



# **Southwest Wisconsin Technical College**

## **District Board Meeting**

**Annual Meeting**

**July 13, 2015**

Held at

Southwest Tech  
1800 Bronson Boulevard  
Fennimore, WI

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## **Annotated Agenda**

### **BOARD MEETING NOTICE/AGENDA**

Monday, July 13, 2015

5:30 p.m. – Annual Meeting – Room 492-493, College Connection

7:00 p.m. – Social & Dinner – Hickory Grove Country Club, Fennimore, WI

### **ANNOTATED AGENDA**

#### **OPEN MEETING**

The following statement will be read: “The July 13, 2015, annual meeting of the Southwest Wisconsin Technical College Board is called to order. This meeting is open to the public and in compliance with State Statutes. Notice of the meeting has been sent to the press and posted on campus and in the City of Fennimore in an attempt to make the general public aware of the time, place and agenda of the meeting.”

#### **A. Roll Call**

#### **B. Reports/Forums/Public Input**

#### **C. Oath of Office – recently appointed Board members**

1. Linda Erickson
2. Melissa Fitzsimons
3. Donald Tuescher

#### **CONSENT AGENDA**

#### **A. Approval of Agenda**

A copy of the agenda is included with the electronic Board material.

#### **B. Minutes of the Regular Meeting of June 25, 2015**

Minutes of the June 25, 2015, Board meeting are included with the electronic Board material.

#### **C. Financial Reports**

1. **Purchase Orders Greater than \$2,500**
2. **Treasurer’s Cash Balance**
3. **Budget Control**

Each report is available electronically with all other Board material. Caleb White, Vice President for Administrative Services, will be at the meeting and available for any questions.

#### **D. Contract Revenue**

Four contracts totaling \$1,522.00 in June 2015 will be presented for Board approval. The Contract Revenue Report is included with the electronic Board material.

#### **E. Personnel Items**

One promotion/transfer and one retirement are being presented for approval in the Personnel Report. The report is available with the electronic Board material.

**Recommendation:** Approve the consent agenda.

## **OTHER ITEMS REQUIRING BOARD ACTION**

### **A. Resolution Awarding the Sale of \$2,500,000 General Obligation Promissory Notes**

Bids received on July 13, 2015, will be available at the meeting for the sale of \$2,500,000 in General Obligation Promissory Notes. John Mehan, Managing Director of Robert W. Baird & Co. will present the bids. Caleb White will be available at the meeting for questions. The draft resolution is available electronically with all other materials. Also available with the electronic Board packet is a Preliminary Official Statement which has been issued to solicit bids on the promissory note sale. The Moody's Investors Service assignment of an Aa2 rating to the College for sale of the \$2,500,000 in General Obligation Promissory Notes is included in the electronic Board packet.

**Recommendation** – Approve the resolution authorizing the sale of \$2,500,000 in General Obligation Promissory Notes.

### **B. Three-Year Facilities Plan**

The Three-Year Facilities Plan 2015-2018 is included with all electronic Board information. This annual plan is required by the Wisconsin Technical College System to be approved by the District Board and submitted to the State Board. Dan Imhoff, Facilities Director, will present the report.

**Recommendation** – Approve the Three-Year Facilities Plan 2015-2018.

### **C. Second Reading of Revision to Governance Policy 3.3**

Policy 3.3: Compensation and Benefits is being presented for revision. This is the second and final reading of the revision to the policy. The policy is available below.

**Recommendation:** Approve the revision to Governance Policy 3.3: Compensation & Benefits.

### **D. Resolution to Assign General Fund Reserves**

This resolution is being presented to assign authority to Caleb White, Vice President for Administrative Services, to act on behalf of the Board in regards to assigning and un-assigning fund balance reserves. The resolution is included with the electronic Board packet.

**Recommendation:** Approve the resolution to assign General Fund Reserves.

### **E. Signatory Authority Policy for 2015-16**

Per Southwest Wisconsin Technical College District Board Governance Policies only designated Board Officers, the President, or the President's designees as approved by the District Board may commit the College to any official or legally binding transactions, invoices, agreements, contracts, applications, diplomas, certifications, letters, or similar documents. At the District Board's annual organizational meeting in July, the Board reviews and authorizes a policy statement defining who in the organization has the authority to sign for the College. The Signatory Authority Policy with those individuals designated to sign on behalf of the College for 2015-16 is available with all other electronic Board material.

**Recommendation** – Approve, as presented, the Signatory Authority Policy identifying those individuals designated for 2015-16 with the authority to sign official or legally binding documents.



#### **F. Designate Official Newspaper**

At the July 8, 2013, Annual Board Meeting, the District Board approved the designation of *The Dodgeville Chronicle*, Dodgeville, WI, as Southwest Tech's official newspaper for fiscal years 2014-2016.

#### **G. Designate Depository for 2015-16**

Banking service capabilities and costs were subjected to an extensive review with information solicited from local financial institutions in June 2012. Based on that review and a continued good working relationship exhibited during the last year, recommendation is to continue with First Merit Bank as the official depository.

**Recommendation** – Designate First Merit Bank, Fennimore, WI, as the official depository for 2015-16.

#### **H. Designate College Legal Counsel for 2015-16**

Letters of engagement have been received from the following legal counsels:

*General Legal Counsel* - Eileen Brownlee, Kramer & Brownlee, LLC, Fennimore, WI  
*Labor Relations* – Jon Anderson of Godfrey & Kahn, S.C., Madison, WI  
*Bond Counsel* – Allison Buchanan of Quarles & Brady LLP, Milwaukee, WI

The letters will be available at the meeting for review.

**Recommendation**: Retain Eileen Brownlee of Kramer & Brownlee, LLC, Fennimore, WI, as the General Legal Counsel; retain Jon Anderson of Godfrey & Kahn, S.C., Madison, WI, for Labor Relations; and retain Allison Buchanan of Quarles & Brady, LLP, Milwaukee, WI, as Bond Counsel.

#### **I. Election of Officers**

Election of Board officers for the 2015-16 fiscal year will be conducted at this time.  
*Governance Policy 1.6 - The officers of the Board shall be a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer.*

*1. The officers shall be elected at the annual organizational meeting of the Board on the second Monday in July. The Chair for the past year shall conduct the entire organizational meeting. Newly elected officers take office "upon adjournment" of the organizational meeting.*

### **BOARD MONITORING OF COLLEGE EFFECTIVENESS**

#### **A. Board Monitoring Schedule**

A draft copy of the proposed 2015-16 Annual Updates to the District Board and the 2015-16 Board Monitoring Schedule are available electronically with all other materials. Your suggestions for additional reports or reviews are appreciated.

#### **B. Facilities Update**

Dan Imhoff, Director of Facilities, will provide a report focusing on major activities and how they help the College achieve its eight Strategic Directions. The current Facilities project list is available with the electronic Board material.

#### **C. Staffing Update**

Krista Weber, Director of Human Resources, will provide an update on College staffing. A summary is available electronically with all other Board material.

## **INFORMATION AND CORRESPONDENCE**

### **A. Enrollment Report**

The 2014-15 and 2015-16 Comparison FTE Reports are available electronically with all other Board material.

### **B. Chairperson's Report**

1. Boards Association Committee Appointments

### **C. College President's Report**

1. Community Outreach

### **D. Other Information Items**

## **ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING**

### **A. Agenda**

1. Health, Education & Public Safety Report

### **B. Time and Place**

Thursday, August 27, 2015, at 7:00 p.m. in Rooms 492-493, College Connection, Southwest Tech Campus

## **ADJOURNMENT**

## **Open Meeting**

The following statement will be read: "The July 13, 2015, annual meeting of the Southwest Wisconsin Technical College Board is called to order. This meeting is open to the public and in compliance with State Statutes. Notice of the meeting has been sent to the press and posted on campus and in the City of Fennimore in an attempt to make the general public aware of the time, place and agenda of the meeting."

### ***A. Roll Call***

### ***B. Reports/ Forums/Public Input***

### ***C. Oath of Office – recently appointed Board members***

1. Linda Erickson
2. Melissa Fitzsimons
3. Donald Tuescher

## **Consent Agenda**

### ***A. Approval of Agenda***

## **BOARD MEETING NOTICE/AGENDA**

Monday, July 13, 2015

5:30 p.m. – Annual Meeting – Room 492-493, College Connection

7:00 p.m. – Social & Dinner – Hickory Grove Country Club, Fennimore, WI

### **OPEN MEETING**

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- A. Roll Call
- B. Reports/Forums/Public Input
- C. Oath of Office – recently appointed Board members

### **CONSENT AGENDA**

- A. Approval of Agenda
- B. Minutes of the Regular Meeting of June 25, 2015
- C. Financial Reports
  - 1. Purchase Orders Greater than \$2,500
  - 2. Treasurer’s Cash Balance
  - 3. Budget Control
- D. Contract Revenue
- E. Personnel Items

### **OTHER ITEMS REQUIRING BOARD ACTION**

- A. Resolution Awarding the Sale of \$2,500,000 General Obligation Promissory Notes
- B. Three-Year Facilities Plan
- C. Second Reading of Revision to Governance Policy 3.3
- D. Resolution to Assign General Fund Reserves
- E. Signatory Authority Policy for 2015-16
- F. Designate Official Newspaper
- G. Designate Depository for 2015-16
- H. Designate College Legal Counsel for 2015-16
- I. Election of Officers

### **BOARD MONITORING OF COLLEGE EFFECTIVENESS**

- A. Board Monitoring Schedule
- B. Facilities Update
- C. Staffing Update

### **INFORMATION AND CORRESPONDENCE**

- A. Enrollment Report
- B. Chairperson's Report
  - 1. Boards Association Committee Appointments
- C. College President's Report
- D. Other Information Items

### **ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING**

- A. Agenda
- B. Time and Place

### **ADJOURNMENT**

{Facilities at Southwest Tech are handicap accessible. For all accommodations call 608-822-2400 or 608-822-2401 to reach the Director of Facilities, or e-mail [accom@swtc.edu](mailto:accom@swtc.edu)}

## ***B. Minutes of the Regular Board Meeting of June 25, 2015***

### **MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF SOUTHWEST WISCONSIN TECHNICAL COLLEGE JUNE 25, 2015**

The Board of Southwest Wisconsin Technical College met in open session of a regular meeting commencing at 7:16 p.m. on June 25, 2015, in Rooms 492-493, College Connection, on the District Campus located at 1800 Bronson Boulevard in the City of Fennimore, Grant County, Wisconsin. The following members were present:

Melissa Fitzsimons, James Kohlenberg, Diane Messer, Darlene Mickelson, Russell Moyer, Eileen Nickels, Chris Prange, Rhonda Sutton, and Donald Tuescher

Others present for all or a portion of the meeting included Dr. Duane M. Ford, College President; College Staff: Karen Campbell, Lisa Riley, Phil Thomas, Krista Weber, and Caleb White. Public present included Layla Merrifield, Executive Director of the WTC District Boards Association; Morna Foy, WTCS President; Conor Smyth, WTCS Director of Strategic Advancement; Linda Erickson; Sheri Ford; and future College President Jason Wood.

Chairperson Nickels called the meeting to order. Proof of notice was given as to the time, place, and purpose of the meeting. The following is the official agenda:

### **BOARD MEETING NOTICE/AGENDA**

Thursday, June 25, 2015

6:00 p.m. – Light Supper

7:00 p.m. – Budget Hearing

Immediately Following Budget Hearing – Regular Board Meeting

Room 492-493 – College Connection

### **OPEN MEETING**

The following statement will be read: "The June 25, 2015, regular meeting of the Southwest Wisconsin Technical College Board is called to order. This meeting is open to the public and in compliance with State Statutes. Notice of the meeting has been sent to the press and posted on campus and in the City of Fennimore in an attempt to make the general public aware of the time, place and agenda of the meeting."

A. Roll Call

B. Reports/Forums/Public Input

1. Layla Merrifield, Executive Director for the WTC District Boards Association

### **CONSENT AGENDA**

A. Approval of Agenda

B. Minutes of the Regular Board Meeting of May 28, 2015

C. Financial Reports

1. Purchase Orders Greater than \$2,500

- 2. Treasurer's Cash Balance
- 3. Budget Control
- D. Contract Revenue
- E. Personnel Items
- F. Manpower Rental/Lease Agreement

### **OTHER ITEMS REQUIRING BOARD ACTION**

- A. 2015-16 Budget Approval
- B. Resolution Authorizing the Issuance and Not to Exceed \$2,500,000 General Obligation Promissory Notes; and Setting the Sale
- C. First Reading of Revision to Governance Policy 3.3: Compensation & Benefits
- D. 50<sup>th</sup> Anniversary Celebration

### **BOARD MONITORING OF COLLEGE EFFECTIVENESS**

- A. Employee Benefit Consortium (Health Insurance) Update
- B. Information Technology Report
- C. Staffing Update

### **INFORMATION AND CORRESPONDENCE**

- A. Enrollment Report
- B. Chairperson's Report
- C. College President's Report
- D. Other Information Items

### **ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING**

- A. Agenda
- B. Time and Place

### **ADJOURN TO CLOSED SESSION**

- A. Consideration of adjourning to closed session for the purpose of Discussing compensation items per Wis. Statutes 19.85(1)(c) Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility}.
- B. Approval of Closed Session Minutes of May 28, 2015

### **RECONVENE TO OPEN SESSION**

- A. Action, if necessary, on Closed Session Items

### **ADJOURNMENT**

{Facilities at Southwest Tech are handicap accessible. For all accommodations call 608-822-2400 or 608-822-2401 to reach the Director of Facilities, or e-mail [accom@swtc.edu](mailto:accom@swtc.edu)}

Layla Merrifield, the new Executive Director for the Wisconsin Technical College District Boards Association, addressed the Board outlining her background and thanking the Board members for eagerly participating in the District Boards Association conferences and activities.

Eileen Nickels thanked Diane Messer for her service to the District Board for the past three years. Linda Erickson was introduced as the replacement for Ms. Messer as the School District Administrator member.

After reviewing the Consent Agenda, Mr. Tuescher moved to approve the Consent Agenda including the June 25, 2015, agenda; May 28, 2015, Board minutes; financial reports; 26 contracts totaling \$67,525.41; employment recommendations of Stephen Goss-Instrumentation & Control Tech/Electromechanical Technology Instructor and Teresa Stanek-LTE Public Safety Administrative Assistant; resignations of Dennis Cooley, Executive Director of the Foundation, and Laura Nyberg-Comins, Dean of Students; and a rental/lease agreement between ManpowerGroup US and the College for lease of one on-campus office. Mr. Prange seconded the motion; motion carried.

Caleb White, Vice President for Administrative Services, presented the 2015-16 Budget. The budget had been outlined at the public hearing preceding the Board meeting. The FY16 budget was built on a decrease of 0.1 percent (\$27,000) in revenue and an estimated enrollment of 1565 FTE students. The projected tax effect on \$100,000 of property value is estimated at \$126.06. Mr. Prange moved to approve the budget as presented with an operating budget of \$23,568,000. Ms. Fitzsimons seconded the motion. Upon roll call vote with all members present voting affirmatively, the motion carried and the 2015-16 Budget was approved.

Mr. White presented a resolution authorizing the borrowing of up to \$2,500,000 in general obligation promissory notes. The \$2,500,000 included up to \$755,000 in building remodeling and improvement projects and up to \$1,745,000 for acquiring moveable equipment. Mr. Moyer moved to approve the Resolution Authorizing the Issuance and Not to Exceed \$2,500,000 General Obligation Promissory Notes; and Setting the Sale. Ms. Messer seconded the motion. The motion unanimously carried and the resolution was approved and the sale of the bonds was set for July 13, 2015.

Dr. Ford presented a revision to Governance Policy 3.3: Compensation & Benefits. A policy revision had been approved in April 2015; however, this revision clarifies the statement and includes the compensation guidelines adopted by the Board. Ms. Messer moved to approve the first reading of the revision to Governance Policy 3.3: Compensation & Benefits. Mr. Moyer seconded the motion; motion unanimously carried.

Dr. Ford outlined the intent of the 50<sup>th</sup> Anniversary Committee noting that their objectives are to reconnect with alumni and improve the College's alumni records and to launch fundraising to move the College forward for the next 50 years. The 50<sup>th</sup> Anniversary of the College is July 1, 2017, and Dr. Ford asked the Board to support the celebration of the 50<sup>th</sup> by allocating dollars to the Committee. Mr. Kohlenberg moved to approve allocating \$12,500 in fiscal years 2016 and 2017 for the 50<sup>th</sup> Anniversary of the College. Ms. Mickelson seconded the motion; motion unanimously carried.

Mr. White and Krista Weber, Director of Human Resources, provided an update on the Employee Benefit Consortium. The Consortium will go live on July 1. Ms. Weber shared that four meetings were held for staff and retirees to introduce UMR, the new third party administrator for health insurance. Information was presented on UMR and The Alliance health network at those meetings.



Lisa Riley, Continuous Improvement Coordinator / Information Technology Supervisor, presented a report on the Information Technology department. Highlights of the report included the implementation plan for Laserfiche, the Enterprise Content Management system recently purchased; website development including revisions to the program webpages to enhance search engine optimization, improving the load time of the site, and improving accessibility for ADA compliance; and data security including an off-campus back-up site has been secured at Clare Bank in Montfort.

Ms. Weber updated the Board on recent staffing noting current open positions include Midwife Clinical Coordinator, Early Childhood Education Instructor, Dental Assistant Instructor, Learning Services Assistant, Grants Coordinator, Safety Instructor, Cook, Dean of Students, Executive Director of the Foundation, and part-time lab assistant for Electrical Power Distribution. The Resident & Student Life Manager position has recently been filled with an internal transfer.

Mr. White reviewed the enrollment reports with the Board. The College should finish FY15 with approximately 1525 FTEs. The application report reflected student registration slightly behind the same time last year.

Dr. Ford presented the College President's Report including the following:

- The Entrepreneurship Committee, chaired by Paul Bell, Business Management Instructor, is designed to identify students who are interested in operating their own business.
- A Southwest Wisconsin Technical College Real Estate Foundation has recently been created. This foundation will be a subsidiary of the Foundation and is designed to protect the Foundation's endowment. A Memorandum of Understanding is being developed for the College, the Foundation, and the Real Estate Foundation.
- The WiSys Technology Foundation agreement is complete. WiSys will manage the College's Intellectual Property.

Ms. Fitzsimons moved to adjourn to Closed Session for the purpose of discussing wage and compensation items per Wis. Statutes 19.85(1)(c). Mr. Prange seconded the motion. Upon roll call vote where all members present voted affirmatively, the meeting was adjourned to Closed Session at 8:10 p.m. Upon the meeting reconvening in Open Session at 8:36 p.m., Mr. Tuescher moved to approve an increase in base wages for all regular employees who are not at or beyond the top of their wage/salary range with those for whom a 1.6% increase would take their wage/salary over the top will receive a wage/salary increase to the top of the range, but less than 1.6%. Ms. Fitzsimons seconded the motion. The motion was unanimously carried. Ms. Fitzsimons moved to accept the adjustment of the noncredit adjunct scale to include a new wage range of \$17.00 to \$30.00 per hour and remove the mileage cap for reimbursement of miles traveled. Ms. Messer seconded the motion; motion unanimously carried.

With no further business to come before the Board, Ms. Messer moved to adjourn the meeting with Mr. Kohlenberg seconding the motion. The motion carried and the meeting adjourned at 8:37 p.m.

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Darlene Mickelson, Secretary

## ***C. Financial Reports***

### ***1. Expenditures Greater Than \$2500***

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE  
OUTSTANDING PURCHASE ORDERS GREATER THAN \$2,500  
FOR THE PERIOD 06/01/2015 TO 06/30/2015**

<u>PO DATE</u>	<u>PO #</u>	<u>VENDOR NAME</u>	<u>PO AMOUNT</u>	<u>DESCRIPTION</u>
<u>GENERAL FUND</u>				
6/10/2015	6293	Houghton Mifflin Harcourt	17,800.00	MySkills Tutor Renewal
			<b>SUBTOTAL \$ 17,800.00</b>	
<u>CAPITAL FUND</u>				
		none this month		
			<b>SUBTOTAL \$ -</b>	
<u>ENTERPRISE FUND</u>				
		none this month		
			<b>SUBTOTAL \$ _____ -</b>	
			<b>TOTAL \$ 17,800.00</b>	

## 2. Treasurer's Cash Balance

### Southwest Wisconsin Technical College Report of Treasurers Cash Balance 06/30/2015

#### Liability End of Month Balances

FICA	52,208.92
Federal Withholding	48,940.70
State Withholding	39,135.53
Teachers Retirement	-
Wisconsin Retirement	-
Hospitalization	-
Dental Insurance	-
Credit Union	-
Tax Sheltered Annuity	-
Deferred Compensation	-
American Family Insurance	-
Foundation	-
PSA Dues	-
SWACTE Dues	-
Garnishment	-
Child Care	-
Accrued Vacation Payable	337,323.00
Sick Leave Payable	500,798.00
Other (Due To)	12,943,701.94
Total Liability Adjustment	13,922,108.09

Beginning Treasurers Balance (2,141,060.87)

#### Receipt

Fund	
1 General	735,645.08
2 Special Revenue	-
3 Capital Projects	(11,913.24)
4 Debt Service	-
5 Enterprise	115,924.11
6 Internal Service	299,145.26
7 Financial Aid/Activities	67,781.94
Total Receipts	1,206,583.15

Cash Available (934,477.72)

#### Expenses

Fund	
1 General	2,116,898.46
2 Special Revenue	-
3 Capital Projects	139,312.82
4 Debt Service	103,693.06
5 Enterprise	197,718.18
6 Internal Service	311,029.90
7 Financial Aid/Activities	31,845.36
Total Expenses	2,900,497.78

Treasurers Cash Balance (3,834,975.50)  
 Liability Adjustment 13,922,108.09  
 Cash in Bank \$10,087,132.59

### ***3. Budget Control***

**Southwest Wisconsin Technical College  
YTD Summary for Funds 1-7  
For 12 Months ended June 2015**

	<b><u>2014-15 Budget</u></b>	<b><u>2014-15 YTD Actual</u></b>	<b><u>2014-15 Percent</u></b>	<b><u>2013-14 Percent</u></b>	<b><u>2012-13 Percent</u></b>	<b><u>2011-12 Percent</u></b>	<b><u>2010-11 Percent</u></b>
General Fund Revenue	24,456,000.00	23,740,772.20	97.08	92.75	97.51	92.71	93.08
General Fund Expenditures	24,756,000.00	21,837,407.77	88.21	94.96	98.98	97.60	94.26
Capital Projects Fund Revenue	2,550,000.00	2,569,665.30	100.77	101.65	102.64	101.97	94.43
Capital Projects Fund Expenditures	3,324,000.00	2,483,063.67	74.70	65.25	74.04	84.93	163.37
Debt Service Fund Revenue	5,132,000.00	355,671.94	6.93	8.22	-	4.40	-
Debt Service Fund Expenditures	5,180,000.00	5,163,167.59	99.68	99.42	95.18	104.10	98.62
Enterprise Fund Revenue	1,850,000.00	1,792,413.00	96.89	85.62	105.37	82.17	115.32
Enterprise Fund Expenditure	1,600,000.00	1,481,643.84	92.60	73.16	87.90	68.82	94.17
Internal Service Fund Revenue	4,100,000.00	3,967,891.45	96.78	95.89	100.40	94.96	97.05
Internal Service Fund Expenditures	4,050,000.00	4,254,837.28	105.06	95.49	89.56	95.91	101.49
Trust & Agency Fund Revenue	8,500,000.00	7,173,479.19	84.39	92.45	97.35	91.16	112.95
Trust & Agency Fund Expenditures	8,450,000.00	7,180,380.72	84.97	92.98	97.30	91.07	113.02
Grand Total Revenue	46,588,000.00	39,599,893.08	85.00	83.60	86.79	82.78	86.96
Grand Total Expenditures	47,360,000.00	42,400,500.87	89.53	92.87	95.22	94.93	102.16

#### ***D. Contract Revenue***

Four contracts totaling \$1,522.00 in June 2015 will be presented for Board approval. The Contract Revenue Report follows.

**2015-2016 CONTRACTS**  
06/01/15 through 06/31/15

<u>Contract #</u>	<u>Service Provided</u>	<u>Contact</u>	<u>Number Served</u>	<u>Price</u>	<u>Exchange of Services</u> (Instructional Fees Waived)	<u>INDIRECT COST FACTOR</u>		
						<u>On-Campus</u>	<u>Off-Campus</u>	<u>Waiver</u>
03-2016-0046-I-41 Precious Time Preschool & Daycare	Heartsaver CPR/AED First Aid	Kris Wubben	7	\$ 401.00	No		X	
03-2016-0047-I-41 Universal Forest Products	Heartsaver CPR/AED First Aid	Kris Wubben	10	\$ 550.00	No		X	
03-2016-0048-I-42 Hollandale Fire Department	Heartsaver CPR/AED	Kris Wubben	13	\$ 552.00	No		X	
03-2016-0049-T-42 Chuck Voight	Equipment Rental	Kris Wubben	15	\$ 90.00	No		X	
03-2016-0055-I-41 Manor Care	Healthcare Provider-CPR Recertification	Kris Wubben	6	\$ 330.00	No		X	
<b>TOTAL of all Contracts</b>			<b>21</b>	<b>\$ 1,522.00</b>				
Exchange of Services			-	\$ -				
For Pay Service			21	\$ 1,522.00				

### ***E. Personnel Items***

Two employment recommendations and two resignations are being presented for approval in the Personnel Report. The report is available below.

#### **PERSONNEL REPORT JULY 13, 2015**

##### **Employment: NEW HIRE**

None	
------	--

##### **PROMOTIONS/TRANSFERS**

Stephanie Brown	Resident Life & Student Resources Coordinator
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##### **RETIREMENTS / RESIGNATIONS**

George Dulzo (Retirement 12/2015)	Criminal Justice Instructor
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**Recommendation:** Approve the Consent Agenda.

## **Other Items Requiring Board Action**

### ***A. Resolution Awarding the Sale of \$2,500,000 General Obligation Promissory Notes***

Bids received on July 13, 2015, will be available at the meeting for the sale of \$2,500,000 in General Obligation Promissory Notes. John Mehan, Managing Director of Robert W. Baird & Co. will present the bids. Caleb White will be available at the meeting for questions. The draft resolution is available below. Also available below is a Preliminary Official Statement which has been issued to solicit bids on the promissory note sale. The Moody's Investors Service assignment of an Aa2 rating to the College for sale of the \$2,500,000 in General Obligation Promissory Notes is included below.

**Recommendation** – Approve the resolution authorizing the sale of \$2,500,000 in General Obligation Promissory Notes.



**Draft Resolution**

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AWARDING THE SALE OF  
\$2,500,000 GENERAL OBLIGATION PROMISSORY NOTES

WHEREAS, the District Board of the Southwest Wisconsin Technical College District, Crawford, Grant, Iowa, Lafayette, Richland, Green, Dane, Sauk and Vernon Counties, Wisconsin (the "District") has, by a resolution adopted on June 25, 2015 (the "Authorizing Resolution"), authorized the issuance of general obligation promissory notes in an amount not to exceed \$755,000 for the public purpose of paying the cost of building remodeling and improvement projects; and in an amount not to exceed \$1,745,000 for the public purpose of paying the cost of acquiring moveable equipment (the "Project");

WHEREAS, the District caused Notices to Electors to be published in the Dodgeville Chronicle on July 2, 2015 giving notice of the adoption of the Authorizing Resolution, identifying where and when the Authorizing Resolution could be inspected, and advising electors of their right to petition for a referendum on the question of the issuance of general obligation promissory notes within thirty (30) days of publication of the Notices;

WHEREAS, no petition for referendum has been filed with the District and the time to file such a petition will expire on August 1, 2015;

WHEREAS, the District Board has found and determined that the Project is within the District's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, technical college districts are authorized by the provisions of Section 67.12(12), Wisconsin Statutes, to borrow money and issue general obligation promissory notes for such public purposes;

WHEREAS, the District has directed Robert W. Baird & Co. Incorporated ("Baird") to take the steps necessary to sell the general obligation promissory notes (the "Notes") authorized by the Authorizing Resolution to pay the cost of the Project;

WHEREAS, Baird, in consultation with the officials of the District, prepared an Official Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Notes and indicating that the Notes would be offered for public sale on July 13, 2015;

WHEREAS, the Secretary (in consultation with Baird) caused a form of notice of the sale to be published and/or announced and caused the Official Notice of Sale to be distributed to potential bidders offering the Notes for public sale on July 13, 2015;

## **Draft Resolution**

WHEREAS, the District has duly received bids for the Notes as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Official Notice of Sale and is deemed to be the most advantageous to the District. Baird has recommended that the District accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the District Board of the District that:

Section 1A. Ratification of the Official Notice of Sale and Offering Materials. The District Board of the District hereby ratifies and approves the details of the Notes set forth in Exhibit A attached hereto as and for the details of the Notes. The Official Notice of Sale and any other offering materials prepared and circulated by Baird are hereby ratified and approved in all respects. All actions taken by officers of the District and Baird in connection with the preparation and distribution of the Official Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Award of the Notes. For the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 67.12(12), Wisconsin Statutes, the principal sum of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Notes for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal is hereby accepted (subject to the condition that no valid petition for a referendum is filed by August 1, 2015 in connection with the Authorizing Resolution). The Chairperson and Secretary or other appropriate officers of the District are authorized and directed to execute an acceptance of the Proposal on behalf of the District. The good faith deposit of the Purchaser shall be retained by the District Treasurer, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Notes shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Notes. The Notes shall be designated "General Obligation Promissory Notes"; shall be issued in the aggregate principal amount of \$2,500,000; shall be dated August 5, 2015; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on June 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2016. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of

## **Draft Resolution**

principal and interest payments due on the Notes is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Notes shall not be subject to optional redemption.

Section 4. Form of the Notes. The Notes shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

### Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Notes as the same becomes due, the full faith, credit and resources of the District are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the District a direct annual irrepealable tax in the years 2015 through 2019 for the payments due in the years 2016 through 2020 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Notes remains unpaid, the District shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Notes, said tax shall be, from year to year, carried onto the tax roll of the District and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the District for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Notes when due, the requisite amounts shall be paid from other funds of the District then available, which sums shall be replaced upon the collection of the taxes herein levied.

### Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There be and there hereby is established in the treasury of the District, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the District may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for \$2,500,000 General Obligation Promissory Notes, dated August 5, 2015" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Notes is fully paid or otherwise

## **Draft Resolution**

extinguished. The Secretary shall deposit in the Debt Service Fund Account (i) all accrued interest received by the District at the time of delivery of and payment for the Notes; (ii) any premium which may be received by the District above the par value of the Notes and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Notes when due; (iv) such other sums as may be necessary at any time to pay principal of and interest on the Notes when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Notes until all such principal and interest has been paid in full and the Notes canceled; provided (i) the funds to provide for each payment of principal of and interest on the Notes prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Notes may be used to reduce the next succeeding tax levy, or may, at the option of the District, be invested by purchasing the Notes as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Notes have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the District, unless the District Board directs otherwise.

Section 7. Proceeds of the Notes; Segregated Borrowed Money Fund. The proceeds of the Notes (the "Note Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Notes into the Debt Service Fund Account created above) shall be deposited into a special fund separate and distinct from all other funds of the District and disbursed solely for the purposes for which borrowed or for the payment of the principal of and the interest on the Notes. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purposes for which the Notes have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purposes shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Code or the

## **Draft Resolution**

Regulations and an officer of the District, charged with the responsibility for issuing the Notes, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Notes to the Purchaser which will permit the conclusion that the Notes are not "arbitrage bonds," within the meaning of the Code or Regulations.

**Section 9. Compliance with Federal Tax Laws.** (a) The District represents and covenants that the projects financed by the Notes and the ownership, management and use of the projects will not cause the Notes to be "private activity bonds" within the meaning of Section 141 of the Code. The District further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Notes including, if applicable, the rebate requirements of Section 148(f) of the Code. The District further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Notes) if taking, permitting or omitting to take such action would cause any of the Notes to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Notes to be included in the gross income of the recipients thereof for federal income tax purposes. The Secretary or other officer of the District charged with the responsibility of issuing the Notes shall provide an appropriate certificate of the District certifying that the District can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The District also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Notes provided that in meeting such requirements the District will do so only to the extent consistent with the proceedings authorizing the Notes and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

**Section 10. Designation as Qualified Tax-Exempt Obligations.** The Notes are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

**Section 11. Execution of the Notes; Closing; Professional Services.** The Notes shall be issued in printed form, executed on behalf of the District by the manual or facsimile signatures of the Chairperson and Secretary, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the District of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Notes may be imprinted on the Notes in lieu of the manual signature of the officer but, unless the District has contracted with a fiscal agent to authenticate the Notes, at least one of the signatures appearing on each Note shall be a manual signature. In the event that either of the officers whose signatures appear on the Notes shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and

## **Draft Resolution**

directed to do all acts and execute and deliver the Notes and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The District hereby authorizes the officers and agents of the District to enter into, on its behalf, agreements and contracts in conjunction with the Notes, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Notes is hereby ratified and approved in all respects.

Section 12. Payment of the Notes; Fiscal Agent. The principal of and interest on the Notes shall be paid by the Secretary or Treasurer (the "Fiscal Agent").

Section 13. Persons Treated as Owners; Transfer of Notes. The District shall cause books for the registration and for the transfer of the Notes to be kept by the Fiscal Agent. The person in whose name any Note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Any Note may be transferred by the registered owner thereof by surrender of the Note at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Chairperson and Secretary shall execute and deliver in the name of the transferee or transferees a new Note or Notes of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Note surrendered for transfer.

The District shall cooperate in any such transfer, and the Chairperson and Secretary are authorized to execute any new Note or Notes necessary to effect any such transfer.

Section 14. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Notes (the "Record Date"). Payment of interest on the Notes on any interest payment date shall be made to the registered owners of the Notes as they appear on the registration book of the District at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Notes eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the District agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations previously executed on behalf of the District and on file in the Secretary's office.

Section 16. Official Statement. The District Board hereby approves the Preliminary Official Statement with respect to the Notes and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and



## **Draft Resolution**

Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the District in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate District official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The Secretary shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

**Section 17. Undertaking to Provide Continuing Disclosure.** The District hereby covenants and agrees, for the benefit of the owners of the Notes, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Notes or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the District to comply with the provisions of the Undertaking shall not be an event of default with respect to the Notes).

To the extent required under the Rule, the Chairperson and Secretary, or other officer of the District charged with the responsibility for issuing the Notes, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the District's Undertaking.

**Section 18. Record Book.** The Secretary shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Notes in the Record Book.

**Section 19. Bond Insurance.** If the Purchaser determines to obtain municipal bond insurance with respect to the Notes, the officers of the District are authorized to take all actions necessary to obtain such municipal bond insurance. The Chairperson and Secretary are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Chairperson and Secretary including provisions regarding restrictions on investment of Note proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Notes by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Note provided herein.

## **Draft Resolution**

Section 20. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the District Board or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded July 13, 2015.

\_\_\_\_\_  
Chairperson

ATTEST:

\_\_\_\_\_  
Secretary

(SEAL)



**Draft Resolution**

EXHIBIT A

Official Notice of Sale

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

**Draft Resolution**

EXHIBIT B

Bid Tabulation

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

**Draft Resolution**

EXHIBIT C

Winning Bid

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

**Draft Resolution**

EXHIBIT D-1

Pricing Summary

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

**Draft Resolution**

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Robert W. Baird & Co. Incorporated and incorporated into the Resolution.

(See Attached)

**Draft Resolution**

EXHIBIT E

(Form of Note)

UNITED STATES OF AMERICA  
STATE OF WISCONSIN  
SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT  
GENERAL OBLIGATION PROMISSORY NOTE

REGISTERED DOLLARS

NO. R-\_\_\_\_\_ \$\_\_\_\_\_

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:

June 1, \_\_\_\_\_ August 5, 2015 \_\_\_\_\_ % \_\_\_\_\_

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ THOUSAND DOLLARS (\$\_\_\_\_\_)

FOR VALUE RECEIVED, the Southwest Wisconsin Technical College District, Crawford, Grant, Iowa, Lafayette, Richland, Green, Dane, Sauk and Vernon Counties, Wisconsin (the "District"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2016 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Note are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Note is registered on the Bond Register maintained by the Secretary or Treasurer (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Note is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Note together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the District are hereby irrevocably pledged.

This Note is one of an issue of Notes aggregating the principal amount of \$2,500,000, all of which are of like tenor, except as to denomination, interest rate, and maturity date, issued by the District pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, for the public purpose of paying the cost of building remodeling and improvement projects (\$755,000); and acquiring moveable equipment (\$1,745,000), all as authorized by resolutions of the District Board duly adopted by said governing body at meetings held on June 25, 2015 and July 13, 2015. Said resolutions are recorded in the official minutes of the District Board for said dates.

This Note is not subject to optional redemption.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the District, including this Note and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Note, together with the interest thereon, when and as payable.

This Note has been designated by the District Board as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Note is transferable only upon the books of the District kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Notes, and the District appoints another depository, upon surrender of the Note to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Note in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the District for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Notes after the Record Date. The Fiscal Agent and District may treat and consider the Depository in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Notes are issuable solely as negotiable, fully-registered Notes without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the Southwest Wisconsin Technical College District, Crawford, Grant, Iowa, Lafayette, Richland, Green, Dane, Sauk and Vernon Counties, Wisconsin, by its governing body, has caused this Note to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Chairperson and Secretary; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT,  
WISCONSIN

By: \_\_\_\_\_

\_\_\_\_\_  
Chairperson

(SEAL)

By: \_\_\_\_\_

\_\_\_\_\_  
Secretary



ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

---

(Name and Address of Assignee)

---

(Social Security or other Identifying Number of Assignee)

the within Note and all rights thereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_, Legal Representative, to transfer said Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

---

(e.g. Bank, Trust Company  
or Securities Firm)

---

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

---

(Authorized Officer)

## **Preliminary Official Statement**

PRELIMINARY OFFICIAL STATEMENT DATED JULY 6, 2015

**NEW ISSUE**  
Bank Qualified

Moody's Rating Requested  
(See "RATINGS" herein)

*In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes. The Notes are designated as "qualified tax-exempt obligations". See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.*

**\$2,500,000**

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT, WISCONSIN**  
**Crawford, Dane, Grant, Green, Iowa, Lafayette, Richland, Sauk and Vernon Counties**  
**General Obligation Promissory Notes**

Dated: August 5, 2015

Due: June 1, 2016-2020

The \$2,500,000 General Obligation Promissory Notes (the "Notes") will be dated August 5, 2015, will be in the denomination of \$5,000 each or any multiple thereof, and will mature serially on June 1 of the years 2016 through 2020. Interest on the Notes shall be payable commencing on June 1, 2016 and semi-annually thereafter on December 1 and June 1 of each year.

**MATURITY SCHEDULE**

				CUSIP <sup>(1)</sup>
	(June 1)	Amount	Rate	Yield
				Base
				84533P
	2016	\$500,000		
	2017	500,000		
	2018	500,000		
	2019	500,000		
	2020	500,000		

The Notes are being issued pursuant to Section 67.12(12) of the Wisconsin Statutes. The Notes will be general obligations of the Southwest Wisconsin Technical College District (the "District" or "Issuer") for which its full faith and credit and taxing powers are pledged which taxes may, under current law, be levied without limitation as to rate or amount. The proceeds of the Notes will be used for the public purposes of paying the cost of building remodeling and improvement projects (\$755,000) and acquiring moveable equipment (\$1,745,000).

The Notes shall not be subject to call and prior redemption. (See "REDEMPTION PROVISIONS" herein).

The Financial Advisor to the District is: **BAIRD**

The Notes will be issued only as fully registered Notes and will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as the securities depository of the Notes. Individual purchases will be made in book-entry form only in denominations of \$5,000 principal amount or any integral multiple thereof. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. (See "BOOK-ENTRY-ONLY SYSTEM.")

*The District's Notes are offered when, as and if issued subject to the approval of legality by Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel. The settlement date for this issue is on or about August 5, 2015.*

**SALE DATE: JULY 13, 2015**

**SALE TIME: 9:30 A.M. (CT)**

<sup>(1)</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright(c) 2015 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for services provided by CGS. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT, WISCONSIN**  
**Crawford, Dane, Grant, Green, Iowa, Lafayette, Richland, Sauk and Vernon Counties**

**DISTRICT BOARD <sup>(1)</sup>**

Eileen Nickels, Chairperson  
James D. Kohlenberg, Vice Chairperson  
Darlene Mickelson, Secretary  
Chris Prange, Treasurer  
Linda Erickson, Member  
Melissa J. Fitzsimons, Member  
Russell R. Moyer, Member  
Rhonda L. Sutton, Member  
Donald L. Tiescher, Member

**ADMINISTRATION**

Dr. Jason Wood, President  
Caleb White, Vice President for Administrative Services  
Dr. Phil Thomas, Vice President for Student & Academic Affairs  
Krista Weber, Director of Human Resources

**ATTORNEY FOR DISTRICT**

Eileen A. Brownlee  
Kramer & Brownlee, LLC  
Fennimore, Wisconsin

**PROFESSIONAL SERVICES**

**Financial Advisor:** Robert W. Baird & Co., Milwaukee, Wisconsin  
**Bond Counsel:** Quarles & Brady LLP, Milwaukee, Wisconsin  
**Paying Agent Contact:** District Officials, Southwest Wisconsin Technical College District, Wisconsin <sup>(2)</sup>

<sup>(1)</sup> The new board will be seated and new officers elected on July 13, 2015.

<sup>(2)</sup> Mr. Caleb White is the contact person for paying agent matters.

## REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement is being distributed in connection with the sale of the Notes referred to in this Official Statement and may not be used, in whole or in part, for any other purpose. No dealer, broker, salesman or other person is authorized to make any representations concerning the Notes other than those contained in this Official Statement, and if given or made, such other information or representations may not be relied upon as statements of the Southwest Wisconsin Technical College District, Wisconsin (the "District"). This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful to make such an offer, solicitation or sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or amended by the District, from time to time (collectively, the "Official Statement"), may be treated as a final Official Statement with respect to the Notes described herein that is deemed final by the District as of the date hereof (or of any such supplement or amendment).

Unless otherwise indicated, the District is the source of the information contained in this Official Statement. Certain information in this Official Statement has been obtained by the District or on its behalf from The Depository Trust Company and other non-District sources that the District believes to be reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information. Nothing contained in this Official Statement is a promise of or representation by Robert W. Baird & Co. Incorporated (the "Financial Advisor"). The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed and the Underwriter will review the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor and the Underwriter do not guarantee the accuracy or completeness of such information. The information and opinions expressed in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made under this Official Statement shall, under any circumstances, create any implication that there has been no change in the financial condition or operations of the District or other information in this Official Statement, since the date of this Official Statement.

This Official Statement contains statements that are "forward-looking statements" as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. When used in this Official Statement, the words "estimate," "intend," "project" or "projection," "expect" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are subject to risks and uncertainties, some of which are discussed herein, that could cause actual results to differ materially from those contemplated in such forward-looking statements. Investors and prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Official Statement.

This Official Statement should be considered in its entirety. No one factor should be considered more or less important than any other by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity shall have passed upon the accuracy or adequacy of this Official Statement.

**IN CONNECTION WITH THE OFFERING OF THE NOTES, THE UNDERWRITER MAY OR MAY NOT OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE NOTES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE NOTES ARE RELEASED FOR SALE AND THE NOTES MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL THE NOTES INTO INVESTMENT ACCOUNTS.**



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### SUMMARY

<b>District:</b>	Southwest Wisconsin Technical College District, Wisconsin, Crawford, Dane, Grant, Green, Iowa, Lafayette, Richland, Sauk and Vernon Counties.
<b>Issue:</b>	\$2,500,000 General Obligation Promissory Notes.
<b>Dated Date:</b>	August 5, 2015.
<b>Interest Due:</b>	Commencing June 1, 2016 and on each December 1 and June 1 thereafter. Interest on the Notes will be computed on the basis of a 30-day month and a 360-day year.
<b>Principal Due:</b>	The Notes will be due June 1 of the years 2016 through 2020.
<b>Redemption Provision:</b>	The Notes shall not be subject to call and prior redemption. (See "REDEMPTION PROVISIONS" herein).
<b>Security:</b>	The full faith, credit and resources of the District are pledged to the payment of the principal of and the interest on the Notes as the same become due and, for said purposes, there are levied on all the taxable property in the District, direct, annual irrepealable taxes in each year and in such amounts which will be sufficient to meet such principal and interest payments when due. Under current law, such taxes may be levied without limitation as to rate or amount.
<b>Purpose:</b>	The proceeds of the Notes will be used for the public purposes of paying the cost of building remodeling and improvement projects (\$755,000) and acquiring moveable equipment (\$1,745,000).
<b>Tax Status:</b>	Interest on the Notes is excludable from gross income for federal income tax purposes. (See "TAX EXEMPTION" herein.)
<b>Credit Ratings:</b>	The District has requested that a rating be assigned to this issue by Moody's Investors Service, Inc. (See "RATINGS" herein.)
<b>Bank Qualification:</b>	The Notes shall be designated as "qualified tax-exempt obligations."
<b>Bond Years:</b>	7,055.56 years.
<b>Average Life:</b>	2.822 years.
<b>Record Date:</b>	The 15th day of the calendar month next preceding each interest payment date.

*Information set forth on this page is qualified by the entire Official Statement. A full review of the Official Statement should be made by potential investors.*

## INTRODUCTORY STATEMENT

This Official Statement presents certain information relating to the Southwest Wisconsin Technical College District, Wisconsin (the "District" or "SWTC" and the "State" respectively) in connection with the sale of the District's \$2,500,000 General Obligation Promissory Notes (the "Notes"). The Notes are issued pursuant to the Constitution and laws of the State and the resolutions ("Resolutions") adopted by the Board (the "Board") and other proceedings and determinations related thereto.

The Award Resolution (defined herein) will provide that the District will establish a separate debt service fund with respect to payment of principal and interest on the Notes. In practice, the District will maintain a separate account in its debt service fund for each issue. This is in accordance with the traditional interpretation by the District of its obligation under prior note and bond resolutions respecting the maintenance of separate funds.

All summaries of statutes, documents and Resolutions contained in this Official Statement are subject to all the provisions of, and are qualified in their entirety by reference to such statutes, documents and Resolutions, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Resolutions. Copies of the Resolutions may be obtained from the Financial Advisor upon request.

## REDEMPTION PROVISIONS

### Optional Redemption

The Notes shall not be subject to call and prior redemption.

## ESTIMATED SOURCES AND USES\*

### Sources of Funds

Par Amount of Notes	\$2,500,000
Total Sources	<u>\$2,500,000</u>

### Uses of Funds

Deposit to Project Construction Fund	\$2,500,000
Total Uses	<u>\$2,500,000</u>

*\*Preliminary, subject to change.*

## CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS

The Constitution and laws of the State limit the power of the District (and other municipalities of the State) to issue obligations and to contract indebtedness. Such constitutional and legislative limitations include the following, in summary form and as generally applicable to the District.

### Purpose

The District may not borrow money or issue notes or bonds therefor for any purpose except those specified by statute, which include among others the purposes for which the Notes are being issued.

### General Obligation Bonds

The principal amount of every sum borrowed by the District and secured by an issue of bonds may be payable at one time in a single payment or at several times in two or more installments; however, no installment may be made payable later than the termination of twenty years immediately following the date of the bonds. The District Board is required to levy a direct, annual, irrevocable tax sufficient in amount to pay the interest on such bonds as it falls due and also to pay and discharge the principal thereof at maturity. Bonds issued by the District to refinance or refund outstanding notes or bonds issued by the District may be payable no later than twenty years following the original date of such outstanding notes or bonds.



### **Promissory Notes**

In addition to being authorized to issue bonds, the District is authorized to borrow money using notes for any public purpose. To evidence such indebtedness, the District must issue to the lender its promissory notes (with interest) payable within a period not exceeding ten years following the date of said notes. Such notes constitute a general obligation of the District. Notes may be issued to refinance or refund outstanding notes. However, such notes may be payable not later than twenty years following the original date of such outstanding notes.

### **Temporary Borrowing**

The District Board may, on its own motion, borrow money in such sums as may be needed to meet the immediate expenses of maintaining the schools in the District during the current fiscal year. No such loan or loans shall be made to extend beyond November 1 of the next fiscal year nor in any amount exceeding one-half of the estimated receipts for the operation and maintenance of the District's schools for the current fiscal year in which the loan is made.

### **Debt Limit**

Wisconsin Statutes limit the aggregate amount of District indebtedness to an amount not to exceed five percent (5%) of the value of taxable property located in the District. The maximum bonded indebtedness of the District for purchasing school sites and constructing and equipping buildings may not exceed two percent (2%) of the value of the taxable property within the District. For information with respect to the District's percent of legal debt incurred, see the caption "INDEBTEDNESS OF THE DISTRICT -- Debt Limit" herein.

## **THE RESOLUTIONS**

The following are summaries of certain provisions of the Resolutions adopted by the District pursuant to the procedures prescribed by Wisconsin Statutes. Reference is made to the Resolutions for a complete recital of their terms.

### **Authorizing Resolution**

By way of a resolution adopted on June 25, 2015 (the "Authorizing Resolution"), the District authorized the issuance of general obligation promissory notes in an amount not to exceed \$2,500,000 for the public purposes of paying the cost of building remodeling and improvement projects (\$755,000) and acquiring moveable equipment (\$1,745,000).

As required by Wisconsin Statute, notice of the adoption of the Authorizing Resolution for the Notes was published in the official newspaper of the District on July 2, 2015. The Authorizing Resolution is subject to referendum if, within 30 days after publication of the notice of adoption of the resolution, a sufficient petition requesting a referendum is filed by the electors of the District. The petition period for the Authorizing Resolution for the Notes will expire on August 1, 2015. Award of the Notes is subject to the expiration of the petition period without the filing of a sufficient petition for a referendum with respect to the issuance of Notes to finance the building remodeling and improvement projects or acquisition of moveable equipment.

### **Award Resolution**

By way of the resolution to be adopted on July 13, 2015 (the "Award Resolution"), the District Board will accept the bid (or reject all bids) of the Underwriter (defined herein) for the purchase of the Notes, in accordance with bid specifications, subject to the condition that no sufficient petition for referendum is filed by the expiration of the petition period, provide the details and form of the Notes, and set out certain covenants with respect thereto. The Award Resolution pledges the full faith, credit and resources of the District to payments of the principal of and interest on the Notes. Pursuant to the Award Resolution, the amount of direct, annual, irrevocable taxes levied for collection in the years 2016 through 2020 which will be sufficient to meet the principal and interest payments on the Notes when due will be specified (or monies to pay such debt service will otherwise be appropriated). The Award Resolution establishes separate and distinct from all other funds of the District a debt service fund with respect to payment of principal of and interest on the Notes.

## DISTRICT MAP



*Southwest Wisconsin Technical College*

## THE DISTRICT

The Board is comprised of nine members (two employer members, two employee members, three additional members, one elected official member and one school district administrator). The Board is appointed by the K-12 School Board Chairpersons within the District and is confirmed by the Wisconsin Technical College System Board. The members are appointed for staggered three-year terms and elect a Chairperson, Vice Chairperson, Secretary and Treasurer for a one-year term.

The present members of the Board and the expiration of their respective terms of office are as follows:

Board Members <sup>(1)</sup>	Employer and Position	Expiration of Term
Eileen Nickels, Chairperson	Retired	June, 2017
James D. Kohlenberg, Vice Chairperson	Jim's Building Center, Inc., President	June, 2016
Darlene Mickelson, Secretary	Grant County Economic Development Corporation, Executive Assistant	June, 2016
Chris Prange, Treasurer	American Bank & Trust, President & CEO	June, 2017
Melissa J. Fitzsimons, Member	Dean Clinic, Registered Nurse	June, 2018
Linda Erickson, Member	Iowa-Grant School District, District Administrator	June, 2018
Russell R. Moyer, Member	Moyer Dairy, Owner	June, 2017
Rhonda L. Sutton, Member	Richland Memorial Hospital, HR Director	June, 2016
Donald L. Tuescher, Member	Tuescher Electric & Refrigeration, President	June, 2018

<sup>(1)</sup> The new board will be seated and new officers elected on July 13, 2015.

Source: The District.

### **Administration**

The District Board is empowered to employ a President to conduct the District's day-to-day operations. Dr. Jason Wood became the President effective July 1, 2015. Dr. Wood previously served as the Executive Vice President for Student & Academic Services at Central Wyoming College in Riverton, WY for 3 years. The other Administrative team members are listed below:

Name	Title	Years of Service
Caleb White	Vice President for Administrative Services	11
Dr. Phil Thomas	Vice President for Student & Academic Affairs	3*
Krista Weber	Director of Human Resources	5 months*

\*Dr. Thomas was previously employed by Southeastern Community College as Vice President for Teaching & Learning. Ms. Weber was previously employed by Dupaco Community Credit Union as Director of Human Resources.

Source: The District.

### **Enrollments**

<u>Enrollment Year</u>	<u>FTE Total</u>
2010-11	1,767
2011-12	1,644
2012-13	1,638
2013-14	1,654
2014-15	1,525
2015-16*	1,565
2016-17*	1,600
2017-18*	1,650
2018-19*	1,700
2019-20*	1,700

*\* Projected enrollments are based on expanded programming.*

*Source: The District.*

### **Employment Relations**

<u>Department</u>	<u>Number of Employees*</u>
Instructional	141
Instructional Resources	3
Student Services	25
General Institutional	28
Physical Plant	15
Auxiliary Services	5
TOTAL	217

*\* Does not include 43 regular part-time positions or approximately 245 part-time outreach positions.*

*Source: The District.*

The District currently has no organized labor groups.

The District considers its relationship with its employees to be excellent.

All eligible District personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the District is prohibited from bargaining collectively with municipal employees with respect to any factor or condition of employment except total base wages. Even then, the District is limited to increasing the base wages only by any increase in the previous year's consumer price index (unless the District were to seek approval for a higher increase through a referendum). Ultimately, the District can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the District, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement.

Due to the changes described above, the Board is free to unilaterally determine and promulgate policies, benefits and other terms and conditions of employment. Accordingly, on February 28, 2013, the Board approved an Employee Handbook, which became effective July 1, 2013 for all employees. . The Employee Handbook was subsequently updated May 1, 2014. The Employee Handbook sets forth policies, procedures and benefits for employees of the nature that were previously set forth in labor contracts. The Employee Handbook's terms are subject to change at the sole discretion of the District and are not subject to grievance or arbitration by the unions. However, individual employees are allowed to file a grievance if they are disciplined or terminated. However, under the changes to MERA, the Board, rather than an arbitrator, is the final decision-maker regarding any grievance, though the grievance must be heard by an impartial hearing officer before reaching the Board.

### **Pension Plan**

All eligible employees participate in the Wisconsin Retirement System established under Chapter 40 of the Wisconsin Statutes. The total retirement plan contributions for the fiscal years ended June 30, 2013 and June 30, 2014 were \$1,432,734 and \$1,640,090, respectively. The amounts of such contributions were determined by the Wisconsin Retirement Fund and were in accordance with the actuarially determined requirement. District employees are required to contribute half of such contributions.

### **Other Post Employment Benefits**

The District provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) through a single-employer defined benefit plan to employees who have terminated their employment with the District and have satisfied specified eligibility standards. Membership of the plan consisted of 68 retirees receiving benefits and 181 active plan members as of the date of the latest actuarial valuation, June 30, 2013.

OPEB calculations are required to be updated every two years and prepared in accordance with Statement No. 45 of the Governmental Accounting Standards Board ("GASB 45") regarding retiree health and life insurance benefits, and related standards. An actuarial study for the District was last completed by Key Benefit Concepts LLC in November 2014 with an actuarial valuation date of July 1, 2013.

The District is required to expense the estimated yearly cost of providing post-retirement benefits representing a level of funding that, if paid on an ongoing basis, is projected to cover costs and amortize unfunded actuarial liabilities over a given period not to exceed 30 years. Such annual accrual expense is referred to as the "annual required contribution." As shown in the District's Financial Statements for the fiscal year ended June 30, 2014 ("Fiscal Year 2014"), the District's annual required contribution for Fiscal Year 2014 was \$368,605. For Fiscal Year 2014, contributions to the plan totaled \$627,534, which was 170.2% of the annual required contribution. The District's funding practice has been to fully fund the yearly amount of benefit premiums on a "pay-as-you-go-basis."

The plan's ratio of actuarial value of assets to actuarial accrued liability for benefits (the "Funded Ratio") as of the most recent actuarial valuation date, July 1, 2013, was 0%. The actuarial accrued liability was \$5,919,556, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$5,919,556.

For more information, see Note 6 in "Appendix A - Basic Financial Statements and Related Notes for the Year Ended June 30, 2014" attached hereto.



## GENERAL INFORMATION

### **Location**

The District (also referred to as "SWTC"), formerly Southwest Wisconsin Vocational Technical Institute, offers a variety of educational and training opportunities. SWTC was established in 1967 and includes all of Grant and Lafayette Counties, and portions of Crawford, Dane, Green, Iowa, Richland, Sauk and Vernon Counties. The District encompasses approximately 3,800 square miles, with 163 municipalities and 30 public school districts located within SWTC boundaries. There is one centrally located campus at Fennimore, approximately 70 miles southwest of the City of Madison.

### **Mission Statement**

"SWTC provides education and training opportunities responsive to students, employers and communities."

### **Vision Statement**

"SWTC will be a preferred provider of education, source of talent, and place of employment in the region. We at the College change lives by providing opportunities for success."

### **Accreditation**

SWTC is fully accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools.

### **SWTC Programs**

The District offers multiple programs to achieve the mission of SWTC. These include 24 associate degree, 2 liberal arts, 2 two-year technical diploma, 17 one-year technical diploma, 3 less-than-one year technical diploma, and 3 apprenticeship programs. SWTC offers 7 completely online programs and multiple special offerings, including fully online and web-enhanced courses.

## DEMOGRAPHIC AND ECONOMIC INFORMATION

### **Population**

	Grant County	City of Platteville	Iowa County	City of Dodgeville
Estimate, 2014	52,603	12,433	23,809	4,698
Estimate, 2013	51,723	11,655	23,740	4,694
Estimate, 2012	51,436	11,338	23,726	4,692
Estimate, 2011	51,280	11,247	23,720	4,690
Census, 2010	51,208	11,224	23,687	4,693

Source: Wisconsin Department of Administration, Demographic Services Center.

### **Per Return Adjusted Gross Income**

	State of Wisconsin	Grant County	City of Platteville	Iowa County	City of Dodgeville
2013	\$50,670	\$39,520	\$39,810	\$47,440	\$47,040
2012	49,900	39,760	39,460	46,510	44,210
2011	47,640	37,930	39,020	44,550	42,460
2010	46,958	39,483	40,316	42,626	41,996
2009	45,372	35,594	37,963	42,190	43,459

Source: Wisconsin Department of Revenue, Division of Research and Policy.

### **Unemployment Rate**

	State of Wisconsin	Grant County	Iowa County
April, 2015	4.4%	3.8%	4.0%
April, 2014	5.6	4.8	5.6
Average, 2014	5.5%	4.8%	5.2%
Average, 2013	6.8	5.9	6.5
Average, 2012	7.0	6.0	6.7
Average, 2011	7.8	6.8	7.4
Average, 2010	8.7	7.6	8.2

Source: Wisconsin Department of Workforce Development.

### **Largest Employers**

Employer Name	Type of Business	Number of Employees
Lands' End Inc.	Retail/distribution	2,960
University of Wisconsin - Platteville	Education	1,032
Wal-Mart Stores, Inc.	Retail/distribution	880 <sup>(1)</sup>
Cabela's Inc.	Retail/distribution	800 <sup>(2)</sup>
Rockwell Automation	Mfr. of electric motor controls	630
3-M Company	Mfr. of abrasives	550
Southwest Health Center Inc.	Health care, Nursing home & Urgent Care	400 <sup>(3)</sup>
Upland Hills Health Inc.	Health care, Nursing home & Rehab	400
Piggly Wiggly	Grocery stores/bakery manufacturing plant	383 <sup>(3)</sup>
Schreiber Foods, Inc.	Mfr. of yogurt, sour cream	365
Prairie Du Chien Memorial Hospital	Hospital	300
Cummins Emissions Solutions	Mfr. of emission/filtration equipment	275
Prairie Industries Inc.	Packaging and labeling services	275
Richland Hospital & Medical Center	Hospital	265
Design Homes Inc.	Mfr. of satellite antennas/modular homes	200

<sup>(1)</sup> Includes 3 locations in Prairie du Chien (250), Platteville (330), Richland Center (300).

<sup>(2)</sup> During peak season, employment increases to over 1,000.

<sup>(3)</sup> Includes multiple locations within the District.

Sources: Infogroup ([www.salesgenie.com](http://www.salesgenie.com)), the District, and employer contacts.

### **Largest Taxpayers**

Taxpayer Name	Type of Business/Property	2014	2014
		Assessed Valuation	Equalized Valuation
Wal-Mart Stores, Inc. <sup>(1/2/3/4)</sup>	Retail/distribution	\$45,632,193	\$47,709,614
Cabela's Inc. <sup>(3)</sup>	Distributor of sporting goods	40,100,000	43,825,200
Lands' End Inc. <sup>(1)</sup>	Retail/distribution	45,059,900	41,747,838
Emmi Platteville Inc. <sup>(3)</sup>	Manufacturing	16,537,600	17,341,816
Menards Inc. <sup>(3)</sup>	Home improvement/retail	10,346,600	10,849,751
Schreiber Foods, Inc. <sup>(4)</sup>	Mfr. of yogurt, sour cream	10,544,000	10,320,683
3-M Company <sup>(2)</sup>	Manufacturer of abrasives	9,160,300	9,992,400
Foremost Farms USA Cooperative <sup>(4)</sup>	Mfr. of cheese/whey products	8,816,600	8,629,868
Senior Village of Platteville <sup>(3)</sup>	Elderly residential facility	8,375,200	8,782,482
Dillman Equipment/DeBrad Inc. <sup>(2)</sup>	Concrete construction	7,915,400	8,350,800
Design Homes/Lorand <sup>(2)</sup>	Mfr. Housing	6,401,850	7,008,100
Leeward Farm, LLC <sup>(2)</sup>	Real Estate	6,338,400	6,411,400
Southwest Health Center Inc. <sup>(3)</sup>	Health care	6,103,800	6,400,625
Platteville LLC <sup>(3)</sup>	Apartments	5,352,100	5,612,370
Farm & Fleet of Platteville <sup>(3)</sup>	Retail	5,003,800	5,247,133
Richland Hospital/Clinic <sup>(4)</sup>	Health care	5,251,770	5,140,540
Jax Holdings, LLC <sup>(4)</sup>	Rental property/convenience store	5,021,100	4,914,755
Riverside Plaza <sup>(2)</sup>	Shopping center	3,991,700	4,545,800
		<u>\$160,220,120</u>	<u>\$161,296,361</u>

The above taxpayers represent 2.08% of the District's 2014 Equalized Value (TID In) (\$7,763,334,934).

<sup>(1)</sup> City of Dodgeville.

<sup>(2)</sup> Crawford County.

<sup>(3)</sup> City of Platteville.

<sup>(4)</sup> City of Richland Center.

Source: City of Dodgeville, Crawford County, City of Platteville, City of Richland Center.

### **TAX LEVIES, RATES AND COLLECTIONS**

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31. Real property taxes may be paid in full by January 31 or in two equal installments payable by January 31 and July 31. Municipalities also have the option of adopting payment plans which allow taxpayers to pay their real property taxes and special assessments in three or more installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. Any amounts paid after July 31 are paid to the county treasurer. For municipalities which have not adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15 and February 20. For municipalities which have adopted an installment payment plan, the town, city or village treasurer settles with other taxing jurisdictions for collections through the preceding month on January 15, February 15 and the 15th day of each month following a month in which an installment payment is due. On or before August 20, the County Treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. The County Board may authorize its County Treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The County may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Since, in practice, all delinquent real estate taxes are withheld from the County's share of taxes, the District receives 100 percent of the real estate taxes it levies.



2013 Wisconsin Act 20, among other things, eliminated the mill rate limitation that had been in place for technical college districts in previous fiscal years, and in its place, introduced a tax levy limitation (the "Tax Levy Limit"). 2013 Wisconsin Act 145 ("Act 145"), signed into law on March 24, 2014, replaced the Tax Levy Limit with a revenue limit (the "Revenue Limit") beginning in fiscal year 2015. Act 145 also shifted a portion of funding for technical college districts in the State from property taxes levied by the districts to a State aid payment by replacing \$406 million of property tax levies with a State payment beginning in 2015 (the "State Aid"). The amount of State Aid a particular technical college district will receive will be equal to the share of the district's equalized value as compared to the aggregate equalized value of all technical college districts in the State as of January 1, 2014. The first State Aid payment was made on February 20, 2015. Thereafter, the State Aid payment will be made on the 3rd Friday in February each year.

Under Section 38.16 of the Wisconsin Statutes, as amended by Act 145, the Board may levy a tax on the full equalized value of taxable property within the area served by the District for the purposes of making capital improvements, acquiring equipment, operating and maintaining schools and paying principal and interest on valid bonds and notes issued by the District. However, unless approved by referendum and except for taxes levied to pay debt service on valid bonds and notes (other than Noncapital Notes as defined below), the District's revenue ("Revenue") in the 2014-15 school year or any school year thereafter may not be increased by an amount in excess of the District's valuation factor (as described below). Revenue is defined in Section 38.16 of the Wisconsin Statutes as the sum of: (i) the District's tax levy and (ii) the State Aid payment described in the paragraph above. Except in limited circumstances as provided in Section 38.16 of the Wisconsin Statutes, if the Board exceeds its Revenue Limit, the State Technical College System Board is required to make corresponding reductions in state aid payments received by the District.

The calculation of the District's tax levy under the Revenue Limit excludes taxes levied for the purpose of paying principal and interest on valid bonds and notes issued by the District to finance any capital project or equipment with a useful life of more than one year or to refund any municipal obligations or any interest on municipal obligations. However, the calculation of the District's tax levy under the Revenue Limit does apply to notes issued by the District under Section 67.12(12) of the Wisconsin Statutes on or after July 2, 2013 for other purposes (in essence non-capital purposes) ("Noncapital Notes").

Under the Revenue Limit, the District is prohibited from increasing its Revenue (for all purposes except paying principal and interest on valid bonds and notes other than Noncapital Notes) by a percentage that exceeds its valuation factor. Valuation factor is defined as a percentage equal to the greater of (i) the percentage change in the District's January 1 equalized value due to aggregate new construction, less improvements removed, in municipalities located in the District between the previous year and the current year, as determined by the Wisconsin Department of Revenue or (ii) zero percent. If a municipality is located in two or more districts, the Wisconsin Department of Revenue shall apportion the value of the aggregate new construction, less improvements removed, in the municipality among the districts based on the percentage of the municipality's equalized value located in each district. The Revenue Limit permits an increase in Revenue (i) if the District's actual Revenue in any school year is less than its allowable Revenue, allowing the District to carry forward the difference between the allowable Revenue and the actual Revenue, up to a maximum of 0.5% of the prior year's actual Revenue, if the District's Board approves the increase by a three-fourths vote, (ii) with the approval of the electors of the District pursuant to a referendum, or (iii) in an amount equal to the amount of any refunded or rescinded property taxes paid by the Board in the year of the levy if they result in a redetermination of the District's equalized valuation by the Wisconsin Department of Revenue. For the 2014-15 school year, the District established a mill rate of \$0.61744 for operational purposes and \$0.63559 for payment of debt.

The District cannot predict whether there will be any other legislation affecting District's property taxes and revenues in the future.

Set forth below are the taxes levied and the tax rate per \$1,000 equalized value on all taxable property within the District. The rates set forth are for the collection years 2011-2015:

Collection Year	District Tax Rate	District Levy	Uncollected Taxes as of August 20th of Each Year	Percent of Levy Collected
2015	\$1.25	\$9,344,688	-In Process of Collection-	
2014	2.16	15,823,080	- 0 -	100.00%
2013	2.13	15,601,700	- 0 -	100.00
2012	2.13	15,728,800	- 0 -	100.00
2011	2.12	15,805,380	- 0 -	100.00

Source: The District.

**2014-15 Proportionate Amounts of Local Tax Revenue  
Per Municipality Based on 2014 Equalized Valuation\***

Entity	2014 Equalized Valuation (TID OUT)	Percent of Levy	Amount of Levy
Crawford County	\$941,392,012	12.623119%	\$1,179,591
Dane County	10,196,571	0.136726	12,777
Grant County	2,797,560,200	37.512467	3,505,423
Green County	86,246,949	1.156485	108,070
Iowa County	1,483,805,826	19.896343	1,859,251
Lafayette County	1,010,573,100	13.550768	1,266,277
Richland County	922,614,199	12.371328	1,156,062
Sauk County	93,422,673	1.252704	117,061
Vernon County	111,869,754	1.500061	140,176
TOTAL	<u>\$7,457,681,284</u>	<u>100.000000%</u>	<u>\$9,344,688</u>

\* Some municipalities located within the District have Tax Incremental Districts under Wisconsin Statutes Section 66.1105. TID valuations, totaling \$305,653,650 for these municipalities have been excluded from the District's tax base.

Source: Wisconsin Department of Revenue.

**EQUALIZED VALUATIONS**

All equalized valuations of property in the State of Wisconsin are determined by the State of Wisconsin, Department of Revenue, Supervisor of Assessments Office. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Assessed valuations of residential and commercial property are determined by local assessors.

Set forth in the table below are equalized valuations of property located within the District for the years 2010 through 2014. The District's equalized valuation (TID IN) has increased by 0.15 percent since 2010 with an average annual increase of 0.04 percent.

Year	Equalized Valuation (TID IN)	Equalized Valuation (TID OUT)
2014	\$7,763,334,934	\$7,457,681,284
2013	7,594,944,861	7,313,252,611
2012	7,604,839,606	7,307,828,856
2011	7,711,950,774	7,392,536,724
2010	7,751,548,013	7,443,586,863

Source: Wisconsin Department of Revenue.

## INDEBTEDNESS OF THE DISTRICT

### **Direct Indebtedness**

Set forth below is the direct indebtedness of the District, including principal and interest payments due on existing debt as well as debt service on the new issue of Notes. Interest on the Notes has been estimated using an average rate 3.00 percent. Average life of the new issue is 2.822 years and bond years are 7,055.56 years.

Year	Outstanding Debt		The Notes		Direct Payment Interest Credits**	Total Debt Service Requirements*
	Principal	Interest	Principal*	Interest*		
2015	\$3,690,000	\$1,413,651			(\$348,914)	\$4,754,737
2016	3,380,000	1,287,893	\$500,000	\$91,667	(335,807)	4,923,752
2017	2,950,000	1,195,299	500,000	52,500	(320,603)	4,377,196
2018	2,525,000	1,102,830	500,000	37,500	(303,845)	3,861,485
2019	2,100,000	1,018,218	500,000	22,500	(285,733)	3,354,985
2020	1,670,000	943,673	500,000	7,500	(266,073)	2,855,100
2021	1,750,000	868,750	--	--	(244,733)	2,374,017
2022	1,810,000	786,878	--	--	(221,990)	2,374,888
2023	1,875,000	698,270	--	--	(197,937)	2,375,333
2024	1,945,000	604,758	--	--	(172,439)	2,377,318
2025	2,020,000	504,892	--	--	(156,473)	2,368,418
2026	2,095,000	397,574	--	--	(124,503)	2,368,070
2027	2,165,000	284,539	--	--	(90,664)	2,358,875
2028	2,255,000	166,956	--	--	(55,416)	2,366,540
2029	1,745,000	53,441	--	--	(18,704)	1,779,736
	<u>33,975,000</u>	<u>11,327,618</u>	<u>2,500,000</u>	<u>211,667</u>	<u>(3,143,833)</u>	<u>44,870,452</u>
Less: 2015 Sinking Funds	(3,690,000)	(1,413,651)	0	0	348,914	(4,754,737)
<b>TOTAL</b>	<u>\$30,285,000</u>	<u>\$9,913,968</u>	<u>\$2,500,000</u>	<u>\$211,667</u>	<u>(\$2,794,920)</u>	<u>\$40,115,715</u>

\*Preliminary, subject to change.

\*\* Assumed direct payment interest credit from the United States Treasury in connection with the Taxable General Obligation School Improvement Bonds (Build America Bonds-Direct Payment) dated August 3, 2009. Receipt of the credits is expected but not assured. The Budget Control Act of 2011 (the "BCA") requires the Director of the United States Office of Management and Budget ("OMB") to calculate cuts each year for the next ten years to federal programs necessary to reduce spending to levels specified in the BCA, which cuts are referred to as sequestration. The Bipartisan Budget Act of 2013, as amended by U.S. Senate, 113th Congress, 2nd Session S.25, extends the reduction of subsidy payments for an additional three years through fiscal year 2024. The reductions to the subsidy payments in fiscal year 2015, as reported by OMB, are 7.3% (reflected in the table above for 2015 and beyond). Such cuts may be avoided or mitigated if Congress takes action to postpone or change the provisions of BCA. The District cannot predict whether any such cuts to the subsidy amounts it expects to receive will occur in the future.

### **Future Financing**

The District does not short-term borrow for cash flow purposes.

The District does not anticipate issuing additional general obligation debt over the next twelve months.

### **Default Record**

The District has never defaulted on any prior debt repayment obligations.

### **Overlapping and Underlying Indebtedness**

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the District.

Name of Entity	Amount of Debt (Net of 2015 Principal Payments)	Percent Chargeable to District	Outstanding Debt Chargeable to District
Crawford County	\$6,830,000	92.97%	\$6,349,851
Dane County	267,060,000	0.02	53,412
Grant County	4,952,796	100.00	4,952,796
Green County	10,435,000	3.24	337,964
Iowa County	3,257,581	84.11	2,740,106
Lafayette County	328,936	100.00	328,936
Richland County	4,120,000	91.91	3,786,673
Sauk County	20,145,000	1.45	292,877
Vernon County	6,140,000	6.19	379,798
Total Cities	48,754,856	100.00	48,754,856
Total Villages	15,354,960	Varies	15,190,102
Total Towns	9,046,108	Varies	6,097,130
Total School Districts	53,225,061	Varies	52,854,542
Total Sanitary Districts	635,909	100.00	635,909
TOTAL	<u>\$450,286,206</u>		<u>\$142,754,951</u>

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on [EMMA.msrb.org](http://EMMA.msrb.org) and the Wisconsin Department of Public Instruction and direct inquiries.

NOTE: This summary may not reflect all of the District's outstanding overlapping and underlying indebtedness.

### **Statistical Summary**

The table below reflects direct, overlapping and underlying bonded indebtedness net of all 2015 principal payments.

2014 Equalized Valuation as certified by Wisconsin Department of Revenue	\$7,763,334,934
Direct Bonded Indebtedness Including the Notes	\$32,785,000
Direct, Overlapping and Underlying Bonded Indebtedness Including the Notes	\$175,539,951
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	0.42%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	2.26%
Population of District (2014 Estimate*)	125,633
Direct Bonded Indebtedness Per Capita	\$260.96
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$1,397.24

\*Source: Wisconsin Technical College System Board.

### **Debt Limit**

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS--Debt Limit," the total indebtedness of the District may not exceed five percent (5%)<sup>(1)</sup> of the equalized value of property in the District. Set forth in the table below is a comparison of the outstanding indebtedness of the District as of the closing of the Notes, as a percentage of the applicable debt limit.

Equalized Valuation (2014) as certified by Wisconsin Department of Revenue	\$7,763,334,934
Legal Debt Percentage Allowed	<u>5.00%</u>
Legal Debt Limit	\$388,166,747
Direct Bonded Indebtedness Including the Notes	<u>\$32,785,000</u>
Unused Margin of Indebtedness	\$355,381,747
Percent of Legal Debt Incurred	8.45%
Percentage of Legal Debt Available	91.55%

<sup>(1)</sup> *The maximum bonded indebtedness of the District for the purposes of purchasing school sites and the constructing and equipping of school buildings may not exceed two percent (2%).*

## **FINANCIAL INFORMATION**

The financial operations of the District are conducted primarily through a series of State mandated funds. All revenues except those attributable to the building funds and other funds authorized by State law are accounted for in the general fund, and any lawful expenditure of the District must be made from the appropriate fund and recorded therein.

As in other areas of the United States, the financing of public education in the State is subject to changing legislation, variations in public opinion, examination of financing methods through litigation and other matters. For these reasons the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities.

### **Budgeting Process**

The District is required by State law to annually formulate a budget and to hold public hearings thereon prior to the determination of the amounts to be financed in whole or in part by general property taxes, tuition, fees, funds on hand or estimated revenues from other sources. Such budget must list existing indebtedness of the District and all anticipated revenue from all sources during the ensuing year and must also list all proposed appropriations for each functional activity and reserve account of the District during the ensuing year. The budget must show actual revenues and expenditures for the preceding year, actual revenues and expenditures for not less than the first six months of the current year and estimated revenues and expenditures for the balance of the current year.

As part of the budgeting process, budget requests are submitted during the last half of the fiscal year by the teachers and departmental administrators of each school to their respective Administrators, who thereafter review and revise such requests and submit them, with their recommendations, to the President. After review and adjustment by the administrative staff of the District, the proposed budget is presented to the full District Board, at which time the proposed budget is reviewed with the District's administrative staff. After further review and adjustment, the proposed budget is again submitted to the full District Board each year. The proposed budget is formally adopted by the District Board after the public hearings are held.



**GENERAL FUND SUMMARY  
FOR YEARS ENDED JUNE 30**

	2015-16 BUDGET <sup>(A)</sup>	2014-15 ESTIMATED <sup>(A)(B)</sup>	2013-14 ACTUAL	2012-13 ACTUAL	2011-12 ACTUAL
<b>Revenues</b>					
Local government	\$4,700,000	\$4,604,000	\$11,183,152	\$10,960,920	\$10,945,372
Intergovernmental revenue - State	10,940,000	11,065,000	3,531,440	3,487,472	3,046,624
Intergovernmental revenue - Federal	928,000	988,000	1,422,004	901,963	631,472
Statutory program fees	4,080,000	4,140,000	4,127,479	4,138,452	4,242,127
Material fees	320,000	335,000	325,729	325,104	355,921
Other student fees	400,000	455,000	386,638	351,829	345,777
Institutional	2,200,000	2,008,000	2,024,019	2,250,443	1,296,355
<b>Total revenues</b>	<b>23,568,000</b>	<b>23,595,000</b>	<b>23,000,461</b>	<b>22,416,183</b>	<b>20,863,648</b>
<b>Expenditures</b>					
Instruction	15,960,000	15,362,000	15,084,643	15,810,131	14,393,404
Instructional resources	370,000	371,000	360,711	340,491	326,949
Student services	1,817,000	1,632,000	1,657,388	1,673,756	1,589,061
General institutional	3,630,000	3,484,000	3,430,105	3,109,513	2,859,616
Physical plant	2,191,000	2,396,000	1,911,448	1,866,721	1,768,076
<b>Total expenditures</b>	<b>23,968,000</b>	<b>23,245,000</b>	<b>22,444,295</b>	<b>22,800,612</b>	<b>20,937,106</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(400,000)</b>	<b>350,000</b>	<b>556,166</b>	<b>(384,429)</b>	<b>(73,458)</b>
<b>Other financing sources (uses)</b>					
Operating transfers in	400,000	230,000	267,268	300,000	198,486
<b>Net other financing sources (uses)</b>	<b>400,000</b>	<b>230,000</b>	<b>267,268</b>	<b>300,000</b>	<b>198,486</b>
<b>Revenues and other sources over (under) expenditures and other uses</b>	<b>\$0</b>	<b>\$580,000</b>	<b>823,434</b>	<b>(84,429)</b>	<b>125,028</b>
<b>Fund balances - beginning of year</b>			<b>5,564,834</b>	<b>5,649,262</b>	<b>5,524,234</b>
<b>Fund balances - end of year</b>			<b>\$6,388,268</b>	<b>\$5,564,833</b>	<b>\$5,649,262</b>

**NOTE: The amounts for all years are shown on a budgetary basis of accounting.**

<sup>(A)</sup> Act 145 was signed into law by Wisconsin's Governor on March 24, 2014. Act 145 shifted a portion of funding for technical college districts in the State from property taxes levied by the districts to the State Aid payment by replacing property tax levies with a State payment beginning in 2015. For more information see "TAX LEVIES, RATES AND COLLECTIONS" herein.

<sup>(B)</sup> Estimate is based upon ten months of unaudited actual results and two months of estimates.

The amounts shown for the fiscal year ended June 30, 2012 are excerpts from the audit report which has been examined by Engelson & Associates, Ltd., Certified Public Accountants and Consultants, La Crosse, Wisconsin. The amounts shown for the fiscal years ended June 30, 2013 and June 30, 2014 are excerpts from the audit reports which have been examined by Wegner CPAs, LLP, Madison, Wisconsin (the "Auditor"). The amounts shown for the fiscal year ending June 30, 2015 are estimated by the District based on ten months of unaudited actual results and the amounts shown for the fiscal year ending June 30, 2016 are on a budgetary basis, and such amounts have been provided by the District. The comparative statement of revenues and expenditures should be read in conjunction with other financial statements and notes thereto appearing in Appendix A to this Official Statement.

### **Financial Statements**

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2014, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, (as defined herein) to the extent and for the periods indicated thereon. The District has not requested the Auditor to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

### **UNDERWRITING**

The Notes have been purchased at a public sale by a group of Underwriters for whom \_\_\_\_\_ is acting as Managing Underwriter (the "Underwriter"). The Underwriter intends to offer the Notes to the public initially at the prices which produce the yields set forth on the cover of this Official Statement plus accrued interest from August 5, 2015, if any, which prices may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Notes to the public. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices lower than the public offering prices. In connection with this offering, the Underwriter may over allocate or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

### **RATINGS**

The District has requested that a rating be assigned to this issue by Moody's Investors Service, Inc. ("Moody's"). The District's long-term debt is currently rated "Aa2" by Moody's. In addition, Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. has rated certain outstanding long-term obligations of the District "AA-". No application has been submitted to Standard & Poor's in connection with the Notes. Such ratings reflect only the views of such organizations and explanations of the significance of such ratings may be obtained from the rating agencies furnishing the same. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if in the judgment of such rating agencies circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Undertaking described under the heading "CONTINUING DISCLOSURE" neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Notes any proposed change in or withdrawal of such rating or to oppose any such revision or withdrawal.

## **TAX EXEMPTION**

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Notes under existing law substantially in the following form:

"The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Notes is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The District has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the District comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes."

The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Notes. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Notes may be enacted. Prospective purchasers of the Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

### **Original Issue Discount**

To the extent that the initial public offering price of certain of the Notes is less than the principal amount payable at maturity, such Notes ("Discounted Notes") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Note over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Notes were sold (issue price). With respect to a taxpayer who purchases a Discounted Note in the initial public offering at the issue price and who holds such Discounted Note to maturity, the full amount of original issue discount will constitute interest that is not includible in the gross income of the owner of such Discounted Note for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Note upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Note, on days that are determined by reference to the maturity date of such Discounted Note. The amount treated as original issue discount on a Discounted Note for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Note (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Note at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Note during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Note the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Note is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.



For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Note is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Note (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Note that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Notes may result in certain collateral federal income tax consequences for the owners of such Discounted Notes. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction. In the case of corporate owners of Discounted Notes, a portion of the original issue discount that is accrued in each year will be included in adjusted current earnings for purposes of calculating the corporation's alternative minimum tax liability. Corporate owners of any Discounted Notes should be aware that such accrual of original issue discount may result in an alternative minimum tax liability although the owners of such Discounted Notes will not receive a corresponding cash payment until a later year.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Notes at a price other than the issue price or who purchase such Discounted Notes in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Notes. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Notes may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Notes.

### **Bond Premium**

To the extent that the initial offering price of certain of the Notes is more than the principal amount payable at maturity, such Notes ("Premium Notes") will be considered to have bond premium.

Any Premium Note purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Note is calculated on a daily basis from the issue date of such Premium Note until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Note that has amortizable note premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Notes. During each taxable year, such an owner must reduce his or her tax basis in such Premium Note by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Note. The adjusted tax basis in a Premium Note will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Note.

Owners of Premium Notes who did not purchase such Premium Notes in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Notes. Owners of Premium Notes should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Notes.

## **DESIGNATION AS QUALIFIED TAX-EXEMPT OBLIGATIONS**

The District will designate the Notes as "qualified tax-exempt obligations" for purposes of Section 265 of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

## CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934 (the "Rule"), the District shall covenant pursuant to the Award Resolution adopted by the Board to enter into an undertaking (the "Undertaking") for the benefit of holders including beneficial holders of the Notes to provide financial information and operating data relating to the District annually to the Municipal Securities Rulemaking Board (the "MSRB"), and to provide notices of the occurrence of certain events enumerated in the Rule electronically or in the manner otherwise prescribed by the MSRB to the MSRB. **The Undertaking provides that the annual report will be filed not later than 270 days after the end of each fiscal year. The District's fiscal year ends June 30<sup>th</sup>.** The details and terms of the Undertaking, as well as the information to be contained in the annual report or the notices of material events, are set forth in the Continuing Disclosure Certificate to be executed and delivered by the District at the time the Notes are delivered. Such Certificate will be in substantially the form attached hereto as Appendix B. A failure by the District to comply with the Undertaking will not constitute an event of default on the Notes (although holders will have the right to obtain specific performance of the obligations under the Undertaking). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

The District is required to file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system. Investors will be able to access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org).

The District did not file its operating data for the fiscal years ended June 30, 2010 and June 30, 2011, which the District had agreed to file under previous continuing disclosure undertaking agreements as described in the Rule, within the time specified in such undertakings. Except to the extent the preceding is deemed to be material, in the previous five years, the District has not failed to comply in all material respects with any previous undertakings under the Rule. As of the date of this Official Statement, the District has filed such operating data in the manner prescribed by the MSRB. The District has established procedures to help ensure filing of audited financial statements and operating data are made in a timely manner in the future to the MSRB.

## BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).



Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Agent; disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but District takes no responsibility for the accuracy thereof.

## **LITIGATION**

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened, restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes or any proceedings of the District taken with respect to the issuance or sale thereof.

## **LEGAL MATTERS**

Legal matters incident to the authorization and issuance of the Notes are subject to the unqualified approving legal opinion of Quarles & Brady LLP, Bond Counsel. Such opinion will be issued on the basis of the law existing at the time of the issuance of the Notes. A copy of such opinion will be available at the time of the delivery of the Notes.

## **MUNICIPAL BANKRUPTCY**

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Notes are outstanding, in a way that would allow the District to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the District to file for relief under Chapter 9. If, in the future, the District were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the District could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the District is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the District could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes could be viewed as having no priority (a) over claims of other creditors of the District; (b) to any particular assets of the District, or (c) to revenues otherwise designated for payment to holders of the Notes.

Moreover, if the District were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Notes would not occur.

## **FINANCIAL ADVISOR**

Robert W. Baird & Co., Milwaukee, Wisconsin has acted as Financial Advisor to the District in connection with the issuance of the Notes.

### **MISCELLANEOUS**

Any statement made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Tax Exemption") and has not performed any investigation as to its accuracy, completeness or sufficiency.

The execution and delivery of this Official Statement by its District Secretary has been duly authorized by the District.

In accordance with the Rule, the Preliminary Official Statement is deemed final except for the omission of certain information described in the Rule.

### **AUTHORIZATION**

This Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Notes. The District, acting through its Secretary, will provide to the Underwriter of the Notes at the time of delivery of the Notes, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Notes, together with any supplements thereto, at the time of the adoption of the Award Resolution and at the time of delivery of the Notes, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements in light of the circumstances under which they were made, not misleading.

### **SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT**

By /s/ \_\_\_\_\_  
District Secretary

## **APPENDIX A**

### **BASIC FINANCIAL STATEMENTS AND RELATED NOTES**

#### **SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT, WISCONSIN Crawford, Dane, Grant, Green, Iowa, Lafayette, Richland, Sauk and Vernon Counties**

**For year ended June 30, 2014**

**Wegner CPAs, LLP  
Madison, Wisconsin**

A copy of the District's Basic Financial Statements and Related Notes for the fiscal year ended June 30, 2014, including the accompanying independent auditor's report, is included as Appendix A to this Official Statement. Potential purchasers should read such financial statements in their entirety for more complete information concerning the District's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The District has not requested the Auditor to perform any additional examination, assessment or evaluation with respect to such financial statements since the date thereof, nor has the District requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the District since the date of the financial statements, in connection with the issuance of the Notes, the District represents that there has been no material adverse change in the financial position or results of operations of the District, nor has the District incurred any material liabilities, which would make such financial statements misleading.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
Fennimore, Wisconsin

**AUDITED FINANCIAL STATEMENTS**

June 30, 2014 and 2013

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Southwest Wisconsin Technical College  
Fennimore, Wisconsin

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Southwest Wisconsin Technical College, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Southwest Wisconsin Technical College'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.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States 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 from 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Southwest Wisconsin Technical College'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 Southwest Wisconsin Technical College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of Southwest Wisconsin Technical College, as of June 30, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matters**

As discussed in Note 1, Southwest Wisconsin Technical College adopted the provisions of GASB statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our Opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions on pages 4-11 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Southwest Wisconsin Technical College's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Guidelines*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and

individual fund financial statements and schedules, and schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014 on our consideration of Southwest Wisconsin Technical College'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 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 Southwest Wisconsin Technical College's internal control over financial reporting and compliance.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
December 1, 2014

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

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The discussion and analysis of the financial performance of Southwest Wisconsin Technical College (Southwest Tech) provides an overview of its financial activities, identifies changes in its financial position, and assists the reader of these financial statements in focusing on noteworthy financial issues for the fiscal year ended June 30, 2014.

Southwest Tech provides lifelong learning opportunities with an individualized focus for students and communities.

The analysis focuses on Southwest Tech's financial performance as a whole. It should be read in conjunction with Southwest Tech's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

Southwest Tech's government-wide financial statements reflect the following:

- Received 57 federal, state, or local grants totaling \$2.72 million.
- Updated official statement for borrowing and maintained Southwest Tech's rating of Aa2 through Moody's.
- Borrowed \$2,500,000 at 1.27 percent interest rate.
- Continued participation in Districts Mutual Insurance (DMI), the insurance company formed by the colleges in the Wisconsin Technical College System.
- Increase purchase card activity to over 6,200 annual transactions. As a result, the number of accounts payable checks being issued continues to decrease, saving time and money for Southwest Tech and increasing vendor satisfaction with payment timing.
- Disbursed student financial aid totaling over \$3,411,000 in grants, \$3,730,000 in loans, and \$63,000 in college work study earnings.

**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 performed by Southwest Tech are classified as either operating or non-operating activities. Because Southwest Tech receives the majority of its revenue from the taxpayers and other state and local governments, Southwest Tech will always report an operating deficit or loss.

The utilization of capital assets is reflected in the financial statements as depreciation, which expenses the cost of an asset over its expected useful life.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2014

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)**

The following summary shows a condensed version of the Statement of Revenues, Expenses, and Changes in Net Position:

**Table 1**  
Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	2014	2013	Increase (Decrease)	
			\$	%
Operating revenue				
Student fees	\$ 5,050,948	\$ 5,042,748	\$ 8,200	0.16
Federal grants	4,388,900	4,312,145	76,755	1.78
State grants	1,579,115	1,418,635	160,480	11.31
Contract revenues	2,682,670	2,506,064	176,606	7.05
Auxiliary revenues	1,636,041	1,996,511	(360,470)	(18.05)
Total operating revenues	15,337,674	15,276,103	61,571	0.40
Operating expenses				
Instruction	\$ 16,154,063	\$ 14,156,895	\$ 1,997,168	14.11
Instructional resources	360,711	336,861	23,850	7.08
Student services	2,492,747	2,397,460	95,287	3.97
General institutional	3,430,105	3,102,121	327,984	10.57
Physical plant	1,911,448	1,865,267	46,181	2.48
Auxiliary enterprise services	1,326,957	1,254,790	72,167	5.75
Depreciation	2,569,388	2,417,109	152,279	6.30
Student aid	2,994,455	3,040,225	(45,770)	(1.51)
Total operating expenses	\$ 31,239,874	\$ 28,570,728	\$ 2,669,146	9.34
Non-operating revenues (expenses)				
Property taxes	\$ 15,823,152	\$ 15,600,920	\$ 222,232	1.42
State appropriations	2,457,009	2,520,089	(63,080)	(2.50)
Investment income	25,021	17,975	7,046	39.20
Loss on disposal of capital assets	(21,291)	(28,907)	7,616	-
Interest expense	(1,528,445)	(1,586,787)	58,342	(3.68)
Total non-operating revenues	16,755,446	16,523,290	232,156	1.41
Increase in net assets	\$ 853,246	\$ 3,228,665	\$ (2,375,419)	
Net assets - beginning of year	\$ 21,356,642	18,127,977		
Net assets - end of year	\$ 22,209,888	\$ 21,356,642		



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

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**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)**

Operating revenues are the charges for services offered by Southwest Tech. Total operating revenues increased \$64,908 or 0.42% for fiscal year 2014. These increases are primarily due to the following:

- During 2014 Southwest Tech generated \$5,050,948 for tuition and fees charged to students compared to \$5,042,748 in 2013. This was an increase of \$8,200 or 0.16%.
- The state increased tuition rates 3.0% and 4.5% in 2014 and 2013.
- Southwest Tech receives funding from the federal and state governments for specific purposes, including financial aid payments to students. Southwest Tech received \$5,968,015 for the federal and state governments for 2014 compared to \$5,730,780 for 2013. This figure is indicative of the continued efforts of Southwest Tech to seek out new sources of revenue.
  - ✓ State revenue increased \$160,480 or 11.31% in 2014 compared to 2013. State funding levels fluctuate between years based on the specific grants available each year as well as the amount of funding the state provides for financial aid.
  - ✓ Federal funding increased \$76,755 or 1.78% in 2014 compared to 2013. The level of enrollment impacts the amount of federal financial aid that is awarded each year. Federal funding levels fluctuate between years based on the specific grants available each year as well as the amount of funding the state provides for financial aid.
- Revenue from industrial and technical assistance contracts with business and industry, local school districts, UW Platteville and the Department of Corrections was \$2,682,670 in 2014 and \$2,506,064 in 2013.
- Southwest Tech operates auxiliary enterprise operation such as the book store, parts store, and childcare center. Southwest Tech had sales of \$1,636,041 for 2014 compared to \$1,996,511 for these activities.

Operating expenses are costs incurred for providing education, training and services. Total expenses increased \$2,669,146 or 9.34% compared to 2013. The majority of the Southwest Tech's expenses, 51%, are for instructional related costs. Student financial aid and general institutional accounts for an additional 21%, while auxiliary services and other expenses account for the remaining 28% of total operating expenses.

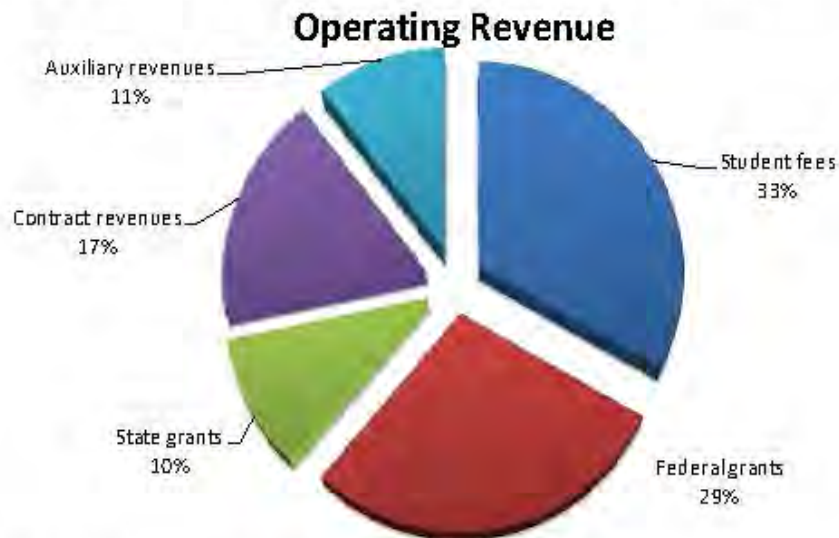


**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2014

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**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)**

The graph below depicts Southwest Tech's operating revenues by source:



The graph below categorizes operating expenses by function.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

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**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)**

Non-operating revenues (expenses) are revenue and expense items not related directly to providing instruction. Net non-operating revenues increased \$232,156 or 1.41% compared to 2013.

- State operating appropriations decreased \$63,080 or 2.50% in 2014. Final state aid payments are not received until November following the fiscal year end. State aid is determined by a formula that takes into consideration actual expenditures, student FTE's, and equalized property valuations of each of the sixteen technical colleges in Wisconsin.
- Property tax revenue increased \$222,232 or 1.42% in 2014 compared to 2013. Property taxes are the biggest source of funding for Southwest Tech.

**STATEMENT OF NET POSITION**

The Statement of Net Position includes all assets, (items that Southwest Tech owns and amounts that are owed to Southwest Tech by others) and liabilities (amounts Southwest Tech owes to others and what has been collected from others prior to providing the services). This statement is prepared using 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 Southwest Tech, regardless of when cash is exchanged.

Net position increased \$853,246 or 4.00% in 2014 compared to \$3,228,665 or 17.81% in 2013. Southwest Tech ended its fiscal year with net position of \$22,209,888 in 2014 of which \$13,485,141 was net investment in capital assets, \$243,155 was restricted for student financial aid, \$795,529 was restricted for capital projects, \$1,244,645 was restricted for debt service assistance, and \$6,441,419 was unrestricted net position. Unrestricted net position represents the amount of discretionary resources that can be used to fund general Southwest Tech operations.

Total assets increased \$1,117,459 or 1.85% in 2014 and \$1,203,501 or 2.03% in 2013. Other assets increased \$291,423 or 3.81%. Net capital assets decreased \$515,687 or 1.14% in 2014 compared to an increase of \$1,064,793 or 2.42% in 2013.

Southwest tech's current liabilities increased \$219,840 or 3.10% in 2014 compared to \$18,830 or 0.27% in 2013.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
June 30, 2014

**STATEMENT OF NET POSITION (continued)**

The components of the statement of net position are summarized in Table 2:

**Table 2**  
**Condensed Statements of Net Assets**

	2014	2013	Increase (Decrease)	
			\$	%
<b>ASSETS</b>				
Cash and cash equivalents	\$ 9,123,735	\$ 7,782,012	\$ 1,341,723	17.24
Net capital assets	\$ 44,545,141	45,060,828	(515,687)	(1.14)
Other assets	7,941,894	7,650,471	291,423	3.81
<b>Total assets</b>	<b>\$ 61,610,770</b>	<b>\$ 60,493,311</b>	<b>\$ 1,117,459</b>	<b>1.85</b>
<b>LIABILITIES</b>				
Current liabilities	\$ 7,312,053	\$ 7,092,212	\$ 219,841	3.10
Long-term liabilities	32,088,829	32,044,457	44,372	0.14
<b>Total liabilities</b>	<b>\$ 39,400,882</b>	<b>\$ 39,136,669</b>	<b>\$ 264,213</b>	<b>0.68</b>
<b>Net Position</b>				
Invested in capital assets, net of related debt	\$ 13,485,141	\$ 13,000,829	\$ 484,312	3.73
Restricted for student financial aid	243,155	229,976	13,179	5.73
Restricted for capital projects	795,529	553,929	241,600	43.62
Restricted for debt service	1,244,645	1,204,893	39,752	3.30
Unrestricted	6,441,418	6,367,015	74,403	1.17
<b>Total Net Position</b>	<b>\$ 22,209,888</b>	<b>\$ 21,356,642</b>	<b>\$ 853,246</b>	<b>4.00</b>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2014, Southwest Tech had \$69,665,579 in capital assets, including land, land improvements, buildings and improvements, and moveable equipment. Total accumulated depreciation on these assets was \$25,120,438. Asset acquisitions totaled \$2,074,991. Southwest Tech recognized depreciation expense of \$2,569,388. Detailed information about capital assets can be found in Note 3 to the financial statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

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**CAPITAL ASSET AND DEBT ADMINISTRATION (continued)**

**Long-term Debt**

As of June 30, 2014, Southwest Tech had \$31,060,000 in general obligation debt outstanding compared to \$32,060,000 in 2013. Southwest Tech maintained its Aa2 rating from Moody's Investor service on its current and outstanding long-term debt. Debt service requirements of Southwest Tech are current and are secured by a tax levy adopted by the District Board. Wisconsin statutes require that the first property tax receipts be segregated for annual debt service payments. All general obligation debt for equipment is repaid in five years, while debt related to building and major remodeling is repaid in 10-20 years. The current debt adequately replaces and expands the equipment and facility needs of the College. Detailed information about Southwest Tech's long-term debt is presented in Note 4 to the financial statements.

**FINANCIAL POSITION**

Southwest Tech continues to maintain a strong financial position. Its major revenue sources are property taxes, state aids, student tuition and fees, federal and state grants and contracts with business and industry.

Moody's "Aa2" rating reflects Southwest Tech's:

- Relatively stable tax base value throughout the economic downturn,
- Conservative financial management has grown the General Fund and Enterprise Fund reserves to healthy levels
- Return to enrollment growth in fiscal 2014 following two years of declines,
- Low unfunded pension liabilities.

"...the district's healthy financial operations are expected to remain stable due to conservative financial management that has resulted in strong reserve levels and alternate liquidity available to the district."

**ECONOMIC FACTORS**

The current state's economy coupled with the state's continuing budget challenges causes considerable concern for future funding levels. Southwest Tech's strengths in countering an economic downturn are summarized in the following statements:

- Southwest Tech has had moderate growth in FTE's of approximately 2.0% percent since 2008-09 (5 years ago).
- Southwest Tech has articulation agreements with other institutions of higher learning that provide options for students to fulfill program requirements locally and finish with minimal time elsewhere.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2014

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**ECONOMIC FACTORS (continued)**

- Unique programs such as Golf Course Management, Midwifery and online programs/courses draw students from outside of the district and state.
- Southwest Tech is 1 of 2 colleges in the state technical college system that provide student housing on campus. This benefits students that decide not to commute or reside further than reasonable daily travel distances.
- The level of our fund balances affords us time and flexibility to adjust to changing conditions.
- Capital financing through debt service allows us to keep pace with current technology.
- A higher than average percentage of revenue is gained through grant opportunities.

Southwest Wisconsin Technical College faces challenges among which are:

- Historically below the state average in equalized valuation growth.
- Declining K-12 population equating to a smaller future customer base from high school graduates.
- Cost of operations continues to increase (wages, benefits, insurance, utilities, etc.)

These challenges make the execution of the budget a continuous work in progress as adjustments need to occur when revenue sources change. Southwest Tech has effectively survived previous difficult times and is a stronger institution as a result of it. The current financial position of the Southwest Tech allows us the flexibility to adjust to change and maintain this positive status in the future.

**CONTACTING SOUTHWEST WISCONSIN TECHNICAL COLLEGE'S FINANCIAL MANAGEMENT**

The financial report is designed to provide a general overview of Southwest Tech's finances for all those with an interest in Southwest Tech's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Caleb White, Vice President for Administrative Services, 1800 Bronson Boulevard, Fennimore, WI 53809.

Additional information about Southwest Wisconsin Technical College and its services can also be found at <http://www.swtc.edu>.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**STATEMENTS OF NET POSITION**  
June 30, 2014 and 2013

	2014	2013
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and investments	\$ 9,123,735	\$ 7,782,012
Taxes receivable	5,512,898	5,476,465
Accounts receivable, net	1,116,636	966,833
Student accounts receivable	474,788	437,585
Due from other governments	65,750	116,777
Inventories	648,355	571,817
Prepaid expenses	123,467	80,994
Total current assets	17,065,629	15,432,483
NONCURRENT ASSETS		
Capital assets not being depreciated	813,445	813,445
Capital assets being depreciated, net	43,731,696	44,247,383
Total noncurrent assets	44,545,141	45,060,828
<b>Total assets</b>	61,610,770	60,493,311
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and other current liabilities	1,187,509	928,951
Accrued salaries and benefits	1,162,512	1,393,668
Accrued interest	89,214	91,357
Accrued self-insurance	431,000	375,000
Compensated absences	838,122	984,178
Unearned revenue	443,696	319,058
Current portion of long-term debt	3,160,000	3,000,000
Total current liabilities	7,312,053	7,092,212
NONCURRENT LIABILITIES		
Long-term debt, net of current portion	27,900,000	29,060,000
Post-employment benefits	4,188,829	2,984,457
Total noncurrent liabilities	32,088,829	32,044,457
Total liabilities	39,400,882	39,136,669
<b>NET POSITION</b>		
Net investment in capital assets	13,485,141	13,000,829
Restricted		
Student financial assistance	243,155	229,976
Capital projects	795,529	553,929
Debt service	1,244,645	1,204,893
Unrestricted	6,441,418	6,367,015
Total net position	\$ 22,209,888	\$ 21,356,642

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
Years Ended June 30, 2014 and 2013

	2014	2013
<b>OPERATING REVENUES</b>		
Tuition and fees		
Program fees (net of \$181,251 and \$144,132 scholarship allowances, respectively)	\$ 4,127,479	\$ 4,138,452
Material fees (net of \$13,287 and \$12,304 scholarship allowances, respectively)	325,729	325,104
Other student fees (net of \$26,573 and \$19,335 scholarship allowances, respectively)	597,740	579,192
Federal grants and contracts	4,388,900	4,312,145
State grants and contracts	1,579,115	1,418,635
Non-governmental grants and contracts	2,682,670	2,506,064
Auxiliary enterprise services	1,636,041	1,996,511
Total operating revenues	15,337,674	15,276,103
<b>OPERATING EXPENSES</b>		
Instruction	16,154,063	14,156,895
Instructional resources	360,711	336,861
Student services	2,492,747	2,397,460
General institution	3,430,105	3,102,121
Physical plant	1,911,448	1,865,267
Auxiliary enterprise services	1,326,957	1,254,790
Depreciation	2,569,388	2,417,109
Student aid	2,994,455	3,040,225
Total operating expenses	31,239,874	28,570,728
Operating loss	(15,902,200)	(13,294,625)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	2,457,009	2,520,089
Local property taxes	15,823,152	15,600,920
Loss on disposal of capital assets	(21,291)	(28,907)
Investment income	25,021	17,975
Interest on capital asset-related debt	(1,528,445)	(1,586,787)
Total non-operating revenues (expenses)	16,755,446	16,523,290
<b>Change in net position</b>	853,246	3,228,665
Net position - beginning of year	21,356,642	18,127,977
<b>Net position - end of year</b>	\$ 22,209,888	\$ 21,356,642



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**STATEMENTS OF CASH FLOWS**  
Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities		
Tuition and fees received	\$ 5,138,383	\$ 4,902,976
Federal and state grants received	6,019,042	5,724,861
Business, industry and school district contract revenues received	2,532,867	2,319,086
Payments to employees, including related benefits	(20,650,558)	(21,735,358)
Payments to suppliers	(6,997,221)	(5,056,605)
Auxiliary enterprise revenues received	1,636,041	1,996,512
Net Cash Flows from Operating Activities	<u>(12,321,446)</u>	<u>(11,848,528)</u>
Cash flows from non-capital financing activities		
Local property taxes received	15,786,719	15,831,151
State appropriations received	2,457,009	2,520,089
Net Cash Flows from Non-Capital Financing Activities	<u>18,243,728</u>	<u>18,351,240</u>
Cash flows from capital and related financing activities		
Purchases of capital assets	(2,074,991)	(3,510,805)
Proceeds from issuance of capital debt	2,500,000	2,500,000
Principal paid on capital debt	(3,500,000)	(3,445,000)
Interest paid on capital debt	(1,530,589)	(1,572,227)
Net Cash Flows from Capital and Related Financing Activities	<u>(4,605,580)</u>	<u>(6,028,032)</u>
Cash flows from capital and related financing activities		
Investment income received	25,021	17,975
Net Increase in Cash and Cash Equivalents	1,341,723	492,655
Cash and Cash Equivalents - Beginning of Year	7,782,012	7,289,357
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 9,123,735</u></u>	<u><u>\$ 7,782,012</u></u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (15,902,200)	\$ (13,294,625)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	2,569,388	2,417,109
Changes in assets and liabilities		
Accounts receivable, net	(149,803)	(186,978)
Student accounts receivable	(37,203)	(9,046)
Due from other governments	51,027	(5,919)
Inventories	(76,538)	315,840
Prepaid expenses	(42,473)	9,819
Accounts payable and other current liabilities	258,558	(344,574)
Accrued salaries and benefits	(231,156)	625,409
Accrued self-insurance	56,000	(225,000)
Compensated absences	(146,056)	24,157
Unearned revenue	124,638	(130,726)
Post-employment benefits	1,204,372	(1,043,994)
Net cash used in operating activities	<u>(12,321,446)</u>	<u>(11,848,528)</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Southwest Wisconsin Technical College (Southwest Tech), comprised of five full Southwest Wisconsin counties and portions of four others, became operational on July 1, 1967, pursuant to Chapter 292, Laws of Wisconsin of 1965. The geographic area of the Southwest Tech is comprised of most of Crawford, Grant, Iowa, Lafayette, and Richland counties and part of Dane, Green, Sauk, and Vernon counties covering 3,800 square miles. There are 30 public K-12 school districts within Southwest Tech boundaries.

Southwest Tech is governed by a nine-member District Board elected by the 30 school districts boards comprising Southwest Tech. Pursuant to Wisconsin Statute, the District Board consists of two employer members, two employee members, three additional members, one elected official member who holds a state or local office, and one school district administrator. Board members serve staggered three-year terms. The District Board powers are established under the provisions of Chapter 38 of the Wisconsin Statutes and include:

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

The accounting policies of Southwest Tech conform to accounting principles generally accepted in the United States of America as applicable to public colleges and universities as well as those prescribed by the Wisconsin Technical College System (WTCS). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant policies.

**Reporting Entity**

The reporting entity of Southwest Tech is based upon criteria set forth by GASB Statement No. 61 *The Financial Reporting Entity: Omnibus an Amendment* to GASB Statements No. 14 and No. 34. The reporting entity for Southwest Tech consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. If a primary government appoints a voting majority of an organization's officials or if the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or to impose specific financial burdens on, the primary government, the primary government is financially accountable for those organizations. An organization has a financial benefit or burden relationship with the primary government if, for example, any one of these conditions exists. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. The report does not contain any component units.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

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**NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Southwest Tech is affiliated with SWTC Foundation, Inc. (Foundation), a not-for-profit corporation whose purpose is to solicit, hold, manage, invest and expend endowment funds and other gifts, grants, and bequests exclusively for the maintenance and benefit of Southwest Tech. The Foundation is managed by an independent board of directors. Southwest Tech provides office space, certain equipment and furnishings, most related utility services and some insurance coverage to the Foundation without charge. The financial resources of the Foundation are not significant to Southwest Tech as a whole and accordingly, financial information related to the Foundation is not included in these financial statements.

**Basis of Accounting and Financial Statement Presentation**

For financial reporting purposes, Southwest Tech is considered a special-purpose government engaged only in business-type activities. Accordingly, the financial statements of Southwest Tech have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the 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-governmental transactions have been eliminated.

**Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires Southwest Tech to make estimates and assumptions that affect the reported amounts of assets, deferred inflows and outflows of revenues and liabilities, and disclosures 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 those estimates.

***Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position***

**Cash and Cash Equivalents**

Southwest Tech's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the Local Government Investment Pool, and short-term investments with original maturities less than ninety days from date of acquisition.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. The SIF is not rated. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2014 and 2013, the fair value of Southwest Tech's share of the LGIP's assets was substantially equal to the amount reported in these statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Inventories**

Inventories of books and supplies reflected in the proprietary fund types are stated at the lower of cost or market; cost is determined using the first-in, first-out method. Instructional and administrative inventories are expensed as incurred.

**Capital Assets**

Capital assets are reported at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value at the time of receipt. Interest costs incurred during construction are not capitalized and are not considered material.

The costs of maintenance and repairs are charged to operations as incurred. Equipment assets having a cost of \$500 or more per unit and building or remodeling projects of \$15,000 or more are capitalized. Depreciation on buildings and equipment is provided in amounts sufficient to relate the cost of depreciable assets to operations on the straight-line basis over the estimated useful life of the asset, which range from four to ten years for equipment and fifty years for buildings and remodeling.

**Property Tax and Taxes Receivable**

The District Board, under Section 38.16 of the Wisconsin Statutes, may levy a tax not to exceed 1.5 mills on the full value of taxable property within the area served by Southwest Tech for the purposes of operating and maintaining schools. The mill rate limitation is not applicable to taxes levied for the purposes of paying principal and interest on general obligation debt issued by Southwest Tech that is used for capital improvements and equipment additions.

Southwest Tech's operational mill rate was 1.52915 and 1.5000 mills for fiscal years ending 2014 and 2013. The debt service mill rate for the fiscal years ending 2014 and 2013 was .63447 and .63494 respectively.

Southwest Tech communicates its property tax levy to city, village and town treasurers or clerks in October of the fiscal year for which the taxes are levied.

The following dates are pertinent to Southwest Tech's tax calendar:

Levy date	Month of October
Tax bills are mailed	Month of October
Payments	
Taxes paid in one installment	January 31
Taxes paid in two installments:	
First installment due	January 31
Second installment due	July 31

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Historically, Southwest Tech has received the majority of its property tax levy from municipalities in the fiscal year for which the taxes were levied. However, in most fiscal years, a portion of such revenues has been receivable at year-end because the second installment of real estate taxes and delinquent taxes is not required to be collected by the county treasurer until the month of August following Southwest Tech's year-end.

**Compensated Absences**

Southwest Tech employees are granted vacation, and sick leave benefits in varying amounts in accordance with Southwest Tech policies. In the event of retirement, death or resignation of an employee, Southwest Tech is obligated to pay for all unused vacation days. All vacation is accrued when incurred as accrued compensated absences in the statement of net position.

**Retirement Plan**

Southwest Tech employees participate in the Wisconsin Retirement System. All contributions made by Southwest Tech on behalf of its employees are reported as expenses when incurred.

**Post-Employment Benefits**

For employees hired prior to July 1, 2006, Southwest Tech's employee fringe benefit program includes a provision which allows academic, administrative, and support staff to be carried with the group insurance plan or plans at their own expense after retirement or layoff. However, the Board will continue to pay health insurance premiums based on type of employee and years of service or number of accumulated hours of sick leave.

For employees, any academic staff, administrative staff, or support staff with less than thirteen years of service to Southwest Tech that retire under the Wisconsin Retirement System or are laid off, one-half of their unused accumulated sick leave at full pay will be used to continue the payment of health insurance premiums at the time of retirement or layoff.

At time of separation, support staff with thirteen or more years of service to Southwest Tech will have one years worth of health insurance premiums banked to pay future post separation premiums. Those with fifteen or more years of service to Southwest Tech will have two years worth of health insurance premiums banked to pay future post separation premiums. Those with seventeen or more years of service will have three years worth of health insurance premiums banked to pay future separation premiums.

Academic and administrative staff with thirteen or more years of service to Southwest Tech will have three years worth of health insurance premiums banked to pay future separation premiums. Those with fifteen or more years of service will have four years worth of health insurance premiums banked to pay future post separation premiums. Those with seventeen or more years of service will have five years worth of health insurance premiums banked to pay future post separation premiums.

These benefits are financed on a pay-as-you-go basis. In the current year, Southwest Tech paid \$627,534 of health insurance for 71 former employees.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Deferred Outflows/Inflows of Resources**

In addition to assets, the balance sheet will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Southwest Tech has no qualifying deferred outflows as of June 30, 2014.

In addition to liabilities, the balance sheet will report a separate section for deferred inflows of resources. Deferred inflows of resources represent 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. Southwest Tech has no qualifying deferred inflows as of June 30, 2014.

**Fees and Tuition**

Fees and tuition 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. Southwest Tech's student fee receivable is stated at amounts due from students, net of an allowance for doubtful accounts. Amounts outstanding longer than the agreed upon payment terms are considered past due. Southwest Tech determines its allowance for doubtful accounts by considering a number of factors including length of time amounts are past due, Southwest Tech's previous loss history and the student's ability to pay his or her obligation. Southwest Tech writes off receivables when they become uncollectible, and payments subsequently collected on such receivables are credited to the allowance for doubtful accounts.

**State and Federal Revenues**

Southwest Tech receives funding from various federal and state contracts and grants. These revenues are earned as expenses are incurred. Such expenses may be incurred during the grantor's fiscal period, which may be different than that of Southwest Tech.

Southwest Tech participates in federally funded Pell Grants, SEOG Grants, Federal Work Study and Federal Direct Student Loan Programs. Federal and State programs are audited in accordance with *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*.

**Scholarship Allowances and Student Aid**

Financial aid to students is reported in the financial statements under the following method: All aid is reflected in the basic financial statements as operating expenses or scholarship allowances, which reduce revenues. Southwest Tech receives and disburses cash and, as a result, must record all federal and state loan funds as federal and state grants, and the crediting of the funds to the student's account as student aid expense. The amount reported as operating expenses represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Classification of Revenue and Expense**

Southwest Tech has classified its revenue and expenses as either operating or non-operating according to the following criteria:

*Operating revenue/expenses* - Operating revenues and expenses include activities that have the characteristics of exchange transactions to provide goods or services related to Southwest Tech's principal ongoing operations. Operating revenues include (1) student tuition and fees, net of scholarship allowances, (2) sales and services of auxiliary enterprises, and (3) most federal, state and local grants and contracts that are essentially the same as contracts for services that finance programs of Southwest Tech. Operating expenses include the cost of providing educational services, student aid, administrative expenses and depreciation on capital assets.

*Non-operating revenues/expenses* - Non-operating revenues and expenses include activities that have the characteristics of non-exchange transactions. Non-operating revenues as defined by GASB Statement No.9, *Reporting Cash Flows 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 gifts and contributions, and other revenue sources such

**Self Insurance**

Southwest Tech is self insured for health and dental coverage. Southwest Tech accounts for its medical self-insurance program in an internal service fund. The purpose of this fund is to pay medical insurance claims of Southwest Tech employees and their covered dependents and to minimize the total costs of annual insurance to Southwest Tech. The accrued liability for estimated claims represents an estimate of the eventual loss on claims arising prior to year end, including claims incurred but not yet reported. The amounts not reported to Southwest Tech were determined by the Plan administrator. As part of the health care coverage of the Plan, Southwest Tech purchases stop-loss coverage, which pays claims in excess of \$100,000 per individual and/or 125% of the annual estimated claims. Southwest Tech has no stop-loss coverage for dental care coverage of the Plan.

Change in the claims liability for the years ended June 30 is as follows:

		Estimated claims outstanding		
	Beginning Balance	Claims IBNR	Claim Payments	Ending Balance
2014	\$ 375,000	\$ 3,149,879	\$ 3,205,879	431,000
2013	600,000	2,926,538	2,701,538	375,000



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

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NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Net Position**

Net position is classified according to restrictions on availability of assets for satisfaction of Southwest Tech's obligations.

*Net investment in capital assets:* The value of capital assets (land, buildings and equipment) less the debt incurred to acquire or construct the assets plus the borrowed resources not yet expended, but restricted for capital purchases.

*Restricted net position:* Restricted net position includes resources in which Southwest Tech is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

- Restricted net position for debt service can only be used to repay debt service costs (principal and interest) as they are levied for that specific purpose.
- Restricted net position for student financial assistance can only be used for student financial assistance activities.
- Restricted net position for capital projects results from unspent from general obligation debt issued specifically for capital projects.

*Unrestricted net position:* Unrestricted net position represents resources derived from student tuition and fees, state appropriations, and sales and services provided by educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of Southwest Tech and may be used at the discretion of the governing board to meet current expenses. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, Southwest Tech's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

**NOTE 2—CASH AND CASH EQUIVALENTS**

Southwest Tech cash and cash equivalents consist of the following at June 30:

	2014	2013	Risk
Cash and cash equivalents:			
Cash on hand	\$ 1,750	\$ 4,908	
Deposit accounts	7,961,827	6,617,901	Custodial
Wisconsin Local Government Investment Pool	1,160,158	1,159,203	Credit and interest rate
Total cash and cash equivalents	<u>\$ 9,123,735</u>	<u>\$ 7,782,012</u>	

Southwest Tech voluntarily invests excess funds in the Wisconsin Local Government Investment Pool (LGIP), an external investment pool. The LGIP is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. The SIF is not rated. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, the fair value of the Southwest Tech's share of the LGIP's assets was substantially equal to the amounts reported above.

Southwest Tech is limited to investments authorized by Wisconsin State Statute 66.0603 including the following:

1. Time deposits in any credit union, bank, savings bank, trust company, or savings and loan association which is authorized to transact business in the state if the time deposits mature in not more than three years.
2. Bonds or securities issued or guaranteed as to principal and interest by the federal government, or by a commission, board, or other instrumentality of the federal government.
3. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state, as well as bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, the University of Wisconsin Hospitals and Clinics Authority, a local cultural arts district, or the Wisconsin Aerospace Authority.
4. Any security which matures or which may be tendered for purchase at the option of the holder within not more than seven years of the date on which it is acquired, if that security has a rating which is the highest or second highest rating category assigned by Standard & Poor's corporation, Moody's investors service, or other similar nationally recognized rating agency or if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

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NOTE 2—CASH AND CASH EQUIVALENTS (continued)

5. Securities of an open-end management investment company or investment trust, with certain limitations:
  - a. Bonds or securities issued under the authority of the municipality;
  - b. The local government pooled-investment fund as established under Section 25.50 of the Wisconsin Statutes; the state of Wisconsin local government investment fund (LGIP)
  - c. Agreements in which a public depository agrees to repay funds advanced to it by Southwest Tech, plus interest, if the agreement is secured by bonds or securities issued or guaranteed as to principal and interest by the federal government.
  - d. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
  - e. Repurchase agreements with public depositories, with certain conditions.

*Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, Southwest Tech would 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. Southwest Tech's carrying values for bank deposits were \$7,961,827 and \$6,617,901 at June 30, 2014 and 2013.

The bank balances were \$8,176,599 and \$6,772,880. Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000. Bank accounts and the local government investment pool are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may be significant to individual organizations. As of June 30, 2014, \$250,000 of Southwest Tech's deposits was covered by the FDIC, and \$7,926,599 was secured by pledged securities.

For investments, custodial credit risk is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to the transaction, Southwest Tech will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Southwest Tech's investment policy minimizes credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio. Individual securities may not exceed 5% of the market value of the portfolio at the time of purchase with the exception of U.S. Government issues fully guaranteed as to both principal and interest by the U.S. government or agencies thereof, shares of open-ended investment companies, the LGIP, or the Wisconsin Investment Series Cooperative (WISC). The LGIP and WISC do not carry a credit quality rating.

*Interest Rate Risk*

As a means of limiting its exposure to fair value losses arising from rising interest rates, Southwest Tech's investment policy limits the maturity of any security to no more than five years from the date of purchase or in accordance with state and local statutes and ordinances, whichever is less. The policy indicates that the investment portfolio should be structured so that securities mature to meet the cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The policy sets a maximum duration range of two years with a target duration of one year. As of June 30, 2014, Wisconsin Local Government Investment Pool (LGIP) investments have a maturity of 12 months or less.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

**NOTE 3—CAPITAL ASSETS**

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

	Balance 7/1/2013	Additions	(Deletions)	Balance 6/30/2014
Capital assets not being depreciated				
Land	\$ 813,445	\$ -	\$ -	\$ 813,445
Construction in progress	-	656,980	-	656,980
Total capital assets not being depreciated	813,445	656,980	-	1,470,425
Capital assets being depreciated				
Land improvements	1,053,467	-	-	1,053,467
Buildings & improvements	43,702,935	413,340	(6,900)	44,109,375
Equipment	22,187,195	1,004,671	(159,554)	\$ 23,032,312
Total capital assets being depreciated	66,943,597	1,418,011	(166,454)	68,195,154
Less accumulated depreciation for				
Land improvements	441,088	44,960	(345)	485,703
Buildings & improvements	7,186,011	1,047,887	-	8,233,898
Equipment	15,069,114	1,476,541	(144,818)	16,400,837
Total accumulated depreciation	22,696,213	2,569,388	(145,163)	25,120,438
Total capital assets being depreciated-net	44,247,384	(1,151,377)	(21,291)	\$ 43,074,716
Net capital assets	45,060,829	(494,397)	(21,291)	44,545,141
Less general obligation debt	(32,060,000)			(31,060,000)
Plus unexpended debt proceeds included in general obligation debt	-			-
Total net investment in capital assets	\$ 13,000,829			\$ 13,485,141

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

NOTE 3—CAPITAL ASSETS (continued)

The following is a summary of changes in capital assets for the year ended June 30, 2013:

	Balance 7/1/2012	Additions	(Deletions)	Balance 6/30/2013
Capital assets not being depreciated				
Land	\$ 813,445			\$ 813,445
Capital assets being depreciated				
Land improvements	919,768	133,699	-	1,053,467
Buildings & improvements	42,234,563	1,468,372	-	43,702,935
Equipment	20,513,166	1,908,734	(234,705)	\$ 22,187,195
Total capital assets being depreciated	63,667,497	3,510,805	(234,705)	66,943,597
Less accumulated depreciation for				
Land improvements	398,045	43,043	-	441,088
Buildings & improvements	6,181,538	1,004,473	-	7,186,011
Equipment	13,905,324	1,369,593	(205,803)	15,069,114
Total accumulated depreciation	20,484,907	2,417,109	(205,803)	22,696,213
Total capital assets being depreciated-net	43,182,590	1,093,696	(28,902)	\$ 44,247,384
Net capital assets	43,996,035	1,093,696	(28,902)	45,060,829
Less general obligation debt	(33,005,000)			(32,060,000)
Plus unexpended debt proceeds included in general obligation debt	944,718			-
Total net investment in capital assets	\$ 11,935,753			\$ 13,000,829

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

**NOTE 4—LONG-TERM OBLIGATIONS**

Long-term obligations of Southwest Tech consist of general obligation bonds, general obligation promissory notes and compensated absences for vacation and sick pay benefits.

Changes in long-term obligations for the years ended June 30, 2014 and 2013 was as follows:

	Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014	Due Within One Year
Notes and bonds payable	\$ 32,060,000	\$ 2,500,000	\$ 3,500,000	\$ 31,060,000	\$ 3,160,000
Accrued compensated absences	984,178	528,765	674,821	838,122	838,122
Total long-term liabilities	<u>\$ 33,044,178</u>	<u>\$ 3,028,765</u>	<u>\$ 4,174,821</u>	<u>\$ 31,898,122</u>	<u>\$ 3,998,122</u>

	Balance 7/1/2012	Additions	Reductions	Balance 6/30/2013	Due Within One Year
Notes and bonds payable	\$ 33,005,000	\$ 2,500,000	\$ 3,445,000	\$ 32,060,000	\$ 3,000,000
Accrued compensated absences	960,022	24,156	-	984,178	984,178
Total long-term liabilities	<u>\$ 33,965,022</u>	<u>\$ 2,524,156</u>	<u>\$ 3,445,000</u>	<u>\$ 33,044,178</u>	<u>\$ 3,984,178</u>

All general obligation debt is secured by the full faith and credit and taxing powers of Southwest Tech. Long-term debt will be retired by future property tax levies and resources accumulated in the debt service fund.

Wisconsin State Statute 67.03 (1) limits total general obligation debt of Southwest Tech to 5% of the equalized value of taxable property located within the district. Wisconsin State Statute 67.03 (9) limits bonded indebtedness of Southwest Tech to 2% of the equalized value of taxable property, including tax incremental districts. The legal debt limit and the margin of indebtedness, as of June 30, 2014 is as follows:

	Bonds	Aggregate
Debt limit (2% for bonds, 5% for aggregate)	\$ 146,265,052	\$ 365,662,631
Debt outstanding at June 30, 2014 net of resources available to pay principle	<u>24,915,355</u>	<u>29,815,355</u>
Margin of indebtedness:	<u>\$ 121,349,697</u>	<u>\$ 335,847,276</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

NOTE 4—LONG-TERM OBLIGATIONS (continued)

General obligation debt at June 30, 2014 and 2013 are as follows:

	<u>Buyer</u>	<u>2014</u>	<u>2013</u>
2008 \$8,000,000 general obligation school improvement bonds payable with annual principle payments of \$150,000 - \$585,000 through June 1, 2028, interest at 4.00%-4.75%, payable semi-annually in June 1 and December 1. Proceeds used to finance construction and remodeling.	Sterne, Agee & Leach, Inc.	\$ 6,190,000	\$ 6,500,000
2009 \$2,000,000 general obligation promissory note payable with annual principle payments of \$400,000 through June 1, 2014, interest at 2.00%-2.50%, payable semi-annually in June 1 and December 1. Proceeds used to finance facility improvements.	First Trust Portfolios L.P	-	400,000
2009 \$23,900,000 taxable general obligation Build America Bonds payable, authorized by the American Recovery and Reinvestment Act, with annual principle payments of \$600,000 - \$1,745,000 through June 1, 2029, interest at 1.65%-6.125%, payable semi-annually in June 1 and December 1. Interest payments are reduced by a 35% federal subsidy. Proceeds used to finance new construction and remodeling.	Robert W. Baird	19,970,000	20,860,000
2010 \$2,000,000 promissory notes payable with annual principle payments of \$400,000 through June 1, 2015, interest at 1.50%-2.00%, payable semi-annually in June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	M&I Marshall & Isley Bank	400,000	800,000
2011 \$2,500,000 promissory notes payable with annual principle payments of \$500,000 through June 1, 2016, interest at 1.0%-2.0%, payable semi-annually in June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	Robert W. Baird	1,000,000	1,500,000



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

NOTE 4—LONG-TERM OBLIGATIONS (continued)

	<u>Buyer</u>	<u>2014</u>	<u>2013</u>
2012 \$2,500,000 promissory notes payable with annual principle payments of \$500,000 through June 1, 2017, interest at 0.40%-1.0%, payable semi-annually in June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	UMB Bank, N.A	1,500,000	2,000,000
2013 \$2,500,000 promissory notes payable with annual principle payments of \$500,000 through June 1, 2018, interest at 1.75%-2%, payable semi-annually in June 1 and December 1. Proceeds used to finance remodeling, facility improvements, and equipment purchases.	Robert W. Baird	2,000,000	-
<b>Total General Obligation Debt</b>		<u>\$ 31,060,000</u>	<u>\$ 32,060,000</u>

Future debt service requirements as of June 30, 2014 are as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Federal Subsidy</u>	<u>Total</u>
2015	3,160,000	1,070,567	\$ (382,771)	\$ 3,847,796
2016	2,825,000	999,678	(370,009)	3,454,669
2017	2,395,000	929,716	(354,495)	2,970,221
2018	1,970,000	865,744	(337,205)	2,498,539
2019	1,545,000	803,134	(318,340)	2,029,794
2020-2024	8,890,000	3,129,821	(1,253,186)	10,766,635
2025-2029	10,275,000	1,246,667	(531,682)	10,989,985
	<u>\$ 31,060,000</u>	<u>\$ 9,045,327</u>	<u>\$ (3,547,688)</u>	<u>\$ 36,557,639</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

**NOTE 5—EMPLOYEE'S RETIREMENT SYSTEM**

All eligible Southwest Tech employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (400 hours for teachers and school 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. 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 (800 hours for teachers and school 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. Employees hired to work nine or ten months per year (e.g. teachers contracts), but expect to return year after year are considered to have met the one-year requirement.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for general category employees including teachers, and executives and elected officials. Required contributions for protective occupations 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. Contribution rates for 2014 are:

	<u>Employee</u>	<u>Employer</u>
General (including teachers)	6.65%	6.65%
Executives and elected officials	7.00%	7.00%
Protective with Social Security	6.65%	9.75%
Protective without Social Security	6.65%	12.35%

The payroll for Southwest Tech employees covered by the WRS for the year ended June 30, 2014 was \$11,851,572; the employer's total payroll was \$12,920,452. The total required contribution for the year ended June 30, 2014 was \$1,640,090, which consisted of \$820,045, or 6.35% of payroll from Southwest Tech and \$820,045 or 6.35% of payroll from employees. The amount contributed equaled the required contribution. Total contributions for the years ended June 30, 2013 and 2012 were \$1,432,734 and \$1,328,367, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefits are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for retirement benefits may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2014 and 2013

**NOTE 5—EMPLOYEE'S RETIREMENT SYSTEM (continued)**

or after April 24, 1998 and prior to July 1, 2011 are immediately vested. Participants who initially become WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of the Wisconsin Statutes.

The WRS issues an annual financial report that may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**NOTE 6—OTHER POST-EMPLOYMENT BENEFITS**

Southwest Tech provides other post-employment benefits (OPEB) for its employees through a single-employer retiree benefit plan that provides postemployment health and dental insurance benefits to eligible employees and their spouses in accordance with employee contracts. There are approximately 181 active and 68 retired members in the plan as of June 30, 2014. Benefits and eligibility are established and amended by the governing body.

*Funding Policy.* Southwest Tech has no invested plan assets accumulated for payment of future benefits. The employer makes all contributions. Southwest Tech's funding policy is to provide annual contributions on a pay-as-you-go basis.

*Annual OPEB Cost and Net OPEB Obligation.* Southwest Tech's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of Southwest Tech's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in Southwest Tech's net OPEB obligation.

	2014	2013
Annual required contribution	\$ 368,605	\$ 474,925
Interest on net OPEB obligation	68,098	63,208
Adjustment to annual required contribution	(74,149)	(66,902)
Annual OPEB cost (expense)	362,554	471,231
OPEB payments made	(627,534)	(360,913)
Increase in net OPEB obligation	(264,980)	110,318
Net OPEB obligation - beginning of year	1,702,451	1,592,133
Net OPEB obligation - end of year	\$ 1,437,471	\$ 1,702,451

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

NOTE 6—OTHER POSTEMPLOYMENT BENEFITS (continued)

Southwest Tech's annual OPEB costs, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for June 30, 2014 and the preceding two years was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 362,554	173.09%	\$ 1,437,471
6/30/2013	\$ 471,230	76.59%	\$ 1,702,450
6/30/2012	919,052	72.20%	1,592,133

*Funded Status and Funding Progress.* As of July 1, 2013, the most recent actuarial valuation date, Southwest Tech's actuarial accrued liability (AAL) for benefits was \$5,919,556 and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability (UAAL) of \$5,919,556. The annual payroll for active employees covered by the plan in the actuarial valuation for the 2013-14 fiscal year was \$5,795,408 for a ratio of the UAAL to covered payroll of 102.14%.

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, such as assumptions about future terminations, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Actuarial Methods and Assumptions.* 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. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2013, actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return and an initial annual healthcare cost trend rate of 7.50%, reduced by decrements to an ultimate rate of 5%. Both rates include a 3% inflation assumption. The UAAL is being amortized on a level dollar basis. The remaining amortization period on July 1, 2013 was 27 years.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

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**NOTE 7—COMMITMENTS AND CONTINGENCIES**

Southwest Tech has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

From time to time Southwest Tech is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and Southwest Tech's legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Southwest Tech's financial position.

**Operating Leases**

Southwest Tech leases various facilities as outreach center to off Adult Basic Education, GED/HSED and other course options. Current facilities are located in Richland Center, Fennimore, Platteville and Darlington. Future minimum lease payments for the years ending June 30, 2015, 2016, 2017, 2018, and 2019 are \$87,801, \$28,401, \$28,401, \$29,262, and \$30,122. Rent expenses under all operating leases for the years ended June 30, 2014 and 2013 were \$48,281 and \$38,490.

**NOTE 8—RELATED PARTY TRANSACTIONS**

Southwest Tech purchases building supplies from a company owned by a member of the Board of Directors for Southwest Wisconsin Technical College. The total amount paid to this company for the years ended June 30, 2014 and 2013 was \$1,338 and \$33,322, respectively.

**NOTE 9—RISK MANAGEMENT**

**Districts Mutual Insurance Company (DMI)**

In July 2004 all sixteen WTCS technical colleges created Districts Mutual Insurance Company (DMI). Districts Mutual Insurance Company 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 \$350,000,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

At this time, settled claims have not approached the coverage limits as identified above. Southwest Tech's exposure to its layer of insurance is limited to its deductible amounts, which vary by coverage from \$2,500 to \$100,000 per occurrence. DMI purchases reinsurance for losses in excess of its retained layer of coverage.

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9—RISK MANAGEMENT (continued)**

Each member college is assessed an annual premium. 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 apportioned pro rata to each participant based on equity interest in the company. Since DMI is fully capitalized, member districts have not been assessed a capitalization amount for fiscal years 2014 and 2013.

The DMI financial statements can be obtained through Districts Mutual Insurance Co., 212 W. Pinehurst Trail, Dakota Dunes, SD 57049.

**Supplemental Insurance**

In July 1997, 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. Member entities include all sixteen Wisconsin Technical College System districts.

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

- *Foreign travel liability:* \$2,000,000 aggregate general; \$1,000,000 auto per accident; \$1,000,000 employee benefits; includes benefit for accidental death and dismemberment, repatriation, and medical expenses \$1,000 deductible for employee benefits.
- *Crime:* \$750,000 coverage for employee dishonesty, forgery, computer fraud and funds transfer fraud; \$500,000 coverage for theft, robbery, burglary, disappearance and destruction of money and securities; \$25,000 coverage for investigation expenses; \$2,500 deductible for investigation, \$15,000 deductible for employee dishonesty, forgery, and fraud.
- *Business Travel Accident:* Coverage for Local Board of Trustee Members \$1,000,000 aggregate general; \$100,000 for scheduled losses, assistance services medical evacuation and repatriation.

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

**NOTE 11—SUBSEQUENT EVENT**

On October 1, 2014, Southwest Tech issued \$5,215,000 of General Obligation Refunding Bonds, the proceeds of which are to be used to advance refund outstanding bonds. Interest rate on the issue is 2.55 percent.



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014 and 2013

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**NOTE 14—EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27. The statement will require Southwest Tech to disclose their net pension liability on their statement of net position, effective for the year ending June 30, 2015. GASB Statement No. 68 defines the liability as the difference between the total pension liability and the value of assets set aside to pay benefits. The Wisconsin Retirement System (WRS) will provide net pension liability using a measurement date no earlier than the end of Southwest Tech's prior fiscal year. The WRS will allocate the net pension liability to all employers based on their proportionate share of the employer contributions. This statement may have a material effect on the Southwest Tech's pension liability compared to what is disclosed under current standards.



## **REQUIRED SUPPLEMENTARY INFORMATION**

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS**  
June 30, 2014 and 2013

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b ) - ( a )	Funded Ratio (a/b)	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll (b-a)/c
7/1/2013	\$ -	\$ 5,919,556	\$ 5,919,556	0.00%	\$ 5,795,408	102.14%
7/1/2012	\$ -	\$ 6,699,033	\$ 6,699,033	0.00%	\$ 6,456,777	103.75%
7/1/2010	-	11,936,782	11,936,782	0.00%	12,396,947	96.29%

**Schedule of Employer Contributions**

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Net Percentage Contributed
6/30/2014	\$ 627,534	\$ 368,605	170.25%
6/30/2013	\$ 360,913	\$ 474,925	75.99%
6/30/2012	664,184	919,052	72.27%

The data presented in the Schedule of Funding Progress was taken from the reports issued by the actuary.

Southwest Tech is required to present information for the pension and other postemployment benefit plans for the three most recent actuarial studies. Two have been completed to date. Duplicate information for intervening years is not repeated.

## **OTHER SUPPLEMENTARY INFORMATION**

The following supplementary information is provided to document Southwest Tech'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 Southwest Tech. At the end of this section is a reconciliation between the two methods.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2014 with Comparative Totals for Year Ended June 30, 2013**

	2014				2013
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>REVENUES</b>					
Local government - tax levy	\$ 10,962,000	\$ 10,962,000	\$ 11,183,152	\$ 221,152	\$ 10,960,920
Intergovernmental revenue					
State	3,171,000	3,171,000	3,531,440	360,440	3,487,472
Federal	1,675,000	1,675,000	1,422,004	(252,996)	901,963
Tuition and fees					
Statutory program fees	4,440,000	4,440,000	4,127,479	(312,521)	4,138,452
Materials fees	350,000	350,000	325,729	(24,271)	325,104
Other student fees	350,000	350,000	386,638	36,638	351,829
Institutional	1,600,000	1,600,000	2,024,019	424,019	2,250,443
<b>Total revenues</b>	<b>22,548,000</b>	<b>22,548,000</b>	<b>23,000,461</b>	<b>452,461</b>	<b>22,416,183</b>
<b>EXPENDITURES</b>					
Current:					
Instruction	15,170,000	15,170,000	15,084,643	85,357	15,810,131
Instructional resources	362,000	412,000	360,711	51,289	340,491
Student services	1,605,000	1,705,000	1,657,388	47,612	1,673,756
General institutional	3,304,000	3,454,000	3,430,105	23,895	3,109,513
Physical plant	2,407,000	2,107,000	1,911,448	195,552	1,866,721
<b>Total expenditures</b>	<b>22,848,000</b>	<b>22,848,000</b>	<b>22,444,295</b>	<b>403,705</b>	<b>22,800,612</b>
Excess (deficiency) of revenues over (under) expenditures	(300,000)	(300,000)	556,166	856,166	(384,429)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	300,000	300,000	267,268	(32,732)	300,000
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>823,434</b>	<b>823,434</b>	<b>(84,429)</b>
Fund balance—beginning of year	5,750,233	5,750,233	5,564,834	(185,399)	5,649,262
<b>Fund balance—end of year</b>	<b>\$ 5,750,233</b>	<b>\$ 5,750,233</b>	<b>\$ 6,388,268</b>	<b>\$ 638,035</b>	<b>\$ 5,564,833</b>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SPECIAL REVENUE NON-AIDABLE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2014 with Comparative Totals for Year Ended June 30, 2013**

	2014				2013
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>REVENUES</b>					
Intergovernmental revenue					
State	\$ 400,000	\$ 400,000	\$ 493,026	\$ 93,026	\$ 442,404
Federal	7,500,000	7,500,000	6,697,185	(802,815)	6,674,358
Student fees	250,000	250,000	211,102	(38,898)	227,363
Institutional	200,000	200,000	304,898	104,898	230,096
Total revenues	8,350,000	8,350,000	7,706,211	(643,789)	7,574,221
<b>EXPENDITURES</b>					
Student services	8,350,000	8,350,000	7,643,030	706,970	7,494,376
Excess (deficiency) of revenues over (under) expenditures	-	-	63,181	(1,350,759)	79,845
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	(50,000)	(50,000)	(250,000)
<b>Net change in fund balance</b>	-	-	13,181	(1,400,759)	(170,155)
Fund balance—beginning of year	200,131	200,131	229,974	29,843	400,131
<b>Fund balance—end of year</b>	<b>\$ 200,131</b>	<b>\$ 200,131</b>	<b>\$ 243,155</b>	<b>\$ (1,370,916)</b>	<b>\$ 229,976</b>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2014 with Comparative Totals for Year Ended June 30, 2013**

	2014				2013 Actual (Budgetary Basis)
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	
<b>REVENUES</b>					
Institutional	\$ 50,000	\$ 50,000	\$ 45,162	\$ (4,838)	\$ 122,206
<b>EXPENDITURES</b>					
Current:					
Instruction	565,000	415,000	412,556	2,444	312,115
Instructional resources	84,000	134,000	96,421	37,579	62,616
Student services	-	-	-	-	4,335
General institutional	707,000	157,000	154,892	2,108	600,430
Physical plant	815,000	1,465,000	1,422,425	42,575	1,635,935
Total expenditures	2,171,000	2,171,000	2,086,294	84,706	2,615,431
Excess (deficiency) of revenues over (under) expenditures	(2,121,000)	(2,121,000)	(2,041,132)	79,868	(2,493,225)
<b>OTHER FINANCING SOURCES</b>					
Promissory notes issued	2,500,000	2,500,000	2,500,000	-	2,500,000
Transfers in	-	-	50,000	50,000	250,000
Transfers out	-	(270,000)	(267,268)	2,732	-
Total other financing sources	2,500,000	2,230,000	2,282,732	52,732	2,750,000
<b>Net change in fund balance</b>	379,000	109,000	241,600	132,600	256,775
Fund balance—beginning of year	(347,846)	(347,846)	553,929	901,775	297,154
<b>Fund balance—end of year</b>	<u>\$ 31,154</u>	<u>\$ (238,846)</u>	<u>\$ 795,529</u>	<u>\$ 1,034,375</u>	<u>\$ 553,929</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2014 with Comparative Totals for Year Ended June 30, 2013**

	2014				2013
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>REVENUES</b>					
Local government - tax levy	\$ 4,640,000	\$ 4,640,000	\$ 4,640,000	\$ -	\$ 4,640,000
Intergovernmental revenue					
State	405,000	405,000	11,658	(393,342)	8,848
Institutional	1,000	1,000	416,539	415,539	386,310
Total revenues	5,046,000	5,046,000	5,068,197	22,197	5,035,158
<b>EXPENDITURES</b>					
Physical plant	5,060,000	5,060,000	5,030,588	29,412	5,017,226
<b>Net change in fund balance</b>	(14,000)	(14,000)	37,609	51,609	17,932
Fund balance—beginning of year	1,286,092	1,286,092	1,296,250	10,158	1,278,318
<b>Fund balance—end of year</b>	<b>\$ 1,272,092</b>	<b>\$ 1,272,092</b>	<b>\$ 1,333,859</b>	<b>\$ 61,767</b>	<b>\$ 1,296,250</b>



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**PROPRIETARY FUNDS - ENTERPRISE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2014 with Comparative Totals for Year Ended June 30, 2013**

	2014				2013
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>OPERATING REVENUES</b>					
Institutional	\$ 1,850,000	\$ 1,850,000	\$ 1,636,041	\$ (213,959)	\$ 1,996,511
<b>OPERATING EXPENSES</b>					
Auxiliary services	1,650,000	1,650,000	1,464,867	185,133	1,961,324
Excess (deficiency) of revenues over (under) expenses	200,000	200,000	171,174	(28,826)	35,187
<b>NON-OPERATING EXPENSES</b>					
Transfers out	(300,000)	(300,000)	-	300,000	(300,000)
<b>Net change in net position</b>	(100,000)	(100,000)	171,174	271,174	(264,813)
Net Position—beginning of year	3,230,066	3,230,066	2,815,253	(414,813)	3,080,066
<b>Net Position—end of year</b>	<u>\$ 3,130,066</u>	<u>\$ 3,130,066</u>	<u>\$ 2,986,427</u>	<u>\$ (143,639)</u>	<u>\$ 2,815,253</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**Year Ended June 30, 2014 with Comparative Totals for Year Ended June 30, 2013**

	2014				2013
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget	Actual (Budgetary Basis)
<b>OPERATING REVENUES</b>					
Institutional	\$ 4,100,000	\$ 4,100,000	\$ 4,011,339	\$ (88,661)	\$ 3,992,674
<b>OPERATING EXPENDITURES</b>					
Auxiliary services	4,050,000	4,050,000	3,917,942	132,058	3,343,808
<b>Net change in net position</b>	50,000	50,000	93,397	43,397	648,866
Net Position—beginning of year	86,901	86,901	585,767	498,866	(63,099)
<b>Net Position—end of year</b>	<u>\$ 136,901</u>	<u>\$ 136,901</u>	<u>\$ 679,164</u>	<u>\$ 542,263</u>	<u>\$ 585,767</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL STATEMENTS**  
**TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2014

	Governmental Funds				Proprietary Funds				Statement of
	General	Special Revenue	Capital Projects	Debt Service	Enterprise Funds	Internal Service	Total	Reconciling Items	Revenues, Expenses and Changes in Net Position
REVENUES									
Local government - tax levy	\$ 11,183,152	\$ -	\$ -	\$ 4,640,000	\$ -	\$ -	\$ 15,823,152	\$ -	\$ 15,823,152
Intergovernmental revenue									
State	3,531,440	493,026	-	11,658	-	-	4,036,124	-	4,036,124
Federal	1,422,004	6,697,185	-	-	-	-	8,119,189	(3,730,289)	4,388,900
Tuition and fees									
Statutory program fees	4,127,478	-	-	-	-	-	4,127,478	-	4,127,478
Materials fees	325,729	-	-	-	-	-	325,729	-	325,729
Other student fees	386,639	211,102	-	-	-	-	597,740	-	597,740
Institutional	2,024,019	304,898	45,162	416,539	1,638,041	4,011,339	8,437,998	(4,094,265)	4,343,732
Total revenues	23,000,461	7,706,211	45,162	5,088,197	1,638,041	4,011,339	41,467,411	(7,824,555)	33,642,856
EXPENDITURES									
Current:									
Instruction	14,539,916	-	-	-	-	-	14,539,916	1,614,247	16,154,063
Instructional resources	360,711	-	-	-	-	-	360,711	-	360,711
Student services	1,857,389	7,643,030	-	-	-	-	9,300,418	(6,807,671)	2,492,747
General institutional	3,430,105	-	-	-	-	-	3,430,105	-	3,430,105
Physical plant	1,911,448	-	565,000	-	35,801	-	2,512,249	(600,801)	1,911,448
Auxiliary services	-	-	-	-	1,429,066	3,917,942	5,347,008	(4,020,051)	1,326,957
Capital outlay	544,827	-	1,521,294	-	-	-	2,066,121	(2,066,121)	-
Depreciation	-	-	-	-	-	-	-	2,569,398	2,569,398
Student aid	-	-	-	-	-	-	-	2,994,455	2,994,455
Debt service:									
Principal	-	-	-	3,500,000	-	-	3,500,000	(3,500,000)	-
Interest	-	-	-	1,530,588	-	-	1,530,588	(2,143)	1,528,445
Total expenditures	22,444,295	7,643,030	2,086,294	5,030,588	1,464,867	3,917,942	42,587,016	(9,819,697)	32,768,319
Excess (deficiency) of revenues over (under) expenditures	556,166	63,181	(2,041,132)	37,609	171,174	93,397	(1,119,605)	1,994,142	974,537
OTHER FINANCING SOURCES (USES)									
Long-term debt issued	-	-	2,500,000	-	-	-	2,500,000	(2,500,000)	-
Transfers in	267,268	-	50,000	-	-	-	317,268	(317,268)	-
Transfer out	-	(50,000)	(267,268)	-	-	-	(317,268)	317,268	-
Loss on disposal of capital assets	-	-	-	-	-	-	-	(21,291)	(21,291)
Total other financing sources (uses)	267,268	(50,000)	2,282,732	-	-	-	2,500,000	(2,521,291)	(21,291)
Net change in fund balance/net position	823,434	13,181	241,500	37,609	171,174	93,397	1,380,395	(527,149)	953,246
Fund balance/Net Position - beginning of year	5,564,834	229,974	553,929	1,296,250	2,815,253	585,767	11,046,007	10,310,635	21,366,642
Fund balance/Net Position - end of year	\$ 6,388,268	\$ 243,155	\$ 795,529	\$ 1,333,859	\$ 2,986,427	\$ 679,164	\$ 12,426,402	\$ 9,783,486	\$ 22,209,888

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL STATEMENTS**  
**TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
For the Year Ended June 30, 2014

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(a) State grant revenue is presented on the basic financial statement as follows:

Operating	\$ 1,579,115
Non-operating	2,457,009
	<u>\$ 4,036,124</u>

(b) Institutional revenue is reported on the basic financial statement as follows:

Non-governmental grants and contracts	\$ 2,682,670
Auxiliary enterprises	1,636,041
Investment income	25,021

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

Budgetary basis fund balance	\$ 12,426,402
Capital assets capitalized - at cost	69,404,961
Accumulated depreciation on capital assets	(24,891,890)
General obligation notes payable	(31,060,000)
Other post employment benefits and long-term portion of retiree health insurance	(4,188,829)
Accrued interest on notes payable	(89,214)
Encumbrances outstanding at year end	<u>608,458</u>
Net position per basic financial statements	<u>\$ 22,209,888</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
June 30, 2014

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**NOTE 1—BUDGETS AND BUDGETARY ACCOUNTING**

Southwest Tech's reporting structure used in the preparation of 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 process includes an administrative compilation and review of campus and departmental requests, public hearings, and approval by the District Board prior to June 30 of each year. Capital outlays for multi-year projects are budgeted annually in the Capital Projects Fund upon planned inception of the project.

Local property taxes are levied on a calendar year basis by various taxing municipalities located in Southwestern Wisconsin. Southwest Tech records as revenue its share of the local tax when levied.

Annual budgets are prepared on a different basis from the basic financial statements by recognizing encumbrances as expenditures and by recognizing revenues related to encumbrances.

The legal level of control for each budget is by function and within each fund. Budget amendments during the year are legally authorized. Budget transfers (between funds and functional areas within funds) and changes in expenditures (appropriations) require approval by the Board and require publishing a Class I public notice in the District's official newspaper within 10 days according to Wisconsin Statutes. The budget was modified during the year and also subsequent to the fiscal year end. These budget modifications reflect (1) actual property tax revenues in excess of estimates; (2) changes in expected state aid payments, both for the current year and prior year adjustments; (3) various other minor adjustments. Expenditures may not exceed appropriations. Unencumbered appropriations lapse at the end of each fiscal year. Management is authorized to transfer appropriations within functions without the approval of the Board.

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
AND OTHER AUDITORS' REPORTS**

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
Year Ended June 30, 2014

Federal Grantor/ Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Project Identification Number	Grant Period	Federal Grant Amount	Expenditures		Total Expenditures
					Federal	Match	
<b>Department of Agriculture</b>							
Commodity Partnerships for Small Agricultural Risk Management Education Sessions	10.459	03-187-000-013	7/1/13-9/30/13	\$ 85,328	\$ 74,109	\$ -	\$ 74,109
Pass-through Program from University of Minnesota							
Farm Business Management and Benchmarking Competitive Grants Program	10.319	03-120-000-013	9/1/12-8/31/14	62,320	56,868	-	56,868
Pass-through Program from Northeast Wisconsin Technical College							
Farm Business Management and Benchmarking Competitive Grants Program	10.319	03-151-000-012	7/1/13-9/31/13	8,595	6,232	-	6,232
Total Farm Business Management and Benchmarking Competitive Grants Program				70,915	63,100	-	63,100
<b>Total Department of Agriculture</b>				156,243	137,209	-	137,209
<b>Department of Labor</b>							
Pass-through Program from Northeast Iowa Community College							
H-1B Job Training Grants	17.288	03-156-000-012	7/1/13-9/30/13	62,595	62,595	-	62,595
H-1B Job Training Grants	17.288	03-156-000-012	10/1/13-6/30/14	104,139	104,139	-	104,139
Total H-1B Job Training Grants				166,734	166,734	-	166,734
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	03-152-000-012	07/1/12-9/30/13	29,011	29,011	-	29,011
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	03-152-000-012	10/1/12-6/30/13	386,920	386,920	-	386,920
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	03-174-000-013	10/1/12-6/30/13	256,428	78,825	-	78,825
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	03-180-000-013	7/1/13-9/30/13	163,941	163,941	-	163,941
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants	17.282	03-180-000-013	10/1/13-6/30/14	108,812	58,659	-	58,659
Total Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants				945,112	717,356	-	717,356
<b>Total Department of Labor</b>				1,111,846	884,090	-	884,090



**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
Year Ended June 30, 2014

<b>Department of Education</b>							
<b>Department of Education Direct Programs</b>							
<b>Student Financial Assistance Cluster</b>							
Federal Supplemental Education Opportunity Grant	84.007		7/1/13-6/30/14	-	38,305	-	38,305
Federal College Work Study	84.033		7/1/13-6/30/14	-	63,221	-	63,221
Federal Pell Grant	84.063		7/1/13-6/30/14	-	2,865,370	-	2,865,370
<b>Direct Student Loans</b>							
Federal Student Stafford Loans	84.268		7/1/13-6/30/14	-	3,718,251	-	3,718,251
Federal Student Plus Loans	84.268		7/1/13-6/30/14	-	12,038	-	12,038
Total Direct Student Loans				-	3,730,289	-	3,730,289
Total Student Financial Assistance Cluster				-	6,697,185	-	6,697,185
<b>Pass-through program from Wisconsin Technical College Systems Board</b>							
<b>Adult Education Act</b>							
Forward to Civic Literacy	84.002	03-111-146-164	7/1/13-6/30/14	13,753	13,753	-	13,753
Adult Basic Education - Disadvantaged	84.002	03-110-146-123	7/1/13-6/30/14	80,395	80,394	109,600	189,994
Total Adult Education Act				94,148	94,147	109,600	203,747
<b>Career and Technical Education Basic Grants to States</b>							
Strengthening Career & Technical Program	84.048	03-193-150-254	7/1/13-6/30/14	29,127	29,127	-	29,127
NTD Connections to NTD Recruit	84.048	03-194-150-264	7/1/13-6/30/14	7,282	7,282	-	7,282
Student Success	84.048	03-198-150-234	7/1/13-6/30/14	72,818	72,818	165,400	238,218
Career Prep	84.048	03-106-150-214	7/1/13-6/30/14	39,266	39,266	-	39,266
High School to College Transition	84.048	03-137-150-244	7/1/13-6/30/14	36,408	36,408	-	36,408
Total Career and Technical Education Basic Grants to States				184,901	184,901	165,400	350,301
<b>Total Department of Education</b>				279,049	6,876,233	275,000	7,251,233
<b>Department of Health &amp; Human Services</b>							
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	03-172-000-013	9/15/13-8/31/14	203,859	91,134	-	91,134
<b>Department of Homeland Security</b>							
Homeland Security Grant Program	97.067	03-112-000-014	4/1/12014	42,800	30,523	-	30,523
<b>Total Federal Awards</b>				<u>\$ 1,793,797</u>	<u>\$ 8,119,189</u>	<u>\$ 275,000</u>	<u>\$ 8,394,189</u>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
Year Ended June 30, 2014

State Grantor/Program	State Identifying Number	Project Identification Number	Grant Period	Grant Amount	Expenditures		Total Expenditures
					State	Match	
<b>Wisconsin Higher Education Board</b>							
Wisconsin Higher Education Grant	235.102		7/1/13-6/30/14	\$ 410,586	\$ 410,586	\$ -	\$ 410,586
Remission of Fees for Veterans and Dependents	235.105		7/1/13-6/30/14	15,094	15,094	-	15,094
Minority Undergraduate Retention Grant	235.107		7/1/13-6/30/14	1,615	1,615	-	1,615
Talent Incentive Program Grant	235.114		7/1/13-6/30/14	33,200	33,200	-	33,200
Nursing	235.117		7/1/13-6/30/14	12,000	12,000	-	12,000
Wisconsin Covenant Scholars Grant Revenue	235.131		7/1/13-6/30/14	24,625	24,625	-	24,625
Wisconsin Covenant Foundation Grant Revenue	235.131		7/1/13-6/30/14	11,000	11,000	-	11,000
<b>Total Wisconsin Higher Education Board</b>				508,120	508,120	-	508,120
<b>Wisconsin Department of Transportation</b>							
Motorcycle Safety	266.7348	03-123-000-003	1/1/13-12/31/13	9,133	6,806	-	6,806
3 Wheel Safety	266.7348	03-127-000-004	11/4/13-12/31/14	465	465	-	465
<b>Total Wisconsin Department of Transportation</b>				9,598	7,271	-	7,271
<b>Wisconsin Technical College Systems Board</b>							
State Aids for Vocational Technical and Adult Education	292.105		7/1/13-6/30/14	2,351,302	2,351,302	-	2,351,302
State Aids prior years	292.105		7/1/13-6/30/14	-	3,336	-	3,336
Displaced Homemakers Project Pivot	292.106	03-113-106-114	7/1/13-6/30/14	35,364	35,364	9,929	39,293
Students of Color Service and Support	292.109	03-104-109-114	7/1/13-6/30/14	7,989	7,989	2,663	10,652
Incentive Grants:							
Gold Collar - Adult Literacy	292.112	03-105-112-164	7/1/13-6/30/14	31,674	31,674	10,558	42,232
Investing in Sustained Service to SW WI	292.112	03-117-112-144	2/1/13-6/30/14	200,000	200,000	-	200,000
TSA Construction Electrician Apprentice	292.112	03-125-112-154	11/1/13-6/30/14	20,000	20,000	-	20,000
Advanced Manufacturing	292.112	03-118-112-114	10/1/13-6/30/14	58,835	58,835	-	58,835
Electrician Lab Assistant Expansion	292.112	03-128-112-184	9/1/13-6/30/14	1,550	1,550	-	1,550
Basic Skills	292.112	03-167-112-124	7/1/13-6/30/14	44,868	44,868	-	44,868
<b>Total Incentive Grants</b>				356,927	356,927	10,558	367,485
Transition Services	292.115	03-157-115-114	7/1/13-6/30/14	23,638	23,638	7,878	31,516

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
Year Ended June 30, 2014

State Grantor/Program	State Identifying Number	Project Identification Number	Grant Period	Grant Amount	Expenditures		Total Expenditures
					State	Match	
<b>Wisconsin Technical College Systems Board (continued)</b>							
<b>Workforce Advancement Training Grants:</b>							
Cabela's Leadership	292.116	03-103-116-114	7/1/13-6/30/14	14,160	14,101	-	14,101
Community Health Services	292.116	03-126-116-114	2/4/14-6/31/14	3,288	338	-	338
BAPL	292.116	03-175-116-114	7/1/13-6/30/14	23,774	21,286	-	21,286
3M	292.116	03-169-116-114	7/1/13-6/31/14	123,200	57,701	-	57,701
Cummins	292.116	03-178-116-113	7/1/13-6/31/13	55,831	55,831	-	55,831
Muscoda Multi-Company	292.116	03-197-116-114	7/1/13-6/31/14	49,910	7,117	-	7,117
Upland Hills - Lean Health	292.116	03-191-116-113	7/1/13-6/31/13	6,309	6,309	-	6,309
Rayovac - Lean Manufacturing	292.116	03-199-116-113	7/1/13-6/31/13	11,926	11,926	-	11,926
<b>Total Workforce Advancement Training Grants:</b>				<b>291,584</b>	<b>174,609</b>	<b>-</b>	<b>174,609</b>
Faculty Development	292.123	03-162-123-114	7/1/13-6/30/14	43,600	43,600	43,600	87,200
Fire Fighter Training 2%	292.137		7/1/12-6/30/13	26,284	26,284	-	26,284
<b>Occupational Competency Grants:</b>							
Occupational Competency	292.138	03-132-000-004	7/1/13-6/30/14	300	300	-	300
Occupational Competency	292.138	03-133-000-004	7/1/13-6/30/14	300	300	-	300
Occupational Competency	292.138	03-134-000-004	7/1/13-6/30/14	300	300	-	300
Occupational Competency	292.138	03-135-000-004	7/1/13-6/30/14	653	653	-	653
Dairy & Food Processing	292.138	03-171-138-214	8/1/13-6/30/14	10,370	10,370	3,424	13,794
Pass-through Nicolet College Occupational Competency	292.138	03-195-112-144	7/1/13-6/30/14	3,869	3,869	-	3,869
<b>Total Occupational Competency Grants:</b>				<b>15,792</b>	<b>15,792</b>	<b>3,424</b>	<b>19,216</b>
<b>Healthcare Education Grants</b>							
Healthcare: Certified Nursing Assistant	292.161	03-147-161-114	7/1/13-6/30/14	104,181	104,181	69,454	173,635
Healthcare: Nursing Retention & Program Completion	292.161	03-148-161-114	7/1/13-6/30/14	100,067	100,067	74,824	174,891
Healthcare: Midwife Clinical Support	292.161	03-179-161-114	7/1/13-6/30/14	178,609	178,609	-	178,609
<b>Total Healthcare Education Grants</b>				<b>382,857</b>	<b>382,857</b>	<b>144,278</b>	<b>527,135</b>
<b>Total Wisconsin Technical College Systems Board</b>				<b>3,535,337</b>	<b>3,418,362</b>	<b>216,330</b>	<b>3,634,692</b>
<b>Wisconsin Department of Natural Resource</b>							
DNR payment in lieu of taxes			7/1/13-6/30/14	62,170	62,170	-	62,170
<b>Wisconsin Department of Revenue</b>							
State Aid Computers	835.109		7/1/13-6/30/14	40,201	40,201	-	40,201
<b>Total State Awards</b>				<b>\$ 4,155,426</b>	<b>\$ 4,036,124</b>	<b>\$ 216,330</b>	<b>\$ 4,252,454</b>

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
June 30, 2014

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**NOTE 1—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Southwest Tech under programs of the federal government and state agencies for the year ended June 30, 2014. The information in this schedule is presented in accordance with requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of the Southwest Tech, it is not intended to and does not present the financial position, changes in net position, or cash flows of Southwest Tech.

**NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Specifically, debt service expenditures, as well as expenditures related to claims and judgments, and compensated absences are recorded only when payment is due. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Costs Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

**NOTE 3—RECONCILIATION OF FEDERAL AND STATE AWARDS TO THE BASIC FINANCIAL STATEMENTS**

Federal Revenue reported in the basic financial statements is reconciled to the Schedule of Expenditures of Federal and State Awards as follows:

Federal and State Awards	<u>\$ 8,119,189</u>
Federal Revenue reported in the Statement of Revenues, and Expenses and Changes in Net Position	\$ 4,388,900
Direct Student Loans included on the Schedule of Expenditures of Federal and State Awards	<u>3,730,289</u>
<b>Total Federal Revenues</b>	<u><b>\$ 8,119,189</b></u>

State Revenue reported in the basic financial statements is reconciled to the Schedule of Expenditures of Federal and State Awards as follows:

State revenues reported on the Schedule of Expenditures of Federal and State Awards	<u>\$ 4,036,124</u>
State Revenue reported in the Statement of Revenues, and Expenses and Changes in Net Position	
Operating	\$ 1,579,115
Non-operating	<u>2,457,009</u>
<b>Total State Revenues</b>	<u><b>\$ 4,036,124</b></u>

**NOTE 4—SUBRECIPIENT PAYMENTS**

Southwest Tech did not pay federal and state awards to subrecipients.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2014

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No Prior Audit Findings



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Southwest Wisconsin Technical College  
Fennimore, Wisconsin

We have audited 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, the financial statements of the business type activities and the aggregate remaining fund information of Southwest Wisconsin Technical College (Southwest Tech) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Southwest Tech's basic financial statements, and have issued our report thereon dated December 1, 2014.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Southwest Tech's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southwest Tech's internal control. Accordingly, we do not express an opinion on the effectiveness of Southwest Wisconsin Technical College'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify and 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 Southwest Tech'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*.

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### **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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
December 1, 2014





Wegner CPAs

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

To the Board of Directors  
Southwest Wisconsin Technical College  
Fennimore, Wisconsin

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

We have audited Southwest Wisconsin Technical College's (Southwest Tech's) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Southwest Tech's major federal and major state programs for the year ended June 30, 2014. Southwest Tech's major federal and major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Southwest Tech's major federal and major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133, and the *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 major state program occurred. An audit includes examining, on a test basis, evidence about Southwest Tech'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 major state program. However, our audit does not provide a legal determination of Southwest Tech's compliance.

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

In our opinion, Southwest Tech 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 major state programs for the year ended June 30, 2014.

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## Report on Internal Control Over Compliance

Management of Southwest Tech 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 Southwest Tech's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the *State Single Audit Guidelines*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Southwest Tech's internal control over compliance.

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

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

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

*Wegner CPAs LLP*

Wegner CPAs, LLP  
Madison, Wisconsin  
December 1, 2014

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2014

**Section I—Summary of Auditor's Results**

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
17.282	Trade Adjustment Assistance Community College and Career Training Grants
	Student Financial Assistance Cluster
84.007	Federal Supplemental Education Opportunity Grant
84.033	Federal College Work Study
84.063	Federal Pell Grant
84.268	Federal Student Stafford Loans
84.268	Federal Student Plus Loans

Dollar threshold used to distinguish between type A and type B programs:	\$ 300,000
Auditee qualified as low-risk auditee?	Yes

**State Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2014

Any audit findings disclosed that are required to be reported? No

Identification of state major programs:

State Identifying Number	Name of State Program
235.102	Wisconsin Higher Education Grant
292.105	State Aids for Vocational Technical and Adult Education

Dollar threshold used to distinguish between type A and type B programs: \$ 100,000

**Section II—Financial Statement Findings**

None

**Section III—Federal and State Award Findings and Questioned Costs**

None

**Section IV—Other Issues**

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

Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, 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* :

Technical College System Board	No
Higher Education Board	No
Department of Public Instruction	No
Department of Workforce Development	No
Department of Justice	No

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

Name and signature of partner



Scott R. Haumersen, CPA

Date of report

December 1, 2014

**APPENDIX B**

**FORM OF**

**CONTINUING DISCLOSURE CERTIFICATE**



## CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Southwest Wisconsin Technical College District, Crawford, Grant, Iowa, Lafayette, Richland, Green, Dane, Sauk and Vernon Counties, Wisconsin (the "Issuer") in connection with the issuance of \$2,500,000 General Obligation Promissory Notes, dated August 5, 2015 (the "Securities"). The Securities are being issued pursuant to Resolutions adopted by the Governing Body of the Issuer on June 25, 2015 and July 13, 2015 (collectively, the "Resolution") and delivered to \_\_\_\_\_ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated July 13, 2015 delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the District Board of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the Southwest Wisconsin Technical College District, Wisconsin which is the obligated person with respect to the Securities.

"Issuer Contact" means the Vice President of Administrative Services of the Issuer who can be contacted at 1800 Bronson Boulevard, Fennimore, Wisconsin 53809, phone (608) 822-3262, fax (608) 822-6019.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1900 Duke Street, Suite 600, Alexandria, Virginia 22314.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

### Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 270 days after the end of the Fiscal Year, commencing with the year that ended June 30, 2015, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 270 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements, adopted annual budget and/or current general fund budget summary and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:



1. Tax Levies, Rates and Collections
2. Equalized Valuations
3. Indebtedness of the District — Direct Indebtedness

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

#### Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule. The provisions of this Disclosure Certificate constituting the Undertaking or any provision hereof, shall be null and void in the event that the Issuer delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Securities. The provisions of this Disclosure Certificate constituting the Undertaking may be amended without the consent of the holders of the Securities, but only upon the delivery by the Issuer to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate and by the Issuer with the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 5th day of August, 2015.

\_\_\_\_\_  
Chairperson

(SEAL)

\_\_\_\_\_  
Secretary

## **APPENDIX C**

### **FORM OF**

### **LEGAL OPINION**

Quarles & Brady LLP  
411 East Wisconsin Avenue  
Milwaukee, WI 53202

August 5, 2015

Re: Southwest Wisconsin Technical College District, Wisconsin ("Issuer")  
\$2,500,000 General Obligation Promissory Notes,  
dated August 5, 2015 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on June 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$500,000	____%
2017	500,000	____
2018	500,000	____
2019	500,000	____
2020	500,000	____

Interest is payable semi-annually on June 1 and December 1 of each year commencing on June 1, 2016.

The Notes are not subject to optional redemption.

We further certify that we have examined a sample of the Notes and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably

deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Notes is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Notes to be included in gross income retroactively to the date of issuance of the Notes. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Notes.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

The rights of the owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

**APPENDIX D**  
**OFFICIAL NOTICE OF SALE AND BID FORM**  
**FOR**  
**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT, WISCONSIN**  
**\$2,500,000**  
**General Obligation Promissory Notes**

**Sale Data:**

**DATE AND TIME:**

July 13, 2015  
9:30 a.m. (Central Time)

**PLACE:**

Robert W. Baird & Co.  
Public Finance Department  
777 East Wisconsin Avenue, 25th Floor  
Milwaukee, Wisconsin 53202

Attention: Katherine Voss  
Phone: (414) 298-7702  
Fax: (414) 298-7354

Bids will also be accepted electronically via  
PARITY.



OFFICIAL NOTICE OF SALE

\$2,500,000

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT, WISCONSIN  
GENERAL OBLIGATION PROMISSORY NOTES  
DATED AUGUST 5, 2015

---

NOTICE IS HEREBY GIVEN that bids will be received by the District Board, Southwest Wisconsin Technical College District, Wisconsin for the purchase of all but no part of its Notes at the offices of the District's financial advisor, Robert W. Baird & Co. Incorporated ("Baird"), 25th Floor, 777 E. Wisconsin Avenue, Milwaukee, Wisconsin 53202, Attention: Katherine Voss, Assistant Vice President until 9:30 a.m. (Central Time) on

July 13, 2015

at which time the bids will be publicly opened and read. Bids may be mailed or delivered to Baird at the address set forth above, faxed to Baird at (414) 298-7354, or submitted electronically via PARITY, as described below. Signed bids, without final price or coupons, may be submitted to Baird prior to the time of sale. The bidder shall be responsible for submitting to Baird the final bid price and coupons, by telephone (414) 765-3827 or fax (414) 298-7354 for inclusion in the submitted bid. Bids which are mailed or delivered should be plainly marked "Bid for Southwest Wisconsin Technical College District Notes". Bids will only be considered if the required good faith deposit has been received. A meeting of the District Board will be held on said date for the purpose of taking action on such bids as may be received.

Dates and Maturities: The Notes will be dated August 5, 2015 and will mature on June 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2016	\$500,000
2017	500,000
2018	500,000
2019	500,000
2020	500,000

Interest: Interest on the Notes will be payable semi-annually on June 1 and December 1 of each year, commencing on June 1, 2016 to the registered owners of the Notes appearing of record in the bond register as of the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB.

Optional Redemption: The Notes will not be subject to optional redemption.

No Term Bond Option: Bids for the Notes may not provide for term bonds.

QB\35601158.1

Security and Purpose: The Notes are general obligations of the District. The principal of and interest on the Notes will be payable from ad valorem taxes, which may be levied without limitation as to rate or amount upon all of the taxable property located in the District. The Notes will be issued for the purpose of paying the cost of building remodeling and improvement projects; and acquiring moveable equipment.

Registration: The Notes will be issued as fully-registered Notes without coupons and, when issued, will be registered only in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC").

DTC Book Entry Only System: UTILIZATION OF DTC IS REQUIRED. BIDS FOR THE NOTES MAY NOT PROVIDE FOR THE NOTES TO BE ISSUED ON A NON-DTC BASIS. DTC will act as securities depository of the Notes. A single Note certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry form only pursuant to the rules and procedures established between DTC and its participants, either in the denomination of \$5,000 or any integral multiple thereof or in the denomination of \$100,000 or more as specified in the Notes. Individual purchasers will not receive certificates evidencing their ownership of the Notes purchased. The successful bidder shall be required to deposit the Note certificates with DTC as a condition to delivery of the Notes. The District will make payments of principal and interest on the Notes to DTC or its nominee as registered owner of the Notes in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Notes.

Depository: In the event that the securities depository relationship with DTC for the Notes is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered certificated Notes in the denomination of \$5,000 or any integral multiple thereof in the aggregate principal amount of Notes of the same maturities and with the same interest rate or rates then outstanding to the beneficial owners of the Notes.

Fiscal Agent: The Notes shall be distributed to the owners in fully-registered form in the denomination of \$5,000 or any integral multiple thereof by the fiscal agent for the District (the "Fiscal Agent"). Such Fiscal Agent will be designated by the District at the time of the sale of the Notes. The Notes shall be payable as to interest by check or draft of the Fiscal Agent mailed to the registered owners whose names appear on the books of the Fiscal Agent at the close of business on the fifteenth day of each calendar month next preceding each interest payment date and as to principal by presentation of the Notes at the office of the Fiscal Agent. The District will pay all costs relating to the registration of the Notes.

Designation as Qualified Tax-Exempt Obligations: The Notes will be designated "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. The Secretary or other officer of the District charged with the responsibility for issuing the Notes, shall provide an appropriate certificate of the District as of the date of delivery and payment for the Notes confirming the "qualified" status.

Bid Specifications: Bids will be received on an interest rate basis in integral multiples of One-Twentieth (1/20) or One-Eighth (1/8) of One Percent (1%). Any number of rates may be bid but the difference between the highest and lowest rate bid shall not exceed Two Percent (2%). All Notes of the same maturity shall bear the same interest rate. No bid for less than One Hundred Percent (100%) of the principal amount of the Notes (\$2,500,000) nor more than One Hundred Two Percent (102%) of the principal amount of the Notes (\$2,550,000) plus accrued interest to the date of delivery will be considered. The Notes will be awarded to a responsible bidder whose proposal results in the lowest true interest cost to the District.

Type of Bid – Amount: Bids must be submitted either: (1) to Baird as set forth herein; or (2) electronically via PARITY, in accordance with this Official Notice of Sale, within a one hour period prior to the time of sale, but no bids will be received after the time established above for the opening of bids. If any provisions in this Notice are conflicting with any instructions or directions set forth in PARITY, this Official Notice of Sale shall control. The normal fee for use of PARITY may be obtained from PARITY, and such fee shall be the responsibility of the bidder. For further information about PARITY, potential bidders may contact Baird, 25th Floor, 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202 or PARITY, c/o i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The District and Robert W. Baird & Co. Incorporated assume no responsibility or liability for bids submitted through PARITY. Each bidder shall be solely responsible for making necessary arrangements to access PARITY for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Notice of Sale. Neither the District, its agents nor PARITY shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the District, its agents nor PARITY shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY. The District is using the services of PARITY solely as a communication mechanism to conduct the electronic bidding for the Notes, and PARITY is not an agent of the District.

The District may regard the electronic transmission of the bid via the electronic service (including information about the purchase price for the Notes and interest rate or rates to be borne by the Notes and any other information included in such transmission) as though the same information were submitted on the bid form and executed on behalf of the bidder by a duly authorized signatory. If the bid is accepted by the District, the terms of the bid form, this Official Notice of Sale, and the information transmitted through the electronic service shall form a contract, and the bidder shall be bound by the terms of such contract.

For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, as described in this Official Notice of Sale and in the written

form of Official Bid Form. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the form of Official Bid Form.

Good Faith Deposit: A cashier's check in the amount of \$50,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$50,000 shall be made by the winning bidder by federal wire transfer as directed by the Secretary or Treasurer to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (July 13, 2015) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes. The good faith deposit will be applied to the purchase price of the Notes. In the event the successful bidder fails to honor its accepted bid, the good faith deposit will be retained by the District. No interest shall be allowed on the good faith deposit. Payment for the balance of the purchase price of the Notes shall be made at the closing. Good faith checks of unsuccessful bidders will be returned by overnight delivery for next day receipt sent not later than the first business day following the sale.

Bond Insurance at Bidder's Option: If the Notes qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the successful bidder. Each bidder shall indicate if it is obtaining bond insurance and shall list the name of the bond insurer on the bidder's Official Bid Form. Any increased costs of issuance of the Notes resulting from such purchase of insurance shall be paid by the successful bidder, except that, if the District has requested and received a rating on the Notes from a rating agency, the District will pay that rating fee. Any other rating agency fees shall be the responsibility of the successful bidder. Failure of the municipal bond insurer to issue the policy after the Notes have been awarded to the successful bidder shall not constitute cause for failure or refusal by the successful bidder to accept delivery on the Notes.

Delivery: The Notes will be delivered in printed form, one Note per maturity, registered in the name of CEDE & CO., as nominee of The Depository Trust Company, securities depository of the Notes for the establishment of book-entry accounts at the direction of the successful bidder, within approximately forty-five (45) days after the award. Payment at the time of delivery must be made in federal or other immediately available funds. In the event delivery is not made within forty-five (45) days after the date of the sale of the Notes, the successful bidder may, prior to tender of the Notes, at its option, be relieved of its obligation under the contract to purchase the Notes and its good faith deposit shall be returned, but no interest shall be allowed thereon.

Legality: The successful bidder will be furnished without cost, the unqualified approving legal opinion of Quarles & Brady LLP of Milwaukee, Wisconsin. A transcript of the proceedings relative to the issuance of the Notes (including an arbitrage certificate and a no-litigation certificate) will be furnished to the successful bidder without cost. A Continuing Disclosure Certificate will be delivered at closing setting forth the details and terms of the District's undertaking and such Certificate is a condition of closing.

Award Conditional: The award of the Notes will be made subject to expiration of the petition period provided for under Section 67.12(12)(e)5 Wisconsin Statutes, without the filing



of a sufficient petition for a referendum with respect to the resolution authorizing the issuance of the Notes.

CUSIP Numbers: The District will assume no obligation for the assignment of CUSIP numbers on the Notes or for the correctness of any numbers printed thereon. The District will permit such numbers to be assigned and printed at the expense of the successful bidder, but neither the failure to print such numbers on any Notes nor any error with respect thereto will constitute cause for failure or refusal by the successful bidder to accept delivery of the Notes.

Reoffering Prices: Simultaneously with or before delivery of the Notes, the successful bidder shall furnish to the District a certificate, made on the best knowledge, information and belief of the successful bidder, acceptable to bond counsel, stating the initial reoffering prices to the public of each maturity of the Notes and further stating that a substantial amount of each maturity of the Notes was sold to the public or final purchasers thereof (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at or below such initial reoffering prices.

Official Statement: Bidders may obtain a copy of the Preliminary Official Statement by request to the District's financial advisor prior to the bid opening. By submitting a bid, the successful bidder agrees to supply to the District within 24 hours after the award of the Notes all necessary pricing information and any underwriter identification necessary to complete the Preliminary Official Statement. Within seven days of the award of the Notes, the successful bidder will be provided with an electronic copy of the Official Statement in pdf format. If the successful bidder is the manager of an underwriting syndicate, the successful bidder shall be responsible for distributing copies of the Official Statement to syndicate members.

Certification Regarding Official Statement: The District will deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the District and the Notes are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The District also agrees to notify the successful bidder of any material developments impacting the District or the Notes of which the District becomes aware within 60 days after the delivery of the Notes.

Undertaking to Provide Continuing Disclosure: In order to assist bidders in complying with SEC Rule 15c2-12, as amended, the District will covenant to undertake (pursuant to a Resolution to be adopted by the District Board), to provide annual reports and timely notice of certain events for the benefit of holders of the Notes. The details and terms of the undertaking are set forth in a Continuing Disclosure Certificate to be executed and delivered by the District, a form of which is included in the Preliminary Official Statement and in the Final Official Statement.

Irregularities: The District reserves the right to reject any and all bids and to waive any and all irregularities.

Information: Additional information may be obtained by addressing inquiries to:  
Robert W. Baird & Co. Incorporated, 777 East Wisconsin Avenue, Milwaukee, Wisconsin  
53202; Attention: Katherine Voss, (414) 765-3827 or the undersigned.

Caleb White  
Vice President of Administrative Services  
Southwest Wisconsin Technical College District  
1800 Bronson Boulevard  
Fennimore, WI 53809  
Phone: (608) 822-3262

July 13, 2015

**BID FORM**  
**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT, WISCONSIN**  
**\$2,500,000 General Obligation Promissory Notes**

District Chairperson  
and Members of the District Board  
Southwest Wisconsin Technical College District  
1800 Bronson Boulevard  
Fennimore, Wisconsin 53809

Dear District Chairperson and Members of the District Board:

For all but no part of your issue of \$2,500,000 General Obligation Promissory Notes (the "Notes") said bid being no less than \$2,500,000 (100% of par) and no more than \$2,550,000 (102% of par), we offer to pay a price of \$\_\_\_\_\_. The dated date and delivery date of the Notes is August 5, 2015. The Notes shall bear interest as follows:

(June 1)	Rate
2016	_____ %
2017	_____ %
2018	_____ %
2019	_____ %
2020	_____ %

This bid is made subject to all the terms and conditions of the Official Notice of Sale heretofore received and the Official Notice of Sale heretofore published, all terms and conditions which are made a part hereof as fully as though set forth in full in this bid.

Good Faith Deposit: A cashier's check in the amount of \$50,000 may be submitted contemporaneously with the bid or, in the alternative, a deposit in the amount of \$50,000 shall be made by the winning bidder by federal wire transfer as directed by the Secretary or Treasurer to be received by the District no later than 1:00 p.m. prevailing Central Time on the day of the bid opening (July 13, 2015) as a guarantee of good faith on the part of the bidder to be forfeited as liquidated damages if such bid be accepted and the bidder fails to take up and pay for the Notes.

\_\_\_\_\_  
Managing Underwriter

Direct Contact and Phone Number: \_\_\_\_\_

By: \_\_\_\_\_

**- Please attach a list of account members -**

-----  
For your information, but not as a condition of this bid, the above interest rates result in:

Net Interest Cost \$ \_\_\_\_\_ True Interest Rate \_\_\_\_\_ %

-----  
The foregoing offer is hereby accepted this 13<sup>th</sup> day of July, 2015 by the Members of the District Board and in recognition therefore is signed by the Officers empowered and authorized to make such acceptance.

\_\_\_\_\_  
District Chairperson

\_\_\_\_\_  
District Secretary



# MOODY'S

## INVESTORS SERVICE

### New Issue: **Moody's assigns Aa2 to Southwest TCD, WI's \$2.5M GO Notes**

Global Credit Research - 08 Jul 2015

#### **Maintains Aa2 on previously issued GO debt**

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT, WI  
Community College Districts (Tax-backed)  
WI

#### **Moody's Rating**

ISSUE	RATING
General Obligation Promissory Notes	Aa2
<b>Sale Amount</b>	\$2,500,000
<b>Expected Sale Date</b>	07/13/15
<b>Rating Description</b>	General Obligation

#### **Moody's Outlook** NOO

NEW YORK, July 08, 2015 --Moody's Investors Service has assigned a Aa2 rating to Southwest Wisconsin Technical College District, WI's \$2.5 million General Obligation Promissory Notes. Concurrently, Moody's maintains the Aa2 rating on the district's previously issued general obligation (GO) debt. Post-sale, the district will have \$36.5 million in outstanding GO debt.

#### **SUMMARY RATING RATIONALE**

The Aa2 rating reflects the district's large tax base that covers several counties; declining enrollment trend that is projected to stabilize; sound financial operations resulting in improved reserves; average debt burden; and affordable unfunded pension liabilities.

#### **OUTLOOK**

Outlooks are usually not assigned to local government credits with this amount of debt outstanding.

#### **WHAT COULD MAKE THE RATING GO UP**

- Strengthening of the demographic profile
- Material and sustained increases in available reserves

#### **WHAT COULD MAKE THE RATING GO DOWN**

- Declines in the district's tax base
- Substantial declines in reserves and/or liquidity
- Declining enrollment trends that would further limit revenue growth

#### **STRENGTHS**

- Solid financial operations resulting in improved reserves
- Manageable debt burden and low unfunded pension liabilities

#### **CHALLENGES**

- Limited revenue raising flexibility

- Below average wealth indices

#### RECENT DEVELOPMENTS

Recent developments are incorporated in the Detailed Rating Rationale.

#### DETAILED RATING RATIONALE

##### ECONOMY AND TAX BASE: LARGE TAX BASE IN SOUTHWESTERN WISCONSIN

The district's sizeable \$7.8 billion tax base will likely remain stable given improved residential valuation trends, as well as modest commercial growth throughout the district's boundaries. Encompassing approximately 3,800 square miles, the district includes all of Lafayette and Grant counties and portions of several counties including Iowa (Aa3), Richland (A1), and Crawford (A1) counties. Benefitting from growth in the district's sizeable agricultural sector, the district's tax base has stabilized recently after experiencing consecutive declines. Over the last five years, the district's tax base has declined by a modest 0.2% on average annually. The district's largest employers are Lands' End, Inc. (B1 Ratings Under Review), a retail and distribution center with over 2,900 employees, and University of Wisconsin - Platteville with over 1,000 employees. District officials reported operations at both employers are stable. At 5.2% in March 2015, the unemployment rate in Grant County is below the state (5.4%) and national rate (5.6%) during the same time period. Grant County median family income was 88.2% of the nation, according to the 2008 - 2012 American Community Survey estimates.

With approximately 1,525 students for the 2015 school year, Southwest TCD remains the second smallest technical college district among the 16 in the state. After experiencing significant enrollment declines in school years 2012 and 2013 of 7.0% and 0.4%, respectively, the district had a brief recovery but realized another decline recently of 7.8% this year. However, looking ahead, the district projects modest growth in enrollment to approximately 1,700 students by school year 2020.

##### FINANCIAL OPERATIONS AND RESERVES: SOLID FINANCIAL OPERATIONS EXPECTED TO CONTINUE

Despite state imposed revenue constraints, we expect the district's financial operations will remain sound due to a history of conservative budgeting practices resulting in improved reserves. After several consecutive years of operating surpluses, the district ended fiscal 2014 with a General Fund balance of \$6.4 million or a solid 27.5% of General Fund revenues. District officials noted the fiscal 2014 operating surplus of \$823,000 was primarily attributed to increased grant funding and savings realized from lower than budgeted utility costs. The district unaudited year to date fiscal 2015 figures indicate another modest operating surplus of \$580,000, which officials attributed to savings in personnel cost. For fiscal 2016, the district budgeted for balanced operations with no planned use of reserves. We expect future reserve use, if any, to be minimal given management's policy of maintaining a minimum of two months of General Fund operating expenditures in reserves.

The district's three primary revenue sources are property taxes, tuition, and state aid, which comprised approximately 56%, 15%, and 13% of 2014 operating fund revenues (which consist General Fund and Debt Service Funds), respectively. All of these revenue streams are constrained by state statute, with the state dictating tuition rates, aid distributions, and levy limits.

As of fiscal 2015, Wisconsin Act 145 provides property tax relief by shifting a portion of funding for technical college districts from local property taxes to state sources. Specifically, each district had an approximately 0.9 mill reduction in its operating levy in fiscal 2015 with the state making each district whole that year. The act includes a "hold harmless" provision allowing districts to restore levy authority if state funding is not available to make districts whole in subsequent years. Additionally, districts will still be allowed to capture annual revenue growth from net new construction. We expect the act to be revenue neutral for Wisconsin technical college districts.

##### Liquidity

The district's operating funds unrestricted cash position was \$6.4 million, or a solid 28% of operating revenues, at the end of fiscal 2014. From fiscal 2009 to 2014, the district's operating funds net cash position has increased from \$3.8 million, or 19% of revenues to \$6.4 million, generating a five year dollar increase in cash as a percent of operating revenues of 8.9%.

##### DEBT AND PENSIONS: AVERAGE DEBT BURDEN; AFFORDABLE PENSION LIABILITIES

The district's debt burden will likely remain manageable due to the district's low level of direct debt and average principal amortization. At 0.5% of full valuation, the district's direct debt burden is average when compared to the state median for technical college districts. The district's overall debt burden, at 2.3% of full valuation, approximates the state median for technical college districts. Principal amortization is average with 76% of all debt repaid within ten years. Officials indicated no near term future borrowing plans.

#### Debt Structure

All of the district's debt is fixed rate and matures by 2029.

#### Debt-Related Derivatives

The district has no variable rate debt and is not party to any swap agreements.

#### Pensions and OPEB

The district has a manageable defined benefit pension burden, based on unfunded liabilities for its share of the state multi-employer pension plan, the Wisconsin Retirement System (WRS). The district's contribution to WRS in fiscal 2014 totaled \$820,000, or approximately 3% of combined General Fund and Debt Service Fund expenditures. The district has historically made its required contributions to WRS. The three year average (2011-2013) of Moody's adjusted net pension liability (ANPL) for the district, under our methodology for adjusting reported pension data, was \$9.9 million, or a small 0.35 times operating revenues and 0.13% of full value. Moody's ANPL reflects certain adjustments we make to improve comparability of reported pension liabilities. The adjustments are not intended to replace the district's reported contribution information, but to improve comparability with other rated entities. We determined the district's share of liability for WRS in proportion to its contributions to the plan and covered payroll.

The district's other post-employment benefits (OPEB) liability is funded on a pay as you go basis. The total unfunded liability is \$5.9 million as of June 30, 2014, the most recent actuarial valuation report. To address the increasing OPEB liability, the district made material changes to its retiree benefits package, including new employees will no longer be eligible for health benefits upon retirement. Additionally, the district plans to set aside reserves for future OPEB expenses.

#### MANAGEMENT AND GOVERNANCE: STRONG INSTITUTIONAL FRAMEWORK WITH CONSIDERABLE EXPENDITURE FLEXIBILITY

Wisconsin community college districts (CCDs) have an institutional framework score of "Aa", or strong. Wisconsin technical college districts benefit from very large tax bases, ample reserves, and considerable expenditure flexibility provided by Act 10. These credit attributes partially offset revenue constraints caused by state control of tuition and enrollment fluctuations that run counter to economic cycles.

#### KEY STATISTICS

- 2014 full valuation: \$7.8 billion
- Estimated full value per capita: \$152,000
- 2008-2012 Grant County median family income (as % of US): 88.2%
- Fiscal 2014 available operating fund balance: 33% of revenues
- Five year change in available operating fund balance: 11% of revenues
- Fiscal 2014 operating cash balance as % of revenues: 23% of revenues
- Five year change in unrestricted operating cash: 9% of revenues
- Institutional framework: Aa
- Five year operating history: 1.03 times
- Net direct debt: 0.5% of full value; 0.50 times operating revenues
- Three year average of Moody's ANPL: 0.13% of full value; 0.35 times operating revenues

## **OBLIGOR PROFILE**

Southwest Wisconsin Technical College District provides vocational education to residents of Grant and Lafayette Counties as well as portions of several surrounding counties. The district encompasses approximately 3,800 square miles, with 163 municipalities and 30 public school districts within southwest boundaries. There is one centrally located campus at Fennimore, approximately 70 miles southwest of the City of Madison (Aaa Stable).

## **LEGAL SECURITY**

Debt service on the notes is secured by the district's general obligation unlimited tax pledge which benefits from a designated property tax levy not limited by rate or amount.

## **USE OF PROCEEDS**

Proceeds of the notes will finance building remodeling and improvement projects.

## **PRINCIPAL METHODOLOGY**

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of this methodology.

## **REGULATORY DISCLOSURES**

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### ***B. Three-Year Facilities Plan***

The Three-Year Facilities Plan 2015-2018 is included with all electronic Board information. This annual plan is required by the Wisconsin Technical College System to be approved by the District Board and submitted to the State Board. Dan Imhoff, Facilities Director, will present the report.

**Recommendation** – Approve the Three-Year Facilities Plan 2015-2018.





**SOUTHWEST WISCONSIN  
TECHNICAL COLLEGE  
THREE-YEAR FACILITIES PLAN**

**To: Dan Scanlon  
From: Dr. Jason Wood  
July 13, 2015**

## Section 1 – Executive Summary

Southwest Tech completed the renovation of Cosmetology lab/classroom and the Learning Center. Summer of 2015 work includes Building 100 and 200 ceiling and lighting upgrades, Lab 505 renovation to Welding and the remodel of the Academic Success Center space. Total estimated future values of remodeling, planning, and capital improvements are as follows:

2015-2016 - \$1,115,000

2016-2017 - \$1,250,000

2017-2018 - \$825,000

Details of the specific projects are shown in **Section 3**.

Southwest Tech's process for planning facilities begins with gathering needs from faculty and staff in order to project needs for new or expanding programs. This information is brought to the Capital Facilities Project Planning and Design Team for discussion. Projects are prioritized according to public appeal, number of people impacted, number of FTE's generated, potential job placements, community need, and opportunity to increase the college's competitiveness. This final plan is presented to the Southwest Tech Board of Directors for approval.

## Section 2 – Existing Facilities

### Owned Facilities

<b>Campus</b>	<b>Location/Address</b>	<b>Site Size</b>	<b>Total Area</b>	<b>Value</b>
SWTC	1800 Bronson Boulevard Fennimore, WI 53809	48 acres	380,489 sq. ft.	\$54,330,874
SWTC	4179 US Hwy 18 Fennimore, WI 53809	82 Acres	23,254 sq. ft.	\$ 894,859

### Leased Facilities

<b>Location/Address</b>	<b>Lease Area</b>	<b>Lease Expiration</b>
26220 Executive Lane Richland Center, WI 53581	3,586 square feet	June 30, 2019
Darlington Community Schools 11630 Center Hill Road Darlington, WI 53530	780 square feet	June 30, 2016
Spring Gate Mall 316 West Spring Street Dodgeville, WI 53533	2,000 square feet	June 30, 2018
Platteville Public Schools 155 West Lewis Street Platteville, WI 53818	1,080 square feet	June 30, 2016

## Section 3 – Three-Year Project Summary

### **2015-2016                      Total - \$1,115,000**

#### **Remodeling - \$1,115,000**

- |   |           |
|---|-----------|
| 1. Labs 415 & 413 Roof Replacement:               | \$250,000 |
| 2. Lab 413 Rooftop Air Handling Unit Replacement: | \$200,000 |
| 3. Building 100 & 200 Ceilings:                   | \$50,000  |
| 4. Lab 505 Renovation to Welding:                 | \$515,000 |
| 5. Remodel Academic Success Center space:         | \$100,000 |

### **2016-2017                      Total - \$1,250,000**

#### **Remodeling- \$1,130,000**

- |   |           |
|---|-----------|
| 1. Paint and Flooring upgrades for all three tunnels: | \$80,000  |
| 2. Bookstore Rooftop Air Handling Unit Replacement:   | \$200,000 |
| 3. Building 100 & 200 Entrance Replacement:           | \$150,000 |
| 4. Bookstore roof Replacement                         | \$150,000 |
| 5. 300 Remodel and Sprinkler:                         | \$550,000 |

#### **Capital Improvements -\$150,000**

- |                      |           |
|----------------------|-----------|
| 1. Fire Safety Shed: | \$150,000 |
|----------------------|-----------|

### **2017-2018                      Total - \$825,000**

#### **Remodeling- \$550,000**

- |    |   |           |
|----|---|-----------|
| 1. | Building 500 Rooftop Air Handling Unit Replacement: | \$200,000 |
| 2. | Kitchen/Cafeteria Remodel and Fire Sprinkler:       | \$300,000 |
| 3. | Building 500 Hall Ceiling and Lighting Replacement: | \$50,000  |

#### **Capital Improvements - \$275,000**

- |    |  |           |
|----|--|-----------|
| 1. | Public Safety Complex Vehicle/Farm Equipment Storage Building: | \$200,000 |
| 2. | Rebuild James Building:  | \$75,000  |

### ***C. Second Reading of Revision to Governance Policy 3.3: Compensation & Benefits***

Policy 3.3: Compensation and Benefits is being presented for revision. This is the second and final reading of the revision to the policy. The policy is available below.

**Recommendation:** Approve the revision to Governance Policy 3.3: Compensation & Benefits.

## **3.3 - COMPENSATION AND BENEFITS**

The President shall maintain fiscal integrity and a positive public image with respect to employment, compensation, and benefits to employees, consultants, and contract workers.

Accordingly, the President may not:

1. Change his or her own compensation and benefits.
2. Provide for or change the compensation and benefits of other employees except in accordance with ~~policies of the Board.~~ **compensation guidelines adopted by the Board.**
3. Promise or imply permanent or guaranteed employment.
4. Employ persons not properly certified/certifiable for the position.
5. Grant fringe benefits not approved by the Board.

Adopted: 1/24/02  
Reviewed: 3/27/03, 3/22/07, 1/17/08, 10/15/10  
Revised: 2/28/13, 4/23/15



***D. Resolution to Assign General Fund Reserves***

This resolution is being presented to assign authority to Caleb White, Vice President for Administrative Services, to act on behalf of the Board in regards to assigning and un-assigning fund balance reserves. The resolution follows.

**Recommendation:** Approve the resolution to assign General Fund Reserves.

**RESOLUTION  
OF THE  
SOUTHWEST WISCONSIN TECHNICAL COLLEGE BOARD**

WHEREAS, the Government Standards Accounting Board (GASB) has issued Statement No. 54 establishing a hierarchy clarifying the constraints that govern how a government entity can use amounts reported as fund balance; and

WHEREAS, Southwest Wisconsin Technical College Board is the highest level of decision-making authority, and has the authority to commit, assign, or evaluate existing fund balance classifications and identify the intended uses of committed or assigned funds; and

BE IT THEREFORE RESOLVED that the Southwest Wisconsin Technical College Board, in accordance with the provisions of GASB 54, hereby approves delegating authority to Caleb White, Vice President for Administrative Services, to act on behalf of the Board in regards to assigning and un-assigning funds, unless the Southwest Wisconsin Technical College Board adopts another resolution to change or remove the delegation. In addition, remaining general fund balance will be unassigned and will be used to maintain general operations throughout the year.

Adopted and recorded this 13th day of July, 2015.

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Eileen Nickels  
Chairperson

ATTEST:

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Darlene Mickelson  
Secretary



### ***E. Signatory Authority Policy for 2015-16***

Per Southwest Wisconsin Technical College District Board Governance Policies only designated Board Officers, the President, or the President's designees as approved by the District Board may commit the College to any official or legally binding transactions, invoices, agreements, contracts, applications, diplomas, certifications, letters, or similar documents. At the District Board's annual organizational meeting in July, the Board reviews and authorizes a policy statement defining who in the organization has the authority to sign for the College. The Signatory Authority Policy with those individuals designated to sign on behalf of the College for 2015-16 is available with all other electronic Board material.

**Recommendation** – Approve, as presented, the Signatory Authority Policy identifying those individuals designated for 2015-16 with the authority to sign official or legally binding documents.

# GENERAL INSTITUTIONAL

## 2015-2016 SIGNATORY AUTHORITY POLICY

### Responsible Administrator: President

Per Southwest Wisconsin Technical College District Board Governance Policies only designated Board Officers, the President, or the President's designees as approved by the District Board may commit the College to any official or legally binding transactions, invoices, agreements, contracts, applications, diplomas, certifications, letters, or similar documents. At the District Board's annual organizational meeting in July, the Board reviews and authorizes a policy statement defining who in the organization has the authority to sign for the College.

In 2015-2016 the following people are authorized to sign the indicated documents:

Board Chairperson	<p>Governance Policy 1.7-8.b. "The Chairperson shall sign all official documents and contracts on behalf of the District as required by statute, WTCS policy, and the Board."</p> <p>Chairperson signs: Board Resolutions Financial borrowing documents Property purchase agreements President's contract</p> <p>Electronic signature approved for use by: Vice-President for Administrative Services – annual Budget Book Director of Student Services – Diplomas Executive Assistant to the President and Board – As Approved by the Board Chairperson</p>
Board Vice-Chairperson	<p>Governance Policy 1.8-1. "The Vice Chairperson shall have all the authority and duties of the Chairperson in the absence of the Chairperson."</p> <p>Electronic signature approved for use by: Executive Assistant to the President and Board – As Approved by the Board Vice-Chairperson</p>
Board Secretary	<p>Governance Policy 1.9-2. "The Secretary shall sign all official documents and contracts on behalf of the District as required by statute, WTCS policy, and the Board."</p> <p>Secretary signs: Board minutes Board resolutions Financial borrowing documents Property purchase agreements Annual levy statements (Governance Policy 1.9-6) President's contract</p> <p>Electronic signature approved for use by: Vice-President for Administrative Services – Required Public</p>

	<p>Notices</p> <p>Executive Assistant to the President and Board – Required Public Notices and As Approved by the Board Secretary</p>
Board Treasurer	<p>Governance Policy 1.10-2. “By resolution the Board may authorize other persons’ signatures in addition to the Treasurer or the use of a facsimile signature.”</p> <p>Governance Policy 1.10-3. The Board shall authorize the signature of payroll, accounts payable, grants, refunds, and other accounts at its annual organizational meeting in July. The use of a facsimile signature does not relieve the Board or the Treasurer from any liability to which the Board or the Treasurer is otherwise subject, including the unauthorized use of the facsimile signature of the Treasurer.</p> <p>Treasurer signs: Financial borrowing documents</p> <p>Electronic signature approved for use by: Vice-President for Administrative Services – Financial Transactions Executive Assistant to the President and Board – As Approved by the Board Treasurer</p>
President	<p>Governance Policy 2.2-3. “The President may take actions based on any reasonable interpretation of the Board’s Ends and Executive Limitations policies.”</p> <p>President signs: Employment contracts Non-employment contracts Agreements Memoranda of Understanding Diplomas Overtime requests for support staff Overload payments requests Out-of-State travel requests Grant applications NJCAA agreements Financial aid agreements and memoranda of understanding</p> <p>Electronic signature approved for use by: Director of Human Resources – Employment contracts Director of Student Services – Acceptance letters and diplomas Director of Institutional Advancement – Grant applications and grant-related memoranda of understanding Marketing and Public Relations Manager – Publications Executive Assistant to the President and Board - letters, publications, and other documents as approved by the President</p>

President's Designees	Vice-Presidents – Non-employment contracts Vice President for Administrative Services – Bid documents and construction contracts Deans – Overload request for instructors with <20% overload Business & Industry Services Manager – Training & Technical Assistance Contracts Deans, Directors, or Supervisors – Training contracts
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District Board of Directors Approval Date: 7/8/13

Revision Date: 7/14/14, 8/28/14

#### ***F. Designate Official Newspaper***

At the July 8, 2013, Annual Board Meeting, the District Board approved the designation of *The Dodgeville Chronicle*, Dodgeville, WI, as Southwest Tech's official newspaper for fiscal years 2014-2016.

#### ***G. Designate Depository for 2015-16***

Banking service capabilities and costs were subjected to an extensive review with information solicited from local financial institutions in June 2012. Based on that review and a continued good working relationship exhibited during the last year, recommendation is to continue with First Merit Bank as the official depository.

**Recommendation** – Designate First Merit Bank, Fennimore, WI, as the official depository for 2015-16.

#### ***H. Designate College Legal Counsel for 2015-16***

Letters of engagement have been received from the following legal counsels:

*General Legal Counsel* - Eileen Brownlee, Kramer & Brownlee, LLC, Fennimore, WI

*Labor Relations* – Jon Anderson of Godfrey & Kahn, S.C., Madison, WI

*Bond Counsel* – Allison Buchanan of Quarles & Brady LLP, Milwaukee, WI

The letters will be available at the meeting for review.

**Recommendation:** Retain Eileen Brownlee of Kramer & Brownlee, LLC, Fennimore, WI, as the General Legal Counsel; retain Jon Anderson of Godfrey & Kahn, S.C., Madison, WI, for Labor Relations; and retain Allison Buchanan of Quarles & Brady, LLP, Milwaukee, WI, as Bond Counsel.

## ***I. Election of Officers***

Election of Board officers for the 2015-16 fiscal year will be conducted at this time.

*Governance Policy 1.6 - The officers of the Board shall be a Chairperson, a Vice Chairperson, a Secretary, and a Treasurer.*

*1. The officers shall be elected at the annual organizational meeting of the Board on the second Monday in July. The Chair for the past year shall conduct the entire organizational meeting. Newly elected officers take office "upon adjournment" of the organizational meeting.*

## **Board Monitoring of College Effectiveness**

### ***A. Board Monitoring Schedule***

A draft copy of the proposed 2015-16 Annual Updates to the District Board and the 2015-16 Board Monitoring Schedule are available below. Your suggestions for additional reports or reviews are appreciated.

## 2015-16 ANNUAL UPDATES TO THE DISTRICT BOARD

Reports should be data-driven, include strengths and areas for improvement, and focus on major activities which help the College achieve its eight Strategic Directions. Please provide a written copy of the report for inclusion in the board packet. The verbal reports should be a maximum of 10 minutes with an additional 5 minutes allotted for questions and answers.

Other reports and updates may be necessary throughout the year, as requested by the Board or President.

Month	Division/Department	Person Responsible
July 13, 2015	Facilities	Dan Imhoff
August 27	Health, Education & Public Safety	Katie Garrity
September 24	Marketing	Sue Reukauf
October 22	Industry, Trades & Agriculture	Derek Dachelet
November 19	Institutional Advancement	Barb Tucker
December 17	Business, Management & General Studies	Richard Ammon
January 28, 2016	Student Services	
February 26-27	Student & Academic Affairs Administrative Services Human Resources	Phil Thomas Caleb White Krista Weber
March 24	Public Safety	Kris Wubben
April 28	Foundation	
May 26	Teaching, Learning & Academic Outreach	Julie Pluemer
June 23	Information Technology	Lisa Riley

JULY 6, 2015



# SOUTHWEST TECH BOARD MONITORING SCHEDULE

## JULY 2015 – JUNE 2016

DATE	ACTIVITY/PURPOSE	LOCATION
<b>July 13</b>	<b>Southwest Tech Annual Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Oath of Office</li> <li>➤ Election of Officers</li> <li>➤ Board Monitoring Schedule</li> <li>➤ Approve Borrowing Resolutions</li> <li>➤ Three-year Facilities Plan</li> <li>➤ Facilities Report</li> </ul>	<b>Southwest Tech</b>
July 14-15	WTCS Board Meeting	MPTC – Fond du Lac
July 16-18	District Boards Association Summer Meeting	BTC – Janesville
<b>August 27</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Health, Education &amp; Public Safety Report</li> </ul>	<b>Southwest Tech</b>
September 8-9	WTCS Board Meeting	GTC - Racine
<b>September 24</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Marketing Report</li> </ul>	<b>Southwest Tech</b>
September 30	Foundation Board Meeting	Southwest Tech
October 14-17	Association of Community College Trustees Leadership Congress	San Diego, CA
<b>October 22</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Resolution for Adoption of 2015 Tax Levy</li> <li>➤ Fund &amp; Account Transfers (2014-15 Budget Modifications)</li> <li>➤ Review of Purchasing Activity</li> <li>➤ WI Code of Ethics Resolution</li> <li>➤ Industry, Trades &amp; Agriculture Report</li> </ul>	<b>Southwest Tech</b>
October 28-30	District Boards Association Fall Meeting	WCTC - Pewaukee
November 10-11	WTCS Board Meeting	LTC - Cleveland
<b>November 19</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Financial Audit</li> <li>➤ 2014-15 Budget Process</li> <li>➤ Institutional Advancement Report</li> </ul>	<b>Southwest Tech</b>
December 16	Foundation Board Meeting	Southwest Tech
<b>December 17</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Business, Management &amp; General Studies Report</li> </ul>	<b>Southwest Tech</b>
December 19	Southwest Tech Winter Graduation	Southwest Tech

DATE	ACTIVITY/PURPOSE	LOCATION
January 14-16, 2016	District Boards Association Winter Meeting	WTC – LaCrosse
January 26	WTCS Board Meeting	WTCS Office - Madison
<b>January 28</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Student Services Report</li> <li>➤ Board Self-Evaluation</li> </ul>	<b>Southwest Tech</b>
February 8-11	Association of Community College Trustees National Legislative Summit	Washington, DC
<b>February 26-27</b>	<b>Southwest Tech Board Retreat/Meeting</b> <ul style="list-style-type: none"> <li>➤ Budget Assumptions &amp; Parameters</li> <li>➤ Student &amp; Academic Affairs Report</li> <li>➤ Administrative Services Report</li> <li>➤ Human Resources Trends Report</li> </ul>	Not Determined Yet
March 22-23	WTCS Board Meeting	WCTC - Pewaukee
<b>March 24</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Public Safety Report</li> </ul>	<b>Southwest Tech</b>
March 30	Foundation Board Meeting	Southwest Tech
April 9-12	American Association of Community Colleges Annual Convention	Chicago, IL
April 21-23	District Boards Association Spring Meeting	Madison College - Madison
<b>April 28</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Out-of-State Tuition Waiver</li> <li>➤ Foundation Report</li> </ul>	<b>Southwest Tech</b>
May 10	WTCS Board Meeting	WTCS Office – Madison
May 14	Southwest Tech Graduation	Southwest Tech
<b>May 26</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Proposed Budget</li> <li>➤ State of College Report</li> <li>➤ Teaching, Learning &amp; Academic Outreach Report</li> </ul>	<b>Southwest Tech</b>
<b>June 23</b>	<b>Southwest Tech Board Meeting</b> <ul style="list-style-type: none"> <li>➤ Public Budget Hearing/Approval</li> <li>➤ Evaluation of President</li> <li>➤ President's Performance Report</li> <li>➤ Information Technology Report</li> </ul>	<b>Southwest Tech</b>
June 29	Foundation Board Meeting	Southwest Tech
<b>July 11</b>	<b>Southwest Tech Board Meeting</b>	<b>Southwest Tech</b>

### ***B. Facilities Update***

Dan Imhoff, Director of Facilities, will provide a report focusing on major activities and how they help the College achieve its eight Strategic Directions. The current Facilities project list is available below.

### Facilities Project Summary

	A	B	C	D	E	F	G
1	<u>Project</u>		<u>Description</u>		<u>Status</u>		<u>Completion Date</u>
3							
4	300 Building Remodel		Remodel 300 Admin area		We are working with Plunkett Raysich on designs.		Jan-17
5							
6	Public Safety Complex Road		Connect EPD loop to shooting range drive		We are working on an estimate to create a "field road" to connect the two.		Not Determined
7							
8	100/200 Ceiling Project		Replace ceiling tile and lighting in the 100 and 200 corridors		Building 100 is completed and Building 200 will start next May		Jul-16
9							
10	100 Carpet Warranty		Manufacturer making site visit		The carpet was re-laid over spring break and we are still having issues. We are working with installer and manufacturer to get this situation remedied.		TBD
11							
12	2200 Fire Alarm		Add Fire Alarm System to 2000		Working with contractor for in-house install. We are waiting for an estimate from our FA contractor.		Not Determined
13							
14	TEGG Inspection		Electrical inspection coordinated with DMI		We have completed the project and are working on making the recommended upgrades.		1-Aug-15
15							
16	400 Roof		Replace roof in spring of 2015		Velcheck has completed the engineering and we will put the project out to bid in the spring of 2016.		Aug-16

### Facilities Project Summary

	A	B	C	D	E	F	G
17	Marquee Sign		Install marquee sign along Hwy 18		Signs have been installed.		Completed
18							
19	Shooting Range Improvements		Work with NRA to improve shooting range.		We have the NRA range report and are currently collecting estimate to make the recommended changes.		Not Determined
20							
21	Burn Building Pavilion		Pavilion for State Testing		30'x60' with roof and two sides, gravel floor, material only		Not Determined
22							
23	ERP		Edit Emergency Response Plan		Plan has been updated and is available on SharePoint.		May-15
24							
25	Business Continuity Plan		Developed a Business Continuity Plan		We are in the process of developing the plan. Joe from DMI will review it next week.		Sep-15
26							
27	Building 1100 AC		Install AC in building 1100 shop to prevent trainers from rusting		Install an AC system in building 1100 shop.		Completed
28							
29	Welding Project		Convert 505 into a welding lab		Project has been awarded to Rock Church Construction and is under way.		Aug-15
30							
31	Building 700 HVAC		Both units have failed		Building has been closed, no heat. Storing extra furniture in 700.		TBD
32							

### Facilities Project Summary

	A	B	C	D	E	F	G
33							
34	413 Lab		Convert Room 413 back into an Ag lab/ classroom area		The expanded Ag program will require 413 to become a operable Ag lab for the 2016/2017 fall semester.		8/1/2016
35							
36	Public Safety Complex Vehicle / Farm Equipment Storage Building		Public Safety Complex Vehicle / Farm Equipment Storage Building		Construct a 60' x 104' storage building near Public Safety and the Ag areas.		Not Determined
37							
38	Housing Site Plan		Master plan for housing expansion		Duplex is progressing nicely. They are currently finishing the siding.		Ongoing
39							
40	600 Fire Alarm		Fire alarm communications cable cut		Communication with 600, 1100, and 700 was cut during the Activity Center construction. Simplex is coming out to look at individual dial out cards for the panels in these buildings. The fire alarm works locally, but does not report out. Meeting with our FA vendor to determine the best way to resolve this issue.		Not Determined
41							
42	Memorial Tree Program		Trees planted on campus in memory of loved ones.		Developed memorial tree program with the foundation and have had our first dedication.		Ongoing
43							
44	Expand 131 Class Room		In-House		The wall between 131 & 132 has been removed to create one large classroom.		2015 Fall Semester
45							

### Facilities Project Summary

	A	B	C	D	E	F	G
46	Create a large Ag classroom in building 100		In-house		Remove the interior walls of 108,117 and 101A to create a larger work area.		2016 Fall Semester
48	Room Utilization Report		In-House		Determine room usage rates of all campus classrooms		Completed
50	Convert 107 into two classrooms		In-House		This project is wrapping up. Working with IT and Media to complete.		2015 Fall Semester
52	Replace the Existing Ceiling tile in Building 600 Hallway		In-House		Replace ceiling tile with 2x2 tile.		Complete
54	Concrete Pad at Skid Pad		Pour concrete in pavilion by skid pad and an approach. Also pour a pad next to the pavilion to install a gas tank		Project was originally awarded to Proform Concrete, but they are in default of contract; so we are in the process of acquiring a new contractor.		9/1/2015
56	Expand Phlebotomy Lab		In-House		Remove the wall between 1663 and 1661 to expand Phlebotomy lab. Project is on schedule.		7/1/2015



### ***C. Staffing Update***

Krista Weber, Director of Human Resources, will provide an update on College staffing at the Board meeting. A summary is available below.

### Staffing Update 2015-2016 Fiscal Year

	Name	Title	Status and/or Additional Info	Effective Date	Funding Source &/or Estimated Wage Range/Hired Salary
1	New Position	Midwife Clinical Coordinator	Interviews scheduled	Spring 2015	Grade 4, Hourly \$16.09 - \$20.78
2	Replacement-Beth Whitish (Retirement)	Early Childhood Education Instructor	Interviews scheduled	Fall 2015	BS \$40,368-\$68,225 MS \$44,159-\$74,437
3	Replacement-Marla Leibfried (Retirement)	Dental Assistant Instructor	Interviews scheduled	Fall 2015	BS \$40,368-\$68,225 MS \$44,159-\$74,437
4	Replacement-Heather Fifrick	Resident & Student Life Coordinator	Stephanie Brown	Summer 2015	Grade 8, Salaried Professional \$44,817 - \$60,580 Hired at \$49,000
5	Replacement-Lena Robinson (Resignation)	Learning Services Assistant	Posting being prepared	Summer 2015	
6	New Position	Grants Coordinator	Interviews scheduled	Summer 2015	Grade 7, Salaried Professional \$52,190 - \$70,611

### Staffing Update 2015-2016 Fiscal Year

	Name	Title	Status and/or Additional Info	Effective Date	Funding Source &/or Estimated Wage Range/Hired Salary
7	New Position	Safety Instructor	Posting being prepared	Fall 2015	BS \$40,368-\$68,225 MS \$44,159-\$74,437
8	New Position	Cook	Interviews scheduled	Summer 2015	Grade 1, Hourly \$12.07 - \$15.59
9	Replacement - Laura Nyberg-Comins (Resignation)	Dean of Student Services	Currently posted, closes 7/12/2015	Summer 2015	Grade 2, Salaried Professional \$89,258 - \$120,763
10	Replacement - Dennis Cooley (Resignation)	Executive Director of the Foundation	Currently posted, closes 7/12/2015	Summer 2015	Grade 6, Salaried Professional \$59,604 - \$80,641
11	Replacement - Chase Varvil	Electrical Power & Distribution Lab Assistant-PT LTE	Reposting-closes 7/5/2015	Fall 2015	Grade 5 Hourly \$17.40 - \$22.42
12	Replacement - Stephanie Brown (transfer)	Advisor	Currently posted, closes 7/19/2015	Summer 2015	Grade 8, Salaried Professional \$44,817 - \$60,580

Updated 7/06/2015

## **Information and Correspondence**

### **A. Enrollment Report**

The 2014-15 and 2015-16 Comparison FTE Reports are available below.

## 2013-2014 and 2014-2015 FTE Comparison

Program Code	Program Title	07-06-14 Students	07-06-15 Students	Student Change	07-06-14 FTE	07-06-15 FTE	FTE Change
10-101-1	Accounting	40	24	(16)	29.60	18.96	(10.63)
10-106-6	Administrative Professional	13	13	-	12.50	10.10	(2.40)
10-006-2	Agri-Business/Science Technology	44	66	22	41.77	62.74	20.97
10-102-3	Business Management	104	87	(17)	73.79	58.13	(15.67)
10-530-5	Cancer Information Management-New	-	9	9	-	4.67	4.67
10-504-1	Criminal Justice - Law Enforcement	60	64	4	54.33	46.73	(7.60)
10-316-1	Culinary Arts	11	14	3	7.84	9.70	1.87
10-317-1	Culinary Management	6	6	-	4.83	5.10	0.27
10-510-6	Direct Entry Midwife	26	35	9	14.20	14.93	0.73
10-307-1	Early Childhood Education	53	42	(11)	38.63	30.50	(8.13)
10-620-1	Electromechanical Technology	59	59	-	56.40	50.30	(6.10)
10-623-8	Engineering Technologist-Suspended	23	10	(13)	23.00	8.73	(14.27)
10-325-1	Golf Course Management	35	30	(5)	31.97	26.30	(5.67)
10-201-2	Graphic And Web Design	35	35	-	30.40	26.13	(4.26)
10-530-1	Health Information Technology-New	-	33	33	-	15.70	15.70
10-520-3	Human Services Associate	65	44	(21)	38.90	33.90	(5.00)
10-825-1	Individualized Technical Studies	6	5	(1)	5.53	2.97	(2.57)
10-154-3	IT-Computer Support Specialist	2	1	(1)	0.63	0.20	(0.43)
10-150-1	IT-Network Communications Specialist	31	25	(6)	22.80	16.60	(6.20)
10-152-7	IT-Web & Software Developer-Suspended	22	14	(8)	16.40	7.87	(8.53)
10-104-3	Marketing-Suspended	10	-	(10)	6.00	-	(6.00)
10-513-1	Medical Laboratory Technician	16	18	2	11.57	15.83	4.27
10-543-1	Nursing - Associate Degree	261	285	24	127.48	142.18	14.70
10-524-1	Physical Therapist Assistant	38	46	8	22.33	27.20	4.87
10-196-1	Supervisory Management	6	22	16	1.37	10.52	9.16
10-182-1	Supply Chain Management-New	-	8	8	-	2.63	2.63
10-499-5	Technical Studies-Journey Worker	-	1	1	-	0.20	0.20
<b>Total Associate Degree</b>		<b>966</b>	<b>996</b>	<b>30</b>	<b>672.27</b>	<b>648.83</b>	<b>(23.45)</b>
31-101-1	Accounting Assistant	8	14	6	4.03	10.13	6.10
32-070-1	Agricultural Power & Equipment Technician	44	42	(2)	42.20	41.17	(1.03)
31-405-1	Auto Collision Repair & Refinish Technician	24	21	(3)	15.83	12.97	(2.87)
32-404-2	Automotive Technician	29	30	1	23.30	24.94	1.63
31-408-1	Bricklaying & Masonry-PDC Correctional	9	2	(7)	7.57	0.63	(6.94)

## 2013-2014 and 2014-2015 FTE Comparison

Program Code	Program Title	07-06-14 Students	07-06-15 Students	Student Change	07-06-14 FTE	07-06-15 FTE	FTE Change
30-443-1	Building Maintenance & Construction-PDC Correctional	1	1	-	0.10	0.27	0.17
31-475-1	Building Trades - Carpentry	14	21	7	13.80	18.57	4.77
30-420-2	CNC Setup/Operation	12	10	(2)	7.77	4.97	(2.80)
31-307-1	Child Care Services	8	14	6	6.03	9.20	3.17
50-413-2	Electricity (Construction) Apprentice	18	19	1	2.85	2.57	(0.28)
31-502-1	Cosmetology	43	39	(4)	33.74	34.21	0.47
30-504-1	Criminal Justice-Law Enforcement 520 Academy	22	15	(7)	11.80	7.80	(4.00)
31-317-1	Culinary Specialist	8	17	9	4.87	14.34	9.47
31-091-1	Dairy Herd Management	18	20	2	18.27	18.97	0.70
30-508-2	Dental Assistant - Short Term	29	27	(2)	15.77	14.40	(1.37)
31-413-2	Electrical Power Distribution	30	25	(5)	25.73	22.93	(2.80)
31-502-2	Esthetician-Suspended	14	1	(13)	9.77	0.53	(9.23)
50-413-1	Industrial Electrician Apprentice	16	11	(5)	2.47	1.47	(1.00)
31-620-1	Industrial Mechanic-New	-	6	6	-	2.17	2.17
31-154-6	IT-Computer Support Technician	5	20	15	2.80	15.27	12.47
31-509-1	Medical Assistant	47	41	(6)	34.37	34.44	0.07
30-530-1	Medical Coding Specialist	65	50	(15)	22.17	17.43	(4.73)
31-106-7	Medical Transcription-Discontinued	3	-	(3)	1.27	-	(1.27)
30-543-1	Nursing Assistant	219	216	(3)	28.57	27.27	(1.30)
31-106-8	Office Support Specialist	14	11	(3)	9.97	8.00	(1.97)
50-427-5	Plumbing Apprentice	13	15	2	2.23	2.15	(0.07)
31-442-1	Welding	47	52	5	41.00	44.43	3.43
	<b>Total Technical Diploma</b>	<b>760</b>	<b>740</b>	<b>(20)</b>	<b>388.27</b>	<b>391.20</b>	<b>2.94</b>
20-800-1	Liberal Arts - Associate of Arts	6	12	6	3.37	4.80	1.43
20-800-2	Liberal Arts - Associate of Science	4	15	11	2.50	6.27	3.77
	Undeclared Majors	2,381	2,228	(153)	313.20	267.60	(45.60)
	<b>Total</b>	<b>4,117</b>	<b>3,991</b>	<b>(126)</b>	<b>1,379.61</b>	<b>1,318.70</b>	<b>(60.91)</b>
	<b>Percent of Change</b>						<b>-4.42%</b>
	Vocational Adult (Aid Codes 42-47)	6,479	4,785	(1,694)	115.14	89.42	(25.72)
	Community Services (Aid Code 60)	251	99	(152)	0.93	0.27	(0.67)
	Basic Skills (Aid Codes 7x)	396	354	(42)	47.09	35.44	(11.65)
	Basic Skills Remedial(Aid Code 78)	1,872	1,519	(353)	111.57	74.30	(37.27)
	<b>Grand Total</b>	<b>13,115</b>	<b>10,748</b>	<b>(2,367)</b>	<b>1,654.35</b>	<b>1,518.12</b>	<b>(136.22)</b>
	<b>Total Percent of Change</b>						<b>-8.23%</b>

## 2014-2015 and 2015-2016 FTE Comparison

Program Code	Program Title	07-06-14 Students	07-06-15 Students	Student Change	07-06-14 FTE	07-06-15 FTE	FTE Change
10-101-1	Accounting	23	20	(3)	11.53	9.20	(2.33)
10-106-6	Administrative Professional	10	10	-	3.93	4.40	0.47
10-006-2	Agri-Business/Science Technology	58	55	(3)	31.87	30.20	(1.67)
10-102-3	Business Management	64	44	(20)	28.10	19.86	(8.23)
10-530-5	Cancer Information Management	2	15	13	0.77	5.93	5.17
10-504-1	Criminal Justice - Law Enforcement	47	40	(7)	22.17	19.97	(2.20)
10-316-1	Culinary Arts	23	16	(7)	11.34	7.97	(3.37)
10-317-1	Culinary Management	5	6	1	2.30	2.40	0.10
10-510-6	Direct Entry Midwife	16	19	3	4.80	5.43	0.63
10-307-1	Early Childhood Education	33	35	2	14.90	15.93	1.03
10-620-1	Electromechanical Technology	52	29	(23)	25.67	14.20	(11.47)
10-623-8	Engineering Technologist-Suspended	9	-	(9)	3.80	-	(3.80)
10-325-1	Golf Course Management	18	13	(5)	8.47	5.80	(2.67)
10-201-2	Graphic And Web Design	25	31	6	10.50	15.50	5.00
10-530-1	Health Information Technology	18	26	8	6.97	9.03	2.07
10-520-3	Human Services Associate	41	42	1	20.03	19.67	(0.37)
10-825-1	Individualized Technical Studies	2	7	5	0.67	3.67	3.00
10-150-1	IT-Network Communications Specialist	26	27	1	10.60	13.17	2.57
10-152-7	IT-Web & Software Developer-Suspended	11	1	(10)	3.77	0.30	(3.47)
10-513-1	Medical Laboratory Technician	13	15	2	7.00	6.87	(0.13)
10-543-1	Nursing - Associate Degree	191	163	(28)	51.67	40.47	(11.20)
10-524-1	Physical Therapist Assistant	22	17	(5)	9.07	6.60	(2.47)
10-196-1	Supervisory Management	6	14	8	1.63	5.26	3.63
10-182-1	Supply Chain Management	-	5	5	-	1.67	1.67
10-499-5	Technical Studies-Journey Worker	-	1	1	-	0.50	0.50
<b>Total Associate Degree</b>		<b>715</b>	<b>651</b>	<b>(64)</b>	<b>291.53</b>	<b>263.99</b>	<b>(27.54)</b>
31-101-1	Accounting Assistant	9	3	(6)	3.83	1.53	(2.30)
32-070-1	Agricultural Power & Equipment Technician	37	45	8	20.37	24.40	4.03
31-405-1	Auto Collision Repair & Refinish Technician	17	14	(3)	7.43	5.40	(2.03)



## 2014-2015 and 2015-2016 FTE Comparison

Program Code	Program Title	07-06-14 Students	07-06-15 Students	Student Change	07-06-14 FTE	07-06-15 FTE	FTE Change
32-404-2	Automotive Technician	29	33	4	14.27	15.93	1.67
31-475-1	Building Trades - Carpentry	18	6	(12)	9.30	3.17	(6.13)
30-420-2	CNC Setup/Operation	5	3	(2)	2.50	1.80	(0.70)
31-307-1	Child Care Services	7	11	4	3.00	5.40	2.40
50-413-2	Electricity (Construction) Apprentice	16	1	(15)	1.07	0.07	(1.00)
31-502-1	Cosmetology	32	33	1	17.47	17.57	0.10
30-504-1	Criminal Justice-Law Enforcement 520 Academy	15	16	1	7.80	8.53	0.73
31-317-1	Culinary Specialist	3	4	1	0.87	1.90	1.03
31-091-1	Dairy Herd Management	17	14	(3)	8.97	7.40	(1.57)
30-508-2	Dental Assistant - Short Term	12	15	3	6.40	8.00	1.60
31-413-2	Electrical Power Distribution	24	23	(1)	12.23	11.97	(0.27)
31-502-2	Esthetician-Suspended	1	-	(1)	0.53	-	(0.53)
50-413-1	Industrial Electrician Apprentice	9	4	(5)	0.60	0.27	(0.33)
31-620-1	Industrial Mechanic	-	6	6	-	2.73	2.73
31-154-6	IT-Computer Support Technician	13	10	(3)	5.00	4.67	(0.33)
31-513-1	Laboratory Science Technician	-	1	1	-	0.57	0.57
31-509-1	Medical Assistant	27	32	5	14.10	15.27	1.17
30-530-1	Medical Coding Specialist	23	23	-	5.97	5.73	(0.23)
30-543-1	Nursing Assistant	78	64	(14)	8.03	6.50	(1.53)
31-106-8	Office Support Specialist	8	4	(4)	3.57	2.13	(1.43)
50-427-5	Plumbing Apprentice	1	8	7	0.09	0.77	0.68
31-442-1	Welding	37	31	(6)	19.85	16.05	(3.80)
	<b>Total Technical Diploma</b>	<b>438</b>	<b>404</b>	<b>(34)</b>	<b>173.25</b>	<b>167.76</b>	<b>(5.49)</b>
20-800-1	Liberal Arts - Associate of Arts	9	9	-	1.87	2.13	0.27
20-800-2	Liberal Arts - Associate of Science	11	7	(4)	2.50	1.13	(1.37)
	Undeclared Majors	83	80	(3)	9.96	10.40	0.44
	<b>Total</b>	<b>1,256</b>	<b>1,151</b>		<b>479.11</b>	<b>445.42</b>	<b>(33.69)</b>
	<b>Percent of Change</b>						<b>-7.03%</b>
	Vocational Adult (Aid Codes 42-47)	1,176	1,019		21.57	22.73	1.16
	Community Services (Aid Code 60)	6	4		0.03	0.01	(0.03)
	Basic Skills (Aid Codes 73,74,75,76)	28	32		0.93	1.07	0.13
	Basic Skills (Aid Codes 77 & 78)	169	126		6.29	4.63	(1.67)
	<b>Grand Total</b>	<b>2,635</b>	<b>2,332</b>		<b>507.94</b>	<b>473.85</b>	<b>(34.09)</b>
	<b>Total Percent of Change</b>						<b>-6.71%</b>

## ***B. Chairperson's Report***

1. Boards Association Committee Appointments

## ***C. College President's Report***

1. Community Outreach

## ***D. Other Information Items***

## **Establish Board Agenda Items for Next Meeting**

### ***A. Agenda for Annual Board meeting***

1. Health, Education & Public Safety Report

### ***B. Time and Place***

Thursday, August 27, 2015, at 7:00 p.m. in Rooms 492-493, College Connection,  
Southwest Tech Campus

## **Adjournment**