2.78%	4.17%	4.14%	4.23%	4.20%	4.29%
Professional/Noninstruction										
Number of females					46	39	41	38	37	41
Percent females					33	28	28	29	28	30
Number of minorities					71.74%	71.79%	68.29%	76.32%	75.68%	73.17%
Percent minorities					2	2	2	2	2	2
					4.35%	7.14%	4.88%	5.26%	5.41%	4.88%
Secretarial/Clerical										
Number of females					68	103	106	102	103	97
Percent females					65	98	96	95	98	91
Number of minorities					95.59%	95.15%	90.57%	93.18%	95.15%	93.81%
Percent minorities					1	0	0	0	1	1
					1.47%	0.00%	0.00%	0.00%	0.97%	1.03%
Technical/Para-professional										
Number of females					43	16	18	12	10	12
Percent females					38	12	14	8	7	9
Number of minorities					88.37%	75.00%	77.78%	66.66%	70.00%	75.00%
Percent minorities					0	0	0	0	0	0
					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Skilled Trades										
Number of females					1	1	1	1	0	0
Percent females					0	0	0	0	0	0
Number of minorities					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Percent minorities					0	0	0	0	0	0
					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Service/Maintenance										
Number of females					21	23	28	26	27	26
Percent females					9	9	24	13	13	13
Number of minorities					42.86%	39.13%	85.71%	50.00%	48.15%	50.00%
Percent minorities					0	0	0	0	0	0
					0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Library Technicians										
Number of females	3	3	3	3						
Percent females	100%	100%	100.00%	100.00%						
Number of minorities	1	1	1	1						
Percent minorities	33.33%	33.33%	33.33%	33.33%						
Librarians										
Number of females	3	3	3	3						
Percent females	0	0	0	0						
Number of minorities	0	0	1	1						
Percent minorities	0.00%	0.00%	33.33%	33.33%						
Student & Academic Affairs & Other Education Services										
Number of females	21	20	22	22						
Percent females	71.43%	70.00%	81.82%	77.27%						
Number of minorities	1	1	2	2						
Percent minorities	4.76%	5.00%	9.09%	9.09%						
Management										
Number of females	59	46	40	36						
Percent females	57.63%	58.70%	60.00%	63.89%						
Number of minorities	2	2	1	1						
Percent minorities	3.39%	4.35%	2.50%	2.78%						

Moraine Park Technical College District

Full Time Employees by Equal Employment Opportunity Classification (Continued)

Last Ten Fiscal Years

	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
<u>Business & Financial Operations</u>	13	12	10	13						
Number of females	11	9	7	11						
Percent females	84.62%	75.00%	70.00%	84.62%						
Number of minorities	0	0	0	0						
Percent minorities	0.00%	0.00%	0.00%	0.00%						
<u>Computer, Engineering & Science</u>	9	16	17	19						
Number of females	3	3	5	6						
Percent females	33.33%	18.75%	29.41%	31.58%						
Number of minorities	0	0	0	0						
Percent minorities	0.00%	0.00%	0.00%	0.00%						
<u>Community, Social Service, Legal, Arts, Design, Entertainment</u>	12	13	15	11						
Number of females	10	11	13	6						
Percent females	83.33%	84.62%	86.67%	54.55%						
Number of minorities	0	0	1	1						
Percent minorities	0.00%	0.00%	6.67%	9.09%						
<u>Service</u>	15	20	18	18						
Number of females	8	9	10	10						
Percent females	53.33%	45.00%	55.56%	55.56%						
Number of minorities	0	0	1	0						
Percent minorities	0.00%	0.00%	5.56%	0.00%						
<u>Sales & Related</u>	3	2	3	4						
Number of females	2	2	3	4						
Percent females	66.67%	100.00%	100.00%	100.00%						
Number of minorities	0	0	0	0						
Percent minorities	0.00%	0.00%	0.00%	0.00%						
<u>Office & Administrative Support</u>	97	92	92	101						
Number of females	91	86	88	92						
Percent females	93.81%	93.48%	95.65%	91.09%						
Number of minorities	1	2	0	0						
Percent minorities	1.03%	2.17%	0.00%	0.00%						
<u>Natural Resources, Construction & Maintenance</u>	5	6	6	5						
Number of females	0	0	0	0						
Percent females	0.00%	0.00%	0.00%	0.00%						
Number of minorities	1	0	1	0						
Percent minorities	20.00%	0.00%	16.67%	0.00%						
<u>Production, Transportation, and Material Moving</u>	1	1	1	1						
Number of females	0	0	0	0						
Percent females	0.00%	0.00%	0.00%	0.00%						
Number of minorities	0	0	0	0						
Percent minorities	0.00%	0.00%	0.00%	0.00%						
Total	386	383	369	377	370	378	382	363	357	354
Number of females	257	243	243	246	250	251	268	247	247	239
Percent females	66.58%	63.45%	65.85%	65.25%	67.57%	66.40%	70.16%	68.04%	69.19%	67.51%
Number of minorities	12	7	9	9	10	11	9	9	10	10
Percent minorities	3.11%	1.83%	2.44%	2.39%	2.70%	2.91%	2.36%	2.48%	2.80%	2.82%

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>
2007	41,514		3,121		13,301	
		2.46		(0.87)		3.35
2008	42,534		3,094		13,747	
		2.46		4.49		3.16
2009	45,851		3,233		14,182	
		7.65		12.84		(4.60)
2010	49,359		3,648		13,530	
		2.70		(3.34)		6.26
2011	50,692		3,526		14,377	
		(5.75)		(11.00)		5.91
2012	47,779		3,138		15,226	
		1.57		(3.06)		4.77
2013	48,529		3,042		15,953	
		0.86		(1.94)		2.85
2014	48,945		2,983		16,408	
		(3.09)		(6.03)		3.13
2015	47,431		2,803		16,922	
		1.78		0.50		1.27
2016	48,275		2,817		17,137	

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.

Moraine Park Technical College District

Program Graduate Follow-Up Statistics (1)

Last Ten Fiscal Years

<u>Year</u>	<u>Number of Graduates</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>
2005-06	1,106	847	549	90%	76%	59%	\$2,613
2006-07	1,163	904	532	93%	81%	56%	\$2,930
2007-08	1,172	721	405	89%	83%	55%	\$2,970
2008-09	986	644	453	83%	79%	50%	\$3,041
2009-10	1,030	742	548	94%	68%	58%	\$2,879
2010-11	1,080	781	573	89%	74%	57%	\$2,864
2011-12	1,110	895	640	88%	77%	56%	\$2,852
2012-13	1,020	657	389	92%	81%	56%	\$2,747
2013-14	1,190	766	467	95%	77%	60%	\$3,065
2014-15	983	690	452	93%	86%	50%	\$3,312

(1) Based on a survey of Moraine Park graduates conducted approximately six months after graduation; therefore, 2015-16 statistics are not available. Statistics include graduates of Moraine Park's postsecondary vocational-technical programs. This data does not reflect the activities of students who complete only portions of their program.

Moraine Park Technical College District

Square Footage of District Facilities

Last Ten Fiscal Years

Campus	Address	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Beaver Dam	700 Gould Street Beaver Dam, WI 53916-1994	69,072	69,072	69,072	69,072	61,889	61,889	60,768	53,968	53,968	49,668
Fond du Lac	235 N National Avenue Fond du Lac, WI 54936-1940	307,267	307,267	302,055	302,055	302,055	302,055	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	156,491	147,541	140,035	131,554	131,554	125,054	125,054
Jackson Regional Center (leased)	N173 W21150 Northwest Passage Way Jackson, WI 53037	9,736	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.

Moraine Park Technical College District

Insurance Coverage Summary

Fiscal Year 2015-16
(Unaudited)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage
Property Coverage	DMI	7/1/15 - 6/30/16	Covers all real and personal property, all risk; \$25,000 Deductible	
			Blanket Property Limit (Per Occurrence)	\$ 400,225,000
			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 Combined (Water, Communication including overhead transmission lines, Power including overhead transmission lines)	10,000,000
			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
				\$ 56,845

Moraine Park Technical College District

Insurance Coverage Summary (Continued)

Fiscal Year 2015-16
(Unaudited)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage					
Equipment Breakdown	DMI	7/1/15 - 6/30/16	Comprehensive coverage; \$25,000 deductible	\$ 100,000,000	\$ 2,816				
			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					
			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								
Workers' Compensation	DMI	7/1/15 - 6/30/16	Workers' Compensation - Wisconsin Benefits	Statutory	\$ 146,003				
			- Bodily injury by accident, each accident	\$ 100,000					
			- Bodily injury by disease, policy limit	500,000					
			- Bodily injury by disease, each employee	100,000					
General Liability (Includes Professional, Automobile and Educators Legal Liability)	DMI	7/1/15 - 6/30/16	Each occurrence limit	\$ 5,000,000	\$ 49,103				
			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					
			Educators Legal Liability (includes, Directors & Officers, Employment Practices, and Employee Benefits Liability)						
				DMI		7/1/15 - 6/30/16	- Per Wrongful act and aggregate limit	5,000,000	
							- Per wrongful act and aggregate deductible	100,000	
Campus Violent Acts	DMI	7/1/15 - 6/30/16	Policy Aggregate Limit	250,000	\$ 746				
			Policy Deductible	25,000					
			Equipment or Property Improvements	25,000					
Cyber Liability	DMI	7/1/15 - 6/30/16	Policy Aggregate Limit of Liability	1,000,000	\$ 17,120				
			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					

Moraine Park Technical College District

Insurance Coverage Summary (Continued)

Fiscal Year 2015-16
(Unaudited)

Type of Coverage	Insurance Company	Policy Period	Details of Coverage	Limits of Coverage					
Crime	National Union Fire Insurance Company	7/1/15 - 6/30/16	Employee Theft	\$ 750,000	\$ 2,900				
			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					
Foreign Travel Liability	ACE American Insurance Company	7/1/15 - 6/30/16	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					
			Business Travel Accident (for local Boards of Director Members)	CIGNA		7/1/15 - 6/30/16	Principal Sum	100,000	\$ 284
							- Loss of Life		
- Other Covered Losses as scheduled									
TOTAL ANNUAL PREMIUMS				\$ 279,023					

SINGLE AUDIT SECTION



Moraine Park Technical College

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2016

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Award Amount	Revenues		Expenditures
					Grantor Reimbursements	Local Share	
U.S. Department of the Interior, Bureau of Indian Affairs:							
INDIAN EMPLOYMENT ASSISTANCE	15.108						
Bureau of Indian Affairs Grants			7/1/15 - 6/30/16	\$ 7,273	\$ 7,273	\$ -	\$ 7,273
Total 15.108				<u>7,273</u>	<u>7,273</u>	<u>-</u>	<u>7,273</u>
U.S. Department of Labor:							
WIA Cluster							
WIA ADULT PROGRAM	17.258						
<i>Passed through Workforce Development Board of South Central Wisconsin</i>							
Training Navigator		15-301-2016	7/1/15 - 6/30/16	22,500	22,500	-	22,500
WIA YOUTH PROGRAM	17.259						
<i>Passed through Workforce Development Board of South Central Wisconsin</i>							
Middle College		15-594-11-2016	7/1/15 - 6/30/16	16,000	16,000	-	16,000
Training Navigator		15-301-2016-OSY	7/1/15 - 6/30/16	30,000	30,000	-	30,000
WIA DISLOCATED WORKER PROGRAM	17.278						
<i>Passed through Workforce Development Board of South Central Wisconsin</i>							
Training Navigator		15-301-2016	7/1/15 - 6/30/16	6,000	6,000	-	6,000
Total WIA Cluster			7/1/15 - 6/30/16	<u>52,000</u>	<u>74,500</u>	<u>-</u>	<u>74,500</u>
TRADE ADJUSTMENT ASSISTANCE COMMUNITY COLLEGE CAREER AND TRAINING GRANTS (TAA CCCT)							
<i>Passed through Northeast Wisconsin Technical College</i>	17.282						
TAA Welding		TC-23775-12-60-A-55	10/1/12-9/30/16	24,005	24,005	-	24,005
TAA Interface		TC-25122-13-60-A-55	10/1/13-9/30/17	421,164	331,684	-	331,684
<i>Passed through Chippewa Valley Technical College</i>							
TAA ACT for Healthcare		TC-26455-14-60-A-55	10/1/14-9/30/18	618,912	244,104	-	244,104
TAA Exceeding the Cap		TC-26455-14-60-A-55	10/1/14-9/30/18	205,871	109,801	-	109,801
Total 17.282				<u>1,269,952</u>	<u>709,594</u>	<u>-</u>	<u>709,594</u>
Total U.S. Department of Labor				1,321,952	784,094	-	784,094
U.S. Department Transportation:							
INTERAGENCY HAZARDOUS MATERIALS PUBLIC SECTOR TRAINING AND PLANNING GRANTS	20.703						
<i>Passed through Wisconsin Technical College System</i>							
Hazardous Materials Training			7/1/15 - 6/30/16	1,723	1,723	-	1,723
Total 20.703				<u>1,723</u>	<u>1,723</u>	<u>-</u>	<u>1,723</u>

Moraine Park Technical College

Schedule of Expenditures of Federal Awards (Continued)

For the year ended June 30, 2016

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Award Amount	Revenues		Expenditures
					Grantor Reimbursements	Local Share	
National Science Foundation:							
EDUCATION AND HUMAN RESOURCES	47.076						
<i>Passed through University of Wisconsin System</i>							
Manufacturing and Engineering Technology and Technician Education (METTE) Project		369K154	9/15/14 - 8/31/15	22,507	2,503	-	2,503
Total 47.076				22,507	2,503	-	2,503
U.S. Department of Education:							
ADULT EDUCATION - BASIC GRANTS TO STATES	84.002						
<i>Passed through Wisconsin Technical College System</i>							
Adult Basic Education		10-501-146-126	7/1/15 - 6/30/16	277,660	277,660	140,000	417,660
Community Connections		10-503-146-166	7/1/15 - 6/30/16	18,385	18,367	-	18,367
Institutionalized Individuals		10-510-146-116	7/1/15 - 6/30/16	40,905	40,902	13,633	54,535
<i>Passed through Wisconsin Technical College System</i>							
WTCS Joint Meeting of AA/EEO Officers and WTCS Diversity Services		10-840-124-196	7/1/15 - 6/30/16	11,500	4,166	-	4,166
Total 84.002				348,450	341,095	153,633	494,728
TRIO Cluster							
TRIO Student Support Services	84.042	P042A100735	9/1/10 - 8/31/15	36,339	36,339	-	36,339
TRIO Student Support Services		P042A100735	9/1/15 - 8/31/20	1,100,000	169,969	-	169,969
Total TRIO Cluster				1,136,339	206,308	-	206,308
CAREER AND TECHNICAL EDUCATION - BASIC GRANTS TO STATES							
<i>Passed through Wisconsin Technical College System Board</i>							
Career Prep		10-004-150-216	7/1/15 - 6/30/16	40,615	40,589	-	40,589
Strengthening Career and Technical Education Programs		10-601-150-256	7/1/15 - 6/30/16	54,166	53,147	-	53,147
Student Success		10-602-150-236	7/1/15 - 6/30/16	203,123	185,565	218,259	403,824
Increasing Enrollment & Retention of Students in Nontraditional Occupations		10-607-150-266	7/1/15 - 6/30/16	13,542	13,542	-	13,686
Total 84.048				311,446	292,843	218,259	511,246
Student Financial Aid Cluster							
FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (SEOG)	84.007						
SEOG Grants		P007A144522	7/1/15 - 6/30/16	77,593	77,593	-	77,593
Total 84.007				77,593	77,593	-	77,593
FEDERAL WORK-STUDY PROGRAM	84.033						
Federal Work Study Program		P033A144522	7/1/15 - 6/30/16	52,463	52,160	-	52,160
Total 84.033				52,463	52,160	-	52,160

Moraine Park Technical College

Schedule of Expenditures of Federal Awards (Continued)

For the year ended June 30, 2016

Assistance Program	Federal Catalog Number	Grant Number	Grant Period	Award Amount	Revenues		Expenditures
					Grantor Reimbursements	Local Share	
PELL		P063P143169	7/1/15 - 6/30/16	3,902,044	3,890,240	-	3,890,240
PELL Administration			7/1/15 - 6/30/16	-	6,610	-	6,610
Total 84.063				<u>3,902,044</u>	<u>3,896,850</u>	-	<u>3,896,850</u>
Direct Loans		P268K143169	7/1/14 - 6/30/15	6,001,911	19,540	-	19,540
Direct Loans		P268K153169	7/1/15 - 6/30/16	6,001,911	5,474,333	-	5,474,333
Total 84.268				<u>12,003,822</u>	<u>5,493,873</u>	-	<u>5,493,873</u>
Veterans Administration - Reporting Fee	N/A		7/1/15 - 6/30/16	-	1,116	-	1,116
Total Student Financial Aid Cluster				<u>16,035,922</u>	<u>9,521,592</u>	-	<u>9,521,592</u>
<i>Passed through Wisconsin Department of Children and Families</i>							
Race to the Top	84.416	CFE0449	11/1/14 - 12/31/16	<u>147,635</u>	<u>70,902</u>	-	<u>70,902</u>
Total U.S. Department of Education				<u>17,979,792</u>	<u>10,432,740</u>	<u>371,892</u>	<u>10,804,776</u>
U.S. Department of Homeland Security:							
<i>Passed through Wisconsin Technical College System Board</i>							
Self-Contained Breathing Apparatus (SCBAs) for Fire Protection Technician Program	97.044	12055153116	7/1/15 - 6/30/16	<u>27,391</u>	<u>27,391</u>	<u>4,109</u>	<u>31,500</u>
TOTAL FEDERAL AWARDS				<u>\$ 19,360,638</u>	<u>\$ 11,255,724</u>	<u>\$ 376,001</u>	<u>\$ 11,631,725</u>

See Notes to Schedule of Expenditures of Federal Awards

Moraine Park Technical College

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2016

NOTE A: SIGNIFICANT ACCOUNTING POLICES

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:

	Federal Revenue	Match	Total Expenditures
Schedule of Expenditures of Federal Awards	\$ <u>11,255,724</u>	\$ <u>376,001</u>	\$ <u>11,631,725</u>
Basic Financial Statements	\$ <u>11,255,724</u> ⁽¹⁾	\$ <u>376,001</u>	\$ <u>11,631,725</u>

The District had no subrecipients for federal revenues during the fiscal year ended June 30, 2016.

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

Operating	\$ 11,147,661
Capital contributions (federal portion)	<u>108,063</u>
	<u>\$ 11,255,724</u>

NOTE C: OVERSIGHT AGENCY

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

NOTE D: INDIRECT COST RATE

The District has not elected to charge a de minimis indirect rate of 10% of modified total direct costs on the grants.

Moraine Park Technical College

Schedule of Expenditures of State Awards

For the year ended June 30, 2016

Assistance Program	State Catalog Number	Grant Number	Grant Period	Award Amount	Revenues		Expenditures
					Grantor Reimbursements	Local Share	
Wisconsin Department of Transportation:							
Beginning Motorcycle Drivers Education	20.395(4)(aq)	M/C-10-10-665-V	4/1/15 - 11/1/15	\$ 2,500	\$ 2,500	\$ 10,170	\$ 12,670
Beginning Motorcycle Drivers Education	20.395(4)(aq)	M/C-10-10-665-V	4/1/16 - 11/1/16	10,462	-	11,484	11,484
Total 20.395(4)(aq)				12,962	2,500	21,654	24,154
Wisconsin Higher Education Aids Board:							
Wisconsin Higher Education Grant	235.102		7/1/15 - 6/30/16	767,442	767,442	-	767,442
Remission of Fees for Veterans and Dependents	235.105		7/1/15 - 6/30/16	39,181	39,181	-	39,181
Minority Undergraduate Retention Grant	235.107		7/1/15 - 6/30/16	2,895	2,895	-	2,895
Covenant Scholars	235.108		7/1/15 - 6/30/16	17,750	17,750	-	17,750
Academic Excellence Scholarship	235.109		7/1/15 - 6/30/16	3,375	3,375	3,375	6,750
Hearing & Visually Handicapped Student Grant	235.112		7/1/15 - 6/30/16	1,800	1,800	-	1,800
Talent Incentive Program	235.114		7/1/15 - 6/30/16	20,650	20,650	-	20,650
Nursing Student Loan	235.117		7/1/15 - 6/30/16	5,000	5,000	-	5,000
Technical Excellence Scholarship	235.119		7/1/15 - 6/30/16	25,874	25,874	27,001	52,875
Covenant Foundation	235.131		7/1/15 - 6/30/16	11,250	11,250	-	11,250
Indian Student Assistance Grant	235.132		7/1/15 - 6/30/16	1,100	1,100	-	1,100
Total 235.102-132				896,317	896,317	30,376	926,693
Wisconsin Technical College System:							
State Aids for Vocational, Technical and Adult Education	292.105		7/1/15 - 6/30/16	3,547,250	3,300,250	-	3,300,250
WORKFORCE ADVANCEMENT TRAINING GRANTS							
Amerequip Leadership Development	292.116	10-700-124-175	7/1/14 - 8/31/15	23,036	3,266	-	3,266
Marchant Schmidt Project Management		10-702-124-175	7/1/14 - 8/31/15	14,588	4,299	-	4,299
Supervisory Team Building Consortium		10-706-124-175	7/1/14 - 8/31/15	10,344	10,344	-	10,344
Ameriqup Welding		10-719-124-175	7/1/14 - 8/31/15	22,588	3,118	-	3,118
Advanced Manufacturing Skills Consortium		10-724-124-176	7/1/15 - 8/31/16	102,852	101,833	-	101,833
Continuous Improvement Consortium		10-725-124-176	7/1/15 - 8/31/16	80,986	50,016	-	50,016
Customer Relationship Management Consortium		10-726-124-176	7/1/15 - 8/31/16	24,826	12,046	-	12,046
Organizational Leadership Consortium		10-727-124-176	7/1/15 - 8/31/16	66,620	57,482	-	57,482
Supervision and Teambuilding Consortium		10-728-124-176	7/1/15 - 8/31/16	79,141	25,525	-	25,525
Total 292.116				424,981	267,929	-	267,929

Moraine Park Technical College

Schedule of Expenditures of State Awards (Continued)

For the year ended June 30, 2016

<u>Assistance Program</u>	<u>State Catalog Number</u>	<u>Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Grantor Reimbursements</u>	<u>Local Share</u>	<u>Expenditures</u>
Grants to District Boards - Career Pathways	292.124						
ABC Carpentry		10-210-124-116	7/1/15 - 6/30/16	18,000	18,000	-	18,000
ABC Electrical		10-211-124-116	7/1/15 - 6/30/16	4,000	4,000	-	4,000
Career Pathways: Seamless Transition		10-300-124-126	7/1/15 - 6/30/16	140,100	140,100	46,700	186,800
Career Pathway Bridges for 7 METTE Programs		10-301-124-126	7/1/15 - 6/30/16	206,155	204,619	68,206	272,825
Career Pathway Constortium		10-302-124-126	7/1/15 - 6/30/16	157,578	157,578	52,526	210,104
Addressing Employer needs for Nursing Assistant and Associate Degree Nursing		10-451-124-136	7/1/15 - 6/30/16	322,525	322,525	-	322,525
Implementation of an Innovative Community of Learners Student Support Model		10-030-124-166	7/1/15 - 6/30/16	158,644	146,601	48,867	195,468
Mobile Training Lab		10-553-124-186	7/1/15 - 6/30/16	148,000	137,621	-	137,621
Grants to District Boards - Professional Development							
Customized Employee Growth Plans		10-020-124-156	7/1/15 - 6/30/16	54,607	54,604	-	54,604
<i>Passed through Lakeshore Technical College</i>							
Advanced Manufacturing Network - NE		10-552-124-185	7/1/14 - 8/31/15	17,357	17,261	-	17,261
Advanced Manufacturing Network - NE		10-552-124-185	7/1/15 - 6/30/16	7,810	7,810	-	7,810
Total 292.124				1,234,776	1,210,719	216,299	1,427,018
Fire Fighter Training 2%	292.137		7/1/15 - 6/30/16	42,606	42,606	-	42,606
Property Tax Relief Act	292.162		7/1/15 - 6/30/16	20,713,698	20,713,698	-	20,713,698
Total Wisconsin Technical College System				25,963,311	25,535,202	216,299	25,751,501
Wisconsin Department of Natural Resources:							
Aids in Lieu of Taxes	370.503		7/1/15 - 6/30/16	24,076	24,076	-	24,076
Wisconsin Department of Workforce Development							
Wisconsin Fast Forward	445.109	BP142TC-MP					
Blueprint for Prosperity - MP1 Manufacturing: Tool & Die Technology Apprenticeship			7/11/14 - 5/31/16	193,460	70,896	-	70,896
Blueprint for Prosperity - MP2 Manufacturing Skills Academics:			7/11/14 - 12/31/16	565,563	317,662	17,817	335,479
Industrial Maintenance, General Production Assembly, Automation, Robotic Welding							
Total				759,023	388,558	17,817	406,375
Wisconsin Department of Revenue:							
State Aid - Computers	835.109		7/1/15 - 6/30/16	55,290	55,290	-	55,290
TOTAL STATE AWARDS				\$ 27,710,979	\$ 26,901,943	\$286,146	\$ 27,188,089

See Notes to Schedule of Expenditures of State Awards

Moraine Park Technical College

Notes to Schedule of Expenditures of State Awards For the Year Ended June 30, 2016

NOTE A: SIGNIFICANT ACCOUNTING POLICES

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 federal 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	\$ 26,901,943	\$ 286,146	\$ 27,188,089
Basic Financial Statements	\$ 26,901,943 ⁽¹⁾	\$ 286,146	\$ 27,188,089

The District had no subrecipients for state revenues during the fiscal year ended June 30, 2016.

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

Operating	\$ 2,611,427
Non-operating	
State operating appropriations	24,093,314
Capital contributions (state portion)	<u>197,202</u>
	<u>\$ 26,901,943</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, 2016

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 the Uniform Guidance?	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
292.105	State Aids for Technical Colleges
292.162	Property Tax Relief Aid

Audit threshold used to determine between A and Type B programs:	
Federal	\$750,000
State	\$250,000
Audit qualified as a low-risk auditee	Yes

MORAINÉ PARK TECHNICAL COLLEGE DISTRICT
 Schedule of Findings and Questioned Costs (Continued)
 For the Year Ended June 30, 2016

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

Finding Number	<i>State Single Audit Guidelines</i> 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

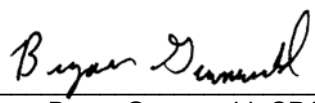
Does the auditors' report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern? No

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
- Wisconsin Department of Children and Families No

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

Name and signature of Shareholder


 Bryan Grunewald, CPA

Date of report

January 9, 2017

MORAINÉ PARK TECHNICAL COLLEGE DISTRICT
Schedule of Prior Year Audit Findings and Corrective Action Plan
For the Year Ended June 30, 2016

Status of Prior Year Audit Findings

There were no audit findings for the year ended June 30, 2015.

Corrective Action Plan for Audit Findings

None required for the year ended June 30, 2016.

**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 year ended June 30, 2016 and 2015, 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 19 dated January 9, 2017.

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.

Schenck SC

Certified Public Accountants

Sheboygan, Wisconsin
January 9, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL AND STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE 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) 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, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance 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, 2016.

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 the Uniform Guidance 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 the Uniform Guidance and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

Schenck SC

Certified Public Accountants

Sheboygan, Wisconsin
January 9, 2017



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Moraine Park Technical College does not discriminate on the basis of race, color, national origin, sex, disability or age in employment, admissions, or its programs or activities. The following person has been designated to handle inquiries regarding the College's nondiscrimination policies: Equal Opportunity Officer, Moraine Park Technical College, 235 North National Avenue, PO Box 1940, Fond du Lac, WI 54936-1940, 920-924-6355 or 920-924-3495.