



Southwest Wisconsin Technical College

District Board Meeting

Regular Meeting

December 21, 2012

Held at

Rooms 490
Southwest Tech
1800 Bronson Boulevard
Fennimore, WI

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Annotated Agenda

BOARD MEETING NOTICE AMENDED AGENDA

Friday, December 21, 2012

9:30 a.m. – Regular Board Meeting
Room 490 – College Connection

ANNOTATED AGENDA

The December 20, 2012, Board meeting was cancelled and has been rescheduled to Friday, December 21.

OPEN MEETING

The following statement will be read: "The December 21, 2012, 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

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 November 15, 2012

Minutes of the November 15, 2012, regular 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

There were 24 contracts in November 2012 totaling \$35,678.01 for Board approval. The Contract Revenue Report is included with the electronic Board material.

E. Grant County Economic Development Corporation Lease

The 2013 office space lease with Grant County Economic Development Corporation is available with the Board material. A \$50 per month Internet service fee has been added to the lease.

Recommendation: Approve the consent agenda.

OTHER ITEMS REQUIRING BOARD ACTION

A. Financial Audit

Earl Engelson of Engelson & Associates, Ltd., LaCrosse, WI, will present the audit report. A draft financial statement is available with the electronic Board material. The full audit report will be available at the Board meeting.

Recommendation: Approve the 2011-12 audit report as presented.

B. Reciprocity Agreement with Highland Community College

College personnel have developed a reciprocity agreement with Highland Community College. Dr. Phil Thomas, Vice President for Student & Academic Affairs, will present the agreement for Board approval. The agreement is available with the Board material.

Recommendation: Approve the Highland Community College Reciprocity Agreement as presented.

BOARD MONITORING OF COLLEGE EFFECTIVENESS

A. Employee Handbook

The Board Reviewing Body is meeting on December 14 to complete the review of the Employee Handbook. The Employee Handbook will be sent to the Board members for review and discussion at the January Board Retreat.

B. Strategic Projects

The Strategic Projects developed for the Board-approved Strategic Directions will be sent to the Board members for review and discussion at the January Board Retreat. The Strategic Projects will guide the budget development for FY2014.

INFORMATION AND CORRESPONDENCE

A. College President's Report

1. Potential Joint Position in Housing/Student Activities
2. Discussions with NICC
3. Student Activities Center

ESTABLISH BOARD AGENDA ITEMS FOR NEXT MEETING

A. Agenda

1. Employee Handbook & Policy Adoption/Review
2. Strategic Projects
3. College Goals

4. Review of Governance Policy Manual
5. Culinary Arts Program Proposal

B. Time and Place

Board Retreat - Friday, January 25, 2013, and Saturday, January 26, 2013, in Prairie du Chien, WI, at the Country Inn & Suites

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}

Open Meeting

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A. Roll Call

B. Reports/ Forums/Public Input

Consent Agenda

A. Approval of Agenda

BOARD MEETING NOTICE

AMENDED AGENDA

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9:30 a.m. – Regular Board Meeting
Room 490 – College Connection

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A. Roll Call

B. Reports/Forums/Public Input

CONSENT AGENDA

A. Approval of Agenda

B. Minutes of the Regular Meeting of November 15, 2012

- C. Financial Reports
 - 1. Purchase Orders Greater than \$2,500
 - 2. Treasurer's Cash Balance
 - 3. Budget Control
- D. Contract Revenue
- E. Grant County Economic Development Corporation Lease

OTHER ITEMS REQUIRING BOARD ACTION

- A. Financial Audit
- B. Reciprocity Agreement with Highland Community College

BOARD MONITORING OF COLLEGE EFFECTIVENESS

- A. Employee Handbook
- B. Strategic Projects

INFORMATION AND CORRESPONDENCE

- B. College President's Report

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}

B. Minutes of the Regular Meeting of November 15, 2012

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF SOUTHWEST WISCONSIN TECHNICAL COLLEGE NOVEMBER 15, 2012

The Board of Southwest Wisconsin Technical College met in public session of a regular meeting commencing at 7:01 p.m. on November 15, 2012, in Room 492-93, College Connection, on the District Campus located at 1800 Bronson Boulevard in the City of Fennimore, Grant County, Wisconsin, with the following members present:

Melissa Fitzsimons, James Kohlenberg, Darlene Mickelson, Russell Moyer, Eileen Nickels, Chris Prange, Rhonda Sutton

Absent: Diane Messer, Donald Tuescher

Others present for all or a portion of the meeting included Dr. Duane M. Ford, College President; College Staff: Laura Bodenbender, Karen Campbell, Barb Tucker, and Caleb White. Public present included Rob Callahan, Fennimore Times, and Student Senate President Brenda Grondin.

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

BOARD MEETING NOTICE/AGENDA

Thursday, November 15, 2012

6:15 p.m. – Light Supper

7:00 p.m. – Regular Board Meeting

Room 492-493 – College Connection

OPEN MEETING

The following statement will be read: "The November 15, 2012, 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. Student Senate Report

CONSENT AGENDA

- A. Approval of Agenda
- B. Minutes of the Regular Meeting of October 25, 2012

- C. Financial Reports
 - 1. Purchase Orders Greater than \$2,500
 - 2. Treasurer's Cash Balance
 - 3. Budget Control
- D. Contract Revenue

OTHER ITEMS REQUIRING BOARD ACTION

- A. Outdoor Dining Service Bid
- B. Student Activity Center Bid
- C. Group Life & Long-term Disability Insurance Bid
- D. Personnel

BOARD MONITORING OF COLLEGE EFFECTIVENESS

- A. 2013-14 Budget Process
- B. Student Satisfaction Results
- C. Staffing Report

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
 - (1) Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. {Wis.Stats.19.85(1)(c)}
- B. Approval of Closed Session Minutes from September 27, 2012, and October 25, 2012

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}

Student Senate President Brenda Grondin presented a Student Senate Report. Ms. Grondin highlighted activities the Senate has been involved with including the approval of the Student Activity Center; Welcome Week; Alcohol Awareness Month; a book fair; and offering bowl, drive-in movies, a magician act, a dueling pianos act, and intramurals free to the students. Donations have been made to the Fennimore Rescue Squad and Operation Santa. Several officers attended Wisconsin Student Government meetings in Green Bay and LaCrosse.

After reviewing the Consent Agenda, Mr. Moyer moved to approve the Consent agenda, including the Board agenda; the October 25, 2012, Board minutes; financial reports; and seven contracts totaling \$8,225.66. Ms. Fitzsimons seconded the motion, which was unanimously approved.

Caleb White, Vice President for Administrative Services, informed the Board that due to a discrepancy in one of the bid documents and one contractor being given incorrect information, all Outdoor Dining Services bids were rejected. Because bids received were higher than the cost projection, the scope of the project will be reviewed before being rebid.

Bids were received for the Student Activity Center Renovation Project. Mr. White informed the Board that the bids came in at 150% of the \$432,000 budget. Bids ranged from \$600,000 - \$700,000. Adjustments will be made to the project scope and the project will be rebid.

Five bids were received for the Group Life and Long-Term Disability Insurance RFP. An evaluation team reviewed the proposals and chose The Hartford proposal as the preferred option. Projected savings of The Hartford plan over the current plan are \$42,750. The Hartford proposal includes a three-year rate guarantee on all lines of coverage. Mr. Moyer moved, seconded by Ms. Nickels, to award the contract for group life and long-term disability insurance to The Hartford, Hartford, Connecticut, for a three-year period commencing December 1, 2012.

No personnel items were brought to the Board for action. Caleb White presented the 2013-14 Budget Process. Mr. White outlined the process noting that a preliminary budget will be presented to the Board in February, updates will be provided at the April and May Board meetings, and the full proposed budget will be brought to the Board for approval at the June Board meeting.

Barb Tucker, Director of Institutional Advancement, presented the results of the FY2012 Noel Levitz Student Satisfaction Survey to the Board. The instrument used to assess students was explained and the results were shown. Organizational strengths identified by the students included a well-maintained campus, availability of faculty, safety and security, supportive staff, classes deal with practical experiences and applications, and the skills learned are preparing the students for their career goals. The students identified organizational challenges as parking, quality of instruction, learning styles not considered in the classroom, registration conflicts, faculty do not provide timely feedback and are biased.

Laura Bodenbender, Director of Human Resources, updated the Board on College staffing noting interviews are occurring for the IT/Process Improvement Supervisor position and job postings are out for a Grants Support Specialist and Accounts Payable position.

Mr. White presented the FTE Comparison Report for FYs 2012 and 2013. The report indicated FTEs have decreased four percent from last fiscal year. Mr. White also reviewed a report comparing FTEs in the WTCS colleges. He projects a two percent decrease in FTEs for Southwest Tech compared to a statewide average decrease of 2.1 percent.

Chairperson Kohlenberg asked Board members to let Karen Campbell know if they plan to attend ACCT's National Legislative Summit in Washington, DC, February 2013. Mr. Moyer indicated he would like to attend.

Under the President's Report, Dr. Ford informed the Board that this geographic area in Grant County is not considered medically underserved and, therefore, the College does not meet the criteria to establish a Federally Qualified Health Clinic (FQHC) as discussed at the October 2012 Board meeting. Future plans include further investigation of collaborating with an existing FQHC or a hospital/clinic to offer services. The Presidents Association approved hiring a consultant to advocate on behalf of the WTCS for the next biennium budget request submitted to the Governor's Office.

Under Other Information Items, Mr. Moyer noted that the District Boards Association has been reviewing the current committee structure and is looking at implementing changes in July. Board members were asked to inform Mr. Moyer if they would be interested in serving as a Boards Association committee chair.

With no further business to come before the Board, Ms. Mickelson, seconded by Ms. Sutton, moved to adjourn the meeting. The motion carried, and the meeting adjourned at 7:45 p.m.

Melissa Fitzsimons, Secretary

C. Financial Reports

1. Purchase Orders Greater Than \$2500

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE
OUTSTANDING PURCHASE ORDERS GREATER THAN \$2,500
FOR THE PERIOD 11/01/2012 TO 11/30/2012**

<u>PO DATE</u>	<u>PO #</u>	<u>VENDOR NAME</u>	<u>PO AMOUNT</u>	<u>DESCRIPTION</u>
<u>GENERAL FUND</u>				
11/26/2012	5920	KoneCranes, Inc.	4,223.00	Lift Repairs in bldgs-500/400/1700 & Fire
SUBTOTAL			\$ 4,223.00	
<u>CAPITAL FUND</u>				
11/1/2012	5912	Lab Midwest	8,930.10	T7018 Power & Control Electronics Learning System: Elect. Apprent.
11/1/2012	5913	Lab Midwest	13,235.50	Basic Electrical Machines & Generators Learning System & : Electro Mech
11/1/2012	5914	Lab Midwest	45,020.00	Misc. software & small minor equipment parts (#156): BITS
11/1/2012	5915	Lab Midwest	298,635.00	Pneumatics & Hydraulic Learning System (#178): Electro Mech
11/2/2012	5916	Keystone Automotive	4,045.31	4 & 10-Ton Hydraulic Equipment: Auto Body
11/19/2012	5919	Stage Depot	5,799.92	Stage, steps & blue skirt with guard rails
SUBTOTAL			\$ 375,665.83	
TOTAL			\$ 379,888.83	

2. Treasurer's Cash Balance

Southwest Wisconsin Technical College Report of Treasurers Cash Balance 11/30/2012

Liability End of Month Balances

FICA	
Federal Withholding	
State Withholding	25,154.53
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	407,614.14
Sick Leave Payable	579,984.19
Other (Due To)	15,055,047.37
Total Liability Adjustment	16,067,800.23

Beginning Treasurers Balance (4,185,625.46)

Receipt

Fund		
1 General	913,532.54	
2 Special Revenue	-	
3 Capital Projects	44,765.21	
4 Debt Service	-	
5 Enterprise	52,637.68	
6 Internal Service	335,431.34	
7 Financial Aid/Activities	237,672.47	
Total Receipts	1,584,039.24	

Cash Available (2,601,586.22)

Expenses

Fund		
1 General	1,786,514.57	
2 Special Revenue	-	
3 Capital Projects	48,442.67	
4 Debt Service	373,841.82	
5 Enterprise	69,695.34	
6 Internal Service	321,446.99	
7 Financial Aid/Activities	147,357.47	
Total Expenses	2,747,298.86	

Treasurers Cash Balance (5,348,885.08)
 Liability Adjustment 16,067,800.23
 Cash in Bank 10,718,915.15

3. Budget Control

**Southwest Wisconsin Technical College
YTD Summary for Funds 1-7
For 5 Months ended November 2012**

	<u>2012-13 Budget</u>	<u>2012-13 YTD Actual</u>	<u>2012-13 Percent</u>	<u>2011-12 Percent</u>	<u>2010-11 Percent</u>	<u>2009-10 Percent</u>	<u>2008-09 Percent</u>
General Fund Revenue	21,318,000.00	5,703,250.29	26.75	25.33	26.05	30.39	30.71
General Fund Expenditures	21,618,000.00	7,889,586.04	36.50	35.81	36.64	36.30	36.17
Capital Projects Fund Revenue	2,550,000.00	2,574,513.96	100.96	101.82	94.08	99.61	99.20
Capital Projects Fund Expenditures	2,991,000.00	406,894.27	13.60	84.12	99.98	110.71	4.59
Debt Service Fund Revenue	5,060,000.00	-	-	-	-	-	-
Debt Service Fund Expenditures	5,060,000.00	373,841.82	7.39	8.08	-	-	-
Enterprise Fund Revenue	1,850,000.00	835,721.31	45.17	45.59	54.89	42.49	37.02
Enterprise Fund Expenditure	1,650,000.00	520,108.15	31.52	27.27	32.41	45.16	32.12
Internal Service Fund Revenue	3,950,000.00	1,541,890.31	39.04	30.82	37.15	35.95	35.62
Internal Service Fund Expenditures	3,900,000.00	1,677,558.18	43.01	47.72	40.25	40.50	43.90
Trust & Agency Fund Revenue	7,780,000.00	3,880,653.84	49.88	46.37	49.99	62.14	41.82
Trust & Agency Fund Expenditures	7,780,000.00	3,851,727.80	49.51	46.83	56.82	60.24	40.82
Grand Total Revenue	42,508,000.00	14,536,029.71	34.20	32.58	32.75	60.10	45.46
Grand Total Expenditures	42,999,000.00	14,719,716.26	34.23	38.88	39.29	48.96	27.38

D. Contract Revenue

There were 24 contracts in November 2012 totaling \$35,678.01 for Board approval. The Contract Revenue Report follows:

2012-2013 CONTRACTS

11/01/12 through 11/30/12

<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>
03-2013-0037-I-21 Southwest WI Library System	Computer Software Applications	Derek Dachelet	61	18,330.00	No		x	
03-2013-0051-I-42 Belmont EMS	CPR Recertification	Rita Luna	3	105.00	Yes		x	
	CPR - Healthcare Provider Recertification		1	35.00	Yes		x	
	CPR for EMT		12	420.00	Yes		x	
	Heartsaver 1st Aid w/ CPR and AED		3	105.00	Yes		x	
	Heartsaver 1st Aid w/ CPR and AED		9	315.00	Yes		x	
03-2013-0065-I-21 Platteville Police Department	Advanced Agency Firearms	Kris Wubben	17	356.91	Yes	x		
	Defensive Driving for Law Enforcement		17	356.91	Yes	x		
	Vehicle Use Fee			85.45	No	x		
03-2013-0071-I-21 WI Department of Natural Resources	Advanced Agency Firearms	Kris Wubben	9	261.71	Yes	x		
	Facility Use Fee			50.00	No	x		
03-2013-0073-I-41 Rockwell Automation	Schematics Machine Control Training	Derek Dachelet	66	6,373.50	No	x		
03-2013-0082-I-18 University of WI - Platteville	Driver Education - Van	Kris Wubben	6	345.46	No			x
	Defensive Driving for Law Enforcement		8	106.38	Yes	x		
	Pursuit Refresher		8	250.48	Yes	x		
	Vehicle Use Fee			81.03	No	x		
03-2013-0118-I-32 Wisconsin Secure Prison Facility	CPR Instructor Recertification	Rita Luna	4	140.00	No		x	

03-2013-0128-I-11 Iowa Grant School District	CPR	Rita Luna	21	700.00	Yes	x
03-2013-0130-I-41 Greenway Manor	CPR - Healthcare Provider Recertification	Rita Luna	10	350.00	No	x
03-2013-0132-I-41 Prairie Mason	CPR - Healthcare Provider	Rita Luna	23	805.00	No	x
	CPR - Healthcare Provider Recertification		7	245.00	No	x
03-2013-0138-I-21 Mineral Point Police Department	Firearms Qualification Course	Kris Wubben	9	261.71	Yes	x
03-2013-0139-I-21 Wisconsin State Patrol	Defensive Driving for Law Enforcement	Kris Wubben	13	137.68	Yes	x
	Firearms Update for Agencies		13	137.68	Yes	x
03-2013-0140-I-42 Potosi Rescue Squad	CPR - Healthcare Provider	Rita Luna	19	665.00	Yes	x
03-2013-0141-I-42 Montfort Rescue Squad	CPR	Rita Luna	4	140.00	Yes	x
03-2013-0142-I-42 Richland County Ambulance	CPR	Rita Luna	7	245.00	Yes	x
	CPR - Healthcare Provider Recertification		18	630.00	Yes	x
03-2013-0144-I-41 Cardinal Glass	CPR Recertification	Rita Luna	18	630.00	Yes	x
03-2013-0145-I-11 Fennimore School District	CPR - Healthcare Provider	Rita Luna	2	70.00	Yes	x
03-2013-0149-I-41 Crescent Community Health Center	CPR - Healthcare Provider Recertification	Rita Luna	6	210.00	Yes	x
03-2013-0150-I-42 Boscobel Rescue Squad	CPR - Healthcare Provider Recertification	Rita Luna	7	245.00	Yes	x

03-2013-0151-I-21	CPR - Healthcare Provider Recertification	Rita Luna	11	550.00	Yes	x
Grant County Sheriff's Department	w/ First Aid		11			x
03-2013-0153-I-41	Heartsaver 1st Aid w/ CPR and AED	Rita Luna	25	1,250.00	No	x
Scot Industries						
03-2013-0154-I-11	Family & Friends CPR	Rita Luna	6	180.00	Yes	x
Boscobel School District						
03-2013-0155-I-41	CPR - Healthcare Provider Recertification	Rita Luna	6	210.00	No	x
Manor Care						
03-2013-0158-I-42	Fire Inservice Training	Rita Luna	19	298.11	Yes	x
Fennimore Fire Department						
Totals:			<u>479</u>	<u>\$ 35,678.01</u>		

E. Grant County Economic Development Corporation Lease

RENTAL/LEASE AGREEMENT

between

Grant County Economic Development Corporation

and Southwest Wisconsin Technical College

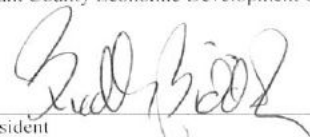
This agreement between Southwest Wisconsin Technical College (college) and Grant County Economic Development Corporation (GCEDC) covers the following:

1. Director's office including credenza and storage shelf, side chair, table, one storage cabinet: \$175 monthly.
2. Secretary's office including side chair, credenza and storage shelf, three filing cabinets and: \$175 monthly.
3. Internet service for both offices: \$50 monthly
3. College telephones will be provided for internal calls and ease of call transfers. GCEDC will be responsible for a separate line for all outgoing calls.
4. Copy machine costs to be billed at the current rate of .10 per copy or .20 for back to back.
5. Fax machine usage billed at .50 per page.
6. Postage to be billed as used.
7. Additional fees to be agreed upon if additional services are to be provided.

All of the above will be billed on or before the 23rd of the following month, commencing January 1, 2013. This rental/lease agreement covers the calendar year 2013 through December 31, 2013 with an option to renew for an additional one year at that time. If either party chooses to cancel this agreement, at least thirty (30) days notice must be made in writing.

s/ 
Executive Director
Grant County Economic Development Corporation

s/ _____
District Board Chairperson
Southwest Wisconsin Technical College

s/ 
President
Grant County Economic Development Corporation

s/ _____
President
Southwest Wisconsin Technical College

Recommendation: Approve the consent agenda.

Other Items Requiring Board Action

A. Financial Audit

Earl Engelson of Engelson & Associates, Ltd., LaCrosse, WI, will present the audit report. A draft financial statement follows. The full audit report will be available at the Board meeting.

Recommendation: Approve the 2011-12 audit report as presented.

**AUDIT REPORT
OF
SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
FENNIMORE, WISCONSIN**

JUNE 30, 2012

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
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**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
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JUNE 30, 2012**

Schedule of Findings and Questioned Costs

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DRAFT

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Southwest Wisconsin Technical College provides lifelong learning opportunities with an individualized focus for students and communities.

The financial resources of the College are applied to activities that support meeting the goals of the College's mission. The MD&A provides summary level financial information; therefore, it should be read in conjunction with the accompanying financial statements.

This annual report consists of a series of financial statements, prepared in accordance with generally accepted accounting principles, as stated in the Governmental Accounting Standards Board Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments, and Statement 35, Basic Financial Statements-and Management's Discussion and Analysis-for Public College and Universities.

Financial Highlights for the Fiscal Year Ending June 30, 2012

- Received 42 federal, state, or local grants totaling \$1.32 million.
- Updated official statement for borrowing and maintained the College's rating of Aa2 through Moody's.
- Borrowed \$2,500,000 at 1.24 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 5,400 annual transactions. As a result, the number of accounts payable checks being issued continues to decrease, saving time and money for the College and increasing vendor satisfaction with payment timing.
- Disbursed student financial aid totaling over \$3,323,000 in grants, \$3,378,000 in loans, and \$63,000 in college work study earnings.

Statement of Revenues, Expenses, and Changes in Net Assets

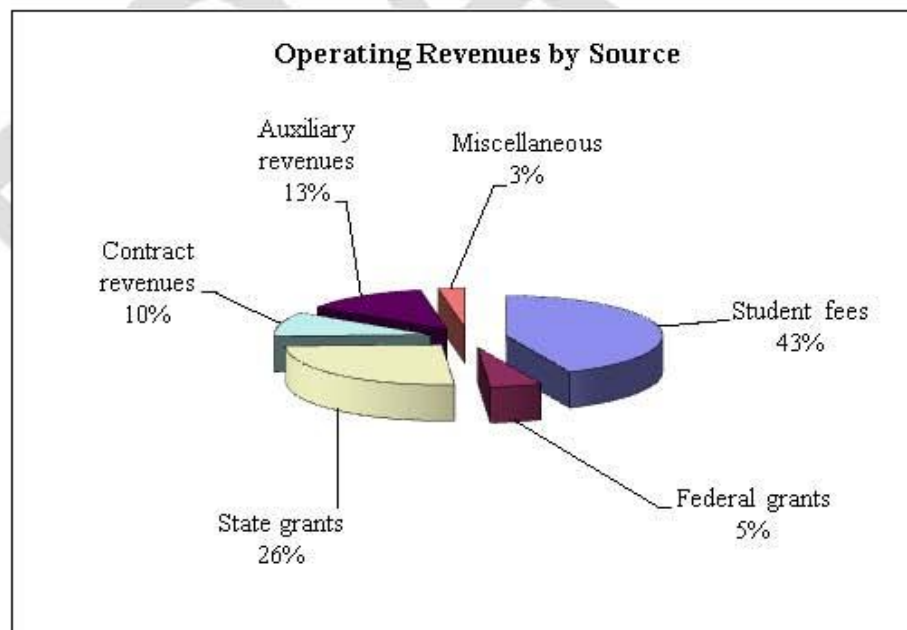
The Statement of Revenues, Expenses, and Changes in Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. In general, a public college such as Southwest Tech will report an operating deficit or loss, as the financial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

The following is a condensed version of the Statement of Revenues, Expenses, and Changes in Net Assets:

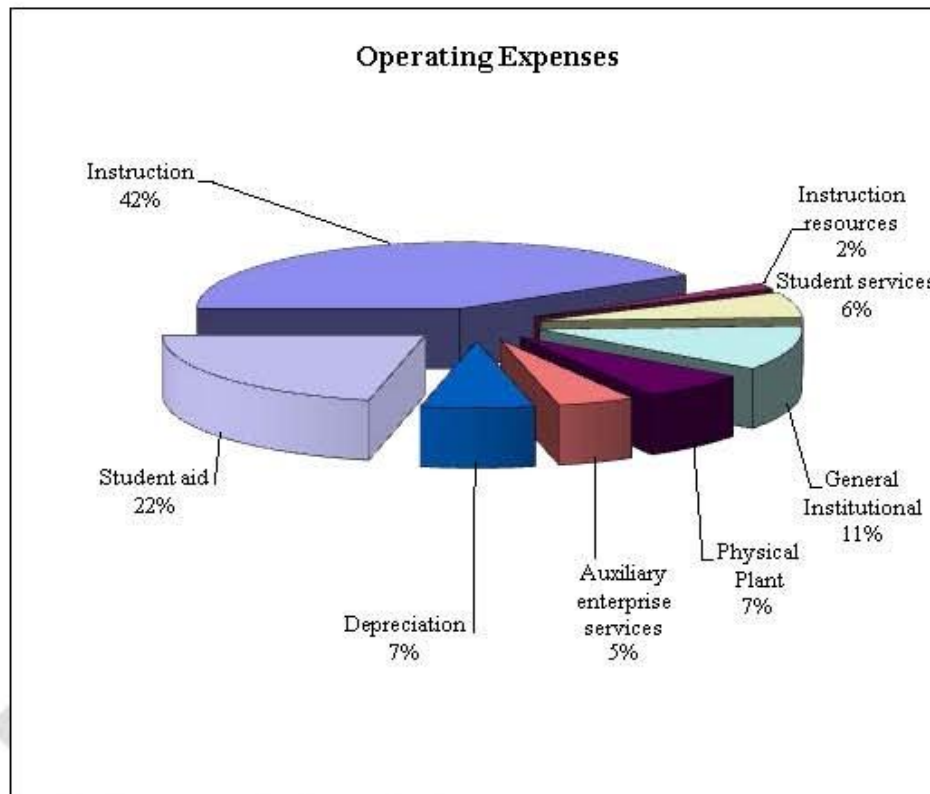
			Increase or (Decrease)	
	2012	2011	\$	%
Operating Revenue				
Student fees	\$ 5,147,101	\$ 4,952,008	\$ 195,093	3.9
Federal grants	631,472	1,270,870	(639,398)	(50.3)
State grants	3,059,409	4,403,929	(1,344,520)	(30.5)
Contract revenues	1,173,089	1,101,879	71,210	6.5
Auxiliary revenues	1,527,919	1,812,682	(284,763)	(15.7)
Miscellaneous	322,174	311,600	10,574	3.4
Total Operating Revenues	<u>11,861,164</u>	<u>13,852,968</u>	<u>(1,991,804)</u>	<u>(14.4)</u>
Operating Expenses				
Instruction	12,916,446	13,090,452	(174,006)	(1.3)
Instructional resources	473,142	392,443	80,699	20.6
Student services	1,923,312	2,210,720	(287,408)	(13.0)
General Institutional	3,347,753	3,605,420	(257,667)	(7.1)
Physical Plant	2,076,785	2,160,067	(83,282)	(3.9)
Auxiliary enterprise services	1,474,886	1,691,010	(216,124)	(12.8)
Depreciation	2,184,210	2,002,102	182,108	9.1
Student aid	6,701,796	7,102,970	(401,174)	(5.6)
Total operating expenses	<u>31,098,330</u>	<u>32,255,184</u>	<u>(1,156,854)</u>	<u>(3.6)</u>
	2012	2011	\$	%
Non-operating revenues (expenses)				
Property taxes	15,585,372	15,803,622	(218,250)	(1.4)
Federal financial aid and Other Grants	6,765,013	7,166,187	(401,174)	(5.6)
Investment income	26,696	72,228	(45,532)	(63.0)
Interest expense	(1,232,475)	(1,696,066)	463,591	(27.3)
Total non-operating revenues	<u>21,144,606</u>	<u>21,345,971</u>	<u>(201,365)</u>	<u>(0.9)</u>
Increase/(decrease) in Net Assets	1,907,440	2,943,755	\$ <u>(1,036,315)</u>	
Net assets - beginning of year	15,718,476	12,774,721		
Net assets - end of year	<u>17,625,916</u>	<u>15,718,476</u>		

Some of the most noteworthy results of operations for the current year are reflected below:

- Operating revenues are the charges for services offered by the College. During 2012, the College generated approximately \$11.9 million of operating revenue for the offering of services. Significant items and revenue sources are as follows:
 - ✓ Tuition and fee income up slightly in fiscal 2011-12 due to an increase in tuition rates of approximately 4.5% despite a decrease of students on a full-time equivalency basis. Total revenue from program, material, and other student fees exceeded \$5.1 million.
 - ✓ Nearly \$3.7 million in operating revenue from state and federal grants was earned by the College during the year. This figure is indicative of the continued efforts of the College to seek out new sources of revenue.
 - ✓ Contract revenues were approximately \$1.2 million for the year and represent revenue from instructional and technical assistance contracts with business and industry, local school districts, UW-Platteville and the Department of Corrections.
 - ✓ Auxiliary enterprise revenues include revenues generated by the bookstore, parts store, child care center, salon services, and other similar activities of the College. Revenues of over \$1.5 million were generated by these activities this year.
 - ✓ The graph below depicts the College's operating revenues by source.



- Operating expenses are costs related to the program offerings of the College. During 2012, operating expenses totaled more than \$31.0 million. The majority of the College's expenses, about 60%, are for personnel related costs. Current expense accounts for an additional 23%, while auxiliary services and other expenses account for the remaining 17% of total operating expenses. The graph below categorizes operating expenses by function.



- Non-operating revenues and expenses are items not directly related to providing instruction. Net non-operating revenues for the year ended June 30, 2012 were approximately \$21.1 million. The most significant components of net non-operating revenues include the following:
 - ✓ Property taxes levied by the College for the year were approximately \$15.6 million.
 - ✓ Federal financial aid passed through to students was approximately \$6.8 million.
- Net assets for 2012 increased by \$1,907,440 as a result of the above activity.

Statement of Net Assets

The Statement of Net Assets includes all assets (items that the College owns and amounts owed to the College by others) and liabilities (what the College owes to others and what has been collected from others before we have provided the services). This statement is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided, and expenses and liabilities are recognized when others provide the service to us – regardless of when cash is exchanged.

Below are highlights of the components of the Statement of Net Assets:

	2012	2011	Increase or (Decrease)	
			\$	%
ASSETS				
Cash and Cash equivalents	\$ 7,289,357	\$ 9,537,571	\$ (2,248,214)	(23.6)
Net capital assets	43,996,035	41,344,588	2,651,447	6.4
Other assets	8,004,418	8,243,276	(238,858)	(2.9)
Total Assets	<u>59,289,810</u>	<u>59,125,435</u>	<u>164,375</u>	<u>0.3</u>
LIABILITIES				
Current Liabilities	7,073,382	7,407,490	(334,108)	(4.5)
Long-term Liabilities	34,590,512	35,999,469	(1,408,957)	(3.9)
Total Liabilities	<u>41,663,894</u>	<u>43,406,959</u>	<u>(1,743,065)</u>	<u>(4.0)</u>
NET ASSETS				
Invested in capital assets, net of related debt	11,935,753	10,644,684	1,291,069	12.1
Restricted for debt service	1,278,318	1,326,189	(47,871)	(3.6)
Restricted for student financial aid	14,998	14,998	0	
Unrestricted	4,396,847	3,732,605	664,242	17.8
Total Net Assets	<u>17,625,916</u>	<u>15,718,476</u>	<u>1,907,440</u>	<u>12.1</u>

A more detailed analysis would reveal the following facts:

- As shown above, the largest component of the College's assets is capital assets. Total cost of capital assets less accumulated depreciation at June 30, 2012 resulted in a net capital asset of \$44.0 million.
- The major component of the other assets category includes property taxes receivable of over \$5.7 million.
- Current liabilities include accounts payable, various types of accruals, and the portion of long-term debt due within the next fiscal year. At year end, the current portion of the College's long-term debt was \$3.5 million.
- Long-term liabilities of \$34.6 million represent the portion of long-term debt and post-retirement benefits due after fiscal year 2011-12.

Capital Asset and Debt Administration

The College's investment in capital assets as of June 30, 2012 amounts to \$43,996,035 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, and moveable equipment. Additional information on the College's capital assets can be found in Note 3 on pages 22 & 23.

At the end of the current fiscal year, the College had total general obligation debt outstanding of \$33,005,000. The College maintained its debt rating at Moody's "Aa2" rating on its current and outstanding long-term debt. Debt service requirements are current and secured by the taxing authority to levy for principal and interest expense. 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. Additional information on the College's long-term debt can be found in Note 4 on pages 23-26.

Financial Position

Moody's "Aa2" rating reflects the district's:

- Comparatively modestly-sized tax base in southwestern Wisconsin
- Stable financial operations characterized by strong reserve levels supported by alternate liquidity outside the general fund; and
- Average debt burden with below average principal amortization.

"...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:

- The College has had exceptional growth in FTE's of approximately 22.3% percent since 2005-06 (5 years ago).
- The College 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.
- 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 budget growth likely would need to be covered by tax revenue.
- Cost of operations continues to increase (wages, benefits, insurance, utilities, etc.).
- Percentage of revenue from state aid likely to continue to decrease.

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Southwest Wisconsin Technical College District
Fennimore, Wisconsin

We have audited the financial statements of Southwest Wisconsin Technical College District as of and for the years ended June 30, 2012 and 2011 as identified in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southwest Wisconsin Technical College District as of June 30, 2012 and 2011, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2012 on our consideration of Southwest Wisconsin Technical College District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 7 and 35 through 45 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Southwest Wisconsin Technical College District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The accompanying schedule of expenditures of federal 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*, *Southwest Wisconsin Technical College District and the State Single Audit Guidelines* and is also not a required part of the basic financial statements of the Southwest Wisconsin Technical College District. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

La Crosse, Wisconsin
December 12, 2012

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2012 and 2011

Assets	2012	2011
Current assets		
Cash and cash equivalents	\$ 7,289,357	\$ 4,437,731
Taxes receivable	5,706,696	5,844,086
Accounts receivable	779,855	614,796
Student accounts receivable	428,539	764,048
Interest receivable	-	-
Due from other governments	110,858	27,705
Inventory and prepaid expenses	978,470	992,642
Total current assets	15,293,775	12,681,008
Capital assets		
Cost of capital assets	64,480,942	59,757,387
Less: Accumulated depreciation	(20,484,907)	(18,412,800)
	43,996,035	41,344,587
Other Non-current assets		
Certificates of Deposit	-	-
Restricted cash and cash equivalents	-	5,099,840
Total Assets	\$ 59,289,810	\$ 59,125,435
Liabilities		
Current liabilities		
Accounts payable	\$ 1,273,521	\$ 1,557,252
Accrued salaries and related items	768,259	555,727
Accrued vacation	380,037	407,614
Deferred revenue	449,784	1,010,411
Accrued self-insurance	600,000	400,000
Accrued interest	76,797	68,693
Current portion of long-term obligations	3,524,984	3,407,793
Total current liabilities	7,073,382	7,407,490
Long-Term Obligations		
Accrued retiree health insurance premiums	4,530,512	4,994,469
General obligation notes payable and capital lease	30,060,000	31,005,000
Total long-term obligations	34,590,512	35,999,469
Total Liabilities	41,663,894	43,406,959
Net Assets		
Invested in capital assets, net of related debt	11,935,753	10,644,684
Restricted for:		
Debt service	1,278,318	1,326,189
Student financial assistance	14,998	14,998
Unrestricted	4,396,847	3,732,605
Total Net Assets	\$ 17,625,916	\$ 15,718,476

See accompanying notes to financial statements

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2012 and 2011

	2012	2011
Operating revenues		
Student program fees, net of scholarship allowances of \$27,158	\$ 4,242,127	\$ 3,984,828
Student material fees, net of scholarship allowances of \$2,266	355,921	332,487
Other student fees, net of scholarship allowances of \$4,326	549,053	634,693
Federal grants	631,472	1,270,870
State grants	3,059,409	4,403,929
Business and industry contract revenue	1,128,746	1,008,089
School District contract revenue	44,343	93,790
Auxiliary enterprise revenues	1,527,919	1,812,682
Miscellaneous	322,174	311,600
Total operating revenues	<u>11,861,164</u>	<u>13,852,968</u>
Operating expenses		
Instructional	12,916,446	13,090,452
Instructional resources	473,142	392,443
Student services	1,923,312	2,210,720
General institutional	3,347,753	3,605,420
Physical Plant	2,076,785	2,160,067
Auxiliary enterprise services	1,474,886	1,691,010
Depreciation	2,184,210	2,002,102
Student aid	6,701,796	7,102,970
Total operating expenses	<u>31,098,330</u>	<u>32,255,184</u>
Operating loss	(19,237,166)	(18,402,216)
Non-operating revenues (expenses)		
Property taxes	15,585,372	15,803,622
Federal financial aid	6,388,536	6,672,243
State appropriations	376,477	493,944
Investment income earned	26,696	72,228
Interest expense	(1,232,475)	(1,696,066)
Total non-operating revenues	<u>21,144,606</u>	<u>21,345,971</u>
Increase (decrease) in net assets	<u>1,907,440</u>	<u>2,943,755</u>
Net assets - beginning of the year	15,718,476	12,774,721
Net assets - end of year	<u>\$ 17,625,916</u>	<u>\$ 15,718,476</u>

See accompanying notes to financial statements

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 and 2012

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities		
Tuition and fees received	\$ 5,482,610	\$ 5,142,647
Federal and state grants received	3,607,728	5,825,268
Business, industry and school contract revenues received	1,173,089	1,101,879
Payments to employees	(17,930,690)	(18,157,612)
Payments to suppliers	(11,899,077)	(13,447,693)
Auxiliary enterprise revenues received	1,527,919	1,812,682
Other receipts	313,869	311,599
Net cash used in operating activities	<u>(17,724,552)</u>	<u>(17,411,230)</u>
Cash flows from noncapital financing activities		
Local property taxes received	15,722,762	15,998,758
Federal and state appropriations received	6,765,013	7,166,187
Net cash provided by noncapital financing activities	<u>22,487,775</u>	<u>23,164,945</u>
Cash flows from capital and related financing activities		
Net purchases of capital assets	(4,835,657)	(5,144,508)
Proceeds from issuance of capital debt	2,500,000	2,000,000
Principal paid on capital debt	(3,470,000)	(3,305,000)
Interest paid on capital debt	(1,232,475)	(1,696,066)
Net cash used in capital and related financing activities	<u>(7,038,132)</u>	<u>(8,145,574)</u>
Cash flows from investing activities		
Certificates of Deposit redeemed/(purchased)	-	3,000,000
Investment income received	26,696	72,228
Net cash provided by/(used in) investing activities	<u>26,696</u>	<u>3,072,228</u>
Net increase in cash and cash equivalents	(2,248,213)	680,370
Cash and cash equivalents at beginning of year	<u>9,537,571</u>	<u>8,857,201</u>
Cash and cash equivalents at end of year	<u><u>\$ 7,289,358</u></u>	<u><u>\$ 9,537,571</u></u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet		
Current cash and cash equivalents	\$ 7,289,357	\$ 4,437,731
Restricted cash	-	5,099,840
	<u><u>\$ 7,289,357</u></u>	<u><u>\$ 9,537,571</u></u>

See accompanying notes to financial statements

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
STATEMENT OF CASH FLOWS-CONTINUED
FOR THE YEARS ENDED JUNE 30, 2011 and 2012

	<u>2012</u>	<u>2011</u>
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (19,237,166)	\$ (18,402,217)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	2,184,210	2,002,102
Changes in assets and liabilities:		
Accounts receivable	(165,059)	397,096
Student accounts receivable	335,509	190,639
Interest receivable	-	47,436
Accrued interest	8,104	(31,104)
Federal and state aid receivable	(83,153)	150,469
Inventories	(117,942)	(143,674)
Prepaid items	132,114	(175,551)
Accounts payable	(283,731)	(1,319,680)
Accrued payroll	212,532	(14,390)
Accrued vacation	(27,577)	(37,965)
Deferred program and material fees	(560,627)	(149,687)
Accrued self-insurance	200,000	
Accrued retiree health insurance	(321,766)	75,295
Net cash used in operating activities	<u>\$ (17,724,552)</u>	<u>\$ (17,411,231)</u>

See accompanying notes to financial statements

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the District's significant accounting policies consistently applied in the presentation of the accompanying financial statements follows.

A. Reporting Entity

Southwest Wisconsin Technical College District ("District") operates a post secondary education school.

The reporting entity for the District is based upon criteria set forth by the Governmental Accounting Standards Board. All functions of the District for which it exercises oversight responsibility are included. The oversight responsibility includes but is not limited to, financial interdependency between the District and the governmental entity; control by the District over selection of the entity's governing authority or designation of management; the ability of the District to significantly influence operations of the entity; and whether the District is responsible for the accountability for fiscal matters.

The District 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 the District. The Foundation is managed by an independent board of directors. SWTC 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 the District as a whole and accordingly, financial information related to the Foundation is not included in these financial statements.

The governing body of the District is the District Board. 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 the District which includes, but is not limited to, the authority to execute contracts, to exercise control over facilities and properties, to determine the outcome or disposition of matters affecting the recipients of the services being provided, and to approve the hiring or retention of key management personnel who implement Board policy and directives.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America (US GAAP) as applicable to public colleges and universities as well as those prescribed by the Wisconsin Technical College System Board (WTCSB). The District reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. When applicable, certain prior year amounts have been reclassified to conform to current year presentation. The following is a summary of the more significant policies.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Basis of Accounting and Financial Statement Presentation

For financial reporting purposes, the District is considered a special -purpose government engaged only in business-type activities. Accordingly, the financial statements of the District 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-district transactions have been eliminated.

C. Use of Estimates

In preparing basic financial statements in conformity with US GAAP, the District is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

Cash includes amounts in petty cash, demand deposits and other short-term interest bearing deposits.

For purposes of the statements of cash flows, cash on hand, demand deposits with financial institutions, investments in the Local Government Investment Pool, and other short-term investments with maturity dates of less than ninety days from when purchased are considered cash equivalents.

E. Investments

Investments are stated at cost or amortized cost which approximates fair value.

F. Inventories

Inventories of books, supplies and food 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.

G. Capital Assets

Capital fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value at the time of receipt.

The costs of maintenance and repairs are charged to operations as incurred. Equipment assets having a cost of \$1,000 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 service lives, which range from four to ten years for equipment and are fifty years for buildings and remodeling.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

H. 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 the District for the purposes of making capital improvements, acquiring equipment and 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 the District.

The District levied the operational tax levy at 1.5000 mills for 2011-2012 and a debt service mill rate of .62766.

I. Property Tax and Taxes Receivable, continued

The District 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 the District's tax calendar:

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

Historically, the District 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 the District's year-end.

The District recognizes its property taxes as revenue in the fiscal year for which taxes are levied.

J. Compensated Absences

The District accounts for compensated absences in accordance with the provisions of Statements of the Governmental Accounting Standards Board. The following is a summary of the District's accounting for significant compensated absences:

Vacation – Liabilities for vacation pay are recorded when incurred.

Sick leave – Liabilities for sick leave pay are recorded when incurred.

K. 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. The District's student fee arrangements receivable and program and material fees receivable are stated at amounts due from student's, net of an allowance for doubtful accounts. Amounts outstanding longer than the agreed upon payment terms are considered past due. The District determines its allowance for

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

doubtful accounts by considering a number of factors including length of time amounts are past due, the District's previous loss history and the student's ability to pay his or her obligation. The District writes off receivables when they become uncollectible, and payments subsequently collected on such receivables are credited to the allowance for doubtful accounts.

L. Deferred Revenues

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

M. Medical/Health/Self-Insurance Fund

The District has established an internal service fund to account for its medical self-insurance program. The purpose of this fund is to pay medical insurance claims of District employees and their covered dependents and to minimize the total costs of annual insurance to the District. The private insurance carrier determines the premium payments to be made by the District. Annual claims are paid from reserves and individual claims in excess of \$75,000 are paid under a reinsurance policy. Estimated claims incurred but not reported of \$600,000 have been recorded as of June 30, 2012.

N. State and Federal Revenues

The District receives funding from various federal and state contracts and grants. Some of these revenues are earned over fiscal periods different than that of the District and are subject to the Federal Single Audit Act and state single audit guidelines.

O. 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. The District 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.

P. Net Assets

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt - This represents the net 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.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Restricted net assets - Restricted net assets include resources in which the District is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

- Restricted net assets 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 assets for student financial assistance can only be used for student financial assistance activities.

Unrestricted net assets - Unrestricted net assets represent 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 the District and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide for students, faculty and staff.

Q. Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study and Federal Family Educational Loans programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Revised Circular A -133 Audit of States, Local Governments and Non-Profit Organizations and the Compliance Supplement.

R. Classification of Revenue and Expenses

The District has classified its revenue and expenses as either operating or nonoperating 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 the college's principal ongoing operations. Operating revenues include (1) student tuition and fees, net of scholarship allowances and estimated uncollectible amounts, (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 the college. Operating expenses include the cost of providing educational services, administration expenses and depreciation on capital assets.

Nonoperating revenues/expenses - Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions. Nonoperating revenues include (1) gifts and contributions, and other revenue sources that are defined as nonoperating revenues 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, such as state appropriations, the local property tax levy and investment income, and (2) any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital programs. Nonoperating expenses include interest on long-term obligations.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

S. Sales Taxes

The District reports revenue net of tax amounts collected from customers. Sales tax is collected on retail sales and remitted to government authorities.

T. Financial Instruments

The carrying values of cash, receivables, payables and accrued liabilities approximate fair value due to the short maturities of those instruments. The carrying value of long term debt approximates fair value because the rates approximate the District's incremental borrowing rates.

U. Reclassifications

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Deposits

The District's cash and cash equivalents consist of the following amounts at June 30:

	2012	2011
Cash and deposits:		
Cash on hand	\$ 1,600	\$ 1,075
Deposit accounts	6,131,848	8,380,561
Total cash deposits	6,133,448	8,381,636

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District 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. The District's carrying values for bank deposits were \$6,131,848 and \$8,380,561 at June 30, 2012 and 2011, respectively. The bank balances were \$6,251,506 and \$8,886,938, respectively. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$5,601,506 was secured by pledged securities. Additional protection provided in case of losses caused by failure of public depositories is provided by the State Deposit Guarantee Fund. The Fund provides additional coverage in each financial institution and the State of Wisconsin Local Government Investment Pool of \$400,000 above any applicable insurance coverage provided by FDIC. 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.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, CONTINUED

B. Investments

The Local Government Investment Pool (LGIP) is part of the State Investment Board (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At June 30, 2012, the fair value of the District's share of the LGIP's assets was substantially equal to the amount reported below.

The District's investments consist of the following amounts:

June 30, 2012

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-3
Wisconsin Local Government Investment Pool	\$ 1,157,508	\$ 1,157,508	\$ -

June 30, 2011

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-3
Wisconsin Local Government Investment Pool	\$ 1,155,934	\$ 1,133,971	\$ 21,963

Investments in the LGIP are covered by a surety bond issued by Financial Security Assurance, Inc. The bond insures against loss arising from principal defaults on substantially all types of securities acquired by the Pool except U.S. Government and agency securities. The bond provides unlimited coverage on principal losses, reduced by any FDIC, State of Wisconsin Guarantee Fund insurance and income on the investments during the calendar quarter a loss occurs.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to the transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investment policy minimizes credit risk by limiting investments to the safest type of securities and diversifying the investment portfolio. In addition, 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-end investment companies, the Wisconsin Investment Pool, or the Wisconsin Investment Series Cooperative. The Wisconsin Investment Pool, Wisconsin Investment Cooperative, and Government Money Market Fund do not carry a credit quality rating.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS, CONTINUED

The District is authorized by Wisconsin Statute 66.04(2) to invest in the following instruments:

- Time deposits in any bank, trust company or savings and loan association that is authorized to transact business in this state, if the time deposit maturity is not more than three years.
- Bonds or securities of any Wisconsin county, city, drainage district, technical college district, village, town, or school district.
- Bonds or securities issued or guaranteed by the federal government.
- That state's local government pooled investment fund.
- Any security maturing in seven years or less with either the highest or second highest rating category of a nationally recognized rating agency.
- Securities of open-end management investment companies or investment trusts, if the portfolio is limited to obligations of the U.S. Treasury and U.S. Agencies.
- Repurchase agreements with public depositories, if the agreement is secured by federal bonds or securities.
- Bonds issued by a local exposition district.
- Bonds issued by a local professional baseball park district.
- Bonds issued by the University of Wisconsin Hospitals and Clinics Authority.
- Bonds issued by a local football stadium district.
- Bonds issued by a local arts district.
- Bonds issued by the Wisconsin Aerospace Authority.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy limits the maturity of any security to no more than five years from the date of purchase or in accordance with state and local statutes and ordinances. In addition, the policy indicates that the investment portfolio should be structured so that securities mature to meet 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.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 – CAPITAL ASSETS

Capital asset activity was as follows for the year ended June 30, 2012:

2012	Balance 7/1/2011	Additions	Deletions	Balance 6/30/2012
Land	\$ 813,445			\$ 813,445
Land improvements	\$ 622,360	297,408		919,768
Buildings & improvements	\$ 38,886,970	3,496,579	148,986	42,234,563
Equipment	\$ 19,434,612	1,193,186	114,632	20,513,166
 Total cost of capital assets	 59,757,387	 4,987,173	 263,618	 64,480,942
 Less accumulated depreciation for:				
Land improvements	364,875	33,170		398,045
Buildings & improvements	5,290,449	892,579	1,490	6,181,538
Equipment	12,757,475	1,258,461	110,612	13,905,324
 Total accumulated depreciation	 18,412,799	 2,184,210	 112,102	 20,484,907
 Net capital assets	 41,344,588			 43,996,035
 Less:				
General obligation debt	(33,975,000)			(33,005,000)
Plus:				
Capital project funds borrowed but not spent	3,275,096			944,718
 Total invested in capital assets, net of related debt	 <u>\$ 10,644,684</u>			 <u>\$ 11,935,753</u>

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 – CAPITAL ASSETS, CONTINUED

Capital asset activity was as follows for the year ended June 30, 2011:

2011	Balance 7/1/2010	Additions	Deletions	Balance 6/30/2011
Land	\$ 813,445			\$ 813,445
Land improvements	\$ 593,930	28,430		622,360
Buildings & improvements	\$ 35,279,068	3,607,902		38,886,970
Equipment	\$ 17,926,436	1,689,107	180,931	19,434,612
Total cost of capital assets	54,612,879	5,325,439	180,931	59,757,387
Less accumulated depreciation for:				
Land improvements	339,299	25,576		364,875
Buildings & improvements	4,513,293	777,156		5,290,449
Equipment	11,718,760	1,199,369	160,654	12,757,475
Total accumulated depreciation	16,571,352	2,002,102	160,654	18,412,800
Net capital assets	38,041,527			41,344,587
Less:				
General obligation debt	(35,280,000)			(33,975,000)
Plus:				
Capital project funds borrowed but not spent	6,167,811			3,275,096
Total invested in capital assets, net of related debt	<u>\$ 8,929,338</u>			<u>\$ 10,644,683</u>

NOTE 4 - GENERAL OBLIGATION DEBT

Long-term liabilities of the District consist of general obligation notes payable and retiree health insurance premiums.

The changes in long-term liabilities at June 30, 2012 and 2011 are as follows:

	Balance 7/1/2011	Additions	Payments	Balance 6/30/2012	Due Within One Year
Notes payable	\$ 33,975,000	\$ 2,500,000	\$ 3,470,000	\$ 33,005,000	\$ 2,945,000
Retiree health insurance	5,432,262	488,912	810,678	5,110,496	579,984
Totals	<u>\$ 39,407,262</u>	<u>\$ 2,988,912</u>	<u>\$ 4,280,678</u>	<u>\$ 38,115,496</u>	<u>\$ 3,524,984</u>

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - GENERAL OBLIGATION DEBT, CONTINUED

	Balance 7/1/2010	Additions	Payments	Balance 6/30/2011	Due Within One Year
Notes payable	\$ 35,280,000	\$ 2,000,000	\$ 3,305,000	\$ 33,975,000	\$ 2,970,000
Retiree health insurance	5,356,967	378,743	303,448	5,432,262	437,793
Totals	\$ 40,636,967	\$ 2,378,743	\$ 3,608,448	\$ 39,407,262	\$ 3,407,793

The District pledges full faith, credit and resources of the District to pay all outstanding general obligation bonds. The District levies taxes annually to pay the amount of principal and interest due for the debt.

General obligation debt at June 30, 2012 consists of the following:

	Year	Principal	Interest	Federal Subsidy	Total
August 1, 2013, plus semi-annual interest at 2.0 - 3.0% due 6/1 and 12/1.	2012-13	<u>100,000</u>	<u>3,000</u>		<u>103,000</u>
		100,000	3,000		103,000
\$2,000,000 general obligation promissory note issued to Robert W. Baird of Milwaukee, WI, October 15, 2008 to finance facility improvements, remodeling, and equipment purchases through June 1, 2013, plus semi-annual interest at 3.25% - 3.75% due 6/1 and 12/1.	2012-13	<u>400,000</u>	<u>15,000</u>		<u>415,000</u>
		400,000	15,000		415,000
	2012-13	295,000	306,694		601,694
	2013-14	310,000	292,681		602,681
	2014-15	325,000	277,956		602,956
	2015-16	340,000	262,519		602,519
	2016-17	355,000	246,369		601,369
	2017-18	370,000	229,506		599,506
	2018-19	390,000	211,931		601,931
	2019-20	405,000	196,331		601,331
\$8,000,000 general obligation school improvement bond issued to Sterne, Agee & Leach, Inc., Birmingham, AL, October 15, 2008 to finance new construction and remodeling. Annual principal payments of \$150,000 - \$585,000 through June 1, 2028, plus semi-annual interest at 4.00% - 4.75% due 6/1 and 12/1.	2020-21	425,000	179,625		604,625
	2021-22	445,000	161,563		606,563
	2022-23	465,000	142,650		607,650
	2023-24	485,000	122,306		607,306
	2024-25	510,000	100,481		610,481
	2025-26	535,000	77,531		612,531
	2026-27	555,000	53,456		608,456
	2027-28	<u>585,000</u>	<u>27,788</u>		<u>612,788</u>
		6,795,000	2,889,388	-	9,684,388

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - GENERAL OBLIGATION DEBT, CONTINUED

	Year	Principal	Interest	Federal Subsidy	Total
\$2,000,000 general obligation promissory note issued to First Trust Portfolios, L.P. Lisle, IL, August 3, 2009 to finance facility improvements, Annual principal payments of \$400,000 through June 1, 2013, plus semi-annual interest at 2.00% - 2.50% due 6/1 and 12/1.	2012-13	400,000	19,000		419,000
	2013-14	400,000	10,000		410,000
		800,000	29,000		829,000
\$23,900,000 taxable general obligation school improvement bonds issued to Robert W. Baird, Milwaukee, WI, August 3, 2009 to finance new construction and remodeling. Annual principal payments of \$600,000 - \$1,745,000 through June 1, 2029, plus semi-annual interest at 1.65% - 6.125% due 6/1 and 12/1. The interest payments are reduced by a 35% federal subsidy through the Build America Bond program as authorized under the American Recovery and Reinvestment Act of 2009.	2012-13	850,000	1,150,282	(402,599)	1,597,683
	2013-14	890,000	1,124,783	(393,674)	1,621,109
	2014-15	935,000	1,093,633	(382,771)	1,645,861
	2015-16	985,000	1,057,168	(370,009)	1,672,159
	2016-17	1,040,000	1,012,843	(354,495)	1,698,348
	2017-18	1,100,000	963,443	(337,205)	1,726,238
	2018-19	1,155,000	909,543	(318,340)	1,746,203
	2019-20	1,220,000	851,793	(298,127)	1,773,665
	2020-21	1,285,000	788,353	(275,923)	1,797,429
	2021-22	1,335,000	720,248	(252,087)	1,803,161
	2022-23	1,385,000	648,158	(226,855)	1,806,302
	2023-24	1,440,000	571,983	(200,194)	1,811,789
	2024-25	1,495,000	490,983	(171,844)	1,814,139
	2025-26	1,555,000	403,151	(141,103)	1,817,048
	2026-27	1,615,000	308,296	(107,904)	1,815,393
	2027-28	1,680,000	209,781	(73,423)	1,816,358
	2028-29	1,745,000	106,881	(37,408)	1,814,473
		23,310,000	12,469,317	(4,343,961)	31,435,356

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - GENERAL OBLIGATION DEBT, CONTINUED

	Year	Principal	Interest	Federal Subsidy	Total
Promissory note (5 years) issued 8/3/10 to M&I Marshall & Isley Bank in the amount of \$2,000,000 to finance facility improvements, remodeling, and equipment purchases.	2012-13	400,000	22,000		422,000
	2013-14	400,000	15,000		415,000
	2014-15	400,000	8,000		408,000
		<u>1,200,000</u>	<u>45,000</u>	-	<u>1,245,000</u>
Promissory note (5 years) issued 8/2/11 to successful bidder in the amount of \$2,500,000 to finance construction, facility improvements, remodeling, and equipment purchases.	2012-13	500,000	40,000		540,000
	2013-14	500,000	30,000		530,000
	2014-15	500,000	20,000		520,000
	2015-16	500,000	10,000		510,000
		<u>2,000,000</u>	<u>100,000</u>	-	<u>2,100,000</u>
TOTALS		<u>\$ 34,605,000</u>	<u>\$ 15,550,705</u>	<u>\$ (4,343,961)</u>	<u>\$ 45,811,744</u>

Future debt service requirements as of June 30, 2012 are as follows:

Year Ending	Principal	Interest	Federal Subsidy	Total
June 30,				
2012-13	2,945,000	1,555,976	(402,599)	4,098,377
2013-14	2,500,000	1,472,464	(393,674)	3,578,790
2014-15	2,160,000	1,399,589	(382,771)	3,176,817
2015-16	1,825,000	1,329,686	(370,009)	2,784,678
2016-17	1,395,000	1,259,211	(354,495)	2,299,716
2017-22	8,130,000	5,212,334	(1,481,682)	11,860,652
2022-27	10,040,000	2,918,995	(847,899)	12,111,096
2027-29	4,010,000	344,450	(110,832)	4,243,618
TOTALS	<u>\$ 33,005,000</u>	<u>\$ 15,492,705</u>	<u>\$ (4,343,961)</u>	<u>\$ 44,153,744</u>

All general obligation debt is backed by the full faith and taxing power of the District.

Changes in general obligation debt outstanding for the year ended June 30, 2012 were as follows:

	Balance 7/1/2011	Additions	Payments	Balance 6/30/2012
Promissory notes, bonds and capital lease	<u>\$ 33,975,000</u>	<u>\$ 2,500,000</u>	<u>\$ 3,470,000</u>	<u>\$ 33,005,000</u>

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - GENERAL OBLIGATION DEBT, CONTINUED

The Wisconsin State Statutes Chapter 67.03(1) limits general obligation debt of the District to 5% of the equalized value of the taxable property located in the district, as last determined by the Wisconsin Department of Revenue. Chapter 67.03(9) limits bonded indebtedness of the district to 2% of the equalized valuation of the taxable property, including tax incremental districts. The legal debt limit and the margin of indebtedness as of June 30, 2012 is as follows:

	<u>Bonds</u>	<u>Aggregate</u>
Debt limit (2% for bonds; 5% for aggregate)	\$ 147,850,734	\$ 369,626,836
Debt outstanding at June 30, 2012, net of resources available to fund principal and interest payments	22,846,643	32,541,643
Legal debt margin	<u>\$ 125,004,091</u>	<u>\$ 337,085,193</u>
Debt outstanding as a percent of legal debt limitation		9.65%
Debt outstanding as a percent of equalized value		0.44%

NOTE 5 - EMPLOYEE RETIREMENT PLAN

All eligible employees of the District participate in the Wisconsin Retirement System ("System"), a cost-sharing multiple-employer public employee retirement system (PERS). All permanent employees expected to work over 600 hours a year (non-teachers) and 440 hours a year (teachers) are eligible to participate in the System. Covered employees in the general/teacher category are required by statute to contribute 5.0% of their salary (3.0% for Executives and Elected Officials, 5.1% for Protective Occupations with Social Security, and 3.4% for Protective Occupations without Social Security), to the Plan. Employers may make these contributions to the Plan on behalf of the employees. Employers are required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits. Due to the provisions in Act 10/32, all non-represented, non-contracted (unless agreed upon in a contract amendment) employees without a collective bargaining agreement must contribute 60% to their pension plan. This is deducted on a pre-tax basis.

The payroll for employees covered by the System for the year ended June 30, 2012 was \$11,347,671 and the employer's total payroll was \$12,524,280. The total required contributions for the year ended June 30, 2012 was \$1,328,367, which consisted of \$664,184 or 5.9% of covered payroll from the employer and \$664,184 or 5.9% of covered payroll paid by the District on behalf of the employees. Total contributions for the years ending June 30, 2012 and 2011 were \$1,397,187 and \$1,334,123 respectively, which were greater than the required contributions for the year.

Employees who retire at or after age 65 (62 for elected officials and 55 for protective occupation employees), are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees), and receive actuarially reduced benefits. Retirement benefits are calculated as 1.6% (2.0% for Executives, Elected Officials, and Protective Occupations without Social Security) of final average earnings for each year of creditable service. Final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation after 1/1/90 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested. Effective July 1, 2011, all new employees under the WRS are subject to a five year vesting schedule.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - EMPLOYEE RETIREMENT PLAN

The System also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of the State Statutes. The System issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

NOTE 6 - POST RETIREMENT BENEFITS

The District'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 the District 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 lay off.

At time of separation, support staff with thirteen or more years of service to the District 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 the District 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 the District 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, the District paid \$549,792 of health insurance for 63 former employees.

NOTE 7 - OTHER POST-EMPLOYMENT BENEFITS

In addition to providing pension benefits, the District is authorized by the Board of Trustees to provide medical and dental insurance for eligible retirees (and spouses) in accordance with employee contracts. All of the District's regular employees may become eligible for these benefits if they retire from the District after accruing the required years of service. The District shall pay a portion or all of the health and dental premiums from the time of retirements until they become eligible for Medicare, provided that the participant is age 55 and has at least 10 years of service in the District, or has 10 years of service with the District and 30 years of service in the Wisconsin Retirement System.

Membership of the Plan at June 30, 2012, the date of the last actuarial valuation, was 170 active participants and 64 retired participants.

The District's annual other post-employment benefits (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's OPEB obligation:

	2012	2011
Annual required contribution	\$ 945,212	\$ 934,740
Interest on net OPEB	40,183	32,621
Adjustment to annual required contribution	(66,343)	(53,860)
Annual OPEB cost (expense)	919,052	913,501
Contributions made	(664,184)	(661,407)
Change in net OPEB obligation	254,868	252,094
OPEB obligation - July 1, 2011	1,339,445	1,087,351
Adjustment from expected to actual contributions made	(2,180)	-
Adjusted July 1, 2011 balance	1,337,265	1,087,351
OPEB obligation - June 30, 2012	<u>\$ 1,592,133</u>	<u>\$ 1,339,445</u>

The District's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 913,501	72.40%	\$ 1,339,445
June 30, 2012	\$ 919,052	72.27%	\$ 1,592,133

The funded status of the plan as of June 30, 2011, the most recent actuarial valuation date, was as follows:

Actuarial Accrued Liability (AAL)	\$ 12,189,470
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	12,189,470
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members) Fiscal Year 2011-2012	\$ 11,347,671
UAAL as a percentage of covered payroll	107%

Actuarial valuation of an ongoing plan involves 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 actuarial results are compared with past experience and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS, CONTINUED

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.

Projection 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 the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effect of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with a long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2012
Actuarial cost method	Projected Unit Credit
Amortization method	Level
Remaining amortization period	28 years
Actuarial assumptions:	
Investment rate of return	3.0%
Healthcare cost trend rate (medical)	9.0%
	5.0% (ultimate)
Healthcare cost trend rate (dental)	5.0%
	5.0% (ultimate)
Projected salary increase	5%

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The District 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. The amount, if any, of liability arising from these audits is not reasonably estimable and, accordingly, no provision is included in the accompanying basic financial statements.

The District entered into a 36 month lease beginning July 1, 2011, to rent a building for instructional purposes in Richland Center, WI. Minimum future lease payments for the two years subsequent to June 30, 2012 are as follows:

Year Ending June 30	
2013	\$ 27,540
2014	<u>28,401</u>
	<u><u>55,941</u></u>

Rent expenses under all operating leases for the years ended June 30, 2012 and 2011 were \$26,680 and \$25,819, respectively.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 - COMMITMENTS AND CONTINGENCIES, CONTINUED

Outstanding commitments at June 30, 2012 consisted of the following:

Building projects:	
Nations Roofs	\$ 103,458
Golfeagels supply	99,905
DS Mechanical	76,344
Rock Church Constructions	23,193
Ruxab Associates	86,224
Other Encumbrances	<u>269,436</u>
Total	<u>\$ 658,560</u>

NOTE 9 - RELATED PARTY TRANSACTIONS

The District 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, 2012 and 2011 was \$37,001 and \$11,780, respectively.

NOTE 10 – LIMITATION ON DISTRICT REVENUES

Wisconsin statutes limit the amount of revenues the District may derive from property taxes to 1.5 mills. This limitation does not apply to revenues needed for the payment of any general obligation debt service (including refinanced debt).

NOTE 11 - RISK MANAGEMENT

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 \$200,000,000 per occurrence; general liability, auto, and educators' legal liability at \$5,000,000 per occurrence; and workers' compensation at the statutorily required limits.

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

DMI operations are governed by a six-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.

Each member college was assessed an annual premium that included a capitalization component to establish reserves for the company. For the year ended June 30, 2012, the District paid a premium of \$176,339. 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.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 11 - RISK MANAGEMENT, CONTINUED

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

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 from DMI for its participating members:

Foreign 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.

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

NOTE 12 –SUBSEQUENT EVENTS

Subsequent to year end the Board of Directors authorized the following:

Bond issuance	\$2,500,000
Parking lot paving	96,020
Birthing simulator	<u>48,752</u>
 Total commitments subsequent to year end	 <u><u>\$2,644,772</u></u>

Management has evaluated subsequent events have through December 12, 2012, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS - UNAUDITED
JUNE 30, 2012**

Actuarial Valuation Date June 30,	(1) Actuarial Value of Assets	(2) Actuarially Accrued Liability (AAL)	(2) -(1) Unfunded Accrued Liability (UAAL)	(1) / (2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll
2011	\$ -	\$ 11,936,782	\$ 11,936,782	0.00%	\$ 12,396,947	96.29%
2012	\$ -	\$ 12,189,470	\$ 12,189,470	0.00%	\$ 12,524,280	97.33%

The data presented above was taken from the actuarial report.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS - UNAUDITED
JUNE 30, 2012**

Year Ended June 30,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2011	\$ 661,407	\$ 913,501	72.40%
2012	\$ 664,184	\$ 919,408	72.24%

The data presented above was taken from the actuarial report.

SUPPLEMENTARY FINANCIAL INFORMATION

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

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
GENERAL FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Amended Budget	Actual	Adjustment to budgetary Basis	Actual on a budgetary Basis	Variance
Revenues						
Local government	\$ 11,165,000	\$ 11,165,000	\$ 10,945,372	\$ -	\$ 10,945,372	\$ (219,628)
Intergovernmental revenue						
State	2,839,000	2,939,000	3,046,624	-	3,046,624	107,624
Federal	509,000	609,000	631,472	-	631,472	22,472
Tuition and fees						
Statutory program fees	4,180,000	4,180,000	4,242,127		4,242,127	62,127
Materials fees	340,000	340,000	355,921	-	355,921	15,921
Other student fees	360,000	360,000	345,777	-	345,777	(14,223)
Institutional	1,192,000	1,292,000	1,296,355	-	1,296,355	4,355
Total revenues	20,585,000	20,885,000	20,863,648	-	20,863,648	(21,352)
Expenditures						
Instruction	13,621,000	14,421,000	14,393,404	-	14,393,404	27,596
Instructional resources	418,000	368,000	326,949	-	326,949	41,051
Student services	1,518,000	1,618,000	1,589,061	-	1,589,061	28,939
General institutional	2,943,000	2,893,000	2,859,616	-	2,859,616	33,384
Physical plant	2,085,000	1,785,000	1,770,212	(2,136)	1,768,076	16,924
Total expenditures	20,585,000	21,085,000	20,939,242	(2,136)	20,937,106	147,894
Excess of revenues over expenditures	-	(200,000)	(75,594)	2,136	(73,458)	126,542
Other financing sources (uses)						
Operating transfers in	-	200,000	198,486	-	198,486	(1,514)
Operating transfers out	-	-	-	-	-	-
	-	200,000	198,486	-	198,486	(1,514)
Excess of revenues and other financing sources over expenditures and other uses	-	-	122,892	2,136	125,028	125,028
Fund balance at July 1, 2011	4,714,389	4,714,389	5,535,045	(10,811)	5,524,234	809,845
Fund balance at June 30, 2012	\$ 4,714,389	\$ 4,714,389	\$ 5,657,937	\$ (8,675)	\$ 5,649,262	\$ 934,873
			\$ 5,657,937		\$ 5,649,262	
Assigned for future purchases			658,560			
Nonspendable-prepaid items			90,813			
Nonspendable - noncurrent						
Assigned for compensated absences			960,022			
Assigned for state aid			200,000			
Assigned for operations			3,748,542			
			\$ 5,657,937			

See accompanying notes to supplementary information.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
SPECIAL REVENUE NON-AIDABLE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Amended Budget	Actual	Adjustment to budgetary Basis	Actual on a budgetary Basis	Variance
Revenues						
State aids	\$ 550,000	\$ 550,000	\$ 376,477	\$ -	\$ 376,477	\$ (173,523)
Other student fees	190,000	190,000	203,276	-	203,276	13,276
Institutional	120,000	120,000	109,543	-	109,543	(10,457)
Federal	5,800,000	6,200,000	6,388,536	-	6,388,536	188,536
Total revenues	6,660,000	7,060,000	7,077,832	-	7,077,832	17,832
Expenditures						
Student services	6,660,000	7,060,000	7,036,047	-	7,036,047	23,953
Total expenditures	6,660,000	7,060,000	7,036,047	-	7,036,047	23,953
Excess of revenues over expenditures	-	-	41,785	-	41,785	41,785
Other financing sources (uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Excess of revenues and other financing sources over expenditures and other uses	-	-	41,785	-	41,785	41,785
Fund balance at July 1, 2011	160,689	160,689	358,346	-	358,346	197,657
Fund balance at June 30, 2012	\$ 160,689	\$ 160,689	\$ 400,131	\$ -	\$ 400,131	\$ 239,442

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Amended Budget	Actual	Adjustment to budgetary Basis	Actual on a budgetary Basis	Variance
Revenues						
Intergovernmental revenue						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Institutional	50,000	50,000	107,492	-	107,492	57,492
Total revenues	50,000	50,000	107,492	-	107,492	57,492
Expenditures						
Instruction	688,000	488,000	370,928	92,269	463,197	24,803
Instructional resources	100,000	150,000	146,193	-	146,193	3,807
General institutional	410,000	510,000	488,137		488,137	21,863
Physical plant	1,700,000	2,400,000	3,734,126	(1,378,473)	2,355,653	44,347
Total expenditures	2,898,000	3,548,000	4,739,384	(1,286,204)	3,453,180	94,820
Excess of revenues over expenditures	(2,848,000)	(3,498,000)	(4,631,892)	1,286,204	(3,345,688)	152,312
Other financing sources (uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	(200,000)	(198,486)	-	(198,486)	1,514
Proceeds from general obligations	2,500,000	2,500,000	2,500,000	-	2,500,000	-
	2,500,000	2,300,000	2,301,514	-	2,301,514	1,514
Excess of revenues and other financing sources over expenditures and other uses	(348,000)	(1,198,000)	(2,330,378)	1,286,204	(1,044,174)	153,826
Fund balance at July 1, 2011	889,395	889,395	3,275,096	(1,933,768)	1,341,328	451,933
Fund balance at June 30, 2012	\$ 541,395	\$ (308,605)	\$ 944,718	\$ (647,564)	\$ 297,154	\$ 605,759

See accompanying notes to supplementary information.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Amended Budget	Actual	Adjustment to budgetary Basis	Actual on a budgetary Basis	Variance
Revenues						
Local government	\$ 4,640,000	\$ 4,640,000	\$ 4,640,000	\$ -	\$ 4,640,000	\$ -
Intergovernmental revenue						
State	12,000	12,000	12,785	-	12,785	785
Federal	-	-	1,818	-	1,818	1,818
Institutional	5,000	5,000	-	-	-	(5,000)
Total revenues	4,657,000	4,657,000	4,654,603	-	4,654,603	(2,397)
Expenditures						
Physical plant	4,714,000	4,714,000	4,702,475	-	4,702,475	11,525
Total expenditures	4,714,000	4,714,000	4,702,475	-	4,702,475	11,525
Excess of revenues over expenditures	(57,000)	(57,000)	(47,872)	-	(47,872)	9,128
Other financing sources (uses)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Excess of revenues and other financing sources over expenditures and other uses	(57,000)	(57,000)	(47,872)	-	(47,872)	9,128
Fund balance at July 1, 2011	1,337,372	1,337,372	1,326,190	-	1,326,190	(11,182)
Fund balance at June 30, 2012	\$ 1,280,372	\$ 1,280,372	\$ 1,278,318	\$ -	\$ 1,278,318	\$ (2,054)

See accompanying notes to supplementary information.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
ENTERPRISE FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Amended Budget	Actual	Adjustment to budgetary Basis	Actual on a budgetary Basis	Variance
Revenues						
Institutional	\$ 1,850,000	\$ 1,850,000	\$ 1,534,670	\$ -	\$ 1,534,670	\$ (315,330)
Total revenues	1,850,000	1,850,000	1,534,670	-	1,534,670	(315,330)
Expenditures						
Auxiliary services	1,650,000	1,650,000	1,254,486	2,320	\$ 1,256,806	\$ 393,194
Total expenditures	1,650,000	1,650,000	1,254,486	2,320	1,256,806	393,194
Excess of revenues over expenditures	200,000	200,000	280,184	(2,320)	277,864	77,864
Other financing sources (uses)						
Operating transfers out	-	-	-	-	-	-
Excess of revenues and other financing sources over expenditures and other uses	200,000	200,000	280,184	(2,320)	277,864	77,864
Fund balance at July 1, 2011	2,504,277	2,504,277	2,802,202	-	2,802,202	297,925
Fund balance at June 30, 2012	\$ 2,704,277	\$ 2,704,277	\$ 3,082,386	\$ (2,320)	\$ 3,080,066	\$ 375,789

See accompanying notes to supplementary information.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
INTERNAL SERVICE FUNDS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Amended Budget	Actual	Adjustment to budgetary Basis	Actual on a budgetary Basis	Variance
Revenues						
Institutional	\$ 3,900,000	\$ 3,900,000	\$ 3,571,966	\$ -	\$ 3,571,966	\$ (328,034)
Total revenues	3,900,000	3,900,000	3,571,966	-	3,571,966	(328,034)
Expenditures						
Auxiliary services	3,900,000	3,900,000	3,792,366		\$ 3,792,366	\$ 107,634
Total expenditures	3,900,000	3,900,000	3,792,366	-	3,792,366	107,634
Excess of revenues over expenditures	-	-	(220,400)	-	(220,400)	(220,400)
Fund balance at July 1, 2011	319,367	319,367	157,301	-	157,301	(162,066)
Fund balance at June 30, 2012	\$ 319,367	\$ 319,367	\$ (63,099)	\$ -	\$ (63,099)	\$ (382,466)

See accompanying notes to supplementary information.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET (NON-GAAP BUDGETARY) BASIS FINANCIAL
STATEMENTS TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Enterprise Funds
Revenues					
Local government	\$ 10,945,372	\$ -	\$ -	\$ 4,640,000	\$ -
Intergovernmental revenue					
State	3,046,624	-	-	12,785	-
Federal	631,472	-	-	-	-
Tuition and fees					
Program fees	4,242,127	-	-	-	-
Materials fees	355,921	-	-	-	-
Other student fees	345,777	-	-	-	-
Institutional	1,296,355	-	107,492	1,818	1,534,670
Total revenues	20,863,648	-	107,492	4,654,603	1,534,670
Expenditures					
Instruction	14,393,404	-	463,197	-	-
Instructional resources	326,949	-	146,193	-	-
Student services	1,589,061	-	-	-	-
General institutional	2,859,616	-	488,137	-	-
Physical plant	1,768,076	-	2,355,653	4,702,475	-
Auxiliary services	-	-	-	-	1,256,806
Depreciation	-	-	-	-	-
Student aid	-	-	-	-	-
Total expenditures	20,937,106	-	3,453,180	4,702,475	1,256,806
Excess of revenues over expenditures	(73,458)	-	(3,345,688)	(47,872)	277,864
Other financing sources (uses)					
Operating transfers in	198,486	-	-	-	-
Operating transfers out	-	-	(198,486)	-	-
Proceeds from promissory notes	-	-	2,500,000	-	-
	198,486	-	2,301,514	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	125,028	-	(1,044,174)	(47,872)	277,864
Fund balance at July 1, 2011	5,524,234	-	1,341,328	1,326,190	2,802,202
Fund balance at June 30, 2012	\$ 5,649,262	\$ -	\$ 297,154	\$ 1,278,318	\$ 3,080,066

See accompanying notes to supplementary information.

Internal Service Funds	Fiduciary Funds	Total	Reconciling items	Statement of revenues expenses and changes in net assets	
\$ -	\$ -	\$ 15,585,372	\$ -	\$ 15,585,372	
-	376,477	3,435,886	-	3,435,886	(1)
-	6,388,536	7,020,008	-	7,020,008	(2)
-	-	-	-	-	
-	-	4,242,127	-	4,242,127	
-	-	355,921	-	355,921	
-	203,276	549,053	-	549,053	
3,571,966	109,543	6,621,844	(3,571,966)	3,049,878	(3)
3,571,966	7,077,832	37,810,211	(3,571,966)	34,238,245	
-	-	14,856,601	(1,940,155)	12,916,446	
-	-	473,142	-	473,142	
-	7,036,047	8,625,108	(6,701,796)	1,923,312	
-	-	3,347,753	-	3,347,753	
-	-	8,826,204	(5,516,944)	3,309,260	(4)
3,792,366	-	5,049,172	(3,574,286)	1,474,886	
-	-	-	2,184,210	2,184,210	
-	-	-	6,701,796	6,701,796	
3,792,366	7,036,047	41,177,980	(8,847,175)	32,330,805	
(220,400)	41,785	(3,367,769)	5,275,209	1,907,440	
-	-	198,486	-	198,486	
-	-	(198,486)	-	(198,486)	
-	-	2,500,000	(2,500,000)	-	
-	-	2,500,000	(2,500,000)	-	
(220,400)	41,785	(867,769)	2,775,209	1,907,440	
157,301	358,346	11,509,601	4,208,875	15,718,476	
\$ (63,099)	\$ 400,131	\$ 10,641,832	\$ 6,984,084	\$ 17,625,916	(5)

See accompanying notes to supplementary information.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
SCHEDULE TO RECONCILE BUDGET BASIS FINANCIAL STATEMENTS
TO BASIC FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012**

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

Operating	\$ 3,059,409
Non-operating	376,477
	<u>\$ 3,435,886</u>

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

\$ 631,472
6,388,536
<u>\$ 7,020,008</u>

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

Business and industry contract revenue	\$ 1,128,746
School district contract revenue	44,343
Miscellaneous revenue	313,869
Enterprise fund revenue	1,527,919
Private grant revenue	8,305
Investment income earned	26,696
	<u>\$ 3,049,878</u>

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

Physical Plant	\$ 2,076,785
Interest expense	1,232,475
	<u>\$ 3,309,260</u>

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

Budgetary basis fund balance	\$ 10,641,832
General fixed assets capitalized - cost	64,258,680
Accumulated depreciation on general fixed assets	(20,320,847)
General obligation bonds payable	(33,005,000)
Long-term portion of retiree health insurance	(4,530,512)
Accrued interest on Long-term Debt	(76,797)
Encumbrances outstanding at year-end	658,560
	<u>6,984,084</u>
Net assets per basic financial statements	<u>\$ 17,625,916</u>

See accompanying notes to supplementary information.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2011

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

The District'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. The District 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. Also, the budget does not incorporate changes related to GASB Statements Nos. 34, 35, 37 and 38 as listed in Note 1 to the financial statements.

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.

NOTE 2 – NEW ACCOUNTING PRONOUNCEMENTS

New Accounting Pronouncements – In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications that comprise a hierarchy primarily based on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. This Statement provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. This Statement also clarifies the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type and permanent fund type. The District implemented this Statement beginning with calendar year July 1, 2010.

NOTE 3 – FUND BALANCE

The District has elected to implement GASB Statement 54 employing new terminology and classifications for fund balance items according to the following classification:

Nonspendable fund balance – Includes amounts that cannot be spend because they are either not in spendable form or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Assigned fund balance – Amounts that are constrained by the District intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom that authority has been given. With the exception of the General fund this is a residual fund balance classification for all governmental funds with positive balances.

DRAFT

FEDERAL AND STATE SINGLE AUDIT REPORTS

DRAFT

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Grant Award</u>	<u>Accrued Receivable July 1, 2011</u>
U.S. Department of Education				
Direct Programs:				
Pell Grant	84.063	-	\$ -	\$ -
Federal Student Stafford Loans	84.032	-	-	-
Federal Student Plus Loans	84.032		-	-
Supplemental Education Opportunity Grant	84.007		-	-
Private - Alt Loan Revenue		-	-	-
Academic Competitiveness Grant	84.375	-	-	-
College Work Study	84.033	-	-	-
Total SFA Cluster			-	-
Total Direct Programs			-	-
U.S. Department of Agriculture				
Pass-through Programs from:				
University of Minnesota				
National Farm Management - Minnesota	10.319	03-158-000-001	98,397	36,161
National Farm Management - Missouri	10.319	03-151-000-012	88,500	-
TOTAL 10.319			186,897	36,161
U.S. Department of Education				
Pass-through Programs from:				
Wisconsin Technical College Systems Board				
Adult Education Act				
ABE-Community Connection	84.002	03-114-146-112	21,820	5,169
Forward to Civic Literacy	84.002	03-111-146-162	26,640	12,612
Adult Basic Education - Disadvantaged	84.002	03-110-146-122	84,700	21,325
TOTAL 84.002			133,160	39,106
Wisconsin Technical College Systems Board				
Stengthening Career & Technical Program	84.048	03-193-150-252	34,371	24,952
NTO Connections	84.048	03-194-150-262	8,592	9,282
MSSC Champion Project	84.048	03-195-150-211		24,439
Student Success	84.048	03-198-150-232	85,925	31,533
Career Prep	84.048	03-106-150-212	39,283	32,059
High School to College Transition	84.048	03-137-150-242	42,963	-
TOTAL 84.048			211,134	122,265

See accompanying notes to the financial statements.

Revenues					
Grantor	Local			Accrued	
<u>Reimbursement</u>	<u>Share</u>	<u>Totals</u>	<u>Expenditures</u>	<u>Receivable</u>	<u>June 30, 2012</u>
\$ 2,907,076	\$ -	\$ 2,907,076	\$ 2,907,076	\$ -	
3,318,494	-	\$ 3,318,494	3,318,494	-	
11,409	-	\$ 11,409	11,409	-	
39,933	-	\$ 39,933	39,933	-	
48,403	-	\$ 48,403	48,403	-	
-	-	\$ -	-	-	
63,221	-	\$ 63,221	63,221	-	
6,388,536	-	6,388,536	6,388,536	-	
6,388,536	-	6,388,536	6,388,536	-	
56,841	-	36,260	36,260	15,580	
-	-	15,423	15,423	15,423	
56,841	-	51,683	51,683	31,003	
20,669	7,273	29,093	29,093	6,320	
31,846	-	26,640	26,640	7,406	
96,102	117,800	202,500	202,500	9,923	
148,617	125,073	258,233	258,233	23,649	
39,952	2,933	37,303	37,303	19,370	
15,289	140	8,732	8,732	2,585	
24,439					
92,178	174,200	260,125	260,125	25,280	
64,032	8,353	47,636	47,636	7,310	
27,311	-	42,940	42,940	15,629	
263,201	185,626	396,736	396,736	70,174	

See accompanying notes to the financial statements.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Assigned for future purchases

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Grant Award</u>	<u>Accrued Receivable July 1, 2011</u>
U.S. Department of Labor				
Pass-through Programs from:				
Southwest Workforce Development Board				
WIA - NEG 07-01-11to 12-31-11	17.277	03-103-100-101	83,529	25,659
WIA - NEG 01-01-12 to 06-30-12	17.277	03-103-100-102	10,582	-
WIA - Skills Jump Start	17.281	03-108-100-101	61,505	41,938
WIA - MSSC Project	17.281	03-112-100-101		3,934
WIA - Title 1 - Job Centr	17.258-9 & 17.278	03-190-000-002	172,541	75,228
TAA - Bridge2Healthcare - Subaward NICC	17.282	03-152-000-112	144,552	-
Total U.S. Department of Labor			472,709	146,759
U.S. Department of Health & Human Services				
Pass-through Programs from:				
Scenic Rivers AHEC				
21st Century: Biomedical Track Planning	93.107	03-136-000-001	9,856	1,518
Total Pass-through Programs			1,013,756	345,809
Total Direct Programs & Pass-through Programs			\$ 1,013,756	\$ 345,809
Total Federal Expenditures as stated above				
Prior year receivable reclassification error				
Difference in prior year/current year accrued receivables				
TOTAL FEDERAL REVENUE PER COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE				

See accompanying notes to the financial statements.

Revenues					Accrued
Grantor	Local				Receivable
<u>Reimbursement</u>	<u>Share</u>	<u>Totals</u>	<u>Expenditures</u>	<u>June 30, 2012</u>	
55,481	-	29,822	29,822	-	
5,825	-	10,582	10,582	4,757	
54,590	-	12,652	12,652	-	
3,934	-		-		
189,885	-	167,144	167,144	52,487	
4,711	-	16,777	16,777	12,066	
314,426	-	236,977	236,977	69,310	
5,356	-	3,838	3,838	-	
788,441	310,699	947,467	947,467	194,136	
\$ 7,176,977	\$ 310,699	\$ 7,336,003	\$ 7,336,003	\$ 194,136	
\$ 7,176,977					
(5,296)					
(151,673)					
\$ 7,020,008					

See accompanying notes to the financial statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012**

<u>State Grant/Program Title</u>	<u>State Catlog Number</u>	<u>State Grant Award</u>	<u>Accrued Receivable July 1, 2011</u>
Wisconsin Technical College Systems Board			
Vocation Education Instructor Competency Program	292.104	\$ -	
State Aids for technical colleges	292.105	2,186,424	-
Project Pivot	292.106	35,950	8,172
Students of Color Service and Support	292.109	7,111	4,117
Incentive grants:			
Adult Education: Linking Students	292.112	43,900	17,919
Advanced Mfg Network	292.112	65,375	10,925
New & Expanding: Engineering Tech	292.112	92,170	68,530
Industrial Electric Apprentice Expansion	292.112	9,750	
Mini-Rise Outreach - Youth Options (LakeShore)	292.112	4,000	
Total 292.112		<u>2,444,680</u>	<u>109,663</u>
Transition Services	292.115	<u>23,637</u>	<u>5,668</u>
Lean Manufacturing/DisC - Dillman Equipment WAT	292.116	41,489	11,030
Lean Health - Upland Hills Health WAT	292.116	52,754	23,767
Small Business: Multi-Company Electrical Cert WAT	292.116		5,564
Prairie du Chien Hospital Lean Training WAT	292.116	10,753	
Lean Training - Multiple Company WAT	292.116		6,925
Gro Alliance - Leadership Training WAT	292.116	7,878	
Richland Cty - Manf Consortium - Lean/Leadership WAT	292.116	72,759	
Building Automation Products WAT	292.116	6,710	
Richland Cty - Manf Consortium - OSHA WAT	292.116	5,423	
Total 292.116		<u>197,766</u>	<u>47,286</u>
Faculty Development Grant	292.123	<u>43,800</u>	<u>11,616</u>
Mini-Rise Outreach - IT	292.138	4,000	-
Mini-Rise Outreach - Logistics	292.138	4,000	-
Occupational Competency - S. Ostheimer	292.138	150	-
Occupational Competency -D.Birkelo	292.138	300	-
Occupational Competency - D. Schildgen	292.138	600	-
		<u>9,050</u>	<u>-</u>
		<u>\$ 2,718,933</u>	<u>\$ 174,233</u>

See accompanying notes to the financial statements.

<u>Revenues</u>		<u>Totals</u>	<u>Expenditures</u>	<u>Accrued Receivable July 1, 2012</u>
<u>Grantor Reimbursement</u>	<u>Local Share</u>			
		\$ -	\$ -	\$ -
2,186,424	-	2,186,424	2,186,424	-
39,290	8,514	44,464	44,464	4,832
7,467	2,250	9,000	9,000	3,400
-	-	-	-	-
45,822	-	43,900	43,900	15,997
15,805	-	43,439	43,439	38,559
131,287	181,591	273,126	273,126	28,778
-	-	8,843	8,843	8,843
		3,297	3,297	3,297
2,426,095	192,355	2,612,493	2,612,493	103,706
<hr/>				
22,706	9,702	33,339	33,339	6,599
<hr/>				
11,030	-	29,378	29,378	29,378
23,767	-	39,735	39,735	39,735
5,564	-	-	-	-
-	-	7,657	7,657	7,657
6,925	-	-	-	-
-	-	5,607	5,607	5,607
-	-	56,793	56,793	56,793
-	-	5,730	5,730	5,730
-	-	-	-	-
47,286	-	144,900	144,900	144,900
<hr/>				
35,211	38	43,838	43,838	20,205
<hr/>				
4,000	-	4,000	4,000	-
4,000	-	4,000	4,000	-
-	191	341	341	150
-	381	681	681	300
-	763	1,363	1,363	600
8,000	1,335	10,385	10,385	1,050
<hr/>				
\$ 2,539,298	\$ 203,430	\$ 2,844,955	\$ 2,844,955	\$ 276,460

See accompanying notes to the financial statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2012**

<u>State Grant/Program Title</u>	<u>State Catlog Number</u>	<u>State Grant Award</u>	<u>Accrued Receivable July 1, 2011</u>
Wisconsin Technical College Systems Board, continued			
Healthcare: Direct Entry Midwife	292.161	\$ 176,210	\$ 30,537
Healthcare: Alternative Delivery	292.161	43,509	9,731
Healthcare: Clinical Lab Technician Equipment	292.161	60,967	-
Total 292.161		<u>280,686</u>	<u>40,268</u>
Total Wisconsin Technical College System Board		<u>2,999,619</u>	<u>214,501</u>
Department of Revenue			
State Aid Computers	35.109	43,339	-
Department of Transportation			
Motorcycle Safety	20.612	9,150	-
Total Department of Transportation		<u>9,150</u>	<u>-</u>
Department of Justice			
Tactical Fitness	455.231		2,500
Supervision of Police Personnel	455.231	19,000	-
Canine Tactical Operations	455.231	15,000	-
CJ Instructor Development Course	455.231	1,552	-
Total Department of Justice		<u>35,552</u>	<u>2,500</u>
Wisconsin Higher Education Board			
HEAB - Remission of Fees for Veterans and Dependents	235.105	\$ 41,782	
HEAB - Indian Grant	235.132	\$ 1,100	
HEAB - WHEG	235.102	\$ 329,668	
HEAB - Nursing	235.117	\$ 13,000	
HEAB - Talent Incentive Grant	235.114	\$ 16,189	
HEAB - Minority Undergraduate Retention	235.107	\$ 1,020	
WI Cov Scholars Grant Revenue		\$ 9,500	
WI Cov Found Grant Revenue		\$ 6,000	
Total HEAB		<u>418,259</u>	<u>-</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 3,496,769</u>	<u>217,001</u>

See accompanying notes to the financial statements.

<u>Revenues</u>				<u>Accrued</u>	
<u>Grantor</u>	<u>Local</u>			<u>Receivable</u>	
<u>Reimbursement</u>	<u>Share</u>	<u>Totals</u>	<u>Expenditures</u>	<u>July 1, 2012</u>	
					:
\$ 68,343	\$ 55,787	\$ 160,004	\$ 160,004	\$ 66,411	
19,881	-	43,461	43,461	33,311	
15,685	24,710	85,388	85,388	44,993	
103,909	80,497	288,853	288,853	144,715	
2,643,207	283,927	3,133,808	3,133,808	421,175	
43,339	-	43,339	43,339	-	
6,350	17,333	23,683	23,683	-	
6,350	17,333	23,683	23,683	-	
2,500					
19,000	-	19,000	19,000	-	
-	-	15,000	15,000	15,000	
1,552	-	1,601	1,601	-	
23,052	-	35,601	35,601	15,000	
41,782		\$ 41,782	\$ 41,782		
1,100		\$ 1,100	\$ 1,100		
329,668		\$ 329,668	\$ 329,668		
13,000		\$ 13,000	\$ 13,000		
16,189		\$ 16,189	\$ 16,189		
1,020		\$ 1,020	\$ 1,020		
9,500		\$ 9,500	\$ 9,500		
6,000		\$ 6,000	\$ 6,000		
418,259	-	418,259	418,259	-	
3,134,207	301,260	3,654,690	3,654,690	436,175	

See accompanying notes to the financial statements.

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2012**

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Southwest Wisconsin Technical College District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the Southwest Wisconsin Technical College District's ("District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* issued by the Wisconsin Department of Administration (DOA) that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*; and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration (DOA). Those standards, OMB Circular A-133, and the State Single Audit Guidelines issued by the Wisconsin Department of Administration (DOA) 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 major federal and state programs occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Southwest Wisconsin Technical College District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal and state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the State Single Audit Guidelines issued by the Wisconsin Department of Administration (DOA), but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the audit committee, management, the board of directors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

La Crosse, Wisconsin
December 12, 2012

**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 District
Fennimore, Wisconsin

We have audited the financial statements of Southwest Wisconsin Technical College District ("District") as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Southwest Wisconsin Technical College's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the audit committee, management, the board of directors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

La Crosse, Wisconsin
December 12, 2012

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

A. Summary of Audit Results

Financial statements

Type of auditors report issued:	Unqualified
Internal control over financial reporting	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be a material weakness(es)?	None Reported
Noncompliance material to basic financial statements noted?	No

Federal awards

Internal control over major issues:	
• Material weakness(es) identified:?	No
• Significant deficiency(ies) identified not considered to be material weakness(es)?	None Reported
• Type of auditors' report issued on compliance for major programs?	Unqualified
• Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 501(a)?	No

The programs tested as major programs include:

	<u>CFDA#</u>	<u>Amount</u>
Federal:		
Pell Grant	84.063	\$ 2,907,076
Federal Direct Student Loans	84.032	3,318,494
Federal Direct Student Plus Loans	84.032	11,409
Supplemental Education Opportunity Grant	84.007	39,933
College Work Study	84.033	48,403
Academic Competitiveness Grant	84.375	63,221
WIA - Title 1 - Job Center - Adult Funds	17.258	43,135
WIA - Title 1 - Job Center - Youth Funds	17.259	13,803
WIA - Title 1 - Job Center - Dislocated Worker Funds	17.278	115,602

- Dollar threshold used to distinguish between Types A and Type B programs? \$300,000
- Auditee qualified as low-risk auditee? No

State awards

Internal control over financial reporting:	
• Material weakness(es) identified:	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditors' report issued on compliance over programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with the <i>State Single Audit Guidelines</i> :	No
Dollar threshold used to distinguish between Types A and Type B programs?	\$100,000 Type A \$ 25,000 Type B

**SOUTHWEST WISCONSIN TECHNICAL COLLEGE DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

The programs tested as major programs include:

State:			
State Aid	292.105	\$	2,186,424
Wisconsin Higher Education Board - WHEG	292.161		418,259
Workforce Advanced Training Grant	292.116		197,766

B. Findings - Financial Statement Audit in accordance with Governmental Auditing Standards

NONE

C. Findings and Questioned Costs - Major Federal Award Programs Audit & Major State Award Programs Audit

NONE

D. Findings and Questioned Costs – Other Issues

1. Did the auditor have substantial doubt about Southwest Wisconsin Technical College's ability to continue as a going concern? No

2. Does the audit report show audit issues (material noncompliance, non-material noncompliance, questioned costs, material weakness, significant deficiencies, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with *State Single Audit Guidelines*?
 - i. Department of Health and Family Services No
 - ii. Department of the Workforce Development No
 - iii. Department of Corrections N/A
 - iv. Department of Public Instruction No
 - v. Department of Agriculture No
 - vi. Department of Education No
 - vii. Wisconsin Technical College Systems Board No

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

4. Name of partner: William J. Sherry
 Signature of partner: _____

5. Date of report: December 12, 2012

E. Status of Prior Audit Findings and Questioned Costs – State and Federal Awards

NONE

B. Reciprocity Agreement with Highland Community College

College personnel have developed a reciprocity agreement with Highland Community College. Dr. Phil Thomas, Vice President for Student & Academic Affairs, will present the agreement for Board approval. The agreement follows.

Recommendation: Approve the Highland Community College Reciprocity Agreement as presented.

**A JOINT EDUCATION AGREEMENT
BETWEEN HIGHLAND COMMUNITY COLLEGE
AND SOUTHWEST WISCONSIN TECHNICAL COLLEGE**

THIS AGREEMENT entered into this _____ day of _____, 2012, by and between the Board of Trustees of Highland Community College, hereinafter referred to as HCC, and Southwest Wisconsin Technical College District Board, hereinafter referred to as Southwest Tech. The purpose of this Agreement is to provide additional educational program opportunities to the students that live in each district. Programs included under this Agreement are listed in Appendix A. Amendments and/or revisions to List of Included Programs (Appendix A) may be made per Section 4. Amendment to Agreement.

WHEREAS, it is the desire of the parties hereto to expand educational services to the greatest number of students in each district served by the parties; and

WHEREAS, HCC is empowered by virtue of Section 1501.307, Administrative Rules of the Illinois Community College Board, to enter into a cooperative agreement.

Section 1501.307 Cooperative Agreements and Contracts

Cooperative agreements and contracts with other Illinois educational agencies and those out of state may be established for the purpose of providing more accessible instructional services to students and increasing efficiency in the use of educational resources, subject to the following conditions:

a) A new unit of instruction to be offered by a community college solely through a cooperative agreement or contract with another educational agency is subject to approval by the ICCB as indicated in Section 1501.302.

e) Out-of-District Cooperative Agreements for Instruction. A community college district may enter into contractual arrangements with other public or nonpublic institutions of higher education for the delivery of units of instruction upon approval by ICCB. Criteria for approval of out-of-district agreements for instruction shall be:

- 1) accessibility of instruction to students
- 2) labor market need
- 3) comprehensiveness of available programs for students
- 4) cost-effectiveness in providing instructional programs
- 5) impact on regional and statewide programs
- 6) impact on programs at neighboring community college districts

WHEREAS, Southwest Tech is empowered by virtue of Section 512-39.42 of the State of Wisconsin Revised Statutes which has been amended to:

39.42 Interstate agreements. The board, with the approval of the joint committee on finance, or the governing boards of any publicly supported institution of post-high school education, with the approval of the board and the joint committee on finance, may enter into agreements or understandings which include remission of nonresident tuition for designated categories of students at state institutions of higher education with appropriate state agencies and institutions of higher education in other states to facilitate use of public higher education institutions of this state and other states. Such agreements and understandings shall have as their purpose the mutual improvement of educational advantages for residents of this state and such other states or institutions of other states with which agreements are made.

WHEREAS, the parties hereto believe this Agreement should be one means of implementing a viable method of cooperation between the parties hereto; and

WHEREAS, by means of this Agreement, the parties hereto desire to share programs of each institution and thereby maximize the utilization of the finances, facilities, equipment, and personnel of each institution, and by so doing, provide educational services that might otherwise be impracticable for either of the parties individually; and

WHEREAS, the parties hereto believe that implementation of this Agreement holds great promise for further development of higher education in Illinois and Wisconsin.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

1. INSTITUTIONAL IDENTIFICATION

For the purpose of the Agreement, the district sending the students to another district will be referred to as the “sending district,” and the institution receiving students from another district will be referred to as the “degree granting institution.”

2. TERMS OF AGREEMENT

Any educational program offered by Highland Community College shall be a program approved by the Illinois Community College Board and any program offered by Southwest Wisconsin Technical College shall be a program approved by the Wisconsin Technical College System Board.

The presidents of the participating colleges or their designees will be responsible for the administration of this agreement. The parties to this agreement do not contemplate the joint acquisition of any real or personal property to be used in this joint undertaking.

3. DURATION AND TERMINATION OF AGREEMENT

The administration of each of the parties hereto shall confer and agree upon an educational program to be subject to the terms of this Agreement prior to the beginning of such an instructional offering, and such initial Agreement shall be in force until either party

issues a letter of intent to cancel the Agreement. This Agreement may be terminated at the request of either party provided such notice is given in writing eleven (11) months prior to the affected semester. In the event of termination, students who have entered a program will be allowed a maximum of five years from the date of termination to complete the program under the terms of this Agreement.

4. AMENDMENT TO AGREEMENT

Amendments and/or revisions to this Agreement may be made in writing at any time by mutual consent of all parties. The procedures for approval of such amendments and/or revisions shall follow the same procedure employed in securing approval by all parties in the original cooperative agreement with the exception of amendments and/or revisions to Appendix A. List of Included Programs. Appendix A may be amended and/or revised at any time by mutual consent of the presidents of HCC and Southwest Tech.

5. CLASS SCHEDULES

Institutional class schedules shall be exchanged and kept available for student planning.

6. APPLICATION

Students will be accepted on a first-come, first-served basis, regardless of residency with the exception of selective admission programs.

7. REGISTRATION

The "degree granting institution" shall send (in writing) an annual report each academic year to the "sending institution" listing the student name, student contact information, and program including all district residents from the "sending institution" enrolled under this joint agreement.

Students registering at the "degree granting institution" shall be treated as members of that district for the terms of their enrollments. The "degree granting institution" shall retain the rights to deny registration if the requested courses are not considered to be appropriate to this Agreement.

8. ADDITIONAL EDUCATION SERVICES

The "degree granting institution" shall provide support services for students from the "sending district," similar to those provided for any other student at its campus.

Courses, seminars, workshops, and in-service programs related to any educational program bound by this Agreement may be offered within the district confines of either institution by mutual agreement. Said programs may be carried on singly by the “sending” or “degree granting institution” or jointly by both institutions.

9. AWARDING OF DEGREES

Students who complete their program requirement may participate in commencement exercises at the “degree granting institution.”

10. MINIMUM OF INSTRUCTIONAL DAYS

The parties understand and agree that the minimum amount of instructional time required by the “degree granting institution” will meet the credit requirements for course completion.

11. SCHOLARSHIPS AND STUDENT ACTIVITIES

The “degree granting institution” shall be considered the home district for the student. Students from the “sending district” may be eligible at the “degree granting institution” for any of the extracurricular activities, scholarships, or other recognition of excellence in the program for which they are enrolled at the “degree granting institution.”

The person responsible for financial aid at each institution shall work closely with each other to insure accuracy of records and the greatest support possible to students.

12. RECORDS

The “degree granting institution” shall maintain appropriate full-time equivalency (FTE), head count, program, and course enrollment records for students from the “sending district” in accordance with standard procedures while that student is in attendance and will provide copies of said records to the “sending district” and interested state agencies upon request, so long as established procedures are followed.

13. PUBLICITY

This Agreement shall be duly publicized in the participating districts’ catalogs and other informative brochures consistent with institutional policy or other similar publicity.

14. IDENTIFICATION OF CONDITIONS OF AGREEMENT TO STUDENTS

A student shall be subject to all normal operating rules and conditions of the campus he/she is on at any given time.

15. CONTRACTUAL RATES CHARGED STUDENTS

This contractual rate shall be based upon the institution's in-district, in-state charge.

16. REIMBURSEMENT

The "degree granting institution" shall ascertain whether it is eligible to file any claims for federal reimbursement for any student enrolled in its classes.

17. STATE AND OTHER FUNDING

Private or foundation grants which further the educational goals of and generally benefit all students attending the "degree granting institution," whether or not they are "sending district" students, may be applied for either separately or jointly. In no event shall the ability of either or both parties to obtain federal or state educational funds be jeopardized.

18. FINANCIAL AID

The "degree granting institution" shall provide all financial aid that the student is eligible.

19. VETERAN REPORTING REQUIREMENTS

The "degree granting" district shall meet the reporting requirements of the Veterans Administration.

20. TRANSPORTATION

Students shall be responsible and liable for their own transportation to and from both "sending" and "degree granting" districts.

21. EFFECTIVE DATE

This Agreement shall be effective upon approval of the appropriate boards and agencies and upon filing with appropriate state governing bodies or on March 1, 2013, whichever is later.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in duplicate as of the date and year first above written.

BOARD OF TRUSTEES OF
HIGHLAND COMMUNITY COLLEGE

SOUTHWEST WISCONSIN TECHNICAL COLLEGE
DISTRICT BOARD

CHAIR OF THE BOARD

CHAIR OF THE BOARD

COLLEGE PRESIDENT

COLLEGE PRESIDENT

ATTEST: SECRETARY OF THE BOARD

ATTEST: SECRETARY OF THE BOARD

DATE: _____

DATE: _____

EFFECTIVE DATE: _____

PRESIDENT
WISCONSIN TECHNICAL COLLEGE SYSTEM

JOHN REINEMANN, EXECUTIVE SECRETARY
STATE OF WISCONSIN HIGHER ED AIDS BOARD

Appendix A. List of Included Programs

Southwest Tech Programs Available to HCC Residents

Bricklaying/Masonry
Culinary Specialist
Culinary Management
Dairy Herd Management
Direct Entry Midwife
Food Production Assistant
Electrical Power Distribution
Engineering Technologist
Esthetician
Golf Course Management
Physical Therapist Assistant
Respiratory Care
Pharmacy Technician
Dental Assistant
Human Services Associate
Medical Laboratory Technician
Ag Power and Equipment Technician
Building Trades – Carpentry
Electric Power Distribution
Electromechanical Technology
Fire Safety

HCC Programs Available to Southwest Tech Residents

Associate of Engineering Science
Associate of General Studies
Associate of Arts in Teaching

Paramedic
Quickbooks Professional (offered online)
Professional Tax Preparer
Equine Science
Wind Turbine Technician

Board Monitoring of College Effectiveness

A. Employee Handbook

The Board Reviewing Body is meeting on December 14 to complete the review of the Employee Handbook. The Employee Handbook will be sent to the Board members for review and discussion at the January Board Retreat.

B. Strategic Projects

The Strategic Projects developed for the Board-approved Strategic Directions will be sent to the Board members for review and discussion at the January Board Retreat. The Strategic Projects will guide the budget development for FY2014.

SOUTHWEST WISCONSIN TECHNICAL COLLEGE - STRATEGIC PROJECTS						12/06/2012 FINAL
Strategic Projects	Description	Champion	Targetted fiscal year for work	Completion or implementation deadline	Assessment	Status
Increase college access						
Student recruitment and admission process improvement	Review process, improve efficiency and customer service from first inquiry to start of classes for incoming student	Laura Nyberg-Comins, Process Improvement/IT Supervisor	2013 and beyond	On-going	Impact on access	In progress
Master schedule improvement	Improve schedule development process. Improve schedule to optimize opportunity for students.	Phil Thomas	2013	January 2013	Completion, satisfaction, impact on access	In progress
Alternative delivery times	Review and, as appropriate, implement alternative delivery days and times including "late state" courses and nail technology certificate at night.	Phil Thomas, Joyce Czajkowski, Joy Kite	2013	January 2013	Impact on completion and success	In progress
Outreach site programs/classes	AQIP ACTION PROJECT: Offer classes, programs, and credentials aimed at improved service to time and place bound adult students.	Phil Thomas, Julie Pluemer, Deans	2013 and beyond	January 2013	Impact on access	In progress
Program array process	Develop and implement a systematic process for determining what programs we should terminate, expand, or add. Potential programs for review as soon as this process has been developed: general education certificate, child care certificate, customer service certificate, MS Office specialist certificate, general business certificate, sales certificate, dispatch training certificate, supply chain management, digital photography and imaging, and agriculture resource center programming. Seek to identify program clusters that will draw students from in and outside our District.	Phil Thomas	2013	June 2013	Completion, impact on access	In progress
Low enrollment programs	Complete plans devised by program faculty members with regard to changes directed to increasing enrollment, including changes to the curriculum, co-curriculum, location, mode of delivery, scheduling, marketing, and/or other programmatic features and activities. Take action on these programs.	Duane Ford, Phil Thomas, Caleb White	2013	May 2013	Impact on access	In progress

Strategic Projects	Description	Champion	Targetted fiscal year for work	Completion or implementation deadline	Assessment	Status
Bridge programs for adult students	Expand MSSC, computer literacy, Bridges to Health Care, and similar programs focused on helping students into jobs or CTE. Develop new bridges, such as "Bridges2Business Careers."	Phil Thomas, Julie Pluemer, Derek Dachelet, Deans	2013 and beyond	January 2013	Impact on access	In progress
1+1 with Nicolet for AA/AS	Implement , market	Phil Thomas & Derek Dachelet	2013	August 2013	Impact on access	In progress
AAS in Culinary Arts	Obtain approval and implement	Joyce Czajkowski, Jeff Dombeck	2013	August 2013	Approval, impact on access	In progress
Health information technology	Develop program to replace Medical Transcription	Katie Garrity, Earla White	2013	August 2013	Impact on access	In progress
Online education strategy and resources	Strategic planning for online education, to include decisions about programming, software, and IT support needed	Phil Thomas	2013	June 2013	Completion, impact on access when implemented	
Competency based delivery	Develop supervisory management (pilot) and two manufacturing programs as agreed to for the TAACCCT grant.	Phil Thomas & Joyce Czajkowski	2013 Supervisory Management, 2014-2015 manufacturing programs	2013-2015	Impact on access	In progress
Esthetician delivery	Develop theory classes online with practical applications courses offered at convenient times	Joyce Czajkowski, Gerri Rueter	TBD	TBD	Impact on access	
Direct entry midwife licensing	Develop a business plan and feasibility study. Implement if feasible	Katie Garrity, Sherry Devries, Karyl Nicholson, Paul Bell	2013 and 2014	January 2013 for plan; January 2014 for startup	Completion of the plan, impact on access if implemented	In progress
Wait lists	Explore ways to eliminate wait lists	Phil Thomas and Deans	2013 - on-going	TBD	Impace on access	In progress
Assess continuing education opportunities	Explore the costs/benefits and market for skill and personal enrichment classes	TBD	TBD	TBD	TBD	

Strategic Projects	Description	Champion	Targetted fiscal year for work	Completion or implementation deadline	Assessment	Status
Improve student completion and success						
Learning excellence initiative	POTENTIAL NEW AQIP ACTION PROJECT: Define project, seek HLC approval, implement	Phil Thomas, Student and Acedemic Affairs Council	2013	TBD	Impact on access, completion, and success	In progress
Retention	Develop a strategic and comprehensive student retention plan	Phil Thomas, Student and Acedemic Affairs Council	2013	TBD	Impact on completion and success	In progress
Career coaching	Implement plans for using our newly developed career coaching expertise, assist students with better program choices using career pathways model	Laura Nyberg-Comins	2013	June 2013	Impact on access, completion, and success	In progress
Career placement services	Develop plans for comprehensive career placement services. Implement.	Laura Nyberg-Comins	2013-2014	TBD	TBD	In progress
General education tied to programs	Offer general education courses that are specifically designed for technical programs that require that course; without llimiting students' ability to transfer credits to four-year universities.	Joyce Czajkowski, Chantel Hampton, Jessica Brogley, Pete Esser, Julie Pluemer	TBD	TBD	Impact on completion and success	
Review remedial education	Exam current and best practices including "clustered alternative delivery classes using a self-paced model as well as online, outreach, and independent study classes; recommend changes	Phil Thomas	TBD	TBD	Impact on completion and success	
Credit for prior learning	Develop systems that allow students to obtain advanced standing or transcribed credit for prior life experience and other non-credit courses or experiences; Needed for TAACCCT grant and for accelerated CNC Setup/Operator	Phil Thomas, Deans	2013	2013-2015	Impact on completion and success	
CLEP test site	Explore opportunity to become a CLEP test site, implement is feasible and desireable	Joyce Czajkowski, Laura Nyberg-Comins	TBD	TBD	Impact on completion and success	
Entrepreneurship programming	Identfy and support a champion. Explore non-credit and credit options. Explore opportunities for partnership with NICC. Explore grant opportunities.	Joyce Czajkowski, Karyl Nicholson, Duane Ford	2013	TBD	Impact on placement, business and job creation	In progress

Strategic Projects	Description	Champion	Targetted fiscal year for work	Completion or implementation deadline	Assessment	Status
Strengthen partnerships						
Dual enrollment in general education	Develop and expand articulation agreements including in general education	Julie Pluemer	2013 and beyond	On-going	Schools, agreements, and student numbers	In progress
K-12 Collaborative innovation grants	Implement grant program to promote collaboration between two or more schools and Southwest Tech for the purpose of advancing CTE	Julie Pluemer	RFP in 2013, grants awarded for 2014	Spring 2013	Satisfaction, impact on CTE and access	In progress
Expand BS completion opportunities on the Southwest Tech campus	Find a university partners willing to offer BS completion programs here, particularly in nursing, public safety, and human services	Katie Garrity, Julie Pluemer, Kris Wubben	2013 - 2014	TBD	Project completion	
Health clinic services	Offer on-campus part-time dental services for the public; explore options for offering additional clinic services.	Katie Garrity	2013-2014	August 2013	Project completion	In progress
Guaranteed admission	Improve articulation agreements and seek guaranteed admission at key UW universities for 1+1 AA/AS graduates	Phil Thomas, Joyce Czajkowski, Julie Pluemer, Duane Ford	2013	Spring 2013	Project completion	
CNC Setup/Operator acceleration	Develop an accelerated CNC Setup/Operator program; explore opportunity to partner with NICC	Phil Thomas, Derek Dachelet, Jason Robbins	2013	TBD	Project completion; student success	
CJ-Security agency agreements	Work with Dubuque and Madison security agencies to have a relationship to hire our CJ students	Kris Wubben	2013	TBD	More jobs other than patrol	
Program accreditation	HIT, MLT, PTA, and DEM	Katie Garrity	2012-2014	TBD	Accreditation received	In progress
Create a cohesive culture						
Internal communication	Develop and implement effective, efficient internal communications systems to replace newsletters; tied to Sharepoint review discussion	Derek Dachelet, Laura Nyberg-Comins, Laura Bodenbender, Process Improvement/IT Supervisor	2013	ASAP	Project completion, employee satisfaction	In progress

Strategic Projects	Description	Champion	Targetted fiscal year for work	Completion or implementation deadline	Assessment	Status
Employee handbook	Complete and implement the handbook	Laura Bodenbender	2013	Complete by June 30, 2013, implement thereafter	Project completion	In progress
New committee structure	Determine what standing committees are needed, complete operating charters for all committees	President's Cabinet Members	2013	June 30, 2013	Project completion	In progress
Job descriptions	Develop and implement job descriptions for all positions	Laura Bodenbender	2013	June 30, 2013	Project completion	In progress
Performance evaluation systems	Develop and implement performance evaluation systems	Laura Bodenbender and President's Cabinet Members	2013	July 1, 2013	Project completion	
50th Anniversary Celebration	Put together planning committee, plan, implement	MJ Dachelet, Betsy Tollefson	Planning 2013-2014, Implement 2015-2018	TBD	Project completion, new friends raised	In progress
Employee satisfaction survey	Assess employee satisfaction annually. Establish benchmarks for evaluation	Laura Bodenbender and Barb Tucker	2014	TBD	Project completion, data used to create a more cohesive campus culture	
Prioritize customer service						
Customer service standards	Develop expectations for customer service	Phil Thomas, Laura Nyberg-Comins, Caleb White	2013	July 1, 2013	Project completion	
Improve the online schedule	Current schedule not searchable or user friendly.	IT Supervisor, Mike Steffel	TBD	TBD	Project completion	
Student life plan	Develop a comprehensive student life strategy	Laura Nyberg-Comins, Heather Fifrick	2013-2014	TBD	Project completion	
Advance infrastructure						
Certification	Develop a program to automate the submission process	Laura Bodenbender, IT Supervisor	TBD	TBD	Project completion	
Curriculum integrity	Assure curriculum is updated and in compliance with WIDS and widely communicated.	Deans, Julie Pluemer	On-going	On-going	Uniform WIDS compliance	In progress
Retention software	Review software and implement as appropriate software to assist in the prediction of and early intervention with at-risk students	Deans, IT Supervisor	2014	TBD	Impact on completion and success	TBD
New website	Replace current platform and content management system	Mike Steffel	2013	TBD	Project completion	In progress

Strategic Projects	Description	Champion	Targetted fiscal year for work	Completion or implementation deadline	Assessment	Status
Non-credit registration	Students cannot register for non-credit classes online.	Lisa Riley	2013	May 2013	Project completion	In progress
Credit registration	Work out the problem with students who have a prior Southwest Tech record, fully automate system	IT Supervisor, Laura Nyberg-Comins	2013	ASAP	Project completion	In progress
Implement COMPASS	Change processes and IT systems to allow implementation	Laura Nyberg-Comins, Lisa Riley	2013	May 2013	Project completion	In progress
Prospects document management	Support student recruitment	Jackie Budd	2013	December 2012	Project completion	In progress
Student email	Review options	Judy Gosse	2013	December 2012	Project completion	In progress
ImageNow	Continue move to paperless records and documents	Dave Friesen	2013	March 2013	Project completion	In progress
SharePoint redesign	What do we want and need from SharePoint? Is it the best software?	Jackie Budd	2013	March 2013	Project completion	In progress
Mosaic implementation	New version of CAMS	Lisa Riley	2014	June 2014	Project completion	
Eliminate "side" and "shadow" systems	Use our ERP	Barb Tucker, Lisa Riley, & Bob Thompson	2014	June 2014	Project completion	
Data warehouse	Create a warehouse that will allow people to access and run queries.	TBD	2014-2015	TBD	Project completion	
Simulated work environment	To support teaching and to apply selling, interviewing, conflict management techniques in as a more realistic approach to learning and application of curriculum.	Joyce Czajkowski, Paul Bell, Karyl Nicholson, Chantel Hampton, Doug Pearson	TBD	TBD	Project completion	
Expanded Esthetician lab space	Review options and plan	Joyce Czajkowski, Gerri Reuter, Doug Pearson	2013	TBD	Project completion	In progress
Outreach sites	Improved space and infrastructure in those spaces.	Doug Pearson	2013	TBD	Project completion	In progress
Campus site improvements	Outdoor dining area and build golf green	Doug Pearson	2013-2014	TBD	Project completion	In progress
Building 400 Student Services renovation		Doug Pearson	Plan 2013; construct 2013	TBD	Project completion	In progress

Strategic Projects	Description	Champion	Targetted fiscal year for work	Completion or implementation deadline	Assessment	Status
Building 400 Student Activities Center	Renovate 415	Doug Pearson	Plan 2013; construct 2013	TBD	Project completion	In progress
Building 300 administration area	Renovate	Doug Pearson	Plan 2013; construct 2014	TBD	Project completion	In design, Board approvals needed
Building 300 Library, ASC, and CLI	Renovate	Doug Pearson	Plan 2013 or 2014; construct 2015	TBD	Project completion	Board approvals needed
Building 500 cosmetology upgrades	HVAC, workstations, and painting	Doug Pearson	Plan 2013; construct 2014	TBD	Project completion	Board approvals needed
PSC internal connector road	Working with national guard.	Doug Pearson	Plan 2013; construct 2013 or 2014	TBD	Project completion	In progress
PSC pole barn	Storage and other space for agriculture, public safety vehicles, etc.	Doug Pearson	2015	TBD	Project completion	Board approvals needed
PSC paving	PSC pave lot and drive around EVOC track	Doug Pearson	TBD	TBD	Project completion	Board approvals needed
Building 700	Discuss and act on options	Doug Pearson	2015	TBD	Project completion	Board approvals needed
Building 100 & 200 entrance replacement		Doug Pearson	2015	TBD	Project completion	Board approvals needed
PSC shooting range improvement	Raise north berm height	Doug Pearson	2014	TBD	Project completion	Board approvals needed
Promote fiscal efficiency and sustainability						
Review Farm Business and Production Management	Develop and implement a strategy for even greater success	Joyce Czajkowski, Derek Dachelet, Deb Ihm	2013	June 2013	Impact on completion and success	In progress
Metrics and dashboards	Develop a set of metrics we will observe and dashboards to observe them with.	Barb Tucker	2013	June 2013		In progress
Benchmarking	AQIP ACTION PROJECT: Expand benchmarking to aid in continuous improvement	Barb Tucker	2012-2013	June 2013	Project completion	In progress
Alternative revenues	Seek and capitalize on grant, contract, and entrepreneurial opportunities	President's Cabinet	On-going	On-going	Opportunity identification, feasibility and business plan development, implementation, return on investment	In progress

Strategic Projects	Description	Champion	Targetted fiscal year for work	Completion or implementation deadline	Assessment	Status
Employee clinic	Explore options and implement if feasible an employee clinic	Duane Ford, Laura Bodenbender, Katie Garrity, Caleb White	2013	TBD	Reduce health care costs for employees and college	In progress
New textbook models	Evaluate if we should move to ebooks, a rental system, or some other model	Caleb White, Nancy Devlin	2014	December 2014	Project completion	
Process mapping training	President's Cabinet	Phil Thomas, Julie Pluemer	2013		Project completion	In progress
Write AQIP System Portfolio	HLC Accreditation renewal	Phil Thomas	2013-2014	May 30, 2014	Project completion; continued HLC accreditation	In progress
Align funding with strategic projects	Operations budget, curriculum development funds, professional development funds, etc. need to align with strategic directions and projects	Duane Ford, Phil Thomas, Caleb White	On-going	On-going	Project completion	In progress

Information and Correspondence

A. College President's Report

1. Potential Joint Position in Housing/Student Activities
2. Discussions with NICC
3. Student Activities Center

Establish Board Agenda Items for Next Meeting

A. Agenda

1. Employee Handbook & Policy Adoption/Review
2. Strategic Projects
3. College Goals
4. Review of Governance Policy Manual
5. Culinary Arts Program Proposal
6. Student Success

B. Time and Place

Board Retreat - Friday, January 25, 2013, and Saturday, January 26, 2013, in Prairie du Chien, WI, at the Country Inn & Suites

Adjournment